

MATERIAL CHANGE REPORT

PURSUANT TO

SECTION 67(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

July 8, 1998

ITEM 3: PRESS RELEASE

The press release issued in respect of this material change was issued on July 9, 1998 at Toronto, Ontario.

ITEM 4: SUMMARY OF MATERIAL CHANGE

Inco Limited has entered into a definitive agreement to sell its Inco Alloys International business unit to Special Metals Corporation. Completion of the sale is subject to the satisfaction of a number of conditions and receipt of regulatory and other approvals, including antitrust clearance. Inco and Special Metals Corporation currently expect that all necessary regulatory approvals and other conditions to complete the sale will be met within 60 days.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

See attached copy of the press release issued in this matter.

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: SENIOR OFFICER - FOR FURTHER INFORMATION CONTACT:

For further information, contact Jerry Rogers, Media Relations, Inco Limited at (416) 361-7754 or N. Kurt Barnes, Investor Relations, Inco Limited at (212) 612-5788.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 13th day of July, 1998.

(Signed) Stuart F. Feiner
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.

**INCO LIMITED ANNOUNCES AGREEMENT TO SELL
ITS ALLOYS BUSINESS TO SPECIAL METALS CORPORATION**

Toronto, July 9, 1998 – Inco Limited (“Inco”) today announced the execution of a definitive agreement for the sale by Inco of 100 per cent of its Inco Alloys International business unit (“IAI”) to Special Metals Corporation (“Special Metals”). Based in New Hartford, New York, Special Metals is a leading manufacturer of superalloy materials used primarily for manufacturing critical parts for the jet aircraft engine and gas turbine industries.

Upon the closing of the sale of IAI, Inco currently expects to receive cash proceeds, before fees and expenses, of U.S. \$408 million and to realize an after-tax gain of approximately U.S. \$73 million. Inco plans to use the estimated net cash proceeds from the sale of approximately U.S. \$395 million, after taxes and fees and expenses, to reduce its outstanding debt. The purchase price is subject to adjustment based upon certain changes in IAI’s net worth up to closing.

Inco Chairman and Chief Executive Officer Michael D. Sopko stated that: “The sale of our Inco Alloys International business is consistent with Inco’s strategy, as one of the world’s premier mining and metals companies, to focus on our core primary metals business.”

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IAI is a manufacturer of nickel and other alloys which are used primarily in the chemical processing, power generation, pollution control, aerospace, and oil and gas industries. IAI has its principal operations in the United States and the United Kingdom with joint ventures, distribution and other related businesses located in several other countries, including Japan, Canada and France. Founded in 1952, Special Metals currently has manufacturing facilities in New Hartford and Dunkirk, New York, Princeton, Kentucky and Ann Arbor, Michigan.

Completion of the sale will be subject to a number of conditions and the receipt of regulatory and other approvals, including antitrust clearance. Inco and Special Metals currently expect that all necessary regulatory approvals and other conditions to complete the sale will be met within 60 days.

Inco is one of the world's premier mining and metals companies. It is a leading producer of nickel, supplying about 27 per cent of the world's total nickel demand. Inco is also an important producer of copper, precious metals, and cobalt.

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July 9, 1998

For further information contact:

Media Relations:	Jerry L. Rogers (416) 361-7754
Investor Relations:	N. Kurt Barnes (212) 612-5788

or: www.incoltd.com