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FOR IMMEDIATE RELEASE
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All amounts in Canadian dollars unless indicated otherwise

Toronto, Canada – Inmet's 2006 third quarter results more than double the same period in 2005

Highlights for the third quarter

- **Higher net income per share**
  Net income per share this quarter was $2.31 compared to $0.80 for the same period in 2005.

- **Higher operating cash flow per share**
  Operating cash flow before working capital increased to $129.5 million or $2.68 per common share from $49.4 million or $1.10 per common share for the same period in 2005.

- **On target for copper production in 2006**
  We are on target to achieve our 2006 objective of 80,000 tonnes of copper. We have lowered our original 2006 objective for zinc to 74,000 tonnes because mining of some zinc-rich zones at Pyhäsalmi and Çayeli has been pushed out to 2007.

- **Progress at Las Cruces continues on schedule**
  Construction is well underway. The dewatering and re-injection system is operating as expected and more than six million cubic metres of overburden have been removed from the future pit.

Key financial data

	three months ended September 30			nine months ended September 30		
	2006	2005	**change**	**2006**	2005	**change**
FINANCIAL HIGHLIGHTS						
(thousands, except per share amounts)						
Sales						
Gross sales	**$301,100**	$178,170	**+69%**	**$828,958**	$517,824	**+ 60%**
Net income						
Net income	**$111,582**	$35,934	**+ 211%**	**$323,233**	$96,389	**+ 235%**
Net income per share	**$2.31**	$0.80	**+ 189%**	**$6.71**	$2.25	**+ 198%**
Adjusted net income (3), (4)	**$111,582**	$35,934	**+ 211%**	**$299,328**	$96,389	**+ 211%**
Adjusted net income per share (3), (4)	**$2.31**	$0.80	**+ 189%**	**$6.21**	$2.25	**+ 176%**
Cash flow (3), (4)						
Cash flow provided by operating activities (before working capital)	**$129,486**	$49,423	**+ 162%**	**$320,463**	$137,243	**+ 134%**
Cash flow provided by operating activities per share (before working capital)	**$2.68**	$1.10	**+ 144%**	**$6.65**	$3.21	**+ 107%**
OPERATING HIGHLIGHTS						
Production (1)						
Copper (tonnes)	**20,700**	19,300	**+ 7%**	**60,900**	60,900	**-**
Zinc (tonnes)	**16,500**	25,000	**- 34%**	**53,100**	61,500	**- 14%**
Gold (ounces)	**57,900**	64,200	**- 10%**	**182,800**	202,900	**- 10%**
Cash costs						
Copper (US $ per pound) (2), (3)	**$0.38**	$0.40	**- 5%**	**$0.36**	$0.50	**- 28%**
Gold (US $ per ounce) (3), (4)	**$366**	$348	**+ 5%**	**$350**	$293	**+ 19%**

FINANCIAL CONDITION	**as at September 30 2006**	as at December 31 2005
Current ratio	**4.5 to 1**	4.0 to 1
Long-term debt to total capitalization	**7%**	5%
Net working capital balance	**$555 million**	$301 million
Cash balance	**$556 million**	$252 million
Shareholders' equity (4)	**$945 million**	$624 million

(1) Inmet's share
(2) Çayeli and Pyhäsalmi zinc production and Ok Tedi gold production are included as metal credits.
(3) See reconciliation of non-GAAP measures on page 37 to see how these costs are calculated.
(4) 2005 amounts are restated because we adopted CICA *EIC 160 – Stripping Costs Incurred in the Production Phase of an Operation* (see *Accounting changes* on page 7).

The business environment

We realized the following rates and prices this quarter and year to date. These have a significant impact on our business.

	three months ended September 30		nine months ended September 30	
	2006	2005	**2006**	2005
Metal prices				
Copper (per pound)	**US $3.60**	US $1.81	**US $3.35**	US $1.64
Zinc (per pound)	**US $1.56**	US $0.63	**US $1.37**	US $0.60
Gold (per ounce)	**US $534**	US $396	**US $511**	US $399
Treatment charges				
Copper (per tonne)	**US $93**	US $90	**US $93**	US $86
Zinc (per tonne)	**US $110**	US $125	**US $103**	US $124
Freight charges				
Copper (per tonne)	**US $43**	US $41	**US $42**	US $43
Zinc (per tonne)	**US $21**	US $22	**US $18**	US $23
Statutory tax rates				
Çayeli	**20%**	30%	**20%**	30%
Pyhäsalmi	**26%**	26%	**26%**	26%
Ok Tedi	**37%**	37%	**37%**	37%
Exchange rates				
1 US $ to C$	**$1.12**	$1.20	**$1.13**	$1.22
1 euro to C$	**$1.43**	$1.46	**$1.41**	$1.55

Metal prices
Higher copper and zinc prices increased our gross sales this quarter by $127 million and by $337 million in the first nine months of 2006. Higher metal prices increased our earnings and cash flow, but this also increased certain costs including the price participation we pay to smelters, income taxes, royalties we pay at Çayeli, and employee bonus compensation we pay at Ok Tedi.

Treatment charges
Zinc treatment charges continued to be significantly lower this quarter and in the first nine months of 2006, compared to the same periods last year, because of a growing shortage of zinc concentrates and strong demand from the smelters. Overall copper and zinc smelter processing charges, which include treatment charges and price participation, were higher than 2005 because of higher metal prices.

Freight charges
Zinc freight charges for the year to date were lower than 2005 because of an increase in the availability of cargo ships. We expect freight charges to be higher for the rest of 2006 because we will be shipping to locations further away from our operations.

Exchange rates
Canadian dollar revenue and earnings were negatively affected in the third quarter and year to date compared to the same periods last year because of the continued strengthening of the Canadian dollar relative to the US dollar and the euro. This reduced gross sales in the third quarter by $11 million and year to date by $40 million. It also lowered net income in the third quarter by $5 million and lowered year to date net income by $18 million.

Third quarter report

In this report, *Inmet* means Inmet Mining Corporation and *we*, *us* and *our* mean Inmet and/or its subsidiaries and joint ventures.

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This press release contains statements about our future financial condition, results of operations and business.

These are "forward-looking" because we have used what we know and expect today to make a statement about the future. Forward-looking statements usually include words such as *may, expect, anticipate, believe* or other similar words. We believe the expectations reflected in such forward-looking statements are reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our business or events that happen after the date of this press release. You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations.

Where to find it

Our financial results

(thousands, except per share amounts)	three months ended September 30			nine months ended September 30		
	2006	2005	**change**	**2006**	2005	**change**
EARNINGS FROM OPERATIONS[1]						
Çayeli	**$60,347**	$24,209	+ 149%	**$149,553**	$44,178	+ 239%
Pyhäsalmi	**35,854**	19,836	+ 81%	**94,088**	45,773	+ 106%
Troilus	**2,115**	(2,554)	+ 183%	**4,805**	7,919	- 39%
Ok Tedi	**60,011**	22,582	+ 166%	**163,660**	65,587	+ 150%
Provisions for mine rehabilitation at closed sites	**(414)**	(505)	- 18%	**(1,368)**	(1,518)	- 10%
	157,913	63,568	+ 148%	**410,738**	161,939	+ 154%
DEVELOPMENT AND EXPLORATION						
Corporate development and exploration	**(2,708)**	(1,888)	+ 43%	**(5,618)**	(5,181)	+ 8%
CORPORATE COSTS						
General and administration	**(2,618)**	(1,351)		**(7,612)**	(5,132)	
Investment and other income (expense)	**2,257**	(3,401)		**6,637**	(4,165)	
Interest expense	**(412)**	(409)		**(1,194)**	(1,560)	
Income and capital taxes	**(42,861)**	(20,585)		**(103,788)**	(49,512)	
Non-controlling interest	**11**	-		**165**	-	
	(43,623)	(25,746)	+ 69%	**(105,792)**	(60,369)	+ 75%
Net income before other items	**$111,582**	$35,934	+ 211%	**$299,328**	$96,389	+ 211%
Gain on sale of Izok	**-**	-	-	**23,905**	-	-
Net income	**$111,582**	$35,934	+ 211%	**$323,233**	$96,389	+ 235%
Basic net income per share	**$2.31**	$0.80	+ 189%	**$6.71**	$2.25	+ 198%
Diluted net income per share	**$2.31**	$0.80	+ 189%	**$6.70**	$2.24	+ 199%
Weighted average shares outstanding	**48,274**	44,811		**48,190**	42,757	

(1) Sales less smelter processing charges and freight, cost of sales, depreciation and provisions for mine rehabilitation.

Key changes in 2006

(millions)	three months ended September 30	nine months ended September 30	see page
EARNINGS FROM OPERATIONS			
Sales			
Higher metal prices denominated in Canadian dollars	$135	$350	8
Lower sales volumes	(9)	(24)	9
Costs			
Higher smelter processing charges and freight	(24)	(60)	10
Higher royalties and compensation (because of higher earnings)	(4)	(12)	10
Higher operating costs	(3)	(4)	9
Other	(1)	(1)	
Increase in earnings from operations, compared to 2005	**94**	**249**	
CORPORATE COSTS			
Higher taxes from higher income	(24)	(68)	13
Lower taxes from reduced rates	2	14	13
Gain on sale of Izok	-	24	12
Redemption costs of debentures	-	7	12
Non-cash expense from settlement of pension liability	4	4	12
Other	-	(3)	
Increase in net income, compared to 2005	**$76**	**$227**	

Understanding our performance

Metal prices and exchange rates
Our operations continued to benefit from high metal prices during the third quarter and for the year to date.

Copper and zinc prices continued to fluctuate around their record highs. The average London Metal Exchange (LME) cash price this quarter was US $3.48 per pound for copper, up significantly from US $1.70 in 2005, and US $1.52 per pound for zinc, compared to US $0.59 per pound in 2005. The gold price for the quarter continued to be strong but the gold price we ultimately realized was lower because we hedged some of our production at Troilus and Ok Tedi.

The stronger Canadian dollar relative to the US dollar and the euro reduced costs at our operations on a Canadian dollar basis, but also lowered gross sales. The net result of the stronger Canadian dollar was that gross sales this quarter were $11 million lower than the same period in 2005 and net income was $5 million lower. Similarly, gross sales year to date were $40 million lower than 2005, and net income was $18 million lower because of the stronger Canadian dollar.

The following table shows the metal prices, in US dollars and Canadian dollars, and exchange rates we realized in the third quarter and year to date. Realized metal prices include the impact of finalization adjustments.

	three months ended September 30		**three months ended September 30**		
	2006	2005	**2006**	2005	**C$ change**
Copper (per pound)	**US $3.60**	US $1.81	**C$ 4.03**	C $2.17	+ 86%
Zinc (per pound)	**US $1.56**	US $0.63	**C$ 1.75**	C $0.76	+ 130%
Gold (per ounce)	**US $534**	US $396	**C$ 598**	C $475	+26%
1 US$ to C$	**$1.12**	$1.20			
1 euro to C$	**$1.43**	$1.46			

	nine months ended September 30		**nine months ended September 30**		
	2006	2005	**2006**	2005	**C$ change**
Copper (per pound)	**US $3.35**	US $1.64	**C$ 3.79**	C $2.00	+ 90%
Zinc (per pound)	**US $1.37**	US $0.60	**C$ 1.55**	C $0.73	+ 112%
Gold (per ounce)	**US $511**	US $399	**C$ 577**	C $487	+ 18%
1 US$ to C$	**$1.13**	$1.22			
1 euro to C$	**$1.41**	$1.55			

Comparing our results
On August 22, 2005, we acquired a 70 percent indirect interest in the Las Cruces copper project, and issued 5.6 million Inmet common shares valued at $91 million to a wholly-owned subsidiary of Leucadia National Corporation as consideration. We consolidated the Las Cruces balance sheet and income statement as of that date.

Accounting changes
We adopted CICA's abstract *EIC 160 – Stripping Costs Incurred in the Production Phase of an Operation* retroactively, effective January 1, 2006.

The abstract allows companies to capitalize the costs of stripping, such as the removal of overburden and mine waste materials, when the stripping provides access to reserves that would not otherwise have been accessible and that will be mined in the future. These stripping costs can be amortized over the reserves directly affected by the stripping activity.

Previously, we capitalized mining costs associated with waste removal rock in relation to the stripping ratio for the entire ore body. We then amortized the capital over the life of the ore body using the same stripping ratio.

We expensed some previously deferred stripping costs, which resulted in the following changes to our 2005 financial statements:

- increased the third quarter's cost of sales by $0.9 million ($0.9 million for the nine months)
- decreased the third quarter's earnings per common share and diluted earnings per common share by $0.02 ($0.02 for the nine months)
- lowered property, plant and equipment on the balance sheet by $22.2 million at December 31
- increased future income tax asset on the balance sheet by $5.0 million at December 31
- lowered opening 2005 retained earnings by $15.5 million.

If we had continued with our previous accounting policy for stripping costs, we would have amortized $1 million this quarter and capitalized $1 million in the first nine months of 2006.

EARNINGS FROM OPERATIONS

We calculate earnings from operations by taking the revenues generated from the sale of metals, less the costs associated with those sales, and then subtracting depreciation charges for capital investments and provisions for mine rehabilitation.

1. Gross sales this quarter were 69% higher compared to the same period last year

	three months ended September 30			nine months ended September 30		
(thousands)	**2006**	2005	**change**	**2006**	2005	**change**
Gross sales by operation						
Çayeli	**$105,916**	$56,321	+ 88%	**$282,694**	$147,327	+ 92%
Pyhäsalmi	**64,436**	47,154	+ 37%	**185,678**	126,314	+ 47%
Troilus	**29,274**	22,275	+ 31%	**77,515**	83,021	- 7%
Ok Tedi (1)	**101,474**	52,420	+ 94%	**283,071**	161,162	+ 76%
	$301,100	178,170	+ 69%	**$828,958**	$517,824	+ 60%
Gross sales by metal						
Copper	**$195,510**	$98,051	+ 99%	**$511,117**	$282,573	+ 81%
Zinc	**57,378**	41,374	+ 39%	**182,437**	100,363	+ 82%
Gold	**37,544**	30,755	+ 22%	**105,808**	106,254	-
Other	**10,668**	7,990	+ 34%	**29,596**	28,634	+ 3%
	$301,100	$178,170	+ 69%	**$828,958**	$517,824	+ 60%

(1) Our 18 percent share of Ok Tedi's sales

…mainly because of higher copper and zinc prices

(millions)	**three months ended September 30**	**nine months ended September 30**
Higher copper prices, denominated in C$	$95	$242
Higher zinc prices, denominated in C$	32	95
Higher gold prices, denominated in C$	7	12
Lower sales volumes	(11)	(38)
Increase in gross sales, compared to 2005	**$123**	**$311**

The metal prices and exchange rates we used are shown on page 6.

