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FOR IMMEDIATE RELEASE

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All amounts are in Canadian dollars, unless otherwise stated.

INMET MINING ANNOUNCES FIRST QUARTER EARNINGS OF \$0.83 PER SHARE, BEFORE A \$0.16 PER SHARE CHARGE ON REDEMPTION OF CONVERTIBLE DEBENTURES

Toronto, Canada - Inmet Mining Corporation reported net income in the first quarter of 2005 of \$27.6 million or \$0.67 per share compared to net income of \$21.9 million or \$0.55 per share in the first quarter of 2004. Included in 2005 net income is a \$6.6 million (\$0.16 per share) charge recorded on the redemption of the convertible debentures. Earnings benefited from substantially higher metal prices but were offset by higher smelter processing charges and operating costs.

Our financial results

The table below is a summary of our consolidated statements of earnings.

<i>(in thousands except per share figures)</i>	Q1 2005	Q1 2004
Earnings from operations⁽¹⁾		
Çayeli	\$14,182	\$22,511
Pyhäsalmi	10,740	13,216
Troilus	5,640	3,143
Ok Tedi	21,426	14,603
Reclamation costs at closed sites	(513)	(505)
	51,475	52,968
Corporate development and exploration	(1,410)	(837)
General and administration	(1,966)	(1,411)
Investment and other income (expense)	(4,213)	(270)
Interest expense	(718)	(1,823)
Income and capital taxes	(15,577)	(19,985)
Non-controlling interest	-	(6,780)
Net income	\$27,591	\$21,862
Basic net income per share	\$0.67	\$0.55
Diluted net income per share	\$0.65	\$0.52
Weighted average shares outstanding (000's)	41,417	39,710

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

In this press release, “Inmet” means Inmet Mining Corporation and “we”, “us” and “our” means Inmet and/or its subsidiaries and joint ventures.

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

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

Recent Events

Today, we announced that we entered into an agreement with MK Resources Company and its majority shareholder, Leucadia National Corporation, to acquire a 70 percent interest in the Las Cruces copper project, located in Spain. Upon closing of the transaction, Inmet will issue 5.6 million of its common shares to MK Resources in consideration of the acquisition of the interest in Las Cruces. Closing of the transaction is subject to certain conditions being met.

On January 20, 2005 we redeemed our convertible debentures for their face value of \$64.1 million. Because the net carrying value of our debentures was \$57.5 million, we have recorded a charge of \$6.6 million in investment and other income in the first quarter of 2005.

Comparing 2005 to 2004

Comparability of Results

As of October 1, 2004, we included in our net income an additional 45 percent interest in Çayeli, following the acquisition of this interest from the Turkish government. Prior to that date, this 45 percent interest was deducted from our net income as non-controlling interest.

The following table shows the changes in our consolidated net income between the three month periods ended March 31, 2005 and 2004:

<i>(millions of dollars)</i>	Change
Increased metal prices	\$ 15
Foreign exchange rate changes on sales and costs	(4)
Sales volumes	1
Smelter processing charges and freight	(8)
Operating costs	(5)
Acquisition of additional 45% of Çayeli	7
Redemption costs of debenture	(7)
Reduction in corporate tax rates	2
Litigation costs	4
Other	1
Increase in net income, compared to 2004	\$6

Further details on these items are included under “*Understanding our performance*”.

Understanding our performance

Earnings from operations

In this section we discuss sales, unit costs, production and smelter processing charges and freight on a consolidated basis. More detailed information on each operation can be found under their separate results discussion.

Sales

The table below shows our gross sales by operation and by metal, as well as total sales volumes in copper, zinc and gold.

<i>(in thousands)</i>	Q1 2005	Q1 2004
Gross sales by operation		
Çayeli	\$53,605	\$51,651
Pyhäsalmi	36,890	40,796
Troilus	34,859	24,539
Ok Tedi ⁽¹⁾	56,580	42,697
	\$181,934	\$159,683
Gross sales by metal		
Copper	\$99,272	\$91,149
Zinc	29,372	27,040
Gold	42,446	30,783
Other	10,844	10,711
	\$181,934	\$159,683

	Q1 2005	Q1 2004
Sales volume		
Copper (tonnes)	24,600	24,000
Zinc (tonnes)	17,900	18,600
Gold (ounces)	83,300	61,400

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

Gross sales were 14 percent higher in the three month period ended March 31, 2005 compared to the same period of the previous year. The table below shows the key elements for this increase:

<i>(millions of dollars)</i>	Change
Metal prices	\$ 22
Weaker US dollar	(12)
Sales volumes	12
Increase in gross sales, compared to 2004	\$ 22

The table below shows the metal prices and foreign exchange rates we realized in the first quarter of 2005 and 2004.

	Q1 2005	Q1 2004
Copper (per pound)	US \$1.49	US \$1.29
Zinc (per pound)	US \$0.61	US \$0.50
Gold (per ounce)	US \$396	US \$371
1 US \$ to C\$	\$1.23	\$1.32

Outlook

We expect our sales for 2005 to be consistent with our production except at Ok Tedi, where we expect about 10 percent more in sales than production as long as weather and shipping conditions permit a further draw down of Ok Tedi's inventories. These inventories built up to 124,000 tonnes as a result of dry weather conditions during the fourth quarter of 2004 that rendered the rivers unnavigable. As a result, Ok Tedi was unable to deliver all of the concentrate it had produced.

Unit Costs

<i>(US \$)</i>	Q1 2005	Q1 2004	2005 Objective
Weighted average copper ⁽¹⁾ (per pound)			
Cash cost	\$0.51	\$0.35	\$0.62
Total cost	\$0.64	\$0.45	\$0.74
Çayeli (per pound of copper)			
Direct production costs	\$0.82	\$0.53	\$0.78
Smelter processing charges and freight	0.75	0.51	0.75
Metal credits	(0.81)	(0.51)	(0.85)
Cash cost	\$0.76	\$0.53	\$0.68
Depreciation and other non-cash costs	0.13	0.06	0.11
Total cost	\$0.89	\$0.59	\$0.79
Pyhäsalmi (per pound of copper)			
Direct production costs	\$1.18	\$0.93	\$1.12
Smelter processing charges and freight	0.96	0.72	0.82
Metal credits	(2.13)	(1.57)	(1.56)
Cash cost	\$0.01	\$0.08	\$0.38
Depreciation and other non-cash costs	0.28	0.23	0.28
Total cost	\$0.29	\$0.31	\$0.66
Troilus (per ounce of gold)			
Direct production costs	\$290	\$331	\$327
Amortization (capitalization) of stripping costs	21	8	(2)
Smelter processing charges and freight	70	37	39
Metal credits	(141)	(132)	(67)
Cash cost ⁽¹⁾	\$240	\$244	\$297
Depreciation and other non-cash costs	39	24	51
Total cost ⁽¹⁾	\$279	\$268	\$348
Ok Tedi (per pound of copper)			
Direct production costs	\$0.80	\$0.63	\$0.83
Smelter processing charges and freight	0.36	0.31	0.36
Metal credits	(0.63)	(0.57)	(0.51)
Cash cost	\$0.53	\$0.37	\$0.68
Depreciation and other non-cash costs	0.06	0.05	0.06
Total cost	\$0.59	\$0.42	\$0.74

(1) We provide a reconciliation of the calculation of weighted average unit costs to our income statement on page 22.

