

*No securities commission or similar authority in Canada or the United States has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.*

*This document is important and requires your immediate attention. It should be read in conjunction with the Offer to Purchase and accompanying Circular of Inco Limited dated September 15, 2000. Except as otherwise set forth herein, the terms and conditions previously set forth in such Offer to Purchase and accompanying Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery (which together constitute the "Original Offer") continue to be applicable in all respects to the Offer. Unless the context requires otherwise, terms not defined herein shall have the meanings set forth in the Original Offer. If you are in any doubt as to how to deal with this document, you should consult your investment dealer, lawyer or other professional advisor. For further information, you may also telephone the Dealer Manager (at 1-866-550-7907 in Canada and 1-877-993-8110 in the United States), the Information Agent (at 1-800-322-2885) or the Depositary (at 1-800-387-0825).*

## **NOTICE OF VARIATION AND CHANGE**

**by**

**INCO LIMITED**

**of its**

**OFFER TO PURCHASE**

**all of its Class VBN Shares for Cdn. \$7.50 cash and 0.45  
of an Inco Limited Common Share Purchase Warrant per Class VBN Share**

Inco Limited ("Inco") hereby gives notice that it has varied its Offer dated September 15, 2000 to purchase all of its Class VBN Shares ("Class VBN Shares") by, among other things, extending the Offer and amending certain of the conditions of its Offer and gives notice of certain changes in the information contained in the Offer. The Offer, as extended, is open for acceptance until midnight (local time at the place of deposit) on Friday, October 27, 2000, unless extended or withdrawn.

Holders of Class VBN Shares (each, a "Class VBN Shareholder") wishing to accept the Offer must properly complete and duly execute the Letter of Transmittal, or a manually executed facsimile thereof and deliver it together with the certificates representing the Class VBN Shares and all other required documents to CIBC Mellon Trust Company (the "Depositary") or Chase Mellon Shareholder Services, LLC (the "U.S. Forwarding Agent") prior to the Expiration Date. A Class VBN Shareholder whose Class VBN Shares are registered in the name of an investment dealer, stockbroker, commercial bank, trust company or other nominee should contact such person or institution if the holder desires to deposit such Class VBN Shares. Any holder of Class VBN Shares whose certificates for such shares are not immediately available on a timely basis may deposit their Class VBN Shares by following procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase, "Procedures for Depositing Class VBN Shares".

Questions and requests for assistance may be directed to the Dealer Manager for the Offer, BMO Nesbitt Burns Inc. in Canada and BMO Nesbitt Burns Corp. in the United States, the Information Agent for the Offer, MacKenzie Partners Inc., or the Depositary. Additional copies of this document, the Offer to Purchase and accompanying Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary at its addresses shown on the back cover of this Notice of Variation and Change.

The Dealer Manager for the Offer is:

*In Canada*

**BMO Nesbitt Burns Inc.**

*In the United States*

**BMO Nesbitt Burns Corp.**

October 16, 2000

## NOTICE TO CLASS VBN SHAREHOLDERS WHO ARE IN THE UNITED STATES

The Offer is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare that portion of the Offer to Purchase and Circular which constitutes a prospectus for U.S. securities law purposes in accordance with the disclosure requirements of Canada. Holders of Class VBN Shares should be aware that such requirements are different from those of the United States. Financial statements included or incorporated in the Offer, if any, have been prepared in accordance with Canadian generally accepted accounting principles, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Holders of Class VBN Shares should be aware that the transactions described in the Offer may have tax consequences in the United States and Canada. Such consequences for Class VBN Shareholders who are resident in, or citizens of, the United States may not be described fully in the Offer. The enforcement by Class VBN Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of Canada, that some or all of its officers and directors are residents of Canada, that some or all of the experts named in the registration statement may be residents of Canada, and that all or a substantial portion of the assets of the Company and said persons may be located outside the United States.

**NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE OFFER, THE WARRANTS OR THE COMMON SHARES ISSUABLE UPON EXERCISE OF THE WARRANTS, OR PASSED UPON THE MERITS, FAIRNESS, ADEQUACY OR ACCURACY OF THE OFFER OR THE DISCLOSURE IN THE OFFER, AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Class VBN Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Inco may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Class VBN Shareholders in such jurisdiction.*

## NOTICE OF VARIATION AND CHANGE

October 16, 2000

### TO: THE HOLDERS OF CLASS VBN SHARES OF INCO LIMITED

This Notice of Variation and Change amends and supplements the Offer to Purchase and the accompanying Circular dated September 15, 2000 of Inco Limited (“Inco”) pursuant to which Inco is offering to purchase all of its outstanding Class VBN Shares for Cdn. \$7.50 cash (or at the option of the holder the equivalent in U.S. dollars), without interest, and 0.45 of an Inco Limited Common Share Purchase Warrant per Class VBN Share, on the terms and conditions set forth in the Offer to Purchase, the Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery (which together constitute the “Original Offer”).

Except as otherwise set forth in this Notice of Variation and Change, the terms and conditions previously set forth in the Original Offer continue to be applicable in all respects and this Notice of Variation and Change should be read in conjunction with the Original Offer. Unless the context requires otherwise, terms not defined herein have the meanings set forth in the Original Offer. The term “Offer” means the Original Offer, as amended by this Notice of Variation and Change. All dollar references herein are expressed in either Canadian or U.S. dollars. References to “U.S. \$” are to U.S. dollars. References to “Cdn. \$” are to Canadian dollars. On October 13, 2000, the noon rate of exchange quoted by the Bank of Canada for Cdn. \$1.00 was U.S. \$0.661, the inverse of which is U.S. \$1.00 in exchange for Cdn. \$1.513.

#### 1. EXTENSION OF THE OFFER

##### Expiration Time and Date

Inco has varied the Original Offer by extending the time during which the Offer is open for acceptance from 5:00 p.m. (Toronto time) on October 16, 2000 to midnight (local time at the place of deposit) on October 27, 2000, unless Inco extends the period during which the Offer is open for acceptance pursuant to Section 7 of the Offer to Purchase, “Extension and Variation of the Offer”. Accordingly, the definitions of “Expiration Date” and “Expiration Time” in the Offer are amended to read in full as follows:

“**Expiration Date**” means October 27, 2000, unless Inco extends the period during which the Offer is open for acceptance, in which event the term, “Expiration Date” shall refer to the latest date or dates to which the Offer may be extended unless withdrawn by Inco.

“**Expiration Time**” means midnight (local time at the place of deposit), on the Expiration Date, unless Inco extends the period during which the Offer is open for acceptance, in which event the Term “Expiration Time” shall refer to the latest time or times to which the Offer may be extended unless withdrawn by Inco.

##### Withdrawal Rights

Shareholders have the right to withdraw Class VBN Shares deposited pursuant to the Offer under the circumstances and in the manner described in Section 4 of the Offer to Purchase, “Withdrawal Rights”. As a result of this Notice of Variation and Change, Class VBN Shares deposited pursuant to the Offer may be withdrawn by or on behalf of the depositing Class VBN Shareholder at any time prior to midnight (local time at the place of deposit) on October 27, 2000.

##### Acceptance for Payment and Payment for Class VBN Shares

If all the conditions referred to under Section 5 of the Offer to Purchase, “Conditions of the Offer”, are satisfied or waived by Inco prior to the Expiration Time, Inco will become obligated to take up and promptly pay for all of the Class VBN Shares validly deposited (and not withdrawn pursuant to Section 4 of the Offer to Purchase) as provided in Section 6 of the Offer to Purchase, “Acceptance for Payment and Payment for Class VBN Shares”.

## 2. CONDITIONS OF THE OFFER

The Offer remains subject to all the conditions set out in Section 5 of the Offer to Purchase, “Conditions of the Offer”, except that Inco has varied the Original Offer by amending the following conditions of Section 5 thereof in the following manner:

- (a) condition (c) of Section 4 is amended by adding the words “which, in the sole and exclusive judgment of Inco, has or may have a material adverse effect on the Class VBN Shares, the Common Shares, the Voisey’s Bay Project or the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of Inco and its subsidiaries taken as a whole or will or may materially impair the contemplated benefits to Inco of the Offer” after the words “affecting the Offer” at the end of clause (i) of condition (c);
- (b) condition (d) of Section 5 is amended by deleting the words “would or might” after the words “paragraph (c) above or”; and
- (c) condition (g) of Section 5 is amended by adding the words “, in the sole and exclusive judgment of Inco” after the words “economic of financial conditions that” in clause (v) of condition (g).