We record sales using the metal price on sales settled during the reporting period. For sales that have not been settled, we use an estimate based on the month we expect the sale to settle and the commodity's forward rate at the end of the reporting period. We recognize the difference between our estimate and the final price by adjusting our gross sales in the period when we settle the sale (finalization adjustment).

We recorded the following this quarter:

- copper sales prices at US $3.60 per pound based on:
  - copper sales at US $3.44 per pound
  - an increase in gross copper sales of approximately $8 million (US $0.16 per pound) from finalization adjustments.
- zinc sales prices at US $1.56 per pound based on:
  - zinc sales at US $1.52 per pound
  - an increase in gross zinc sales of approximately $1 million (US $0.04 per pound) from finalization adjustments.

The following related costs reduced the impact of the $9 million in total finalization adjustments:

- an additional $2 million in smelter processing charges
- an additional $0.3 million in royalties and variable compensation
- an additional $2 million in income tax expense.

At September 30, 2006, outstanding receivables included 39 million pounds of copper provisionally priced (before finalization adjustments) at US $3.43 per pound, and 14 million pounds of zinc provisionally valued at US $1.52 per pound.

…which more than offset lower zinc sales volumes

	three months ended September 30			nine months ended September 30		
	2006	2005	**Change**	**2006**	2005	**change**
Sales volumes						
Copper (tonnes)	**22,000**	20,800	+ 6%	**60,800**	63,900	- 5%
Zinc (tonnes)	**15,000**	24,400	- 39%	**53,900**	61,600	- 13%
Gold (ounces)	**62,900**	63,100	-	**182,300**	209,500	- 13%

Copper sales volumes were slightly higher this quarter compared to the third quarter of 2005 because of higher production at Çayeli and the timing of shipments at Çayeli and Ok Tedi. Zinc sales volumes in the third quarter and for the year to date were lower than the same periods last year, mainly because of lower zinc production.

Gold sales volumes year to date were lower than the same period in 2005 mainly because of lower production at Troilus.

Outlook for sales

We expect copper sales to be similar to 2005 based on our production estimates. We expect zinc and gold sales volumes to be lower than originally anticipated because of lower production. Zinc revenues, however, should be higher because of higher zinc prices.

The total amount we receive in Canadian dollars is affected by US dollar denominated metal prices and the US dollar to Canadian dollar exchange rate.

2. Costs this quarter were higher than 2005

Costs include our cost of sales (direct production costs, including non-cash production related costs) and smelter processing charges.

Our cost of sales this quarter was 14% higher than 2005…

	three months ended September 30			nine months ended September 30		
(thousands)	**2006**	2005	**change**	**2006**	2005	**change**
Cost of sales by operation						
Çayeli	**$18,034**	$15,493	+ 16%	**$55,092**	$52,237	+ 5%
Pyhäsalmi	**11,135**	10,590	+ 5%	**35,999**	34,889	+ 3%
Troilus	**20,909**	20,102	+ 4%	**56,422**	58,664	- 4%
Ok Tedi (1)	**23,400**	17,879	+ 31%	**69,224**	61,913	+ 12%
Other	**414**	505	- 18%	**1,368**	1,518	- 10%
	$73,892	$64,569	+ 14%	**$218,105**	$209,221	+ 4%

(1) Includes our 18 percent share of Ok Tedi's cost of sales.

…mainly because royalty and compensation payments were higher

(millions)	three months ended September 30	nine months ended September 30
Higher (lower) sales volume	$1	$(9)
Energy costs	3	5
Labour costs	-	2
Royalties at Çayeli	2	7
Compensation at Ok Tedi	2	5
Other	1	(1)
Increase in cost of sales, compared to 2005	**$9**	**$9**

…and because higher metal prices increased smelter processing charges

	three months ended September 30			nine months ended September 30		
(thousands)	**2006**	2005	**change**	**2006**	2005	**change**
Smelter processing charges and freight by operation						
Çayeli	**$25,713**	$14,877	+ 73%	**$72,503**	$45,436	+ 60%
Pyhäsalmi	**15,111**	14,375	+ 5%	**49,307**	37,976	+ 30%
Troilus	**3,127**	2,090	+ 50%	**8,214**	9,046	- 9%
Ok Tedi (1)	**16,319**	10,842	+51%	**45,576**	30,078	+ 52%
	$60,270	$42,184	+ 43%	**$175,600**	$122,536	+ 43%
Smelter processing charges and freight by metal						
Copper (1)	**$35,018**	$23,777	+ 47%	**$97,839**	$71,621	+ 37%
Zinc	**22,783**	15,873	+ 44%	**70,304**	42,931	+ 64%
Other	**2,469**	2,534	- 3%	**7,457**	7,984	- 7%
	$60,270	$42,184	+ 43%	**$175,600**	$122,536	+ 43%

(1) Includes our 18 percent share of Ok Tedi's processing charges and freight.

Smelter processing charges include treatment charges and price participation. Zinc treatment charges per tonne of concentrate in the third quarter and for the year to date were lower than the same periods last year because of a shortage of zinc concentrates in 2006.

Smelter processing charges and freight, which include treatment charges and price participation, were 43 percent higher this quarter and year to date compared to the same periods last year mainly because of the impact higher metal prices had on price participation.

Outlook for costs
We expect our costs to be consistent with third quarter of 2006 and higher than 2005 mainly because of inflationary factors. We also expect that:

- royalties at Çayeli will increase as its net income increases
- employee compensation costs at Ok Tedi will increase as higher earnings increase cash flows
- smelter processing charges will continue to be higher as long as metal prices stay high.

During recent mid-year negotiations, mining companies successfully limited the price participation that smelters have charged over the last couple of years. We expect this to continue.

The total amount we spend in Canadian dollars is also affected by the US dollar and euro to Canadian dollar exchange rates.

3. Depreciation is higher than last year

(thousands)	three months ended September 30 2006	2005	change	nine months ended September 30 2006	2005	change
Depreciation by operation						
Çayeli	**$1,822**	$1,742	+ 5%	**$5,546**	$5,476	+ 1%
Pyhäsalmi	**2,336**	2,353	- 1%	**6,284**	7,676	- 18%
Troilus	**3,123**	2,637	+ 18%	**8,074**	7,392	+ 9%
Ok Tedi	**1,744**	1,117	+ 56%	**4,611**	3,584	+ 29%
	$9,025	$7,849	+ 15%	**$24,515**	$24,128	+ 2%

Depreciation was higher than the same periods in 2005 mainly because of higher sales volumes at Ok Tedi. We depreciate most of our capital investments for each operation over the life of the mine as reserves are depleted.

Outlook for depreciation
We expect depreciation to be consistent with the first nine months of 2006.

CORPORATE COSTS

Corporate costs include general and administration costs, taxes and interest. We also record income from investments in this category, as well as income we receive from other transactions.

1. The gain on the sale of Izok increased investment and other income year to date

	three months ended September 30		nine months ended September 30	
(thousands)	**2006**	2005	**2006**	2005
Gain on sale of Izok	**$ -**	$ -	**$23,905**	$ -
Interest and dividend income	**4,483**	2,096	**8,720**	7,162
Foreign exchange loss	**(2,390)**	(1,193)	**(2,610)**	(1,240)
Redemption costs of debentures	**-**	-	**-**	(6,631)
Non-cash expense from settlement of pension liability	**-**	(4,100)	**-**	(4,100)
Share consideration received	**-**	-	**-**	1,243
Other	**164**	(204)	**527**	(599)
	$2,257	$(3,401)	**$30,542**	$(4,165)

Gain on sale of Izok
On March 31, 2006 we sold our interest in the Izok development property to Wolfden Resources Inc., and recorded a gain of $23.9 million. In exchange, we received 13.5 million common shares of Wolfden, which represented approximately 18 percent of its issued and outstanding common shares on that date.

Interest and dividend income
Interest income was higher for the third quarter of 2006 and year to date compared to the same periods in 2005 because of higher cash balances this year.

Foreign exchange loss
Included in the foreign exchange loss for the third quarter of 2006 is a $1 million loss from the payment of a dividend from Çayeli. The remaining foreign exchange losses are a result of revaluing certain foreign balances.

Redemption costs of debentures
In 2005, we redeemed our convertible debentures for cash, and expensed the difference between the carrying value of the debentures and the redemption cost.

Non-cash expense from settlement of pension liability
In 2005, we reduced our Canadian defined benefit pension liability substantially by buying annuities for retirees in the plan. Because the plan was adequately funded, we were able to buy the annuities using pension plan assets. This transaction reduced our $20 million accrued benefit obligation by $14.5 million. We also recorded a non-cash charge of $4.1 million.

Outlook for investment and other income
Investment and other income will be affected by cash balances, interest rates and exchange rates. Rising cash balances at our foreign operations may lead us to repatriate funds. This could result in foreign exchange losses, because the Canadian dollar is much stronger now than it was at the time we invested in the operations. The amount of the loss, if any, will depend on the amount repatriated and foreign exchange rates.

2. Higher earnings increased income tax expense at our operations

	three months ended September 30			nine months ended September 30		
(thousands)	**2006**	2005	**change**	**2006**	2005	**change**
Çayeli	**$12,508**	$7,222	+ 73%	**$21,810**	$12,303	+ 77%
Pyhäsalmi	**8,186**	4,575	+ 79%	**21,215**	11,396	+ 86%
Ok Tedi	**22,208**	8,221	+ 170%	**60,313**	23,746	+ 154%
Corporate	**(41)**	567	- 107%	**450**	2,067	- 78%
	$42,861	$20,585	+ 108%	**$103,788**	$49,512	+ 110%

Earlier this year, the Turkish government enacted tax legislation that reduced Çayeli's corporate tax rate to 20 percent, effective January 1, 2006. Çayeli recorded an income tax recovery of $10 million for the year to date from a reduction in its future income tax liability.

Outlook for income tax expense
We are not expecting any further changes in statutory tax rates at our operations in 2006.

Results of our operations

Key performance indicator - production
In the third quarter of 2006:

- copper production was slightly higher than the same period in 2005 mainly because of higher throughput, grades and recoveries at Çayeli
- zinc production was lower than the same period in 2005 because of lower grades at Çayeli and lower zinc grades and recoveries at Pyhäsalmi. Grades were lower because mining of some zinc rich areas has been pushed out to 2007
- gold production was lower because of lower throughput and gold grades at Troilus and lower recoveries at Ok Tedi.

Inmet's share	three months ended September 30 **2006**	2005	change	nine months ended September 30 **2006**	2005	change	original target 2006	***revised objective 2006***
Copper (tonnes)								
Ok Tedi	**8,200**	8,800		**26,200**	25,800		34,400	***34,400***
Çayeli	**7,800**	6,200		**22,700**	19,900		29,500	***29,500***
Pyhäsalmi	**3,900**	3,500		**9,800**	11,400		13,500	***13,500***
Troilus	**800**	800		**2,200**	3,800		3,200	***2,900***
	20,700	19,300	+ 7%	**60,900**	60,900	-	80,600	***80,300***
Zinc (tonnes)								
Çayeli	**9,700**	12,200		**26,600**	31,100		43,500	***38,800***
Pyhäsalmi	**6,800**	12,800		**26,500**	30,400		38,400	***35,000***
	16,500	25,000	- 34%	**53,100**	61,500	- 14%	81,900	***73,800***
Gold (ounces)								
Troilus	**34,600**	38,300		**108,600**	127,900		165,000	***148,700***
Ok Tedi	**23,300**	25,900		**74,200**	75,000		104,000	***104,000***
	57,900	64,200	- 10%	**182,800**	202,900	- 10%	269,000	***252,700***
Pyrite (tonnes)								
Pyhäsalmi	**56,900**	121,100	- 53%	**334,800**	457,000	- 27%	557,000	***557,000***

Outlook for production
We have revised our annual production objectives to reflect our latest estimates.

Copper production outlook – remains unchanged at 80,000 tonnes.

Zinc production outlook – reduced 8,100 tonnes from our original target for the following reasons:

- a change to the mining sequence at Çayeli during the first nine months of the year, which has pushed out the mining of the zinc-rich “Far North” area to 2007
- a change to the mining sequence at Pyhäsalmi, which has pushed out the mining of a high zinc grade stope from the fourth quarter of 2006 to the first quarter of 2007.

Gold production outlook – reduced 16,300 ounces from our original target for the following reasons:

- lower throughput than we expected at Troilus because of harder ores and difficulties encountered in the crushing and grinding circuits
- lower gold grades during the first nine months of the year.

Key performance indicator – cash costs

(US $)	three months ended September 30 2006	2005	change	nine months ended September 30 2006	2005	Change	original target 2006	*revised objective* ***2006***
Cash cost per pound of copper								
Çayeli [1]	**$0.29**	$0.53		**$0.50**	$0.68		$0.62	***$0.44***
Pyhäsalmi [1,2]	**(0.56)**	(0.51)		**(1.20)**	(0.11)		(0.02)	***(1.23)***
Ok Tedi [3]	**0.93**	0.67		**0.83**	0.63		0.62	***0.78***
	$0.38	$0.40	- 5%	**$0.36**	$0.50	- 28%	$0.51	***$0.32***
Cash cost per ounce of gold								
Troilus [4,5]	**$366**	$348	+ 5%	**$350**	$293	+ 19%	$345	***$341***

To estimate the by-product credits in our 2006 revised objectives, we used:
(1) a zinc price of US $1.34 per pound
(2) a euro to US dollar exchange rate of US $1.25
(3) a gold price of US $570 per ounce
(4) a copper price of US $3.28 per pound
(5) a US dollar to Canadian dollar exchange rate of $1.12.

Our cash cost per pound of copper this quarter was five percent lower than the same period in 2005 and 28 percent lower year to date mainly because:

- higher zinc and gold metal credits from higher metal prices

offset by:

- higher price participation charges
- higher production costs from higher royalties and higher variable employee compensation.

