INMET MINING

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All amounts are in Canadian dollars, unless otherwise stated.

INMET MINING ANNOUNCES SECOND QUARTER EARNINGS

Toronto, Canada - Inmet Mining Corporation reported net income in the second quarter of 2004 of $16.8 million or $0.39 per share compared to net income of $5 million or $0.10 per share in the second quarter of 2003 mainly as the result of higher metal prices. Compared to the first quarter of 2004, net income was lower by approximately $6 million largely because of the timing of sales and higher corporate development costs.

(in thousands except per share figures)	Second Quarter		Six Months	
Operations' Earnings	**2004**	2003	**2004**	2003
Çayeli	**$15,110**	$6,264	**$37,621**	$7,908
Pyhäsalmi	**9,896**	2,619	**23,112**	5,557
Troilus	**2,881**	2,221	**6,313**	6,051
Ok Tedi	**9,221**	-	**23,824**	-
Reclamation costs	**(506)**	(504)	**(1,011)**	(1,007)
	36,602	10,600	**89,859**	18,509
Corporate development and exploration	**(2,397)**	(580)	**(3,234)**	(1,670)
General and administration	**(1,284)**	(1,072)	**(2,511)**	(2,211)
Stock based compensation	**(20)**	(62)	**(45)**	(146)
Investment and other income	**1,670**	1,238	**952**	5,737
Interest expense	**(692)**	(1,532)	**(1,449)**	(3,456)
Income taxes and capital taxes	**(12,452)**	(1,659)	**(32,437)**	(2,855)
Non-controlling interest	**(4,668)**	(1,957)	**(11,448)**	(2,460)
Net income	**$16,759**	$4,976	**$39,687**	$11,448
Accretion on equity component of convertible debentures	**$(1,112)**	$(1,023)	**$(2,178)**	$(2,001)
Basic net income per share	**$0.39**	$0.10	**$0.94**	$0.24
Diluted net income per share	**$0.36**	$0.10	**$0.87**	$0.23
Weighted average shares outstanding (000's)	**40,275**	39,283	**39,993**	39,283

MANAGEMENT'S DISCUSSION AND ANALYSIS

Comparability of Results

On July 1, 2003, Inmet began proportionately consolidating its 18 per cent interest in Ok Tedi. In the three and six months ended June 30, 2004 the effect of the proportionate consolidation of Ok Tedi added $6 million and $15 million to net income, respectively. Prior to July 1, 2003, Inmet cost accounted for Ok Tedi.

The following table identifies the sources of changes in net income between the three and six month periods ended June 30, 2004 and 2003:

Changes in 2004 Net Income Compared to 2003

(millions of dollars)	**Change in Second Quarter**	**Change in Six Months**
Increased metal prices	$ 14	$ 35
Foreign exchange rate changes on sales and costs	(2)	(8)
Sales volume	(4)	(1)
Operating costs	(1)	(4)
Proportionate consolidation of Ok Tedi	6	15
Corporate development and exploration	(2)	(2)
Litigation costs related to Winston Lake	-	(3)
Gain on sale of asset in 2003	-	(2)
Foreign exchange rate changes on debt in 2003	(2)	(5)
Other	3	3
Increase in net income	$ 12	$ 28

For both the three and six months ending June 30, 2004, in comparison to the same periods in 2003, net income was positively impacted by higher metal prices, the effect of which was offset somewhat by foreign exchange rate changes resulting from the weaker United States dollar relative to the Canadian dollar.

During the second quarter of 2004, Inmet incurred approximately $1 million of expenses related to an agreement to merge with Aur Resources Inc. entered into on May 4, 2004. Inmet and Aur Resources agreed to mutually terminate their merger agreement on June 28, 2004. All of the costs incurred in connection with the merger agreement have been expensed and classified as corporate development and exploration in the consolidated income statement.

In the second quarter of 2003 foreign exchange gains, of approximately $2 million, were recognized on the revaluation to Canadian dollars (six months of 2003 - $5 million) of Inmet's United States dollar denominated debt, which debt was repaid in July 2003. A $3.4 million legal settlement with regard to the closed Winston Lake mine was expensed in the first quarter of 2004 and a non-recurring gain of $1.9 million from the sale of the Jaguar property was recorded in the first quarter of 2003.

Net Sales

	Second Quarter		**Six Months**	
(in thousands)	**2004**	2003	**2004**	2003
Net sales by operation:[1]				
Çayeli	**$27,919**	$20,221	**$67,713**	$26,872
Pyhäsalmi	**24,890**	17,296	**52,649**	34,358
Troilus	**20,370**	19,575	**43,072**	40,643
Ok Tedi	**29,364**	-	**64,433**	-
	$102,543	$57,092	**$227,867**	$101,873
Net sales by metal:[1]				
Copper	**$58,704**	$24,327	**$132,741**	$38,149
Zinc	**9,630**	9,388	**24,260**	15,466
Gold	**25,967**	17,831	**55,694**	37,313
Other	**8,242**	5,546	**15,172**	10,945
	$102,543	$57,092	**$227,867**	$101,873

	Second Quarter		**Six Months**	
Sales by metal volume:[1]	**2004**	2003	**2004**	2003
Copper (tonnes)	**19,400**	15,370	**43,400**	22,850
Zinc (tonnes)	**13,500**	16,500	**32,100**	27,700
Gold (ounces)	**55,800**	40,500	**117,200**	82,300

(1) Includes 100 per cent of sales from Çayeli, Pyhäsalmi and Troilus, and, commencing July 1, 2003, 18 per cent of Ok Tedi's sales.

Net sales increased $45 million in the second quarter of 2004 compared to the second quarter of 2003 due to higher metal prices and the inclusion of Ok Tedi's results. Net sales of copper and gold from Ok Tedi contributed $18 million and $11 million, respectively, to Inmet's second quarter 2004 sales. Higher metal prices during the quarter increased net sales by $28 million; however, lower sales volumes at Çayeli, Pyhäsalmi and Troilus offset this increase by $12 million.

For the six months ended June 30, 2004, net sales increased by $126 million compared to the six month period ended June 30, 2003. Net sales of copper and gold from Ok Tedi contributed $42 million and $22 million, respectively, to Inmet's June 30, 2004 results. Increased metal prices during the period improved net sales by $66 million while increased sales volumes from Çayeli contributed another $11 million; however, lower sales volume at Troilus and foreign exchange rate changes offset these increases by $15 million. Although treatment and refining charges have decreased since 2003, the benefits of these lower rates were offset by higher freight costs and price participation charges payable to smelters.

