



INMET MINING CORPORATION MANAGEMENT PROXY CIRCULAR

In this document, “we”, “us”, “our” and “Inmet” refer to Inmet Mining Corporation (“Inmet”) and “you” and “your” refer to any shareholder. **This management proxy circular is for Inmet’s Annual Meeting of Shareholders (the “Meeting”) to be held in the Design Exchange, Trading Floor, 234 Bay Street, Toronto, Ontario, Tuesday May 3, 2005, at 2:30 p.m. (Toronto time).** You have the right to vote your Shares to elect directors, appoint auditors and vote on any other items that may properly come before the Meeting or any adjournment. Your proxy is solicited by and on behalf of Inmet’s management. In addition to solicitation by mail, our employees may solicit proxies by telephone or other ways at nominal cost. The cost of solicitation is borne by Inmet. Unless otherwise indicated, the information contained in this circular is given as of March 15, 2005.

APPOINTMENT OF PROXIES

The persons names in the enclosed form of proxy are officers of Inmet. **You have the right to appoint a person other than the persons named in the form of proxy, who need not be a shareholder of Inmet, to represent you at the Meeting or any adjournment thereof.** If you appoint someone else, that person must be present at the Meeting to vote your shares. You can appoint someone else by inserting that person’s name in the blank space provided in the proxy or by completing another proxy. **If you vote your Shares by proxy, our transfer agent, CIBC Mellon Trust Company must receive your signed proxy by 4:45 p.m. (Toronto time) on Monday May 2, 2005. You should send your signed proxy to CIBC Mellon Trust Company, attention Proxy Department, at 200 Queen’s Quay East, Unit 6, Toronto, Ontario, M5A 4K9, by using the envelope provided for this, or by fax at 1-416-368-2502.**

NON-REGISTERED HOLDERS

In this Circular and the enclosed form of proxy and Notice, all references to shareholders are to registered holders of the issued and outstanding common shares of Inmet (“Shares”). You are not a registered holder if your Shares are not registered in your name and are instead held in the name of a nominee, such as a bank, trust company, securities broker or other intermediary. If this is the case, you can still vote the Shares held by your nominee in one of two ways. As required by Canadian securities legislation, you will receive from your nominee either a request for voting instructions or a form of proxy for your Shares. If you want your Shares voted for you, you should follow the voting instructions provided by your nominee.

If your Shares are not registered in your name, we may not have a record of your shareholdings or of your right to vote unless your nominee has appointed you as proxyholder. You can only vote your Shares in person at the Meeting if you instruct your nominee to appoint you as proxyholder. To do this, you should write your name in the space provided on the voting instruction form or forms of proxy provided by your nominee and follow the instructions of your nominee. You do not have to complete the rest of the form; your vote will be taken and counted at the Meeting. When you arrive at the Meeting, you should register with our transfer agent, CIBC Mellon Trust Company. If you are a non-registered holder of Shares and receive a proxy from Inmet’s agent, CIBC Mellon Trust Company, please see below. **In all cases, non-registered holders of Shares should ensure that instructions respecting voting of their Shares are communicated to the appropriate person.**

Non-Registered Holders receiving Proxies from CIBC Mellon Trust Company

If you are a non-registered holder of Shares and Inmet’s agent, CIBC Mellon Trust Company has sent these materials directly to you, your name and address and information about your holdings of Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary or nominee holding Shares on your behalf. By choosing to send these materials to you directly, Inmet (and not the intermediary or nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please complete and return the materials in accordance with the instructions provided by CIBC Mellon Trust Company.

REVOCATION OF PROXIES

You can revoke a vote you made by proxy by: (1) completing a proxy form that is dated later than the proxy form you want to revoke and then mailing it to our transfer agent, CIBC Mellon Trust Company, so that our transfer agent receives it by 4:45 p.m. (Toronto time) on Monday May 2, 2005; (2) sending a notice in writing from you or your authorized attorney to Inmet's Vice-President, General Counsel and Secretary so that he receives it by 4:45 p.m. (Toronto time) on Monday May 2, 2005 or (3) giving notice in writing from you or your attorney to the Chairman of the Meeting, at the Meeting or any adjournment.

A non-registered holder of Shares may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote given to his or her nominee at any time by written notice to the nominee, except that a nominee is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote that is not received by the nominee at least seven days prior to the Meeting.

VOTING OF SHARES

You can vote "For" or "Withhold" depending on the item listed in the proxy form. The persons named on the form of proxy must vote your Shares in accordance with your instructions. If you return your proxy form and do not tell us how you want to vote your Shares, your votes will be counted "For":

- (i) the election of the nominee directors listed under the heading "Election of Directors" below; and
- (ii) the appointment of KPMG LLP as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration.

VOTING SHARES

At March 15, 2005, we had outstanding 41,701,782 Shares. You are entitled to five votes on all matters to come before the Meeting or any adjournment for each Share registered in your name in the list of shareholders prepared as of March 22, 2005 (the "Record Date") unless you, as registered holder, transfer your Shares after the Record Date and the new holder of such Shares establishes proper ownership of them and in writing requests our Vice-President, General Counsel and Secretary by April 20, 2005 to include him or her in the list of shareholders entitled to vote. For a description of the procedures that non-registered holders should follow to direct the voting of Shares they beneficially own, see "Non-Registered Holders" above.

PRINCIPAL HOLDERS OF OUR SHARES

To the best of the knowledge of our directors and officers, no person beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10 percent of the votes attached to all of our securities, other than Fidelity Management & Research Company and its affiliates and associates, which collectively hold 6,034,880 or approximately 14.5 percent of our outstanding Shares and Capital Group International Inc. and its affiliates and associates, which collectively hold 4,773,500 or approximately 11.4 percent of our outstanding Shares.

BUSINESS OF THE MEETING

Annual Financial Statements

We included our consolidated financial statements for the year ended December 31, 2004, including the auditors' report, in the 2004 Annual Report that was mailed to you with this Circular. We will place the Annual Report before the Meeting.

ELECTION OF DIRECTORS

The number of directors to be elected at the Meeting is nine.

The management representatives named in the enclosed form of proxy will cast the votes represented by the proxy for the election as directors of the proposed nominees identified on pages 3 and 4 of this Circular unless a shareholder who has given a proxy directs his or her Shares be withheld from voting in the election of directors. All of the proposed nominees, except for Dr. Yılmaz Argüden and Mr. John Eby, are currently directors. All nominees have established their eligibility and willingness to serve as a director. Directors will hold office until the next annual meeting of shareholders or until their

successor are elected or appointed. We do not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the management representatives named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion.