The change in our copper cash cost per pound is more clearly seen in the following breakdown:

(US $)	three months ended September 30 2006	2005	change	nine months ended September 30 2006	2005	Change	original target 2006	*revised objective* ***2006***
Cash cost per pound of copper								
Direct production costs	**$0.90**	$0.89	+ 1%	**$0.91**	$0.87	+ 5%	$0.89	***$0.93***
Royalties and variable compensation	**0.10**	0.02	+ 400%	**0.10**	0.02	+ 400%	0.02	***0.10***
Smelter processing charges and freight	**1.13**	0.76	+ 49%	**1.11**	0.66	+ 68%	0.71	***1.10***
Metal credits	**(1.75)**	(1.27)	+ 38%	**(1.76)**	(1.05)	+ 68%	(1.11)	***(1.81)***
	$0.38	$0.40	- 5%	**$0.36**	$0.50	- 28%	$0.51	***$0.32***

Our gold cash cost per ounce was higher in the third quarter and year to date than the same periods in 2005 because production was lower and the value of the Canadian dollar rose relative to the US dollar. This was reduced slightly, however, by higher metal credits.

Outlook for unit costs

We have lowered our 2006 objective for copper cash costs by US $0.19 per pound of copper, to US $0.32 per pound, mainly because zinc metal credits are higher.

ÇAYELI

		three months ended September 30			nine months ended September 30			*revised objective*
		2006	2005	**change**	**2006**	2005	**change**	***2006***
Tonnes of ore milled (000's)		**240**	223	+ 8%	**686**	616	**+ 11%**	***940***
Tonnes of ore milled per day		**2,600**	2,400	+ 8%	**2,500**	2,300	**+ 11%**	***2,600***
Grades (percent)	copper	**3.8**	3.5	+ 9%	**3.9**	3.9	**-**	***3.7***
	zinc	**5.5**	7.4	- 26%	**5.4**	6.8	**- 21%**	***5.7***
Mill recoveries (percent)	copper	**85**	80	+ 6%	**85**	83	**+ 2%**	***84***
	zinc	**74**	74	-	**72**	75	**- 4%**	***73***
Production (tonnes)	copper	**7,800**	6,200	+ 26%	**22,700**	19,900	**+ 14%**	***29,500***
	zinc	**9,700**	12,200	- 20%	**26,600**	31,100	**- 14%**	***38,800***

Ore production trends upward increasing 8% compared to the second quarter

Çayeli's ore production this quarter and year to date continued to improve compared to the same periods in 2005. The mine reached an ore production rate this quarter of 960,000 tonnes on an annualized basis. Production in September exceeded 81,000 tonnes, which is the highest monthly production the mine has achieved in almost three years.

In August, Çayeli commissioned the new ore handling system as planned, including the new skips, feed conveyor and the first of three new ore passes that connect the lower mine with the new loading station. Initial problems with blockages in the new ore pass were resolved in October and should reduce hauling distances in the fourth quarter. Two additional ore passes and a ventilation raise are expected to be commissioned at the end of the first quarter of 2007, which will complete the mine infrastructure project.

A combination of increased throughput, higher grades, and metal recoveries increased copper production by 26 percent this quarter and 14 percent year to date compared to the same periods in 2005. Zinc production, on the other hand, was 20 percent lower in the third quarter and 14 percent lower year to date compared to the same periods last year. This was mainly because of a change in mining sequence that has delayed mining in higher zinc areas.

Outlook for production
We expect production levels to continue to trend upwards for the rest of 2006 as Çayeli brings additional working areas into production, and the new ore handling system and shorter haulage distances improve productivity.

In the fourth quarter, we anticipate a slight drop in copper grades and an increase in zinc grades.

Labour negotiations with the union to renew the collective agreement continued during the third quarter. Turkish labour regulations require that negotiations be completed by early December. If negotiations result in a labour disruption, there would be a negative impact on Çayeli's production.

Cash cost per pound of copper were 45% lower for the third quarter

Higher metal prices had a significant impact on Çayeli's unit cash costs:

- increasing metal credits reduced cash costs
- increasing price participation increased cash costs
- rising net income increased royalty payments.

Lower consultant costs and the devaluation of the Turkish lira in relation to the US dollar also played a role in lowering cash costs in 2006. The value of the Turkish lira went down by 12 percent to the US dollar this quarter compared to the same quarter in 2005 (12 percent in the year). This reduced Turkish lira costs when translated into US dollars. Inflation in Turkey over these same periods has increased costs. Inflation and foreign exchange in Turkey tend to have an inverse relationship.

(US $)	three months ended September 30 **2006**	2005	change	nine months ended September 30 **2006**	2005	change	original target 2006	***revised objective 2006***
Cash cost Per pound of copper								
Direct production costs	**$0.78**	$0.90	- 13%	**$0.77**	$0.84	- 8%	$0.78	***$0.80***
Royalty payments	**0.13**	0.04	+ 225%	**0.14**	0.02	+ 600%	0.03	***0.14***
Total direct production costs	**0.91**	0.94	- 3%	**0.91**	0.86	+ 6%	0.81	***0.94***
Smelter processing charges and freight	**1.43**	0.87	+ 64%	**1.30**	0.77	+ 69%	0.87	***1.34***
Metal credits (1)	**(2.05)**	(1.28)	+ 60%	**(1.71)**	(0.95)	+ 80%	(1.06)	***(1.84)***
Cash costs	**0.29**	0.53	-45%	**0.50**	0.68	- 26%	0.62	***0.44***
Depreciation and other non-cash costs	**0.11**	0.12	- 8%	**0.11**	0.12	- 8%	0.13	***0.13***
Total costs	**$0.40**	$0.65	- 38%	**$0.61**	$0.80	- 24%	$0.75	***$0.57***

(1) We used a zinc price of US $1.34 per pound to estimate the metal credit in the 2006 revised objective for cash costs per pound of copper (US $0.65 per pound was used for the original target).

Direct production costs this quarter were 13% lower than 2005 (not including the royalty)

(US $ per pound)	**three months ended September 30**	**nine months ended September 30**
Lower unit costs from higher proportion of copper production	$(0.20)	$(0.11)
Higher costs from higher production volumes	0.08	0.04
Higher labour costs	0.09	0.04
Higher consumable costs	0.03	0.02
Lower consultant costs	(0.09)	(0.05)
Higher fuel costs	0.01	0.01
Lower costs from devaluation of the lira	(0.07)	(0.04)
Other	0.03	0.02
Decrease in direct production costs, compared to 2005	**$(0.12)**	**$(0.07)**

Outlook for costs

We have adjusted our unit cost objective for Çayeli to US $0.44 per pound, reflecting the impact of higher metal prices.

Capital spending expected to increase in the fourth quarter

(thousands of US$)	three months ended September 30 **2006**	2005	change	nine months ended September 30 **2006**	2005	change	*revised objective 2006*
Capital spending	**$2,900**	$3,700	- 22%	**$9,400**	$10,300	- 9%	***$17,000***

Çayeli spent US $1.8 million on the infrastructure project this quarter, and US $6.0 million year to date. The rest was mainly on other capital development work and equipment.

Outlook for capital spending

Spending for the rest 2006 will be mainly related to the continued development of the lower mine. Çayeli will continue to complete its main infrastructure projects and establish production areas in the lower part of the deposit. We have reduced our original spending target by US $4 million, which is largely a function of timing. We have deferred the purchase of some mobile equipment to 2007 and expect to complete the infrastructure project by the end of the first quarter of 2007.

Operating earnings and cash flows continue to surpass 2005 levels

		three months ended September 30 **2006**	2005	change	nine months ended September 30 **2006**	2005	change
Sales (tonnes)	copper	**7,900**	7,400	+ 7%	21,600	21,000	+ 3%
	zinc	**8,500**	11,200	- 24%	28,800	31,800	- 9%
Operating earnings (millions)		**$60.3**	$24.2	+ 149%	$149.5	$44.2	+ 238%
Operating cash flows (millions)		**$64.0**	$21.7	+ 195%	$149.2	$43.9	+ 240%

…mainly because of higher metal prices

(millions)	**three months ended September 30**	**nine months ended September 30**
Higher metal prices, denominated in Canadian dollars	$52	$137
Higher (lower) sales volumes	(1)	1
Higher smelter processing charges and freight	(14)	(29)
Higher royalty cost	(2)	(7)
Lower operating costs	1	3
Increase in operating earnings, compared to 2005	**$36**	**$105**
Increased tax expense because of higher earnings	(7)	(24)
Decreased tax expense because of lower rates	2	2
Changes in working capital	8	21
Other	3	1
Increase in operating cash flow, compared to 2005	**$42**	**$105**

Changes in working capital this quarter were from a collection of accounts receivable and higher accounts payable because of higher royalty payments. Offsetting some of this benefit at Çayeli was a larger tax installment this quarter compared to the same period in 2005, which reduced taxes payable.

Changes in working capital year to date are mainly from a collection of accounts receivable and higher accounts payable balances because of higher royalty payments.

PYHÄSALMI

		three months ended September 30			nine months ended September 30			*revised objective*
		2006	2005	**change**	**2006**	2005	**change**	***2006***
Tonnes of ore milled (000's)		**353**	344	+ 3%	**1,026**	1,035	- 1%	***1,370***
Tonnes of ore milled per day		**3,800**	3,700	+ 3%	**3,800**	3,800	- 1%	***3,750***
Grades (percent)	copper	**1.2**	1.1	+ 9%	**1.0**	1.2	- 17%	***1.0***
	zinc	**2.2**	3.9	- 44%	**2.8**	3.1	- 10%	***2.8***
	sulphur	**40.4**	38.7	+ 4%	**39.6**	40.1	- 1%	***40.0***
Mill recoveries (percent)	copper	**95**	94	+ 1%	**95**	95	-	***94***
	zinc	**88**	95	- 7%	**93**	94	- 1%	***92***
Production (tonnes)	copper	**3,900**	3,500	+ 11%	**9,800**	11,400	- 14%	***13,500***
	zinc	**6,800**	12,800	- 47%	**26,500**	30,400	- 13%	***35,000***
	pyrite	**56,900**	121,100	- 53%	**334,800**	457,000	- 27%	***557,000***

Throughput rates during the quarter were 3% above prior year's quarter

Higher mill throughput during the quarter allowed Pyhäsalmi to recover most of the ore production shortfall from last quarter.

Higher throughput, combined with higher copper grades, increased copper production this quarter by 11 percent compared to the same period in 2005. Copper production year to date was lower than the same period in 2005 because of lower copper grades.

Zinc production was lower this quarter and year to date, compared to the same periods in 2005 mainly because:

- Pyhäsalmi deferred a zinc-rich stope in its mining sequence, which is now expected to be mined during the first quarter 2007
- higher lake water temperatures reduced the selectivity of the zinc flotation resulting in lower recoveries.

Pyrite production was lower during the quarter and year to date compared to the same periods in 2005 because of planned reductions in pyrite sales.

Outlook for production
We expect mill throughput to continue at historic levels, and copper and zinc grades to remain approximately the same as they have been year to date.

Cash costs are lower

Cash cost per pound of copper was 10 percent lower in the third quarter of 2006 compared to 2005 because of higher zinc metal credits. This was slightly reduced by higher smelter processing charges.

(US $)	three months ended September 30 **2006**	 2005	 **change**	nine months ended September 30 **2006**	 2005	 **change**	original target 2006	***revised objective 2006***
Cash cost per pound of copper								
Direct production costs	**$1.11**	$1.11	-	**$1.43**	$1.10	+ 30%	$1.29	***$1.42***
Smelter processing charges and freight	**1.46**	1.26	+ 16%	**1.85**	1.01	+ 83%	1.10	***1.82***
Metal credits (1)	**(3.13)**	(2.88)	+ 9%	**(4.48)**	(2.22)	+ 102%	(2.41)	***(4.47)***
Cash costs	**(0.56)**	(0.51)	+10%	**(1.20)**	(0.11)	+ 991%	(0.02)	***(1.23)***
Depreciation and other non-cash costs	**0.26**	0.27	- 4%	**0.28**	0.26	+ 8%	0.26	***0.27***
Total costs	**$(0.30)**	$(0.24)	+ 25%	**$(0.92)**	$0.15	- 713%	$0.24	***($0.96)***

(1) We used a zinc price of US $1.34 per pound to estimate the metal credit in the 2006 revised objective for cash costs per pound of copper (US $0.65 per pound was used for the original target).

Direct production costs this quarter were consistent with the third quarter of 2005

(US $ per pound)	**three months ended September 30**	**nine months ended September 30**
Weakened (strengthened) US dollar compared to the euro	$0.06	$(0.01)
Higher (lower) costs due to lower (higher) copper production	(0.14)	0.20
Higher consumable costs	0.04	0.05
Higher utility costs	0.03	0.03
Other	0.01	0.06
Increase in direct production costs, compared to 2005	**$ -**	**$0.33**

Outlook for costs

We have adjusted our unit cost objective for Pyhäsalmi to negative US $1.23 per pound, reflecting the impact of higher metal prices and a more favourable zinc treatment contract we entered into earlier in the year. We expect direct production costs for the rest of 2006 to be consistent with costs year to date.

Capital spending to optimize mill production

(thousands)	three months ended September 30 **2006**	 2005	 **change**	nine months ended September 30 **2006**	 2005	 **change**	***objective 2006***
Capital spending	€1,200	€600	+ 100%	€2,400	€1,300	+ 85%	***€ 5,000***

Outlook for capital spending

Capital spending for the remainder of the year will be mainly for mine mobile equipment, the optimization of the zinc pressure filter and the pyrite concentrate conveyor that were installed in the second and third quarters.

Operating earnings and cash flows exceed prior year results

		three months ended September 30			nine months ended September 30		
		2006	2005	**Change**	**2006**	2005	**change**
Sales (tonnes)	copper	**3,800**	3,800	-	9,800	11,900	- 18%
	zinc	**6,300**	13,200	- 52%	25,000	29,800	- 16%
	pyrite	**113,600**	107,100	+ 6%	363,500	369,700	- 2%
Operating earnings (millions)		**$35.9**	$19.8	+ 81%	$94.1	$45.8	+ 105%
Operating cash flows (millions)		**$29.5**	$13.5	+ 119%	$70.8	$32.6	+ 117%

…mainly because of higher metal prices, but offset somewhat by lower sales volumes

(millions)	three months ended September 30	nine months ended September 30
Higher metal prices, denominated in Canadian dollars	$29	$77
Lower sales volumes	(8)	(12)
Higher smelter processing charges and freight	(5)	(17)
Increase in operating earnings, compared to 2005	**$16**	**$48**
Increased tax expense because of higher earnings	(4)	(11)
Decreased tax expense because of lower rates	-	2
Changes in working capital	4	1
Other	-	(2)
Increase in operating cash flow, compared to 2005	**$16**	**$38**

Sales volumes are directly affected by production volumes.