The realized average metal prices and average foreign exchange rates of the United States dollar to the Canadian dollar for the three and six months ended June 30, 2004 and 2003 are shown in the following chart:

Prices realized	**Second Quarter**		**Six Months**	
	2004	2003	**2004**	2003
Copper (per pound)	**U.S.$1.27**	U.S.$0.74	**U.S.$1.28**	U.S.$0.75
Zinc (per pound)	**U.S.$0.46**	U.S.$0.35	**U.S.$0.47**	U.S.$0.35
Gold (per ounce)	**U.S.$368**	U.S.$337	**U.S.$370**	U.S.$332
1 U.S.$ to C$	**$1.36**	$1.40	**$1.34**	$1.45

SUMMARY OF OPERATIONS

The weighted average unit costs [(1)] at Inmet's operations are a key performance indicator and are summarized as follows:

	Second Quarter		**Six Months**	
	2004	2003	**2004**	2003
Copper (per pound)				
Cash costs	**U.S.$0.45**	U.S.$0.41	**U.S.$0.40**	U.S.$0.39
Total costs	**U.S.$0.54**	U.S.$0.56	**U.S.$0.49**	U.S.$0.55
Gold (per ounce)				
Cash costs	**U.S.$283**	U.S.$280	**U.S.$263**	U.S.$257
Total costs	**U.S.$306**	U.S.$293	**U.S.$286**	U.S.$269

[(1)] A reconciliation of the calculation of weighted average unit costs to Inmet's income statement is provided under the heading "Consolidated Unit Costs" on page 17.

Inmet's share of metal production is summarized as follows:

	Second Quarter		**Six Months**	
	2004	2003	**2004**	2003
Copper (tonnes)	**19,400**	18,400	**36,700**	33,900
Zinc (tonnes)	**11,700**	15,100	**26,000**	26,000
Gold (ounces)	**60,600**	61,800	**118,100**	121,100

In the second quarter, zinc production decreased, primarily as a result of lower zinc grades at Pyhäsalmi, compared to the second quarter of 2003.

Çayeli

(100 per cent of production)		**Second Quarter**		**Six Months**		*Full year*
		2004	2003	**2004**	2003	*Objective*(1)
Ore milled (000's of tonnes)		**229**	242	**479**	404	*1,000*
Grades:	Copper	**3.9%**	3.8%	**4.0%**	4.1%	*4.4%*
	Zinc	**5.8%**	4.3%	**5.6%**	4.7%	*5.6%*
Recoveries:	Copper	**90%**	84%	**91%**	84%	*88%*
	Zinc	**75%**	70%	**73%**	70%	*70%*
Production:	Copper (tonnes)	**8,100**	7,700	**17,600**	14,000	*39,000*
	Zinc (tonnes)	**10,000**	7,400	**19,700**	13,200	*40,000*
Cash costs	(per pound/copper)	**U.S.$0.57**	U.S.$0.46	**U.S.$0.55**	U.S.$0.45	*U.S.$0.47*
Total costs	(per pound/copper)	**U.S.$0.63**	U.S.$0.52	**U.S.$0.60**	U.S.$0.52	*U.S.$0.53*
Capital expenditures (millions)		**U.S.$3.6**	U.S.$1.5	**U.S.$6.5**	U.S.$2.6	*U.S.$19.0*

(1) In estimating the by-product credit included in the forecasted copper cash costs, a forecasted zinc price of U.S.$0.48 per pound was used.

A three-year collective agreement at Çayeli was finalized on July 8, 2004. The agreement provides for wage adjustments equal to the Turkish Consumer Price Index (CPI) every six months beginning June 1, 2003 when the previous agreement expired. Including adjustments for staff salaries, the impact of the adjustment to labour costs on Çayeli's overall Turkish lira costs is approximately six per cent. The impact of the wage adjustments on Çayeli's United States dollar costs in future will depend on the CPI and the Turkish lira to the United States dollar exchange rate.

Ore milled for the three months ended June 30, 2004 was five per cent lower than the production level for the same period in the previous year. Despite the lower throughput, higher grades and recoveries resulted in higher copper and zinc production in the second quarter of 2004 compared to the second quarter of 2003.

Çayeli has not yet achieved its targeted annual mill throughput rate of 1.25 million tonnes per annum. Çayeli has conducted a thorough review of the operation and identified a number of bottlenecks. The most significant conclusion was that limited availability of production stopes does not provide for the operational flexibility necessary to achieve the targeted tonnage with equipment availability as a contributing factor. In response, Çayeli prepared a comprehensive action plan, which is currently in the process of being implemented. The plan encompasses the accelerated preparation of additional working areas through the involvement of a mining contractor. To improve fleet availability, Çayeli has purchased three new haul trucks, one new LHD loader and an in-the-hole drill rig, all of which are expected to arrive by the end of the year. Çayeli is also planning on taking a 10-day partial shutdown during the second half of 2004 to place a concrete floor in the main haulage ramp and perform other scheduled maintenance work. Once the work is completed, road conditions in the ramp should significantly improve. It is expected that the implementation of these measures will lead to steady improvements in the mine's production rate to the 1.25 million tonne annual rate.

Cash costs for the second quarter of 2004 were U.S.$0.57 per pound in comparison to the second quarter of 2003 cash costs of U.S.$0.46 per pound. Operating costs were higher in 2004 in part due to increased ground support costs and due to the negative impact of inflation on Turkish lira costs.

Operating earnings for the three months ending June 30, 2004 were $15.1 million compared to $6.3 million for the same period in 2003 due to higher metal prices and higher zinc sales. For the six months ending June 30, 2004 operating earnings were $37.6 million in comparison to 2003 operating earnings of $7.9 million. This was a result of higher metal prices in 2004 as well as higher sales volumes.

The shaft extension project is progressing well. All preparatory work has been completed and actual sinking work commenced on May 21. As of the end of June, the shaft sinking had advanced 50 metres. The overall project is 21 per cent complete as of June 30 and is expected to be completed on schedule during the first quarter of 2006 at the budgeted cost of U.S.$14 million.

The feasibility study for the Cerattepe project will be completed in the third quarter. Efforts are also underway on the Environmental Impact Assessment ("EIA") and on obtaining the required permits. It is expected that the EIA will be filed with the relevant regulatory authorities during the fourth quarter of this year. Çayeli will commence a bulk sample program in August, which will include the extraction of 24,000 tonnes from the Cerattepe deposit. The sample program will provide a better understanding of the metallurgy of the ore and the ground conditions of the overall deposit.

On June 22, 2004 the Turkish government announced the specifications for the tender process by which it will sell its 45 per cent interest in Çayeli. On July 23, 2004 Inmet submitted its bid to purchase the government's interest. It is expected that the government will complete the sale of its interest in Çayeli by the end of the third quarter.

Outlook

The full year objective has been revised to reflect the current production levels. As a result, Inmet's share of copper production will decrease by approximately 1,600 tonnes and zinc production by 6,600 tonnes. Despite lower production expectations, if metal prices remain at current levels, Çayeli is expected to continue to generate strong cash flow and operating earnings for the remainder of the year.

Amendments to the mining law were recently passed by the Turkish Parliament that will modify both municipal and federal mining taxes commencing January 1, 2004. With the amendments, Çayeli's effective tax rate is expected to drop in 2004 by about three per cent to a range between 39 and 42 per cent.