## 3. OTHER VARIATIONS TO THE OFFER

The following amendments to the Offer to Purchase and Circular are hereby made:

- (a) All paragraphs under “Special Factors - Fairness of the Transaction” of the Offer to Purchase and Circular are deleted and replaced by the following:

The Board of Directors has determined, after considering the Rothschild Valuation and Fairness Opinion, the recommendation of its Special Committee and the other matters discussed under “Approval of the Board” in the Circular, that the Offer is in the best interests of Inco and is procedurally and substantively fair to Class VBN Shareholders, including unaffiliated shareholders.

In determining that the Offer is substantively fair to Class VBN Shareholders, the Board of Directors considered, among other factors, the various valuation analyses employed in the Rothschild Valuation and Fairness Opinion, including the discounted cash flow valuations, the comparable transactions analysis, the peer company analysis, the historical stock trading and premium analysis, the valuation of the Class VBN Share dividend entitlement and conversion rights, and the valuation of the Warrants based on the Black-Scholes valuation model. In reaching its conclusion that the Offer is substantively fair, the Board of Directors reviewed and approved the analyses of Rothschild and Rothschild’s conclusion that the fair market value (as defined in such opinion) of the Class VBN Shares is in the range of Cdn.\$6.50 to Cdn.\$12.00 and that the Offer is fair, from a financial point of view, to Class VBN Shareholders. Since the Class VBN Shares (i) are shares of Inco and not VBNCL and (ii) were designed to reflect an indirect aggregate 25% participation in distributions from the commercial development of the Voisey’s Bay Deposit and such deposit has not been developed to date, the Board of Directors did not consider net book value, liquidation value or going concern value to be material indicators of the value of the Class VBN Shares.

In determining that the Offer is procedurally fair to Class VBN Shareholders, the following factors, among others, were considered by the Board of Directors: (i) the unanimous recommendation of the Offer by the Special Committee, which Committee consisted solely of disinterested members of the Board of Directors, (ii) the fact that the terms, conditions and structure of the Offer, including the Offer Price of Cdn.\$7.50 and 0.45 of a Warrant per Class VBN Share, resulted from an active arms-length negotiation between Inco and Franco-Nevada, (iii) the fact that Rothschild was retained by the Board of Directors, including a majority of the non-employee directors of Inco, to prepare an independent opinion concerning the fairness of the Offer, from a financial point of view, to Class VBN Shareholders, (iv) the fact that the Offer was approved by a majority of the disinterested members of the Board of Directors, and (v) the fact that the success of the Offer is conditioned upon, among other things, the tender of at least 90% of the outstanding Class VBN Shares (calculated on a fully-diluted basis), and, accordingly, the Offer would not be successful without the approval (by way of tender) of a majority of the unaffiliated Class VBN Shareholders. In light of Franco-

Nevada's involvement in the negotiation of the terms of the Offer, and the work being done by Rothschild for the Board of Directors, neither the Special Committee nor the Board of Directors retained an unaffiliated representative to act solely on behalf of unaffiliated Class VBN Shareholders for purposes of negotiating the terms of the Offer or preparing a report concerning the fairness of the Offer.

Due to their respective apparent conflicts of interest, it was considered appropriate that the two directors elected by the Class VBN Shareholders not participate, and, accordingly, they did not participate, in the making of such fairness determinations. The Offer was approved by all non-employee directors of Inco, excluding the two Class VBN Directors, which constituted the approval of the majority of such directors. See "Approval by the Board of Directors" in the Circular for a more detailed discussion of these matters.

