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FOR IMMEDIATE RELEASE

APRIL 29, 2004

All amounts are in Canadian dollars, unless otherwise stated.

INMET MINING ANNOUNCES SIGNIFICANT INCREASE IN FIRST QUARTER EARNINGS

Toronto, Canada - Inmet Mining Corporation reported net income in the first quarter of 2004 of \$22.9 million or \$0.55 per share, compared to net income of \$6.5 million or \$0.14 per share in the first quarter of 2003. The increase in net income resulted from higher metal prices and in particular, reflects Inmet's significant leverage to the price of copper.

| <i>(in thousands except per share figures)</i> | First Quarter | |
|--|----------------------|-------------|
| | 2004 | 2003 |
| Operations' earnings | | |
| Çayeli | \$22,511 | \$1,644 |
| Pyhäsalmi | 13,216 | 2,938 |
| Troilus | 3,432 | 3,830 |
| Ok Tedi | 14,603 | - |
| Reclamation costs | (505) | (503) |
| | 53,257 | 7,909 |
| Corporate development and exploration | (837) | (1,090) |
| General and administration | (1,227) | (1,139) |
| Stock based compensation | (25) | (84) |
| Investment and other income | (718) | 4,499 |
| Interest expense | (757) | (1,924) |
| Income and capital taxes | (19,985) | (1,196) |
| Non controlling interest | (6,780) | (503) |
| Net income | \$22,928 | \$6,472 |
| Accretion on equity component of convertible debentures | \$(1,066) | \$(978) |
| Basic net income per share | \$0.55 | \$0.14 |
| Diluted net income per share | \$0.49 | \$0.14 |
| Weighted average shares outstanding (000's) | 39,710 | 39,283 |

MANAGEMENT'S DISCUSSION AND ANALYSIS

Comparability of Results

In the first quarter of 2004 the effect of the proportionate consolidation of Ok Tedi added \$10 million to net income. On July 1, 2003, Inmet began proportionately consolidating its 18 per cent interest in Ok Tedi. Prior to July 1, 2003, Inmet cost accounted for Ok Tedi. In the first quarter of 2003, prior to the accounting change, \$7.9 million in dividends were received. These dividends were not recorded as income but as a reduction in the carrying value of Ok Tedi.

The following table identifies the sources of changes in net income between the three month periods ended March 31, 2004 and 2003:

Changes in 2004 Net Income Compared to 2003

| <i>(millions of dollars)</i> | Change |
|---|---------------|
| Increased metal prices | \$ 22 |
| Foreign exchange rate changes on sales and costs | (6) |
| Çayeli | |
| Increase sales volumes | 3 |
| Higher operating costs | (1) |
| Troilus | |
| Higher operating costs | (2) |
| Proportionate consolidation of Ok Tedi | 10 |
| Litigation costs relating to Winston Lake | (3) |
| Gain on sale of asset in 2003 | (2) |
| Foreign exchange on debt in 2003 | (3) |
| Other | (2) |
| | <hr/> |
| Increase in 2004 net income compared to 2003 | \$ 16 |

Higher metal prices positively affected first quarter 2004 earnings but were offset somewhat by foreign exchange rate changes resulting from the weaker United States dollar relative to the Canadian dollar. In April 2004, Inmet paid \$3.4 million to settle a claim instituted in 1987 against a predecessor company of Inmet alleging, among other things, that the claimant was entitled to a 20 per cent interest in the Winston Lake mine. In the first quarter of 2003, \$3 million of foreign exchange gains was recognized on the revaluation of Inmet's United States dollar denominated debt to Canadian dollars, which debt was repaid in July 2003.

Net Sales

| <i>(in thousands)</i> | First Quarter | |
|---|------------------|-----------------|
| | 2004 | 2003 |
| Net sales by operation: | | |
| Çayeli | \$39,794 | \$6,651 |
| Pyhäsalmi | 27,759 | 17,062 |
| Troilus | 22,702 | 21,068 |
| Ok Tedi ⁽¹⁾ | 35,069 | - |
| | \$125,324 | \$44,781 |
| Net sales by metal ⁽¹⁾: | | |
| Copper | \$74,037 | \$13,822 |
| Zinc | 14,630 | 6,078 |
| Gold | 29,727 | 19,482 |
| Other | 6,930 | 5,399 |
| | \$125,324 | \$44,781 |

| | First Quarter | |
|--|---------------|--------|
| | 2004 | 2003 |
| Sales by metal volume ⁽¹⁾: | | |
| Copper (tonnes) | 24,000 | 7,480 |
| Zinc (tonnes) | 18,600 | 11,200 |
| Gold (ounces) | 61,400 | 41,800 |

⁽¹⁾ Includes 18 per cent of Ok Tedi's sales commencing July 1, 2003.

Net sales increased \$80.5 million in the first quarter of 2004 compared to the first quarter of 2003 due to higher metal prices, higher sales volumes at Çayeli and the inclusion of Ok Tedi's results. Net copper sales from Ok Tedi contributed \$23 million and net gold sales \$11 million to Inmet's first quarter 2004 sales. Increased metal prices during the quarter improved net sales by \$37 million and increased sales volumes at Çayeli contributed another \$19 million; however, foreign exchange rate changes offset this increase by \$10 million. Although treatment and refining charges have decreased since 2003, the benefits of these lower rates were mostly offset by higher freight costs and price participation charges payable to smelters.

The realized metal prices and foreign exchange rates for the first quarter of 2004 and 2003 are shown in the following chart:

| | First Quarter | |
|--------------------|----------------------|------------|
| | 2004 | 2003 |
| Copper (per pound) | U.S.\$1.29 | U.S.\$0.75 |
| Zinc (per pound) | U.S.\$0.50 | U.S.\$0.36 |
| Gold (per ounce) | U.S.\$371 | U.S.\$327 |
| 1 U.S.\$ to C\$ | \$1.32 | \$1.51 |

SUMMARY OF OPERATIONS

The weighted average unit costs ⁽¹⁾ at Inmet's operations are summarized as follows:

| | First Quarter | |
|---------------------------|----------------------|------------|
| | 2004 | 2003 |
| Copper (per pound) | | |
| Cash costs | U.S.\$0.35 | U.S.\$0.38 |
| Total costs | U.S.\$0.45 | U.S.\$0.55 |
| Gold (per ounce) | | |
| Cash costs | U.S.\$244 | U.S.\$237 |
| Total costs | U.S.\$268 | U.S.\$248 |

⁽¹⁾ The weighted average unit cost information is a key performance indicator for Inmet. A reconciliation of the calculation to Inmet's income statement is provided under the heading Consolidated Unit Costs found later in the report.

