



INMET MINING CORPORATION MANAGEMENT PROXY CIRCULAR

This management proxy circular is furnished in connection with the solicitation by the management of Inmet Mining Corporation (the "Corporation") of proxies to be used at the Annual and Special Meeting of Shareholders of the Corporation (the "Meeting") referred to in the accompanying notice of meeting, to be held in the TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario, on Wednesday, April 30, 2003, at 10:30 a.m. (Toronto time), and at any adjournment thereof, for the purposes set forth in the accompanying notice. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Corporation at nominal cost. The cost of the solicitation will be borne by the Corporation. Unless otherwise specified, the information contained in this circular is given as of March 1, 2003.

Copies of the Corporation's latest annual information form (together with the documents incorporated therein by reference), the consolidated financial statements of the Corporation for 2002 together with the report of the auditors thereon, management's discussion and analysis of the Corporation's financial condition and results of operations for 2002, the interim financial statements of the Corporation for periods subsequent to the end of the Corporation's last fiscal year and this circular are available upon request from the Secretary of the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The management representatives named in the enclosed form of proxy are officers of the Corporation. **Each shareholder has the right to appoint a person, who need not be a shareholder of the Corporation, to represent that shareholder at the Meeting other than the management representatives named in the enclosed form of proxy.** This right may be exercised by inserting such person's name in the blank space provided in the form of proxy. The completed form of proxy must be deposited not later than the close of business on the business day immediately preceding the day of the Meeting or any adjournment thereof with CIBC Mellon Trust Company, attention Proxy Department, at 200 Queen's Quay East, Unit 6, Toronto, Ontario, M5A 4K9, by using the envelope provided for this purpose, or by fax at 416-368-2502.

A shareholder who has given a proxy has the right to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by that proxy and may do so: (a) by delivering another properly executed form of proxy bearing a later date and depositing it in the manner described in the preceding paragraph, (b) by depositing an instrument in writing revoking the proxy and executed by the shareholder or by the shareholder's attorney authorized in writing (i) at the registered office of the Corporation at any time up to and including the business day immediately preceding the day of the Meeting or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or (c) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the management representatives named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the shares will be voted or withheld from voting in accordance with the specifications so made.

Where shareholders have not specified in the form of proxy the manner in which the management representatives named therein are required to vote the shares represented thereby, the management representatives will vote such shares for the election of directors, for the appointment of auditors, for the approval of the Corporation's amended Supplementary Stock Option Plan and outstanding amended options thereunder and for the approval of the Corporation's amended Deferred Share Unit Plan and outstanding amended deferred share units thereunder, as described under the relevant headings in this circular.

The enclosed form of proxy confers discretionary authority on the persons named in the proxy with respect to amendments to or variations of the matters identified in the notice of meeting and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

SHAREHOLDERS ENTITLED TO VOTE

Each shareholder of record at the close of business on March 20, 2003 (the "record date") will be entitled to five votes for each common share held by that shareholder except to the extent that that shareholder has transferred any common shares after the record date and the transferee of those shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such shares.

VOTING SHARES

At March 1, 2003, the Corporation had outstanding 39,283,100 common shares.

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10 per cent of the votes attached to all shares of the Corporation, other than Lincluden Management Limited, which holds 5,035,471 or approximately 12.8 per cent, AIM Funds Management Inc., which holds 4,705,000, or approximately 12 per cent, and Outokumpu Mining Oy, a subsidiary of Outokumpu Oyj ("Outokumpu"), which holds 4,000,000 or approximately 10.2 per cent, of the Corporation's outstanding common shares.

ELECTION OF DIRECTORS

The Board of Directors has determined that the number of directors to be elected at the Meeting is nine.

The management representatives named in the enclosed form of proxy intend to cast the votes represented by such proxy for the election as directors of the proposed nominees whose names are set out on page 3, unless the shareholder who has given such proxy has directed that the shares represented thereby be withheld from voting in the election of directors. Except for Mr. Beatty, all of the proposed nominees are currently directors and have been directors of the Corporation since the dates indicated. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the management representatives named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion.

The following table sets out the name of each person proposed to be nominated for election as a director, to hold office until the next annual meeting of shareholders or until a successor is appointed; the person's principal occupation or employment; all major positions and offices held in the Corporation; the year in which the person was first elected a director of the Corporation; and the number of shares of the Corporation that he has advised the Corporation are beneficially owned, directly or indirectly, or are subject to control or direction by him, at March 1, 2003.

| | Year First Elected Director | Common Shares Beneficially Owned/Deferred Stock Units Held |
|---|-----------------------------|--|
| David R. Beatty , O.B.E., Toronto, Ontario Professor of Strategy and director, Clarkson Centre for Business Ethics and Board Effectiveness, Rotman School of Management, University of Toronto; | n/a | 10,000/Nil |
| Paul E. Gagné ⁽¹⁾⁽³⁾ , Senneville, Quebec Corporate Director | 1996 | 5,300/26,414 |
| Oyvind Hushovd ⁽¹⁾⁽³⁾ , Oakville, Ontario Corporate Director | 2002 | Nil/3,393 |
| William James ⁽²⁾⁽³⁾⁽⁴⁾ , Toronto, Ontario Chairman of the Corporation | 1996 | 40,000/378,234 |
| Jyrki Juusela ⁽⁴⁾ , Helsinki, Finland Chief Executive Officer and President, Outokumpu Oyj | 2002 | Nil/3,013 |
| Thomas E. Kierans ⁽²⁾⁽⁴⁾ , Toronto, Ontario Chairman of the Canadian Institute for Advanced Research | 1996 | 40,000/7,223 |
| Alfred Powis , Toronto, Ontario Corporate Director | 1997 | 2,700/6,578 |
| Richard A. Ross , Nobleton, Ontario President and Chief Executive Officer of the Corporation | 1999 | 30,000/Nil |
| James M. Tory ⁽¹⁾⁽²⁾ , Toronto, Ontario Counsel, Torys LLP (barristers and solicitors) | 1987 | 58,125/25,073 |

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Safety, Health & Environment Committee

(4) Member of the Corporate Governance and Nominating Committee

APPOINTMENT OF AUDITORS

The management representatives named in the enclosed form of proxy intend to vote the shares represented by such proxy in favour of a resolution appointing KPMG LLP, Chartered Accountants, Toronto, Ontario as auditors of the Corporation, to hold office until the next annual meeting of shareholders, and authorizing the directors to fix the remuneration of the auditors, unless the shareholder who has given such proxy has directed that the shares represented thereby be withheld from voting in the appointment of auditors.