- (b) The following paragraph is inserted in the Offer to Purchase and Circular in Section 5, "Conditions of the Offer", preceding the second last paragraph thereunder:

Notwithstanding any other provision of the Offer, Inco is not required to accept for payment or (subject to any applicable rules and regulations of the SEC, including 14e-1(c) promulgated under the Exchange Act, which relates to Inco's obligation to promptly pay for or return tendered securities promptly after termination or withdrawal of the Offer) pay for, and may delay the acceptance of and payment for, any tendered Class VBN Shares and may terminate or amend the Offer, unless all the conditions set forth in paragraphs (a) to (h) above are satisfied or waived by Inco as promptly as practicable after such time. Inco will not have the right to assert any such condition after the Expiration Time. In determining whether a condition has been satisfied, Inco will evaluate the objective criteria set forth in paragraphs (a) through (h) above, and where a condition is subject to the satisfaction of Inco, a standard of reasonableness will apply.

- (c) Inco has determined not to seek no-action or exemptive relief to permit an extension of the period during which Class VBN Shares may be deposited under the Offer after taking up Class VBN Shares deposited under the Offer. Accordingly, the section entitled "Extension of Offer Period After Take-up" in the Summary in the Offer to Purchase and Circular and the fifth paragraph of Section 7, "Extension and Variation of the Offer" of the Offer to Purchase and Circular are both deleted.
- (d) The heading "Lock-Up Agreement" in the Offer to Purchase and Circular is renamed "Lock-Up and Other Agreements" and a sub-heading is inserted immediately thereafter entitled "Lock-Up Agreement". All references in the Offer to Purchase and Circular to the section entitled "Lock-Up Agreement" are amended to refer to "Lock-Up and Other Agreements".
- (e) The following sub-heading and paragraphs are inserted in the Offer to Purchase and Circular immediately preceding the heading "Rothschild Valuation and Fairness Opinion".

#### **Standstill Agreements**

In June 1995, Inco entered into separate agreements with each of Maria Investments Limited (a company whose shares were owned by a trust of which Jean-Raymond Boulle was the sole beneficiary) and Robert M. Friedland ("Friedland"). Each agreement provided, among other things, and subject to certain conditions, that such persons agreed (on behalf of itself or himself and its or his affiliates) that until the first to occur of (i) June 8, 2020, and (ii) a change of control of Inco, not to, directly or indirectly, (a) acquire, hold or beneficially own more than 5% of the voting securities of Inco, or securities convertible into such voting securities, (b) solicit proxies to vote, or seek to influence the voting of, any Inco voting securities or (c) take certain actions, alone or in concert with others, to seek to control the management, board of directors or policies of Inco (together, the "Standstill Provisions").

In April 1996 (i) Friedland and (ii) Jean-Raymond Boulle and a company controlled by Boulle, MIL (Investments) S.A. (collectively, "Boulle") entered into separate agreements with Inco. In these agreements, Friedland and Boulle, among other things, acknowledged the continuance and applicability to them and their affiliates of the Standstill Provisions.

In May 1997, Friedland and a company controlled by Friedland, Evershine L.L.C., entered into an agreement with Inco under which Evershine L.L.C. agreed to be bound by various obligations of Friedland, including the Standstill Provisions.

The foregoing is only a summary of the identified agreements and the Standstill Provisions and is qualified in its entirety by reference to the full text and more specific details in the such agreements filed with the SEC. See "Available Information" on how to obtain a copy of such agreements.

- (f) The following sentence is inserted at the end of the paragraph under the heading "Sources of Funds" in the Offer to Purchase and Circular:

Given that Inco has a number of committed credit facilities currently in place and available, no alternate financing plans exist for the Offer.

- (g) Schedule B to the Offer to Purchase and Circular is hereby replaced by the Schedule B attached hereto.

The Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery are hereby amended, as the context requires, to reflect the variations and changes contemplated by this Notice of Variation and Change.

