MATERIAL CHANGE REPORT

PURSUANT TO

SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)
SECTION 118(2) OF THE SECURITIES ACT (ALBERTA)
SECTION 84(1) OF THE SECURITIES ACT (SASKATCHEWAN)
SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)
SECTION 73 OF THE SECURITIES ACT (QUEBEC)
SECTION 81(2) OF THE SECURITIES ACT (NOVA SCOTIA)
SECTION 76(2) OF THE SECURITIES ACT (NEWFOUNDLAND)

ITEM 1: REPORTING ISSUER

Inco Limited
145 King Street West
Suite 1500
Toronto, Ontario
M5H 4B7

ITEM 2: DATE OF MATERIAL CHANGE

February 11, 1998

ITEM 3: PRESS RELEASE

On February 11, 1998 a press release relating to this material change was issued by Inco Limited ("Inco") and disseminated over Canada Newswire (English and French) on Inco's behalf.

ITEM 4: SUMMARY OF MATERIAL CHANGE

On February 11, 1998, Inco announced actions being taken by Inco as part of its comprehensive operational restructurings to meet the Company's strategy of maximizing profitability and cash flow in the current nickel market environment and advancing its portfolio of low-cost nickel development projects. All amounts in this report are in U.S. dollars.

The additional restructuring actions announced are expected to result in a pre-tax restructuring charge of $50 million in the first quarter of 1998 for severance costs and a write-down of $14 million in the first quarter of 1998 relating to assets which will be affected by these actions. Inco also announced a reduction in its regular quarterly cash dividend for common shares to 2½ cents (U.S.) per share from 10 cents (U.S.) per share, effective for the dividend payable on March 13, 1998 to shareholders of record on February 23, 1998. As a result and consistent with the terms of Inco's Class VBN Shares, the board of directors of Inco approved a quarterly dividend on the Class VBN Shares equal to 80% of the new quarterly cash dividend per share or 2 cents per Class VBN Share, payable March 13, 1998 to Class VBN holders of record on February 23, 1998.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

On February 11, 1998, Inco announced further actions being taken as part of its comprehensive operational restructurings to meet the Company's strategy of maximizing profitability and cash flow in the current nickel market environment and advancing its portfolio of low-cost nickel development projects. The latest actions being implemented include the following:

- Additional permanent workforce reductions in 1998 at Inco's Ontario and Manitoba Divisions; these latest reductions, when taken together with the actions announced in November 1997, will result in reductions in the workforces at these Divisions of about 1,000 persons or 16 per cent in Ontario and 175 persons or about 10 per cent in Manitoba from levels prevailing at those Divisions as of the end of the third quarter of 1997; the total annual employment cost savings from these reductions is estimated at about $75 million.

- Consolidating marketing, purchasing, engineering and other functions company-wide, together with reductions in supplies and certain services, resulting in annual savings of about $52 million.

- Reductions in corporate, general and administrative expenses through corporate staff reductions and other actions, resulting in savings of $19 million annually or about 25 per cent of 1997 levels for these expenses; these actions include closing the corporate office in New York. In addition, cash bonuses for officers under 1997 annual incentive plans have been eliminated.

- Concentrating exploration on existing operations and development projects, and reducing related expenditures by $15 million annually or about 40 per cent of 1997 levels.

- Refocusing research and development expenditures on value-added product and critical metals process development, resulting in a reduction in these expenses by $4 million annually or about 16 per cent of 1997 levels.

The additional restructuring actions announced are expected to result in a pre-tax restructuring charge of $50 million in the first quarter of 1998 for severance costs and a write-down of $14 million in the first quarter of 1998 relating to assets which will be affected by these actions.

The restructuring also includes other measures, as follows:

- A further reduction in planned capital expenditures of $50 million for 1998 which, together with the reduction announced in November 1997, will result in a $105 million annual reduction compared to 1997 levels; as a result, 1998 capital expenditures will total $430 million, with $220 million, or more than 50 per cent, for the expansion project at P.T. International Nickel Indonesia.

- Divestiture of additional non-core assets in addition to previously-announced divestitures already completed or awaiting regulatory clearance.

Inco's Board of Directors also approved a new dividend rate for Inco's Common Shares, reducing the regular quarterly cash dividend from 10 cents (U.S.) to 2½ cents (U.S.) per share, effective for the dividend payable on March 13, 1998 to shareholders of record on February 23, 1998. As a result of this action and consistent with the terms of the Class VBN Shares, the Board approved a quarterly dividend payable on the Class VBN Shares equal to 80 per cent of the new quarterly cash dividend per Common Share or 2 cents (U.S.) per Class VBN Share, payable March 13, 1998 to Class VBN shareholders of record on February 23, 1998. The dividend on Inco's Series E Preferred Shares will not be affected by these actions.

The Company had announced a share repurchase program in August 1997 which expires in August 1998. To date, Inco has purchased one million Common Shares under that program, but given current nickel prices the Company has suspended additional purchases of Common Shares at this time.

This report contains forward-looking statements (as defined in the U.S. Securities Exchange Act of 1934) regarding development and other projects and Inco's other businesses and operations, including its costs and profitability. Inherent in these statements are risks and uncertainties well beyond Inco's ability to control or predict. Actual results may differ materially from those contemplated by these statements depending on, among others, such key factors as the timing of the implementation of restructurings and other actions, receipt of necessary governmental and other approvals, engineering and construction timetables, costs, financing arrangements, supply and demand for metals to be produced, production levels, and metals prices.

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

This report is not being filed on a confidential basis.

ITEM 7: OMITTED INFORMATION

Nil.

ITEM 8: SENIOR OFFICER - FOR FURTHER INFORMATION CONTACT:

For further information, contact Stuart F. Feiner, Executive Vice President, General Counsel and Secretary, at (416) 361-7680.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 12th day of February, 1998.

(Signed)
Stuart F. Feiner
Executive Vice-President, General Counsel
and Secretary

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.