INMET
MINING

Quarterly Report
Three and Nine Months Ended September 30, 2007

All amounts are in Canadian dollars, unless otherwise stated.

Management's Interim Discussion and Analysis

The following is management's interim discussion and analysis of operations and consolidated financial condition and should be read in conjunction with the consolidated audited financial statements and management's discussion and analysis included in Inmet's 2006 Annual Report.

Highlights

- **Higher net income per share**
  Net income per share this quarter was $2.38 compared to $2.31 for the same period in 2006.

- **Strong operating cash flow per share**
  Operating cash flow before working capital was $129.5 million or $2.68 per common share, which is consistent with the same period in 2006.

- **Update to our annual production estimates**
  We produced 19,000 tonnes of copper, 20,400 tonnes of zinc and 55,400 ounces of gold in the third quarter. Our annual production objectives are: copper 81,200 tonnes, zinc 82,800 tonnes and gold 227,200 ounces.

- **Plant construction delay at Las Cruces**
  Construction of the hydrometallurgical process plant has been delayed and is now scheduled to be completed in the fourth quarter of 2008. To manage the impact of this delay, Las Cruces plans to selectively mine and crush approximately 100,000 to 150,000 tonnes of high grade chalcocite ore and sell it as direct feed to copper smelters.

  We anticipate that the estimated project capital cost of €463 million will be increased by €4 million per month for owners and construction management costs from April 2008 until production begins.

- **Cerattepe construction started**
  Project development began this quarter with the construction of the ramp access, preparation work for the installation of the tramway and the engineering for the Çayeli mill expansion.

- **Petaquilla work is progressing**
  The drill program began, front-end engineering and design is advancing and work on the social and environmental assessment is progressing.

Key financial data

	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	2006	**change**
FINANCIAL HIGHLIGHTS						
(thousands, except per share amounts)						
Sales						
Gross sales	**$272,293**	$301,100	-10%	**$878,925**	$828,958	+6%
Net income						
Net income	**$114,836**	$111,582	+3%	**$353,964**	$323,233	+10%
Net income per share	**$2.38**	$2.31	+3%	**$7.33**	$6.71	+9%
Adjusted net income (1)	**$114,836**	$111,582	+3%	**$342,234**	$299,328	+14%
Adjusted net income per share (1)	**$2.38**	$2.31	+3%	**$7.09**	$6.21	+14%
Cash flow (1)						
Cash flow provided by operating activities (before working capital)	**$129,536**	$129,486	-	**$372,873**	$320,463	+16%
Cash flow provided by operating activities per share (before working capital)	**$2.68**	$2.68	-	**$7.72**	$6.65	+16%
Capital spending	**$117,989**	$49,936	+136%	**$252,003**	$87,040	+190%
OPERATING HIGHLIGHTS						
Production (2)						
Copper (tonnes)	**19,000**	20,700	-8%	**57,600**	60,900	-5%
Zinc (tonnes)	**20,400**	16,500	+24%	**59,100**	53,100	+11%
Gold (ounces)	**55,400**	57,900	-4%	**166,200**	182,800	-9%
Cash costs						
Copper (US $ per pound) (1), (3)	**$0.28**	$0.38	-26%	**$0.19**	$0.36	-47%
Gold (US $ per ounce) (1)	**$367**	$366	-%	**$384**	$350	+10%

FINANCIAL CONDITION	**as at September 30 2007**	as at December 31 2006
Current ratio	**6.1 to 1**	5.1 to 1
Long-term debt to total capitalization	**16%**	10%
Net working capital balance (millions)	**$854**	$666
Cash balance (millions)	**$815**	$640
Shareholders’ equity (millions)	**$1,319**	$1,073

(1) See reconciliation of non-GAAP measures on page 31 to see how these items are calculated.
(2) Inmet’s share.
(3) Çayeli and Pyhäsalmi zinc production and Ok Tedi gold production are included as metal credits.

Third quarter report

Where to find it

We prepared this report as of October 30, 2007.

In this report, *Inmet* means Inmet Mining Corporation and *we*, *us* and *our* mean Inmet and/or its subsidiaries and joint ventures.

Our financial results

(thousands, except per share amounts)	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	**2006**	**change**
EARNINGS FROM OPERATIONS[1]						
Çayeli	**$66,018**	$60,347	+9%	**$190,444**	$149,553	+27%
Pyhäsalmi	**34,101**	35,854	-5%	**110,433**	94,088	+17%
Troilus	**2,953**	2,115	+40%	**9,483**	4,805	+97%
Ok Tedi	**48,927**	60,011	-18%	**154,333**	163,660	-6%
Other	**(619)**	(414)	+50%	**(1,462)**	(1,368)	+7%
	151,380	157,913	-4%	**463,231**	410,738	+13%
DEVELOPMENT AND EXPLORATION						
Corporate development and exploration	**(2,475)**	(2,708)	-9%	**(5,573)**	(5,618)	-1%
CORPORATE COSTS						
General and administration	**(2,674)**	(2,618)		**(7,676)**	(7,612)	
Investment and other income	**6,784**	2,257		**16,066**	6,637	
Interest expense	**(424)**	(412)		**(1,286)**	(1,194)	
Income and capital taxes	**(37,922)**	(42,861)		**(122,355)**	(103,788)	
Non-controlling interest	**167**	11		**(173)**	165	
	(34,069)	(43,623)	-22%	**(115,424)**	(105,792)	+9%
Net income before other items	**$114,836**	$111,582	+3%	**$342,234**	$299,328	+14%
Gain on sale of Wolfden	**-**	-		**11,730**	-	+100%
Gain on sale of Izok	**-**	-		**-**	23,905	-100%
Net income	**$114,836**	$111,582	+3%	**$353,964**	$323,233	+10%
Basic net income per share	**$2.38**	$2.31	+3%	**$7.33**	$6.71	+9%
Diluted net income per share	**$2.37**	$2.31	+3%	**$7.32**	$6.70	+9%
Weighted average shares outstanding	**48,278**	48,274	-	**48,278**	48,190	-

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

Key changes in 2007

(millions)	three months ended September 30	nine months ended September 30	see page
EARNINGS FROM OPERATIONS			
Sales			
Higher (lower) metal prices denominated in Canadian dollars	$(27)	$15	7
Higher sales volumes	-	20	8
Costs			
Lower smelter processing charges and freight	20	29	10
Higher operating costs	-	(10)	10
Other	-	(2)	
Increase (decrease) in earnings from operations, compared to 2006	**(7)**	**52**	
CORPORATE COSTS			
Change in taxes from change in income	8	-	12
Change in tax rates	(3)	(19)	12
Gain on sale of Wolfden	-	12	11
Gain on sale of Izok recorded in the previous year	-	(25)	11
Other	5	11	
Increase in net income, compared to 2006	**$3**	**$31**	

Understanding our performance

Metal prices

The following table shows the metal prices, in US dollars and Canadian dollars, we realized (the prices we realize include finalization adjustments – see *Gross sales* on page 7).

	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	2006	**change**
US dollar metal prices						
Copper (per pound)	**US $3.62**	US $3.60	+1%	**US $3.37**	US $3.35	+1%
Zinc (per pound)	**US $1.37**	US $1.56	-12%	**US $1.50**	US $1.37	+9%
Gold (per ounce)	**US $580**	US $534	+9%	**US $571**	US $511	+12%
Canadian dollar metal prices						
Copper (per pound)	**C$ 3.76**	C$ 4.03	-7%	**C$ 3.74**	C$ 3.79	-1%
Zinc (per pound)	**C$ 1.42**	C$ 1.75	-19%	**C$ 1.67**	C$ 1.55	+8%
Gold (per ounce)	**C$ 603**	C$ 598	+1%	**C$ 634**	C$ 577	+10%

Exchange rates

Canadian dollar revenue and earnings were lower this quarter and year to date compared to the same periods last year because of the significant strengthening of the Canadian dollar relative to the US dollar. This lowered gross sales by $18 million this quarter, and by $19 million year to date. It also lowered net income this quarter by $12 million and year to date by $14 million.

The following table shows the average exchange rates we realized.

	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	2006	**change**
Exchange rates						
1 US$ to C$	**$1.04**	$1.12	-7%	**$1.11**	$1.13	-2%
1 euro to C$	**$1.44**	$1.43	+1%	**$1.48**	$1.41	+5%

Treatment charges and freight

Treatment charges are one component of smelter processing charges. We also pay smelters for content losses and price participation. Copper treatment charges have been lower in 2007 than they were in 2006 because we negotiated more favourable contract terms with smelters. Zinc treatment charges, as expected, are significantly higher in 2007 than they were in 2006, but lower price participation more than offset these charges.

The Baltic Dry Index, which monitors shipping rates, hit an all time high in September 2007 as port congestion and increasing global demand for raw materials have boosted freight rates.

The following table shows the average smelter processing charges we realized.

	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	2006	**change**
Smelter processing charges						
Copper (per pound)	**US $0.37**	US $0.57	-35%	**US $0.41**	US $0.54	-24%
Zinc (per pound)	**US $0.37**	US $0.55	-33%	**US $0.43**	US $0.46	-7%
Freight charges						
Copper (per tonne)	**US $49**	US $43	+14%	**US $45**	US $42	+7%
Zinc (per tonne)	**US $23**	US $21	+10%	**US $27**	US $18	+50%

Statutory tax rates

The following table shows the statutory tax rates for each of our taxable operating mines.

	2007	2006	**change**
Statutory tax rates			
Çayeli	**27%**	20%	+7%
Pyhäsalmi	**26%**	26%	-
Ok Tedi	**37%**	37%	-

The increase in tax rate at Çayeli in 2007 is because we have returned to accruing for withholding taxes on net income in anticipation of dividend payments.

EARNINGS FROM OPERATIONS

We calculate earnings from operations by taking the revenues generated from the sale of metals, less the costs associated with those sales, and then subtracting depreciation charges for capital investments and provisions for mine rehabilitation.

1. Gross sales were 10 percent lower this quarter …

	three months ended September 30			nine months ended September 30		
(thousands)	**2007**	2006	**change**	**2007**	2006	**change**
Gross sales by operation						
Çayeli	**$107,664**	$105,916	+2%	**$337,606**	$282,694	+19%
Pyhäsalmi	**60,427**	64,436	-6%	**201,574**	185,678	+9%
Troilus	**24,970**	29,274	-15%	**81,061**	77,515	+5%
Ok Tedi (1)	**79,232**	101,474	-22%	**258,684**	283,071	-9%
	$272,293	$301,100	-10%	**$878,925**	$828,958	+6%
Gross sales by metal						
Copper	**$174,338**	$195,510	-11%	**$506,718**	$511,117	-1%
Zinc	**54,983**	57,378	-4%	**227,467**	182,437	+25%
Gold	**33,826**	37,544	-10%	**111,700**	105,808	+6%
Other	**9,146**	10,668	-14%	**33,040**	29,596	+12%
	$272,293	$301,100	-10%	**$878,925**	$828,958	+6%

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

… because of lower copper and zinc prices in the quarter

(millions)	three months ended September 30	nine months ended September 30
Lower copper prices, denominated in C$	$(12)	$(12)
Higher (lower) zinc prices, denominated in C$	(14)	15
Higher (lower) gold prices and other metal prices, denominated in C$	(1)	12
Higher (lower) sales volumes	(2)	35
Increase (decrease) in gross sales, compared to 2006	**$(29)**	**$50**

We record sales using the metal price for sales settled during the reporting period. For sales that have not been settled, we use an estimate based on the month we expect the sale to settle and the metal's forward price at the end of the reporting period. We recognize the difference between our estimate and the final price by adjusting our gross sales in the period we settle the sale (finalization adjustment).