Metal production at Inmet's operations is summarized as follows:

| | First Quarter | |
|-----------------|----------------------|--------|
| | 2004 | 2003 |
| Copper (tonnes) | 17,300 | 15,500 |
| Zinc (tonnes) | 14,300 | 10,900 |
| Gold (ounces) | 57,500 | 59,300 |

Copper and zinc production increased largely due to greater production from Çayeli which was reduced during the first quarter of 2003 when Çayeli was operating at reduced capacity due to the groundfall event in October 2002.

Çayeli

| <i>(100 per cent of production)</i> | | First Quarter | | <i>Full Year</i> |
|-------------------------------------|--------------------|----------------------|------------|--------------------------------|
| | | 2004 | 2003 | <i>Objective⁽¹⁾</i> |
| Ore milled (000's of tonnes) | | 250 | 162 | <i>1,200</i> |
| Grades: | Copper | 4.2% | 4.6% | <i>4.2%</i> |
| | Zinc | 5.5% | 5.2% | <i>6.2%</i> |
| Recoveries: | Copper | 92% | 85% | <i>84%</i> |
| | Zinc | 70% | 69% | <i>70%</i> |
| Production: | Copper (tonnes) | 9,500 | 6,300 | <i>42,000</i> |
| | Zinc (tonnes) | 9,700 | 5,800 | <i>52,000</i> |
| Cash costs | (per pound/copper) | U.S.\$0.53 | U.S.\$0.44 | <i>U.S.\$0.42</i> |
| Total costs | (per pound/copper) | U.S.\$0.59 | U.S.\$0.51 | <i>U.S.\$0.49</i> |
| Capital expenditures (millions) | | U.S.\$2.9 | U.S.\$1.1 | <i>U.S.\$19.0</i> |

(1) In estimating the by-product credit included in the forecasted copper cash costs, a budgeted zinc price of U.S.\$0.40 per pound was used.

Ore milled for the three months ended March 31, 2004 was 54 per cent above the production level for the same period of the previous year. Operating cash flows in the quarter were also \$37 million higher compared to the first quarter of 2003 as the result of higher sales and higher metal prices. The reduced capacity in 2003 arose as a consequence of the October 2002 groundfall event.

Despite the improved operating results, availability of mining stopes and logistical challenges impacted Çayeli's efforts during the first quarter of 2004 to ramp up to the 1.25 million tonne per year throughput rate. Cash costs in the first quarter of 2004 were higher than indicated in the annual objective because of lower metal production. In comparison to 2003, costs were also negatively impacted by approximately U.S.\$0.05 per pound from the appreciation of the Turkish lira relative to the United States dollar, which resulted in an increase in Çayeli's Turkish lira based salaries.

Operating earnings in the quarter were \$22.5 million compared to \$1.6 million for the same period in 2003 because of higher metal prices and sales in 2004. In 2003, although production was ramping up following the groundfall event, significant sales did not take place until the second quarter.

Construction of the shaft extension is progressing on schedule and at budget. At March 31, 2004 the project was approximately 10 per cent complete. The newly deepened shaft is expected to be commissioned during the first quarter of 2006. On March 31, Çayeli closed its transaction to acquire the Cerattepe copper project from an affiliate of Teck Cominco Limited and an initial U.S.\$2 million payment was made to the vendor. Additional purchase price payments of U.S.\$4.5 million will become due each on September 30, 2005 and by no later than March 31, 2007, subject to a decision to proceed with the project. The Cerattepe feasibility study is expected to be complete during the second quarter of this year and the environmental studies will continue into the third quarter.

Outlook

Çayeli will continue with its efforts to advance its throughput rate to 1.25 million tonnes per annum. Because of the operational challenges and the potential interference by the shaft deepening project, Çayeli is in the process of revising its forecast for the remainder of the year. It is expected that the throughput rate will be reduced to 1.1 million tonnes for the year. Copper grades on the other hand are expected to increase thus offsetting the impact of the lower throughput. Zinc grades are expected to decrease resulting in reduced zinc production compared to the objective. Updated objectives for Çayeli will be presented upon completion of the revised forecast. If metal prices remain at current levels, Çayeli is expected to generate strong cash flow for the remainder of the year.

Negotiations regarding a new collective agreement at Çayeli commenced in late March, 2004 and discussions with the workers' union are ongoing. If such negotiations are not successful, production could be impacted.

Pyhäsalmi

| <i>(100 per cent of production)</i> | | First Quarter | | <i>Full Year</i> |
|-------------------------------------|--------------------|----------------------|------------|--------------------------------|
| | | 2004 | 2003 | <i>Objective⁽¹⁾</i> |
| Ore milled (000's of tonnes) | | 336 | 338 | <i>1,300</i> |
| Grades: | Copper | 1.3% | 1.3% | <i>1.0%</i> |
| | Zinc | 2.9% | 2.5% | <i>2.9%</i> |
| | Sulphur | 40% | 42% | <i>40%</i> |
| Recoveries: | Copper | 96% | 96% | <i>95%</i> |
| | Zinc | 93% | 93% | <i>92%</i> |
| Production: | Copper (tonnes) | 4,200 | 4,200 | <i>12,600</i> |
| | Zinc (tonnes) | 9,000 | 7,700 | <i>34,200</i> |
| | Pyrite (tonnes) | 200,000 | 207,000 | <i>690,000</i> |
| Cash costs | (per pound/copper) | U.S.\$0.08 | U.S.\$0.26 | <i>U.S.\$0.27</i> |
| Total costs | (per pound/copper) | U.S.\$0.31 | U.S.\$0.46 | <i>U.S.\$0.56</i> |
| Capital expenditures (millions) | | €0.5 | €0.7 | <i>€3.0</i> |

⁽¹⁾ In estimating the by-product credit included in the forecasted copper cash costs, a budgeted zinc price of U.S.\$0.40 per pound was used.

Pyhäsalmi continues to generate strong operating results as production in the first quarter of 2004 exceeded our objectives set at the beginning of the year. Operating results were consistent with those in 2003, except for zinc production which increased 17 per cent in 2004 as a result of higher grades. Higher metal credits due to increased zinc production and a higher zinc price resulted in copper cash costs in the quarter of U.S.\$0.08 per pound compared to U.S.\$0.26 per pound in 2003.

Operating earnings for the three months ended March 31, 2004 were \$13.2 million compared to \$2.9 million for the three months ended March 31, 2003 mainly as a result of higher metal prices. Improved metal prices contributed \$13 million to operating earnings, offset by a \$3 million negative impact from foreign exchange rate changes

compared to the first quarter of 2003. Operating cash flows during this same period increased \$8 million due to the improved earnings.