If you do not specify how you want your Shares voted, the persons named in the enclosed proxy form will cast the votes represented by the proxy at the Meeting “For” the election of each of the nominees set out below.

The table below describes the people nominated as directors and the securities of Inmet they individually own directly or indirectly as at February 28, 2005.

<p>Dr. Yılmaz Argüden, Ph.D. Istanbul, Turkey</p> <p>New Nominee Common Shareholdings Deferred Share Units Held</p>	<p>Nil Nil</p>	<p>Dr. Argüden is Chairman of ARGE Consulting A.S., a management consulting firm based in Istanbul, Turkey. He is also an Adjunct Professor of Business Strategy at the Bosphorus University and the Masters of Business Administration programme at Koç University. He has served as the Chairman of Erdemir, the largest Turkish steel company and as a board member of various Anadolu, Borusan, and Koç Group companies in Turkey. He is also the Chairman of the Canadian-Turkish Business Council. He was selected as a “Global Leader of Tomorrow” by the World Economic Forum in 1999. Dr. Argüden received his Ph.D. in policy analysis from the RAND Graduate Institute.</p>
<p>David R. Beatty, O.B.E. Toronto, Ontario</p> <p>Director Since 2003 Common Shareholdings Deferred Share Units Held</p> <p>2004 Meeting Attendance: Board (11/11) Compensation (3/3) Corporate Governance & Nominating Committee (2/2)</p>	<p>20,000 Nil</p>	<p>Mr. Beatty is Professor of Strategic Management and director of the Clarkson Centre for Business Ethics and Board Effectiveness at the University of Toronto’s Rotman School of Management. He is also the Managing Director of the Canadian Coalition for Good Governance. Mr. Beatty is a director of Bank of Montreal, First Service Corporation, Garbell Holdings Limited, Goldcorp Inc., Husky Injection Molding Systems Ltd. and Thistle Mining Inc. He is Honorary Consul to Canada for the Government of Papua New Guinea and in 1993 was awarded the O.B.E.</p> <p>Mr. Beatty is Inmet’s Lead Director. He also chairs the Corporate Governance and Nominating Committee and is a member of the Compensation Committee.</p>
<p>John C. Eby Toronto, Ontario</p> <p>New Nominee Common Shareholdings Deferred Share Units Held</p>	<p>Nil Nil</p>	<p>Mr. Eby is Vice-Chairman, Scotia Capital Inc. where he is responsible for overseeing the firm’s mining practice. He has over 27 years of experience with Scotiabank and its affiliates, covering corporate banking, capital markets and investment banking in a variety of sectors. Mr. Eby is also a director of Jaguar Nickel Inc.</p>
<p>Paul E. Gagné Senneville, Quebec</p> <p>Director Since 1996 Common Shareholdings Deferred Share Units Held</p> <p>2004 Meeting Attendance: Board (11/11) Audit (4/4) Safety, Health & Environment (3/3)</p>	<p>5,300 26,414</p>	<p>Mr. Gagné is a Corporate Director. From 1998 to 2002 he was a consultant to Kruger Inc. and prior to that, he was Chief Executive Officer of Avenor Inc., a pulp, paper and wood products company. He currently serves on the Boards of CAE Inc., Fraser Papers Inc., Textron Inc. and Wajax Limited. Mr. Gagné is a Canadian chartered accountant.</p> <p>Mr. Gagné chairs the Audit Committee and the Safety, Health and Environment Committee.</p>
<p>W. Warren Holmes Timmins, Ontario</p> <p>Director Since April 29, 2004 Common Shareholdings Deferred Share Units Held</p> <p>2004 Meeting Attendance: Board (7/7) Safety, Health & Environment (1/1)</p>	<p>3,000 Nil</p>	<p>Mr. Holmes is President and Chief Executive Officer and a director of Nuinsco Resources Limited. Prior to July 2002, he was Senior Vice-President, Canadian Mining Operations at Falconbridge Limited. Mr. Holmes is a professional engineer. He is also a director of Canadian Arrow Mines Limited, Jaguar Nickel Inc., and Twin Mining Corporation. He is also currently the President of the Canadian Institute of Mining, Metallurgy and Petroleum.</p> <p>Mr. Holmes is a member of the Safety, Health and Environment Committee.</p>

<p>Oyvind Hushovd Oakville, Ontario</p> <p>Director Since 2002 Common Shareholdings Nil Deferred Share Units Held 3,393</p> <p>2004 Meeting Attendance: Board (8/11) Audit (4/4) Safety, Health & Environment (3/3)</p>	<p>Mr. Hushovd is Chairman and Chief Executive Officer of Gabriel Resources Ltd. From 1996 to 2002 he was President and Chief Executive Officer of Falconbridge Limited and prior to that held senior positions within that company. Mr. Hushovd is also a director of Cameco Corporation, LionOre Mining International Ltd., NuinSCO Resources Limited and Western Oil Sands Inc.</p> <p>Mr. Hushovd is a member of the Audit Committee and the Safety, Health and Environment Committee.</p>
<p>Jyrki Juusela, Ph.D. Helsinki, Finland</p> <p>Director Since 2002 Common Shareholdings Nil Deferred Share Units Held 3,013</p> <p>2004 Meeting Attendance: Board (9/11)</p>	<p>Dr. Juusela retired as President and Chief Executive Officer of Outokumpu Oyj in December 2004. He is now a corporate director and serves on the Boards of Sampo Plc, Varma Mutual Pension Insurance Company, Technology Industries Finland and the Association of Finnish Steel and Metal Producers. Dr. Juusela received his Doctorate of Technology from the Helsinki University of Technology.</p> <p>As of February 2005, Dr. Juusela became a member of the Corporate Governance and Nominating Committee and the Compensation Committee.</p>
<p>Richard A. Ross Nobleton, Ontario</p> <p>Director Since 1999 Common Shareholdings 30,000 Deferred Share Units Held Nil</p> <p>2004 Meeting Attendance: Board (10/11)</p>	<p>Mr. Ross is Inmet's Chairman and Chief Executive Officer. He is also Chairman of the Mining Association of Canada, President of the Canadian-Turkish Business Council and serves on the Board of St. Joseph's Health Centre, Toronto.</p> <p>Mr. Ross is a Canadian chartered accountant.</p>
<p>James M. Tory, Q.C. Toronto, Ontario</p> <p>Director Since 1987 Common Shareholdings 68,125 Deferred Share Units Held 25,073</p> <p>2004 Meeting Attendance: Board (11/11) Audit (4/4) Compensation (3/3) Corporate Governance & Nominating Committee (2/2)</p> <p>2004 Attendance for Directors not standing for Re-Election:</p>	<p>Mr. Tory is a Corporate Director. Mr. Tory is also Chair Emeritus of Torys LLP. He is also a director of Canadian General Tower Ltd. and Cognos Inc. and a trustee of Canadian Real Estate Investment Trust.</p> <p>Mr. Tory chairs the Compensation Committee and is also a member of the Audit Committee and the Corporate Governance and Nominating Committee.</p>
<p>William James (retired as Chairman of the Board and a director February 5, 2005) Board (11/11) Compensation (3/3) Safety, Health & Environment (3/3) Corporate Governance & Nominating Committee (2/2)</p>	<p>Thomas Kierans (retired as a director November 5, 2004) Board (7/10) Compensation (1/1) Corporate Governance & Nominating Committee (1/1)</p>

