FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 75(3) OF THE ACT

ITEM 1 Reporting Issuer

Inmet Mining Corporation

ITEM 2 Date of Material Change

December 19, 2001

ITEM 3 Press Release

Attached is the press release regarding the material change.

ITEM 4 Summary of Material Change

The material change is accurately summarized in the attached press release.

ITEM 5 Full Description of Material Change

On December 19, 2001, Outokumpu Oyj (together with certain of its subsidiaries, “Outokumpu”) and Inmet Mining Corporation (together with its subsidiaries, “Inmet”) announced that they entered into an agreement pursuant to which Inmet would acquire all of the outstanding shares of Pyhasalmi Mine Oy, which operates the Pyhasalmi copper-zinc-pyrite mine in central Finland. As part of the transaction, Inmet and Outokumpu will also enter into certain other agreements to create an alliance to cooperate in the area of mining and mineral processing technology, smelting and refining and the development of future mining projects.

Under the purchase agreement, Inmet will acquire all of the outstanding shares of Pyhasalmi Mine Oy, associated mining concessions and over 3,000 hectares of other exploration claims located in Finland. In return, Inmet will deliver to Outokumpu at closing €45 million in cash, a €14 million 10-year subordinated, unsecured 6% promissory note with no repayment of principal until maturity and 4 million common shares of Inmet. The agreed issue price for Inmet’s common shares is C$4.50 per share. Outokumpu has also agreed that the shares will be subject to minimum three-year hold period. Issuance of the shares is subject to receipt of approval from The Toronto Stock Exchange (“TSE”).

Inmet has secured a U.S.$40 million revolving bank facility arranged by a Canadian chartered bank and two non-Canadian banks acting as co-arrangers to provide Inmet with an alternative source of financing for the cash portion of the purchase price, subject to terms and conditions that are customary for a facility of this type. No principal repayments are required on the facility until July 1, 2003 and the final maturity is December 31, 2006.

The closing of the acquisition of Pyhasalmi Mine Oy and execution of the agreements creating the alliance is expected to occur in the first quarter of 2002, subject to obtaining TSE approval for the issuance of the common shares of Inmet and the fulfillment of all conditions precedent to the advance of funds under the bank facility.

Inmet and Outokumpu will enter into several agreements in connection with the alliance between them. Under an Off-Take Alliance Agreement, Inmet and Outokumpu will co-operate on smelting and refining contracts for current and future Inmet mines. At the commencement of the process to seek long-term off-take agreements in respect of any operating mine or exploration or development property related to mining or mineral processing that is wholly-owned by Inmet (an “Inmet Mine”) or over which Inmet exercises control, direction or significant influence with respect to decisions relating to the sale of base metals concentrates (an “Inmet Controlled Mine”). Inmet will notify Outokumpu on at least an equal basis with other parties and invite Outokumpu to offer to purchase copper and/or zinc concentrates from such mine. If, in the opinion of Inmet, acting reasonably, the terms contained in Outokumpu’s offer are competitive, then, in the case of an Inmet Mine, the parties shall in good faith negotiate a concentrates agreement, and in the case of an Inmet Controlled Mine, and subject to the terms of any shareholder, joint venture or similar agreement and the reasonable interests of the minority shareholders or joint venturers, Inmet will support the offer made by Outokumpu. In respect of any mine in which Inmet has an interest but that is not an Inmet Mine or an Inmet Controlled Mine, Inmet shall use reasonable commercial efforts to cause Outokumpu to be provided with an opportunity to purchase copper and/or zinc concentrates on an equal basis with other parties. Separately, Outokumpu and Inmet will enter into life-of-mine arms’ length off-take agreements for copper and zinc concentrates from the Pyhasalmi mine.

Outokumpu and Inmet have also agreed on a Technology Alliance Agreement under which Inmet shall provide Outokumpu with the opportunity to participate in the provision of relevant services and equipment by tender or otherwise under any contract with a value in excess of €100,000 at current and future Inmet mines. If, in the opinion of Inmet acting reasonably, the terms contained in Outokumpu’s tender or proposal are competitive, then, in the case of an Inmet Mine, Outokumpu shall have the right to provide the relevant services or equipment. In the case of an Inmet Controlled Mine, and subject to the terms of any shareholder, joint venture or similar agreement and the reasonable interests of the minority shareholders or joint venturers, Inmet will support the tender made by Outokumpu. In respect of any mine in which Inmet has an interest but that is not an Inmet Mine or an Inmet Controlled Mine, Inmet shall use reasonable commercial efforts to cause Outokumpu to be provided with an opportunity to participate in the provision of relevant services and equipment on an equal basis with other parties. Inmet shall also make available to Outokumpu for research and demonstration purposes the Pyhasalmi mine and such other mines as the parties may agree. Outokumpu shall grant to Pyhasalmi Mine Oy a perpetual royalty-free licence to use Outokumpu intellectual property, including improvements thereon developed by Outokumpu, in the operations of the Pyhasalmi mine. Inmet and Outokumpu shall meet regularly to co-operate in connection with improvements on such intellectual property developed by Inmet. Any such severable improvements shall be licenced to Outokumpu on a non-exclusive, perpetual royalty-free basis. Non-severable improvements developed by Inmet shall be licensed to Outokumpu by Inmet on an exclusive, perpetual, royalty-free basis.