Changes in working capital this quarter and year to date were from higher accounts payable and taxes payable, reduced by higher accounts receivable.

TROILUS

			three months ended September 30			nine months ended September 30			*revised objective*
			2006	2005	**change**	**2006**	2005	**change**	***2006***
Tonnes of ore milled (000's)			**1,645**	1,630	+ 1%	**4,880**	5,130	- 5%	***6,500***
Tonnes of ore milled per day			**17,900**	17,700	+ 1%	**17,900**	18,800	- 5%	***17,800***
Strip ratio			**1.3**	1.6	- 19%	**1.6**	1.5	+ 7%	***1.4***
Grades	Gold (grams/tonne)		**0.79**	0.88	- 10%	**0.84**	0.95	- 12%	***0.85***
	copper (percent)		**0.05**	0.06	- 17%	**0.05**	0.08	- 38%	***0.05***
Mill recoveries (percent)		Gold	**83**	83	-	**82**	82	-	***82***
		copper	**88**	87	+ 1%	**87**	90	- 3%	***86***
Production	gold (ounces)		**34,600**	38,300	- 10%	**108,600**	127,900	- 15%	***148,700***
	copper (tonnes)		**800**	800	-	**2,200**	3,800	- 42%	***2,900***

Mill throughput was consistent with the prior year but below expectations

Mill throughput for the third quarter of 2006 was comparable to the same period in 2005, but below expectations, as Troilus continued to mine harder ore from the 87 pit. For the same period in 2005, mill throughput was lower than normal because of damage to the pinion of the SAG mill.

Gold production was 10 percent lower this quarter and 15 percent lower year to date compared to 2005, mainly because of lower grades.

Outlook for production
We anticipate mill throughput will be approximately 1.6 million tonnes in the fourth quarter, and production in the last three months of the year to be about 40,000 ounces of gold, because:

- throughput limitations should continue for the rest of the year
- we plan to shut down the mill in the fourth quarter to replace a pinion in the SAG mill and to complete major maintenance work
- higher levels of ore from the J-4 pit should improve both grade and throughput.

Costs per ounce were higher in the quarter

Cash costs per ounce for the quarter and the year to date were higher than 2005 because of lower production, the strengthening of the Canadian dollar, and higher smelter processing charges and freight. Higher copper prices, however, increased metal credits, which reduced the impact somewhat.

(US $)		three months ended September 30			nine months ended September 30		original target	*revised objective*
	2006	2005	**change**	**2006**	2005	**change**	2006 [2]	***2006***
Cash cost per ounce of gold								
Direct production costs	**$478**	$404	+ 18%	**$465**	$345	+ 35%	$372	***$448***
Smelter processing charges and freight	**73**	43	+ 70%	**69**	56	+ 23%	46	***63***
Metal credits [1]	**(185)**	(99)	+ 87%	**(184)**	(108)	+ 70%	(73)	***(170)***
Cash cost	**366**	348	+ 5%	**350**	293	+ 19%	$345	***$341***
Depreciation and other non-cash costs	**75**	59	+ 27%	**70**	49	+ 43%	58	***69***
Total cost	**$441**	$407	+ 8%	**$420**	$342	+23%	$403	**$410**

(1) We used a copper price of US $3.28 per pound to estimate the metal credit in the 2006 revised objective for cash costs per ounce of gold (US $1.50 per pound was used for the original target).
(2) Adjusted to reflect the change in our accounting for capitalized stripping.

Lower gold production and a strengthening Canadian dollar increased unit direct production costs

(US $ per ounce)	three months ended September 30	nine months ended September 30
Stronger Canadian dollar	$41	$52
Higher costs due to lower production	15	61
Higher fuel costs	5	6
Higher labour costs	8	4
Higher (lower) consumables	(1)	3
Higher electricity costs	1	1
Other	5	(7)
Increase in direct production costs, compared to 2005	**$74**	**$120**

Outlook for costs

We have adjusted our unit cash cost objective for Troilus to US $341 per ounce for the year, reflecting the impact of lower gold production, higher metal prices and a weaker US dollar.

Minimal capital spending

		three months ended September 30			nine months ended September 30		*revised objective*
(thousands)	**2006**	2005	**change**	**2006**	2005	**change**	***2006***
Capital spending	**$1,300**	$2,400	- 46%	**$1,900**	$7,600	- 75%	***$2,400***

In 2005, spending for capital was for the development of the J-4 pit.

Modest operating earnings generated

		three months ended September 30			nine months ended September 30		
		2006	2005	**change**	**2006**	2005	**change**
Sales	gold (ounces)	**38,400**	39,100	- 2%	**105,400**	132,700	- 21%
	copper (tonnes)	**900**	850	+ 6%	**2,200**	3,900	- 44%
Operating earnings (millions)		**$2.1**	$(2.6)	+ 181%	**$4.8**	$7.9	- 39%
Operating cash flows (millions)		**$13.3**	$3.5	+ 280 %	**$12.0**	$16.7	- 28%

…mainly because a higher gold price

Sales were lower this quarter and year to date compared to the same periods in 2005 because of lower production. Troilus hedged approximately 38 percent of gold sales this quarter resulting in a realized gold price for the quarter of US $493 per ounce.

(millions)	three months ended September 30	nine months ended September 30
Higher metal prices	$8	$15
Lower sales volumes	(2)	(14)
Higher operating costs	-	(3)
Higher depreciation	(1)	(1)
Increase (decrease) in operating earnings, compared to 2005	**$5**	**$(3)**
Changes in working capital	2	(5)
Other	3	3
Decrease (decrease) in operating cash flow, compared to 2005	**$10**	**$(5)**

Changes in working capital this quarter were from a collection of accounts receivable, which was reduced slightly by lower accounts payable. Changes in working capital year to date are from higher metal prices, which increased accounts receivable, and higher inventory balances.

Planning for the future

In April, we began a process to consider strategic alternatives for Troilus, which could include a possible sale or business combination with a third party. The process led us to decide to proceed with a feasibility study in the second quarter to assess the economic viability of an underground mine. We retained SRK Consulting and Dynatec Corporation to produce a bankable feasibility study of the underground mine project. We expect the final report during the first quarter of 2007.

During the third quarter, we began the development of an underground ramp. The advanced development of the ramp should minimize any lag between finishing open pit production and the start of any underground production. If the feasibility study indicates that development of the underground mine is not warranted, the ramp access will be considered as an option to salvage additional ore at the bottom of the pit. We anticipate spending $5 million in 2006 and an additional $3.7 million in 2007 to develop this ramp.

OK TEDI

(100 percent)			three months ended September 30 2006	2005	change	nine months ended September 30 2006	2005	change	*objective* 2006
Tonnes of ore milled (000's)			**6,700**	6,600	+ 2%	**20,800**	19,300	+ 8%	***27,000***
Tonnes of ore milled per day			**72,800**	71,700	+ 2%	**76,200**	70,700	+ 8%	***75,000***
Strip ratio			**1.8**	2.0	- 10%	**1.7**	2.2	- 23%	***1.8***
Grades	copper (percent)		**0.8**	0.8	-	**0.8**	0.9	- 11%	***0.8***
	gold (grams per tonne)		**0.8**	0.9	- 11%	**0.9**	0.9	-	***0.9***
Mill recoveries (percent)		copper	**86**	89	- 3%	**86**	85	+ 1%	***85***
		gold	**73**	74	- 1%	**71**	73	- 3%	***72***
Production	copper (tonnes)		**45,500**	49,100	- 7%	**145,300**	143,500	+ 1%	***191,000***
	gold (ounces)		**129,500**	144,000	- 10%	**412,100**	416,500	- 1%	***580,000***

Ore production for the quarter was consistent with the prior year

Ore production during the third quarter was similar to production in the same period in 2005. Year to date, ore production was eight percent higher than the same period in 2005 because Ok Tedi's mill processed a higher proportion of softer monzonite porphyry ores.

Copper production was seven percent lower and gold production was 10 percent lower than the same period in 2005 mainly because of lower recoveries. Copper and gold recoveries this quarter were lower than the same period last year because of a more difficult ore blend. Lower gold grades also reduced gold production this quarter compared to last year.

Outlook for production
We expect copper and gold grades for the rest of 2006 to be comparable to grades in the third quarter of 2006. We expect Ok Tedi to achieve its annual objectives for copper and gold production.

Costs up because of higher smelter processing charges and compensation costs

Cash costs were higher this quarter compared to the third quarter of 2005 because of lower production, higher smelter processing charges, caused by price participation charges, and higher variable compensation costs, caused by higher cash flows.

(US $)	**2006**	2005	**change**	**2006**	2005	**change**	original target 2006	***revised objective 2006***
	three months ended September 30			**nine months ended September 30**				
Cash cost per pound of copper								
Direct production costs	**$1.04**	$0.80	+ 30%	**$0.95**	$0.82	+ 16%	$0.84	***$0.96***
Smelter processing charges and freight	**0.69**	0.48	+ 44%	**0.66**	0.41	+ 61%	0.43	***0.63***
Metal credits [1]	**(0.80)**	(0.61)	+ 31%	**(0.78)**	(0.60)	+ 30%	(0.65)	***(0.81)***
Cash cost	**0.93**	0.67	+ 39%	**0.83**	0.63	+ 32%	$0.62	***$0.78***
Depreciation and other non-cash costs	**0.08**	0.06	+ 33%	**0.07**	0.06	+ 17%	0.06	***0.07***
Total costs	**$1.01**	$0.73	+ 38%	**$0.90**	$0.69	+ 30%	$0.68	***$0.85***

(1) We used a gold price of US $570 per ounce to estimate the metal credit in the 2006 objective for cash costs per pound of copper (US $475 per ounce was used for the original target).

Direct production costs this quarter were 30% higher than 2005

(US $ per pound)	**three months ended September 30**	**nine months ended September 30**
Increase (decrease) in costs from lower (higher) production	$0.06	$(0.01)
Higher fuel costs	0.06	0.05
Higher labour costs	0.03	0.02
Higher compensation costs (linked to income)	0.08	0.08
Other	0.01	(0.01)
Increase in direct production costs, compared to 2005	**$0.24**	**$0.13**

High metal prices have increased the mine's cash flow. Some bonuses at Ok Tedi are based on cash flows, so employee compensation costs have increased during the year.

Outlook for costs

We have adjusted our unit cost objective for Ok Tedi to US $0.78 per pound, reflecting changes to smelter processing costs and higher employee compensation costs.

Capital spending during the quarter increased compared to 2005

Ok Tedi's capital spending this quarter was mainly related to drainage tunnel studies, the pressure filtration plant, upgrading the in pit crusher, and the purchase of trucks.

(100 percent)	three months ended September 30			nine months ended September 30			*objective*
(thousands of US$)	**2006**	2005	change	**2006**	2005	Change	***2006***
Capital spending	**$15,600**	$3,400	+ 359%	**$32,400**	$7,700	+ 321%	***$51,000***

Outlook for capital spending
Capital spending for the rest of 2006 will be related to upgrading the in-pit crusher, added costs for the pit drainage study and work on the mine waste management program, including the sulphur removal plant.

Operating earnings and cash flows for the quarter almost three times higher than the third quarter of 2005

Copper and gold sales volumes were higher this quarter than the same period last year because of shipment timing. Concentrate inventory was reduced to 81,500 tonnes at September 30, 2006 from 104,000 tonnes at June 30, 2006.

		three months ended September 30			nine months ended September 30		
(18 percent)		**2006**	2005	**change**	**2006**	2005	**change**
Sales	copper (tonnes)	**9,400**	8,700	+ 8%	**27,200**	27,100	-
	gold (ounces)	**24,600**	24,000	+ 3%	**77,000**	76,800	-
Operating earnings (millions)		**$60.0**	$22.6	+ 165%	**$163.7**	$65.6	+ 150%
Operating cash flows (millions)		**$46.9**	$2.8	+ 1575%	**$138.7**	$39.5	+ 251%

…mainly because of higher metal prices

(millions)	three months ended September 30	nine months ended September 30
Higher metal prices, denominated in Canadian dollars	$47	$121
Higher sales volumes	2	1
Higher smelter processing charges and freight	(6)	(15)
Higher variable compensation costs	(2)	(5)
Higher operating costs	(4)	(4)
Increase in operating earnings, compared to 2005	**$37**	**$98**
Increased tax expense because of higher earnings	(13)	(39)
Changes in net working capital	19	38
Other	1	2
Increase in operating cash flow, compared to 2005	**$44**	**$99**

Changes in working capital for the quarter and year to date were from a collection of accounts receivable balances and higher taxes payable, which were a result of higher income.

Outlook for earnings and cash flows
Ok Tedi's ability to ship concentrate down the river systems affect the mine's earnings and cash flows. An El Niño in the fourth quarter could lower river levels and affect Ok Tedi's ability to make shipments, which could reduce earnings and cash flows.

Planning for the future

Ok Tedi has approved the implementation of a comprehensive mine waste management program to substantially reduce the risk of future acid drainage from the mine waste, as part of its objective to improve its environmental performance.

This new program, together with ongoing dredging and the addition of limestone to the waste rock, should significantly mitigate the environmental impact of Ok Tedi's operations by significantly reducing the amount of sulphide in the mill tailings that are currently discharged into the Ok Tedi River system.

This quarter, Ok Tedi placed orders for items with long lead-times, and awarded contracts to various engineering firms for the flotation upgrade, tailings pipeline and tailings storage project. Based on the advanced engineering work, the capital cost of the new waste management program is now estimated to be US $150 million (Inmet's share would be US $27 million). Incremental annual operating costs are equivalent to US $0.05 per pound of copper. Construction is expected to begin in 2007 with start up of a pyrite removal plant during the first half of 2008.