We made the following finalization adjustments for sales recorded in the second quarter of 2007 that were settled this quarter:

- we increased copper sales by US $3 million
- we decreased zinc sales by US $1 million.

At the end of this quarter, the following sales had not been settled:

- 31 million pounds of copper provisionally priced at US $3.64 per pound
- 26 million pounds of zinc provisionally priced at US $1.40 per pound.

The finalization adjustment we record for these sales will depend on the actual price we receive on final settlement.

…and because of lower gold sales volume during the third quarter

	three months ended September 30			nine months ended September 30		
	2007	2006	**change**	**2007**	2006	**change**
Sales volumes						
Copper (tonnes)	**21,000**	22,000	-5%	**61,900**	60,800	+2%
Zinc (tonnes)	**17,900**	15,000	+19%	**62,800**	53,900	+17%
Gold (ounces)	**55,500**	62,900	-12%	**176,400**	182,300	-3%

Our sales volumes are directly affected by the amount of production from our mines, and our ability to ship to our customers.

Sales volumes of gold this quarter were lower than the third quarter of last year because gold production was down at Ok Tedi and Troilus made fewer shipments. Sales volumes of zinc this quarter and year to date were higher than the same periods in 2006, in line with higher production.

Production

	three months ended September 30			nine months ended September 30			***revised objective***
Inmet's share	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Copper (tonnes)							
Ok Tedi	**6,900**	8,200		**21,700**	26,200		***31,300***
Çayeli	**7,900**	7,800		**23,500**	22,700		***33,000***
Pyhäsalmi	**3,400**	3,900		**10,300**	9,800		***14,000***
Troilus	**800**	800		**2,100**	2,200		***2,900***
	19,000	20,700	-8%	**57,600**	60,900	-5%	***81,200***
Zinc (tonnes)							
Çayeli	**12,300**	9,700		**32,500**	26,600		***44,400***
Pyhäsalmi	**8,100**	6,800		**26,600**	26,500		***38,400***
	20,400	16,500	+24%	**59,100**	53,100	+11%	***82,800***
Gold (ounces)							
Troilus	**36,400**	34,600		**104,700**	108,600		***139,000***
Ok Tedi	**19,000**	23,300		**61,500**	74,200		***88,200***
	55,400	57,900	-4%	**166,200**	182,800	-9%	***227,200***
Pyrite (tonnes)							
Pyhäsalmi	**45,100**	56,900	-21%	**304,000**	334,800	-9%	***537,000***

This quarter:

- copper production was lower than the same period last year because throughput at Ok Tedi was down.
- zinc production was higher mainly because of higher grades and higher throughput at Çayeli.
- gold production was lower because throughput was down at both Troilus and Ok Tedi.

2007 outlook for sales

We made some minor changes to our 2007 production estimates this quarter to reflect the most recent forecasts at our operations.

We expect sales of all metals for the year to be consistent with these revised production estimates. The total amount we will receive in Canadian dollars will be affected by US dollar denominated metal prices and the exchange rate between the US dollar and the Canadian dollar.

2. Copper cash costs this quarter were lower than 2006

We measure cost performance at our operations by tracking costs per pound of copper or ounce of gold in US dollars.

Cash costs include:

- direct production costs, such as labour, fuel, consumables and other costs directly related to the production of metals
- *plus* smelter processing charges and freight
- *less* revenue from the sale of by-product metals (metal credits).

The table below shows our cash cost by operation.

(US $)	three months ended September 30 2007	2006	change	nine months ended September 30 2007	2006	change	*revised objective 2007*
Cash cost per pound of copper							
Çayeli [1]	**$0.20**	$0.29	-31%	$0.25	$0.50	-50%	***$0.16***
Pyhäsalmi [1,2]	**(0.87)**	(0.56)	+55%	(1.42)	(1.20)	+18%	***(1.61)***
Ok Tedi [3]	**0.94**	0.93	+1%	0.86	0.83	+4%	***0.77***
	$0.28	$0.38	-26%	$0.19	$0.36	-47%	***$0.08***
Cash cost per ounce of gold							
Troilus [4,5]	**$367**	$366	-	**$384**	$350	+10%	***$370***

To estimate the by-product credits for our 2007 objectives, we used:
(1) a zinc price of US $1.46 per pound
(2) a euro to US dollar exchange rate of US $1.30
(3) a gold price of US $620 per ounce
(4) a copper price of US $3.44 per pound
(5) a US dollar to Canadian dollar exchange rate of $1.10.

Our cash cost per pound of copper this quarter was 26 percent lower than the same period last year mainly because:

- zinc metal credits were higher because zinc production was higher
- smelter processing charges and freight were lower because copper and zinc price participation charges and copper treatment charges were lower.

The table below shows the breakdown of our cash cost per pound of copper:

(US $)	three months ended September 30 2007	2006	change	nine months ended September 30 2007	2006	change	*revised objective 2007*
Cash cost per pound of copper							
Direct production costs	**$1.16**	$0.90	+29%	**$1.11**	$0.91	+22%	***$1.03***
Royalties and variable compensation	**0.07**	0.10	-30%	**0.09**	0.10	-10%	***0.11***
Smelter processing charges and freight	**1.05**	1.13	-7%	**1.04**	1.11	-6%	***1.03***
Metal credits	**(2.00)**	(1.75)	+14%	**(2.05)**	(1.76)	+16%	***(2.09)***
	$0.28	$0.38	-26%	**$0.19**	$0.36	-47%	***$0.08***

Unit direct production costs for copper were higher this quarter and year to date because copper production was down, the value of the US dollar was lower and labour and consumable costs were higher, compared to 2006.

Direct production costs and cost of sales

Our cost of sales this quarter was lower than in 2006…

(thousands)	three months ended September 30 **2007**	2006	change	nine months ended September 30 **2007**	2006	change
Cost of sales by operation						
Çayeli	**$20,518**	$18,034	+14%	**$65,996**	$55,092	+20%
Pyhäsalmi	**11,579**	11,135	+4%	**37,886**	35,999	+5%
Troilus	**17,755**	20,909	-15%	**57,887**	56,422	+3%
Ok Tedi (1)	**19,146**	23,400	-18%	**63,694**	69,224	-8%
Other	**619**	414	+50%	**1,462**	1,368	+7%
	$69,617	$73,892	-6%	**$226,925**	$218,105	+4%

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

…mainly because lower sales volumes and foreign exchange more than offset higher costs

(millions)	**three months ended September 30**	**nine months ended September 30**
Volume	$(5)	$(3)
Labour costs	2	5
Consumables	7	12
Costs that vary with income and cash flow	(3)	(4)
Foreign exchange	(5)	(1)
Increase (decrease) in cost of sales, compared to 2006	**$(4)**	**$9**

Smelter processing charges and freight

(thousands)	three months ended September 30 **2007**	2006	change	nine months ended September 30 **2007**	2006	change
Smelter processing charges and freight by operation						
Çayeli	**$19,474**	$25,713	-24%	**$74,944**	$72,503	+3%
Pyhäsalmi	**12,983**	15,111	-14%	**46,697**	49,307	-5%
Troilus	**1,478**	3,127	-53%	**6,191**	8,214	-25%
Ok Tedi (1)	**8,622**	16,319	-47%	**34,744**	45,576	-24%
	$42,557	$60,270	-29%	**$162,576**	$175,600	-7%
Smelter processing charges and freight by metal						
Copper	**$22,479**	$35,018	-36%	**$77,156**	$97,839	-21%
Zinc	**17,673**	22,783	-22%	**76,459**	70,304	+9%
Other	**2,405**	2,469	-3%	**8,961**	7,457	+20%
	$42,557	$60,270	-29%	**$162,576**	$175,600	-7%

(1) Our 18 percent share of Ok Tedi's smelter processing charges and freight.

Copper treatment charges were lower in the third quarter and year to date compared to 2006 because of more favourable contract terms with smelters. Zinc smelter processing charges were lower in the third quarter despite higher sales volumes, because the lower zinc price reduced our price participation charges. Zinc processing charges year to date are higher than last year because of higher zinc sales.

2007 outlook for costs

We have revised our 2007 copper cash cost objective to US $0.08 per pound from US $(0.01) per pound because we expect operating costs to be higher and copper production to be slightly lower.

3. Depreciation is higher for the year

(thousands)	three months ended September 30 2007	2006	change	nine months ended September 30 2007	2006	change
Depreciation by operation						
Çayeli	**$1,654**	$1,822	-9%	**$6,222**	$5,546	+12%
Pyhäsalmi	**1,764**	2,336	-24%	**6,558**	6,284	+4%
Troilus	**2,784**	3,123	-11%	**7,500**	8,074	-7%
Ok Tedi	**2,537**	1,744	+45%	**5,913**	4,611	+28%
	$8,739	$9,025	-3%	**$26,193**	$24,515	+7%

Depreciation at Ok Tedi was higher because of the depreciation of recent capital additions for mining operations.

2007 outlook for depreciation
We expect depreciation to be approximately $34 million for 2007.

CORPORATE COSTS

This includes general and administration costs, taxes and interest. We also record income from investments in this category, as well as income we receive from other transactions.

1. Investment income was higher in the quarter because of rising interest income

(thousands)	three months ended September 30 2007	2006	nine months ended September 30 2007	2006
Gain on sale of Izok	**$ -**	$ -	**$ -**	$23,905
Gain on sale of Wolfden	**-**	-	**11,730**	-
Interest and dividend income	**10,451**	4,483	**27,015**	8,720
Foreign exchange loss	**(4,695)**	(2,390)	**(14,240)**	(2,610)
Other	**1,028**	164	**3,291**	527
	$6,784	$2,257	**$27,796**	$30,542

In 2006, we sold our interest in the Izok development property to Wolfden Resources Inc., and recorded a gain of $23.9 million. In exchange, we received 13.5 million common shares of Wolfden and 9.5 million common shares of Premier Gold Mining Ltd. This year, we disposed of our shares in Wolfden to Zinifex Canadian Enterprises Inc. for cash proceeds of $51.4 million or $3.81 per share, and recorded a gain of $11.7 million.

Interest income was higher this quarter and year to date compared to the same periods last year because we had higher cash balances.

We recorded a foreign exchange loss of $4.7 million this quarter because of the revaluation of some of our foreign currency denominated accounts and cash balances, and the recognition of deferred foreign exchange losses from dividends from Ok Tedi.

2007 outlook for investment and other income
Investment and other income will be affected by cash balances, interest rates and exchange rates. Rising cash balances at our foreign operations may lead us to continue to repatriate funds. This could result in foreign exchange losses or gains depending on the strength or weakness of the Canadian dollar relative to the other currencies, compared to when we initially invested in the operation, or the foreign exchange rate at which funds were accumulated. We are not expecting significant repatriations for the remainder of the year.