#### 4. PRICE RANGE AND TRADING VOLUME OF CLASS VBN SHARES AND COMMON SHARES

##### Class VBN Shares

The volume of trading and price ranges of the Class VBN Shares on the NYSE and the TSE are set forth in the following table for the periods indicated:

<u>Period</u>	<u>TSE</u>			<u>NYSE</u>		
	<u>High</u> <u>Cdn\$</u>	<u>Low</u> <u>Cdn\$</u>	<u>Volume</u> (thousands)	<u>High</u> <u>US\$</u>	<u>Low</u> <u>US\$</u>	<u>Volume</u> (thousands)
<b>2000</b>						
September 2000.....	11.350	8.700	8,646	7.625	5.875	850
Third Quarter.....	11.350	6.450	9,780	7.625	4.375	1,057
October 1 – October 13.....	10.550	9.000	783	7.000	5.938	421

The closing prices of the Class VBN Shares on the NYSE and the TSE on October 13, 2000, the last trading day prior to the date of this Notice of Variation and Change, were U.S. \$6.438 and Cdn. \$9.80, respectively.

##### Common Shares

The volume of trading and price ranges of the Common Shares on the NYSE and the TSE are set forth in the following table for the periods indicated:

<u>Period</u>	<u>TSE</u>			<u>NYSE</u>		
	<u>High</u> <u>Cdn\$</u>	<u>Low</u> <u>Cdn\$</u>	<u>Volume</u> (thousands)	<u>High</u> <u>US\$</u>	<u>Low</u> <u>US\$</u>	<u>Volume</u> (thousands)
<b>2000</b>						
Third Quarter.....	28.350	20.550	35,869	19.125	14.125	30,391
October 1 – October 13.....	25.250	22.650	5,970	16.875	14.938	3,659

The closing prices of the Common Shares on the NYSE and the TSE on October 13, 2000, the last trading day prior to the date of this Notice of Variation and Change, were U.S. \$15.125 and Cdn. \$22.80, respectively.

## **Trading Value of the Warrants**

The market value of the Common Shares has declined since the date of the Offer. As set forth under “Fluctuation in Market Value of the Warrants” and “Exercise Price of Warrants” under “Risk Factors” in the Offer to Purchase and Circular, the trading value of the Warrants will be affected by a variety of factors, including, but not limited to, the market value of the Common Shares.

## **5. OTHER DEVELOPMENTS**

Certain developments arising subsequent to the date of the Original Offer are reflected in the following amendments to the Offer to Purchase and Circular.

1. The following subheading and paragraphs are inserted immediately preceding the heading “Available Information”.

### **Resignation of Edward L. Mercado**

On September 21, 2000, the Chairman and Chief Executive Officer of Inco received by facsimile the resignation from the Board of Directors of Edward L. Mercado, one of the two Class VBN Directors of the Company, which resignation was to be effective immediately. Mr. Mercado 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 the Lock-up Agreement, 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.

### **Certain Legal Matters**

On October 12, 2000, LLOV Partners, a purported holder of Class VBN Shares, instituted an action in the United States District Court, District of New Jersey by filing a complaint (the “Complaint”) against the Company, Michael D. Sopko, Scott M. Hand and George C. Halatsis (collectively, the “Defendants”). Messrs. Sopko and Hand are directors and officers of the Company. Mr. Halatsis is an officer of the Company. The Complaint alleges that the Offer to Purchase is materially false and misleading in various respects, and that, as a result, Class VBN Shareholders have been “irreparably harmed by being deprived of the right to make an informed decision, and will be misled into tendering their shares for substantially less than fair value.” The Complaint seeks, among other things, an injunction against the Defendants from consummating the Offer or the rescission of any tenders in the event the Offer is consummated. The Defendants believe that the Complaint is without merit and intend to contest the action vigorously.

2. The following two sentences are inserted following the first sentence under the heading “Listing of Warrants” in the Offer to Purchase and Circular.

The NYSE has indicated that it has approved the listing of the Warrants, but that it will not permit trading of the Warrants to commence if, on the date the Warrants are issued, the exercise price (in U.S. dollars) is greater than 200% of the then current market price (in U.S. dollars) of the Common Shares. Based on current exchange rates, the exercise price was approximately 157% of the closing price of the Common Shares on the NYSE on October 13, 2000 of U.S. \$15.125. If the NYSE does not permit trading of the Warrants to commence at the time they are issued, Inco intends to seek an alternative U.S. listing for the Warrants.