Status of our development projects

Las Cruces

Quarterly development update

Progress at Las Cruces is on schedule to meet our start-up date of early 2008 with construction activities well underway. The dewatering and re-Injection system (DRS) is operating as expected and more than six million cubic metres of overburden material have been excavated from the area of the future pit. At the current mining rate, we expect to reach the ore in the fall of 2007. Key infrastructure projects such as the construction of an underpass, the diversion of several streams and the construction of a supply water storage pond are either completed or progressing according to schedule. The total number of employees is now at 265, of which 217 are contractors.

By the end of September, we had spent €58 million of the total estimated capital costs of €380 million. Spending year to date was less than anticipated due to the timing of payments including a staggered payment schedule for the lump-sum supply contracts for the process plant, which comprises a grinding plant, leach plant and solvent and extraction and electrowinning plants. This does not affect the construction schedule.

The following are some additional highlights of the quarter:

Procurement for the construction of the process plant is well underway

- We have awarded almost a quarter of all planned key contracts. Contracts awarded this quarter include those for mass earthworks for site preparation, the construction of the temporary office facilities and the purchase of the crushing plant.
- The lump-sum contracts for the delivery of the processing plant were signed in September with Outokumpu Technology.
- We expect to begin with the civil work involved in building the plant in November, followed by the concrete work in early 2007.

Obtained several municipal construction licenses

- We obtained several important construction permits and municipal licenses this quarter, including permits for stream diversions, the water supply pond and the high voltage substation. Government mandated external audit reviews for the DRS, mining, and environmental activities were also successfully completed.
- We still need to obtain several municipal construction licenses including those for the installation of the supply water pipeline and the discharge water pipeline.

CERATTEPE

Quarterly development update

Last year, Artvin-based local non-governmental groups made two related applications to cancel the operating licenses for the Cerattepe property. The local administrative court in Erzurum, Turkey gave us its decision on these applications on July 31, 2006. The court ruled in favour of the applicants and determined that the relevant government authorities incorrectly exempted the licenses from environmental assessment regulations.

The defendant in the applications was the Turkish Ministry of Energy and Natural Resources and we have joined as intervener. The ministry has appealed this decision to the Danistay, the highest administrative court in Turkey, and has applied for an interim ruling that prevents the local court decision from remaining in effect during the appeal period. We are optimistic that the Danistay will look favourably upon the interim ruling application, and expect to receive it in approximately two to four months. If the Danistay does not agree with the interim ruling application, then work on the project will remain suspended until the Danistay issues its decisions on the appeal. We expect a decision on the appeal will be made by the end of 2007.

We continue to move the project ahead, and since the local administrative court decision, we have continued to work with Deutsche Montan Technologie GmbH (DMT), a German mining engineering firm, to provide engineering, procurement and project management services for the Cerattepe project. We are also continuing with other work to update capital and operating cost budgets and develop tender documents for such items as the portal rehabilitation and underground development.

The date for the third option payment for the purchase of Cerattepe, of US $4.5 million, was extended by mutual agreement with the vendor from September 30, 2006 to the earlier of March 31, 2008, or upon 30 days after the receipt of the Danistay's decision on the appeal.

Because of the delay caused by the court proceedings, we do not expect production start-up for Cerattepe to begin in 2008, as we had originally projected. Assuming an interim ruling is obtained that the local court decision not remain in effect during the appeal period, we would expect Cerattepe to begin production in 2009.

PETAQUILLA

Update on the feasibility study

In April, the partners in the Petaquilla Mineral joint venture agreed to retain AMEC Engineering to provide a cost update of the 1998 feasibility study on the Petaquilla copper and gold porphyry deposit in Panama. The study is conducted under TeckCominco's supervision who is the operator of the joint venture. Work on the study is on target and the final report is expected by the end of this year.

Inmet owns 48 percent of the Petaquilla joint venture; 52 percent is owned by Petaquilla Minerals and TeckCominco has the right to half of Petaquilla Minerals' 52 percent or 26 percent of the joint venture by funding all of Petaquilla Minerals' interest.

Managing our liquidity

(millions)	three months ended September 30 **2006**	2005	nine months ended September 30 **2006**	2005
CASH FROM OPERATING ACTIVITIES				
Çayeli	**$64**	$22	**$149**	$44
Pyhäsalmi	**30**	14	**71**	33
Troilus	**13**	4	**12**	17
Ok Tedi	**47**	3	**139**	40
Corporate development and exploration not included in operations' cash flow	**(1)**	-	**(2)**	(2)
General and administration	**(3)**	(1)	**(8)**	(5)
Other	**1**	(2)	**(4)**	(3)
	151	40	**357**	124
CASH FROM INVESTING AND FINANCING				
Acquisitions	**2**	(9)	**4**	(9)
Non-controlling cash on acquisition	**-**	9	**-**	9
Capital spending	**(50)**	(20)	**(87)**	(39)
Long-term borrowings	**10**	-	**37**	-
Redemption of convertible debentures	**-**	-	**-**	(64)
Funding from non-controlling shareholder	**-**	-	**9**	-
Financial assurance deposits	**(5)**	(1)	**(7)**	(2)
Subsidies received	**-**	-	**5**	-
Dividends paid on common shares	**-**	-	**(5)**	-
Debt issue costs	**-**	(1)	**(6)**	(1)
Foreign exchange on cash held in foreign currency	**-**	(8)	**(2)**	(13)
Other	**(2)**	-	**(1)**	3
	(45)	(30)	**(53)**	(116)
Increase in cash	**106**	10	**304**	8
Cash and short-term investments				
Beginning of period	**450**	244	**252**	246
End of period	**$556**	$254	**$556**	$254

CASH FROM OPERATING ACTIVITIES

(millions)	three months ended September 30	nine months ended September 30
Increased earnings from operations (see page 5)	$94	$249
Non-cash changes in operating earnings:		
Increased tax expense	(19)	(68)
Changes in working capital	31	49
Other	5	3
Increase in operating cash flow, compared to 2005	**$111**	**$233**

Operating cash flows this quarter and year to date were higher than the third quarter of 2005 because of higher operating earnings and a reduction in net working capital. This was reduced somewhat by higher taxes.

Net working capital this quarter was lower because of a collection of accounts receivable balances at all operations and higher accounts payable balances at Çayeli and Ok Tedi. These changes were offset to some extent by tax installments paid at Çayeli and Ok Tedi.

The change in net working capital year to date was from lower accounts receivable balances and increases in accounts and taxes payable.

Outlook for operating cash flow
We expect operating cash flows from operations to continue to be strong for the rest of the year, in line with strong metal prices, however this will depend on earnings and changes in working capital.

CASH FROM INVESTING AND FINANCING

Capital spending

(millions)	three months ended September 30 2006	2005	nine months ended September 30 2006	2005	*revised objective 2006*
Çayeli	**$4**	$4	**$11**	$13	***$19***
Pyhäsalmi	**1**	1	**3**	2	***7***
Troilus	**1**	2	**2**	8	***2***
Ok Tedi	**4**	1	**7**	2	***10***
Las Cruces	**39**	12	**61**	12	***119***
Cerattepe	**-**	1	**1**	2	***2***
Accruals and other	**1**	(1)	**2**	-	***-***
	$50	$20	**$87**	$39	***$159***

Refer to *Results of our operations* and *Status of our development projects* for a discussion of actual results and our 2006 objective.

Long-term borrowing and financial assurance deposits
This quarter, Las Cruces borrowed an additional €7 million for the continuing development of the mine, and provided $4 million as collateral to the banks for issuing letters of credit to its suppliers and the local townships. Year to date, Las Cruces has borrowed a total of €26 million against its credit facilities.

Our restricted cash balances at September 30, 2006 included the deposits made this year, plus our December balances related to:

- Ok Tedi's $10 million in trust for future rehabilitation
- Inmet's $14 million of cash collateralized letters of credit, and
- $5 million related to issuing letters of credit to suppliers, the local townships and for dewatering at Las Cruces.

Redemption of convertible debentures
In 2005 we redeemed our convertible debentures for $64 million.

Outlook for investing and financing cash flow
The change in capital expenditure at Las Cruces is from capital expenditures for plant construction that were pushed into 2007. Additional drawdowns on the credit facility will therefore also be lower than planned. Our board has declared a dividend of $0.10 per common share under our dividend policy on December 15, 2006 to common shareholders of record as at November 30, 2006.

CASH BALANCE

Our cash balance at September 30, 2006 of $556 million was held corporately and at our operations. We had $232 million of this cash held in investments that mature greater than 90 days, but less than 120 days.

SHARE CAPITAL

Common shares outstanding as of September 30, 2006 and October 27, 2006	48,277,726
Deferred share units outstanding as of September 30, 2006 (redeemable on a one-for-one basis for common shares)	74,153

OFF BALANCE SHEET TRANSACTIONS

The following table shows our Troilus and Ok Tedi gold hedging transactions, the currency and interest rate hedges related to Las Cruces and their respective marked-to-market valuations as at September 30, 2006.

Type of contract	Expiry	Quantity	Price	C$ marked-to-market gain (loss) at September 30 2006
Gold forward sales				
Troilus	2006	14,600 ounces	US $352 per oz.	
	2007	58,200 ounces	US $352 per oz.	
	2008	58,200 ounces	US $352 per oz.	
		131,100 ounces	US $352 per oz.	$(40.3 million) (1)
Ok Tedi	2006	3,375 ounces	US $370 per oz.	
	2007	13,500 ounces	US $371 per oz.	
	2008	6,750 ounces	US $372 per oz.	
		23,625 ounces	US $371 per oz.	$(7.2 million) (1)
Currency forward sales				
Las Cruces	2008	US $215 million	€171.80 million	$(1.6) million
Interest rate swaps				
Las Cruces	2008 to 2014	US $179 million (reducing in conjunction with debt repayment schedule)	5.2 percent	$7.6 million

(1) At a gold price of US $599 per ounce.

Managing risk

The following is an update to the discussion, only where required, of the key risks associated with our business and the strategies we use to manage them. You can find the full discussion in the annual Management's Discussion and Analysis in Inmet's 2005 Annual Report.

Development of the lower mine at Çayeli
The new ore handling system was commissioned in August and ramp-up of the system will take place over the following months. Two additional ore passes will be commissioned at the end of the first quarter in 2007, which will complete the infrastructure project. Unexpected complications during the ramp-up phase may have a negative impact on Çayeli's production.

Ground conditions at Çayeli
Ground conditions at Çayeli have improved and the number of incidents related to ground failures have significantly decreased. To ensure that we minimize the risk of poor ground conditions, we continue to actively manage them by adhering to appropriate support standards, by designing and sequencing working areas to minimize the impact of difficult ground conditions and by monitoring and modeling ground events to use the information gathered as a predictive tool.

Collective bargaining agreement at Çayeli
The current three-year collective labour agreement expired in May 2006 and negotiations continued this quarter. Turkish labour regulations require that negotiations be complete in early December. If negotiations result in a labour disruption, production will be affected, depending on the length of the disruption.

Environmental and social impacts on Ok Tedi
Dredging the sediments in the Ok Tedi River at Bige has reduced the river bed aggradation and overbank flooding, but riverine waste disposal at Ok Tedi has had, and continues to have, two significant effects on the Ok Tedi and Fly River systems: sedimentation of the river beds resulting in overbank flooding, and acid rock drainage effects from oxidation of sulphur in the waste streams.

While studies to assess the impact are ongoing, Ok Tedi believes, based on current findings, that these effects will likely be greater and last longer than previously thought to be the case. As described on page 28, a comprehensive mine waste management program has been initiated to reduce these risks.

Meteorological factors at Ok Tedi
Ok Tedi's ability to generate electrical power, ship concentrates to its customers and bring supplies to the operations depends on the amount of rainfall in the area. Prolonged dry weather conditions could, therefore, have a negative impact on its operating results. At the end of the third quarter, low precipitation had lowered river levels and the use of hydro power. Fortunately, Ok Tedi did not experience any serious interruption in river navigation and concentrate stocks are at low levels.

Meteorological forecasts have indicated that we may experience an El Niño event sometime in the fourth quarter. An El Niño event is likely to reduce precipitation in the region where Ok Tedi operates, which could limit navigation of the Fly and Ok Tedi rivers during those periods. Ok Tedi is taking the necessary steps to minimize the impact on the operation in case an El Niño occurs.

Negotiations of the Community Mine Continuation Agreements (CMCAs)
Ok Tedi began its mid-term review of the Community Mine Continuation Agreements (CMCAs) during the second quarter. The CMCAs set out the level of compensation that is paid to the communities impacted by the mining operation. The review is part of the current CMCAs process, and is to address any material changes that may have taken place since 2002, when the agreements were signed. Negotiations are currently underway and Ok Tedi expects to complete the negotiations by early 2007. Current payments under the CMCAs approximate US $4 million annually (Inmet's share – US $1 million).

Development at Las Cruces
Las Cruces is a development project, and while we are confident that the project will add value as planned, there is still significant uncertainty. Risks associated with detailed engineering, mine and processing facilities construction, permitting and relations with local communities will continue to exist. In addition, a local non-governmental group has initiated several legal proceedings claiming that various governmental approvals for the project were not granted in accordance with regulatory requirements. We believe these claims are without merit and are vigourously defending against them. One of these proceedings was dismissed earlier this year; during the third quarter another one was also definitively dismissed. Two of the proceedings remain outstanding. There remains a risk that completion of the project could be delayed.

Foreign exchange exposure on returns of investment
Our operations (except for Troilus) operate in currencies different than our Canadian dollar reporting currency. Since these operations are self-sustaining, we defer changes in our net investment (which includes our initial investment, earnings and long-term intergroup loans) that arise from changes in foreign exchange rates in our foreign currency translation account. The balance at the end of this quarter was a deferred loss of $37 million. Repatriating funds through dividends, loan repayments or capital redemptions could result in foreign exchange losses, because the Canadian dollar is much stronger now than it was at the time of our original investment. The amount of the loss, if any, will depend on the amount repatriated and foreign exchange rates. We realized a foreign exchange loss on the repatriation of our foreign investment from Çayeli and Ok Tedi of $1million this quarter and $3 million year to date.

Sensitivity analysis

The table below shows you the effect of key variables on our net income, based on our revised objectives for 2006.