Our copper cash costs were higher in the first quarter of 2005 compared to the same period of 2004 due to higher smelter processing charges, higher oil and consumable costs, and the lower value of the US dollar.

Outlook

We expect consolidated cash costs per pound of copper for the remainder of the year to be higher than the first quarter as we have used a lower price for zinc of US \$0.50 per pound for the balance of the year, which generates lower metal credits.

Production

<i>Inmet's share</i>	Q1 2005	Q1 2004	2005 Objective
Copper (tonnes)			
Ok Tedi	8,200	6,500	34,400
Çayeli ⁽¹⁾	6,800	5,200	26,000
Pyhäsalmi	3,700	4,200	15,200
Troilus	2,100	1,400	4,000
	20,800	17,300	79,600
Zinc (tonnes)			
Çayeli ⁽¹⁾	8,700	5,300	38,000
Pyhäsalmi	8,500	9,000	34,700
	17,200	14,300	72,700
Gold (ounces)			
Troilus	51,300	37,300	170,000
Ok Tedi	24,000	20,200	95,400
	75,300	57,500	265,400
Pyrite (tonnes)			
Pyhäsalmi	200,400	199,800	544,000

(1) Includes 55 percent of production until September 30, 2004 and 100 percent after that date.

Our production of all metals was higher in the first quarter of 2005 because of:

- the acquisition of 45 percent of Çayeli, which resulted in the inclusion of 100 percent of production after September 30, 2004
- higher copper grades at Ok Tedi
- higher gold grades at Troilus and Ok Tedi
- higher mill throughput at Troilus.

Smelter processing charges and freight

The following table shows smelter processing charges and freight by operation and by metal for the first quarter ended March 31, 2005 and the comparable period last year.

<i>(thousands)</i>	Q1 2005	Q1 2004
Smelter processing charges and freight by operation		
Çayeli	\$17,500	\$11,857
Pyhäsalmi	11,895	13,037
Troilus	4,125	1,837
Ok Tedi	10,178	7,628
	\$43,698	\$34,359
Smelter processing charges and freight by metal		
Copper	\$27,095	\$17,714
Zinc	14,046	12,411
Other	2,557	4,234
	\$43,698	\$34,359

Smelter processing charges and freight costs were higher due to higher sales volumes and a significant increase in copper treatment and refining costs being charged by the smelters. In addition, metal content losses and price participation levels are higher as a result of the higher metal prices we receive.

Other items

Income taxes

The table below shows the taxes we expensed.

<i>(thousands)</i>	Q1 2005	Q1 2004
Çayeli	\$4,456	\$9,878
Pyhäsalmi	2,371	3,880
Ok Tedi	7,884	5,001
Corporate	866	1,226
	\$15,577	\$19,985

Taxes were lower at Çayeli and Pyhäsalmi due to lower earnings before taxes as well as lower corporate tax rates. Each of these operations had a three percent reduction in its corporate tax rate in 2005. Ok Tedi's taxes have increased due to higher earnings before tax.

Investment and other income

<i>(thousands)</i>	Q1 2005	Q1 2004
Interest income	\$2,608	\$1,979
Çayeli insurance proceeds	-	1,601
Redemption costs of debentures	(6,631)	-
Litigation costs	-	(3,504)
Other	(190)	(346)
	\$ (4,213)	\$ (270)

In the first quarter of 2004, Çayeli settled a claim with its insurance company regarding the 2002 groundfall event and received a final insurance settlement. Also in the first quarter of 2004, we settled a 1987 claim concerning the Winston Lake mine for \$3.5 million.

Inmet maintains a defined benefit pension plan which is comprised mainly of retirees. Inmet intends to purchase annuities for approximately 75 percent of the plan liabilities with respect to the retirees in the second or third quarter of this year. There are sufficient assets in the plan to meet the cash requirements of purchasing the annuities. However, as there is currently an asset with respect to this plan, approximately \$3 million of this asset will be charged to earnings when the annuities are purchased.

Çayeli

Production results

<i>(100 percent)</i>		Q1 2005	Q1 2004	Full Year 2005 Objective
Tonnes of ore milled (thousands)		190	250	770
Grades (percent)	copper	4.2	4.2	4.0
	zinc	6.1	5.5	6.9
Mill recoveries (percent)	copper	85	92	82
	zinc	75	70	73
Production (tonnes)	copper	6,800	9,500	26,000
	zinc	8,700	9,700	38,000
Cash cost per pound of copper ⁽¹⁾		US \$0.76	US \$0.53	US \$0.68
Total cost per pound of copper		US \$0.89	US \$0.59	US \$0.79
Capital expenditures (millions)		US \$3.1	US \$2.9	US \$21.0

(1) We use a zinc price of US \$0.50 per pound to estimate the by-product credit in our 2005 objective for cash costs per pound of copper.

Çayeli's operating earnings were \$14.2 million for the three months ended March 31, 2005, compared to \$22.5 million for the same period in 2004. Volume of sales was below the prior year's level due to lower production. Operating cash flow was \$0.6 million as approximately 70 percent of the copper sales for the quarter were shipped in the month of March, resulting in a substantial accounts receivable balance at March 31, 2005. This compares to operating cash flow of \$31.5 million in the first quarter of 2004 when \$13.9 million in working capital was drawn down.

Production

Çayeli's mine production in the first quarter has shown encouraging signs of improvement compared to the disappointing results in the fourth quarter of 2004. The efforts of Çayeli's new management team and the reorganization of the mining department has resulted in a mine plan that includes the central pillar as a source of production in 2005. Previously, we planned to mine the central pillar at the end of the mine life. As a result, ore production was 45 percent higher in the quarter than in the fourth quarter of 2004. Although improvements were made during the first quarter of 2005, certain operational challenges continue, such as an insufficient number of production stopes. We expect that Çayeli will bring additional mining areas into production during the second and third quarter of this year.

Costs

In comparison to the first quarter of 2004, Çayeli's unit costs were higher due to lower production and higher smelter processing charges and freight costs. Market levels for copper treatment and refining costs have increased from 2004. In addition, with higher copper and zinc prices, we are also incurring higher costs from metal content losses and

price participation. Freight costs are also higher than in the comparable period last year due to tight market conditions. Cash unit costs in the first quarter of 2005 were also higher than the previous year because of higher labour and material costs resulting from the appreciation of the Turkish lira relative to the US dollar and higher costs for consumables such as cement, grinding media, electricity and fuel, due to higher commodity prices.