The Off-Take Alliance Agreement and the Technology Alliance Agreement shall each survive for a maximum of ten years but either agreement can be terminated by either party after the third anniversary date on 30 days prior written notice if: (1) Outokumpu fails to maintain at any time after such third anniversary a holding that is the greater of 4 million Inmet common shares and five per cent of the then issued and outstanding common shares of Inmet and (2) all but not less than all of the promissory note issued to Outokumpu in connection with the acquisition of Pyhasalmi Mine Oy has been repaid.

Inmet and Outokumpu will also enter into a pre-emptive right and share sale agreement. Under the terms of such agreement, Outokumpu will be prohibited from selling or otherwise disposing of the 4 million Inmet common shares that it will receive on closing for a period of three years except to secure indebtedness of a member of the Outokumpu group to a financial institution. Thereafter, Outokumpu may only sell its Inmet shares under a prospectus or through a pre-arranged trade or a series of trades provided that aggregate sales on any trading day may not exceed 10% of the average daily trading volume for Inmet's common shares for the preceding 20 trading day period. Outokumpu will be granted a pre-emptive right by Inmet with respect to future sales by Inmet of its common shares and other equity securities excluding issuance of equity securities in connection with a bona fide business acquisition, stock option exercises or conversion or exercise of existing convertible securities. If Outokumpu ceases to own at least 5% of Inmet's common shares by reason of any transaction by Inmet and provided that (a) Outokumpu has previously exercised all of its rights under the agreement to acquire Inmet equity securities and (b) at least one of the other alliance agreements remains in full force and effect, then Inmet shall offer to

Outokumpu on a private placement basis and at a price equal to the average daily closing price of common shares for the preceding 20 day trading period, that number of Inmet common shares necessary to return Outokumpu's holdings of common shares to 5% of Inmet's then outstanding common shares. Outokumpu will have 30 days following receipt to accept Inmet's offer.

Subject to Outokumpu being first provided with the opportunity to complete a purchase of Inmet common shares under an Inmet private placement offer as described above, Outokumpu's pre-emptive right under the agreement shall terminate on the later of the third anniversary of closing and the date on which the percentage of Inmet common shares held by Outokumpu falls below the greater of (a) 5% of the issued and outstanding Inmet common shares (b) 4,000,000 divided by the sum of the number of issued and outstanding Inmet common shares at closing and the total number of common shares issued by Inmet after closing to which Outokumpu's pre-emptive right does not apply.

Under the pre-emptive right and share sale agreement, Outokumpu shall also be entitled to nominate one individual for election to Inmet's board of directors. Inmet understands that Outokumpu intends to nominate Jyrki Juusela, Chief Executive Officer and President of Outokumpu Oyj to join Inmet's board of directors following the closing of the transaction.

As at September, 2001, the Pyhäsalmi mine had estimated proven and probable mineral reserves of 17.2 million tonnes (proven—7.7 million tonnes; probable—9.5 million tonnes) grading 1.2 per cent copper, 2.8 per cent zinc, 0.4 grams per tonne gold and 39 per cent sulphur. Based on these reserves and current production rates, Pyhäsalmi is expected to operate until 2015. The Pyhasalmi mine includes a newly constructed 1,450 metre deep, fully automated hoisting shaft. The Pyhäsalmi operation employs the latest technology, processing at a rate of approximately 1.2 million tonnes of ore per annum at a total cost of €23 per tonne of ore milled, with just over 200 employees. Average annual production of copper and zinc in concentrate is expected to be approximately 14,000 and 30,000 tonnes, respectively. Cash operating costs per pound of copper, net of by-product credits, are in the lowest quartile of worldwide copper production. The resulting copper and zinc concentrates are of high quality, with grades of about 30 per cent copper and 55 per cent zinc, and benefit from low transportation costs to neighboring smelters. The mine is also Europe's leading producer of high purity pyrite concentrate.

Mineral reserve information regarding the Pyhasalmi mine is based on mineral reserves estimates prepared by Outokumpu in accordance with the JORC Code (as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects") and provided to Inmet. Inmet has caused such mineral reserves estimates to be reviewed and believes that the definitions used therein are consistent with the definitions of “proven mineral reserve” and “probable mineral reserve” under National Instrument 43-101. Mineral reserves information in this report has been estimated by Inmet using a net smelter cut-off return of €17 per tonne at a copper price of US$0.725 per pound, a zinc price of US$0.42 per pound and an exchange rate of US$1.00=€1.12.

ITEM 6 Reliance on Section 75(3) of the Act

N/A

ITEM 7 Omitted Information

No material information has been omitted from this report.

ITEM 8 Senior Officer

Steve Astritis, Vice-President, General Counsel
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ITEM 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 31st day of December, 2001.

INMET MINING CORPORATION

By: “Steve Astritis”

Steve Astritis,
Vice-President, General Counsel