	A change of:	Would change our 2006 net income by:	Would change our 2006 net income per share by:
Metal prices			
Copper (per pound)	US $0.10	$12 million	$0.25
Zinc (per pound)	US $0.05	$4 million	$0.08
Gold (per ounce) (1)	US $10	$2 million	$0.03
Exchange rates			
Canadian dollar per US dollar	C$0.05	$18 million	$0.37
Canadian dollar per euro	C$0.05	$3 million	$0.07
Treatment and refining charges			
Copper treatment charge per tonne and	US $10		
copper refining charge per pound	US $0.10	$4 million	$0.07
Zinc treatment charge per tonne	US $10	$1 million	$0.03
Freight and energy costs			
Concentrate freight per tonne	10%	$3 million	$0.05
Fuel price per litre	$0.10	$3 million	$0.06
Electricity per kilowatt hour	$0.01	$3 million	$0.05

(1) Calculations include hedging in place at December 31, 2005.

About Inmet

Inmet is a Canadian-based global mining company that produces copper, zinc and gold. We have interests in four mining operations in locations around the world, including Çayeli in Turkey, Pyhäsalmi in Finland, Troilus in Canada and Ok Tedi in Papua New Guinea. Inmet's common shares are listed and trade on the Toronto Stock Exchange under the stock symbol IMN.

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This press release is also available at www.inmetmining.com

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Third quarter conference call

Will be held on

- Monday, October 30, 2006
- 11:00 a.m. (ET)
- webcast available at http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1624920 or www.inmetmining.com

You can also dial in by calling

- Local or international: +1.416.644.3414

Toll-free within North America: +1.800.796.7558

INMET MINING CORPORATION
Non-GAAP measures

Reconciliation of copper cash costs to statements of earnings

(millions of Canadian dollars, except where otherwise noted)	three months ended September 30 2006	2005	nine months ended September 30 2006	2005
Cost of sales per financial statements	**$52**	$44	**$160**	$149
Smelter processing charges and freight per financial statements	**57**	40	**167**	113
Zinc, gold and other sales	**(84)**	(61)	**(261)**	(168)
Inventory and receivable changes	**(5)**	(1)	**(10)**	(11)
Less - non-cash items	**(1)**	(2)	**(3)**	(6)
Operating costs net of metal credits	**$19**	$20	**$53**	$77
US $ to C$ exchange rate	**$1.12**	$1.20	**$1.13**	$1.22
Inmet's share of copper production (000's pounds)	**44,000**	40,800	**129,500**	126,000
Copper cash cost (per pound)	**US $0.38**	US $0.40	**US $0.36**	US $0.50

Reconciliation of gold cash costs to statements of earnings

(millions of Canadian dollars, except where otherwise noted)	three months ended September 30 2006	2005	nine months ended September 30 2006	2005
Cost of sales per financial statements	**$20**	$20	**$56**	$59
Smelter processing charges and freight per financial statements	**3**	2	**8**	9
Copper and other sales	**(8)**	(4)	**(22)**	(18)
Inventory and receivable changes	**(1)**	(2)	**1**	(4)
Operating costs net of metal credits	**$14**	$16	**$43**	$46
US $ to C$ exchange rate	**$1.12**	$1.20	**$1.13**	$1.22
Inmet's share of gold production (ounces)	**34,600**	38,300	**108,600**	127,900
Gold cash cost (per ounce)	**US $366**	US $348	**US $350**	US $293

Reconciliation of net income to adjusted net income

(thousands of Canadian dollars, except where otherwise noted)	three months ended September 30 2006	2005	nine months ended September 30 2006	2005
Net income per financial statements	**$111,582**	$35,934	**$323,233**	$96,389
Deduct gain on sale of Izok	**-**	-	**23,905**	-
Adjusted net income	**$111,582**	$35,934	**$299,328**	$96,389
Weighted average shares outstanding	**48,274**	44,811	**48,190**	42,757
Adjusted net income per share	**$2.31**	$0.80	**$6.21**	$2.25

Reconciliation of operating cash flow to operating cash flow before working capital

(thousands of Canadian dollars, except where otherwise noted)	three months ended September 30 2006	2005	nine months ended September 30 2006	2005
Operating cash flow per financial statements	**$150,885**	$40,138	**$356,769**	$124,115
Deduct: Net change in non-cash working capital per financial statements	**21,399**	(9,285)	**36,306**	(13,128)
Operating cash flow before working capital	**$129,486**	$49,423	**$320,463**	$137,243
Weighted average shares outstanding	**48,274**	44,811	**48,190**	42,757
Operating cash flow before working capital per share	**$2.68**	$1.10	**$6.65**	$3.21

INMET MINING CORPORATION
Quarterly review
(unaudited)

Latest Four Quarters

(thousands of Canadian dollars, except per share amounts)	2006 Third quarter	2006 Second quarter	2006 First quarter	2005 Fourth quarter[1]
STATEMENTS OF EARNINGS				
Gross sales	$ 301,100	$ 317,624	$ 210,234	$ 190,901
Smelter processing charges and freight	(60,270)	(63,668)	(51,662)	(46,131)
Cost of sales	(73,892)	(78,425)	(65,788)	(67,305)
Depreciation	(9,025)	(8,225)	(7,265)	(7,879)
	157,913	167,306	85,519	69,586
Corporate development and exploration	(2,708)	(1,456)	(1,454)	(2,893)
General and administration	(2,618)	(2,624)	(2,370)	(2,119)
Investment and other income	2,257	2,587	25,698	985
Interest expense	(412)	(391)	(391)	(392)
Capital tax expense (recovery)	41	(246)	(245)	(499)
Income tax expense	(42,902)	(33,240)	(27,196)	(19,022)
Non-controlling interest	11	154	-	-
Net income	$ 111,582	$ 132,090	$ 79,561	$ 45,646
Net income per common share	$ 2.31	$ 2.74	$ 1.65	$ 0.94
Diluted net income per common share	$ 2.31	$ 2.74	$ 1.64	$ 0.94

Previous Four Quarters

(thousands of Canadian dollars, except per share amounts)	2005 Third quarter[1]	2005 Second quarter[1]	2005 First quarter[1]	2004 Fourth quarter[1]
STATEMENTS OF EARNINGS				
Gross sales	$ 178,170	$ 157,720	$ 181,934	$ 120,420
Smelter processing charges and freight	(42,184)	(36,654)	(43,698)	(28,619)
Cost of sales	(64,569)	(67,219)	(77,433)	(65,676)
Depreciation	(7,849)	(8,256)	(8,023)	(7,154)
	63,568	45,591	52,780	18,971
Corporate development and exploration	(1,888)	(1,883)	(1,410)	(2,490)
General and administration	(1,351)	(1,815)	(1,966)	(1,074)
Investment and other income (expense)	(3,401)	3,449	(4,213)	1,614
Interest expense	(409)	(433)	(718)	(1,790)
Capital tax expense (recovery)	(198)	(199)	(198)	(200)
Income tax expense	(20,387)	(13,151)	(15,379)	(732)
Non-controlling interest	-	-	-	-
Net income	$ 35,934	$ 31,559	$ 28,896	$ 14,299
Net income per common share	$ 0.80	$ 0.75	$ 0.70	$ 0.35
Diluted net income per common share	$ 0.80	$ 0.75	$ 0.68	$ 0.34

[1] Has been restated due to the adoption of Canadian Institute of Chartered Accountants Emerging Issues Abstract - *160 - Stripping Costs Incurred During the Production Phase of an Operation.*

INMET MINING CORPORATION
Consolidated balance sheets

(thousands of Canadian dollars)	**September 30 2006**	December 31 2005
	(unaudited)	(note 2)
Assets		
Current assets:		
Cash and short-term investments	**$555,831**	$251,895
Accounts receivable	**101,556**	90,697
Inventories	**50,340**	52,215
Future income tax asset	**7,273**	4,938
	715,000	399,745
Restricted cash (note 4)	**29,580**	22,642
Property, plant and equipment (note 9)	**485,213**	438,021
Investments (note 9)	**53,002**	3,620
Future income tax asset	**20,914**	20,627
Deferred charges	**4,823**	10,978
Other assets	**39,101**	32,239
	$1,347,633	$927,872
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	**$160,092**	$99,196
Long-term debt (note 5)	**62,585**	31,934
Reclamation liabilities	**63,445**	61,132
Other liabilities	**29,529**	34,055
Future income tax liabilities	**40,881**	50,807
Non-controlling interest	**45,915**	27,124
	402,447	304,248
Commitments (note 6)		
Shareholders' equity		
Share capital	**337,338**	336,434
Contributed surplus	**66,999**	66,999
Stock based compensation (note 7)	**833**	962
Retained earnings	**576,792**	258,386
Foreign currency translation account (note 8)	**(36,776)**	(39,157)
	945,186	623,624
	$1,347,633	$927,872

(see accompanying notes)

INMET MINING CORPORATION
Segmented balance sheets

2006 As at September 30

(unaudited)	CORPORATE	ÇAYELI	PYHÄSALMI	TROILUS	OK TEDI	LAS CRUCES	TOTAL
(thousands of Canadian dollars)		(Turkey)	(Finland)	(Canada)	(Papua New Guinea)	(Spain)	
Assets							
Cash and short-term investments	**$218,646**	**$153,755**	**$117,464**	**$ -**	**$44,366**	**$21,600**	**$555,831**
Other current assets	**3,572**	**31,178**	**59,349**	**20,885**	**34,705**	**9,480**	**159,169**
Restricted cash	**14,300**	**-**	**-**	**-**	**10,359**	**4,921**	**29,580**
Property, plant and equipment	**599**	**109,313**	**71,385**	**35,898**	**38,131**	**229,887**	**485,213**
Investments	**53,002**	**-**	**-**	**-**	**-**	**-**	**53,002**
Deferred charges	**-**	**-**	**-**	**4,823**	**-**	**-**	**4,823**
Other assets	**28,893**	**464**	**-**	**6,128**	**700**	**23,830**	**60,015**
	$319,012	**$294,710**	**$248,198**	**$67,734**	**$128,261**	**$289,718**	**$1,347,633**
Liabilities							
Current liabilities	**$7,656**	**$27,115**	**$29,771**	**$18,726**	**$52,904**	**$23,920**	**$160,092**
Long-term debt	**15,370**	**-**	**-**	**-**	**-**	**47,215**	**62,585**
Reclamation liabilities	**25,985**	**3,275**	**12,004**	**4,216**	**16,726**	**1,239**	**63,445**
Other liabilities	**8,274**	**3,387**	**-**	**11,019**	**2,030**	**4,819**	**29,529**
Future income tax liabilities	**-**	**21,239**	**5,541**	**-**	**2,368**	**11,733**	**40,881**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**45,915**	**45,915**
	$57,285	**$55,016**	**$47,316**	**$33,961**	**$74,028**	**$134,841**	**$402,447**

2005 As at December 31

	CORPORATE	ÇAYELI	PYHÄSALMI	TROILUS	OK TEDI	LAS CRUCES	TOTAL
(thousands of Canadian dollars)		(Turkey)	(Finland)	(Canada)	(Papua New Guinea)	(Spain)	(note 2)
Assets							
Cash and short-term investments	$123,843	$36,578	$58,138	$ -	$16,031	$17,305	$251,895
Other current assets	3,674	39,922	40,624	18,996	41,227	3,407	147,850
Restricted cash	14,000	-	-	-	8,642	-	22,642
Property, plant and equipment	27,149	108,153	74,161	42,398	37,445	148,715	438,021
Investments	3,620	-	-	-	-	-	3,620
Deferred charges	-	-	-	10,978	-	-	10,978
Other assets	28,130	488	-	5,865	899	17,484	52,866
	$200,416	$185,141	$172,923	$78,237	$104,244	$186,911	$927,872
Liabilities							
Current liabilities	$10,260	$18,234	$19,068	$17,450	$29,529	$4,655	$99,196
Long-term debt	14,624	-	-	-	-	17,310	31,934
Reclamation liabilities	25,650	3,248	11,155	4,058	17,021	-	61,132
Other liabilities	10,775	3,184	-	18,102	1,994	-	34,055
Future income tax liabilities	-	32,075	5,311	-	2,027	11,394	50,807
Non-controlling interest	-	-	-	-	-	27,124	27,124
	$61,309	$56,741	$35,534	$39,610	$50,571	$60,483	$304,248

INMET MINING CORPORATION
Consolidated statements of earnings
(unaudited)

(thousands of Canadian dollars except per share amounts)	Three Months Ended September 30 2006	2005	Nine Months Ended September 30 2006	2005
		(note 2)		(note 2)
Gross sales	**$301,100**	$178,170	**$828,958**	$517,824
Smelter processing charges and freight	**(60,270)**	(42,184)	**(175,600)**	(122,536)
Cost of sales	**(73,892)**	(64,569)	**(218,105)**	(209,221)
Depreciation	**(9,025)**	(7,849)	**(24,515)**	(24,128)
	157,913	63,568	**410,738**	161,939
Corporate development and exploration	**(2,708)**	(1,888)	**(5,618)**	(5,181)
General and administration	**(2,618)**	(1,351)	**(7,612)**	(5,132)
Investment and other income (note 9)	**2,257**	(3,401)	**30,542**	(4,165)
Interest expense	**(412)**	(409)	**(1,194)**	(1,560)
Capital tax expense	**41**	(198)	**(450)**	(595)
Income tax expense (note 10)	**(42,902)**	(20,387)	**(103,338)**	(48,917)
Non-controlling interest	**11**	-	**165**	-
Net income	**$111,582**	$35,934	**$323,233**	$96,389
Basic net income per common share (note 11)	**$2.31**	$0.80	**$6.71**	$2.25
Diluted net income per common share (note 11)	**$2.31**	$0.80	**$6.70**	$2.24
Weighted average shares outstanding (000's)	**48,274**	44,811	**48,190**	42,757

(see accompanying notes)

INMET MINING CORPORATION
Segmented statements of earnings
(Unaudited)