Pyhäsalmi

(100 per cent of production)		Second Quarter		Six Months		*Full year*
		2004	2003	**2004**	2003	*Objective*[(1)]
Ore milled (000's of tonnes)		**342**	328	**677**	666	*1,300*
Grades:	Copper	**1.5%**	1.1%	**1.4%**	1.2%	*1.2%*
	Zinc	**2.0%**	3.6%	**2.4%**	3.0%	*2.9%*
	Sulphur	**43%**	41%	**41%**	42%	*40%*
Recoveries:	Copper	**96%**	95%	**96%**	96%	*95%*
	Zinc	**90%**	95%	**92%**	94%	*92%*
Production:	Copper (tonnes)	**4,800**	3,500	**9,000**	7,700	*14,500*
	Zinc (tonnes)	**6,200**	11,000	**15,200**	18,700	*34,200*
	Pyrite (tonnes)	**224,300**	203,000	**424,100**	410,000	*690,000*
Cash costs	(per pound/copper)	**U.S.$0.17**	U.S.$0.14	**U.S.$0.13**	U.S.$0.20	*U.S.$0.21*
Total costs	(per pound/copper)	**U.S.$0.39**	U.S.$0.41	**U.S.$0.35**	U.S.$0.43	*U.S.$0.46*
Capital expenditures (millions)		**€0.6**	€0.8	**€1.1**	€1.5	€3.0

(1) In estimating the by-product credit included in the forecasted copper cash costs, a forecasted zinc price of U.S.$0.48 per pound was used.

For the three and six months ending June 30, 2004 Pyhäsalmi exceeded prior year throughput levels and copper production levels. These improved operating results, in combination with higher metal prices, resulted in significantly higher operating earnings. Operating earnings for the three months ended June 30, 2004 were $9.9 million compared to $2.6 million for the three months ended June 30, 2003. For the six months ended June 30, 2004 operating earnings were $23.1 million compared to $5.6 million in the same period of 2003. The strengthening of the euro in 2004 offset some of the benefit of higher prices. Compared to the same periods in 2003, Pyhäsalmi's net income for the three months was negatively impacted as a result of foreign exchange rate changes by approximately $1 million and for the six months by approximately $4 million.

Copper cash costs in the 2004 second quarter were U.S.$0.17 per pound compared to U.S.$0.14 per pound in the 2003 second quarter because of lower zinc by-product credits. For the six months ending June 30, cash costs were lower in 2004 than 2003, at U.S.$0.13 per pound compared to U.S.$0.20 per pound because of higher copper production.

Outlook

For the remainder of the year, zinc grades are expected to increase and copper grades are expected to decrease. Inmet has revised its objective for the year to reflect the higher than expected copper grades achieved through the first half of the year.

Troilus

(100 per cent of production)	**Second Quarter**		**Six Months**		*Full year*
	2004	2003	**2004**	2003	*Objective*[(1)]
Ore milled (000's of tonnes)	**1,526**	1,491	**2,941**	2,949	*6,100*
Strip ratio	**1.6**	1.9	**1.5**	2.2	*1.9*
Grade (grams per tonne)	**0.9**	1.0	**1.0**	1.0	*1.0*
Recoveries	**78%**	85%	**80%**	83%	*83%*
Gold production (ounces)	**34,800**	39,400	**72,100**	81,400	*158,000*
Cash costs (per ounce/gold)	**U.S.$283**	U.S.$280	**U.S.$263**	U.S.$257	*U.S.$272*
Total costs (per ounce/gold)	**U.S.$306**	U.S.$293	**U.S.$286**	U.S.$269	*U.S.$305*
Capital expenditures (millions)	**$3.7**	$2.2	**$7.6**	$3.4	*$27.6*
Capitalized stripping (millions)	**$1.3**	$0.6	**$3.3**	$5.1	*$5.7*

(1) In estimating the by-product credit included in the forecasted gold cash costs, a forecasted copper price of U.S.$1.20 per pound was used.

In the second quarter, Troilus' mill throughput reached record levels and was two per cent higher than in the same period in 2003. Gold production for the three months ending June 30, 2004 decreased 12 per cent from the same period in 2003 as a result of lower grades and metallurgical recoveries experienced during the quarter. Almost two-thirds of Troilus' gold production during the second quarter originated from the J-4 pit which has lower gold grades compared to the 87 pit. Although the J-4 ore tends to have better milling characteristics which results in increased throughput rates, recoveries were negatively impacted due to the lower feed grade and restrictions in ball mill capacity. The restrictions are expected to be eliminated after completion of the mill expansion.

The lower gold production resulted in slightly higher cash costs in the second quarter of 2004 compared to the second quarter of 2003. For the six months ending June 30, 2004, the decrease in gold production also resulted in higher cash costs. Mining costs were somewhat less for the second quarter of 2004 compared to 2003 as haulage distances are significantly shorter from the J-4 pit than from the 87 pit.

As a result of higher metal prices, operating earnings were somewhat higher in the second quarter of 2004 at $2.9 million compared to $2.2 million in the second quarter of 2003. Including hedging, Troilus realized a gold price of U.S.$358 per ounce in the second quarter of 2004. For the six months ending June 30, operating earnings were comparable between 2004 and 2003.

The Troilus mill expansion project, at a capital cost of $18.5 million, is proceeding well and commissioning is scheduled for December of this year. The expansion is expected to improve grinding capacity and mill throughput by at least 15 per cent as well as metallurgical recoveries by approximately 2 per cent.

Outlook
The objective at Troilus remains unchanged from the one set at the start of the year.

Ok Tedi

(100 per cent of production)		Second Quarter		Six Months		*Full year*
		2004	2003	**2004**	2003	*Objective*[1]
Ore milled (000's of tonnes)		**7,300**	7,700	**12,600**	13,300	*27,000*
Grades:	Copper	**0.8%**	0.8%	**0.8%**	0.8%	*0.9%*
	Gold (grams per tonne)	**0.9**	0.8	**0.9**	0.8	*0.9*
Recoveries:	Copper	**81%**	85%	**81%**	84%	*82%*
	Gold	**70%**	67%	**74%**	66%	*72%*
Production:	Copper (tonnes)	**49,500**	52,000	**85,700**	89,000	*195,000*
	Gold (ounces)	**143,300**	124,000	**255,700**	220,000	*555,000*
Cash costs	(per pound/copper)	**U.S.$0.53**	U.S.$0.48	**U.S.$0.46**	U.S.$0.45	*U.S.$0.42*
Total costs	(per pound/copper)	**U.S.$0.58**	U.S.$0.63	**U.S.$0.51**	U.S.$0.63	*U.S.$0.48*
Capital expenditures (millions)		**U.S.$5.0**	U.S.$3.9	**U.S.$6.9**	U.S.$6.9	*U.S.$18.0*

[1] In estimating the by-product credit included in the forecasted copper cash costs, a forecasted gold price of U.S.$400 per ounce was used.