## **SHAREHOLDERS’ STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides holders of Class VBN Shares with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to the holders of Class VBN Shares. However, such rights must be exercised within prescribed time limits. Holders of Class VBN Shares should refer to

the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

**DIRECTORS' APPROVAL**

The contents of the Notice of Variation and Change have been approved and the sending thereof to the Class VBN Shareholders has been authorized by the Board of Directors of the Company.

## SCHEDULE B

### INFORMATION RELATING TO DIRECTORS OFFICER OF THE COMPANY

Name and Address	Present Principal Occupation/Address	Material Occupations, Positions, Offices or Employment during the last Five Years	Country of Citizenship
<b>Directors</b>			
Mr. Glen Barton c/o Caterpillar Inc. 100 N.E. Adams Street Peoria, Illinois 61629-7210	Chairman and Chief Executive Officer Caterpillar Inc. 100 N.E. Adams Street Peoria, Illinois 61629-7210	Director of Inco Limited since 1994. Chairman and Chief Executive Officer of Caterpillar Inc. since 1999. Various other executive positions with Caterpillar Inc. from 1989 to 1999. Director of National Mining Association and U.S.–Japan Business Council. Trustee of the Board of Trustees of Bradley University. Member of The Business Roundtable and The Business Council.	U.S.
Dr. Angus Bruneau, O.C. c/o Fortis Inc. Suite 1201 P.O. Box 8837 139 Water Street St. John's, Newfoundland A1B 3T2	Chairman Fortis Inc. Suite 1201 P.O. Box 8837 139 Water Street St. John's, Newfoundland A1B 3T2	Director of Inco Limited since 1998. Chairman of Fortis Inc. since 1987. Chairman and Chief Executive Officer of Fortis Inc. from 1987 to 1996. Chairman of the Board of Directors for Air Nova Inc. Director of Petro-Canada, SNC Lavalin Inc., The Canada Life Assurance Company and North Atlantic Pipeline Partners Ltd.	Canada
Eleanor R. Clitheroe c/o Ontario Hydro Services Company 483 Bay Street 10 <sup>th</sup> Floor Trinity Square Building South Tower Toronto, Ontario M5G 2P5	President and Chief Executive Officer Ontario Hydro Services Company 483 Bay Street 10 <sup>th</sup> Floor Trinity Square Building South Tower Toronto, Ontario M5G 2P5	Director of Inco Limited since 1998. President and Chief Executive Officer of Ontario Hydro Services since 1998. Chief Financial Officer of Ontario Hydro and other executive positions from 1994 to 1998. Director of Dofasco Inc., Alcan Aluminum Limited and The Toronto-Dominion Bank.	Canada
Purdy Crawford, O.C., Q.C. c/o Osler, Hoskin & Harcourt LLP P.O. Box 50 Suite 6600 1 First Canadian Place Toronto, Ontario M5X 1B8	Chairman, AT&T Canada Corp. and Counsel, Osler, Hoskin & Harcourt LLP P.O. Box 50 Suite 6600 1 First Canadian Place Toronto, Ontario M5X 1B8	Director of Inco Limited since 1985. Chairman of AT&T Canada Corp. since June 1999. Chairman and Director of Imasco Limited and Chairman and Director of CT Financial Services Inc. and Canada Trustco Mortgage Company from 1995 to 2000. Director of Camco Inc., Canadian National Railway Company, Maple Leaf Foods Inc., Nova Scotia Power Inc., Petro-Canada and Venator Group Inc. Governor Emeritus of McGill University. Chancellor of Mount Allison University.	Canada

