

Inmet Board Recommends That Shareholders Reject First Quantum's Hostile Takeover Bid

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- Investment Community Conference Call and Webcast Scheduled for Tuesday, January 22, 2013 at 8:30am ET

TORONTO, ONTARIO -- (Marketwire) -- 01/22/13 -- [Inmet Mining Corporation](#) ("Inmet") (TSX: IMN) announced today that its Board of Directors, on the recommendation of its Special Committee of independent directors and with input from its and the Special Committee's financial and legal advisors, recommends that Inmet shareholders reject the unsolicited offer by [First Quantum Minerals Ltd.](#) (the "First Quantum Offer" or the "Offer") to acquire Inmet for consideration of (a) cash, (b) First Quantum shares, or (c) a combination of cash and shares, and not tender their shares to the First Quantum Offer.

The basis for the Inmet Board's recommendation with respect to the First Quantum Offer is contained in a Directors' Circular filed today with Canadian securities regulators. A copy of the Directors' Circular is available online at www.inmetmining.com and www.sedar.com. The Directors' Circular will also be mailed to Inmet shareholders.

David R. Beatty, O.B.E., Chairman of the Inmet Board, said, "The Inmet Board has concluded that the First Quantum Offer fails to adequately compensate shareholders for Inmet's low risk asset base and its strong prospects for growth and value creation at Cobre Panama, which has the potential to become one of the world's largest copper mines. Cobre Panama is expected to drive a 176% increase in Inmet's copper production by 2018 and, as it moves closer to production, we believe our shareholders will benefit substantially from the commensurate increase in the company's valuation. The First Quantum Offer is timed to deprive them of that opportunity without fair compensation, all while adding considerable execution, financing and geopolitical risk to the proposed combined company. We believe our shareholders can do significantly better and we urge them to reject First Quantum's offer."

"The Board is engaged in a thorough and rigorous process aimed at investigating all potential strategic alternatives to maximize shareholder value," added Mr. Beatty.

Reasons to Reject the First Quantum Offer

The Inmet Board concluded that the First Quantum Offer is financially inadequate, significantly undervalues Inmet, is subject to significant risks and is not in the best interests of Inmet and its shareholders. The Board cited a number of reasons for its recommendation to reject the First Quantum Offer, including, but not limited to, the following:

- The First Quantum Offer significantly undervalues Inmet's low risk asset base and its world-class Cobre Panama project. Inmet has an attractive portfolio of mature low-cost operations in politically stable jurisdictions that underpin the significant growth and upside potential of its world-class Cobre Panama deposit.
- The timing of the First Quantum Offer deprives Inmet shareholders of the full value of bringing Cobre Panama into production. The First Quantum Offer is trying to deprive shareholders of the full value of Inmet's world-class Cobre Panama project, which has not yet been fully reflected in Inmet's share price. Cobre Panama is expected to drive a 176% increase in Inmet's copper production by 2018.
- The First Quantum Offer is below precedent transactions and does not reflect an adequate premium for control of Inmet. The Board of Directors believes, based on a review of comparable transactions and advice from its financial advisors, that the First Quantum Offer represents a significant discount to the price / NAV ratio and total acquisition cost paid in other recent mining transactions.
- First Quantum has no experience developing projects the size of Cobre Panama and no relevant experience in Latin America.
- First Quantum has a track record of repeatedly underestimating development costs and overestimating production expectations.

- The First Quantum Offer does not compensate Inmet shareholders for the inherent risks in First Quantum shares. Inmet shareholders will be exposed to increased geopolitical risk and development risk from First Quantum's development projects as well as increased cash costs and reduced copper exposure.

- Inmet continues to evaluate alternatives to maximize shareholder value. Tendering to the First Quantum Offer before the Inmet Board and its advisors have had the opportunity to fully explore all available alternatives to maximize shareholder value may preclude the emergence of a financially superior alternative transaction.

The full reasons for the Inmet Board's recommendation that shareholders reject the First Quantum Offer are detailed in the Directors' Circular. The Board's recommendation is supported by inadequacy opinions received from CIBC World Markets and Scotia Capital. Inmet encourages shareholders to read the Directors' Circular in its entirety, to join our open conference call and webcast (details below) and to reject the First Quantum Offer by not tendering their shares to the First Quantum Offer.

Additional Details: First Quantum's Track Record and Lack of Relevant Experience

As part of its evaluation of the First Quantum Offer, the Inmet Board, the Special Committee and its advisors performed a thorough analysis of First Quantum's development and production track record and noted that, among other things, First Quantum has repeatedly underestimated capital costs of its larger projects. For example, capital expenditures at First Quantum's Ravensthorpe project in Western Australia and its Kevitsa project in Finland exceeded estimates by 109% and 18%, respectively. First Quantum has also overestimated its anticipated copper production: the company's 2011 production targets for 2013 and 2014 were revised downwards in December 2012 by 27% and 52%, respectively.