The fees earned by KPMG LLP for professional services rendered for the audit of the Corporation's annual financial statements for the fiscal year ended December 31, 2002 and in connection with the financial statements included in the Corporation's interim reports for that fiscal year totalled \$213,000. Other fees paid to KPMG LLP for the fiscal year ended December 31, 2002 totalled \$715,000, consisting of fees for ongoing tax services of \$150,000, fees for one-time tax services of \$223,000, fees for financial due diligence of \$199,000 relating to the acquisition of the Pyhäsalmi mine, and fees for other statutory audits, establishment of a number of subsidiary companies and translation fees of \$143,000. No amounts were paid to KPMG LLP in 2002 with respect to internal audit and information technology matters.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The rules of the Toronto Stock Exchange (TSX) require that the Corporation annually prepare a Statement of Corporate Governance Practices, which compares the Corporation's governance practices to those recommended in guidelines established by the TSX (TSX Guidelines). This Statement of Corporate Governance Practices has been approved by the Board of Directors of the Corporation.

Board Composition

The Board has determined that nine directors will be elected at the Meeting. The directors believe that this Board size facilitates effective decision making and is appropriate to the size of the Corporation and the complexity of its affairs. The directors are of the opinion that five of the current directors and Mr. Beatty who is a nominee are "unrelated directors", and that three of the current directors who are nominees, Mr. Ross, the Chief Executive Officer of the Corporation, Mr. James, who serves as Chairman of the Board and is the former Chief Executive Officer, and Dr. Juusela, by virtue of certain agreements entered into between the Corporation and Outokumpu Oyj (see "Interests of Insiders in Material Transactions"), are "related directors" within the meaning of the TSX Guidelines. Accordingly, the Board is and will be constituted with a majority of individuals who qualify as "unrelated directors" within the meaning of the TSX Guidelines, in compliance with the guidelines.

Mandate of the Board

The mandate of the Board of Directors is to supervise the management of the business and affairs of Inmet and to act with a view to the best interests of the Corporation. In fulfilling its mandate, the Board, among other matters, is responsible for:

- Overseeing the strategic planning process
- Monitoring the performance of the Corporation's operations
- Overseeing the identification, analysis and management of risks inherent in the Corporation's business and ensuring appropriate policies and practices are in place to address these risks
- Approving specific acquisitions, divestitures and financings
- Developing the Corporation's approach to governance issues
- Establishing objectives for the Chief Executive Officer and reviewing objectives for other senior executives
- Evaluating the performance of senior management
- Succession planning

The assumption of these responsibilities complies with the relevant TSX Guidelines. To discharge these responsibilities, the Board approves an annual operating and capital budget and regularly reviews corporate results in relation to the approved budget. In addition, the Board reviews and approves specific transactions, as well as policies and other ongoing programs adopted by the Corporation. In accordance with the TSX Guidelines, the Board, on the recommendation of the Corporate Governance and Nominating Committee, periodically reviews the adequacy and form of the compensation of directors with a view to ensuring that the compensation realistically reflects the responsibilities and risk involved in being an effective director.

Four meetings of the Board are scheduled for 2003. Board meetings are ordinarily scheduled on a quarterly basis. The frequency of meetings and the nature of agenda items change depending upon the state of the Corporation's affairs and particular opportunities or risks that the Corporation faces. In 2002, there were four meetings of the Board.

Independence from Management

Mr. James is Chairman of the Board of Directors, and a related director, having formerly served as the Chief Executive Officer of the Corporation. Mr. Ross, the current Chief Executive Officer of the Corporation, and a related director, was appointed to the Board in December, 1999. Notwithstanding that the Chairman is a related director, the directors believe that the Board, as constituted, functions independently of management in accordance with the TSX Guidelines. To assist in ensuring that the Board can function independently of management and in compliance with the relevant TSX Guidelines, the Board has established a policy that individual directors may retain outside advisors at the expense of the Corporation in appropriate circumstances, subject to Board approval.

Board Performance

The Chairman of the Board is responsible to ensure the effective operation of the Board. The Chairman periodically meets with all the directors, other than the Chief Executive Officer, to discuss the effectiveness of the process the Board follows and the quality of information provided to directors by management. The Chairman also meets from time to time with directors on an individual basis to discuss matters that the individual directors wish to raise with the Chairman.

Board Committees

The Board of Directors has four standing committees: the Audit Committee, the Safety, Health and Environment Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. From time to time, *ad hoc* committees of the Board are appointed.

Audit Committee

The Audit Committee is composed entirely of unrelated directors. The Audit Committee has established definitions for “financial literacy” and “accounting or related financial expertise” and has determined that all members of the Audit Committee are financially literate and that two members have accounting or related financial expertise. The Audit Committee operates under a written charter that provides that its principal function is to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, financial risks and accounting controls. The Audit Committee is responsible for reviewing the Corporation’s financial reporting procedures, internal controls and risk management practices, and the terms of engagement and performance of its external auditors. The Audit Committee is also responsible for reviewing the interim financial statements, annual financial statements, management’s discussion and analysis of financial condition and results and annual report of the Corporation, prior to their approval by the Board. In fulfilling its mandate, the Audit Committee receives, among other information, quarterly reports from management with respect to: (i) risk management, including metals and currency hedging; (ii) exploration and capital spending in relation to approved budgets; and (iii) accounting issues. The Audit Committee meets regularly with the auditors in the absence of management and has direct access to management in order to review specific issues. The composition and role of the Audit Committee comply with the relevant TSX Guidelines. The members of the Audit Committee are Messrs. Gagné, Tory and Hushovd. The Audit Committee met five times in 2002.

Compensation Committee

The Compensation Committee makes recommendations to the Board on, among other things, the compensation of senior executives and incentive compensation plans for senior executives and other employees. The Compensation Committee from time to time seeks advice from compensation consultants with respect to the appropriateness of the Corporation’s compensation practices. The members of the Compensation Committee are Messrs. Tory, James and Kierans. The Committee held three meetings in 2002.