Outlook

For the remainder of the year, zinc grades are expected to remain consistent and, as reflected in Pyhäsalmi's mine plan, copper grades are expected to somewhat decrease. With its consistently low operating costs, Pyhäsalmi is expected to achieve strong operating results for the remainder of the year.

Troilus

| <i>(100 per cent of production)</i> | First Quarter | | <i>Full Year</i> |
|-------------------------------------|----------------------|-----------|--------------------------------|
| | 2004 | 2003 | <i>Objective⁽¹⁾</i> |
| Ore milled (000's of tonnes) | 1,415 | 1,458 | <i>6,100</i> |
| Strip ratio | 1.9 | 2.6 | <i>1.9</i> |
| Grade (grams per tonne) | 1.0 | 1.1 | <i>1.0</i> |
| Recoveries | 82% | 82% | <i>83%</i> |
| Gold production (ounces) | 37,300 | 42,000 | <i>158,000</i> |
| Cash costs (per ounce/gold) | U.S.\$244 | U.S.\$237 | <i>U.S.\$272</i> |
| Total costs (per ounce/gold) | U.S.\$268 | U.S.\$248 | <i>U.S.\$305</i> |
| Capital expenditures (millions) | \$3.9 | \$1.2 | <i>\$27.6</i> |
| Capitalized stripping (millions) | \$2.0 | \$4.5 | <i>\$5.7</i> |

⁽¹⁾ In estimating the by-product credit included in the forecasted gold cash costs, a budgeted copper price of U.S.\$0.85 per pound was used.

Operating results at Troilus were comparable between the first quarters of 2003 and 2004, except for gold grades, which, as expected, were somewhat lower in 2004 and resulted in 11 per cent less gold production. Cash costs were higher in 2004 as a result of decreased gold production and higher mining costs. As anticipated, longer haulage distances combined with a higher cost for fuel resulted in higher costs.

Operating earnings were also consistent between years at \$3.4 million in 2004 compared to \$3.8 million in 2003. Including hedging, Troilus recognized a gold price of U.S.\$351 per ounce in the first quarter of 2004. The negative impacts from higher costs and lower production were essentially offset by higher gold and copper prices. Operating cash flows improved to \$10.8 million for the quarter compared to \$3.9 million in the first quarter of 2003 mainly due to positive working capital changes in 2004.

Outlook

In March, 2004 Inmet's Board of Directors approved a mill expansion project at Troilus, based on a feasibility study prepared by Met Chem Engineering. The study concluded that with a capital investment of \$18.5 million additional crushing and milling capacity could increase the throughput rate of the mill by at least 15 per cent as well as improve metallurgical recoveries by approximately 2 per cent. The 2004 forecast for capital expenditures has been increased \$18 million to reflect the new project. Construction

start-up on the project is scheduled for late May and commissioning of the expanded mill is expected by the end of 2004.

Ok Tedi

| <i>(100 per cent of production)</i> | First Quarter | | <i>Full Year</i> |
|-------------------------------------|----------------------|------------|--------------------------------|
| | 2004 | 2003 | <i>Objective⁽¹⁾</i> |
| Ore milled (000's of tonnes) | 5,300 | 5,600 | 30,000 |
| Grades: Copper | 0.9% | 0.8% | 0.8% |
| Gold (grams per tonne) | 0.9 | 0.8 | 0.8 |
| Recoveries: Copper | 81% | 83% | 87% |
| Gold | 78% | 64% | 70% |
| Production: Copper (tonnes) | 36,000 | 37,000 | 213,000 |
| Gold (ounces) | 112,000 | 96,000 | 555,000 |
| Cash costs (per pound/copper) | U.S.\$0.37 | U.S.\$0.42 | U.S.\$0.39 |
| Total costs (per pound/copper) | U.S.\$0.42 | U.S.\$0.63 | U.S.\$0.45 |
| Capital expenditures (millions) | U.S.\$1.8 | U.S.\$3.0 | U.S.\$18.0 |

⁽¹⁾ In estimating the by-product credit included in the forecasted copper cash costs, a budgeted gold price of U.S.\$375 per ounce was used.

As a result of higher metal prices, Ok Tedi achieved strong operating results during the first quarter despite the failure of one of its two semi-autogenous grinding (SAG) mills. Mill throughput in the first quarter of 2004 was similar to the first quarter of 2003 because throughput in both quarters was impacted by the availability of one of the mills. In January 2004, one of Ok Tedi's two SAG mills experienced a mechanical failure. For an eight week period, Ok Tedi operated at slightly above 50 per cent capacity while the mill was repaired. In the first quarter of 2003, throughput was reduced by 50 per cent over an eight week period due to the scheduled replacement of the shell for the other SAG mill. In both 2004 and 2003 after the repairs, regular mill operations resumed at full capacity.

Unit costs decreased in the first quarter of 2004 compared to the same quarter in 2003 due to higher gold credits, reflecting the impact of a higher realized gold price.

As of July 1, 2003, Inmet changed its method of accounting for its 18 per cent investment in Ok Tedi from cost accounting to proportionate consolidation. As a result, operating earnings of \$14.6 million in 2004 can not be compared to operating earnings from 2003. Operating cash flows in 2004 were \$18.6 million, which reflect strong metal prices.

Outlook

Operating performance is expected to improve in the second quarter as both SAG mills are again fully operational and throughput is expected to be at 84,000 tonnes per day. Grades for copper and gold are expected to drop slightly over the remaining nine months of 2004 as less skarn ores are scheduled to be processed.

LIQUIDITY AND FINANCIAL CONDITION

Consolidated cash and short-term investments at the end of March were \$278 million, an increase of \$48 million from December 31, 2003. A summary of consolidated sources and uses of cash and short-term investments for the three months ended March 31 is as follows:

| <i>Sources and Uses of Consolidated Cash and Short-Term Investments</i> | | |
|---|----------------------|----------|
| | First Quarter | |
| <i>(millions of dollars)</i> | 2004 | 2003 |
| Cash provided by (used in) operating activities: | | |
| Çayeli | \$31.5 | \$ (5.6) |
| Pyhäsalmi | 11.9 | 3.8 |
| Troilus | 10.8 | 3.9 |
| Ok Tedi | 18.6 | 7.9 |
| Corporate development and exploration | (0.8) | (1.1) |
| General and administration | (1.2) | (1.1) |
| Other | (6.7) | (6.6) |
| | 64.1 | 1.2 |
| Cash provided by (used in) investing and financing activities: | | |
| Capital expenditures | (14.1) | (10.3) |
| Dispositions | 0.2 | 7.5 |
| Other | (2.7) | (3.7) |
| | (16.6) | (6.5) |
| Increase (decrease) in cash | 47.5 | (5.3) |
| Cash and short-term investments | | |
| Beginning of period | 230.3 | 76.5 |
| End of period | \$ 277.8 | \$ 71.2 |

Cash flows from operating activities

Cash provided by operating activities was \$64.1 million in the quarter ended March 31, 2004 compared to \$1.2 million for the same period a year ago. The increase is largely due to higher metal prices as well as a reduction in non-cash working capital at Çayeli, Pyhäsalmi and Troilus. Higher sales volumes at Çayeli and the proportionate consolidation of Ok Tedi also increased operating cash flow.