To our knowledge, no director of the Corporation is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for Mr. Beatty, who is also a director of Thistle Mining Inc. ("Thistle"). On January 7, 2005, Thistle announced that it obtained an order to commence Thistle's restructuring under the

Companies' Creditors Arrangement Act ("CCAA"). On February 4, 2005, Thistle announced that it had obtained from the Ontario Superior Court of Justice an order granting it an extension to March 31, 2005 of protection under the CCAA. Thistle's common shares have been suspended from trading effective December 31, 2004 by the Toronto Stock Exchange due to the announced restructuring.

APPOINTMENT OF AUDITORS

The Board, on the recommendation of its Audit Committee, proposes that KPMG LLP be reappointed as Inmet's auditors. KPMG LLP and its predecessors have been Inmet's auditors since 1992. If appointed at the Meeting, KPMG LLP would serve until the end of the next annual meeting at a remuneration to be approved by the Audit Committee of the Board.

If you do not specify how you want your Shares voted, the persons named in the enclosed proxy form will cast the votes represented by the proxy at the Meeting "For" the appointment of KPMG LLP as auditors.

PRINCIPAL ACCOUNTING FIRM FEES

KPMG LLP are Inmet's auditors. From time to time, KPMG LLP and/or its affiliates (collectively "KPMG") also provide advisory and other non-audit services to Inmet and certain of its subsidiaries; we have summarized the details of these below. As a policy, we do not engage the auditors to provide services to us in connection with internal audit and financial information systems design and implementation.

Fees paid to KPMG during the years ended December 31, 2004 and 2003 were as follows:

Fee in thousands of dollars	2004	2003
Audit Fees ⁽¹⁾	\$364	\$313
Audit-Related Fees ⁽²⁾	135	30
Tax Fees ⁽³⁾	299	156
All Other Fees ⁽⁴⁾	Nil	27
Total	\$798	\$526

(1) The aggregate fees billed by KPMG for professional services rendered for audits relating to statutory and regulatory requirements.

(2) Audit-related fees are for services provided by KPMG that reasonably relate to its role as auditor. Fiscal 2004 and 2003 fees relate to due diligence and the audit of the Corporation's pension plan.

(3) Tax fees relate to services for tax compliance, tax advice and tax planning, including expatriate tax services.

(4) All other fees relate principally to establishing a number of subsidiary companies and related services in 2003.

The Audit Committee of the Board considered whether the provision of the above-captioned services is compatible with maintaining KPMG's independence and determined that such services were fully compatible with the maintenance of the auditors' independence.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

We are required under the rules of the Toronto Stock Exchange (TSX) to prepare annually a Statement of Corporate Governance Practices, which compares our governance practices to those recommended in guidelines established by the TSX (TSX Guidelines) and describes how Inmet's practices are aligned with them. Set out below is Inmet's Statement of Corporate Governance Practices, as approved by our Board.

TSX GUIDELINES	Aligned	Inmet's Practice
Guideline 1		
The Board should explicitly assume responsibility for the stewardship of the Corporation and should assume responsibility for;	☑	<p>The mandate of the Board is to supervise Inmet's management and to act in the best interests of Inmet. The Board acts in accordance with:</p> <ul style="list-style-type: none"> • The Canadian Business Corporations Act • The Corporation's articles of incorporation and by-laws • Inmet's code of ethics • The charters and mandates of the Board and its committees • Other applicable laws and Inmet policies <p>The Board operates under a written mandate that sets out the scope of its responsibilities. You can view a copy of the mandate on our website at www.inmetmining.com.</p> <p>Under Inmet's Authorization Policy, the Board must approve all significant decisions that affect Inmet before management implements them. Such decisions include but are not limited to annual budgets, significant acquisitions and dispositions, unbudgeted expenditures in excess of specified amounts and transactions outside of the ordinary course of business. The Board also supervises the implementation, and reviews the results, of such decisions. The Board also approves changes in senior management.</p>
1 (a) adoption of a strategic planning process;	☑	The Board is actively involved in Inmet's strategic planning process. The Board discusses and reviews all materials relating to Inmet's strategy with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering Inmet's strategy, and whether it remains appropriate and takes into account the risks and opportunities of our business.
1 (b) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage those risks;	☑	The Board, directly and through its committees, is responsible for overseeing the processes by which Inmet identifies, assesses and manages its principal risks and for ensuring that management implements appropriate risk management systems. You can find a description of each Board committee and its activities at pages 11 and 12 of this Circular.
1 (c) succession planning, including appointing, training and monitoring senior management;	☑	The Board is responsible for choosing the Chief Executive Officer, appointing other senior management and for monitoring senior management's performance. The Board, through the Compensation Committee, approves the Chief Executive Officer's objectives (which are Inmet's corporate objectives) and compensation as well as those of his direct reports. The Board expects that Inmet will have processes in place to recruit, train, develop and retain senior management with the highest standards of integrity and competence. The Board supports Inmet's commitment to training and developing all employees.

1 (d) a communications policy for the Corporation; and



The Board, or the Audit Committee on behalf of the Board, reviews and approves Inmet's major communications, including disclosure and financing documents, other than press releases that do not contain earnings related financial information. Inmet communicates with its stakeholders through a number of methods including a web site. The Board has approved a corporate disclosure policy that covers the accurate and timely communication of all important information. Inmet's management holds quarterly conference calls with analysts to which shareholders and the public can listen. The Board has delegated oversight of the corporate disclosure policy to management. The Chief Executive Officer, the Vice-President, Finance and Chief Financial Officer, Vice-President, Commercial and the Vice-President, General Counsel and Secretary generally handle shareholder communications and answer all routine questions posed by shareholders.

1 (e) the integrity of the Corporation's internal control and management information systems.