Outlook

Çayeli will continue to focus on the development of the lower part of the deposit. The shaft project is progressing well and we still anticipate that it will be completed during the second quarter of 2006. This not only includes the deepening of the shaft but also the lateral and ramp development that is required to bring the lower mining areas into production. Until then, we continue to expect productivity improvements to be gradual and anticipate an annualized mining rate of approximately 770,000 tonnes for 2005.

Zinc grades are expected to increase during the remainder of the year resulting in higher metal credits which should lower unit costs.

Cerattepe

During the first quarter of 2005, we continued our efforts to secure the necessary environmental permitting for a trial mining program at the Cerattepe copper deposit. We are not aware of any substantive issues that would prevent successful permitting. Subject to receipt of the required permits, we intend to extend the existing ramp early in the third quarter in order to reach the ore body by the end of 2005 and extract a 25,000 tonne bulk sample. We also began work on certain basic engineering required to receive the necessary permits for commercial production. In 2005, we expect to spend about US \$11 million on developing Cerattepe and US \$4.5 million on the second installment of the purchase price.

Pyhäsalmi

Production results

<i>(100 percent)</i>		Q1 2005	Q1 2004	<i>Full Year 2005 Objective</i>
Tonnes of ore milled (thousands)		340	336	1,350
Grades (percent)	copper	1.1	1.3	1.2
	zinc	2.7	2.9	2.8
	sulphur	41	40	40
Mill recoveries (percent)	copper	95	96	95
	zinc	93	93	92
Production (tonnes)	copper	3,700	4,200	15,200
	zinc	8,500	9,000	34,700
	pyrite	200,400	199,800	544,000
Cash cost per pound of copper ⁽¹⁾		US \$0.01	US \$0.08	US \$0.38
Total cost per pound of copper		US \$0.29	US \$0.31	US \$0.66
Capital expenditures (millions)		€0.2	€0.5	€5.0

(1) We use a zinc price of US \$0.50 per pound to estimate the by-product credit in our 2005 objective for cash costs per pound of copper, and a euro to US dollar exchange rate of US \$1.25.

Operating earnings for the three months ended March 31, 2005 were \$10.7 million compared to \$13.2 million in the same period of 2004 as the benefit of higher metal prices was more than offset by lower production and higher smelter processing charges, as well as the continued weakness of the US dollar against the euro. Operating cash flows of \$14.3 million were higher than in the first quarter of the prior year due to positive working capital changes.

Production

In March, Pyhäsalmi achieved a new production record. Mill utilization was maintained above 95 percent largely as a result of high productivity in the mine. Even with the high level of ore milled, both copper and zinc production decreased compared to 2004 levels because lower grade areas were mined.

A capital investment in an automated loading system made at the end of 2004 was successfully commissioned.

Costs

Pyhäsalmi's copper cash costs per pound in the three months ended March 31, 2005 were lower than the comparable period in 2004, largely because of higher by-product revenues which more than offset higher smelter processing charges. Smelter processing charges increased as a result of higher market terms and the value of metal content losses and price participation charges increased as a result of higher metal prices.

Outlook

We expect Pyhäsalmi to continue to perform well and to remain at current production levels for the remainder of the year.

We anticipate that unit costs will increase for the balance of the year due to lower metal credits as a result of using a lower forecasted zinc price as well as the impact of lower pyrite production.

Troilus

Production results

<i>(100 percent)</i>		Q1 2005	Q1 2004	Full Year 2005 Objective
Tonnes of ore milled (thousands)		1,745	1,415	6,900
Strip ratio		1.1	1.9	1.5
Grades	gold (grams per tonne)	1.13	1.04	0.90
	copper (percent)	0.1	0.1	0.1
Mill recoveries	gold (percent)	81	82	85
	copper (percent)	92	87	87
Production	gold (ounces)	51,300	37,300	170,000
	copper (tonnes)	2,100	1,400	4,000
Cash cost per ounce of gold ⁽¹⁾		US \$240	US \$244	US \$297
Total cost per ounce of gold		US \$279	US \$268	US \$348
Capital expenditures (millions)		\$4.0	\$3.9	\$10.0
Capitalized stripping (millions)		\$1.8	\$2.0	\$3.0

(1) We use a copper price of US \$1.15 per pound to estimate the by-product credit in our 2005 objective for cash costs per ounce of gold and a US dollar to Canadian dollar exchange rate of \$1.30.

Troilus' earnings for the three months ended March 31, 2005 were \$5.6 million, compared to \$3.1 million for the same period in 2004 due to higher gold production compared to the prior quarter. Troilus realized an average gold price of US \$385 per ounce in the first quarter of 2005 and an average price of US \$351 per ounce for the first quarter of 2004. The higher gold price realized was largely offset by a weaker US dollar. Operating cash flows were \$5.0 million less than the prior year's first quarter because of the timing of a gold receivable payment.

Production

Troilus achieved a record average mill throughput of 19,400 tonnes per day this quarter compared to 15,700 tonnes per day in the prior quarter due primarily to the successful completion of the mill expansion late in 2004. The higher throughput coupled with better grades achieved were the reasons Troilus had a record quarter for gold and copper production and were the reasons it outperformed its results from the first quarter of 2004. In comparison to 2004, Troilus realized higher grades as it mined higher grade material originating from the bottom of the 87 pit.

Gold recoveries for the first quarter were slightly lower than the previous year's first quarter and did not meet the two percent improvement in gold recoveries targeted for 2005 due to the limited capacity of the flotation cleaner. A study to increase cleaner capacity is currently underway.

A scoping study was conducted in the first quarter regarding the potential to mine additional ore at the bottom of the 87 pit from underground. Troilus identified initial indicated resources of 6.6 million tonnes at 1.6 grams per tonne of gold and 0.17 percent copper containing 340,000 ounces of gold and inferred resources of 2.2 million tonnes at 1.5 grams per tonne of gold and 0.16 percent copper containing 110,000 ounces of gold ¹.

Costs

Cash unit costs were marginally lower than in the same period last year as higher production levels lowered production costs per ounce. The benefits of higher production were almost completely offset by the weaker US dollar. Strong copper production and a higher copper price increased metal credits compared to same period in the previous year and kept cash costs marginally lower despite higher smelter processing charges and freight costs during the first quarter of 2005. Smelter processing charges were higher as a result of market terms and higher copper concentrate production. Approximately half of the expected copper concentrate for this year was produced in the first quarter.