The following table highlights the significant changes in operating cash flows between the three months ended March 31, 2004 and 2003.

| <i>Changes in 2004 Operating Cash Flows Compared to 2003</i> | |
|---|---------------|
| <i>(millions of dollars)</i> | Change |
| Increased metal prices | \$ 27 |
| Foreign exchange rate changes on sales and costs | (7) |
| Çayeli | |
| Increase sales volumes | 5 |
| Higher operating costs | (2) |
| Change in non-cash working capital | 22 |
| Troilus | |
| Higher operating costs | (2) |
| Change in non-cash working capital | 4 |
| Pyhäsalmi change in non-cash working capital | 2 |
| Proportionate consolidation of Ok Tedi | 11 |
| Other | 3 |
| Increase in 2004 operating cash flows compared to 2003 | \$63 |

Cash flows from investing and financing activities

Capital expenditures in the first quarter of 2004 were \$3.8 million higher than in the same period a year ago due to increased expenditures of \$1.2 million at Çayeli related to its shaft extension project and the U.S.\$2 million payment for the acquisition of the Cerattepe copper property.

Cash provided by investing and financing activities included \$2.8 million cash inflow from the issuance of common shares relating to the exercise of stock options and a \$2.8 million payment made by Çayeli for the final installment of its project loan.

Financial condition

Inmet's key financial ratios as at March 31, 2004 compared to December 31, 2003 are summarized below.

| <i>Key Financial ratios</i> | | |
|---|---------------------------|----------------------|
| | March 31, 2004 | December 31, 2003 |
| Current ratio | 4.3 | 4.7 |
| Debt to total capitalization ⁽¹⁾ | 14% | 16% |

⁽¹⁾ In evaluating its leverage, Inmet considers the outstanding convertible debentures as debt; therefore, the convertible debentures are reflected as debt in the debt to total capitalization ratio.

The current ratio changed slightly from the end of 2003 as the proportionate increase in payables was greater than the proportionate increase in current assets. The increased payables are a result of timing, mainly in regard to taxes payable at Çayeli and Pyhäsalmi. The debt to total capitalization ratio improved due to the repayment in full of Çayeli's project loan and Inmet's strong operating results during the first quarter of 2004.

Risks

Inmet's earnings and cash flows are significantly affected by fluctuations in metal prices and the respective exchange rates between the Canadian dollar, United States dollar and the euro.

The prices of metals that Inmet produces vary with market supply and demand. The following table illustrates the sensitivity of Inmet's annualized net income to changes in metal prices based on 2004 sales estimates and constant foreign exchange rates:

| | Change in Metal Prices | Effect on Net Income ⁽¹⁾ | Effect Per Share |
|---------------------------------|-----------------------------------|--|-----------------------------|
| Copper (per pound) | U.S.\$0.10 | \$14 million | \$0.35 |
| Zinc (per pound) | U.S.\$0.05 | \$4 million | \$0.10 |
| Gold (per ounce) ⁽¹⁾ | U.S.\$10.00 | \$1 million | \$0.02 |

⁽¹⁾ Calculations include hedging in place at December 31, 2003.

The following table includes Inmet's gold hedging transactions, in relation to Troilus production, as at March 31, 2004:

| | Hedge Volume | Anticipated Hedged Production | Average Hedged Price (per ounce) |
|--------------------|----------------|-------------------------------|----------------------------------|
| Gold | | | |
| 2004 forward sales | 101,300 ounces | 87% | U.S.\$333 |
| 2005 forward sales | 108,300 ounces | 70% | U.S.\$342 |
| 2006 forward sales | 103,400 ounces | 65% | U.S.\$356 |

Total forward sales at Troilus represent 37 per cent of life-of-mine production. Because of the high cost nature of the Troilus operation, Inmet used forward sales to ensure positive cash flow in the event of a decline in gold prices to levels that were experienced between 1998 and 2002. Inmet does not at this time intend to enter into further gold forward sales relating to Troilus production.

The following table includes Inmet's 18 per cent share of gold hedging transactions at Ok Tedi as at March 31, 2004:

| | Hedge Volume | Percentage of Estimated Total Volume | Average Price (per ounce) |
|-------------------------|---------------|--------------------------------------|---------------------------|
| Gold | | | |
| 2004 forward sales | 6,750 ounces | 10% | U.S.\$366 |
| 2005 forward sales | 13,500 ounces | 10% | U.S.\$367 |
| 2006 forward sales | 13,500 ounces | 10% | U.S.\$369 |
| 2007 forward sales | 13,500 ounces | 10% | U.S.\$371 |
| 2008 forward sales | 6,750 ounces | 5% | U.S.\$372 |
| 2004 bought put options | 12,600 ounces | 15% | U.S.\$375 |
| 2004 sold call options | 12,600 ounces | | U.S.\$461 |

All hedging transactions are under margin-free facilities. On March 31, 2004 the spot price of gold was U.S.\$427 per ounce which resulted in a negative marked-to-market of \$43 million for Inmet's consolidated hedges.

Inmet has not hedged any of its base metal exposure.

Inmet's main currency exposures are to the United States dollar and, to a lesser extent, the euro. In the absence of metal price movements, the impact of a \$0.05 strengthening in the Canadian to United States dollar exchange rate would decrease net income by approximately \$3 million (\$0.07 per share) and a \$0.05 increase in the Canadian dollar relative to the euro would decrease net income by approximately \$1 million (\$0.02 per share).

In order to mitigate some of the risk of a weakening United States dollar, Inmet has in place the following hedges for United States dollars, in relation to Troilus' revenues as at March 31, 2004:

| | Hedge Volume (millions) | Anticipated Production Hedged | Average Hedged Price |
|-------------------------|----------------------------|-------------------------------------|----------------------------|
| <i>Currency</i> | | | |
| 2004 bought put options | U.S.\$13.5 million | 30% | \$1.5033 |
| 2004 sold call options | U.S.\$13.5 million | | \$1.5933 |
| 2005 bought put options | U.S.\$10.5 million | 20% | \$1.5033 |
| 2005 sold call options | U.S.\$10.5 million | | \$1.5933 |

As at March 31, 2004 the positive marked-to-market of Inmet's currency hedges was \$3 million, based on a Canadian dollar to United States dollar spot exchange rate as at that date of \$1.31.

