

**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

No material change has occurred. See ITEM 4.

ITEM 3: PRESS RELEASE

No press release was issued. See ITEM 4.

ITEM 4: SUMMARY OF MATERIAL CHANGE

Inco Limited (“Inco”) has made an offer dated September 15, 2000 to purchase all of its outstanding Class VBN Shares (the “Offer”). The circular forming part of the Offer (the “Circular”) incorporates by reference certain documents publicly filed by Inco, including material change reports filed with Canadian securities regulatory authorities and any current report on Form 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) prior to the termination of the Offer. Inco has voluntarily filed a current report on Form 8-K with the SEC relating to the matter described herein, which does not constitute a material change within the meaning of Canadian securities laws, and this report is being filed in connection therewith.

The event described in the Form 8-K referred to above is the receipt by Inco of the resignation of Edward L. Mercaldo from the Board of Directors of Inco effective September 21, 2000.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

This material change report is being filed for the reasons set forth in ITEM 4 above in respect of the following event:

On September 21, 2000, the Chairman and Chief Executive Officer of Inco received by facsimile the resignation from the Board of Directors of Inco of Edward L. Mercaldo, one of the two Class VBN Directors of the Company, which resignation was to be effective immediately. Mr. Mercaldo had been elected as one of the two Class VBN Directors at the Company's Annual General Meeting of Shareholders held on April 19, 2000. This Director had previously tendered, pursuant to the terms of a Lock-up Agreement dated September 5, 2000 between Inco and Franco-Nevada Mining Corporation Limited, his resignation dated September 5, 2000 as a Director of the Company ("Earlier Resignation"). The Earlier Resignation was to be effective as of the date when holders of at least 66 2/3% of the Company's outstanding Class VBN Shares shall have received, or been forwarded, the consideration payable for their Class VBN Shares pursuant to the Offer, an amended or competing offer, or certain alternative transactions.

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 Stuart F. Feiner (General Counsel) at (416) 361-7680.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the matter referred to herein.

DATED this 29th day of September, 2000.

INCO LIMITED

By: "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.