Outlook

Mill optimization is ongoing and we expect to complete the evaluation to increase cleaner capacity to achieve the targeted recovery rates in the second quarter. Essentially all of Troilus' production for the coming months will come from J-4 and the 87 South extension. Grades from these mining areas should be lower than grades mined during the first quarter. The resulting lower expected production is the reason why we expect unit cash costs to increase for the balance of the year.

¹ Resource calculations were prepared by employees of Inmet under the supervision of B. Boily, Geol., OGQ (Production Geologist, Troilus), who is a qualified person under National Instrument 43-101. The inferred resource has been calculated on a polygonal modeling basis and a cut-off grade of 1.00 grams per tonne of gold. Industry standard quality assurance and quality control procedures have been employed in connection with the calculations. Samples were prepared on site and fire assayed at the Troilus laboratory.

Mineral resources, that are not mineral reserves, do not have demonstrated economic viability and do not include mining dilution and recovery factors. Mineral resources are exclusive of mineral reserves previously reported for Troilus.

Ok Tedi

Production results

<i>(100 percent)</i>		Q1 2005	Q1 2004	Full Year 2005 Objective
Tonnes of ore milled (thousands)		6,000	5,300	29,000
Strip ratio		2.82	2.59	1.9
Grades	copper (percent)	0.93	0.86	0.8
	gold (grams per tonne)	0.94	0.85	0.8
Mill recoveries	copper (percent)	81	81	85
	gold (percent)	73	78	72
Production	copper (tonnes)	45,600	36,000	191,000
	gold (ounces)	133,400	112,400	530,000
Cash cost per pound of copper		US \$0.53	US \$0.37	US \$0.68
Total costs per pound of copper		US \$0.59	US \$0.42	US \$0.74
Capital expenditures (millions)		US \$1.4	US \$1.8	US \$37.0

(1) We use a gold price of US \$400 per ounce to estimate the by-product credit in our 2005 objective for cash costs per pound of copper.

Our share of Ok Tedi's operating earnings in the first quarter was \$21.4 million compared to \$14.6 million for the same period in 2004, because of significantly higher sales volumes and higher metal prices. Copper and gold sales volumes were 26 percent and 36 percent higher, respectively, compared to the same period in 2004. Sales increased substantially as the rainy season began and the backlog of concentrate was shipped.

Due to the higher sales volumes, Ok Tedi drew down its inventory significantly in the quarter from 124,000 tonnes at December 31, 2004 to 87,000 tonnes at March 31, 2005. Operating cash flows were also higher because of the higher earnings.

Production

Ok Tedi's mill throughput was 13 percent higher than the first quarter of 2004. In the first quarter of 2004, one of Ok Tedi's two semi-autogenous grinding (SAG) mills was being repaired causing an eight week shut down and limiting Ok Tedi to operating at slightly above 50 percent capacity.

Production of both copper and gold increased as a result of higher throughput as well as higher grades compared to the first quarter of 2004. The improved grades were due to the mining of higher grade skarn ore.

Costs

Ok Tedi's cash costs were higher in the first quarter of 2005, compared to the same period in 2004, mainly due to higher smelter processing charges and higher cost of fuel and other consumables.

Outlook

We expect Ok Tedi's mill throughput to increase as the result of softer ore being mined. We also expect copper and gold grades to decrease as we anticipate that less high grade skarn ore will be mined for the balance of the year. Unit costs are to be higher due to lower metal credits from the anticipated lower gold production. In addition, most of Ok Tedi's smelter contracts are renegotiated mid-year so the effects of higher contract treatment costs could also be experienced in the second half of the year.

We believe that Ok Tedi's sales should also exceed production for the balance of the year, as inventories should be drawn down further.

Managing our financial condition

Key financial measures

We use three key financial measures to assess our financial condition:

	As at March 31, 2005	As at December 31, 2004
Current ratio	3.9 to 1	2.3 to 1
Long-term debt to total capitalization	4%	4%
Increase (decrease) in cash	\$ (39) million	\$ 16 million

The table below shows how our consolidated cash changed in the first quarter of 2005 and 2004.

<i>(millions of dollars)</i>	Q1 2005	Q1 2004
Free cash flow from Çayeli	\$ (1)	\$ 25
Free cash flow from Pyhäsalmi	9	11
Free cash flow from Troilus	1	5
Free cash flow from Ok Tedi	21	16
Free cash flow from operations	30	57
Development at Cerattepe	-	(3)
Redemption of convertible debentures	(64)	-
Other	(5)	(6)
Increase (decrease) in consolidated cash	\$ (39)	\$ 48

Free cash flow is calculated as cash flow from operations, less cash used in investing and financing. We use the free cash flow generated from our operations to fund our growth strategy. In the first quarter of 2005, we used \$64 million of our cash to redeem our convertible debentures. This redemption supports our growth strategy by freeing up our debt capacity to take on longer term debt to finance potential acquisitions.

Managing our liquidity

The table below shows our sources of cash and how we used it in the first quarter in 2005 and 2004.

<i>(millions of dollars)</i>	Q1 2005	Q1 2004
Cash from operating		
Çayeli	\$ 1	\$ 31
Pyhäsalmi	14	12
Troilus	6	11
Ok Tedi	23	19
Corporate development and exploration	(1)	(1)
General and administration	(2)	(1)
Other	(3)	(7)
	38	64
Cash from investing and financing		
Redemption of convertible debentures	(64)	-
Capital expenditures	(10)	(14)
Other	(3)	(2)
	(77)	(16)
Increase (decrease) in cash	(39)	48
Cash and short-term investments		
Beginning of period	246	230
End of period	\$ 207	\$ 278

Cash from operating activities

The table below shows what contributed to the increase in operating cash flow in the first quarter of 2005, compared to 2004.

<i>(millions of dollars)</i>	Change
Increased metal prices	\$ 15
Foreign exchange rate changes	(4)
Sales volume	1
Smelter processing charges and freight	(8)
Operating costs	(5)
Reduction in corporate tax rates	2
Litigation costs	4
Change in non-cash working capital	(35)
Other	4
Decrease in operating cash flow, compared to 2004	\$ (26)

Cash from operations decreased by \$26 million compared to the first quarter of 2004 largely due to a build-up of receivables from Çayeli. Approximately 70 percent of Çayeli's first quarter sales was shipped in the month of March.

Cash from investing

The table below shows the cash we spent on capital investments by operation.

<i>(millions of dollars)</i>	Q1 2005	Q1 2004	<i>Full Year Objective 2005</i>
Çayeli	\$ 4	\$ 4	\$ 27
Pyhäsalmi	-	1	8
Troilus capital	4	4	10
Troilus capitalized stripping	2	2	3
Ok Tedi	-	-	9
Cerattepe	-	3	20
Accruals	-	-	3
	\$ 10	\$ 14	\$ 80

We spent slightly less on capital investments in the first quarter of 2005 than in the same period in 2004 mainly due to the timing of expenditures. During 2005, capital spending was largely for the mine shaft extension project and mine development at Çayeli and mine mobile equipment and the continuing development of the J-4 pit at Troilus.