Mill throughput in the second quarter of 2004 was less than that of the second quarter of 2003 as a result of the harder skarn ore processed. Higher gold grades are generally associated with skarn ore, which resulted in slightly higher grades than in the second quarter of 2003. In each of the six months ending June 30, 2004 and 2003, mill throughput was impacted by 8 week shut downs to repair the semi-autogenous grinding ("SAG") mills. The repairs made to the SAG mill in the first quarter of 2004 have been effective and Ok Tedi is not anticipating a further shutdown in 2004 to replace the repaired mill end plates.

Cash costs of U.S.$0.53 per pound were higher for the second quarter of 2004 compared to U.S.$0.48 per pound from the same quarter in 2003 due to lower copper production and higher costs. Costs were higher as a result of repair and maintenance costs and leasing costs for additional mining equipment that was brought in to catch-up on waste mining.

Ok Tedi's operating earnings were strong at $9.2 million for the second quarter of 2004 due to high metal prices. However, second quarter operating earnings were $5.4 million lower than first quarter earnings, largely due to the timing of concentrate shipments which reduced operating earnings by approximately $5 million. These sales will be recognized in the third quarter. 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 in 2004 can not be compared to operating earnings from 2003.

In the second quarter of 2004, Inmet received $10.9 million in dividends from Ok Tedi, compared to $7.7 million in the same period in 2003. For the first six months of 2004, dividends of $26.6 million were received compared to $15.6 million in the first six months of 2003.

Outlook
Operating performance is expected to improve in the second half of the year. The objective for the year has been adjusted to reflect the lower mill throughput in the first half of the year due to repairs to the SAG mill.

LIQUIDITY AND FINANCIAL CONDITION

Inmet's consolidated cash and short-term investments at June 30, 2004 were $301.1 million. A summary of consolidated sources and uses of cash and short-term investments for the three and six months ended June 30 follows.

Sources and Uses of Consolidated Cash and Short-Term Investments

(millions of Canadian dollars)	**Second Quarter**		**Six Months**	
	2004	2003	**2004**	2003
Cash provided by (used in) operating activities:				
Çayeli	**$ 14.7**	$ 2.2	**$ 46.2**	$ (3.4)
Pyhäsalmi	**14.4**	7.3	**26.3**	11.1
Troilus	**9.5**	1.5	**20.2**	5.4
Ok Tedi	**7.8**	7.7	**26.3**	15.6
Corporate development and exploration	**(2.4)**	(0.6)	**(3.2)**	(1.7)
General and administration	**(1.3)**	(1.1)	**(2.5)**	(2.2)
Other	**(3.8)**	(1.2)	**(10.3)**	(7.8)
	38.9	15.8	**103.0**	17.0
Cash provided by (used in) investing and financing activities:				
Capital expenditures	**(12.2)**	(6.3)	**(26.3)**	(16.6)
Credit facility repayments	**-**	(7.6)	**-**	(7.6)
Dispositions	**-**	-	**0.2**	7.5
Other	**(3.4)**	(4.8)	**(6.1)**	(8.5)
	(15.6)	(18.7)	**(32.2)**	(25.2)
Increase (decrease) in cash	**23.3**	(2.9)	**70.8**	(8.2)
Cash and short-term investments				
Beginning of period	**277.8**	71.2	**230.3**	76.5
End of period	**$301.1**	$68.3	**$301.1**	$68.3

Cash flows from operating activities

The following table highlights the significant changes in operating cash flows between the three and six months ended June 30, 2004 and 2003.

Changes in 2004 Operating Cash Flows Compared to 2003

(millions of dollars)	**Change in Second Quarter**	**Change in Six Months**
Increased metal prices	$ 18	$ 45
Foreign exchange rate changes on sales and costs	(2)	(9)
Sales volume	(5)	-
Operating costs	(2)	(6)
Change in non-cash working capital		
Çayeli	9	32
Pyhäsalmi	2	4
Troilus	4	9
Proportionate consolidation of Ok Tedi	-	11
Other	(1)	-
Increase in 2004 operating cash flows compared to 2003	$ 23	$ 86

Cash provided by operating activities was $38.9 million in the quarter ended June 30, 2004 compared to $15.8 million for the same period a year ago. For the six months ended June 30, 2004, operating cash flows were $86 million higher than the same period a year ago. The increase in both periods is largely due to higher metal prices as well as a reduction in non-cash working capital at Çayeli, Pyhäsalmi and Troilus. In addition, the proportionate consolidation of Ok Tedi increased operating cash flow in the six months compared to the same period a year ago.

At Çayeli, in 2003, accounts receivable and inventories were being built up as production ramped up to full capacity. In 2004, both Çayeli and Troilus have minimal accounts receivable balances resulting in positive working capital changes in 2004. In addition, with higher metal prices, the operations' earnings have increased from the prior year and therefore higher taxes will be payable except in respect of Troilus, which is not in a tax paying position. Of the $103 million in operating cash flow, there is approximately $16 million in taxes payable.

Cash flows from investing and financing activities

In the quarter ended June 30, 2004, capital expenditures were $5.9 million higher than in the same period in the prior year. Cash used included $5.1 million in capital expenditures at Çayeli, mainly for the shaft extension project and $3.7 million at Troilus, approximately half of which was related to expenditures on the mill expansion project. For the six months ending June 30, 2004, capital expenditures were $9.7 million higher than for the same period in 2003. The shaft extension accounted for $4 million, the Cerattepe project accounted for $3 million and the Troilus mill expansion accounted for $3 million of this increase. The corporate debt facility was fully repaid in July 2003.

Financial condition

Inmet's key financial ratios as at June 30, 2004 compared to December 31, 2003 are summarized below.

	June 30, 2004	December 31, 2003
Current ratio	**4.7**	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 debt to total capitalization ratio improved due to the repayment in full of Çayeli's project loan in 2004 and Inmet's strong operating results during the first six months of 2004.

Risks

Inmet's earnings and cash flows are significantly affected by fluctuations in metal prices and exchange rate changes between the Canadian dollar, United States dollar and 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 Annual 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 June 30, 2004:

	Hedge Volume	Anticipated Hedged Production	Average Hedged Price (per ounce)
Gold			
2004 forward sales	59,400 ounces	73%	U.S.$333
2005 forward sales	131,200 ounces	80%	U.S.$340
2006 forward sales	103,400 ounces	70%	U.S.$356
2007 forward sales	5,400 ounces	4%	U.S.$353

Total forward sales at Troilus represent 36 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 June 30, 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	7,200 ounces	15%	U.S.$375
2004 sold call options	7,200 ounces		U.S.$461

All hedging transactions are under margin-free facilities. On June 30, 2004 the spot price of gold was U.S.$394 per ounce which resulted in a negative marked-to-market of $27 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 June 30, 2004:

	Hedge Volume (millions)	Anticipated Production Hedged	Average Hedged Price
Currency			
2004 bought put options	U.S.$9.0 million	30%	$1.5033
2004 sold call options	U.S.$9.0 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 June 30, 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 $1.33.

Common Shares Outstanding

Inmet has 40,275,289 common shares outstanding at July 26, 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.