Corporate Governance and Nominating Committee

The members of the Corporate Governance and Nominating Committee are Messrs. Kierans, James and Juusela. Although the relevant TSX Guidelines suggest that a corporate governance committee should be composed entirely of unrelated directors, Mr. James, the former Chief Executive Officer of the Corporation and Dr. Juusela, Chief Executive Officer and President of Outokumpu Oyj, sit on the Corporate Governance and Nominating Committee. The Board does not consider this to be inappropriate. The Corporate Governance and Nominating Committee is responsible for reviewing corporate governance practices generally, monitoring the composition of the Board, assessing directors on an ongoing basis, reviewing and making recommendations with respect to compensation of directors, and seeking and reporting to the Board with respect to appropriate candidates for nomination to the Board. Although the TSX Guidelines recommend that every corporation provide an orientation and education program for new directors, the Corporation has not implemented a formal program, but rather arranges for information and access to senior management to be provided to new directors in a manner specifically tailored to their expertise and business background. The Corporate Governance and Nominating Committee held one meeting in 2002.

Safety, Health and Environment Committee

The mandate of the Safety, Health and Environment Committee is to review Inmet’s safety, health and environmental policies and programs and the safety, health and environmental performance of Inmet’s operations and to make recommendations to management and the Board of Directors with respect to issues arising during the course of such

review. The Safety, Health and Environment Committee receives regular reports with respect to safety, health and environmental matters and from time to time requests specific additional information. In addition, Safety, Health and Environment Committee members have direct access to Inmet's Director, Safety, Health and Environment, who is responsible for safety, health and environment. The members of the Committee are Messrs. Gagné, James and Hushovd. This Committee held four meetings in 2002.

Decisions Requiring Board Approval

In addition to those matters which must by law be approved by the Board, management is also required to seek Board approval for an annual budget and acquisitions, dispositions or other unbudgeted expenditures in excess of specified amounts, and must seek specific approval for transactions outside the ordinary course of Inmet's business. Changes in senior management are also approved by the Board.

Shareholder Feedback

The Corporation communicates regularly with its shareholders. The Board has delegated the Corporation's communications policy to management. The Chief Executive Officer, the Vice-President, Finance and Chief Financial Officer and the Vice-President, General Counsel and Secretary generally handle shareholder communications as well as answering all routine questions posed by shareholders.

Expectations of Management

The Board expects management to perform its duties in an efficient, professional and ethical manner. In accordance with the TSX Guidelines, the Board has established specific corporate objectives that the Chief Executive Officer is responsible for meeting. The status of those objectives is reviewed during the year and formally evaluated at the end of each year by the Compensation Committee and the Board.

DIRECTORS' AND OFFICERS' COMPENSATION

Directors' and Officers' Compensation

Directors of the Corporation who are not officers of the Corporation on a full-time basis were entitled in 2002 to receive an annual director's fee of \$15,000 and Board meeting fees of \$1,500, and to be reimbursed for reasonable costs and expenses incurred in attending any meeting. Members of the Audit Committee or any other committee of directors are entitled to receive \$1,000 for each committee meeting attended. In 2002, the Chairman of the Board received an annual retainer of \$50,000. The Chairman of the Audit Committee or any other committee were entitled to receive an annual retainer of \$2,000 for acting in such capacity. In 2002, directors' fees of \$214,500 were paid, in the form of deferred stock units, as described below. In 2002, 5,000 options were also issued under the Corporation's supplementary stock option plan to each of Messrs. Hushovd and Juusela upon their joining the Board of Directors.

In December 1998, the Board adopted a deferred stock unit ("DSU") plan. The DSU plan was principally adopted to provide Mr. James, who in 1998 was the chief executive officer of the Corporation, with compensation in the form of DSUs in lieu of salary he voluntarily elected to forego at that time. The DSU plan was subsequently expanded to permit all directors to receive their annual retainers and meeting fees in the form of DSUs in lieu of cash. The value of the DSUs fluctuates with variations in the market price of the Corporation's common shares. Under the terms of the DSU plan, upon retirement, directors can elect to redeem their DSUs for cash or for common shares of the Corporation to be purchased on the open market by a trustee on behalf of the Corporation. Effective January 1, 2003, all directors elected to take their future compensation for annual retainers and meeting fees in cash in lieu of DSUs. Accordingly, the Corporation does not anticipate issuing further DSUs. As of January 1, 2003, the directors also waived their right to elect to receive cash upon redemption of their DSUs under the DSU Plan.

In 2002, 40,325 DSUs were issued in the aggregate to non-executive directors at an average share price of \$5.32. Currently, 472,467 DSUs have been issued under the DSU plan.

As set out under "Amendment of Deferred Share Unit Plan and Amendment of Outstanding Deferred Share Units" on page 9, shareholders are being asked to approve (i) the Corporation's amended DSU Plan and (ii) the amendment of all outstanding DSUs to reflect that common shares of the Corporation delivered to directors under the amended DSU Plan will be issued from treasury and not purchased in the market on behalf of the Corporation.

The Corporation maintains directors' and officers' liability insurance in the amount of \$25 million in the aggregate, in respect of which premiums of \$106,000 were paid during 2002. This insurance provides for a deductible of \$100,000 for all claims, other than for securities claims, for which there is a \$250,000 deductible.

Summary Compensation Table

The following table sets forth all compensation paid in respect of individuals who were, at December 31, 2002, the Chief Executive Officer and the other four most highly compensated executive officers of the Corporation (the "Named Executives").

| Name and Principal Position | Year | Annual Compensation | | | Long-Term Compensation | | | | All Other Compensation (\$) ⁽¹⁾ |
|---|------|---------------------|------------|--------------------------------|---|--|-------------------|---|--|
| | | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) | Awards | | Payouts | | |
| | | | | | Securities Under Options/SARs Granted (#) | Restricted Shares or Restricted Share Units (\$) | LTIP Payouts (\$) | | |
| Richard Ross, President and Chief Executive Officer | 2002 | 440,000 | 560,000 | — | — | — | — | — | 121,178 |
| | 2001 | 387,500 | 290,000 | — | 270,000 | — | — | — | 85,195 |
| | 2000 | 375,000 | 158,500 | — | 510,000 | — | — | — | 70,598 |
| Jochen Tilk, ⁽²⁾ Executive Vice-President | 2002 | 254,583 | 155,000 | — | — | — | — | — | 54,262 |
| | 2001 | 225,000 | 100,000 | — | 110,000 | — | — | — | 42,695 |
| | 2000 | 200,000 | 52,500 | — | 215,000 | — | — | — | 35,700 |
| Frank Balint, ⁽³⁾ Vice-President, Corporate Development | 2002 | 240,000 | 115,000 | 351 | — | — | — | — | 42,600 |
| | 2001 | 212,500 | 68,000 | 891 | 90,000 | — | — | — | 33,660 |
| | 2000 | 200,000 | 55,500 | 1,141 | 195,000 | — | — | — | 30,660 |
| Oliver Merton, ⁽³⁾ Vice-President, Commercial | 2002 | 200,000 | 105,000 | 3,470 | — | — | — | — | 41,712 |
| | 2001 | 185,000 | 80,000 | 6,648 | 70,000 | — | — | — | 35,495 |
| | 2000 | 170,000 | 47,000 | — | 50,000 | — | — | — | 31,475 |
| Jo-Anne Oswald, ⁽⁴⁾ Vice-President, Finance and Chief Financial Officer | 2002 | 200,000 | 100,000 | — | — | — | — | — | 39,358 |
| | 2001 | 185,000 | 62,000 | — | 70,000 | — | — | — | 32,103 |
| | 2000 | 155,000 | 52,000 | — | 50,000 | — | — | — | 28,463 |