Off balance sheet transactions

Gold hedging

Because of the high cost nature of the Troilus operation, we use 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.

The table below shows our Troilus gold hedging positions as at March 31, 2005.

Gold hedging at Troilus		
Forward sales	Hedge volume	Average price
	(ounces)	(per ounce)
2005	69,200	US \$348
2006	69,900	US \$352
2007	58,200	US \$352
2008	58,200	US \$352

Total forward sales at Troilus represent 35 percent of life-of-mine production at an average hedge price of US \$351 per ounce. We do not plan to enter into any more hedging of gold production at Troilus.

For accounting purposes, we recognize in revenue the gold hedge price in the period in which the hedge was initially designated. The rolling of our original hedge positions gave rise to both a deferred charge and deferred revenue. In the first quarter we recognized a charge of \$0.7 million and we will recognize an additional charge of \$0.6 million over the next nine months. From 2006 to 2008, we have net deferred revenue of \$7.9 million to record in income.

Gold is a by-product for Ok Tedi. The table below shows Inmet's share of gold hedging transactions at Ok Tedi, as at March 31, 2005.

Gold hedging at Ok Tedi		
Forward sales	Hedge volume	Average price
	(ounces)	(per ounce)
2005	10,100	US \$367
2006	13,500	US \$369
2007	13,500	US \$371
2008	6,750	US \$372

Total forward sales at Ok Tedi average about 1 percent of life of mine production.

The spot price of gold was US \$428 per ounce as at March 31, 2005, resulting in a negative marked-to-market of US \$30 million for the Troilus contracts and Inmet's share of Ok Tedi's contracts.

Currency hedging

We have long positions on put options and short positions on call options on US \$6.0 million of revenue with a 2005 maturity. These guarantee that we will receive an exchange rate of between \$1.5033 and \$1.5933 on US \$6.0 million of revenue in 2005.

As at March 31, 2005 we had a positive marked-to-market on our currency hedges of \$2 million, based on a \$1.21 Canadian dollar to US dollar spot exchange rate.

Sensitivity analysis

The table below shows the effect of key variables on Inmet's annualized net income, based on our objectives for 2005.

	A change of:	Would change our 2005 net income by:	Would change our 2005 earnings per share by:
Metal prices			
Copper (per pound)	US \$0.10	\$13.5 million	\$0.33
Zinc (per pound)	US \$0.05	\$3.6 million	\$0.09
Gold (per ounce) ⁽¹⁾	US \$10.00	\$1.9 million	\$0.05
Exchange rates			
US \$1 to C\$1	C\$0.05	\$4.7 million	\$0.11
Euro 1 to C\$1	C\$0.05	\$1.1 million	\$0.03

(1) Calculations include hedging in place at December 31, 2004

Non-GAAP measures

The reconciliation of unit cash costs to consolidated statements of earnings for the first quarter is as follows:

<i>(millions of Canadian dollars, except where otherwise noted)</i>	Copper cash cost		Gold cash cost	
	2005	2004	2005	2004
Cost of sales per financial statements	\$55	\$48	\$23	\$19
Smelter processing charges and freight per financial statements	40	33	4	2
Zinc, gold and other sales	(55)	(49)	-	-
Copper and other sales	-	-	(8)	(6)
Inventory and receivable changes	(14)	(3)	(4)	(3)
Less – standby costs incurred at Ok Tedi	-	(6)	-	-
Çayeli non-controlling interest	-	(7)	-	-
Operating costs net of metal credits	\$26	\$16	\$15	\$12
US \$ to C\$ exchange rate	\$1.23	\$1.32	\$1.23	\$1.32
Inmet's share of copper production (000's pounds)	41,200	35,200	-	-
Inmet's share of gold production (ounces)	-	-	51,300	37,300
Consolidated copper cash cost per pound	\$0.51	\$0.35	-	-
Gold cash cost per ounce	-	-	\$240	\$244

Common shares outstanding

For the three months ended March 31, 2005, we issued 105,500 common shares due to the exercise of stock options and 378,234 shares due to redemption of our deferred share units by a former director. We also issued 3,058 shares as a result of the election by certain debenture holders to convert \$65,000 of convertible debentures into common shares, rather than receiving cash.

Inmet has 41,723,782 common shares outstanding at May 3, 2005. As of such date, Inmet also has 965,450 stock options that are exercisable, subject to vesting requirements, on a one-for-one basis for common shares, and 57,893 deferred share units redeemable on a one-for-one basis for common shares of Inmet.

About Inmet - Inmet is a Canadian-based global mining company that produces copper, zinc and gold. We have interests in four mining operations in locations around the world: Çayeli, Pyhäsalmi, Troilus and Ok Tedi.

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

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For further information, please contact:
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Annual meeting of shareholders

On Tuesday, May 3, 2005, at 2:30 p.m. (Eastern Time), Inmet will host its Annual Meeting of Shareholders as well as comment on its first quarter results.

You are welcome to attend our Annual Meeting in person, or if you prefer, you may wish to listen directly through a link with Inmet's website: www.inmetmining.com. The location of our Annual Meeting of Shareholders is the Design Exchange, Trading Floor, 234 Bay Street, Toronto, Ontario.

INMET MINING CORPORATION
REVIEW OF LAST EIGHT QUARTERS

(unaudited)

Latest Four Quarters

	2005	2004	2004	2004
	First	Fourth	Third	Second
(thousands of dollars, except per share amounts)	quarter	quarter	quarter	quarter
STATEMENTS OF EARNINGS				
Gross sales	\$ 181,934	\$ 120,420	\$ 133,758	\$ 132,445
Smelter processing charges and freight	(43,698)	(28,619)	(28,936)	(29,902)
Cost of sales	(78,738)	(64,490)	(54,327)	(59,780)
Depreciation	(8,023)	(7,154)	(6,331)	(6,382)
	51,475	20,157	44,164	36,381
Corporate development and exploration	(1,410)	(2,490)	(760)	(2,397)
General and administration	(1,966)	(1,074)	(1,226)	(1,381)
Investment and other income (expense)	(4,213)	1,614	884	1,968
Interest expense	(718)	(1,790)	(1,790)	(1,804)
Capital tax expense	(198)	(200)	56	(430)
Income tax expense	(15,379)	(732)	(15,368)	(12,022)
Non-controlling interest	-	-	(2,777)	(4,668)
Net income	\$ 27,591	\$ 15,485	\$ 23,183	\$ 15,647
Net income per common share	\$ 0.67	\$ 0.38	\$ 0.57	\$ 0.39
Diluted net income per common share	\$ 0.65	\$ 0.37	\$ 0.54	\$ 0.37