Common Shares Outstanding

Inmet has 40,275,289 common shares outstanding at April 28, 2004. As of such date, Inmet also has 2,028,100 stock options that are exercisable, subject to vesting requirements, on a one-for-one basis for common shares, \$64,086,982 principal amount of convertible subordinated debentures, convertible into Inmet common shares at a conversion price of \$21.25 per common share, and 449,928 deferred share units redeemable on a one-for-one basis for common shares of Inmet.

About Inmet - Inmet is a Canadian based international mining company. Inmet's mining operations produce copper, zinc and gold, and Inmet's growth strategy is focused on finding quality base metal reserves. Inmet's operating base consists of four competitive mining operations: Çayeli, Pyhäsalmi, Troilus and Ok Tedi.

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For further information, please contact:
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Visit our website: www.inmetmining.com

ANNUAL SHAREHOLDERS' MEETING

On Thursday April 29, 2004, at 10:30 a.m. (Eastern Time), Inmet Mining will host its Annual Shareholders' Meeting as well as comment on its first quarter results.

You are cordially invited to attend our Annual Meeting in person, or if you prefer, you may wish to listen directly through a link with Inmet's website: www.inmetmining.com. The location of our Annual Shareholders' Meeting is the TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

CAUTIONARY STATEMENT

Some of the disclosures included in this press release represent forward-looking information. Such statements are subject to inherent risks and uncertainties as they are based on assumptions and estimates related to future economic and market conditions. While the reasonableness of these assumptions is reviewed regularly by management, unusual or unanticipated events could cause actual results to differ materially from those stated in the forward-looking information.

**INMET MINING CORPORATION
CONSOLIDATED PRODUCTION**

| | Three Months Ended March 31 | |
|-----------------------------------|--------------------------------|----------------|
| | 2004 | 2003 |
| PRODUCTION (Inmet's share) | | |
| COPPER (tonnes) | | |
| Ok Tedi | 6,500 | 6,700 |
| Çayeli | 5,200 | 3,500 |
| Pyhäsalmi | 4,200 | 4,200 |
| Troilus | 1,400 | 1,100 |
| | <u>17,300</u> | <u>15,500</u> |
| ZINC (tonnes) | | |
| Çayeli | 5,300 | 3,200 |
| Pyhäsalmi | 9,000 | 7,700 |
| | <u>14,300</u> | <u>10,900</u> |
| GOLD (ounces) | | |
| Troilus | 37,300 | 42,000 |
| Ok Tedi | 20,200 | 17,300 |
| | <u>57,500</u> | <u>59,300</u> |
| PYRITE (tonnes) | | |
| Pyhäsalmi | <u>200,000</u> | <u>207,000</u> |

INMET MINING CORPORATION
CONSOLIDATED UNIT COSTS

| | Three Months Ended March 31 | |
|---|--------------------------------|--------|
| | 2004 | 2003 |
| UNIT COSTS | | |
| Weighted average copper (U.S.\$ per pound) | | |
| Cash cost | \$0.35 | \$0.38 |
| Total cost | \$0.45 | \$0.55 |
| Çayeli (U.S.\$ per pound of copper) | | |
| Direct cash costs | \$0.51 | \$0.35 |
| Copper processing charges and freight | 0.27 | 0.26 |
| Net metal credits | (0.25) | (0.17) |
| Cash cost | 0.53 | 0.44 |
| Amortization and other non cash costs | 0.06 | 0.07 |
| Total cost | \$0.59 | \$0.51 |
| Pyhäsalmi (U.S.\$ per pound of copper) | | |
| Direct cash costs | \$0.95 | \$0.83 |
| Copper processing charges and freight | 0.23 | 0.20 |
| Net metal credits | (1.10) | (0.77) |
| Cash cost | 0.08 | 0.26 |
| Amortization and other non cash costs | 0.23 | 0.20 |
| Total cost | \$0.31 | \$0.46 |
| Troilus (U.S.\$ per ounce of gold) | | |
| Direct cash costs | \$331 | \$321 |
| Amortization (capitalization) of stripping costs | 8 | (71) |
| Processing charges and freight | 37 | 35 |
| Metal credits | (132) | (48) |
| Cash cost | 244 | 237 |
| Amortization and other non cash costs | 24 | 11 |
| Total cost | \$268 | \$248 |
| Ok Tedi (U.S.\$ per pound of copper) | | |
| Direct cash costs | \$0.63 | \$0.64 |
| Processing charges and freight | 0.31 | 0.22 |
| Metal credits | (0.57) | (0.44) |
| Cash cost | 0.37 | 0.42 |
| Amortization and other non cash costs | 0.05 | 0.21 |
| Total cost | \$0.42 | \$0.63 |

RECONCILIATION OF UNIT CASH COSTS TO INCOME STATEMENT

| | Three Months Ended March 31, 2004 | |
|---|--------------------------------------|------------------|
| <i>(millions of Canadian dollars, except where otherwise noted)</i> | Copper | Gold |
| | Cash Cost | Cash Cost |
| Operating costs per financial statements | \$48 | \$18 |
| Net sales per financial statements | (102) | (23) |
| Add back - copper sales not included in cash costs | 85 | - |
| Add back - gold sales not included in cash costs | - | 18 |
| Less - standby costs incurred at Ok Tedi | (6) | - |
| Çayeli minority interest | (7) | - |
| Other | (2) | (1) |
| Operating costs net of metal credits | \$16 | \$12 |
| U.S.\$ to C\$ exchange rate | \$1.32 | \$1.32 |
| Inmet's share of copper production (000's pounds) | 35,200 | - |
| Inmet's share of gold production (ounces) | - | 37,300 |
| Consolidated copper cash cost (per pound) | U.S.\$0.35 | - |
| Gold cash cost (per ounce) | - | U.S.\$244 |