2. Income tax expense was lower in the quarter

(thousands)	three months ended September 30 **2007**	2006	**change**	nine months ended September 30 **2007**	2006	**change**
Çayeli	**$13,055**	$12,508	+4%	**$40,489**	$21,810	+86%
Pyhäsalmi	**7,425**	8,186	-9%	**24,711**	21,215	+16%
Ok Tedi	**17,015**	22,208	-23%	**54,923**	60,313	-9%
Las Cruces	**(232)**	-	-100%	**254**	-	+100%
Corporate	**659**	(41)	+1707%	**1,978**	450	+340%
	$37,922	$42,861	-12%	**$122,355**	$103,788	+18%

Tax expense has fluctuated in parallel with earnings. At Çayeli, the statutory tax rate is higher this year because we have returned to accruing for withholding taxes on net income in anticipation of dividend payments. The following table shows Cayeli's tax expense in more detail:

(millions)	three months ended September 30 **2007**	2006	nine months ended September 30 **2007**	2006
Current and future income tax expense	**$10**	$12	**$31**	$32
Withholding tax expense	**3**	-	**9**	-
Reduction in tax rate - 2006	**-**	-	**-**	(10)
	$13	$12	**$40**	$22

Despite higher earnings, Çayeli's current tax expense was lower this quarter and year to date than the same periods last year because of foreign exchange losses in their Turkish lira tax accounts. The 2006 tax expense includes the impact of a rate reduction. In June 2006, the Turkish government enacted tax legislation that reduced Çayeli's corporate tax rate to 20 percent from 30 percent effective January 1, 2006.

2007 outlook for income tax expense
We are not expecting any further changes in statutory tax rates at our operations in 2007.

Results of our operations

ÇAYELI

		three months ended September 30			nine months ended September 30			*revised objective*
		2007	2006	**change**	**2007**	2006	**change**	***2007***
Tonnes of ore milled (000's)		**262**	240	+9%	**770**	686	+12%	***1,050***
Tonnes of ore milled per day		**2,850**	2,600	+9%	**2,800**	2,500	+12%	***2,900***
Grades (percent)	copper	**3.7**	3.8	-3%	**3.7**	3.9	-5%	***3.8***
	zinc	**6.4**	5.5	+16%	**6.0**	5.4	+11%	***6.0***
Mill recoveries (percent)	copper	**81**	85	-5%	**82**	85	-4%	***82***
	zinc	**73**	74	-1%	**71**	72	-1%	***71***
Production (tonnes)	copper	**7,900**	7,800	+1%	**23,500**	22,700	+4%	***33,000***
	zinc	**12,300**	9,700	+27%	**32,500**	26,600	+22%	***44,400***

Çayeli ore production continues strong with much improved metallurgical performance

Ore production at Çayeli this quarter was nine percent higher than in the same period last year, and higher than the first two quarters of this year. By blending different ore types, Çayeli was also able to significantly improve metallurgical performance during the quarter in comparison to prior quarters.

2007 outlook for production
We expect ore production for the rest of 2007 to be in line with our objective for the year of 1.1 million tonnes.

Cash costs remain lower and are expected to decrease further by year end

Cash costs this quarter and year to date are lower than last year because of higher zinc metal credits.

	three months ended September 30			nine months ended September 30			*revised objective*
(US $)	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Cash cost per pound of copper							
Direct production costs	**$1.01**	$0.78	+29%	**$0.97**	$0.77	+26%	***$0.91***
Royalty payments	**0.16**	0.13	+23%	**0.15**	0.14	+7%	***0.20***
Total direct production costs	**1.17**	0.91	+29%	**1.12**	0.91	+23%	***1.11***
Smelter processing charges and freight	**1.29**	1.43	-10%	**1.22**	1.30	-6%	***1.21***
Metal credits (1)	**(2.26)**	(2.05)	+10%	**(2.09)**	(1.71)	+22%	***(2.16)***
Cash costs	**$0.20**	$0.29	-31%	**$0.25**	$0.50	-50%	***$0.16***
Depreciation and other non-cash costs	**0.13**	0.11	+18%	**0.13**	0.11	+18%	***0.14***
Total costs	**$0.33**	$0.40	-18%	**$0.38**	$0.61	-38%	***$0.30***

(1) We used a zinc price of US $1.47 per pound to estimate the metal credit in the 2007 objective for cash costs per pound of copper. For every US $0.05 per pound change in the price of zinc, cash costs would change by US $0.04 per pound.

Direct production costs this quarter were US $0.23 per pound higher than 2006

(US $ per pound)	three months ended September 30	nine months ended September 30
Impact of higher copper production	$(0.01)	$(0.03)
Higher labour costs	0.09	0.08
Higher consumable and energy costs	0.11	0.08
Higher consumable volumes	0.01	0.04
Other	0.03	0.03
Increase in direct production costs, compared to 2006	**$0.23**	**$0.20**

2007 outlook for costs
We have adjusted our unit cost objective for Çayeli to US $0.16 per pound, from our initial objective of US ($0.02) per pound, to account for higher labour and material costs, and lower zinc production.

Capital spending higher than 2006

	three months ended September 30			nine months ended September 30			***revised objective***
(thousands of US$)	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Capital spending	**$5,900**	$2,900	+103%	**$14,100**	$9,400	+50%	***$19,000***

About half of the capital spending year to date (US $7 million; US $2 million in the third quarter) has been on the shaft extension project.

2007 outlook for capital spending
We have allocated capital spending in the rest of 2007 to mine development, loaders and for sustaining and other capital.

Operating earnings improved from 2006

		three months ended September 30			nine months ended September 30		
		2007	2006	**change**	**2007**	2006	**change**
Sales (tonnes)	copper	**8,800**	7,900	+11%	**24,200**	21,600	+12%
	zinc	**10,400**	8,500	+22%	**36,700**	28,800	+27%
Operating earnings (millions)		**$66.0**	$60.3	+9%	**$190.4**	$149.6	+27%
Operating cash flows (millions)		**$41.6**	$64.0	-35%	**$163.9**	$149.2	+10%

…mainly because of higher metal prices, and higher zinc sales volumes year to date

(millions)	three months ended September 30	nine months ended September 30
Higher (lower) metal prices, denominated in Canadian dollars	$(14)	$7
Higher sales volumes	10	27
Lower smelter processing charges	11	14
Higher operating costs	(1)	(6)
Other	-	(1)
Increase in operating earnings, compared to 2006	**6**	**41**
Higher tax expense from higher rates	(3)	(9)
Changes in working capital	(21)	(14)
Other	(4)	(3)
Increase (decrease) in operating cash flow, compared to 2006	**$(22)**	**$15**

The change in working capital this quarter and year to date is from higher accounts receivable because of higher sales.

PYHÄSALMI

		three months ended September 30			nine months ended September 30			*revised objective*
		2007	2006	**change**	**2007**	2006	**change**	***2007***
Tonnes of ore milled (000's)		**348**	353	- 1%	**1,019**	1,026	- 1%	***1,370***
Tonnes of ore milled per day		**3,780**	3,800	- 1%	**3,730**	3,800	- 1%	***3,750***
Grades (percent)	copper	**1.0**	1.2	- 17%	**1.1**	1.0	+ 10%	***1.1***
	zinc	**2.6**	2.2	+ 18%	**2.9**	2.8	+ 4%	***3.1***
	sulphur	**40.7**	40.4	+ 1%	**40.3**	39.6	+ 2%	***41***
Mill recoveries (percent)	copper	**95**	95	-	**95**	95	-	***95***
	zinc	**89**	88	+ 1%	**91**	93	- 2%	***92***
Production (tonnes)	copper	**3,400**	3,900	- 13%	**10,300**	9,800	+ 5%	***14,000***
	zinc	**8,100**	6,800	+ 19%	**26,600**	26,500	-	***38,400***
	pyrite	**45,100**	56,900	- 21%	**304,000**	334,800	- 9%	***537,000***

Pyhäsalmi increases its annual copper production objective

Mill throughput is consistent with 2006.

As expected, higher zinc grades in the third quarter led to increased production compared to the same period last year. The mine decreased pyrite production in the third quarter of 2007 and 2006 to reduce stockpile levels.

2007 outlook for production
We expect Pyhäsalmi to meet its production objectives for 2007. Because copper grades should be higher for the year as a whole, we expect 2007 copper production to be nine percent higher than originally anticipated. We also expect an incremental increase in zinc production for the year because we plan to mine zinc rich stopes in the fourth quarter.

Cash costs were lower

Zinc production increased considerably in the third quarter, which increased metal credits and reduced cash costs. Improved terms for copper treatment charges also contributed to lower cash costs overall.

	three months ended September 30			nine months ended September 30			*revised objective*
(US $)	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Cash cost per pound of copper							
Direct production costs	**$1.38**	$1.11	+24%	**$1.47**	$1.43	+3%	***$1.34***
Smelter processing charges and freight	**1.46**	1.46	-	**1.59**	1.85	-14%	***1.69***
Metal credits (1)	**(3.71)**	(3.13)	+19%	**(4.48)**	(4.48)	-	***(4.64)***
Cash costs	**$(0.87)**	$(0.56)	+55%	**$(1.42)**	$(1.20)	+18%	***$(1.61)***
Depreciation and other non-cash costs	**0.25**	0.26	-4%	**0.28**	0.28	-	***0.28***
Total costs	**$(0.62)**	$(0.30)	+107%	**$(1.14)**	$(0.92)	+24%	***$(1.33)***

(1) We used a zinc price of US $1.47 per pound to estimate the metal credit in our 2007 objective for cash costs per pound of copper, and a euro to US dollar exchange rate of US $1.30. For every US $0.05 per pound change in the price of zinc, cash costs would change by US $0.11 per pound.

Lower copper production this quarter increased unit direct production costs

Operating costs in euros for the quarter were consistent with 2006, but US dollar unit production costs were higher because copper production was lower compared to last year, as was the value of the US dollar.

(US $ per pound)	three months ended September 30	nine months ended September 30
Weakened US dollar compared to the euro	$0.11	$0.11
Change in costs due to change in copper production	0.17	(0.07)
Other	(0.01)	-
Increase in direct production costs, compared to 2006	**$0.27**	**$0.04**

2007 outlook for costs
Our annual cash cost objective for Pyhäsalmi is consistent with our initial objective of US ($1.61) per pound. We expect the impact of the weaker US dollar relative to the euro to be offset by higher copper production.

Minimal capital spending in 2007, as expected

	three months ended September 30			nine months ended September 30			***revised objective***
(thousands)	**2007**	2006	**change**	**2007**	2006	**Change**	***2007***
Capital spending	**€900**	€1,200	-25%	**€1,400**	€2,400	-42%	***€2,500***

2007 outlook for capital spending
We expect to spend €2.5 million to replace mine mobile equipment and for other sustaining capital.

Operating cash flows higher than last year

		three months ended September 30			nine months ended September 30		
		2007	2006	**change**	**2007**	2006	**change**
Sales (tonnes)	copper	**3,900**	3,800	+3%	**10,700**	9,800	+9%
	zinc	**7,500**	6,300	+19%	**26,100**	25,000	+4%
	pyrite	**118,100**	113,600	+4%	**376,400**	363,500	+4%
Operating earnings (millions)		**$34.1**	$35.9	-5%	**$110.4**	$94.1	+17%
Operating cash flows (millions)		**$52.7**	$29.5	+79%	**$103.7**	$70.8	+46%

…mainly because of working capital changes

(millions)	three months ended September 30	nine months ended September 30
Higher (lower) metal prices, denominated in Canadian dollars	$(9)	$5
Higher sales volumes	3	7
Lower smelter processing charges and freight	4	6
Other	-	(2)
Increase (decrease) in operating earnings, compared to 2006	**$(2)**	**$16**
Change in tax expense because of change in earnings	1	(3)
Changes in working capital	25	21
Other	(1)	(1)
Increase in operating cash flow, compared to 2006	**$23**	**$33**

The change in working capital is mainly because accounts receivable balances are lower this year because of lower zinc prices and volumes.