Previous Four Quarters

	2004	2003	2003	2003
	First	Fourth	Third	Second
(thousands of dollars, except per share amounts)	quarter	quarter	quarter	quarter
STATEMENTS OF EARNINGS				
Gross sales	\$ 159,683	\$ 145,233	\$ 120,850	\$ 80,358
Smelter processing charges and freight	(34,359)	(35,521)	(30,288)	(23,266)
Cost of sales	(66,922)	(65,430)	(62,072)	(41,915)
Depreciation	(5,434)	(6,718)	(5,005)	(4,577)
	52,968	37,564	23,485	10,600
Corporate development and exploration	(837)	(1,385)	(1,002)	(580)
General and administration	(1,411)	(3,857)	(1,602)	(1,134)
Investment and other income (expense)	(270)	112,907	30,270	1,238
Interest expense	(1,823)	(2,068)	(2,259)	(2,555)
Capital tax expense	(329)	(587)	(186)	(172)
Income tax expense	(19,656)	(11,742)	(7,290)	(1,487)
Non-controlling interest	(6,780)	(4,334)	(1,953)	(1,957)
Net income	\$ 21,862	\$ 126,498	\$ 39,463	\$ 3,953
Net income per common share	\$ 0.55	\$ 3.21	\$ 1.00	\$ 0.10
Diluted net income per common share	\$ 0.52	\$ 2.84	\$ 0.91	\$ 0.10

INMET MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

(thousands of Canadian dollars)	March 31 2005	December 31 2004
	(Unaudited)	
ASSETS		
Current assets:		
Cash and short-term investments	\$206,874	\$245,807
Accounts receivable	68,832	50,239
Inventories	48,131	57,313
	323,837	353,359
Property, plant and equipment	317,258	322,737
Investments	2,377	2,377
Future income tax asset	8,942	8,942
Deferred charges	16,956	27,377
Other assets	36,210	36,661
	\$705,580	\$751,453
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$83,539	\$87,920
Current portion of long-term debt (notes 2 and 3)	-	64,052
	83,539	151,972
Long-term debt	16,341	16,870
Reclamation liabilities	63,093	63,060
Other liabilities	38,565	40,627
Future income tax liabilities	37,382	36,525
	238,920	309,054
SHAREHOLDERS' EQUITY		
Share capital (note 5)	240,904	237,931
Contributed surplus	66,999	66,999
Stock based compensation (note 6)	2,630	4,938
Retained earnings	164,239	136,648
Foreign currency translation account (note 8)	(8,112)	(4,117)
	466,660	442,399
	\$705,580	\$751,453

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED BALANCE SHEETS

(thousands of Canadian dollars)

As at March 31, 2005

(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
ASSETS						
Cash and short-term investments	\$84,484	\$33,629	\$59,516	-	\$29,245	\$206,874
Other current assets	705	37,886	26,242	23,554	28,576	116,963
Property, plant and equipment	27,138	100,228	87,484	63,709	38,699	317,258
Investments	2,377	-	-	-	-	2,377
Deferred charges	-	-	-	16,956	-	16,956
Other assets	30,630	473	-	4,831	9,218	45,152
TOTAL ASSETS	\$145,334	\$172,216	\$173,242	\$109,050	\$105,738	\$705,580
LIABILITIES						
Current liabilities	\$6,306	\$13,051	\$20,076	\$17,409	\$26,697	\$83,539
Long-term debt	16,341	-	-	-	-	16,341
Reclamation liabilities	26,462	3,214	12,201	3,899	17,317	63,093
Other liabilities	11,869	3,310	-	22,186	1,200	38,565
Future income tax liabilities	-	27,723	5,038	-	4,621	37,382
TOTAL LIABILITIES	\$60,978	\$47,298	\$37,315	\$43,494	\$49,835	\$238,920

As at December 31, 2004

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
ASSETS						
Cash and short-term investments	\$140,925	\$33,852	\$52,255	-	\$18,775	\$245,807
Other current assets	926	23,241	31,774	20,750	30,861	107,552
Property, plant and equipment	27,161	99,651	93,182	63,472	39,271	322,737
Investments	2,377	-	-	-	-	2,377
Deferred charges	6,750	-	-	20,627	-	27,377
Other assets	30,632	1,984	-	4,702	8,285	45,603
TOTAL ASSETS	\$208,771	\$158,728	\$177,211	\$109,551	\$97,192	\$751,453
LIABILITIES						
Current liabilities	\$72,795	\$12,394	\$24,197	\$21,376	\$21,210	\$151,972
Long-term debt	16,870	-	-	-	-	16,870
Reclamation liabilities	26,503	3,138	12,492	3,847	17,080	63,060
Other liabilities	11,975	2,940	-	23,545	2,167	40,627
Future income tax liabilities	-	26,271	5,823	-	4,431	36,525
TOTAL LIABILITIES	\$128,143	\$44,743	\$42,512	\$48,768	\$44,888	\$309,054

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

(thousands of Canadian dollars except per share amounts)	Three Months Ended	
	March 31	
	2005	2004
Gross sales	\$181,934	\$159,683
Smelter processing charges and freight	(43,698)	(34,359)
Cost of sales	(78,738)	(66,922)
Depreciation	(8,023)	(5,434)
	51,475	52,968
Corporate development and exploration	(1,410)	(837)
General and administration	(1,966)	(1,411)
Investment and other income (note 9)	(4,213)	(270)
Interest expense (note 2)	(718)	(1,823)
Capital tax expense	(198)	(329)
Income tax expense (note 10)	(15,379)	(19,656)
Non-controlling interest	-	(6,780)
Net income	\$27,591	\$21,862
Basic net income per common share (note 7)	\$0.67	\$0.55
Diluted net income per common share (note 7)	\$0.65	\$0.52
Weighted average common shares outstanding (000's)	41,417	39,710

(see accompanying notes)

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF EARNINGS

(thousands of Canadian dollars)

For the three months ended March 31, 2005

(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
Gross sales	\$ -	\$53,605	\$36,890	\$34,859	\$56,580	\$181,934
Smelter processing charges and freight	-	(17,500)	(11,895)	(4,125)	(10,178)	(43,698)
Cost of sales	(513)	(19,925)	(11,637)	(22,853)	(23,810)	(78,738)
Depreciation	-	(1,998)	(2,618)	(2,241)	(1,166)	(8,023)
	(513)	14,182	10,740	5,640	21,426	51,475
Corporate development and exploration	(676)	(117)	(193)	(58)	(366)	(1,410)
General and administration	(1,966)	-	-	-	-	(1,966)
Investment and other income	(4,213)	-	-	-	-	(4,213)
Interest expense	(718)	-	-	-	-	(718)
Capital tax expense	(198)	-	-	-	-	(198)
Income tax expense	(668)	(4,456)	(2,371)	-	(7,884)	(15,379)
Net income (loss)	(\$8,952)	\$9,609	\$8,176	\$5,582	\$13,176	\$27,591