The Board, through its Audit Committee, examines the effectiveness of our internal control processes and management information systems. The Audit Committee has approved an internal audit plan under which Deloitte & Touche LLP has been engaged as internal auditor. The Audit Committee consults with the external auditors and management to ensure that Inmet maintains the integrity of its internal control process. Each of the internal auditor, external auditor and management report to the Audit Committee each year on the quality of Inmet's internal control processes.

Guideline 2

The Board should be constituted with a majority of individuals who qualify as unrelated directors. Under the TSX Guidelines an unrelated director is also a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director. Management directors are related directors.



Mr. Ross is Chairman of the Board and a related director. Mr. Ross also serves as Inmet's Chief Executive Officer. All other eight directors are "unrelated" within the meaning of the TSX Guidelines.

Guideline 3

The application of the definition of "unrelated director" to the circumstances of each individual director should be the responsibility of the Board which will be required to disclose on an annual basis whether the Board has a majority of unrelated directors. The Board will also be required to disclose on an annual basis the analysis of the application of the principles supporting this conclusion.



The Board has adopted categorical standards for determining whether a director is "unrelated" within the meaning of the TSX guidelines and "independent" within the meaning of Multilateral Instrument 52-110. A director is "unrelated" and "independent" under these standards if the Board determines that the director has no material relationship with Inmet or any of its affiliates, either directly or as a partner, shareholder or officer of an organization that has a relationship with Inmet. A "material relationship" is one which could, in the view of the Board, reasonably interfere with a director's judgment. In addition, certain relationships deem a director not to be "unrelated" or "independent" under these standards. Under the relevant definitions, Mr. Ross is the only director who is not "independent".

Guideline 4

The Board should appoint a committee of directors composed exclusively of outside, i.e., non-management directors, a majority of whom are unrelated directors, with the responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis.

- The Corporate Governance and Nominating Committee, composed exclusively of outside directors, is responsible for identifying and recommending to the Board suitable director candidates. In undertaking this responsibility, the committee maintains a matrix of, and periodically assesses, the skill sets of current Board members. It also identifies any additional skill sets it deems to be beneficial when considering Board candidates. Prior to agreeing to join the Board, candidates receive a clear indication of the workload and time commitment required.

Guideline 5

Every Board of directors should implement a process to be carried out by the nominating committee or other appropriate committee for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.

- The Corporate Governance and Nominating Committee evaluates the effectiveness of the Board, its committees and individual directors. The Committee also assesses the operation of the Board and its committees. Evaluation of the overall effectiveness of the Board and its committees is conducted through use of a written survey of directors, the results of which are assessed by the committee. Based on its assessment, the Committee recommends changes, if necessary, to enhance the performance of the Board and its committees.

At least annually, the Lead Director holds one-on-one discussions with individual directors to discuss and receive suggestions on how to enhance Inmet's corporate governance practices, overall Board and committee effectiveness and the contributions made by individual directors. The Lead Director provides the Chairman and Chief Executive Officer and the Corporate Governance and Nominating Committee with the results of these interviews. Based on its assessment, the Committee recommends changes to enhance performance in these areas.

Guideline 6

The Corporation should provide an orientation and education program for new directors to the Board.

- The Chairman and Chief Executive Officer and the Lead Director work together to ensure that new directors become familiar with Inmet's operations and its executives and management. New directors are also provided with the opportunity (as are all directors) to visit at least one operation each year.

Guideline 7

The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, undertake where appropriate, a program to reduce the number of directors to a number which facilitates more effective decision-making.

- The Board and the Corporate Governance and Nominating Committee review the composition and size of the Board once a year. Each of them has determined that the current size of the Board, which is comprised of nine members, is appropriate given the size and the complexity of Inmet's operations.

Guideline 8

The Board should review the adequacy and form of the compensation of directors and ensure the compensation realistically reflects the responsibilities and risk involved in being an effective director.

- The Compensation Committee reviews directors' compensation periodically. To make its recommendation on directors' compensation, the committee takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

Guideline 9

Committees of the Board should generally be composed of outside directors, a majority of whom are unrelated directors, although some Board committees, such as the executive committee, may include one or more inside directors.

- The members of each Board committee are outside directors who are “unrelated” and “independent” as described under Guidelines 2 and 3 above.

Guideline 10

The Board should expressly assume responsibility for, or assign to a committee of directors the general responsibility for, developing the Corporation’s approach to governance issues. This committee would, amongst other things, be responsible for the Corporation’s response to these governance guidelines.

- The Corporate Governance and Nominating Committee is responsible for reviewing our overall governance principles, recommending any changes to these principles, and monitoring disclosure of them. This Committee is responsible for reviewing the statement of corporate governance practices included in this circular and recommending approval of this to the Board. The Committee also monitors best practices among major Canadian companies as well as relevant legislative and regulatory initiatives to ensure Inmet continues to adhere to high standards of corporate governance.

Guideline 11

The Board, together with the Chief Executive Officer, should develop position descriptions for the Board and for the Chief Executive Officer, involving the definition of the limits to management’s responsibilities. In addition, the Board should approve or develop the corporate objectives that the Chief Executive Officer is responsible for meeting.

- The Board is developing a position description for the Chief Executive Officer. The limits of management’s authority are also defined by Inmet’s Authorization Policy. In addition to the Board Mandate, the Board has approved a Statement of Expectations for Directors applicable to its members as well as a position description for the Lead Director (see Guideline 12). The Compensation Committee reviews and approves the corporate objectives that the Chief Executive Officer is responsible for meeting. The committee assesses the Chief Executive Officer’s performance against these objectives and reports the results of this assessment to the Board.

Guideline 12

The Board should have in place appropriate structures and procedures to ensure that the Board can function independently of management. An appropriate structure would be to (i) appoint a chair of the Board who is not a member of management with responsibility to ensure the Board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the Board or to a director, sometimes referred to as the “lead director”. Appropriate procedures may involve the Board meeting on a regular basis without management present or may involve expressly assigning the responsibility for administering the Board’s relationship to management to a committee of the Board.

- The Corporate Governance and Nominating Committee is responsible for ensuring that the Board functions independently of management. The Chairman and Chief Executive Officer is a related director who is not “independent”. To ensure the independence of the Board, it created the position of Lead Director and appointed David Beatty, Chairman of the Corporate Governance and Nominating Committee to assume this role. The role of Lead Director was created to ensure that the Board operates independently of management and that directors have an independent leadership contact, particularly in any instance where the joint roles of Chairman and Chief Executive Officer could potentially be in conflict.

The Board has therefore concluded that it, as constituted, functions independently of management in accordance with the TSX Guidelines. A portion of each Board and Board committee meeting is held without management present. Each Board committee also administers the Board’s relationship to management as it pertains to the scope of that committee’s responsibilities.