TROILUS

		2007	2006	change	2007	2006	change	revised objective 2007
		three months ended September 30			**nine months ended September 30**			
Tonnes of ore milled (000's)		**1,475**	1,645	- 10%	**4,600**	4,880	- 6%	***6,100***
Tonnes of ore milled per day		**16,000**	17,900	- 10%	**16,800**	17,900	- 6%	***16,700***
Strip ratio		**1.1**	1.3	- 15%	**1.0**	1.6	- 38%	***1.1***
Grades	gold (grams/tonne)	**0.93**	0.79	+ 18%	**0.87**	0.84	+ 4%	***0.87***
	copper (percent)	**0.06**	0.05	+ 20%	**0.05**	0.05	-	***0.05***
Mill recoveries (percent)	gold	**83**	83	-	**82**	82	-	***81***
	copper	**89**	88	+ 1%	**87**	87	-	***87***
Production	gold (ounces)	**36,400**	34,600	+ 5%	**104,700**	108,600	- 4%	***139,000***
	copper (tonnes)	**800**	800	-	**2,100**	2,200	- 5%	***2,900***

Mill throughput affected by harder ores during the third quarter

While mill throughput was below expectations this quarter, higher gold grades increased gold production compared to the same period last year. Hard ore from the 87 pit lowered throughput, and we expect this to continue until we can access the lower levels of the pit in September 2008.

We continue to look at alternatives in our grinding circuit to optimize performance. We made some changes in the SAG mill at the end of the quarter and this appears to have been successful in improving performance and utilizing the power available.

2007 outlook for production

We expect gold production for 2007 to be 139,000 ounces, compared to our original objective of 157,900 ounces. This is the result of the ball mill capacity restrictions we experienced this year, and a three-day unplanned mill shut down in October to replace the ball mill pinion. We have adjusted our ore throughput target to 6.1 million tonnes for the year.

Cash cost per ounce in the quarter consistent to last year's unit cost

Troilus pays for its production costs in Canadian dollars, but reports its cash costs in US dollars. The weaker US dollar has increased US dollar cash costs this year, but higher gold production offset most of that increase this quarter.

(US $)	2007	2006	change	2007	2006	change	revised objective 2007
	three months ended September 30			**nine months ended September 30**			
Cash cost per ounce of gold							
Direct production costs	**$489**	$478	+2%	**$488**	$465	+5%	***$486***
Smelter processing charges and freight	**43**	73	-41%	**53**	69	-23%	***48***
Metal credits [1]	**(165)**	(185)	-11%	**(157)**	(184)	-15%	***(164)***
Cash cost	**$367**	$366	-	**$384**	$350	+10%	***$370***
Depreciation and other non-cash costs	**81**	75	+8%	**64**	70	-9%	***69***
Total cost	**$448**	$441	+2%	**$448**	$420	+7%	***$439***

(1) We used a copper price of US $3.30 per pound to estimate the metal credit in the 2007 objective for cash costs per ounce of gold and a US dollar to Canadian dollar exchange rate of $1.10.

Direct production costs this quarter were US $11 per ounce higher than 2006

(US $ per ounce)	three months ended September 30	nine months ended September 30
Stronger Canadian dollar	$34	$12
Change in costs due to change in production	(26)	18
Lower consumable costs	-	(8)
Other	3	1
Increase in direct production costs, compared to 2006	**$11**	**$23**

2007 outlook for unit costs

We have adjusted our unit cost objective to US $370 per ounce, from our original objective of US $348 per ounce, because we expect gold production to be lower for the year as a whole.

Modest capital spending

	three months ended September 30			nine months ended September 30			*revised objective*
(thousands)	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Capital spending	**$1,100**	$1,300	-15%	**$1,500**	$1,900	-21%	***$2,000***

2007 outlook for capital spending

The mine will spend approximately $2 million on copper cleaner cells in the mill, on a tailings dam lift and embankment enforcements, and on other sustaining capital.

Operating earnings higher because of higher gold prices

		three months ended September 30			nine months ended September 30		
		2007	2006	**change**	**2007**	2006	**change**
Sales	gold (ounces)	**33,900**	38,400	-12%	**106,100**	105,400	+1%
	copper (tonnes)	**700**	900	-22%	**2,100**	2,200	-5%
Operating earnings (millions)		**$3.0**	$2.1	+43%	**$9.5**	$4.8	+98%
Operating cash flows (millions)		**$4.8**	$13.3	-64%	**$9.5**	$12.0	-21%

(millions)	three months ended September 30	nine months ended September 30
Higher metal prices denominated in Canadian dollars	$-	$4
Lower smelter processing charges	1	1
Increase in operating earnings, compared to 2006	**1**	**5**
Changes in working capital	(8)	(4)
Other	(2)	(3)
Decrease in operating cash flow, compared to 2006	**$(9)**	**$(2)**

The change in working capital results from an increase in accounts receivable. The increase is because of new payment terms for the smelter, which began in 2007.

OK TEDI

(100 percent)			three months ended September 30 2007	2006	change	nine months ended September 30 2007	2006	change	revised objective 2007
Tonnes of ore milled (000's)			**6,500**	6,700	- 3%	**19,500**	20,800	- 6%	***26,000***
Tonnes of ore milled per day			**70,700**	72,800	- 3%	**71,500**	76,200	- 6%	***71,000***
Strip ratio			**1.1**	1.8	- 39%	**1.2**	1.7	- 29%	***1.1***
Grades	copper (percent)		**0.7**	0.8	- 13%	**0.7**	0.8	- 13%	***0.7***
	gold (grams/tonne)		**0.8**	0.8	-	**0.8**	0.9	- 11%	***0.8***
Mill recoveries (percent)		copper	**86**	86	-	**86**	86	-	***87***
		gold	**64**	73	- 12%	**71**	71	-	***72***
Production	copper (tonnes)		**38,200**	45,500	- 16%	**120,800**	145,300	- 17%	***174,000***
	gold (ounces)		**105,400**	129,500	- 19%	**341,400**	412,100	- 17%	***490,000***

High fluorine ore continued to impact production as expected

Ok Tedi continued to mine skarn ores in the pit that contained high levels of fluorine. To reduce the fluorine to levels acceptable by smelters, Ok Tedi also mined lower grade ore from other areas of the pit. However, this had the effect of reducing copper and gold head grades, lowering copper and gold production to well below last year's levels.

Ok Tedi has developed a fluorine management plan to improve concentrate quality and increase the sale of concentrates containing elevated fluorine levels. The mine is currently opening additional working faces in the pit, including areas that are expected to contain lower levels of fluorine. We expect these areas will be in production in early 2008. At that time, Ok Tedi should be in a position to blend the ore to bring down fluorine levels in the concentrate.

2007 outlook for production
We expect Ok Tedi's 2007 production to be affected by fluorine content in the ore and have reflected this in the mine's production objectives:

- copper production is expected to be 174,000 tonnes compared to our original objective of 188,000 tonnes
- gold production is expected to be 490,000 ounces compared to our original objective of 507,000 ounces.

Costs higher mainly due to lower production

(US $)	three months ended September 30 2007	2006	change	nine months ended September 30 2007	2006	change	revised objective 2007
Cash cost per pound of copper							
Direct production costs	**$1.23**	$0.92	+34%	**$1.08**	$0.84	+29%	***$1.02***
Variable compensation	**-**	0.12	-100%	**0.06**	0.11	-45%	***0.07***
Smelter processing charges and freight	**0.57**	0.69	-17%	**0.58**	0.66	-12%	***0.53***
Metal credits (1)	**(0.86)**	(0.80)	+8%	**(0.86)**	(0.78)	+10%	***(0.85)***
Cash cost	**$0.94**	$0.93	+1%	**$0.86**	$0.83	+4%	***$0.77***
Depreciation and other non-cash costs	**0.14**	0.08	+75%	**0.13**	0.07	+86%	***0.11***
Total costs	**$1.08**	$1.01	+7%	**$0.99**	$0.90	+10%	***$0.88***

(1) We used a gold price of US $650 per ounce to estimate the metal credit in the 2007 objective for cash costs per pound of copper.

Direct production costs in the quarter were US $0.31 per pound higher than 2006

(US $ per pound)	**three months ended September 30**	**nine months ended September 30**
Increase in costs from lower production	$0.20	$0.18
Higher labour costs	0.02	0.01
Higher consumables cost	0.01	0.02
Higher payments to the community	0.05	0.03
Other	0.03	-
Increase in direct production costs, compared to 2006	**$0.31**	**$0.24**

2007 outlook for costs
We revised our annual cash cost objective from our original objective of US $0.61 per pound, to US $0.77 per pound of copper, mainly because we now expect copper production to be lower.

Capital spending was higher because of the mine waste management program

Ok Tedi's capital spending this quarter was mainly for the mine waste management program.

(100 percent)		**three months ended September 30**			**nine months ended September 30**		***objective***
(thousands of US$)	**2007**	2006	**change**	**2007**	2006	**change**	***2007***
Capital spending	**$45,000**	$15,600	+188%	**$107,700**	$32,400	+232%	***$209,000***

2007 outlook for capital spending
Most of the capital spending at Ok Tedi for the rest of the year will be related to the mine waste management program. The remaining amount will be spent on capital required for pit drainage, mine equipment and other sustaining capital.

Operating earnings lower this quarter from lower sales volumes

Sales volumes were lower mainly because production was lower. Concentrate inventory was reduced by 13,000 tonnes this quarter, to 70,000 tonnes as at September 30, 2007.

		three months ended September 30			**nine months ended September 30**		
(18 percent)		**2007**	2006	**change**	**2007**	2006	**change**
Sales	copper (tonnes)	**7,600**	9,400	-19%	**24,900**	27,200	-8%
	gold (ounces)	**21,600**	24,600	-12%	**70,300**	77,000	-9%
Operating earnings (millions)		**$48.9**	$60.0	-19%	**$154.3**	$163.7	-6%
Operating cash flows (millions)		**$5.8**	$46.9	-88%	**$75.8**	$138.7	-45%

(millions)	**three months ended September 30**	**nine months ended September 30**
Lower metal prices, denominated in Canadian dollars	$(3)	$(1)
Lower sales volumes	(13)	(14)
Lower smelter processing charges	4	8
Lower variable compensation	3	4
Higher operating costs	(2)	(6)
Decrease in operating earnings, compared to 2006	**(11)**	**(9)**
Decreased tax expense because of lower earnings	8	6
Changes in net working capital	(38)	(59)
Other	-	(1)
Decrease in operating cash flow, compared to 2006	**$(41)**	**$(63)**

The change in working capital is mainly because of higher accounts receivable from timing of receipts and the payment of taxes.

Status of our development projects

Las Cruces

Quarterly development update – delay in plant construction

Construction of the hydrometallurgical process plant has been delayed and is now scheduled to be completed in the fourth quarter of 2008. It is approximately 50 percent complete and is behind schedule mainly because of delays in finalizing engineering drawings and the disappointing performance of a major contractor. Detailed engineering is now fully completed and all construction drawings have been issued. Las Cruces has also replaced one of its prime contractors and re-tendered several parts of the project. It anticipates meeting the milestones for completing the remaining 50 percent of construction. Although the delay is disappointing, it also provides Las Cruces with the opportunity to prepare for a smooth commissioning and allows it to use the ore stockpile to prepare an optimal blend for start-up.

We anticipate that the estimated project capital cost of €463 million will be increased by €4 million per month from April 2008 until production begins to cover owners and construction management costs.