For the three months ended March 31, 2004

(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
Gross sales	\$ -	\$51,651	\$40,796	\$24,539	\$42,697	\$159,683
Smelter processing charges and freight	-	(11,857)	(13,037)	(1,837)	(7,628)	(34,359)
Cost of sales	(505)	(16,408)	(11,864)	(18,538)	(19,607)	(66,922)
Depreciation	-	(875)	(2,679)	(1,021)	(859)	(5,434)
	(505)	22,511	13,216	3,143	14,603	52,968
Corporate development and exploration	(728)	-	(109)	-	-	(837)
General and administration	(1,411)	-	-	-	-	(1,411)
Investment and other income	(1,871)	1,601	-	-	-	(270)
Interest expense	(1,794)	(17)	-	(12)	-	(1,823)
Capital tax expense	(329)	-	-	-	-	(329)
Income tax expense	(897)	(9,878)	(3,880)	-	(5,001)	(19,656)
Non-controlling interest	-	(6,780)	-	-	-	(6,780)
Net income (loss)	(\$7,535)	\$7,437	\$9,227	\$3,131	\$9,602	\$21,862

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(thousands of Canadian dollars)	Three Months Ended	
	March 31	
	2005	2004
Cash provided by (used in) operating activities ⁽¹⁾		
Net income	\$27,591	\$21,862
Add (deduct) items not affecting cash:		
Depreciation	8,023	5,434
Future income tax	1,739	507
Amortization of capitalized stripping	3,071	2,437
Accretion expense on reclamation liabilities	930	929
Deferred revenue	714	678
Non-controlling interest	-	6,780
Redemption cost of convertible debentures	6,631	-
Other	678	1,905
Reclamation costs	(639)	(542)
Net change in non-cash working capital (note 4)	(11,092)	23,545
	37,646	63,535
Cash provided by (used in) investing activities		
Property, plant and equipment	(9,791)	(14,100)
Sale of short-term investments	30,857	23,626
Other	(130)	79
	20,936	9,605
Cash provided by (used in) financing activities		
Redemption of convertible debentures	(63,987)	-
Long term debt repayments	-	(2,757)
Financial assurance fund payments	(991)	(1,126)
Issue of share capital	311	2,833
Other	-	(72)
	(64,667)	(1,122)
Foreign exchange loss on cash held in foreign currency	(1,991)	(882)
Increase (decrease) in cash	(8,076)	71,136
Cash:		
Beginning of period	150,880	177,135
End of period	142,804	248,271
Short-term investments	64,070	29,490
Cash and short-term investments	\$206,874	\$277,761
(see accompanying notes)		

⁽¹⁾ **Cash used in operations includes the following payments:**

Interest	\$1,658	\$2,390
Taxes	\$6,204	\$3,364

INMET MINING CORPORATION
SEGMENTED STATEMENTS OF CASH FLOWS

(thousands of Canadian dollars)

For the three months ended March 31, 2005

(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
Cash provided by (used in):						
Operating activities						
Before net change in working capital	(\$3,755)	\$14,750	\$10,647	\$11,547	\$15,549	\$48,738
Net change in working capital	(1,831)	(14,124)	3,683	(5,807)	6,987	(11,092)
	(5,586)	626	14,330	5,740	22,536	37,646
Investing activities	30,828	(1,670)	(2,859)	(5,049)	(314)	20,936
Financing activities	(63,676)	-	-	-	(991)	(64,667)
Foreign exchange change on cash held in foreign currency	-	214	(2,179)	-	(26)	(1,991)
Intergroup funding (distributions)	12,850	607	(2,031)	(691)	(10,735)	-
Increase (decrease) in cash	(25,584)	(223)	7,261	-	10,470	(8,076)
Cash:						
Beginning of period	45,998	33,852	52,255	-	18,775	150,880
End of period	20,414	33,629	59,516	-	29,245	142,804
Short-term investments	64,070	-	-	-	-	64,070
Cash and short-term investments	\$84,484	\$33,629	\$59,516	-	\$29,245	\$206,874

For the three months ended March 31, 2004

(Unaudited)

	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	TOTAL
Cash provided by (used in):						
Operating activities						
Before net change in working capital	(\$10,010)	\$17,590	\$12,180	\$7,723	\$12,507	\$39,990
Net change in working capital	831	13,902	(272)	3,030	6,054	23,545
	(9,179)	31,492	11,908	10,753	18,561	63,535
Investing activities	23,772	(6,812)	(846)	(6,072)	(437)	9,605
Financing activities	2,761	(2,757)	-	-	(1,126)	(1,122)
Foreign exchange change on cash held in foreign currency	-	23	(402)	-	(503)	(882)
Intergroup funding (distributions)	26,973	(1,253)	(3,542)	(4,681)	(17,497)	-
Increase (decrease) in cash	44,327	20,693	7,118	-	(1,002)	71,136
Cash:						
Beginning of period	124,145	10,835	21,614	-	20,541	177,135
End of period	168,472	31,528	28,732	-	19,539	248,271
Short-term investments	29,490	-	-	-	-	29,490
Cash and short-term investments	\$197,962	\$31,528	\$28,732	-	19,539	\$277,761

INMET MINING CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(Unaudited)

(thousands of Canadian dollars)	Three Months Ended	
	March 31	
	2005	2004
Retained earnings, beginning of period	\$136,648	\$60,471
Net income	27,591	21,862
Retained earnings, end of period (see accompanying notes)	\$164,239	\$82,333

INMET MINING CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Our interim consolidated financial statements do not include all the disclosures as required under generally accepted accounting principles, however, the interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual financial statements, except for the changes, as described in note 2. The interim consolidated financial statements should be read in conjunction with our annual consolidated financial statements included in our 2004 Annual Report.

We have reclassified some of the figures in the consolidated financial statements to make previous years consistent with the 2005 figures. Specifically, we have reclassified our pension expense from investment and other income to general and administration and cost of sales.

2. Change in Accounting Policy

Effective January 1, 2005 we adopted the Canadian Institute of Chartered Accountants amendment to handbook section 3860, *Financial Instruments*. The amendment requires us to retroactively account for our convertible debentures (financial instruments that may be settled in cash or by Inmet common shares, at our discretion) as a liability. The accretion charges that were previously recorded through retained earnings have been eliminated and instead included as interest expense. In 2004 this amounted to \$4.2 million (for the three months ending March 31, 2004 it amounted to \$1.1 million). As we redeemed our debentures in January 2005 (note 3), this change affects figures on the balance sheets and statements of earnings for all applicable years prior to 2005. Net income per share does not change.

3. Convertible Debentures

We redeemed the entire aggregate principal amount of \$64.1 million of our convertible debentures on January 20, 2005 at a redemption price of \$1,000 per \$1,000 of stated principal together with accrued and unpaid interest.