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

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SECOND QUARTER CONFERENCE CALL
Please listen in to Inmet's second quarter conference call at 2:30 p.m. (ET) on Tuesday July 27, 2004 at www.newswire.ca/en/webcast/viewEventCNW.cgi?eventID=856460 or through a link with Inmet's website: www.inmetmining.com for the live audio webcast.

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 June 30		Six Months Ended June 30	
	2004	2003	**2004**	2003
PRODUCTION (Inmet's share)				
COPPER (tonnes)				
Ok Tedi	**8,900**	9,200	**15,400**	15,900
Çayeli	**4,500**	4,200	**9,700**	7,700
Pyhäsalmi	**4,800**	3,500	**9,000**	7,700
Troilus	**1,200**	1,500	**2,600**	2,600
	19,400	18,400	**36,700**	33,900
ZINC (tonnes)				
Çayeli	**5,500**	4,100	**10,800**	7,300
Pyhäsalmi	**6,200**	11,000	**15,200**	18,700
	11,700	15,100	**26,000**	26,000
GOLD (ounces)				
Troilus	**34,800**	39,400	**72,100**	81,400
Ok Tedi	**25,800**	22,400	**46,000**	39,700
	60,600	61,800	**118,100**	121,100
PYRITE (tonnes)				
Pyhäsalmi	**224,300**	203,000	**424,100**	410,500

INMET MINING CORPORATION
CONSOLIDATED UNIT COSTS

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	**2004**	2003
UNIT COSTS				
Weighted average copper (U.S.$ per pound)				
Cash cost	**$ 0.45**	$ 0.41	**$ 0.40**	$ 0.39
Total cost	**$ 0.54**	$ 0.56	**$ 0.49**	$ 0.55
Çayeli (U.S.$ per pound of copper)				
Direct cash costs	**$0.58**	$0.42	**$0.54**	$0.39
Copper processing charges and freight	**0.25**	0.20	**0.29**	0.23
Net metal credits	**(0.26)**	(0.16)	**(0.28)**	(0.17)
Cash cost	**0.57**	0.46	**0.55**	0.45
Amortization and other non cash costs	**0.06**	0.06	**0.05**	0.07
Total cost	**$0.63**	$0.52	**$0.60**	$0.52
Pyhäsalmi (U.S.$ per pound of copper)				
Direct cash costs	**$0.85**	$1.09	**$0.89**	$0.93
Copper processing charges and freight	**0.21**	0.20	**0.22**	0.20
Net metal credits	**(0.89)**	(1.15)	**(0.98)**	(0.93)
Cash cost	**0.17**	0.14	**0.13**	0.20
Amortization and other non cash costs	**0.22**	0.27	**0.22**	0.23
Total cost	**$0.39**	$0.41	**$0.35**	$0.43
Troilus (U.S.$ per ounce of gold)				
Direct cash costs	**$336**	$309	**$333**	$315
Amortization (capitalization) of stripping costs	**3**	(7)	**6**	(41)
Processing charges and freight	**46**	43	**41**	39
Metal credits	**(102)**	(65)	**(117)**	(56)
Cash cost	**283**	280	**263**	257
Amortization and other non cash costs	**23**	13	**23**	12
Total cost	**$306**	$293	**$286**	$269
Ok Tedi (U.S.$ per pound of copper)				
Direct cash costs	**$0.76**	$0.65	**$0.71**	$0.65
Processing charges and freight	**0.27**	0.22	**0.29**	0.21
Metal credits	**(0.50)**	(0.39)	**(0.54)**	(0.41)
Cash cost	**0.53**	0.48	**0.46**	0.45
Amortization and other non cash costs	**0.05**	0.15	**0.05**	0.18
Total cost	**$0.58**	$0.63	**$0.51**	$0.63

RECONCILIATION OF UNIT CASH COSTS TO INCOME STATEMENT

(millions of Canadian dollars, except where otherwise noted)	Three Months Ended June 30, 2004		Six Months Ended June 30, 2004	
	Copper Cash Cost	Gold Cash Cost	Copper Cash Cost	Gold Cash Cost
Operating costs per financial statements	$43	$16	$91	$34
Net sales per financial statements	(82)	(20)	(185)	(43)
Add back - copper sales not included in cash costs	67	-	152	-
Add back - gold sales not included in cash costs	-	17	-	36
Less - standby costs incurred at Ok Tedi	-	-	(6)	-
Çayeli minority interest	(6)	-	(13)	-
Other	2	-	1	(2)
Operating costs net of metal credits	$24	$13	$40	$25
U.S.$ to C$ exchange rate	$1.36	$1.36	$1.34	$1.34
Inmet's share of copper production (000's pounds)	40,100	-	75,200	-
Inmet's share of gold production (ounces)	-	34,800	-	72,100
Consolidated copper cash cost (per pound)	**U.S.$0.45**	-	**U.S.$0.40**	-
Gold cash cost (per ounce)	-	**U.S.$283**	-	**U.S.$263**

INMET MINING CORPORATION
REVIEW OF LAST EIGHT QUARTERS
(unaudited)

Latest Four Quarters

(thousands of dollars, except per share amounts)	2004 Second quarter	2004 First quarter	2003 Fourth quarter	2003 Third quarter
STATEMENTS OF OPERATIONS				
Sales	$ 102,543	$ 125,324	$ 109,712	$ 90,562
Cost of sales	(59,559)	(66,633)	(65,430)	(62,072)
Amortization	(6,382)	(5,434)	(6,718)	(5,005)
	36,602	53,257	37,564	23,485
Corporate development and exploration	(2,397)	(837)	(1,385)	(1,002)
General and administration	(1,284)	(1,227)	(2,061)	(1,022)
Stock based compensation	(20)	(25)	(1,796)	(580)
Investment and other income	1,670	(718)	112,907	30,270
Interest expense	(692)	(757)	(1,003)	(1,236)
Capital tax expense	(430)	(329)	(587)	(186)
Income tax expense	(12,022)	(19,656)	(11,742)	(7,290)
Non-controlling interest	(4,668)	(6,780)	(4,334)	(1,953)
Net income	$ 16,759	$ 22,928	$ 127,563	$ 40,486
Net income per common share	$ 0.39	$ 0.55	$ 3.21	$ 1.00
Diluted net income per common share	$ 0.36	$ 0.49	$ 2.83	$ 0.90

Previous Four Quarters

(thousands of dollars, except per share amounts)	2003 Second quarter	2003 First quarter	2002 Fourth quarter	2002 Third quarter
STATEMENTS OF OPERATIONS				
Sales	$ 57,092	$ 44,781	$ 60,484	$ 52,860
Cost of sales	(41,915)	(32,448)	(42,445)	(39,017)
Amortization	(4,577)	(4,424)	(4,752)	(4,794)
	10,600	7,909	13,287	9,049
Corporate development and exploration	(580)	(1,090)	(1,206)	(877)
General and administration	(1,072)	(1,139)	(1,793)	(1,126)
Stock based compensation	(62)	(84)	(2,447)	1,400
Investment and other income	1,238	4,499	(347)	1,430
Interest expense	(1,532)	(1,924)	(2,211)	(2,338)
Capital tax expense	(172)	(228)	(331)	(333)
Income tax expense	(1,487)	(968)	(2,593)	(1,746)
Non-controlling interest	(1,957)	(503)	(1,934)	(1,943)
Net income	$ 4,976	$ 6,472	$ 425	$ 3,516
Net income (loss) per common share	$ 0.10	$ 0.14	$ (0.01)	$ 0.07
Diluted net income (loss) per common share	$ 0.10	$ 0.14	$ (0.01)	$ 0.07