Overburden removal in the pit is proceeding as planned and we expect that the first ore will be mined by May 2008. Aomsa, Las Cruces' mining contractor, has been performing very well over the past year and a half, ensuring that ore production should be available. During the first four months of mining, Las Cruces anticipates it will selectively mine and crush between 100,000 and 150,000 tonnes of high grade chalcocite ore at an estimated average grade of 14 percent copper, which is equivalent to between 13,000 and 20,000 tonnes of contained copper and is part of Las Cruces' mineral reserves. To manage the impact of the delay in plant construction, Las Cruces plans to sell some or all of this material as direct feed to copper smelters.

Under its mining plan Las Cruces will mine approximately 300,000 tonnes of gossan in 2008. The gossan is the weathered zone overlying the main chalcocite orebody and contains lead, gold and silver. It is currently not part of Las Cruces' mineral reserve. The original plan was to stockpile the gossan during the initial mining phase and consider processing it at a later time. Metallurgical test work has indicated that the gossan can be processed into a lead concentrate with about 50 percent of the gold and 65 percent of the silver reporting to the concentrate. Lead recoveries would be around 50 percent. Because of the current high price of lead, Las Cruces is evaluating options to enter into a toll milling arrangement to produce a saleable concentrate from the gossan.

CERATTEPE

Quarterly development update – making encouraging progress

Construction work has begun
All the necessary permits are in place and to begin construction on the site, three critical components of the project are now underway:

Underground rehabilitation and development
Work on the decline has begun and is proceeding as expected. We expect to reach the orebody in the first quarter of 2009.

Aerial tramway
We have selected the contractor to design, supply and install the ropeway. Engineering has begun and the tramway should be installed by the end of 2008.

Çayeli mill expansion
This is the single largest cost related to the project. The mill needs to increase its capacity from 1.2 million tonnes per year to 1.5 million tonnes per year. This requires a new grinding and flotation section as well as a small SAG mill and a ball mill.

We completed geotechnical investigations at the mine site and we continue to maintain an active campaign of community dialogue and engagement to reinforce support for the project.

Subject to the outcome of current legal proceedings (see *Managing Risk – Cerattepe legal proceedings*), we will continue to move the project forward and hope to start production by the end of the first quarter of 2009.

PETAQUILLA

Quarterly development update

Front-end engineering and design (FEED) program is advancing
The FEED program continued this quarter, focusing on process engineering and infrastructure. A number of technical changes to the original 1998 feasibility study have been suggested related to alternatives for transportation and power supply. We will continue to do work in this area, get up to date capital costs, identify and draft specifications for long lead time equipment and build an effective project execution plan.

Work on the social environmental impact assessment is progressing
Work in this area accelerated during the quarter. This work includes interacting with local communities to ensure that their needs are addressed in the social and environmental impact assessment required by regulatory authorities.

2007 drill program has begun
The program includes more than 30,000 metres of condemnation, infill, metallurgical, geotechnical and hydrogeological drilling. The emphasis is on condemnation and geotechnical drilling because the results of these can directly affect the project design. Some drilling has begun, but we need approval for two additional permits from the Panamanian mining and environmental authorities to begin full-scale drilling. We expect these approvals in November 2007.

Managing our liquidity

(millions)	three months ended September 30 2007	three months ended September 30 2006	nine months ended September 30 2007	nine months ended September 30 2006
CASH FROM OPERATING ACTIVITIES				
Çayeli	**$42**	$64	**$164**	$149
Pyhäsalmi	**53**	30	**104**	71
Troilus	**5**	13	**10**	12
Ok Tedi	**6**	47	**76**	139
Corporate development and exploration not included in operation's cash flow	**(1)**	(1)	**(3)**	(2)
General and administration	**(3)**	(3)	**(8)**	(8)
Other	**6**	1	8	(4)
	108	151	**351**	357
CASH FROM INVESTING AND FINANCING				
Capital spending	**(118)**	(50)	**(252)**	(87)
Long-term borrowings, less repayments	**27**	10	**65**	37
Funding from non-controlling shareholder	**13**	-	**40**	9
Acquisition (disposition) of investments	**(1)**	2	**50**	4
Foreign exchange on cash held in foreign currency	**(23)**	-	**(57)**	(2)
Other	**6**	(7)	**(22)**	(14)
	(96)	(45)	**(176)**	(53)
Increase in cash	**12**	106	**175**	304
Cash and short-term investments				
Beginning of period	**803**	450	**640**	252
End of period	**$815**	$556	**$815**	$556

CASH FROM OPERATING ACTIVITIES

(millions)	three months ended September 30	nine months ended September 30
Increased (decreased) earnings from operations (see page 5)	$(7)	$52
Non-cash changes in operating earnings:		
Decreased (increased) tax expense	5	(1)
Changes in working capital	(43)	(58)
Other	2	1
Decrease in operating cash flow, compared to 2006	**$(43)**	**$(6)**

Operating cash flows are lower compared to 2006 because of an increase in working capital, mostly at Ok Tedi.

2007 outlook for operating activities
We expect high metal prices and increased production to continue to increase earnings and operating cash flows. The level of operating cash flows will depend on earnings and the accumulation or reduction of working capital.

CASH FROM INVESTING AND FINANCING

Capital spending

(millions)	three months ended September 30 2007	three months ended September 30 2006	nine months ended September 30 2007	nine months ended September 30 2006	*revised objective 2007*
Çayeli	**$6**	$4	**$16**	$11	***$21***
Pyhäsalmi	**1**	1	**2**	3	***3***
Troilus	**1**	1	**1**	2	***2***
Ok Tedi	**9**	4	**21**	7	***41***
Las Cruces	**100**	39	**207**	61	***435***
Cerattepe	**1**	-	**4**	1	***8***
Accruals and other	**-**	1	**1**	2	***-***
	$118	$50	**$252**	$87	***$510***

Refer to *Results of our operations* and *Status of our development projects* for a discussion of actual results and our 2007 objective.

Las Cruces borrowed an additional €19 million this quarter, bringing the total amount borrowed under its credit facility to €94 million.

2007 outlook for investing and financing
We expect capital spending to be $510 million in 2007. Of that amount, we expect to spend $435 million for the continuing development of the Las Cruces mine, and $28 million for the mine waste management program at Ok Tedi. The remaining spending will be mostly on sustaining capital.

Financial condition

CASH
Our cash and equivalents balance of $815 million is mostly held in crown corporation investments and bank term deposits. At September 30, 2007 we held $26 million of our investments (3 percent of our portfolio) in asset-backed commercial paper funds sponsored by a Canadian chartered bank, with maturity dates of less than 90 days. These funds meet the global liquidity standards of a recognized international rating agency and are backed by global liquidity line agreements with the bank.

Our restricted cash balance of $46 million at September 30, 2007 includes:
- $12 million in trust for future rehabilitation at Ok Tedi
- $14 million of cash collateralized letters of credit for Inmet
- $20 million related to issuing letters of credit to suppliers at Las Cruces.

COMMON SHARES

Common shares outstanding as of September 30, 2007 and October 30, 2007	48,281,759
Deferred share units outstanding as of September 30, 2007 (redeemable on a one-for-one basis for common shares)	74,274

OFF BALANCE SHEET TRANSACTIONS

As at September 30, 2007, we had no off balance sheet transactions.

The following table shows gold hedging transactions at Troilus, gold and copper hedging transactions at Ok Tedi, the currency and interest rate hedges related to Las Cruces, and their respective marked-to-market valuations recorded on our consolidated balance sheet as at September 30, 2007.

Type of contract	Expiry	Quantity	Price	C$ marked-to-market gain (loss) at September 30 2007
Copper forward sales				
Ok Tedi	2007	1.0 million lbs	US $3.03 per lb	
	2008	3.2 million lbs	US $2.78 per lb	
	2009	3.2 million lbs	US $2.41 per lb	
		7.4 million lbs	US $2.66 per lb	$(5.2 million)(1)
Gold forward sales				
Troilus	2007	14,600 ounces	US $352 per oz.	
	2008	58,200 ounces	US $352 per oz.	
		72,800 ounces	US $352 per oz.	$(27.7 million) (2)
Ok Tedi	2007	6,700 ounces	US $372 per oz.	
	2008	6,800 ounces	US $372 per oz.	
		13,500 ounces	US $372 per oz.	$(4.9 million) (2)
Ok Tedi	2010	3,600 ounces	US $748 per oz.	
	2011	3,600 ounces	US $775 per oz.	
	2012	3,600 ounces	US $803 per oz.	
	2013	1,800 ounces	US $825 per oz.	
		12,600 ounces	US $783 per oz.	$(1.5 million) (2)
Currency forward sales				
Las Cruces	2008	US $215 million	€171.80 million	$28.5 million
Interest rate swaps				
Las Cruces	2008 to 2014	US $179 million (reducing in conjunction with debt repayment schedule)	5.2 percent	$(3.2 million)

(1) At a copper price of US $3.64 per pound.
(2) At a gold price of US $743 per ounce.

Accounting changes

We adopted several new CICA – Handbook sections.

Section 3855 - Financial instruments – recognition and measurement
This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and liabilities including derivatives be recognized on the balance sheet when we become a party to the contractual provisions of the financial instrument or a non-financial derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instruments have been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.

Effective January 1, 2007, we classify cash and short-term investments, accounts receivable, investments, restricted cash, accounts payable and accrued liabilities as held-for-trading and record them on the balance sheet at fair value. We record long-term debt at amortized cost.

3865 - Hedges
This section specifies when and how we can use hedge accounting for hedging strategies: fair value hedges, cash flow hedges and hedges of a foreign currency exposure of a net investment in a self-sustaining foreign operation.

All of our hedges at January 1, 2007 qualified for cash flow hedge accounting. The contracts are reflected at fair value on the balance sheet.

1530 - Comprehensive income
This section calls for a statement of comprehensive income and its components. Other comprehensive income includes unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translation amounts arising from self-sustaining foreign operations, and changes in the fair value of the effective portion of cash flow hedging instruments.

Effective January 1, 2007, we include unrealized fair value of our cash flow hedges, investments and foreign currency translation adjustment in accumulated other comprehensive income, net of tax. The change in fair value this quarter of the effective portion of our cash flow hedges, investments and foreign currency translation adjustments is included in other comprehensive income for the period, net of tax.

Turn to note 2 on page 43 in the Interim consolidated financial statements for more details about the transitional adjustments.

The CICA has also recently issued new accounting pronouncements:

In December 2006, the CICA issued Handbook Section 3862, *Financial Instruments – Disclosure* and Section 3863, *Financial Instruments – Presentation*. Section 3862 replaces the disclosure portion of Section 3861. It places increased emphasis on disclosing the nature and extent of risks arising from both recognized and unrecognized financial instruments, and how these risks are managed. Section 3863 carries forward the presentation requirements from Section 3861.

Additionally in December 2006, the CICA issued Handbook Section 1535, *Capital Disclosures*. This Section establishes standards for disclosing qualitative and quantitative information about an entity's capital and how it is managed in order to enable users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.

In June 2007, the CICA issued Handbook Section 3031, *Inventories*. This Section requires inventory to be recorded at the lower of cost or net realizable value, which is our current accounting policy. The section also clarifies the allocation of fixed production overhead, requires consistent use of either first-in, first-out or weighted average to measure inventories, and requires that any previous write-downs be reversed when the value of inventories increases. The amount of the reversal is limited to the amount of the original write-down.

The above standards will become effective for us beginning on January 1, 2008. We are reviewing these standards, and have not yet determined the impact, if any, on our consolidated financial statements.

Managing risk

The following is an update to the discussion, only where required, of the key risks associated with our business and the strategies we use to manage them. You can find the full discussion in the annual Management's discussion and analysis in Inmet's 2006 annual report.