(1) The amounts in this column reflect: (i) premiums paid by the Corporation for term life insurance; (ii) annual contributions by the Corporation under various pension arrangements; and (iii) director's fees paid by associated corporations.

(2) Mr. Tilk became Executive Vice-President effective August 1, 2002. Prior to that he was Vice-President, Operations.

(3) Other annual compensation represents imputed interest (as calculated for purposes of the *Income Tax Act*) on non-interest-bearing house purchase loans.

(4) Ms. Oswald became Vice-President, Finance and Chief Financial Officer on January 1, 2001. Prior to that she was Vice-President, Treasurer.

Stock Option Plans

The Corporation has two stock option plans. The treasury stock option plan of the Corporation (the "Treasury Stock Option Plan") was implemented in 1987. Under the Treasury Stock Option Plan as amended, the Board of Directors is empowered, at its discretion, to grant non-assignable options to purchase common shares to directors, officers and certain key executives of the Corporation and its affiliates. Any such option will have an exercise price not less than the closing price on the date of grant. Unless the Board of Directors determine otherwise, 25 per cent of a grant of options will vest on each of the first, second, third and fourth anniversaries of the date of the grant. The options are exercisable over a period of not more than 10 years.

In 2000, the Corporation adopted a supplementary stock option plan (the "Supplementary Stock Option Plan") in addition to the Treasury Stock Option Plan. The terms of options issued under the Supplementary Stock Option Plan are the same as those issued under the Treasury Stock Option Plan, except that options issued under the Supplementary Stock Option Plan are exercisable over a period of not more than six years and shares in respect of such options that are exercised are acquired in the market by a trustee on behalf of the Corporation instead of being issued from treasury.

In prior years, each of the Treasury Stock Option Plan and the Supplementary Stock Option Plan have provided that stock appreciation rights (SARs) could be granted. SARs could be exercised in lieu of an option to provide the holder of the option the right to acquire cash or common shares of the Corporation equal in value to the difference between the exercise price of the option and the market price of the common shares subject to that option on the date on which the SAR is exercised. During 2002, the Board of Directors approved an amendment to each of the Treasury Stock Option Plan and the

Supplementary Stock Option Plan to eliminate the SARs, subject to obtaining consents from participants in those plans. On October 23, 2002, the Corporation received waivers from Messrs. James and Ross indicating their agreement to irrevocably waive all entitlements to SARs under the plans. The Corporation received similar waivers from the remaining senior management of the Corporation and from the remaining directors, effective December 9, 2002.

As at March 1, 2003, there were options in respect of 2,271,000 common shares outstanding under the Treasury Stock Option Plan at prices ranging from \$1.75 to \$5.35, of which 1,674,500 were exercisable and options in respect of 785,500 shares outstanding under the Supplementary Stock Option Plan at prices ranging from \$1.75 to \$5.80, of which 277,750 were exercisable.

As set out below under “Amendment of Supplementary Stock Option Plan and Amendment of Outstanding Supplementary Stock Options”, shareholders are being asked to approve (i) the Corporation’s amended Supplementary Stock Option Plan and (ii) the amendment of all outstanding stock options under the amended Supplementary Stock Option Plan to reflect that common shares of the Corporation delivered to option holders under the amended Supplementary Stock Option Plan will be issued from treasury and not purchased in the market on behalf of the Corporation.

Amendment of Supplementary Stock Option Plan and Amendment of Outstanding Supplementary Stock Options

The Board has amended the Supplementary Stock Option Plan, subject to regulatory and shareholder approval. The amendment permits shares delivered to option holders under the amended Supplementary Stock Option Plan (the “Amended Supplementary Stock Option Plan”) upon the exercise of options to be issued from treasury and not purchased in the market on behalf of the Corporation.

The Board also amended all outstanding supplementary stock options to reflect the terms of the Amended Supplementary Stock Option Plan (the “Amended Supplementary Options”), subject to regulatory and shareholder approval. All other terms and conditions of each Amended Supplementary Option (including the exercise price, vesting provisions and expiration date) remain unchanged from those of the original stock option.

The TSX has conditionally approved the Amended Supplementary Stock Option Plan and the Amended Supplementary Options, subject to shareholder approval. **Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass a resolution approving the Amended Supplementary Stock Option Plan and the Amended Supplementary Options.** The resolution must be passed by a majority of the votes cast at the Meeting by holders of common shares, excluding participants in the Supplementary Stock Option Plan, and associates of such individuals. To the knowledge of the Corporation, the number of votes to be so excluded is approximately 220,668. If such resolution is not passed, the aforementioned amendments to the Supplementary Stock Option Plan and to all outstanding supplementary stock options will be revoked. Option holders will continue to hold their outstanding stock options under the continuing Supplementary Stock Option Plan in the form originally granted rather than as Amended Supplementary Options.

The persons designated in the enclosed form of proxy, unless otherwise instructed, intend to vote for the resolution approving the Amended Supplementary Stock Option Plan and the Amended Supplementary Options.

If approved, the Amended Supplementary Stock Option Plan and the Amended Supplementary Options, together with the removal of the SARs, will permit the Corporation to eliminate the need to make quarterly adjustments in the Corporation’s financial statements in respect of the cash liability relating to such plan and options.