\$64 million was redeemed for cash and the remaining \$0.1 million for 3,058 common shares at \$21.25 per share.

The net carrying value of the convertible debentures on January 20, 2005 was \$6.6 million less than the redemption cost. When the debentures were redeemed this amount was expensed and recorded in *Investment and other income* (note 9).

4. Statement of cash flows

The following tables show the components of our net change in non-cash working capital by segment for the three months ending March 31.

2005

<i>(thousands of Canadian dollars)</i>	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Total
Accounts receivable	\$228	\$ (16,851)	\$ 4,359	\$ (4,323)	\$ (1,555)	\$ (18,142)
Inventories	-	3,462	103	1,629	4,070	9,264
Accounts payable and accrued liabilities	(2,276)	(1,705)	(676)	(3,113)	(1,063)	(8,833)
Taxes payable	(9)	970	(103)	-	5,518	6,376
Other	226	-	-	-	17	243
	\$ (1,831)	\$ (14,124)	\$ 3,683	\$ (5,807)	\$ 6,987	\$ (11,092)

2004

<i>(thousands of Canadian dollars)</i>	Corporate	Çayeli	Pyhäsalmi	Troilus	Ok Tedi	Total
Accounts receivable	\$ 287	\$ 5,431	\$ (5,820)	\$ 4,040	\$ (980)	\$ 2,958
Inventories	-	(845)	171	(190)	837	(27)
Accounts payable and accrued liabilities	366	3,469	4,733	(820)	2,591	10,339
Taxes payable	19	5,209	644	-	3,163	9,035
Other	159	638	-	-	443	1,240
	\$ 831	\$ 13,902	\$ (272)	\$3,030	\$ 6,054	\$ 23,545

5. Share Capital

Our articles of incorporation provide for an unlimited number of preferred shares, subordinate voting participating shares and common shares.

The table below lists the shares that have been issued during the quarter.

<i>(in thousands)</i>	Note	Common Shares	Amount
Balance at December 31, 2004		41,237	\$237,931
Exercise of stock options	6	106	639
Exercise of deferred share units	6	378	2,269
Redemption of convertible debentures	3	3	65
Balance at March 31, 2005		41,724	\$240,904

6. Stock Based Compensation

During the quarter, 105,500 stock options and 378,234 deferred shares units were exercised. A total of 483,734 common shares were issued from treasury on the exercise of these options and deferred share units. A total of \$2.4 million was transferred from *Stock based compensation* to *Share capital* to reflect the previously recorded value of the common shares issued.

The table below shows changes to the stock option plans outstanding for the period ending March 31, 2005.

	Options	Weighted Average Price
At December 31, 2004	1,077,700	\$3.41
Exercised	(105,500)	\$5.47
Cancelled	(6,750)	\$2.64
At March 31, 2005	965,450	\$3.31

The tables below are a summary of our stock options outstanding at March 31, 2005.

Treasury plan			
Outstanding	Exercisable	Exercise price	Remaining years outstanding
180,000	180,000	\$5.35	2.9
60,000	60,000	\$3.25	3.6
32,900	32,900	\$3.00	4.1
32,050	32,050	\$2.75	4.9
74,500	74,500	\$1.75	5.7
6,250	-	\$2.30	6.3
253,500	165,750	\$2.95	6.7
639,200	545,200	\$3.50	5.0

Supplementary plan			
Outstanding	Exercisable	Exercise price	Remaining years outstanding
94,000	94,000	\$1.75	1.7
222,250	132,000	\$2.95	2.7
10,000	5,000	\$5.80	3.1
326,250	231,000	\$2.69	2.4

7. Net Income Per Share

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

<i>(thousands of Canadian dollars)</i>	First Quarter	
	2005	2004
Net income	\$27,591	\$21,862
Income effect of assumed conversion of convertible debentures	-	1,314
Income available to common shareholders with assumed conversions	\$27,591	\$23,176

<i>(thousands)</i>	First Quarter	
	2005	2004
Weighted average common shares outstanding	41,417	39,710
Plus incremental shares from assumed conversions:		
Convertible debentures (note 2)	-	3,016
Stock options	771	1,616
Deferred share units	61	450
Diluted weighted average common shares outstanding	42,249	44,792

<i>(Canadian dollars per share)</i>	First Quarter	
	2005	2004
Basic net income per common share	\$0.67	\$0.55
Dilutive effect from assumed conversions:		
Convertible debentures per common share	-	(0.01)
Stock options per common share	(0.02)	(0.02)
Deferred share units per common share	-	-
Diluted net income per share	\$0.65	\$0.52

8. Foreign Currency Translation Account

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

<i>(thousands of Canadian dollars)</i>	March 31 2005	December 31 2004
Pyhäsalmi (euro functional currency)	\$9,177	\$13,731
Çayeli (US dollar functional currency)	(12,140)	(12,622)
Ok Tedi (US dollar functional currency)	(5,149)	(5,226)
	\$(8,112)	\$(4,117)

The Canadian dollar to United States dollar exchange rate was \$1.21 at March 31, 2005 and \$1.20 at December 31, 2004. The Canadian dollar to euro exchange rate was \$1.57 at December 31, 2004 and \$1.63 at December 31, 2004.

9. Investment and Other Income

Investment and other income is summarized as follows:

<i>(thousands of Canadian dollars)</i>	First Quarter	
	2005	2004
Interest income	\$2,608	\$1,979
Redemption costs of debentures (note 3)	(6,631)	-
Çayeli insurance proceeds	-	1,601
Litigation costs	-	(3,504)
Other	(190)	(346)
	\$(4,213)	\$(270)

Çayeli insurance proceeds

In 2004, Çayeli settled its claim with its insurance company regarding the 2002 groundfall event and received the final insurance settlement.

Litigation costs

A 1987 claim concerning a the Winston Lake mine was settled for \$3.5 million in 2004.

10. Income Tax Expense

The table below shows our current and future income tax expense.

<i>(thousands of Canadian dollars)</i>	First Quarter	
	2005	2004
Current income taxes	\$13,640	\$19,149
Future income taxes	1,739	507
	\$15,379	\$19,656

11. Commitments

Çayeli has committed approximately US \$7 million for work on its shaft deepening project. Ok Tedi has committed approximately US \$12 million (our proportionate share is US \$2.2 million) for the purchase of capital equipment.

12. Subsequent event

On May 3, we announced that we entered into an agreement with MK Resources Company and its majority shareholder, Leucadia National Corporation, to acquire a 70 percent interest in the Las Cruces copper project, located in Spain. Upon closing of the transaction, Inmet will issue 5.6 million of its common shares to MK Resources in consideration of the acquisition of the interest in Las Cruces. Closing of the transaction is subject to certain conditions being met.