Development at Las Cruces
Las Cruces is a development project, and while we are confident that the project will add value as planned, there is still significant uncertainty, particularly in Las Cruces' contractors ability to meet critical construction milestones. While there are rigorous controls on the contractors' performance, progress depends highly on the abilities of Las Cruces' owner's team and construction manager to hire the necessary resources and effectively manage them.

A local non-governmental group has initiated several legal proceedings claiming that various governmental approvals for the project were not granted according to regulatory requirements. We believe these claims are without merit and are vigourously defending against them. Two of these proceedings were dismissed in 2006. The other two proceedings are outstanding.

Development at Cerattepe
While recent court decisions have confirmed the validity of the project's operating licences, the local non-governmental group plaintiff has re-filed its applications to cancel the operating licenses and filed new applications with a view to stopping the project. Since the recent court decisions, we have resumed permitting and on-site work, but an adverse ruling in the future could have an impact on or stop our progress.

Cerattepe legal proceedings
Prior to April of this year, Cerattepe was affected by a local administrative court decision that governmental authorities had incorrectly exempted the project operating licences from environmental assessment regulations. In April, the Danistay (Turkish Administrative Supreme Court) directed the lower court to review its decision and re-instated the validity of the licences on procedural grounds. In June, the local court confirmed its agreement with the Danistay's decision. The plaintiff in the prior proceedings has since re-filed its applications to have the licences cancelled, and has also made applications to stop work on the property and to cancel a lease of the land on which the bottom ropeway terminus will be located. While the recent court decisions do not finally resolve the status of the operating licences, they remain valid pending new decisions from the local administrative court. At this time, neither we nor the relevant government authorities, who are defendants in the proceedings, have received the particulars of the applications filed by the plaintiff after the Danistay ruling. We intend to join in the proceedings and respond to these applications as we believe they are without merit.

Sensitivity analysis

The table below shows you the effect of key variables on our net income, based on our revised objectives for 2007.

	A change of:	Would change our 2007 net income by:	Would change our 2007 net income per share by:
Metal prices			
Copper (per pound)	US $0.10	$13 million	$0.28
Zinc (per pound)	US $0.05	$5 million	$0.11
Gold (per ounce) (1)	US $10	$2 million	$0.03
Exchange rates			
Canadian dollar per US dollar	C$0.05	$21 million	$0.43
Canadian dollar per euro	C$0.05	$5 million	$0.09
Treatment and refining charges			
Copper treatment charge per tonne and	US $10		
copper refining charge per pound	US $0.10	$4 million	$0.08
Zinc treatment charge per tonne	US $10	$1 million	$0.03
Freight and energy costs			
Concentrate freight per tonne	10%	$3 million	$0.06
Fuel price per litre	$0.10	$3 million	$0.07
Electricity per kilowatt hour	$0.01	$2 million	$0.05

(1) Calculations include hedging in place at December 31, 2006.

Toronto, Canada
October 30, 2007

Richard A. Ross
Chairman and
Chief Executive Officer

Jochen Tilk
President and
Chief Operating Officer

Forward looking information

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This interim report 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 these 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 interim report. You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations.

INMET MINING CORPORATION
Non-GAAP measures

Reconciliation of copper cash costs to statements of earnings

	three months ended September 30		nine months ended September 30	
(millions of Canadian dollars, except where otherwise noted)	**2007**	2006	**2007**	2006
Cost of sales per financial statements	**$51**	$52	**$168**	$160
Smelter processing charges and freight per financial statements	**41**	57	**156**	167
Zinc, gold and other sales	**(78)**	(84)	**(308)**	(261)
Inventory and receivable changes	**(3)**	(5)	**15**	(10)
Less - non-cash items	**1**	(1)	**(5)**	(3)
Operating costs net of metal credits	**$12**	$19	**$26**	$53
US $ to C$ exchange rate	**$1.04**	$1.12	**$1.11**	$1.13
Inmet's share of copper production (000's pounds)	**40,200**	44,000	**122,300**	129,500
Copper cash cost (per pound)	**US $0.28**	US $0.38	**US $0.19**	US $0.36

Reconciliation of gold cash costs to statements of earnings

	three months ended September 30		nine months ended September 30	
(millions of Canadian dollars, except where otherwise noted)	**2007**	2006	**2007**	2006
Cost of sales per financial statements	**$18**	$20	**$58**	$56
Smelter processing charges and freight per financial statements	**1**	3	**6**	8
Copper and other sales	**(6)**	(8)	**(18)**	(22)
Inventory and receivable changes	**1**	(1)	**(1)**	1
Operating costs net of metal credits	**$14**	$14	**$45**	$43
US $ to C$ exchange rate	**$1.04**	$1.12	**$1.11**	$1.13
Inmet's share of gold production (ounces)	**36,400**	34,600	**104,700**	108,600
Gold cash cost (per ounce)	**US $367**	US $366	**US $384**	US $350

Reconciliation of net income to adjusted net income

	three months ended September 30		nine months ended September 30	
(thousands of Canadian dollars, except where otherwise noted)	**2007**	2006	**2007**	2006
Net income per financial statements	**$114,836**	$111,582	**$353,964**	$323,233
Deduct gain on sale of Wolfden in 2007 and Izok in 2006	**-**	-	**11,730**	23,905
Adjusted net income	**$114,836**	$111,582	**$342,234**	$299,328
Weighted average shares outstanding	**48,278**	48,274	**48,278**	48,190
Adjusted net income per share	**$2.38**	$2.31	**$7.09**	$6.21

Reconciliation of operating cash flow to operating cash flow before working capital

	three months ended September 30		nine months ended September 30	
(thousands of Canadian dollars, except where otherwise noted)	**2007**	2006	**2007**	2006
Operating cash flow per financial statements	**$108,315**	$150,885	**$351,026**	$356,769
Deduct: Net change in non-cash working capital per financial statements	**(21,221)**	21,399	**(21,847)**	36,306
Operating cash flow before working capital	**$129,536**	$129,486	**$372,873**	$320,463
Weighted average shares outstanding	**48,278**	48,274	**48,278**	48,190
Operating cash flow before working capital per share	**$2.68**	$2.68	**$7.72**	$6.65

INMET MINING CORPORATION
Quarterly review
(unaudited)

Latest Four Quarters

(thousands of Canadian dollars, except per share amounts)	2007 Third quarter	2007 Second quarter	2007 First quarter	2006 Fourth quarter
STATEMENTS OF EARNINGS				
Gross sales	$ 272,293	$ 320,018	$ 286,614	$ 258,911
Smelter processing charges and freight	(42,557)	(55,413)	(64,606)	(65,005)
Cost of sales	(69,617)	(78,068)	(79,240)	(66,593)
Depreciation	(8,739)	(8,039)	(9,415)	(9,057)
	151,380	178,498	133,353	118,256
Corporate development and exploration	(2,475)	(1,836)	(842)	(4,136)
General and administration	(2,674)	(2,162)	(2,840)	(6,128)
Investment and other income	6,784	13,302	7,290	16,697
Interest expense	(424)	(424)	(438)	(425)
Capital tax expense	(273)	(274)	(274)	-
Income tax expense	(37,649)	(48,509)	(35,376)	(26,679)
Non-controlling interest	167	(545)	205	(165)
Net income	$ 114,836	$ 138,050	$ 101,078	$ 97,420
Net income per common share	$ 2.38	$ 2.86	$ 2.09	$ 2.02
Diluted net income per common share	$ 2.37	$ 2.86	$ 2.09	$ 2.02

Previous Four Quarters

(thousands of Canadian dollars, except per share amounts)	2006 Third quarter	2006 Second quarter	2006 First quarter	2005 Fourth quarter
STATEMENTS OF EARNINGS				
Gross sales	$ 301,100	$ 317,624	$ 210,234	$ 190,901
Smelter processing charges and freight	(60,270)	(63,668)	(51,662)	(46,131)
Cost of sales	(73,892)	(78,425)	(65,788)	(67,305)
Depreciation	(9,025)	(8,225)	(7,265)	(7,879)
	157,913	167,306	85,519	69,586
Corporate development and exploration	(2,708)	(1,456)	(1,454)	(2,893)
General and administration	(2,618)	(2,624)	(2,370)	(2,119)
Investment and other income	2,257	2,587	25,698	985
Interest expense	(412)	(391)	(391)	(392)
Capital tax (expense) recovery	41	(246)	(245)	(499)
Income tax expense	(42,902)	(33,240)	(27,196)	(19,022)
Non-controlling interest	11	154	-	-
Net income	$ 111,582	$ 132,090	$ 79,561	$ 45,646
Net income per common share	$ 2.31	$ 2.74	$ 1.65	$ 0.95
Diluted net income per common share	$ 2.31	$ 2.74	$ 1.64	$ 0.95

INMET MINING CORPORATION
Consolidated balance sheets

(thousands of Canadian dollars)	**September 30 2007**	December 31 2006
	(unaudited)	
Assets		
Current assets:		
Cash and short-term investments	**$814,584**	$640,186
Restricted cash (note 5)	**9,668**	-
Accounts receivable	**136,530**	122,645
Inventories	**53,123**	58,323
Future income tax asset	**6,150**	7,567
	1,020,055	828,721
Restricted cash (note 5)	**36,699**	35,759
Property, plant and equipment	**758,041**	548,637
Investments (note 6)	**28,628**	53,002
Future income tax asset	**13,952**	21,750
Deferred charges	**-**	2,408
Derivatives (note 7)	**28,485**	-
Other assets	**25,658**	42,663
	$1,911,518	$1,532,940
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	**$165,868**	$163,106
Long-term debt (note 8)	**204,703**	109,080
Reclamation liabilities	**72,142**	65,812
Derivatives (note 7)	**42,549**	-
Other liabilities	**19,869**	30,617
Future income tax liabilities	**36,303**	42,366
Non-controlling interest	**50,675**	49,125
	592,109	460,106
Commitments (note 9)		
Shareholders' equity		
Share capital	**337,464**	337,338
Contributed surplus	**64,592**	66,999
Stock based compensation	**1,009**	915
Retained earnings	**1,018,141**	669,385
Accumulated other comprehensive loss (note 10)	**(101,797)**	(1,803)
	1,319,409	1,072,834
	$1,911,518	$1,532,940

(see accompanying notes)

INMET MINING CORPORATION
Segmented balance sheets

2007 As at September 30

(unaudited)	CORPORATE	ÇAYELI	PYHÄSALMI	TROILUS	OK TEDI	LAS CRUCES	TOTAL
(thousands of Canadian dollars)		(Turkey)	(Finland)	(Canada)	(Papua New Guinea)	(Spain)	
Assets							
Cash and short-term investments	**$372,026**	**$285,733**	**$108,951**	**$ -**	**$36,183**	**$11,691**	**$814,584**
Other current assets	**12,445**	**44,791**	**46,837**	**24,788**	**43,342**	**33,268**	**205,471**
Restricted cash	**14,661**	**-**	**-**	**27,426**	**11,569**	**10,469**	**64,125**
Property, plant and equipment	**661**	**112,235**	**64,707**	**-**	**50,549**	**502,463**	**730,615**
Investments	**28,628**	**-**	**-**	**-**	**-**	**-**	**28,628**
Derivatives	**-**	**-**	**-**	**-**	**-**	**28,485**	**28,485**
Other assets	**26,834**	**431**	**-**	**6,288**	**3,703**	**2,354**	**39,610**
	$455,255	**$443,190**	**$220,495**	**$58,502**	**$145,346**	**$588,730**	**$1,911,518**
Liabilities							
Current liabilities	**$6,581**	**$37,856**	**$27,761**	**$12,112**	**$27,339**	**$54,219**	**$165,868**
Long-term debt	**15,839**	**-**	**-**	**-**	**-**	**188,864**	**204,703**
Reclamation liabilities	**25,354**	**3,095**	**12,701**	**4,426**	**15,334**	**11,232**	**72,142**
Derivatives	**-**	**-**	**-**	**27,740**	**11,576**	**3,233**	**42,549**
Other liabilities	**6,311**	**4,398**	**-**	**-**	**1,348**	**7,812**	**19,869**
Future income tax liabilities	**-**	**17,918**	**6,642**	**-**	**-**	**11,743**	**36,303**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**50,675**	**50,675**
	$54,085	**$63,267**	**$47,104**	**$44,278**	**$55,597**	**$327,778**	**$592,109**