INMET MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

(thousands of Canadian dollars)	**June 30 2004**	December 31 2003
	(Unaudited)	
ASSETS		
Current assets:		
Cash and short-term investments	**$301,137**	$230,251
Accounts receivable	**44,165**	68,467
Inventories	**50,528**	45,031
Future income tax asset	**1,071**	215
	396,901	343,964
Property, plant and equipment	**270,825**	258,753
Investments	**1,687**	1,714
Future income tax asset	**8,942**	7,877
Other assets	**33,778**	32,981
	$712,133	$645,289
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	**$81,821**	$68,826
Current portion of long-term debt	**2,371**	4,986
	84,192	73,812
Long-term debt	**23,051**	24,115
Reclamation liabilities	**65,630**	64,726
Other liabilities	**23,272**	24,517
Future income tax liability	**20,118**	18,630
Non-controlling interest	**34,868**	26,096
	251,131	231,896
SHAREHOLDERS' EQUITY		
Convertible debentures	**47,438**	45,260
Share capital (note 4)	**232,671**	227,682
Contributed surplus	**66,999**	66,999
Stock based compensation (note 5)	**6,839**	6,538
Retained earnings	**97,980**	60,471
Foreign currency translation account	**9,075**	6,443
	461,002	413,393
	$712,133	$645,289

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED BALANCE SHEETS
(thousands of Canadian dollars)

As at June 30, 2004
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG)	TOTAL 2004
ASSETS						
Cash and short-term investments	$211,892	$34,020	$40,144	-	$15,081	$301,137
Other current assets	592	25,099	28,296	18,216	23,561	95,764
Property, plant and equipment	26,934	59,692	95,094	47,125	41,980	270,825
Investments	1,687	-	-	-	-	1,687
Other assets	31,367	288	-	3,983	7,082	42,720
TOTAL ASSETS	$272,472	$119,099	$163,534	$69,324	$87,704	$712,133
LIABILITIES						
Current liabilities	$12,173	$16,823	$19,505	$11,835	$23,856	$84,192
Long-term debt	23,051	-	-	-	-	23,051
Reclamation liabilities	27,709	3,367	12,137	3,741	18,676	65,630
Other liabilities	12,175	2,826	-	5,990	2,281	23,272
Future income tax liability	-	14,210	4,501	-	1,407	20,118
Non-controlling interest	-	34,868	-	-	-	34,868
TOTAL LIABILITIES	$75,108	$72,094	$36,143	$21,566	$46,220	$251,131

As at December 31, 2003

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (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
Property, plant and equipment	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 June 30 **2004**	Three Months Ended June 30 2003	Six Months Ended June 30 **2004**	Six Months Ended June 30 2003
Sales	**$102,543**	$57,092	**$227,867**	$101,873
Cost of sales	**(59,559)**	(41,915)	**(126,192)**	(74,363)
Amortization	**(6,382)**	(4,577)	**(11,816)**	(9,001)
	36,602	10,600	**89,859**	18,509
Corporate development and exploration (note 6)	**(2,397)**	(580)	**(3,234)**	(1,670)
General and administration	**(1,284)**	(1,072)	**(2,511)**	(2,211)
Stock based compensation	**(20)**	(62)	**(45)**	(146)
Investment and other income (note 7)	**1,670**	1,238	**952**	5,737
Interest expense	**(692)**	(1,532)	**(1,449)**	(3,456)
Capital tax expense	**(430)**	(172)	**(759)**	(400)
Income tax expense	**(12,022)**	(1,487)	**(31,678)**	(2,455)
Non-controlling interest	**(4,668)**	(1,957)	**(11,448)**	(2,460)
Net income	**$16,759**	$4,976	**$39,687**	$11,448
Accretion on equity component of convertible debentures	**($1,112)**	($1,023)	**($2,178)**	($2,001)
Basic net income per share (note 8)	**$0.39**	$0.10	**$0.94**	$0.24
Diluted net income per share (note 8)	**$0.36**	$0.10	**$0.87**	$0.23
Weighted average shares outstanding (000's)	**40,275**	39,283	**39,993**	39,283

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF OPERATIONS
(thousands of Canadian dollars)

For the six months ended June 30, 2004
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG)	TOTAL 2004
Sales	-	$67,713	$52,649	$43,072	$64,433	$227,867
Cost of sales	(1,011)	(27,945)	(23,933)	(34,694)	(38,609)	(126,192)
Amortization	-	(2,147)	(5,604)	(2,065)	(2,000)	(11,816)
	(1,011)	37,621	23,112	6,313	23,824	89,859
Corporate development and exploration	(3,234)	-	-	-	-	(3,234)
General and administration	(2,511)	-	-	-	-	(2,511)
Stock based compensation	(45)	-	-	-	-	(45)
Investment and other income	(649)	1,601	-	-	-	952
Interest expense	(1,412)	(17)	-	(20)	-	(1,449)
Capital tax expense	(759)	-	-	-	-	(759)
Income tax expense	(1,090)	(15,485)	(6,654)	-	(8,449)	(31,678)
Non-controlling interest	-	(11,448)	-	-	-	(11,448)
Net income (loss)	($10,711)	$12,272	$16,458	$6,293	$15,375	$39,687

For the six months ended June 30, 2003
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG) (note 3)	TOTAL 2003
Sales	-	$26,872	$34,358	$40,643	-	$101,873
Cost of sales	(1,007)	(16,864)	(23,300)	(33,192)	-	(74,363)
Amortization	-	(2,100)	(5,501)	(1,400)	-	(9,001)
	(1,007)	7,908	5,557	6,051	-	18,509
Corporate development and exploration	(1,670)	-	-	-	-	(1,670)
General and administration	(2,211)	-	-	-	-	(2,211)
Stock based compensation	(146)	-	-	-	-	(146)
Investment and other income	5,737	-	-	-	-	5,737
Interest expense	(2,799)	(607)	-	(50)	-	(3,456)
Capital tax expense	(400)	-	-	-	-	(400)
Income tax expense	(309)	(1,582)	(564)	-	-	(2,455)
Non-controlling interest	-	(2,460)	-	-	-	(2,460)
Net income (loss)	($2,805)	$3,259	$4,993	$6,001	-	$11,448

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF OPERATIONS
(thousands of Canadian dollars)