Additionally, the Inmet Board noted that the average size of First Quantum's past projects has been significantly smaller, with the majority having a capital cost of less than US\$500 million and a material difference in scale and complexity compared to Cobre Panama. First Quantum's only project in Latin America, Haquira, is experiencing permitting delays and First Quantum has not been able to advance the project as it intended when it acquired it in 2010.

The existing capital cost estimates for Cobre Panama have been developed with the assistance of leading global engineering firms who conducted substantial due diligence during an exclusive and competitive procurement process. Sophisticated industry participants and investors, including Franco-Nevada, KORES (a consortium member in KPMC) and LS-Nikko (a consortium member in KPMC), have committed to invest approximately US\$2.4 billion into the project on the basis of their respective due diligence and confidence in the quality of the development plan and the resulting cost estimates.

In all, this track record represents unnecessary risk to the development of Cobre Panama and undermines any claims on First Quantum's part of being able to deliver substantial cost savings at Cobre Panama.

Jochen Tilk, President and CEO of Inmet, said, "First Quantum says its track record speaks for itself, but the reality is that its track record raises more questions than it answers. Despite its claims of unrivalled engineering expertise, it has never developed a project of the scale, complexity or capital intensity of Cobre Panama, nor has it operated in Panama or earned the social license to operate there. First Quantum's opportunistic offer introduces additional risk without adequate compensation while depriving our shareholders of the value they would receive by retaining their control over this extraordinary asset."

Exploration of Strategic Alternatives

The Board of Directors, through its Special Committee and with the assistance of their respective financial and legal advisors, together with Inmet's management, is actively engaged in evaluating a range of additional strategic alternatives aimed at enhancing shareholder value. Inmet has approached a number of third parties who have expressed an interest in considering alternative transactions involving Inmet or its assets. Inmet has entered into confidentiality and standstill agreements with a number of interested parties, several of which are examining confidential financial, operating and other relevant information. Discussions are ongoing with several of these third parties and others in order to generate value-enhancing alternatives.

Tendering Inmet Shares into the First Quantum Offer before the Board of Directors and its advisors have had the opportunity to fully explore all available alternatives to maximize shareholder value may preclude the emergence of a financially superior alternative transaction.

The First Quantum Offer is scheduled to expire at 5:00 pm ET on February 14, 2013 and is subject to a

number of conditions that have yet to be satisfied. The Board of Directors recommends that Inmet shareholders not take any action until closer to the expiry date to ensure that Inmet shareholders are able to consider all of the options available to them.

Conference Call and Webcast Information

Inmet will host a conference call and live audio webcast for the investment community to discuss the Directors' Circular today, Tuesday, January 22, 2013, at 8:30am ET. Jochen Tilk, Inmet's President and Chief Executive Officer, will host the conference call/webcast.

Dial-in information for the conference call is as follows. Please note that a passcode is required for the live conference call.

+1 416 340 2217 (local/international)
+1 866 696 5910 (North American toll free)
Passcode: 2400457

The audio webcast is available at <http://events.digitalmedia.telus.com/inmet/012213/index.php> and at www.inmetmining.com.

A conference call replay will be available beginning on January 22, 2013 at 10:30am ET and will be available for ten days. The dial-in numbers for the replay are as follows:

+1 905 694 9451 (local/international)
+1 800 408 3053 (North American toll free)
Passcode: 1607376

How to Withdraw Inmet Shares From the Inadequate First Quantum Offer

Shareholders with questions about the Directors' Circular or who may have already tendered their shares to the First Quantum Offer and wish to withdraw them are asked to contact Inmet's information agent, Laurel Hill Advisory Group, at +1 877 452 7184.

About Inmet Mining Corporation

Inmet is a Canadian-based global mining company that produces copper and zinc. We have three wholly-owned mining operations: Cayeli (Turkey), Las Cruces (Spain) and Pyhasalmi (Finland). We have an 80 percent interest in Cobre Panama, a development property in Panama, currently in construction.

Forward Looking Information

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This press release contains forward-looking information. These are "forward-looking" because we have used what we know and expect today to make a statement about the future. These statements involve known and unknown risks and uncertainties, including those associated with current global economic and financial conditions, metal prices, Inmet's share price, the cost and availability of key development and production inputs, labour shortages or disruptions, environmental and health and safety risks, reserve and production estimates, exploration and development of new and existing mines, political and country risks, additional funding requirements, financial leverage, the outcome of the First Quantum Offer and the strategic alternatives process that Inmet is currently undertaking, and other factors which may cause the actual results, performance or achievements of Inmet to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements usually include words such as may, expect, anticipate, and believe or other similar words. However, actual events and results could be substantially different because of the risks and uncertainties associated with our respective business or events that happen after the date of this press release. You should not place undue reliance on forward-looking statements.

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