2006 As at December 31

	CORPORATE	ÇAYELI	PYHÄSALMI	TROILUS	OK TEDI	LAS CRUCES	TOTAL
(thousands of Canadian dollars)		(Turkey)	(Finland)	(Canada)	(Papua New Guinea)	(Spain)	
Assets							
Cash and short-term investments	$267,277	$176,676	$119,260	$ -	$44,689	$32,284	$640,186
Other current assets	9,690	55,776	68,897	18,104	26,157	9,911	188,535
Restricted cash	14,300	-	-	-	10,982	10,477	35,759
Property, plant and equipment	570	117,464	74,873	33,277	42,489	279,964	548,637
Investments	53,002	-	-	-	-	-	53,002
Deferred charges	-	-	-	2,408	-	-	2,408
Other assets	32,052	486	-	6,245	805	24,825	64,413
	$376,891	$350,402	$263,030	$60,034	$125,122	$357,461	$1,532,940
Liabilities							
Current liabilities	$11,698	$37,879	$35,130	$19,780	$37,391	$21,228	$163,106
Long-term debt	16,786	-	-	-	-	92,294	109,080
Reclamation liabilities	25,507	3,467	13,175	4,268	17,568	1,827	65,812
Other liabilities	8,035	3,891	-	8,657	1,572	8,462	30,617
Future income tax liabilities	-	20,433	7,025	-	2,186	12,722	42,366
Non-controlling interest	-	-	-	-	-	49,125	49,125
	$62,026	$65,670	$55,330	$32,705	$58,717	$185,658	$460,106

INMET MINING CORPORATION
Consolidated statements of earnings
(unaudited)

(thousands of Canadian dollars except per share amounts)	Three Months Ended September 30 **2007**	2006	Nine Months Ended September 30 **2007**	2006
Gross sales	**$272,293**	$301,100	**$878,925**	$828,958
Smelter processing charges and freight	**(42,557)**	(60,270)	**(162,576)**	(175,600)
Cost of sales	**(69,617)**	(73,892)	**(226,925)**	(218,105)
Depreciation	**(8,739)**	(9,025)	**(26,193)**	(24,515)
	151,380	157,913	**463,231**	410,738
Corporate development and exploration	**(2,475)**	(2,708)	**(5,573)**	(5,618)
General and administration	**(2,674)**	(2,618)	**(7,676)**	(7,612)
Investment and other income (note 11)	**6,784**	2,257	**27,796**	30,542
Interest expense	**(424)**	(412)	**(1,286)**	(1,194)
Capital tax (expense) recovery	**(273)**	41	**(821)**	(450)
Income tax expense (note 12)	**(37,649)**	(42,902)	**(121,534)**	(103,338)
Non-controlling interest	**167**	11	**(173)**	165
Net income	**$114,836**	$111,582	**$353,964**	$323,233
Basic net income per common share (note 13)	**$2.38**	$2.31	**$7.33**	$6.71
Diluted net income per common share (note 13)	**$2.37**	$2.31	**$7.32**	$6.70
Weighted average shares outstanding (000's)	**48,278**	48,274	**48,278**	48,190

(see accompanying notes)

INMET MINING CORPORATION
Segmented statements of earnings
(Unaudited)

2007 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	$ -	$337,606	$201,574	$81,061	$258,684	$ -	$878,925
Smelter processing charges and freight	-	(74,944)	(46,697)	(6,191)	(34,744)	-	(162,576)
Cost of sales	(1,462)	(65,996)	(37,886)	(57,887)	(63,694)	-	(226,925)
Depreciation	-	(6,222)	(6,558)	(7,500)	(5,913)	-	(26,193)
	(1,462)	190,444	110,433	9,483	154,333	-	463,231
Corporate development and exploration	(3,152)	(1,160)	(1,571)	310	-	-	(5,573)
General and administration	(7,676)	-	-	-	-	-	(7,676)
Investment and other income	28,360	(4,107)	-	4,188	(1,492)	847	27,796
Interest expense	(1,286)	-	-	-	-	-	(1,286)
Capital tax expense	(821)	-	-	-	-	-	(821)
Income tax expense	(1,157)	(40,489)	(24,711)	-	(54,923)	(254)	(121,534)
Non-controlling interest	-	-	-	-	-	(173)	(173)
Net income	$12,806	$144,688	$84,151	$13,981	$97,918	$420	$353,964

2006 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	$ -	$282,694	$185,678	$77,515	$283,071	$ -	$828,958
Smelter processing charges and freight	-	(72,503)	(49,307)	(8,214)	(45,576)	-	(175,600)
Cost of sales	(1,368)	(55,092)	(35,999)	(56,422)	(69,224)	-	(218,105)
Depreciation	-	(5,546)	(6,284)	(8,074)	(4,611)	-	(24,515)
	(1,368)	149,553	94,088	4,805	163,660	-	410,738
Corporate development and exploration	(1,687)	(844)	(1,593)	(944)	-	(550)	(5,618)
General and administration	(7,612)	-	-	-	-	-	(7,612)
Investment and other income	28,380	2,162	-	-	-	-	30,542
Interest expense	(1,194)	-	-	-	-	-	(1,194)
Capital tax expense	(450)	-	-	-	-	-	(450)
Income tax expense	-	(21,810)	(21,215)	-	(60,313)	-	(103,338)
Non-controlling interest	-	-	-	-	-	165	165
Net income (loss)	$16,069	$129,061	$71,280	$3,861	$103,347	($385)	$323,233

INMET MINING CORPORATION
Segmented statements of earnings
(Unaudited)

2007 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	**$ -**	**$107,664**	**$60,427**	**$24,970**	**$79,232**	**$ -**	**$272,293**
Smelter processing charges and freight	**-**	**(19,474)**	**(12,983)**	**(1,478)**	**(8,622)**	**-**	**(42,557)**
Cost of sales	**(619)**	**(20,518)**	**(11,579)**	**(17,755)**	**(19,146)**	**-**	**(69,617)**
Depreciation	**-**	**(1,654)**	**(1,764)**	**(2,784)**	**(2,537)**	**-**	**(8,739)**
	(619)	**66,018**	**34,101**	**2,953**	**48,927**	**-**	**151,380**
Corporate development and exploration	**(1,464)**	**(300)**	**(552)**	**(159)**	**-**	**-**	**(2,475)**
General and administration	**(2,674)**	**-**	**-**	**-**	**-**	**-**	**(2,674)**
Investment and other income (expense)	**7,927**	**(2,276)**	**-**	**3,397**	**(1,492)**	**(772)**	**6,784**
Interest expense	**(424)**	**-**	**-**	**-**	**-**	**-**	**(424)**
Capital tax expense	**(273)**	**-**	**-**	**-**	**-**	**-**	**(273)**
Income tax expense	**(386)**	**(13,055)**	**(7,425)**	**-**	**(17,015)**	**232**	**(37,649)**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**167**	**167**
Net income (loss)	**$2,087**	**$50,387**	**$26,124**	**$6,191**	**$30,420**	**($373)**	**$114,836**

2006 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Gross sales	$ -	$105,916	$64,436	$29,274	$101,474	$ -	$301,100
Smelter processing charges and freight	-	(25,713)	(15,111)	(3,127)	(16,319)	-	(60,270)
Cost of sales	(414)	(18,034)	(11,135)	(20,909)	(23,400)	-	(73,892)
Depreciation	-	(1,822)	(2,336)	(3,123)	(1,744)	-	(9,025)
	(414)	60,347	35,854	2,115	60,011	-	157,913
Corporate development and exploration	(830)	(472)	(593)	(775)	-	(38)	(2,708)
General and administration	(2,618)	-	-	-	-	-	(2,618)
Investment and other income (expense)	3,201	(944)	-	-	-	-	2,257
Interest expense	(412)	-	-	-	-	-	(412)
Capital tax expense	41	-	-	-	-	-	41
Income tax expense	-	(12,508)	(8,186)	-	(22,208)	-	(42,902)
Non-controlling interest	-	-	-	-	-	11	11
Net income (loss)	($1,032)	$46,423	$27,075	$1,340	$37,803	($27)	$111,582

INMET MINING CORPORATION
Consolidated statements of cash flows
(unaudited)

(thousands of Canadian dollars)	Three Months Ended September 30 2007	2006	Nine Months Ended September 30 2007	2006
Cash provided by (used in) operating activities [1]				
Net income	**$114,836**	$111,582	**$353,964**	$323,233
Add (deduct) items not affecting cash:				
Gain on disposition of investments (note 11)	**-**	-	**(11,730)**	(24,291)
Depreciation	**8,739**	9,025	**26,193**	24,515
Future income tax	**2,873**	4,828	**(1,507)**	(9,443)
Accretion expense on reclamation liabilities	**907**	824	**2,710**	2,575
Non-controlling interest	**(167)**	(11)	**173**	(165)
Other	**3,294**	3,666	**5,020**	5,509
Reclamation costs	**(946)**	(428)	**(1,950)**	(1,470)
Net change in non-cash working capital (note 4)	**(21,221)**	21,399	**(21,847)**	36,306
	108,315	150,885	**351,026**	356,769
Cash provided by (used in) investing activities				
Capital spending	**(117,989)**	(49,936)	**(252,003)**	(87,040)
Acquisition and disposition of investments, net	**(553)**	2,105	**50,170**	3,734
Purchase of short-term investments	**(173,117)**	(152,432)	**(35,586)**	(233,627)
Other	**-**	(67)	**(43)**	(262)
	(291,659)	(200,330)	**(237,462)**	(317,195)
Cash provided by (used in) financing activities				
Long-term debt:				
Borrowings (note 8)	**35,929**	9,927	**73,938**	37,051
Repayment (note 8)	**(8,604)**	-	**(8,604)**	-
Funding by non-controlling shareholder	**13,418**	-	**39,528**	9,246
Financial assurance deposits	**4,764**	(4,737)	**(12,651)**	(6,904)
Dividends paid on common shares	**-**	-	**(4,827)**	(4,827)
Other	**(1,514)**	(307)	**(4,085)**	(340)
	43,993	4,883	**83,299**	34,226
Foreign exchange loss on cash held in foreign currency	**(22,541)**	(207)	**(56,590)**	(2,058)
Increase (decrease) in cash	**(161,892)**	(44,769)	**140,273**	71,742
Cash:				
Beginning of period	**686,775**	368,406	**384,610**	251,895
End of period	**524,883**	323,637	**524,883**	323,637
Short-term investments	**289,701**	232,194	**289,701**	232,194
Cash and short-term investments	**$814,584**	$555,831	**$814,584**	$555,831

(see accompanying notes)