2006 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	**$ -**	**$282,694**	**$185,678**	**$77,515**	**$283,071**	**$ -**	**$828,958**
Smelter processing charges and freight	**-**	**(72,503)**	**(49,307)**	**(8,214)**	**(45,576)**	**-**	**(175,600)**
Cost of sales	**(1,368)**	**(55,092)**	**(35,999)**	**(56,422)**	**(69,224)**	**-**	**(218,105)**
Depreciation	**-**	**(5,546)**	**(6,284)**	**(8,074)**	**(4,611)**	**-**	**(24,515)**
	(1,368)	**149,553**	**94,088**	**4,805**	**163,660**	**-**	**410,738**
Corporate development and exploration	**(1,687)**	**(844)**	**(1,593)**	**(944)**	**-**	**(550)**	**(5,618)**
General and administration	**(7,612)**	**-**	**-**	**-**	**-**	**-**	**(7,612)**
Investment and other income	**28,380**	**2,162**	**-**	**-**	**-**	**-**	**30,542**
Interest expense	**(1,194)**	**-**	**-**	**-**	**-**	**-**	**(1,194)**
Capital tax expense	**(450)**	**-**	**-**	**-**	**-**	**-**	**(450)**
Income tax expense	**-**	**(21,810)**	**(21,215)**	**-**	**(60,313)**	**-**	**(103,338)**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**165**	**165**
Net income (loss)	**$16,069**	**$129,061**	**$71,280**	**$3,861**	**$103,347**	**($385)**	**$323,233**

2005 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL (note 2)
Gross sales	$ -	$147,327	$126,314	$83,021	$161,162	$ -	$517,824
Smelter processing charges and freight	-	(45,436)	(37,976)	(9,046)	(30,078)	-	(122,536)
Cost of sales	(1,518)	(52,237)	(34,889)	(58,664)	(61,913)	-	(209,221)
Depreciation	-	(5,476)	(7,676)	(7,392)	(3,584)	-	(24,128)
	(1,518)	44,178	45,773	7,919	65,587	-	161,939
Corporate development and exploration	(1,667)	(550)	(1,374)	(718)	(872)	-	(5,181)
General and administration	(5,132)	-	-	-	-	-	(5,132)
Investment and other income	(4,165)	-	-	-	-	-	(4,165)
Interest expense	(1,560)	-	-	-	-	-	(1,560)
Capital tax expense	(595)	-	-	-	-	-	(595)
Income tax expense	(1,472)	(12,303)	(11,396)	-	(23,746)	-	(48,917)
Net income (loss)	($16,109)	$31,325	$33,003	$7,201	$40,969	$ -	$96,389

INMET MINING CORPORATION
Segmented statements of earnings
(Unaudited)

2006 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	**$ -**	**$105,916**	**$64,436**	**$29,274**	**$101,474**	**$ -**	**$301,100**
Smelter processing charges and freight	**-**	**(25,713)**	**(15,111)**	**(3,127)**	**(16,319)**	**-**	**(60,270)**
Cost of sales	**(414)**	**(18,034)**	**(11,135)**	**(20,909)**	**(23,400)**	**-**	**(73,892)**
Depreciation	**-**	**(1,822)**	**(2,336)**	**(3,123)**	**(1,744)**	**-**	**(9,025)**
	(414)	**60,347**	**35,854**	**2,115**	**60,011**	**-**	**157,913**
Corporate development and exploration	**(830)**	**(472)**	**(593)**	**(775)**	**-**	**(38)**	**(2,708)**
General and administration	**(2,618)**	**-**	**-**	**-**	**-**	**-**	**(2,618)**
Investment and other income	**3,201**	**(944)**	**-**	**-**	**-**	**-**	**2,257**
Interest expense	**(412)**	**-**	**-**	**-**	**-**	**-**	**(412)**
Capital tax expense	**41**	**-**	**-**	**-**	**-**	**-**	**41**
Income tax expense	**-**	**(12,508)**	**(8,186)**	**-**	**(22,208)**	**-**	**(42,902)**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**11**	**11**
Net income (loss)	**($1,032)**	**$46,423**	**$27,075**	**$1,340**	**$37,803**	**($27)**	**$111,582**

2005 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL (note 2)
Gross sales	$ -	$56,321	$47,154	$22,275	$52,420	$ -	$178,170
Smelter processing charges and freight	-	(14,877)	(14,375)	(2,090)	(10,842)	-	(42,184)
Cost of sales	(505)	(15,493)	(10,590)	(20,102)	(17,879)	-	(64,569)
Depreciation	-	(1,742)	(2,353)	(2,637)	(1,117)	-	(7,849)
	(505)	24,209	19,836	(2,554)	22,582	-	63,568
Corporate development and exploration	(382)	(201)	(673)	(457)	(175)	-	(1,888)
General and administration	(1,351)	-	-	-	-	-	(1,351)
Investment and other income	(3,401)	-	-	-	-	-	(3,401)
Interest expense	(409)	-	-	-	-	-	(409)
Capital tax expense	(198)	-	-	-	-	-	(198)
Income tax expense	(369)	(7,222)	(4,575)	-	(8,221)	-	(20,387)
Net income (loss)	($6,615)	$16,786	$14,588	($3,011)	$14,186	$ -	$35,934

INMET MINING CORPORATION
Consolidated statements of cash flows
(unaudited)

(thousands of Canadian dollars)	Three Months Ended September 30 2006	2005	Nine Months Ended September 30 2006	2005
Cash provided by (used in) operating activities [1]				
Net income	**$111,582**	$35,934	**$323,233**	$96,389
Add (deduct) items not affecting cash:				
Gain on disposition of investments (note 9)	**-**	-	**(24,291)**	-
Depreciation	**9,025**	7,849	**24,515**	24,128
Future income tax	**4,828**	1,723	**(9,443)**	4,130
Redemption cost of convertible debentures (note 9)	**-**	-	**-**	6,631
Settlement of pension liability (note 9)	**-**	4,100	**-**	4,100
Accretion expense on reclamation liabilities	**824**	911	**2,575**	2,767
Deferred revenue	**1,055**	(744)	**2,073**	130
Non-controlling interest	**(11)**	-	**(165)**	-
Other	**2,611**	608	**3,436**	1,105
Reclamation costs	**(428)**	(958)	**(1,470)**	(2,137)
Net change in non-cash working capital (note 3)	**21,399**	(9,285)	**36,306**	(13,128)
	150,885	40,138	**356,769**	124,115
Cash provided by (used in) investing activities				
Acquisitions and dispositions	**2,105**	(8,570)	**3,734**	(8,570)
Non-controlling cash as at acquisition date	**-**	8,834	**-**	8,834
Capital spending	**(49,936)**	(19,546)	**(87,040)**	(38,502)
Sale (purchase) of short-term investments	**(152,432)**	76,744	**(233,627)**	77,935
Other	**(67)**	(637)	**(262)**	(895)
	(200,330)	56,825	**(317,195)**	38,802
Cash provided by (used in) financing activities				
Long-term debt borrowings	**9,927**	-	**37,051**	-
Redemption of convertible debentures (note 9)	**-**	-	**-**	(63,987)
Financial assurance deposits (note 4)	**(4,737)**	(924)	**(6,904)**	(1,915)
Subsidies received (note 4)	**-**	-	**4,850**	-
Funding by non-controlling shareholder	**-**	-	**9,246**	-
Dividends paid on common shares	**-**	-	**(4,827)**	
Debt issue costs	**(307)**	(1,497)	**(5,732)**	(1,497)
Issue of share capital	**-**	187	**542**	2,996
	4,883	(2,234)	**34,226**	(64,403)
Foreign exchange loss on cash held in foreign currency	**(207)**	(8,394)	**(2,058)**	(12,752)
Increase (decrease) in cash	**(44,769)**	86,335	**71,742**	85,762
Cash:				
Beginning of period	**368,406**	150,307	**251,895**	150,880
End of period	**323,637**	236,642	**323,637**	236,642
Short-term investments	**232,194**	16,992	**232,194**	16,992
Cash and short-term investments	**$555,831**	$253,634	**$555,831**	$253,634

(see accompanying notes)

[1] **Cash used in operations includes the following payments:**				
Interest	**$605**	$620	**$1,184**	$2,278
Taxes	**$41,822**	$6,267	**$78,339**	$32,970

INMET MINING CORPORATION
Segmented statements of cash flows
(unaudited)

2006 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	($8,352)	$129,503	$79,036	$14,756	$106,070	($550)	$320,463
Net change in non-cash working capital	($5,611)	19,684	(8,219)	(2,763)	32,665	550	36,306
	(13,963)	149,187	70,817	11,993	138,735	-	356,769
Cash provided by (used in) investing activities							
Acquisitions and dispositions	1,629	-	2,105	-	-	-	3,734
Capital spending	(85)	(14,105)	(2,569)	(2,425)	(6,605)	(61,251)	(87,040)
Short-term investments	(125,454)	(108,173)	-	-	-	-	(233,627)
Other	-	-	-	(262)	-	-	(262)
	(123,910)	(122,278)	(464)	(2,687)	(6,605)	(61,251)	(317,195)
Cash provided by (used in) financing activities	(4,494)	-	-	-	(1,712)	40,432	34,226
Foreign exchange change on cash held in foreign currency	-	(1,891)	2,116	-	(2,523)	240	(2,058)
Intergroup funding (distributions)	111,716	(14,581)	(13,143)	(9,306)	(99,560)	24,874	-
Increase (decrease) in cash	(30,651)	10,437	59,326	-	28,335	4,295	71,742
Cash:							
Beginning of period	123,843	36,578	58,138	-	16,031	17,305	251,895
End of period	93,192	47,015	117,464	-	44,366	21,600	323,637
Short-term investments	125,454	106,740	-	-	-	-	232,194
Cash and short-term investments	$218,646	$153,755	$117,464	$ -	$44,366	$21,600	$555,831

2005 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	($8,153)	$44,939	$41,596	$14,535	$44,326	$ -	$137,243
Net change in non-cash working capital	(341)	(1,025)	(9,043)	2,144	(4,863)	-	(13,128)
	(8,494)	43,914	32,553	16,679	39,463	-	124,115
Cash provided by (used in) investing activities							
Acquisitions and dispositions	(29,182)	-	-	-	-	29,446	264
Capital spending	(110)	(11,646)	(4,288)	(8,351)	(1,609)	(12,498)	(38,502)
Short-term investments	77,935	-	-	-	-	-	77,935
Other	-	-	-	(895)	-	-	(895)
	48,643	(11,646)	(4,288)	(9,246)	(1,609)	16,948	38,802
Cash used in financing activities	(62,488)	-	-	-	(1,915)	-	(64,403)
Foreign exchange change on cash held in foreign currency	-	(1,312)	(9,584)	-	(447)	(1,409)	(12,752)
Intergroup funding (distributions)	80,846	(28,288)	(5,851)	(7,433)	(39,274)	-	-
Increase (decrease) in cash	58,507	2,668	12,830	-	(3,782)	15,539	85,762
Cash:							
Beginning of period	45,998	33,852	52,255	-	18,775	-	150,880
End of period	104,505	36,520	65,085	-	14,993	15,539	236,642
Short-term investments	16,992	-	-	-	-	-	16,992
Cash and short-term investments	$121,497	$36,520	$65,085	$ -	$14,993	$15,539	$253,634

INMET MINING CORPORATION
Segmented statements of cash flows
(unaudited)

2006 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	**($2,658)**	**$55,449**	**$29,490**	**$6,194**	**$41,049**	**($38)**	**$129,486**
Net change in non-cash working capital	**(236)**	**8,575**	**24**	**7,144**	**5,854**	**38**	**21,399**
	(2,894)	**64,024**	**29,514**	**13,338**	**46,903**	**-**	**150,885**
Cash provided by (used in) investing activities							
Acquisitions and dispositions	**-**	**-**	**2,105**	**-**	**-**	**-**	**2,105**
Capital spending	**(12)**	**(5,081)**	**(700)**	**(1,299)**	**(3,167)**	**(39,677)**	**(49,936)**
Short-term investments	**(44,259)**	**(108,173)**	**-**	**-**	**-**	**-**	**(152,432)**
Other	**-**	**-**	**-**	**(67)**	**-**	**-**	**(67)**
	(44,271)	**(113,254)**	**1,405**	**(1,366)**	**(3,167)**	**(39,677)**	**(200,330)**
Cash provided by (used in) financing activities	**-**	**-**	**-**	**-**	**(851)**	**5,734**	**4,883**
Foreign exchange change on cash held in foreign currency	**-**	**1,099**	**(763)**	**-**	**32**	**(575)**	**(207)**
Intergroup funding (distributions)	**81,406**	**(15,298)**	**(9,560)**	**(11,972)**	**(45,503)**	**927**	**-**
Increase (decrease) in cash	**34,241**	**(63,429)**	**20,596**	**-**	**(2,586)**	**(33,591)**	**(44,769)**
Cash:							
Beginning of period	**58,951**	**110,444**	**96,868**	**-**	**46,952**	**55,191**	**368,406**
End of period	**93,192**	**47,015**	**117,464**	**-**	**44,366**	**21,600**	**323,637**
Short-term investments	**125,454**	**106,740**	**-**	**-**	**-**	**-**	**232,194**
Cash and short-term investments	**$218,646**	**$153,755**	**$117,464**	**$ -**	**$44,366**	**$21,600**	**$555,831**

2005 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	($3,589)	$21,433	$17,483	($1,270)	$15,366	$ -	$49,423
Net change in non-cash working capital	2,281	225	(3,948)	4,761	(12,604)	-	(9,285)
	(1,308)	21,658	13,535	3,491	2,762	-	40,138
Cash provided by (used in) investing activities							
Acquisitions and dispositions	(29,182)	-	-	-	-	29,446	264
Capital spending	(41)	(2,951)	(923)	(2,484)	(649)	(12,498)	(19,546)
Short-term investments	76,744	-	-	-	-	-	76,744
Other	-	-	-	(637)	-	-	(637)
	47,521	(2,951)	(923)	(3,121)	(649)	16,948	56,825
Cash used in financing activities	(1,310)	-	-	-	(924)	-	(2,234)
Foreign exchange change on cash held in foreign currency	-	(2,085)	(4,131)	-	(769)	(1,409)	(8,394)
Intergroup funding (distributions)	12,047	164	(1,899)	(370)	(9,942)	-	-
Increase (decrease) in cash	56,950	16,786	6,582	-	(9,522)	15,539	86,335
Cash:							
Beginning of period	47,555	19,734	58,503	-	24,515	-	150,307
End of period	104,505	36,520	65,085	-	14,993	15,539	236,642
Short-term investments	16,992	-	-	-	-	-	16,992
Cash and short-term investments	$121,497	$36,520	$65,085	$ -	$14,993	$15,539	$253,634

INMET MINING CORPORATION
Consolidated statements of retained earnings
(unaudited)

(thousands of Canadian dollars)	Three Months Ended September 30 2006	2005	Nine Months Ended September 30 2006	2005
Retained earnings, beginning of period, as previously reported	**$465,210**	$197,116	**$275,541**	$136,648
Adjustment for capitalized stripping (note 2)	**-**	(15,501)	**(17,155)**	(15,488)
Retained earnings, restated	**465,210**	181,615	**258,386**	121,160
Net income	**111,582**	35,934	**323,233**	96,389
Dividends on common shares	**-**	-	**(4,827)**	-
Retained earnings, end of period	**$576,792**	$217,549	**$576,792**	$217,549

(see accompanying notes)

INMET MINING CORPORATION
Notes to the consolidated financial statements

1. Significant accounting policies

Our interim consolidated financial statements do not include all the disclosures as required under generally accepted accounting principles for annual financial statements, however, the interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, except for the changes as described in note 2. The interim consolidated financial statements should be read in conjunction with our annual consolidated financial statements included in our 2005 Annual Report.