Currently, 3.8 million common shares of the Corporation are reserved for issuance under the Treasury Stock Option Plan. As of the date hereof, 785,500 common shares of the Corporation would be issuable upon exercise of Amended Supplementary Options under the Amended Supplementary Stock Option Plan should the amendments be approved. The aggregate number of shares of the Corporation authorized for issuance under the Amended Supplementary Stock Option Plan, the Treasury Stock Option Plan and the Amended DSU Plan (described under “Amendment of Deferred Share Unit Plan and Amendment of Outstanding Deferred Share Units” below) will remain at 3.8 million shares. Any shares issued under the Amended Supplementary Stock Option Plan will be deducted from such maximum.

Outstanding options issued under the Supplementary Stock Option Plan to the Named Executives, the directors of the Corporation and other officers and employees of the Corporation and its subsidiaries, including the date of grant, the exercise price and expiry date thereof are listed below.

| Name/Position of Optionee | Number of Shares Underlying the Option | Date of Grant | Exercise Price | Expiry Date |
|---|--|-------------------------------|------------------|-------------------------------|
| Frank Balint, Vice-President, Corporate Development | 52,500 45,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| Oliver Merton, Vice-President, Commercial | 13,500 35,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| Jo-Anne Oswald, Vice-President, Finance and Chief Financial Officer | 18,000 35,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| Richard Ross, President and Chief Executive Officer | 190,000 135,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| Jochen Tilk, Executive Vice-President | 83,000 55,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| Allen Born, Director | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| Paul Gagné, Director | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| Oyvind Hushovd, Director | 5,000 | May 3, 2002 | \$5.80 | May 3, 2008 |
| William James, Director Chairman | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| Jyrki Juusela, Director | 5,000 | May 3, 2002 | \$5.80 | May 3, 2008 |
| Thomas Kierans, Director | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| Alfred Powis, Director | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| James M. Tory, Director | 5,000 | Dec. 21, 2001 | \$2.95 | Dec. 21, 2007 |
| Other | 31,500 52,000 | Dec. 8, 2000 Dec. 21, 2001 | \$1.75 \$2.95 | Dec. 8, 2006 Dec. 21, 2007 |
| | <u>785,500</u> | | | |

Amendment of Deferred Share Unit Plan and Amendment of Outstanding Deferred Share Units

The Board has amended the DSU Plan, subject to regulatory and shareholder approval. The amendment permits shares delivered to DSU holders under the amended DSU Plan (the "Amended DSU Plan") to be issued from treasury and not purchased in the market on behalf of the Corporation. The Board also amended all outstanding DSUs to reflect the terms of the amended DSU Plan (the "Amended DSUs"), subject to regulatory and shareholder approval. All other terms and conditions of each Amended DSU remain unchanged from those of the original DSU.

The TSX has conditionally approved the Amended DSU Plan and the Amended DSUs, subject to shareholder approval. **Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass a resolution approving the Amended DSU Plan and the Amended DSUs.** The resolution must be passed by a majority of the votes cast at the Meeting by holders of common shares, excluding participants in the DSU Plan, and associates of such individuals. To the knowledge of the Corporation, the number of votes to be so excluded is approximately 176,125. If such resolution is not passed, the aforementioned amendments to the DSU Plan and to all outstanding DSUs will be revoked. DSU holders will continue to hold their outstanding DSUs under the continuing DSU Plan in the form originally granted rather than as Amended DSUs.

The persons designated in the enclosed form of proxy, unless otherwise instructed, intend to vote for the resolution approving the Amended DSU Plan and the amendment of all outstanding DSUs to reflect the terms of the Amended DSU Plan.

If approved, the Amended DSU Plan and Amended DSUs will permit the Corporation to eliminate the need to make quarterly adjustments in respect of the cash liability relating to them.

As of the date hereof, 472,467 common shares of the Corporation would be issuable under the Amended DSU Plan should the amendments be approved. The maximum aggregate number of shares of the Corporation authorized for issuance under the Amended DSU Plan, the Amended Supplementary Stock Option Plan and the Treasury Stock Option Plan will remain at 3.8 million shares. Any shares issued under the Amended DSU Plan will be deducted from such maximum.

The number of accumulated DSUs, including the names of the holders thereof and the related average issued share price for each holder are set out below.

| | Summary of Deferred Share Units | |
|----------------|---------------------------------|----------------------------|
| | Accumulated Units | Average Issued Share Price |
| Bill James | 378,234 | \$2.51 |
| Allen Born | 22,539 | \$2.89 |
| Paul Gagné | 26,414 | \$3.10 |
| Oyvind Hushovd | 3,393 | \$5.53 |
| Jyrki Juusela | 3,013 | \$5.56 |
| Thomas Kierans | 7,223 | \$4.40 |
| Alfred Powis | 6,578 | \$4.45 |
| James M. Tory | 25,073 | \$3.12 |
| | <u>472,467</u> | <u>\$2.69</u> |

Options Granted During Year Ended December 31, 2002

No options were granted during the year ended December 31, 2002 to the Named Executives.

Aggregate Options Exercised During Year Ended December 31, 2002 and Year-end Option Values

The following table sets forth the exercise of options during the financial year ended December 31, 2002 by the Named Executives, as well as the number of unexercised options held by the Named Executives at December 31, 2002 and the notional value of such options.

| Name | Securities Acquired on Exercise (#) ⁽¹⁾ | Aggregate Value Realized (\$) ⁽²⁾ | Unexercised Options at December 31, 2002 Exercisable/Unexercisable | Value of All Unexercised In-the-Money Options at December 31, 2002 ⁽³⁾ Exercisable/Unexercisable |
|----------------|--|--|--|---|
| Richard Ross | Nil | Nil | 577,500/482,500 | \$1,539,125/\$1,683,875 |
| Jochen Tilk | Nil | Nil | 203,750/196,250 | \$697,000/\$689,750 |
| Frank Balint | 30,000 | \$138,420 | 238,750/171,250 | \$458,750/\$601,500 |
| Oliver Merton | 15,000 | \$ 46,525 | 156,250/83,750 | \$225,000/\$275,125 |
| Jo-Anne Oswald | Nil | Nil | 90,000/80,000 | \$282,125/\$263,875 |

(1) All options exercised in 2002 by Named Executives utilized the stock appreciation right feature which was available at the time of exercise.

(2) Determined on the basis of fair market value at date of exercise.

(3) At December 31, 2002 the market price of the common shares on the Toronto Stock Exchange was \$6.00. The value of unexercised options represents the excess of such market price over the exercise price of unexercised options, multiplied by the number of shares subject to such options.