For the three months ended June 30, 2004
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG)	TOTAL 2004
Sales	-	$27,919	$24,890	$20,370	$29,364	$102,543
Cost of sales	(506)	(11,537)	(12,069)	(16,445)	(19,002)	(59,559)
Amortization	-	(1,272)	(2,925)	(1,044)	(1,141)	(6,382)
	(506)	15,110	9,896	2,881	9,221	36,602
Corporate development and exploration	(2,397)	-	-	-	-	(2,397)
General and administration	(1,284)	-	-	-	-	(1,284)
Stock based compensation	(20)	-	-	-	-	(20)
Investment and other income	1,670	-	-	-	-	1,670
Interest expense	(684)	-	-	(8)	-	(692)
Capital tax expense	(430)	-	-	-	-	(430)
Income tax expense	(193)	(5,607)	(2,774)	-	(3,448)	(12,022)
Non-controlling interest	-	(4,668)	-	-	-	(4,668)
Net income (loss)	($3,844)	$4,835	$7,122	$2,873	$5,773	$16,759

For the three months ended June 30, 2003
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG) (note 3)	TOTAL 2003
Sales	-	$20,221	$17,296	$19,575	-	$57,092
Cost of sales	(504)	(12,852)	(11,934)	(16,625)	-	(41,915)
Amortization	-	(1,105)	(2,743)	(729)	-	(4,577)
	(504)	6,264	2,619	2,221	-	10,600
Corporate development and exploration	(580)	-	-	-	-	(580)
General and administration	(1,072)	-	-	-	-	(1,072)
Stock based compensation	(62)	-	-	-	-	(62)
Investment and other income	1,238	-	-	-	-	1,238
Interest expense	(1,288)	(221)	-	(23)	-	(1,532)
Capital tax expense	(172)	-	-	-	-	(172)
Income tax expense	(180)	(1,091)	(216)	-	-	(1,487)
Non-controlling interest	-	(1,957)	-	-	-	(1,957)
Net income (loss)	($2,620)	$2,995	$2,403	$2,198	-	$4,976

INMET MINING CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(thousands of Canadian dollars)	Three Months Ended June 30 **2004**	2003	Six Months Ended June 30 **2004**	2003
Cash provided by (used in) operating activities [1]				
Net income	**$16,759**	$4,976	**$39,687**	$11,448
Add (deduct) items not affecting cash:				
Amortization	**6,382**	4,577	**11,816**	9,001
Stock based compensation	**20**	62	**45**	146
Gain on sale of assets	-	-	**(161)**	(1,947)
Future income tax	**(80)**	1,476	**427**	2,311
Non-controlling interest	**4,668**	1,957	**11,448**	2,460
Amortization of capitalized stripping	**1,430**	168	**3,867**	168
Accretion expense on reclamation liabilities	**935**	773	**1,864**	1,554
Deferred revenue	**1,357**	360	**2,035**	1,098
Other	**(2,732)**	(1,559)	**(1,205)**	(4,256)
Distributions in excess of earnings from Ok Tedi	-	7,748	-	15,605
Reclamation costs	**(893)**	(794)	**(1,435)**	(1,404)
Net change in non-cash working capital	**11,034**	(3,897)	**34,579**	(19,145)
	38,880	15,847	**102,967**	17,039
Cash provided by (used in) investing activities				
Dispositions	-	(3)	**188**	7,486
Property, plant and equipment	**(12,235)**	(6,282)	**(26,335)**	(16,599)
Short-term investments	**(194)**	9,343	**23,432**	5,213
Other	**(231)**	-	**(340)**	-
	(12,660)	3,058	**(3,055)**	(3,900)
Cash provided by (used in) financing activities				
Long-term debt repayments	**(579)**	(9,637)	**(3,888)**	(11,725)
Financial assurance fund payments	-	-	**(1,126)**	-
Issue of share capital	-	-	**2,833**	-
Dividends paid to non-controlling shareholder	**(3,366)**	(1,453)	**(3,366)**	(1,453)
Other	**(611)**	-	**(683)**	-
	(4,556)	(11,090)	**(6,230)**	(13,178)
Foreign exchange change on cash held in foreign currency	**1,518**	(1,356)	**636**	(2,982)
Increase (decrease) in cash and cash equivalents	**23,182**	6,459	**94,318**	(3,021)
Cash and cash equivalents:				
Beginning of period	**248,271**	51,772	**177,135**	61,252
End of period	**271,453**	58,231	**271,453**	58,231
Short-term investments	**29,684**	10,067	**29,684**	10,067
Cash and short-term investments	**$301,137**	$68,298	**$301,137**	$68,298

(see accompanying notes)

[1] **Cash used in operations includes the following payments:**				
Interest	**$48**	$428	**$2,438**	$3,299
Taxes	**$6,691**	$113	**$10,055**	$2,407

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF CASH FLOWS
(thousands of Canadian dollars)

For the six months ended June 30, 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	($14,817)	$28,548	$22,313	$14,641	$17,703	$68,388
Net change in working capital	(1,288)	17,642	4,016	5,598	8,611	34,579
	(16,105)	46,190	26,329	20,239	26,314	102,967
Investing activities	23,552	(11,864)	(1,789)	(11,294)	(1,660)	(3,055)
Financing activities	1,019	(6,123)	-	-	(1,126)	(6,230)
Foreign exchange change on cash held in foreign currency	-	233	(210)	-	613	636
Intergroup funding (distributions)	49,597	(5,251)	(5,800)	(8,945)	(29,601)	-
Increase (decrease) in cash and cash equivalents	58,063	23,185	18,530	-	(5,460)	94,318
Cash and cash equivalents:						
Beginning of period	124,145	10,835	21,614	-	20,541	177,135
End of period	182,208	34,020	40,144	-	15,081	271,453
Short-term investments	29,684	-	-	-	-	29,684
Cash and short-term investments	$211,892	$34,020	$40,144	-	$15,081	$301,137

For the six months ended June 30, 2003
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG) (note 3)	TOTAL 2003
Cash provided by (used in):						
Operating activities						
Before net change in working capital	($9,751)	$10,657	$11,296	$8,377	$15,605	$36,184
Net change in working capital	(1,874)	(14,105)	(217)	(2,949)	-	(19,145)
	(11,625)	(3,448)	11,079	5,428	15,605	17,039
Investing activities	12,622	(3,717)	(4,297)	(8,508)	-	(3,900)
Financing activities	(8,615)	(4,563)	-	-	-	(13,178)
Foreign exchange change on cash held in foreign currency	-	(2,381)	(601)	-	-	(2,982)
Intergroup funding (distributions)	18,603	(1,635)	(4,443)	3,080	(15,605)	-
Increase (decrease) in cash and cash equivalents	10,985	(15,744)	1,738	-	-	(3,021)
Cash and cash equivalents:						
Beginning of period	29,357	22,971	8,924	-	-	61,252
End of period	40,342	7,227	10,662	-	-	58,231
Short-term investments	10,067	-	-	-	-	10,067
Cash and short-term investments	$50,409	$7,227	$10,662	-	-	$68,298

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF CASH FLOWS
(thousands of Canadian dollars)