INMET MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

| (thousands of Canadian dollars) | March 31 2004 | December 31 2003 |
|--|--------------------------------|---------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and short-term investments | \$277,761 | \$230,251 |
| Accounts receivable | 64,938 | 68,467 |
| Inventories | 45,254 | 45,031 |
| Future income tax asset | 727 | 215 |
| | 388,680 | 343,964 |
| Capital assets | 264,436 | 258,753 |
| Investments | 1,687 | 1,714 |
| Future income tax asset | 8,942 | 7,877 |
| Other assets | 32,800 | 32,981 |
| | \$696,545 | \$645,289 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$88,559 | \$68,826 |
| Current portion of long-term debt | 2,371 | 4,986 |
| | 90,930 | 73,812 |
| Long-term debt | 23,374 | 24,115 |
| Reclamation liabilities | 65,226 | 64,726 |
| Other liabilities | 24,222 | 24,517 |
| Future income tax liability | 21,180 | 18,630 |
| Non controlling interest | 29,777 | 26,096 |
| | 254,709 | 231,896 |
| SHAREHOLDERS' EQUITY | | |
| Convertible debentures | 46,326 | 45,260 |
| Share capital (note 4) | 232,671 | 227,682 |
| Contributed surplus | 66,999 | 66,999 |
| Stock based compensation (note 5) | 6,819 | 6,538 |
| Retained earnings | 82,333 | 60,471 |
| Foreign currency translation account | 6,688 | 6,443 |
| | 441,836 | 413,393 |
| | \$696,545 | \$645,289 |

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED BALANCE SHEETS

(thousands of Canadian dollars)

As at March 31, 2004

(Unaudited)

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDİ (PNG) | TOTAL 2004 |
|---------------------------------|------------------|----------------------------|--------------------------------|-----------------------------|--------------------------|-----------------------|
| ASSETS | | | | | | |
| Cash and short-term investments | \$197,962 | \$31,528 | \$28,732 | - | \$19,539 | \$277,761 |
| Other current assets | 645 | 28,899 | 31,452 | 22,229 | 27,694 | 110,919 |
| Capital assets | 26,945 | 55,101 | 96,124 | 44,790 | 41,476 | 264,436 |
| Investments | 1,687 | - | - | - | - | 1,687 |
| Other assets | 30,724 | 211 | - | 3,752 | 7,055 | 41,742 |
| TOTAL ASSETS | \$257,963 | \$115,739 | \$156,308 | \$70,771 | \$95,764 | \$696,545 |
| LIABILITIES | | | | | | |
| Current liabilities | \$13,886 | \$21,235 | \$18,529 | \$12,469 | \$24,811 | \$90,930 |
| Long-term debt | 23,374 | - | - | - | - | 23,374 |
| Reclamation liabilities | 28,201 | 3,254 | 11,856 | 3,689 | 18,226 | 65,226 |
| Other liabilities | 12,124 | 3,057 | - | 5,622 | 3,419 | 24,222 |
| Future income tax liability | - | 13,147 | 4,548 | - | 3,485 | 21,180 |
| Non controlling interest | - | 29,777 | - | - | - | 29,777 |
| TOTAL LIABILITIES | \$77,585 | \$70,470 | \$34,933 | \$21,780 | \$49,941 | \$254,709 |

As at December 31, 2003

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDİ (PNG) | TOTAL 2003 |
|---------------------------------|------------------|----------------------------|--------------------------------|-----------------------------|--------------------------|-----------------------|
| ASSETS | | | | | | |
| Cash and short-term investments | \$177,262 | \$10,835 | \$21,613 | - | \$20,541 | \$230,251 |
| Other current assets | 1,069 | 33,239 | 26,210 | 25,981 | 27,214 | 113,713 |
| Capital assets | 26,952 | 49,769 | 98,954 | 42,559 | 40,519 | 258,753 |
| Investments | 1,714 | - | - | - | - | 1,714 |
| Other assets | 29,746 | 209 | - | 3,643 | 7,260 | 40,858 |
| TOTAL ASSETS | \$236,743 | \$94,052 | \$146,777 | \$72,183 | \$95,534 | \$645,289 |
| LIABILITIES | | | | | | |
| Current liabilities | \$16,089 | \$13,476 | \$13,423 | \$12,655 | \$18,169 | \$73,812 |
| Long-term debt | 24,115 | - | - | - | - | 24,115 |
| Reclamation liabilities | 28,240 | 3,162 | 11,802 | 3,636 | 17,886 | 64,726 |
| Other liabilities | 12,143 | 2,520 | - | 5,740 | 4,114 | 24,517 |
| Future income tax liability | - | 9,868 | 4,611 | - | 4,151 | 18,630 |
| Non controlling interest | - | 26,096 | - | - | - | 26,096 |
| TOTAL LIABILITIES | \$80,587 | \$55,122 | \$29,836 | \$22,031 | \$44,320 | \$231,896 |

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

| (thousands of Canadian dollars except per share amounts) | Three Months Ended | |
|--|--------------------|----------|
| | March 31 | |
| | 2004 | 2003 |
| Sales | \$125,324 | \$44,781 |
| Cost of sales | (66,633) | (32,448) |
| Amortization | (5,434) | (4,424) |
| | 53,257 | 7,909 |
| Corporate development and exploration | (837) | (1,090) |
| General and administration | (1,227) | (1,139) |
| Stock based compensation | (25) | (84) |
| Investment and other income (note 6) | (718) | 4,499 |
| Interest expense | (757) | (1,924) |
| Capital tax expense | (329) | (228) |
| Income tax expense | (19,656) | (968) |
| Non controlling interest | (6,780) | (503) |
| Net income | \$22,928 | \$6,472 |
| Accretion on equity component of convertible debentures | (\$1,066) | (\$978) |
| Basic net income per share (note 7) | \$0.55 | \$0.14 |
| Diluted net income per share (note 7) | \$0.49 | \$0.14 |
| Weighted average shares outstanding (000's) | 39,710 | 39,283 |

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF OPERATIONS

(thousands of Canadian dollars)

For the three months ended March 31, 2004

(Unaudited)

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDI (PNG) | TOTAL 2004 |
|---------------------------------------|------------------|----------------------------|--------------------------------|-----------------------------|--------------------------|-----------------------|
| Sales | - | \$39,794 | \$27,759 | \$22,702 | \$35,069 | \$125,324 |
| Cost of sales | (505) | (16,408) | (11,864) | (18,249) | (19,607) | (66,633) |
| Amortization | - | (875) | (2,679) | (1,021) | (859) | (5,434) |
| | (505) | 22,511 | 13,216 | 3,432 | 14,603 | 53,257 |
| Corporate development and exploration | (837) | - | - | - | - | (837) |
| General and administration | (1,227) | - | - | - | - | (1,227) |
| Stock based compensation | (25) | - | - | - | - | (25) |
| Investment and other income | (2,319) | 1,601 | - | - | - | (718) |
| Interest expense | (728) | (17) | - | (12) | - | (757) |
| Capital tax expense | (329) | - | - | - | - | (329) |
| Income tax expense | (897) | (9,878) | (3,880) | - | (5,001) | (19,656) |
| Non controlling interest | - | (6,780) | - | - | - | (6,780) |
| Net income (loss) | (\$6,867) | \$7,437 | \$9,336 | \$3,420 | \$9,602 | \$22,928 |