Guideline 13

The audit committee of the Board should be composed only of outside directors. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. The audit committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The audit committee duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.



The Audit Committee is composed only of outside directors. A description of Audit Committee responsibilities can be found on page 11 of this Circular.

Guideline 14

The Board should implement a system that enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the Board.



Individual directors may hire outside advisors at Inmet's expense, subject to the approval of the Corporate Governance and Nominating Committee.

The Board and Board Committees

The Board ordinarily meets on a quarterly basis. The frequency of Board meetings and the nature of agenda items vary depending on the state of Inmet's affairs and opportunities available to it or risks that it faces. In 2004, the Board met 11 times.

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

Audit Committee

The Audit Committee operates under a written charter. The Audit Committee and the Corporate Governance and Nominating Committee annually review the Charter to ensure compliance with applicable regulatory requirements as well as best practices.

The Audit Committee's principal function is to assist the Board in fulfilling its oversight responsibilities with respect to: (1) the quality, integrity and appropriateness of Inmet's financial reporting; (2) the quality, integrity and performance of Inmet's systems of internal controls regarding finance, accounting and ethics; (3) the quality, performance and independence of Inmet's external auditors; and (4) Inmet's compliance with legal and regulatory requirements.

The Audit Committee is responsible for reviewing our financial reporting procedures, internal controls and risk management practices as they relate to financial reporting, and the terms of engagement and performance of the external auditors. The Audit Committee is also responsible for reviewing our interim financial statements and annual financial statements, management's discussion and analysis of financial condition and results and annual report, prior to their approval by the Board. In fulfilling its mandate, the Audit Committee receives, among other information, regular reports from management with respect to: (i) significant accounting transactions and financial matters that required significant professional judgment in arriving at the financial statements; (ii) risk management, including metals and currency hedging; (iii) exploration and capital spending in relation to approved budgets; and (iv) reports from the internal auditors relating to our system of internal controls. The Audit Committee meets regularly with our external auditors and internal auditors in the absence of management and has direct access to management in order to review specific issues. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the external auditors, the internal auditors and any of our officers or employees as well as all of our books and records. At the request of any Audit Committee member, the Audit Committee may retain, at our expense, accounting, legal or other consultants or experts it deems necessary to perform its duties.

The Audit Committee has assessed the composition and role of the Audit Committee, and the independence and financial literacy of its members and believes that these comply with the TSX corporate governance guidelines and with Multilateral Instrument 52-110 "Audit Committees". The members of the Audit Committee are Messrs. Gagné (Chairman), Hushovd and Tory. The Audit Committee met four times in 2004.

Compensation Committee

The Compensation Committee operates under a written charter that it and the Corporate Governance and Nominating Committee review annually. The Compensation Committee makes recommendations to the Board on, among other things, the compensation of our senior executives and incentive compensation plans for them and for other employees. The Compensation Committee from time to time seeks advice from compensation consultants with respect to the appropriateness of Inmet's compensation practices. The members of the Compensation Committee are currently Messrs. Tory (Chairman), Beatty and Juusela. Each of Mr. Thomas Kierans and Mr. William James was a member of the Committee prior to retiring from the Board in November 2004 and February 2005, respectively. The Committee held three meetings in 2004.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee operates under a written charter that it reviews annually. The current members of the Corporate Governance and Nominating Committee are Messrs. Beatty (Chairman), Juusela and Tory. Mr. Kierans was Chairman of the Committee prior to his retirement from the Board and Mr. James was also a member prior to his retirement from the Board. The Corporate Governance and Nominating Committee is responsible for:

reviewing corporate governance practices generally, monitoring the composition of our Board, assessing the effectiveness of the Board as a whole and of individual directors, reviewing and making recommendations with respect to directors, and seeking and reporting to our Board with respect to appropriate candidates for nomination to the Board. The Corporate Governance and Nominating Committee held two meetings in 2004.

Safety, Health and Environment Committee

The Safety, Health and Environment Committee operates under a written mandate that it renews annually. The Committee reviews the safety, health and environmental policies and programs and the safety, health and environmental performance of Inmet's operations and makes recommendations to management and the Board on issues arising from the Committee's reviews. The Safety, Health and Environment Committee receives regular reports from management on safety, health and environmental matters and may from time to time request specific additional information as it thinks appropriate. Safety, Health and Environment Committee members have direct access to our Vice-President Safety, Environmental and Community Affairs and other senior officers. The current members of the Committee are Messrs. Gagné (Chairman), Holmes and Hushovd. Mr. James was also a member prior to his retirement from the Board. The Committee held three meetings in 2004.

DIRECTORS' COMPENSATION

Inmet Directors who are not officers on a full-time basis were entitled in 2004 to receive an annual fee of \$15,000 and Board meeting fees of \$1,500, and to be reimbursed for reasonable costs and expenses incurred in attending any meeting. Members of the Audit Committee or any other committee of directors are entitled to receive \$1,000 for each committee meeting attended. In 2004, the Chairman of the Board received an annual retainer of \$50,000. The Chairman of the Audit Committee received an annual retainer of \$15,000 and all other Committee Chairs received annual retainers of \$2,000. In 2004, we paid a total of \$293,500 in fees to our directors in cash.

As of January 1, 2005, we revised our Board compensation in light of the higher levels of board compensation paid by a comparator group of companies in recent years.

The key elements of our revised Board compensation are:

Annual Fees

Directors	\$50,000	(at least half of which must be paid in deferred share units)
Audit Committee Chair	\$25,000	
Other Committee Chairs	\$ 5,000	
Lead Director	\$20,000	
Chairman (if non-executive)	\$75,000	

Meeting Fees (Board & Committees)

In Person	\$ 1,500	
By Telephone or Videoconference	\$ 750	
Travel Fee per Meeting	\$ 1,500	(if substantial travel required to attend)

The Board has also approved a share ownership policy that requires each director to own Shares (which can also be in the form of deferred share units) equivalent in value to three times the annual retainer fee, or \$150,000. Directors not meeting this requirement will have five years in which to achieve the stipulated share ownership level.

We discuss our deferred share unit plan at page 14 under "Deferred Share Unit Plan".

Inmet maintains directors' and officers' liability insurance in the amount of \$25 million in the aggregate, for which we paid premiums of \$194,000 during 2004. This insurance provides for a deductible of \$100,000 for all claims, other than for securities claims, which have a \$250,000 deductible.

EXECUTIVE COMPENSATION

In this section, "executive officer" means: a chairman, president, vice-president, or an officer of Inmet or a subsidiary, or other individual, who performed a policy-making function in respect of Inmet.