For the three months ended June 30, 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	($5,359)	$10,958	$10,133	$6,918	$5,196	$27,846
Net change in working capital	(2,119)	3,740	4,288	2,568	2,557	11,034
	(7,478)	14,698	14,421	9,486	7,753	38,880
Investing activities	(220)	(5,052)	(943)	(5,222)	(1,223)	(12,660)
Financing activities	(1,190)	(3,366)	-	-	-	(4,556)
Foreign exchange change on cash held in foreign currency	-	210	192	-	1,116	1,518
Intergroup funding (distributions)	22,624	(3,998)	(2,258)	(4,264)	(12,104)	-
Increase (decrease) in cash and cash equivalents	13,736	2,492	11,412	-	(4,458)	23,182
Cash and cash equivalents:						
Beginning of period	168,472	31,528	28,732	-	19,539	248,271
End of period	182,208	34,020	40,144	-	15,081	271,453
Short-term investments	29,684	-	-	-	-	29,684
Cash and short-term investments	$211,892	$34,020	$40,144	-	$15,081	$301,137

For the three months ended June 30, 2003
(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (PNG) (note 3)	TOTAL 2003
Cash provided by (used in):						
Operating activities						
Before net change in working capital	($4,387)	$7,738	$5,472	$3,173	$7,748	$19,744
Net change in working capital	1,455	(5,539)	1,821	(1,634)	-	(3,897)
	(2,932)	2,199	7,293	1,539	7,748	15,847
Investing activities	9,302	(2,125)	(1,297)	(2,822)	-	3,058
Financing activities	(8,111)	(2,979)	-	-	-	(11,090)
Foreign exchange change on cash held in foreign currency	-	(1,029)	(327)	-	-	(1,356)
Intergroup funding (distributions)	9,519	(1,396)	(1,658)	1,283	(7,748)	-
Increase (decrease) in cash and cash equivalents	7,778	(5,330)	4,011	-	-	6,459
Cash and cash equivalents:						
Beginning of period	32,564	12,557	6,651	-	-	51,772
End of period	40,342	7,227	10,662	-	-	58,231
Short-term investments	10,067	-	-	-	-	10,067
Cash and short-term investments	$50,409	$7,227	$10,662	-	-	$68,298

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)
(Unaudited)

(thousands of Canadian dollars)	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	**2004**	2003
Retained earnings (deficit), beginning of period	**$82,333**	($109,443)	**$60,471**	($114,937)
Net income	**16,759**	4,976	**39,687**	11,448
Accretion on equity component of convertible debentures	**(1,112)**	(1,023)	**(2,178)**	(2,001)
Retained earnings (deficit), end of period	**$97,980**	($105,490)	**$97,980**	($105,490)

(see accompanying notes)

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:

(in thousands)	**Common Shares**	**Amount**
Balance at December 31, 2003	39,348	$227,682
Issued through stock option plans in first quarter 2004 (note 5)	927	4,989
Balance at June 30, 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.

No stock options were issued or exercised during the second quarter. A total of 933,650 stock options were exercised during the first 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 June 30, 2004 are as follows:

	Options	**Weighted Average Price**
At December 31, 2003	2,961,750	$3.32
Exercised – first quarter 2004	(933,650)	$3.05
At June 30, 2004	**2,028,100**	**$3.45**

At June 30, 2004, the following stock options were outstanding and exercisable:

Outstanding	**Exercisable**	**Exercise Price**	**Remaining Years Outstanding**
570,000	570,000	$5.35	3.6
10,000	5,000	$5.80	3.8
285,000	108,750	$1.75	3.9
71,350	71,350	$3.25	4.3
156,500	156,500	$3.00	4.8
315,500	315,500	$2.75	5.6
607,250	237,750	$2.95	5.7
12,500	-	$2.30	7.0
2,028,100	1,464,850	$3.45	4.7

6. Corporate Development and Exploration

During the second quarter of 2004, Inmet incurred approximately $1 million of expenses related to an agreement to merge with Aur Resources Inc. entered into on May 4, 2004. Inmet and Aur Resources agreed to mutually terminate their merger agreement on June 28, 2004. All of the costs incurred in connection with the merger agreement have been expensed and classified as corporate development and exploration in the consolidated income statement.

7. Investment and Other Income

Investment and other income is summarized as follows:

(millions of dollars)	**Second Quarter**		**Six Months**	
	2004	2003	**2004**	2003
Interest and dividend income	**$2.1**	$0.7	**$4.0**	$1.1
Gain on sale of asset	**-**	-	**-**	1.9
Çayeli insurance proceeds	**-**	-	**1.6**	
Foreign exchange gains (losses)	**-**	2.0	**(0.2)**	4.9
Litigation costs	**-**	(1.0)	**(3.5)**	(1.3)
Pension expense	**(0.4)**	(0.5)	**(0.9)**	(0.9)
Total	**$1.7**	$1.2	**$1.0**	$5.7

In the prior year, the gain on the sale of asset arose from Inmet's sale of its interest in the Jaguar deposit. For the first six months 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. Litigation costs in the prior year largely related to the Troilus litigation which was successfully resolved in the fourth quarter of 2003. The foreign exchange gain, in the prior year, 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.

8. 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 six months ended June 30

	Income		Weighted Average Number of Shares		Per Share Amount	
(thousands, except share amounts)	**2004**	2003	**2004**	2003	**2004**	2003
Basic net income per share:						
Net income	**$39,687**	$11,448				
Accretion on equity component of convertible debentures	**(2,178)**	(2,001)				
Income available to common shareholders	**37,509**	9,447	**39,993**	39,283	**$0.94**	$0.24
Diluted net income per share:						
Effect of dilutive convertible debentures	**1,616**	-	**3,016**	-	**(0.03)**	-
Effect of dilutive stock options	**-**	-	**1,642**	1,487	**(0.04)**	(0.01)
Effect of dilutive DSUs	**-**	-	**450**	472	**(0.00)**	(0.00)
	$39,125	$9,447	**45,101**	41,242	**$0.87**	$0.23

For the three months ended June 30

	Income		Weighted Average Number of Shares		Per Share Amount	
(thousands, except share amounts)	**2004**	2003	**2004**	2003	**2004**	2003
Basic net income per share:						
Net income	**$16,759**	$4,976				
Accretion on equity component of convertible debentures	**(1,112)**	(1,023)				
Income available to common shareholders	**15,647**	3,953	**40,275**	39,283	**$0.39**	$0.10
Diluted net income per share:						
Effect of dilutive convertible debentures	**814**	-	**3,016**	-	**(0.01)**	-
Effect of dilutive stock options	**-**	-	**1,632**	1,542	**(0.02)**	(0.00)
Effect of dilutive DSUs	**-**	-	**450**	472	**(0.00)**	(0.00)
	$16,461	$3,953	**45,373**	41,297	**$0.36**	$0.10

9. Commitments

Troilus has committed approximately $10.3 million for various capital requirements related to the expansion of the mill and other capital equipment. Çayeli has committed approximately $8.1 million for various capital requirements related to the shaft deepening project and other capital equipment.