Name and Address	Present Principal Occupation/Address	Material Occupations, Positions, Offices or Employment during the last Five Years	Country of Citizenship
The Honourable Judith Erola, P.C. R.R.# 1 Whitefish, Ontario P0M 3E0	Retired	Director of Inco Limited since 1987. Retired since 1998 as President, Pharmaceutical Manufacturers Association of Canada. From 1987 to 1998, President Pharmaceutical Manufactures Association of Canada. Director of Canadian Institute of Child Health, the Judy LaMarsh Fund, MAP International, the LOEB Health Research Institute of Ottawa Hospital. Director of Adherex Technologies Inc. Member of the Board of Governors of the University of Ottawa.	Canada
William F. Glavin c/o Bald Peak Colony Club Melvin Village, New Hampshire 03850	President Emeritus of Babson College	Director of Inco Limited since 1990. President Emeritus of Babson College since 1998. President of Babson College from 1989 to 1997. Director of Omegatech Limited and Reebok Ltd. Trustee of the John Hancock Mutual Funds.	U.S.
Charles H. Hantho, C.M. c/o Sentinel Associates Limited, Suite 703 165 University Ave. Toronto, Ontario M5H 3B8	Chairman Dofasco Inc. c/o Sentinel Associates Limited, Suite 703 165 University Ave. Toronto, Ontario M5H 3B8	Director of Inco Limited since 1989. Chairman of Dofasco Inc. since 1995. Chairman and Director of Dominion Textile Inc. from 1995 to 1997. Director of AGRA Industries Limited, Camco Inc., Telemedia Communications Inc. and TransAlta Utilities Corporation. Chairman of the Board of Governors of York University.	Canada
Scott M. Hand c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	President and Director Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Director of Inco Limited since 1991. President of Inco Limited since 1992. Director of Independence Community Bank Corp. President Commissioner of PT International Nickel Tbk	U.S.
(also an officer)			
David E. Harquail c/o Franco-Nevada Mining Corp. Limited Canada Trust Tower Suite 1900, Box 2005 20 Eglinton Avenue West Toronto, Ontario M4R 1K8	Senior Vice-President Franco-Nevada Mining Corp. Limited Canada Trust Tower Suite 1900, Box 2005 20 Eglinton Avenue West Toronto, Ontario M4R 1K8	Class VBN Director of Inco Limited since 1998. Various positions with Franco-Nevada Mining Corp. Limited since 1987.	Canada

<b>Name and Address</b>	<b>Present Principal Occupation/Address</b>	<b>Material Occupations, Positions, Offices or Employment during the last Five Years</b>	<b>Country of Citizenship</b>
David P. O'Brien c/o Canadian Pacific Limited 1800 Bankers Hall East 855 - 2 <sup>nd</sup> Street S.W. Calgary, Alberta T2P 4Z5	Chairman, President, Chief Executive Officer and Director Canadian Pacific Limited 1800 Bankers Hall East 855 - 2 <sup>nd</sup> Street S.W. Calgary, Alberta T2P 4Z5	Director of Inco Limited since 1996. Chairman, President, Chief Executive Officer and Director of Canadian Pacific Limited since 1996. Chairman of PanCanadian Petroleum Limited from 1992 to present. President and Chief Operating Officer of Canadian Pacific Limited from 1995 to 1996. Director of Royal Bank of Canada, Air Canada, Fording Coal Limited and Westburne Inc. Member of the Board of Governors of the University of Calgary.	Canada
Michael D. Sopko c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7  (also an officer)	Chairman and Chief Executive Officer and Director Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Director of Inco Limited since 1991. Chairman and Chief Executive Officer of Inco Limited since 1992. Director of The Toronto-Dominion Bank and Co-Steel Inc.	Canada
James M. Stanford c/o Petro-Canada 150 6 <sup>th</sup> Floor Suite 3000 Calgary, Alberta T2P 3Y7	Chairman of the Board Petro-Canada 150 6 <sup>th</sup> Floor Suite 3000 Calgary, Alberta T2P 3Y7	Director of Inco Limited since 1998. Chairman of the Board of Petro-Canada since January 2000. President of Stanford Resources Management Inc. since January 2000. President and Chief Executive Officer of Petro-Canada from 1993 to January 2000. Director of Fortis Inc., the Canadian Wheat Board and Nova Chemicals Corporation.	Canada
Richard M. Thomson, O.C. c/o The Toronto-Dominion Bank Toronto-Dominion Bank Tower, 10/F P.O. Box 1, Toronto-Dominion Centre Toronto, Ontario M5K 1A2	Retired	Director of Inco Limited since 1984. From 1978 to 1997, Chairman and Chief Executive Officer of The Toronto-Dominion Bank. Director of The Toronto-Dominion Bank, The Canada Pension Plan Investment Board, Canadian Occidental Petroleum Ltd., CGC Inc., Ontario Power Generation Inc., S.C. Johnson and Son Inc., The Prudential Insurance Company of America, The Thomson Corporation Ltd., and TrizecHahn Corporation. Chairman of The Hospital for Sick Children Foundation.	Canada