Summary Compensation Table

The following table sets forth all compensation paid in respect of individuals who were, at December 31, 2004, the Named Executive Officers.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$) ⁽¹⁾	Awards		Payouts	
					Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	All Other Compensation (\$) ⁽²⁾
Richard Ross ⁽³⁾	2004	525,000	289,000	37,839	—	—	—	99,668
Chairman and Chief Executive Officer	2003	500,000	750,000	38,297	—	—	—	151,973
	2002	440,000	560,000	34,120	—	—	—	121,923
Jo-Anne Oswald	2004	275,000	116,000	21,881	—	—	—	56,853
Vice-President, Finance and Chief Financial Officer	2003	250,000	155,000	21,478	—	—	—	54,810
	2002	200,000	100,000	19,501	—	—	—	40,053
Jochen Tilk ⁽⁴⁾	2004	360,000	177,000	29,503	—	—	—	77,583
President and Chief Operating Officer	2003	350,000	370,000	26,291	—	—	—	95,576
	2002	254,583	155,000	29,102	—	—	—	54,972
Frank Balint	2004	250,000	83,000	31,917	—	—	—	53,068
Vice-President, Corporate Development	2003	240,000	120,000	28,569	—	—	—	46,631
	2002	240,000	115,000	25,453	—	—	—	43,345
Steve Astritis	2004	250,000	109,000	20,665	—	—	—	43,900
Vice-President, General Counsel and Secretary	2003	225,000	145,000	19,596	—	—	—	49,982
	2002	200,000	90,000	15,990	—	—	—	40,745

(1) The amounts in this column reflect the value of perquisites and benefits including but not limited to: (i) premiums paid by Inmet for standard benefits including life insurance; (ii) automobile benefits; (iii) tax assistance and the imputed interest (as calculated for purposes of the Income Tax Act) on non-interest-bearing home and share purchase loans.

(2) The amounts in this column reflect the value of perquisites and benefits including but not limited to: (i) premiums paid by Inmet for executive benefits including term life insurance; (ii) annual contributions by Inmet under various pension arrangements; and (iii) directors' fees paid by associated companies.

(3) Mr. Ross was appointed Chairman and Chief Executive Officer on February 5, 2005. Prior to that, he was President and Chief Executive Officer.

(4) Mr. Tilk was appointed President and Chief Operating Officer on February 5, 2005. He was appointed Executive Vice-President and Chief Operating Officer effective August 1, 2003. Prior to that, he was Executive Vice-President.

Equity Compensation Plan Information

The following table provides information as at December 31, 2004 regarding Shares authorized for issuance under our two stock option plans and our deferred share unit plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and DSUs A	Weighted-average Exercise Price of Outstanding Options and DSUs B	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column A) C
Equity compensation plans approved by security holders	1,513,827	\$3.18	209,783
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	1,513,827	\$3.18	209,783

Stock Option Plans

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

In 2000, we adopted a supplementary stock option plan (the "Supplementary Stock Option Plan") in addition to the Treasury Stock Option Plan. The terms of options issued under the Supplementary Stock Option Plan, as amended in May 2003, are the same as those issued under the Treasury Stock Option Plan, except that options issued under the Supplementary Stock Option Plan are exercisable over a period of not more than six years.

In late 2002, Inmet's directors and senior management who are option holders waived all entitlements to stock appreciation rights associated with options granted under the Plans.

As at March 15, 2005, there are approximately 0.8 million Shares reserved for issuance under the Treasury Stock Option Plan and 0.3 million Shares reserved for issuance under the Supplementary Stock Option Plan. As of the same date, there are options in respect of 987,450 Shares outstanding under the Plans at prices ranging from \$1.75 to \$5.80, of which 798,200 options are exercisable.

Inmet has a policy that requires executive officers who are employees to own our Shares. This policy requires each such executive officer, while employed at Inmet, to hold Shares that are at least equal in value to 100 percent of his or her base salary that was in effect at the time of a first exercise of options. All Named Executive Officers have complied with this requirement.

Deferred Share Unit Plan

Inmet has a deferred share unit ("DSU") plan that was adopted in 1998. The DSU plan is designed to permit all directors to receive their annual retainers and meeting fees in the form of DSUs in lieu of cash. The value of the DSUs fluctuates with variations in the market price of the Shares. Under the terms of the DSU plan, upon retirement, directors can elect to redeem their DSUs for cash or for Shares issued from treasury. As of January 1, 2003, the directors waived their right to elect to receive cash upon redemption of their DSUs under the DSU plan.

In 2004, no DSUs were issued but 13,801 DSUs were redeemed. A further 378,234 DSUs were redeemed following the retirement of Mr. William James on February 5, 2005 as a director and Chairman of the Board. As at March 15, 2005, there are 57,893 DSUs outstanding under the DSU plan that are redeemable for 57,893 Shares.

Options Granted During Year Ended December 31, 2004

We did not grant stock options during the year ended December 31, 2004 to the Named Executive Officers or any other persons.

Aggregate Options Exercised During Year Ended December 31, 2004 and Year End Option Values

The following table gives information about the exercise of options during the financial year ended December 31, 2004 by the Named Executive Officers, as well as the number of unexercised options held by them as at December 31, 2004 and the notional value of such options.

Name	Securities Acquired on Exercise (#) ⁽¹⁾	Aggregate Value Realized ⁽²⁾	Unexercised Options at December 31, 2004 Exercisable/Unexercisable	Value of All Unexercised In-the-Money Options at December 31, 2004 ⁽³⁾ Exercisable/Unexercisable
Richard Ross	600,000	\$9,883,910	392,500/67,500	\$6,962,075/\$1,254,825
Jo-Anne Oswald	2,000	\$ 34,500	150,500/17,500	\$2,822,895/\$325,325
Jochen Tilk	300,000	\$5,014,750	72,500/27,500	\$1,389,775/\$511,225
Frank Balint	335,000	\$5,288,927	22,500/22,500	\$418,275/\$418,275
Steve Astritis	43,750	\$ 757,290	12,500/18,750	\$232,375/\$352,625

(1) The Named Executive Officers received Shares for all options they exercised in 2004.

(2) Determined on the basis of fair market value of Shares received at the date of exercise, less the exercise price of the options.

(3) At December 31, 2004, the closing market price of the Shares on the Toronto Stock Exchange was \$21.54. The value of unexercised options represents the excess of such market price over the exercise price of unexercised options, multiplied by the number of Shares subject to such options.

Pension Plan

We provide retirement benefits to our executive officers from a registered and funded retirement plan and a supplementary retirement plan.