For the three months ended March 31, 2003

(Unaudited)

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDI (PNG) | TOTAL 2003 |
|---------------------------------------|------------------|----------------------------|--------------------------------|-----------------------------|--------------------------|-----------------------|
| | | | | | (note 3) | |
| Sales | - | \$6,651 | \$17,062 | \$21,068 | - | \$44,781 |
| Cost of sales | (503) | (4,012) | (11,366) | (16,567) | - | (32,448) |
| Amortization | - | (995) | (2,758) | (671) | - | (4,424) |
| | (503) | 1,644 | 2,938 | 3,830 | - | 7,909 |
| Corporate development and exploration | (1,090) | - | - | - | - | (1,090) |
| General and administration | (1,139) | - | - | - | - | (1,139) |
| Stock based compensation | (84) | - | - | - | - | (84) |
| Investment and other income | 4,499 | - | - | - | - | 4,499 |
| Interest expense | (1,511) | (386) | - | (27) | - | (1,924) |
| Capital tax expense | (228) | - | - | - | - | (228) |
| Income tax expense | (129) | (491) | (348) | - | - | (968) |
| Non controlling interest | - | (503) | - | - | - | (503) |
| Net income (loss) | (\$185) | \$264 | \$2,590 | \$3,803 | - | \$6,472 |

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| (thousands of Canadian dollars) | Three Months Ended | |
|--|--------------------|----------|
| | March 31 | |
| | 2004 | 2003 |
| Cash provided by (used in) operating activities ⁽¹⁾ | | |
| Net income | \$22,928 | \$6,472 |
| Add (deduct) items not affecting cash: | | |
| Amortization | 5,434 | 4,424 |
| Stock based compensation | 25 | 84 |
| Gain on sale of assets | (161) | (1,947) |
| Future income tax | 507 | 835 |
| Non controlling interest | 6,780 | 503 |
| Other | 5,571 | (1,178) |
| Distributions in excess of earnings from Ok Tedi | - | 7,857 |
| Reclamation costs | (542) | (610) |
| Net change in non-cash working capital | 23,545 | (15,248) |
| | 64,087 | 1,192 |
| Cash provided by (used in) investing activities | | |
| Dispositions | 188 | 7,489 |
| Capital assets | (14,100) | (10,317) |
| Short-term investments | 23,626 | (4,130) |
| Other | (109) | - |
| | 9,605 | (6,958) |
| Cash provided by (used in) financing activities | | |
| Long term debt repayments | (3,309) | (2,088) |
| Financial assurance fund payments | (1,126) | - |
| Issue of share capital | 2,833 | - |
| Other | (72) | - |
| | (1,674) | (2,088) |
| Foreign exchange loss on cash held in foreign currency | (882) | (1,626) |
| Increase (decrease) in cash and cash equivalents | 71,136 | (9,480) |
| Cash and cash equivalents: | | |
| Beginning of period | 177,135 | 61,252 |
| End of period | 248,271 | 51,772 |
| Short-term investments | 29,490 | 19,410 |
| Cash and short-term investments | \$277,761 | \$71,182 |
| (see accompanying notes) | | |
| ⁽¹⁾ Cash used in operations includes the following payments: | | |
| Interest | \$2,390 | \$2,871 |
| Taxes | \$3,364 | \$2,294 |

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF CASH FLOWS

(thousands of Canadian dollars)

For the three months ended March 31, 2004

(Unaudited)

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDI (PNG) | TOTAL 2004 |
|--|-----------|--------------------|------------------------|---------------------|------------------|---------------|
| Cash provided by (used in): | | | | | | |
| Operating activities | | | | | | |
| Before net change in working capital | (\$9,458) | \$17,590 | \$12,180 | \$7,723 | \$12,507 | \$40,542 |
| Net change in working capital | 831 | 13,902 | (272) | 3,030 | 6,054 | 23,545 |
| | (8,627) | 31,492 | 11,908 | 10,753 | 18,561 | 64,087 |
| Investing activities | 23,772 | (6,812) | (846) | (6,072) | (437) | 9,605 |
| Financing activities | 2,209 | (2,757) | - | - | (1,126) | (1,674) |
| Foreign exchange gain (loss) on cash held in foreign currency | - | 23 | (402) | - | (503) | (882) |
| Intergroup funding (distributions) | 26,973 | (1,253) | (3,542) | (4,681) | (17,497) | - |
| Increase (decrease) in cash and cash equivalents | 44,327 | 20,693 | 7,118 | - | (1,002) | 71,136 |
| Cash and cash equivalents: | | | | | | |
| Beginning of period | 124,145 | 10,835 | 21,614 | - | 20,541 | 177,135 |
| End of period | 168,472 | 31,528 | 28,732 | - | 19,539 | 248,271 |
| Short-term investments | 29,490 | - | - | - | - | 29,490 |
| Cash and short-term investments | \$197,962 | \$31,528 | \$28,732 | - | \$19,539 | \$277,761 |

For the three months ended March 31, 2003

(Unaudited)

| | CORPORATE | ÇAYELI (Turkey) | PYHÄSALMI (Finland) | TROILUS (Canada) | OK TEDI (PNG) | TOTAL 2003 |
|---|-----------|--------------------|------------------------|---------------------|------------------|---------------|
| | | | | | (note 3) | |
| Cash provided by (used in): | | | | | | |
| Operating activities | | | | | | |
| Before net change in working capital | (\$5,364) | \$2,919 | \$5,824 | \$5,204 | \$7,857 | \$16,440 |
| Net change in working capital | (3,329) | (8,566) | (2,038) | (1,315) | - | (15,248) |
| | (8,693) | (5,647) | 3,786 | 3,889 | 7,857 | 1,192 |
| Investing activities | 3,320 | (1,592) | (3,000) | (5,686) | - | (6,958) |
| Financing activities | (504) | (1,584) | - | - | - | (2,088) |
| Foreign exchange loss on cash held in foreign currency | - | (1,352) | (274) | - | - | (1,626) |
| Intergroup funding (distributions) | 9,084 | (239) | (2,785) | 1,797 | (7,857) | - |
| Increase (decrease) in cash and cash equivalents | 3,207 | (10,414) | (2,273) | - | - | (9,480) |
| Cash and cash equivalents: | | | | | | |
| Beginning of period | 29,357 | 22,971 | 8,924 | - | - | 61,252 |
| End of period | 32,564 | 12,557 | 6,651 | - | - | 51,772 |
| Short-term investments | 19,410 | - | - | - | - | 19,410 |
| Cash and short-term investments | \$51,974 | \$12,557 | \$6,651 | - | - | \$71,182 |