<b>Name and Address</b>	<b>Present Principal Occupation/Address</b>	<b>Material Occupations, Positions, Offices or Employment during the last Five Years</b>	<b>Country of Citizenship</b>
<b>Executive Officers (who are not Directors)</b>			
Stuart F. Feiner c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President, General Counsel and Secretary Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President, General Counsel and Secretary of Inco Limited since 1993. Director of ImmoGen Inc.	U.S.
Peter Goudie c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President of Inco Limited since 1997. President and Managing Director of Inco Pacific Limited since 1991.	Australia
George C. Halatsis c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President & Chief Financial Officer Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President & Chief Financial Officer of Inco Limited since March 2000. Finance Director, Esso Australia Limited in 1995. Executive Vice-President and Chief Financial Officer of A&P Investments Australia Limited in 1996. 1996 to March 2000, Executive Vice- President and Chief Financial Officer of Canadian Pacific Railway.	Canada
Peter C. Jones c/o Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President Inco Limited 145 King Street West Suite 1500 Toronto, Ontario M5H 4B7	Executive Vice-President of Inco Limited since 1997. President and Chief Executive Officer, Hudson Bay Mining and Smelting Co. Limited from 1994 to 1996.	British/ Canada dual citizenship

## **APPROVAL AND CERTIFICATE**

The contents of the Offer to Purchase, the accompanying Circular and the Notice of Variation and Change have been approved, and the sending, communication or delivery thereof to the Class VBN Shareholders has been authorized by the board of directors of Inco Limited. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the Class VBN Shares which are the subject of the Offer, as varied by this Notice of Variation and Change.

DATED: October 16, 2000

(Signed) MICHAEL D. SOPKO  
Chairman and Chief Executive Officer

(Signed) GEORGE C. HALATSIS  
Executive Vice-President and  
Chief Financial Officer

**On behalf of the Board of Directors of  
Inco Limited**

(Signed) PURDY CRAWFORD  
Director

(Signed) CHARLES H. HANTHO  
Director

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***The Depository is:***  
**CIBC MELLON TRUST COMPANY**

***By Mail***

P.O. Box 1036  
Adelaide Street Postal Station  
Toronto, Ontario  
M5C 2K4

***By Hand or by Courier***

199 Bay Street  
Commerce Court West  
Securities Level  
Toronto, Ontario  
M5L 1G9

Telephone: (416) 643-5500

Toll Free: 1-800-387-0825

Fax: (416) 643-3148

E-Mail: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)

**Montreal**

2001 University Street  
16<sup>th</sup> Floor  
Montreal, PQ  
H3A 2A6

**Vancouver**

1066 West Hastings Street  
16<sup>th</sup> Floor  
Vancouver, BC  
V6E 3X1

***The U.S. Forwarding Agent is:***

**CHASE MELLON SHAREHOLDER SERVICES, LLC**

120 Broadway  
13<sup>th</sup> Floor  
New York, NY  
10271

***The Dealer Manager is:***

**BMO NESBITT BURNS INC.**

1 First Canadian Place  
4<sup>th</sup> Floor, P.O. Box 150  
Toronto, ON  
M5X 1H3

Telephone: 1-866-550-7907

**BMO NESBITT BURNS CORP.**

111 West Monroe Street, 20 East  
Chicago, IL  
60603

Telephone: 1-877-993-8110

Fax: (312) 461-6327

***The Information Agent is:***

**MACKENZIE PARTNERS, INC.**

156 Fifth Avenue  
New York, NY  
10010

Telephone: 1-800-322-2885

Fax: (212) 929-0308

E-Mail: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

**Any questions and requests for assistance may be directed by Class VBN Shareholders to the Dealer Manager, the Information Agent or the Depository at their respective telephone numbers and locations set out above.**