All of the Named Executive Officers and other executive officers participate in the defined contribution component of our registered retirement plan. Together with the other executive officers, they also participate in a supplementary retirement plan. Inmet's aggregate annual contribution to the defined contribution component of our registered retirement plan and the supplementary retirement plan for each Named Executive Officer (and other executive officers) is equivalent to up to 12 percent of his or her salary and bonus for the year.

Because the Named Executive Officers only participate in the defined contribution component of our registered retirement plan, Inmet performs its pension obligations to them by making fixed cash payments for amounts that are in excess of the annual contribution limits established by the Canada Revenue Agency for registered pension plans. Inmet pays these excess amounts directly to the Named Executive Officers each year. In 2004, we paid \$209,580 to the Named Executive Officers in excess of the contribution limits established by the Canada Revenue Agency for registered retirement plans.

Employment Agreements

We employ each of the Named Executive Officers for an indefinite period of employment to hold his or her current office. In the event of termination of employment by Inmet, other than for cause, within 24 months of a change of control of Inmet, the Chief Executive Officer and the other Named Executive Officers are entitled to compensation equal to the aggregate of their salary, bonus, benefits and other perquisites for a three year and two year period, respectively.

Indebtedness of Our Directors and Executive Officers

The following table sets out the indebtedness to Inmet and its subsidiaries incurred by directors and executive officers, excluding routine indebtedness.

Name and Principal Position	Involvement of Inmet or Subsidiary	Largest Amount Outstanding During 2004	Amount Outstanding as at February 28, 2005	Financially Assisted Securities Purchases During 2004	Security for Indebtedness	Amount Forgiven During 2004
Securities Purchase Program						
Richard A. Ross Chairman and Chief Executive Officer	Loan from Inmet	\$ 27,638	Nil	Nil	Inmet Common Shares	Nil
James M. Tory Director	Loan from Inmet	\$281,250	\$281,250	Nil	Inmet Common Shares	Nil
Other						
Oliver Merton Vice-President, Commercial	Loan from Inmet	\$116,153	Nil	Nil	Mortgage	Nil

Aggregate Indebtedness

The aggregate indebtedness to Inmet and its subsidiaries as at February 28, 2005, of all officers, directors and employees, excluding routine indebtedness, is summarized in the following table:

Aggregate Indebtedness	
Purpose	Inmet and its Subsidiaries (\$)
Share Purchases	281,250
Other ⁽¹⁾	90,000

(1) Amount of home purchase loans provided to employees.

Report on Executive Compensation

The Compensation Committee assists the Board in fulfilling its oversight responsibilities relating to recruiting, retaining and motivating our employees by making recommendations to the Board with respect to the formulation and execution of our executive compensation policies and practices.

The objectives of our executive compensation policy are: to attract and retain high calibre individuals; to incent management to achieve our strategic objectives; and to ensure that our executive compensation policy aligns management's interests with those of our shareholders.

Our executive compensation policy consists of four main components: a base salary; an option-based long-term incentive (no stock option grants have been made since 2001); a short to medium term incentive; and supplemental pension plan arrangements as well as other perquisites. The Committee has targeted total compensation at the median of a comparator group of Canadian mining companies. The Committee, at least annually, reviews data from published proxy circulars as well as salary surveys conducted by external consultants. One such survey used in 2004 was the PricewaterhouseCoopers 2004 Mining Industry Salary Survey. The Committee also reviewed the executive compensation levels as disclosed in the 2003 Proxy Circulars of a comparator group of Canadian mining companies that it believes are competitors for executive talent. Details of the supplemental pension plan arrangements are included on page 15 of this Circular. The Committee is satisfied that our overall compensation levels are appropriate and competitive.

Base Salary

In establishing executive base salary levels, the Committee considers the seniority and level of experience of each executive and the individual's ability to perform his or her responsibilities. During the period prior to 2002, when executive management received annual stock option grants, our executive base salaries were set at levels below the median of the

then comparator group. Following the decision in 2002 to discontinue the granting of stock options, the Committee established the policy of increasing executive base salaries to the median of the comparator group. For individuals identified by the Committee as critical to our success or who are earmarked for increasingly greater responsibility, base salaries in future will be targeted above the median. As a result of its 2004 annual compensation review, the Committee implemented upward adjustments to the annual base salary of several executives, including that of the Chief Executive Officer whose salary was increased to \$625,000.

Option-Based Long-Term Incentive

Our stock option plans are described under “Equity Compensation Plan Information” elsewhere in this circular. In the years prior to 2002, options were granted annually at levels consistent with industry practice to retain executive management in light of our financial situation and uncertain future prospects during that time, as well as to align management’s interests with those of our shareholders. The Committee determined in December 2002 that the number of options outstanding at that time had reached a maximum level that was appropriate for the executive management. At that time, the number of stock options outstanding held by executive management was equal to approximately 6 percent of our issued and outstanding Shares. As a result, no stock options have been granted to management since December, 2001. The Committee continues to believe that no stock option grants should be made for the foreseeable future. The Committee may consider recommending to the Board the implementation of other forms of equity based executive compensation in future if it believes this is necessary to meet the objectives of our compensation policy.

During 2004, executive management exercised approximately 1.5 million stock options at exercise prices ranging from \$1.75 to \$5.35 per share. Such options were granted between 1998 and 2001 at the then prevailing market prices. In light of the significant increase in our share price since the options were granted and the substantial improvement in our operating performance and financial condition since then, the Committee believes that the compensation realized by executives from the option-based long-term incentive is reasonable in relation to the value created for our shareholders.

We have a policy that requires each member of executive management to hold Shares that are at least equal in value to 100 percent of his or her base salary that was in effect at the time of a first exercise of options. All of the Named Executive Officers have complied with this requirement.

Short to Medium Term Incentive

Following the termination of stock option grants, the short-term incentive plan was amended to incorporate both short-term and medium-term objectives. The objectives include both corporate objectives and personal objectives for each executive. The corporate objectives are established by the Board prior to the beginning of each year. The personal objectives are developed from the corporate objectives based on the specific areas of responsibility of each executive and agreed to by the Committee.

The targeted amount under the short to medium term incentive in relation to base salary is 100 percent for the Chief Executive Officer, 80 percent for the Chief Operating Officer and 60 percent for other senior executives. The Chief Executive Officer’s and the Chief Operating Officer’s incentive payments are based solely on our performance in relation to the corporate objectives. For 2004, the incentive payments for other executive management were based on a 50 percent allocation based on performance in relation to the corporate objectives and 50 percent allocation based on performance of personal objectives. For 2005, incentive amounts for the Chief Executive Officer and Chief Operating Officer will continue to be based solely on performance of corporate objectives while incentive amounts for other senior officers will be based on a 75 percent / 25 percent allocation between performance of corporate and personal objectives, respectively.