Pension Plan

The Corporation provides retirement benefits to its executive officers from a registered and funded pension plan and a supplementary retirement plan.

The Named Executives participate in the defined contribution component of the Corporation's registered retirement plan. These executives also participate in the supplementary retirement plan, under which the Corporation pays fixed amounts in excess of the contribution limits established by Canada Customs and Revenue Agency for registered pension plans directly to the Named Executives. The aggregate contribution by the Corporation to the defined contribution component of the registered plan and the supplementary plan is equivalent to 12 per cent of salary and bonus for the Named Executives.

The amounts in excess of the contribution limits established by Canada Customs and Revenue Agency for registered pension plans paid in the year to the Named Executives aggregated \$216,850.

Employment Agreements

Each of the Named Executives currently employed by the Corporation is employed for an indefinite period of employment to hold his current office on the terms of compensation described in this section. In the event of termination of their employment by the Corporation, other than for cause, within 24 months of a change of control of the Corporation, the Chief Executive Officer of the Corporation and the other Named Executives are entitled to compensation equal to the aggregate of their salary, bonus, benefits and other perquisites for a three year and two year period, respectively.

Indebtedness of Directors and Senior Officers to the Corporation

The aggregate indebtedness to the Corporation and its subsidiaries as at March 1, 2003 of all its officers, directors and employees not entered into in connection with a purchase of securities of the Corporation or any of its subsidiaries, excluding routine indebtedness, was approximately \$305,000. The following table summarizes this indebtedness in respect of the Corporation's directors and senior officers:

| Name and Principal Position | Involvement of the Corporation | Largest Amount Outstanding During 2002 | Amount Outstanding as at March 1, 2003 |
|--|--|--|--|
| Frank Balint, Vice-President, Corporate Development | Loan from the Corporation ⁽¹⁾ | \$15,417 | \$9,584 |
| Oliver Merton, Vice-President, Commercial | Loan from the Corporation ⁽²⁾ | \$129,833 | \$121,853 |

(1) The loan is an unsecured non-interest bearing demand loan.

(2) The loan is a non-interest bearing loan secured by a mortgage on Mr. Merton's residence.

The aggregate indebtedness to the Corporation or any of its subsidiaries as at March 1, 2003 of all officers, directors and employees entered into in connection with a purchase of securities of the Corporation or any of its subsidiaries, excluding routine indebtedness, was \$421,388. The following table summarizes this indebtedness in respect of the Corporation's directors and senior officers:

| Name and Principal Position | Involvement of the Corporation | Largest Amount Outstanding During 2002 | Amount Outstanding as at March 1, 2003 | Financially Assisted Securities Purchases During 2002 | Security for Indebtedness |
|---|--------------------------------|--|--|---|---------------------------|
| Frank Balint, Vice-President, Corporate Development | Loan from the Corporation | \$112,500 | \$112,500 | Nil | Inmet common shares |
| Richard A. Ross, President and Chief Executive Officer | Loan from the Corporation | \$ 27,638 | \$ 27,638 | Nil | Inmet common shares |
| James M. Tory, Director | Loan from the Corporation | \$281,250 | \$281,250 | Nil | Inmet common shares |

Report on Executive Compensation

The Compensation Committee of the Board consisted in 2002 of Messrs. Tory, Kierans and James, of whom Messrs. Kierans and Tory are unrelated directors. The Committee met three times during 2002.

The Committee is responsible for the establishment, implementation and review of the Corporation's compensation and benefits policies and reports to the Board of Directors in respect of these matters. In particular, the Committee assesses the performance of the senior executives of the Corporation and makes recommendations to the Board as to the compensation payable to those individuals.

The Committee has established the following principles for the Corporation's compensation policy: to attract and retain high calibre individuals; to incent employees to meet the Corporation's strategic objectives; and to ensure the alignment of the interests of management with those of the shareholders.

The Corporation's executive compensation has consisted of three main components: a base salary; a short-term incentive; and an option-based long-term incentive. The Committee has targeted total compensation at the median of a comparator group of mining companies. The compensation paid to any one executive also takes into account his or her seniority and the level of experience required to carry out his or her responsibilities.

During 2002 the Committee reviewed the Corporation's executive compensation strategy. As a result of this review, the Committee determined that it would be appropriate to make several changes to the Corporation's compensation policy. The Committee is satisfied that after such changes the Corporation's total level of compensation remains competitive in relation to a comparator group of mining companies.

Annual stock option grants under the long-term incentive plan have historically been, in dollar terms, generally lower than average industry levels. The number of outstanding options under the Treasury Stock Option Plan and Supplementary Stock Option Plan and the number of outstanding DSUs under the DSU Plan represent, in the aggregate, approximately nine per cent of the Corporation's issued and outstanding common shares. The Committee believes that is the maximum level appropriate for directors and officers of the Corporation. Therefore, the Committee determined it would be appropriate not to make any stock option grants to executives in 2002. Furthermore, the Committee determined that no stock option grants should be made for the foreseeable future, except in extraordinary circumstances. In addition, the Committee recommended and the Board of Directors approved the amendments to the Corporation's stock option plans described under "Stock Option Plans" as well as the adoption of a policy that requires each senior officer during the term of his or her employment with the Corporation to hold an amount of common shares of the Corporation at least equal in value to 100 per cent of his or her base salary subsequent to any sale of shares by the senior officer acquired through an option exercise.

Base salaries of the Corporation's executives have historically been at a level below the median of the comparator group. In the past, this level was determined to be appropriate in light of the higher than median entitlement under the short-term cash incentive plan. However, as a result of the amendments made to the Corporation's long-term incentive plan that will restrict stock option grants for the foreseeable future, the Committee determined that executive base salaries at the median of the comparator group would be appropriate.

In determining the bonuses paid to executives in 2002 under the short-term incentive plan, the Board has taken into consideration the impact of the changes made to the Corporation's long-term incentive plan. In light of these changes, the Board determined, on the recommendation of the Committee, that the short-term incentive bonus entitlement be adjusted to a targeted maximum of 100 per cent of base salary for the Chief Executive Officer and 60 per cent for other senior executives, and except for the Chief Executive Officer, will reflect a 50/50 allocation between corporate and personal objectives. The bonus of the Chief Executive Officer will be based entirely on corporate objectives. The addition of a multi-year element to the short-term incentive plan that requires looking beyond one year in order for the full bonus entitlement to be received by an executive was also approved. Given that no stock option grants were made in 2002, it was also determined that it would be appropriate to apply the revised short-term incentive plan commencing in 2002.