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF DEFICIT

(Unaudited)

| (thousands of Canadian dollars) | Three Months Ended | |
|---|--------------------|-------------|
| | March 31 | |
| | 2004 | 2003 |
| Retained earnings (deficit), beginning of period | \$60,471 | (\$114,937) |
| Net income | 22,928 | 6,472 |
| Accretion on equity component of convertible debentures | (1,066) | (978) |
| Retained earnings (deficit), end of period (see accompanying notes) | \$82,333 | (\$109,443) |

INMET MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

The interim consolidated financial statements do not include all the disclosures as required under generally accepted accounting principles, however, the interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements, except for the change, as described in note 2. The interim consolidated financial statements should be read in conjunction with Inmet's annual consolidated financial statements included in its 2003 Annual Report. Certain comparative amounts have been reclassified to conform to the 2004 presentation.

2. Change in Accounting Policy

Effective January 1, 2004 Inmet adopted the Canadian Institute of Chartered Accountants new Accounting Guideline 13 *Hedging Relationships* relating to the circumstances in which hedge accounting is appropriate, including the identification, documentation, designation and effectiveness of hedges, and the discontinuance of hedge accounting. The application of this standard had no effect on Inmet's hedge accounting in the prior year and in 2004 all hedges have continued to be effective.

3. Investment in Ok Tedi

On July 1, 2003, Inmet began proportionately consolidating its 18 per cent interest in Ok Tedi. Prior to July 1, 2003, Inmet cost accounted for Ok Tedi.

4. Share Capital

Authorized:

- Unlimited number of preferred shares.
- Unlimited number of subordinate voting participating shares.
- Unlimited number of common shares.

Issued:

| <i>(in thousands)</i> | Common Shares | Amount |
|---|--------------------------|---------------|
| Balance at December 31, 2003 | 39,348 | \$227,682 |
| Issued through stock option plans (note 5) | 927 | 4,989 |
| Balance at March 31, 2004 | 40,275 | \$232,671 |

5. Stock Based Compensation

On January 1, 2004, the remaining option holders with stock appreciation rights (“SARs”) signed irrevocable waivers allowing Inmet to eliminate the SARs feature on all but 6,500 stock options. The liability in relation to the SARs in the amount of \$2.5 million was subsequently reclassified to shareholders’ equity.

A total of 933,650 stock options were exercised during the quarter, in relation to which Inmet received proceeds of \$2.8 million for the issuance of 927,150 common shares. The remaining 6,500 options had the SARs feature and thus a nominal expense was recorded. Changes to the stock options outstanding for the period ending March 31, 2004 are as follows:

| | Options | Weighted Average Price |
|--------------------------|------------------|------------------------------|
| At December 31, 2003 | 2,961,750 | \$3.32 |
| Exercised | (933,650) | \$3.05 |
| At March 31, 2004 | 2,028,100 | \$3.45 |

At March 31, 2004, the following stock options were outstanding and exercisable:

| Outstanding | Exercisable | Exercise Price | Remaining Years Outstanding |
|------------------|------------------|-------------------|-----------------------------------|
| 570,000 | 570,000 | \$5.35 | 3.9 |
| 10,000 | 2,500 | \$5.80 | 4.1 |
| 285,000 | 108,750 | \$1.75 | 4.2 |
| 71,350 | 71,350 | \$3.25 | 4.6 |
| 156,500 | 156,500 | \$3.00 | 5.1 |
| 315,500 | 315,500 | \$2.75 | 5.9 |
| 607,250 | 237,750 | \$2.95 | 5.9 |
| 12,500 | - | \$2.30 | 7.3 |
| 2,028,100 | 1,462,350 | \$3.45 | 5.0 |

6. Investment and Other Income

Investment and other income for the three months ended March 31 is summarized as follows:

| <i>(millions of dollars)</i> | March 31 2004 | March 31 2003 |
|---|--------------------------|------------------|
| Interest and dividend income | \$2.0 | \$0.4 |
| Gain on sale of assets | 0.2 | 1.9 |
| Çayeli insurance proceeds | 1.6 | - |
| Litigation costs relating to Winston Lake | (3.5) | (0.3) |
| Foreign exchange gain (loss) | (0.2) | 2.9 |
| Pension expense | (0.5) | (0.5) |
| Other | (0.3) | 0.1 |
| | \$(0.7) | \$4.5 |

In the prior year, the gain on the sale of asset arose from Inmet's sale of its interest in the Jaguar deposit. In the first quarter of 2004, the \$1.6 million in Çayeli insurance proceeds relate to the 2002 groundfall event. A 1987 claim concerning a 20 per cent interest in the Winston Lake mine, was settled in April 2004 for \$3.4 million. This amount, in addition to legal costs, was expensed in the first quarter of 2004. The foreign exchange gain, in the prior year quarter, resulted primarily from holding United States dollar denominated debt in the year as the Canadian dollar was appreciating in relation to the United States dollar. The debt was fully repaid in July 2003.

7. Basic and Diluted Net Income Per Share

The calculation of basic and diluted net income per share is detailed in the following tables:

For the three months ended March 31, 2004

| (thousands, except share amounts) | Income | Weighted Average Number of Shares | Per Share Amount |
|--|---------------|--|-----------------------------|
| Basic net income per share: | | | |
| Net income | \$22,928 | | |
| Accretion on equity component of convertible debentures | (1,066) | | |
| Income available to common shareholders | 21,862 | 39,710 | \$0.55 |
| Diluted net income per share: | | | |
| Effect of dilutive convertible debentures | 101 | 3,016 | (0.03) |
| Effect of dilutive stock options | - | 1,651 | (0.02) |
| Effect of dilutive DSUs | - | 450 | (0.01) |
| | \$21,963 | 44,827 | \$0.49 |

For the three months ended March 31, 2003

| (thousands, except share amounts) | Income | Weighted Average Number of Shares | Per Share Amount |
|--|---------------|--|-----------------------------|
| Basic and diluted net income per share: | | | |
| Net income | \$6,472 | | |
| Accretion on equity component of convertible debentures | (978) | | |
| Income available to common shareholders | \$5,494 | 39,283 | \$0.14 |

8. Commitments

Troilus has committed approximately \$6 million for various capital requirements related to the expansion of the mill.