The Committee has recently constituted a leadership bonus of up to 10 percent of base salary which will be available to a broad group of employees who demonstrate strong leadership skills and establish themselves as a model for others to follow in fostering teamwork and encouraging communication throughout the organization. As leadership is a fundamental requirement of the positions of Chief Executive Officer and Chief Operating Officer, those officers will not be eligible for the leadership bonus.

The corporate objectives established by the Board for 2004, which were published in the 2003 Annual Report, were: relative share price out-performance; exceeding production and financial targets; growth of our reserve base; further advancement in our safety and health management and implementation of an Enterprise Risk Management System and initiating reporting under the “Towards Sustainable Mining” initiative of the Mining Association of Canada.

At the end of 2004, the Committee measured the company’s performance against these objectives. The Committee concluded that Inmet’s corporate performance in 2004 was satisfactory. Based on this conclusion, the Committee determined that the short to medium term incentive payments for 2004 should reflect a corporate performance factor of

55 percent. The Committee considered the following in making this determination. Inmet's share price performance continued to be strong in 2004, opening the year at \$17.45 and closing the year at \$21.54. More importantly its share price outperformed that of the S&P/TSX diversified metals and mining index for the year by 6 percent bringing the five year out-performance to 294 percent. While the company did not meet its 2004 production and cost targets due to the difficulties at the Çayeli mine and the disruption to production at Ok Tedi due to a SAG mill failure, its financial performance exceeded its 2004 targets and the company's financial condition continued to strengthen. Of particular note was the continuing strong operating and financial performance of Pyhäsalmi, which resulted in a pay-back of the initial investment in less than three years' time. With respect to Inmet's growth efforts, it completed the Troilus mill expansion on time and below budgeted capital costs, the company acquired the 45 percent interest in the Çayeli mine owned by the Turkish Government and the company completed the feasibility study and commenced the permitting process for Çerattepe. Tempering these developments was the uncertainty regarding the future performance of the Çayeli mine and the fatality of one of its employees there in August 2004.

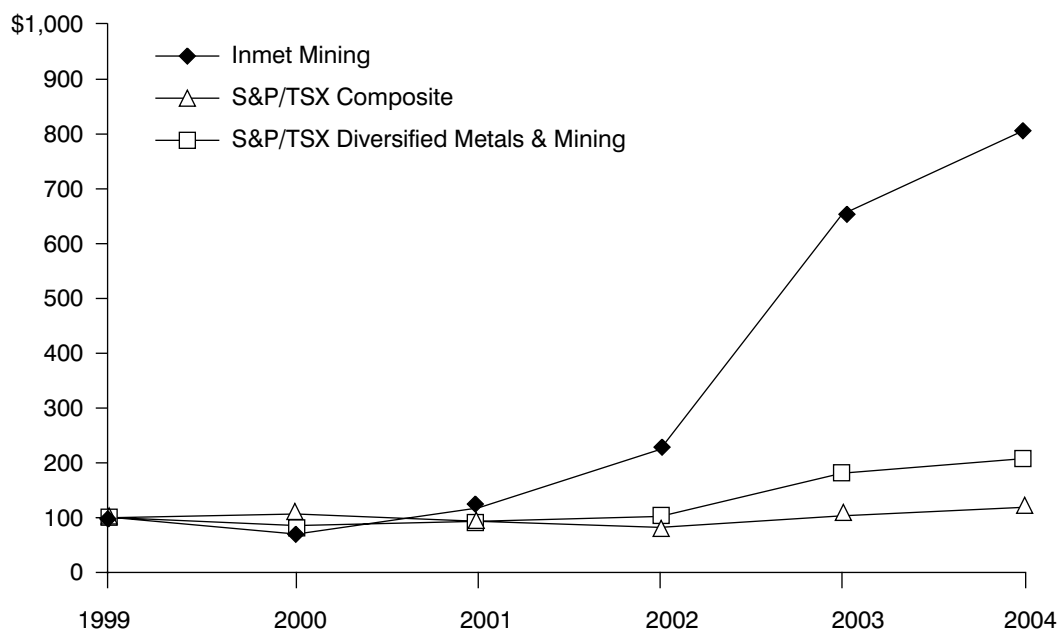
The Committee calculated the Chief Executive Officer's short to medium term incentive based on 55 percent of his base salary which is consistent with the above assessment of Inmet's 2004 corporate performance in relation to the corporate objectives.

Presented by the Compensation Committee: David Beatty, Jyrki Juusela and James M. Tory (Chairman).

PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in the Common Shares of the Corporation on December 31, 1999 with the total return of the S&P/TSX Composite Total Return Index, and the S&P/TSX Diversified Metals & Mining Total Return Index for the five most recently completed financial years.

Five Year Cumulative Total Return on \$100 Investment



At December 31	1999	2000	2001	2002	2003	2004
Inmet Mining Common Shares	100	70	118	225	654	807
S&P/TSX Composite Total Return Index	100	107	94	82	104	119
S&P/TSX Diversified Metals & Mining Total Return Index	100	86	94	103	181	208

ADDITIONAL INFORMATION

Additional information relating to Inmet is available from SEDAR at www.sedar.com, including our 2004 Annual Report, consolidated financial statements for the year ended December 31, 2004 and the auditors' report on them, 2004 management's discussion and analysis, interim consolidated financial statements and interim management's discussion and analysis, annual information form and this Circular.

We provide financial information on Inmet in our consolidated financial statements and our related management's discussion and analysis for the year ended December 31, 2004. We will mail our Annual Report containing these consolidated annual financial statements, the auditors' report and management's discussion and analysis to our shareholders, together with the notice of the Meeting and this Circular. You can obtain a copy of these documents at the Meeting or request a copy from our Vice-President, General Counsel and Secretary at 330 Bay Street, Suite 1000, Toronto, Ontario, Canada M5H 2S8, telephone number: +1-416-361-6400 or fax number +1-416-368-4692.

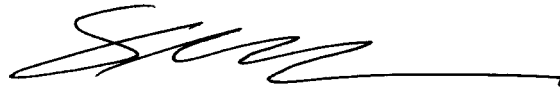
OTHER MATTERS

Neither Inmet's management nor its directors are aware of any matter that should come before the Meeting other than the matters referred to in the Notice of Meeting.

DIRECTORS' APPROVAL

The Board has approved the contents and sending of this Circular to our Shareholders.

Dated at Toronto, Ontario
March 15, 2005

A handwritten signature in black ink, appearing to read 'Steve Astritis', with a long horizontal line extending to the right.

Steve Astritis,
Vice-President, General Counsel and Secretary

INMET

MINING