The Board established specific corporate objectives at the beginning of 2002 with regard to share price performance, transition of ownership at Pyhäsalmi and Ok Tedi, budgeted production and financial targets, mineral reserve increases and health and safety performance. On the basis of these corporate objectives, individual performance objectives were also established for each executive. At the end of 2002, performance was measured against these objectives for all executives and bonuses were paid based on the results achieved.

The Committee determined that the bonuses paid for 2002 should reflect 100 per cent achievement of the corporate objectives. The most significant factors for this determination were the significant increase in metal production and mineral reserves and resources resulting from the completion of the Pyhäsalmi and Çayeli transactions, the completion of new shareholder arrangements for Ok Tedi satisfactory to the Corporation that have eliminated much of the uncertainty regarding Ok Tedi's future operations, the strong operating performance of Pyhäsalmi, the meeting or exceedance of production and cost objectives at the operations, except for Çayeli where a ground fall event on October 25, 2002 led to a production suspension until December 9, 2002. All of the foregoing contributed to a market price performance for the Corporation's shares in 2002 that significantly exceeded the TSX Canadian Diversified Metals & Mining Index. Based on the 100 per cent achievements of corporate objectives, and after considering and applying personal objectives, senior officers achieved between 75 per cent and 100 per cent of their maximum bonus entitlements.

The compensation of the Chief Executive Officer was reviewed during 2002 in relation to compensation of chief executive officers for the comparator group. The base salary and long-term incentive components of the Chief Executive Officer were determined to be below the median of this group. The target level of the Chief Executive Officer's short-term incentive is above the median. With regard to the Chief Executive Officer's short-term incentive payments for 2002, the Chief Executive Officer was entitled to 100 per cent of base salary as a result of the Committee's determination of corporate performance. However, as a result of the Committee's assessment of the individual contribution of the Chief Executive Officer to the advancement of the 2002 corporate objectives, as well as the effect of the amendments to the long-term incentive plan, the Committee determined that a payment in excess of the target amount was justified and appropriate.

Presented by the Compensation Committee:
Thomas E. Kierans
William James
James M. Tory

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

On March 19, 2002, a subsidiary of the Corporation completed the acquisition of all of the issued and outstanding shares of Pyhäsalmi Mine Oy ("Pyhäsalmi"), the owner and operator of the Pyhäsalmi copper and zinc mine located in central Finland, from Outokumpu Mining Oy, a subsidiary of Outokumpu. Part of the consideration received by Outokumpu included four million common shares of the Corporation issued at a price of \$4.50 per share. These shares represent approximately 10.2 per cent of the Corporation's issued and outstanding common shares. As a result, Outokumpu is an "insider" of the Corporation under applicable securities legislation.

As part of the transaction, the Corporation and Outokumpu also entered into several agreements to cooperate in the areas of mining and mineral processing, technology, smelting, refining and the development of future mining projects. Under an off-take alliance agreement, the Corporation and Outokumpu will co-operate on smelting and refining contracts for current and future mines. At the commencement of the process to seek long-term off-take agreements in respect of any operating mine or exploration or development property related to mining or mineral processing that is wholly-owned by the Corporation (an "Inmet Mine") or over which the Corporation exercises control, direction or significant influence with respect to decisions relating to the sale of base metals concentrates (an "Inmet Controlled Mine"), the Corporation will notify Outokumpu on at least an equal basis with other parties and invite Outokumpu to offer to purchase copper and/or zinc concentrates from such mine. If, in the opinion of the Corporation, acting reasonably, the terms contained in Outokumpu's offer are competitive, then, in the case of an Inmet Mine, the parties shall in good faith negotiate a concentrates agreement, and in the case of an Inmet Controlled Mine, and subject to the terms of any shareholder, joint venture or similar agreement and the reasonable interests of the minority shareholders or joint venturers, the Corporation will support the offer made by Outokumpu. In respect of any mine in which the Corporation has an interest but that is not an Inmet Mine or an Inmet Controlled Mine, the Corporation shall use reasonable commercial efforts to cause Outokumpu to be provided with an opportunity to purchase copper and/or zinc concentrates on an equal basis with other parties. Separately, Outokumpu and Pyhäsalmi entered into life-of-mine arms' length off-take agreements at market terms for the purchase by Outokumpu of copper and zinc concentrates from the Pyhäsalmi mine.

In addition, Outokumpu and the Corporation entered into a technology alliance agreement under which the Corporation shall provide Outokumpu with the opportunity to participate in the provision of relevant services and equipment by tender or otherwise under any contract with a value in excess of €100,000 at current and future mines. If, in the opinion of the Corporation acting reasonably, the terms contained in Outokumpu's tender or proposal are competitive, then, in the case of an Inmet Mine, Outokumpu shall have the right to provide the relevant services or equipment. In the case of an Inmet

Controlled Mine, and subject to the terms of any shareholder, joint venture or similar agreement and the reasonable interests of the minority shareholders or joint venturers, the Corporation will support the tender made by Outokumpu. In respect of any mine in which the Corporation has an interest but that is not an Inmet Mine or an Inmet Controlled Mine, the Corporation shall use reasonable commercial efforts to cause Outokumpu to be provided with an opportunity to participate in the provision of relevant services and equipment on an equal basis with other parties. Pyhäsalmi will also make available to Outokumpu for research and demonstration purposes the Pyhäsalmi mine and the Corporation will make available such other mines as the parties may agree. Outokumpu also granted to Pyhäsalmi a perpetual royalty-free licence to use Outokumpu intellectual property, including improvements thereon developed by Outokumpu, in the operations of the Pyhäsalmi mine.