2. Change in accounting policy

We adopted CICA's abstract *EIC 160 – Stripping Costs Incurred in the Production Phase of an Operation* retroactively, effective January 1, 2006.

The abstract allows companies to capitalize the costs of stripping, such as the removal of overburden and mine waste materials, when the stripping provides access to reserves that would not otherwise have been accessible and that will be mined in the future. These stripping costs can be amortized over the reserves directly affected by the stripping activity.

Previously, we capitalized mining costs associated with waste removal rock in relation to the stripping ratio for the entire ore body. We then amortized the capital over the life of the ore body using the same stripping ratio.

We expensed some previously deferred stripping costs, which resulted in the following changes to our 2005 financial statements:

- increased the third quarter's cost of sales by $0.9 million ($0.9 million for the nine months)
- decreased the third quarter's earnings per common share and diluted earnings per common share by $0.02 ($0.02 for the nine months)
- lowered property, plant and equipment on the balance sheet by $22.2 million at December 31
- increased future income tax asset on the balance sheet by $5.0 million at December 31
- lowered opening 2005 retained earnings by $15.5 million.

If we had continued with our previous accounting policy for stripping costs, we would have amortized $1 million this quarter and capitalized $1 million in the first nine months of 2006.

3. Statement of cash flows

The following tables show the components of our net change in non-cash working capital by segment for the nine and three months ending September 30.

For the nine months ended September 30, 2006

(thousands)	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Las Cruces	Total
Accounts receivable	$103	$6,794	$(17,319)	$912	$4,395	$ -	$(5,115)
Inventories	-	77	(93)	(2,439)	3,606	-	1,151
Accounts payable and accrued liabilities	(2,703)	7,862	2,321	(1,236)	2,140	550	8,934
Taxes payable	(2,248)	4,944	6,872	-	22,978	-	32,546
Other	(763)	7	-	-	(454)	-	(1,210)
	$(5,611)	$19,684	$(8,219)	$(2,763)	$32,665	$550	$36,306

For the nine months ended September 30, 2005

(thousands)	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Las Cruces	Total
Accounts receivable	$506	$(7,342)	$(8,670)	$3,025	$(8,473)	$ -	$(20,954)
Inventories	-	3,171	(731)	100	1,992	-	4,532
Accounts payable and accrued liabilities	(1,579)	(930)	(208)	(981)	(4,474)	-	(8,172)
Taxes payable	781	4,282	566	-	6,219	-	11,848
Other	(49)	(206)	-	-	(127)	-	(382)
	$(341)	$(1,025)	$(9,043)	$2,144	$(4,863)	$ -	$(13,128)

For the three months ended September 30, 2006

(thousands)	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Las Cruces	Total
Accounts receivable	$89	$8,847	$(5,261)	$5,025	$6,001	$ -	$14,701
Inventories	-	(793)	(719)	2,242	1,150	-	1,880
Accounts payable and accrued liabilities	(441)	4,494	2,273	(123)	2,399	38	8,640
Taxes payable	(181)	(3,968)	3,731	-	(3,070)	-	(3,488)
Other	297	(5)	-	-	(626)	-	(334)
	$(236)	$8,575	$24	$7,144	$5,854	$38	$21,399

For the three months ended September 30, 2005

(thousands)	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Las Cruces	Total
Accounts receivable	$131	$(3,816)	$(6,229)	$1,638	$(4,241)	$ -	$(12,517)
Inventories	-	(29)	4	1,132	(1,770)	-	(663)
Accounts payable and accrued liabilities	380	(477)	506	1,991	(8,671)	-	(6,271)
Taxes payable	983	4,753	1,771	-	2,271	-	9,778
Other	787	(206)	-	-	(193)	-	388
	$2,281	$225	$(3,948)	$4,761	$(12,604)	$ -	$(9,285)

4. Restricted cash

The table below shows our restricted cash balances.

(thousands)	September 30 2006	June 30 2006	December 31 2005
Collateralized cash for letter of credit facility	**$14,300**	$14,300	$14,000
In trust for Ok Tedi rehabilitation	**10,359**	9,278	8,642
Tax Special Plans – Las Cruces	**3,474**	-	-
Dewatering and other – Las Cruces	**1,447**	1,261	-
Total restricted cash	**$29,580**	$24,839	$22,642

Tax special plans - Las Cruces
In the third quarter of 2006, Las Cruces issued letters of credit, totaling $3.5 million, to local townships in order to secure payments that it will owe once certain licenses are granted. These letters of credit were secured with cash.

5. Long-term debt

(thousands)	September 30 2006	December 31 2005
Credit facility	**$ 37,194**	$ -
Promissory note	**15,370**	14,624
Loans from non-controlling shareholder	**10,021**	17,310
	$62,585	$ 31,934

Credit facility
During the third quarter, Las Cruces borrowed an additional €5 million (2006 year to date - €17 million) under Tranche A, the US $240 million senior secured facility, and an additional €2 million (2006 year to date - €11 million) under Tranche B, the €69 million senior secured bridge financing facility.

In the second quarter of 2006, Las Cruces fully utilized its US $25 million letter of credit facility under Tranche A to provide financial assurance with respect to a restoration bond and labour bond, which were required before mining activity could begin. The labour bond is fixed at €5 million. The closure bond is based upon the cost it would take at any particular time in the mine life to restore the site to its post-mining land-use as determined by regulatory authorities. The initial amount of the restoration bond was set at €14.8 million.

In the first quarter of 2006, Las Cruces received a subsidy of €3.4 million related to the development of the mine and submitted an application for an additional €2 million. As a result, Las Cruces utilized €5.4 million of its €10 million letter of credit facility under Tranche B of its credit agreement to provide security for the receipt of these subsidies that will be released when certain conditions are met.

Loans from non-controlling shareholder
The intercompany loans advanced by Inmet and Leucadia to Las Cruces that were in place at December 31, 2005, were converted to equity in February 2006.

For the year, Las Cruces received €22 million of intercompany loan advances. These loans bear interest at an annual rate of euro LIBOR plus five percent and are to be repaid by February 2018. The non-controlling portion of these loans, €7.1 million, is reflected in long-term debt at September 30, 2006. No advances were made in the third quarter.

6. Commitments

Çayeli has committed approximately US $5.5 million for work on its shaft deepening project to be spent in 2006 and 2007.

Las Cruces has the following commitments in place:

- €77 million related to the contract with SNC Lavalin to provide engineering, procurement and construction management
- €14 million related to the additional construction work related to the pit, an underpass and the Dewatering and Re-injection system
- €2.5 million for payments to the local townships. This amount has been secured by letters of credit (note 4).

7. Stock based compensation

The final 174,250 stock options were exercised during the second quarter for which we received proceeds of $0.5 million on the issuance of 174,250 common shares from treasury. There are no stock options outstanding at September 30, 2006.

During the third quarter we issued 1,748 deferred share units (6,526 for the first nine months) and recognized an expense of $0.1 million ($0.3 million for the first nine months). At September 30, 2006, there are 74,153 deferred share units outstanding that are recorded in equity at an average price of $11.23 per unit.

Also during the third quarter, 5,994 deferred share units were redeemed in exchange for 5,994 common shares of Inmet which were issued from treasury. On the exercise of these deferred share units, $0.1 million was transferred from stock based compensation to share capital to reflect the previously recorded value of the issued shares.

8. Foreign currency translation account

The table below shows the breakdown of the foreign currency translation account:

(thousands)	**September 30 2006**	December 31 2005
Pyhäsalmi (euro functional currency)	**$(3,277)**	$(7,479)
Las Cruces (euro functional currency)	**(4,589)**	(8,188)
Çayeli (US dollar functional currency)	**(20,139)**	(15,836)
Ok Tedi (US dollar functional currency)	**(8,771)**	(7,654)
	$(36,776)	$(39,157)

The United States dollar to Canadian dollar exchange rate was $1.12 at September 30, 2006 and $1.16 at December 31, 2005. The euro to Canadian dollar exchange rate was $1.42 at September 30, 2006 and $1.38 at December 31, 2005. The euro to Canadian dollar exchange rate on the date we acquired Las Cruces, August 22, 2005, was $1.47.

9. Investment and other income

Investment and other income is summarized as follows:

(thousands)	three months ended September 30 **2006**	2005	nine months ended September 30 **2006**	2005
Gain on sale of Izok	**$-**	$-	**$23,905**	$-
Interest and dividend income	**4,483**	2,096	**8,720**	7,162
Foreign exchange loss	**(2,390)**	(1,193)	**(2,610)**	(1,240)
Redemption costs of debentures	**-**	-	**-**	(6,631)
Non-cash expense from settlement of pension liability	**-**	(4,100)	**-**	(4,100)
Share consideration received	**-**	-	**-**	1,243
Pension expense	**(42)**	(20)	**(94)**	(118)
Other	**206**	(184)	**621**	(481)
	$2,257	$(3,401)	**$30,542**	$(4,165)

Sale of Izok development property and acquisition of Wolfden common shares
On March 31, 2006, we sold our interest in the Izok development property to Wolfden Resources Inc. In exchange, we received 13.5 million common shares of Wolfden valued at $50.6 million, which represented approximately 18 percent of the issued and outstanding common shares of Wolfden on that date. We recorded a gain of $23.9 million as a result of the transaction. The value of the Izok property was formerly carried at $26.6 million and was recorded in property, plant and equipment

During the third quarter of 2006, Wolfden completed an arrangement under the Business Corporation Act of Ontario involving a new company, Premier Gold Mines Ltd. Pursuant to the arrangement, we received one new common share of Wolfden and 0.7 of a common share of Premier. At September 30, 2006 we held 13.5 million common shares of Wolfden and 9.45 million common shares of Premier, carried at $39.7 and $10.9 million, respectively, on our balance sheet.

The market values of our interest in Wolfden and Premier at September 30, 2006 was $18.9 million and $8.4 million, respectively.

Foreign exchange loss
Included in the foreign exchange loss for the third quarter of 2006 is a $1 million loss from the payment of a dividend from Çayeli. The remaining foreign exchange losses are a result of revaluing certain foreign balances.

Redemption costs of debentures
In 2005, we redeemed our convertible debentures for cash, and expensed the difference between the carrying value of the debentures and the redemption cost.

Settlement of pension liability
In 2005, we reduced our Canadian defined benefit pension liability substantially by buying annuities for retirees in the plan. Because the plan was adequately funded, we were able to buy the annuities using pension plan assets. This transaction reduced our $20 million accrued benefit obligation by $14.5 million. We also recorded a non-cash charge of $4.1 million to recognize remaining unamortized net actuarial losses.

10. Income tax expense

The tables below show our current and future income tax expense.

For the nine months ended September 30, 2006

(thousands)	Corporate	Çayeli	Pyhäsalmi	Ok Tedi	Total
Current income taxes	**$-**	**$28,858**	**$21,143**	**$62,780**	**$112,781**
Future income taxes	**-**	**(7,048)**	**72**	**(2,467)**	**(9,443)**
	$-	**$21,810**	**$21,215**	**$60,313**	**$103,338**

For the nine months ended September 30, 2005

(thousands)	Corporate	Çayeli	Pyhäsalmi	Ok Tedi	Total
Current income taxes	$1,472	$7,234	$11,989	$24,092	$44,787
Future income taxes	-	5,069	(593)	(346)	4,130
	$1,472	$12,303	$11,396	$23,746	$48,917

For the three months ended September 30, 2006

(thousands)	Corporate	Çayeli	Pyhäsalmi	Ok Tedi	Total
Current income taxes	**$-**	**$9,065**	**$8,222**	**$20,787**	**$38,074**
Future income taxes	**-**	**3,443**	**(36)**	**1,421**	**4,828**
	$-	**$12,508**	**$8,186**	**$22,208**	**$42,902**

For the three months ended September 30, 2005

(thousands)	Corporate	Çayeli	Pyhäsalmi	Ok Tedi	Total
Current income taxes	$369	$5,188	$4,550	$8,557	$18,664
Future income taxes	-	2,034	25	(336)	1,723
	$369	$7,222	$4,575	$8,221	$20,387

In June 2006, the Turkish government enacted tax legislation that reduced Çayeli's corporate tax rate to 20 percent, effective January 1, 2006. Çayeli recorded an income tax recovery of $10 million year to date from a reduction in its future income tax liability.

11. Net income per share

The following tables show our calculation of basic and diluted net income per share.

	three months ended September 30		nine months ended September 30	
(thousands)	**2006**	2005	**2006**	2005
Net income available to common shareholders	**$111,582**	$35,934	**$323,233**	$96,389

	three months ended September 30		nine months ended September 30	
(thousands)	**2006**	2005	**2006**	2005
Weighted average common shares outstanding	**48,274**	44,811	**48,190**	42,757
Plus incremental shares from assumed conversions:				
Stock options	**-**	135	**-**	135
Deferred share units	**74**	70	**74**	70
Diluted weighted average common shares outstanding	**48,348**	45,016	**48,264**	42,962

	three months ended September 30		nine months ended September 30	
(Canadian dollars per share)	**2006**	2005	**2006**	2005
Basic net income per common share	**$2.31**	$0.80	**$6.71**	$2.25
Dilutive effect from assumed conversions:				
Stock options per common share	**-**	-	**-**	(0.01)
Deferred share units per common share	**-**	-	**(0.01)**	-
Diluted net income per common share	**$2.31**	$0.80	**$6.70**	$2.24