[1] **Cash used in operations includes the following payments:**				
Interest	**$3,187**	$605	**$5,568**	$1,184
Taxes	**$50,830**	$41,822	**$115,569**	$78,339

INMET MINING CORPORATION
Segmented statements of cash flows
(unaudited)

2007 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	**$5,584**	**$158,070**	**$91,006**	**$16,324**	**$101,889**	**$ -**	**$372,873**
Net change in non-cash working capital	**(7,444)**	**5,863**	**12,673**	**(6,801)**	**(26,138)** #	**-**	**(21,847)**
	(1,860)	**163,933**	**103,679**	**9,523**	**75,751**	**-**	**351,026**
Cash provided by (used in) investing activities							
Capital spending	**(145)**	**(20,259)**	**(2,071)**	**(1,457)**	**(21,414)**	**(206,657)**	**(252,003)**
Acquisition and disposition of investment, net	**50,170**	**-**	**-**	**-**	**-**	**-**	**50,170**
Sale (purchase) of short-term investments	**(62,323)**	**16,575**	**-**	**-**	**10,162**	**-**	**(35,586)**
Other	**-**	**-**	**-**	**(43)**	**-**	**-**	**(43)**
	(12,298)	**(3,684)**	**(2,071)**	**(1,500)**	**(11,252)**	**(206,657)**	**(237,462)**
Cash provided by (used in) financing activities	**(6,472)**	**-**	**-**	**(3,000)**	**(1,659)**	**94,430**	**83,299**
Foreign exchange change on cash held in foreign currency	**-**	**(39,914)**	**(7,268)**	**-**	**(8,348)**	**(1,060)**	**(56,590)**
Intergroup funding (distributions)	**63,056**	**6,203**	**(104,649)**	**(5,023)**	**(52,281)**	**92,694**	**-**
Increase (decrease) in cash	**42,426**	**126,538**	**(10,309)**	**-**	**2,211**	**(20,593)**	**140,273**
Cash:							
Beginning of period	**39,899**	**159,195**	**119,260**	**-**	**33,972**	**32,284**	**384,610**
End of period	**82,325**	**285,733**	**108,951**	**-**	**36,183**	**11,691**	**524,883**
Short-term investments	**289,701**	**-**	**-**	**-**	**-**	**-**	**289,701**
Cash and short-term investments	**$372,026**	**$285,733**	**$108,951**	**$ -**	**$36,183**	**$11,691**	**$814,584**

2006 For the nine months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	($8,352)	$129,503	$79,036	$14,756	$106,070	($550)	$320,463
Net change in non-cash working capital	(5,611)	19,684	(8,219)	(2,763)	32,665	550	36,306
	(13,963)	149,187	70,817	11,993	138,735	-	356,769
Cash provided by (used in) investing activities							
Capital spending	(85)	(14,105)	(2,569)	(2,425)	(6,605)	(61,251)	(87,040)
Acquisition and disposition of investments, net	1,629	-	2,105	-	-	-	3,734
Purchase of short-term investments	(125,454)	(108,173)	-	-	-	-	(233,627)
Other	-	-	-	(262)	-	-	(262)
	(123,910)	(122,278)	(464)	(2,687)	(6,605)	(61,251)	(317,195)
Cash used in financing activities	(4,494)	-	-	-	(1,712)	40,432	34,226
Foreign exchange change on cash held in foreign currency	-	(1,891)	2,116	-	(2,523)	240	(2,058)
Intergroup funding (distributions)	111,716	(14,581)	(13,143)	(9,306)	(99,560)	24,874	-
Increase (decrease) in cash	(30,651)	10,437	59,326	-	28,335	4,295	71,742
Cash:							
Beginning of period	123,843	36,578	58,138	-	16,031	17,305	251,895
End of period	93,192	47,015	117,464	-	44,366	21,600	323,637
Short-term investments	125,454	106,740	-	-	-	-	232,194
Cash and short-term investments	$218,646	$153,755	$117,464	$ -	$44,366	$21,600	$555,831

INMET MINING CORPORATION
Segmented statements of cash flows
(unaudited)

2007 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	**$4,192**	**$53,713**	**$28,053**	**$5,775**	**$37,803**	**$ -**	**$129,536**
Net change in non-cash working capital	**(748)**	**(12,111)**	**24,633**	**(967)**	**(32,028)**	**-**	**(21,221)**
	3,444	**41,602**	**52,686**	**4,808**	**5,775**	**-**	**108,315**
Cash provided by (used in) investing activities							
Capital spending	**(14)**	**(7,109)**	**(1,347)**	**(1,050)**	**(8,603)**	**(99,866)**	**(117,989)**
Acquisition of investments	**(553)**	**-**	**-**	**-**	**-**	**-**	**(553)**
Sale (purchase) of short-term investments	**(190,024)**	**(452)**	**-**	**-**	**17,359**	**-**	**(173,117)**
	(190,591)	**(7,561)**	**(1,347)**	**(1,050)**	**8,756**	**(99,866)**	**(291,659)**
Cash provided by (used in) financing activities	**(673)**	**-**	**-**	**(1,000)**	**(809)**	**46,475**	**43,993**
Foreign exchange change on cash held in foreign currency	**-**	**(18,399)**	**(2,338)**	**-**	**(2,212)**	**408**	**(22,541)**
Intergroup funding (distributions)	**(1,946)**	**4,560**	**(5,077)**	**(2,758)**	**(26,107)**	**31,328**	**-**
Increase (decrease) in cash	**(189,766)**	**20,202**	**43,924**	**-**	**(14,597)**	**(21,655)**	**(161,892)**
Cash:							
Beginning of period	**272,091**	**265,531**	**65,027**	**-**	**50,780**	**33,346**	**686,775**
End of period	**82,325**	**285,733**	**108,951**	**-**	**36,183**	**11,691**	**524,883**
Short-term investments	**289,701**	**-**	**-**	**-**	**-**	**-**	**289,701**
Cash and short-term investments	**$372,026**	**$285,733**	**$108,951**	**$ -**	**$36,183**	**$11,691**	**$814,584**

2006 For the three months ended September 30

(thousands of Canadian dollars)	CORPORATE	ÇAYELI (Turkey)	PYHÄSALMI (Finland)	TROILUS (Canada)	OK TEDI (Papua New Guinea)	LAS CRUCES (Spain)	TOTAL
Cash provided by (used in) operating activities							
Before net change in non-cash working capital	($2,658)	$55,449	$29,490	$6,194	$41,049	($38)	$129,486
Net change in non-cash working capital	(236)	8,575	24	7,144	5,854	38	21,399
	(2,894)	64,024	29,514	13,338	46,903	-	150,885
Cash provided by (used in) investing activities							
Capital spending	(12)	(5,081)	(700)	(1,299)	(3,167)	(39,677)	(49,936)
Acquisition and disposition of investments, net	-	-	2,105	-	-	-	2,105
Purchase of short-term investments	(44,259)	(108,173)	-	-	-	-	(152,432)
Other	-	-	-	(67)	-	-	(67)
	(44,271)	(113,254)	1,405	(1,366)	(3,167)	(39,677)	(200,330)
Cash used in financing activities	-	-	-	-	(851)	5,734	4,883
Foreign exchange change on cash held in foreign currency	-	1,099	(763)	-	32	(575)	(207)
Intergroup funding (distributions)	81,406	(15,298)	(9,560)	(11,972)	(45,503)	927	-
Increase (decrease) in cash	34,241	(63,429)	20,596	-	(2,586)	(33,591)	(44,769)
Cash:							
Beginning of period	58,951	110,444	96,868	-	46,952	55,191	368,406
End of period	93,192	47,015	117,464	-	44,366	21,600	323,637
Short-term investments	125,454	106,740	-	-	-	-	232,194
Cash and short-term investments	$218,646	$153,755	$117,464	$ -	$44,366	$21,600	$555,831

INMET MINING CORPORATION
Consolidated statements of retained earnings
(unaudited)

(thousands of Canadian dollars)	Three Months Ended September 30 2007	2006	Nine Months Ended September 30 2007	2006
Retained earnings, beginning of period, as previously reported	**$903,305**	$465,210	**$669,385**	$258,386
Adjustment for financial instruments (note 2)	**-**	-	**(381)**	-
Retained earnings, restated	**903,305**	465,210	**669,004**	258,386
Net income	**114,836**	111,582	**353,964**	323,233
Dividends on common shares	**-**	**-**	**(4,827)**	(4,827)
Retained earnings, end of period	**$1,018,141**	$576,792	**$1,018,141**	$576,792

(see accompanying notes)

Consolidated statements of comprehensive income
(unaudited)

(thousands of Canadian dollars)	Three Months Ended September 30 2007	2006	Nine Months Ended September 30 2007	2006
Net income	**$114,836**	$111,582	**$353,964**	$323,233
Other comprehensive income (loss) for the period (1):				
Changes in fair value of gold and copper forward sales contracts	**(3,411)**	-	**(2,559)**	-
Changes in fair value of interest rate swap contracts	**(1,417)**	-	**(1,537)**	-
Changes in fair value of foreign exchange forward contracts	**5,780**	-	**6,071**	-
Changes in fair value of investments	**1,074**	-	**20,382**	-
Currency translation adjustments	**(39,269)**	(968)	**(99,203)**	2,381
Less reclassification to net income of gains/losses realized on:				
Gain on sale of investment (note 11)	**-**	-	**(11,730)**	-
Troilus gold hedges loss	**4,963**	-	**15,005**	-
Amortization of deferred Troilus gold hedges	**(4,188)**	-	**(4,188)**	-
Foreign exchange loss on reduction of investment in Ok Tedi	**1,580**	-	**3,311**	-
	(34,888)	(968)	**(74,448)**	2,381
Comprehensive income	**$79,948**	$110,614	**$279,516**	$325,614

(see accompanying notes)

1 Net of applicable income tax and non-controlling interest.

Corporate Office

Inmet Mining Corporation
330 Bay Street
Suite 1000
Toronto, Ontario, Canada
M5H 2S8
Telephone: + 1-416-361-6400

Investor Relations

Financial information such as annual reports, interim reports and other information is available on Inmet's web site: **www.inmetmining.com**.

Copies of the annual reports, interim reports and other corporate publications are also available from our Investor Relations department:

- By mail directed to our Corporate Office
- By email at investor@inmetmining.com
- By fax at + 1-416-368-4692
- By telephone at + 1-416-860-3979

Shareholder Inquiries

Inquiries with respect to changes of address, registration and lost share certificates should be directed to the Stock Transfer Department of CIBC Mellon Trust Company Ltd. in Toronto, Montreal, Winnipeg, Calgary or Vancouver. Alternatively, our Transfer Agent may be reached at:

CIBC Mellon Trust Company Ltd.
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario, Canada
M5C 2W9

Answer Line™: + 1-416-643-5500 or toll free in North America at 1-800-387-0825
Fax: + 1-416-643-5501
Email: inquiries@cibcmellon.com
Web site: www.cibcmellon.ca

Common Shares

(thousands)	**2007**	2006
Outstanding as at September 30	**48,282**	48,278
Weighted average for the nine months ended September 30	**48,278**	48,190

Stock Exchange Listing

Toronto Stock Exchange

Stock Symbol

IMN

Common Shares Trading History

	High	Low
2007		
Third Quarter	$99.90	$73.06
Second Quarter	$85.48	$64.51
First Quarter	$65.37	$50.64
2006		
Fourth Quarter	$68.17	$41.25
Third Quarter	$49.00	$39.24
Second Quarter	$46.50	$33.16
First Quarter	$37.00	$29.10