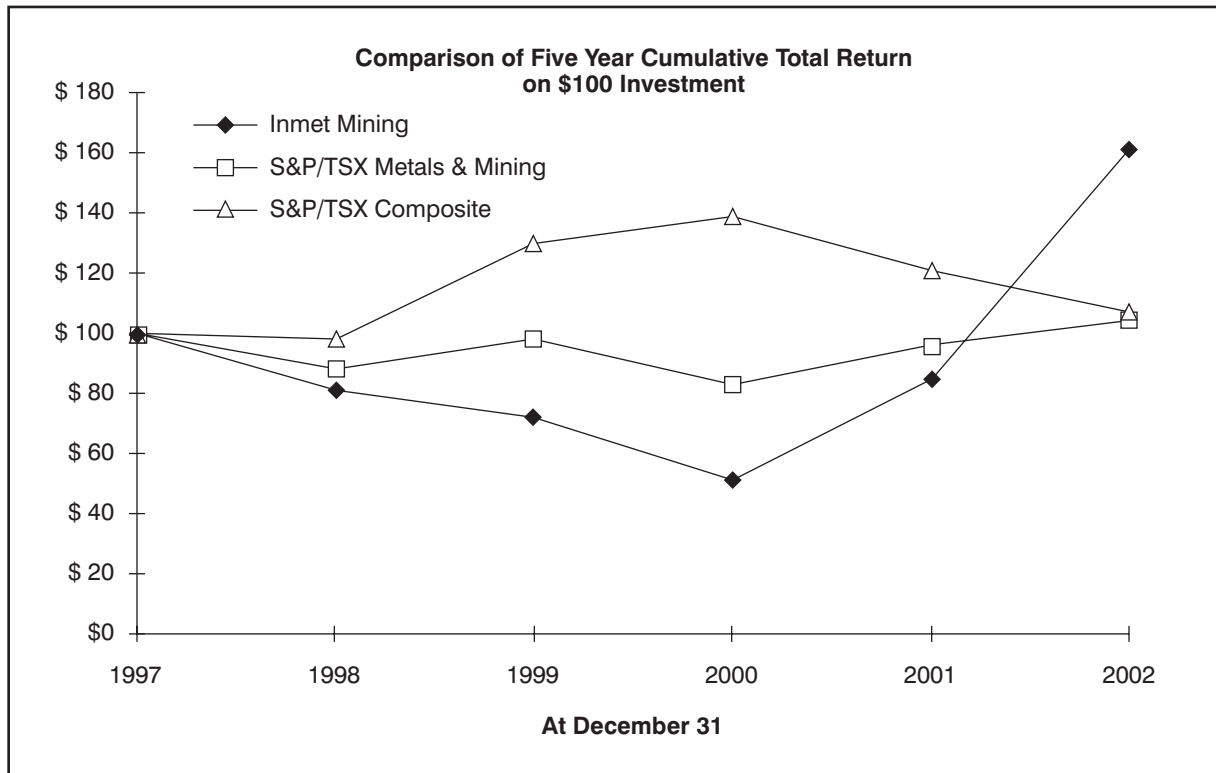
The off-take alliance agreement and the technology alliance agreement shall each survive for a maximum of ten years but either agreement can be terminated by either party after March 19, 2005 on 30 days' prior written notice if: (1) Outokumpu fails to maintain at any time after March 19, 2005 a holding that is the greater of four million common shares of the Corporation and five per cent of the then issued and outstanding common shares of the Corporation and (2) all but not less than all of a €14 million ten-year promissory note issued to Outokumpu in connection with the acquisition of Pyhäsalmi has been repaid.

The Corporation and Outokumpu have also entered into a pre-emptive right and share sale agreement. Under the terms of such agreement, Outokumpu is prohibited from selling or otherwise disposing of the four million common shares of the Corporation it received for a period of three years except to secure indebtedness of a member of the Outokumpu group to a financial institution. Thereafter, Outokumpu may only sell such shares under a prospectus or through a pre-arranged trade or a series of trades provided that aggregate sales on any trading day do not exceed 10 per cent of the average daily trading volume for the Corporation's common shares in the preceding 20 trading day period. Outokumpu has been granted a pre-emptive right by the Corporation with respect to future sales by the Corporation of its common shares and other equity securities, excluding issuance of equity securities in connection with a bona fide business acquisition, stock option exercises or conversion or the exercise of existing convertible securities. If Outokumpu ceases to own at least five per cent of the Corporation's common shares by reason of any such transaction by the Corporation and provided that (a) Outokumpu has previously exercised all of its rights under the agreement to acquire equity securities of the Corporation and (b) at least one of the other alliance agreements remains in full force and effect, then the Corporation must offer to Outokumpu on a private placement basis and at a price equal to the average daily closing price of common shares for the preceding 20 day trading period, that number of common shares of the Corporation necessary to return Outokumpu's holdings of common shares to five per cent of the Corporation's then outstanding common shares. Outokumpu will have 30 days following receipt to accept the Corporation's offer. Subject to Outokumpu being first provided with the opportunity to complete a purchase of common shares of the Corporation under a private placement offer as described above, Outokumpu's pre-emptive right under the agreement terminates on the later of March 19, 2005 and the date on which the percentage of common shares of the Corporation held by Outokumpu falls below the greater of (a) five per cent of the issued and outstanding common shares of the Corporation (b) 4,000,000 divided by the sum of the number of issued and outstanding common shares of the Corporation as at March 19, 2002, being 39,275,600 common shares, and the total number of common shares issued by the Corporation after March 19, 2002 to which Outokumpu's pre-emptive right does not apply.

Under the pre-emptive right and share sale agreement, Outokumpu is also entitled to nominate one individual for election to the Corporation's Board of directors. As a result, Dr. Jyrki Juusela, Chief Executive Officer and President of Outokumpu was elected as a director of the Corporation by the Board.

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in the common shares of the Corporation on December 31, 1997 with the total return of the S&P/TSX Composite Total Return Index, and the S&P/TSX Metals & Mining Total Return Index for the five most recently completed financial years.



| | 1997 | 1998 ⁽¹⁾ | 1999 ⁽¹⁾ | 2000 ⁽¹⁾ | 2001 ⁽¹⁾ | 2002 ⁽¹⁾ |
|--|------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Inmet Mining Common Shares | 100 | 81 | 72 | 51 | 85 | 161 |
| S&P/TSX Metals & Mining Total Return Index | 100 | 88 | 98 | 83 | 96 | 104 |
| S&P/TSX Composite Total Return Index | 100 | 98 | 130 | 139 | 122 | 107 |

(1) The calculation of shareholder return from 1998 onwards assumes that the shareholder tendered to the substantial issuer bid of the Corporation made in August 1998 and reinvested the cash proceeds from such issuer bid in common shares of the Corporation on a *pro rata* basis.

OTHER BUSINESS

The Corporation knows of no matter to come before the Meeting other than the matters referred to in the notice of meeting.

DIRECTORS' APPROVAL

The contents and sending of this circular have been approved by the directors of the Corporation.

Toronto, Ontario
March 20, 2003

By Order of the Board

Steve Astritis,
Vice-President, General Counsel and Secretary

INMET

MINING