INCO

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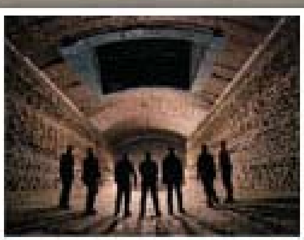
Inco and nickel

- Nickel market will remain strong and supply increases will be limited for years

  China is having a major influence on the nickel market.

- Inco has winning strategy for long-term success and leadership in metals and mining industry





Nickel outlook for 2005 is based on:

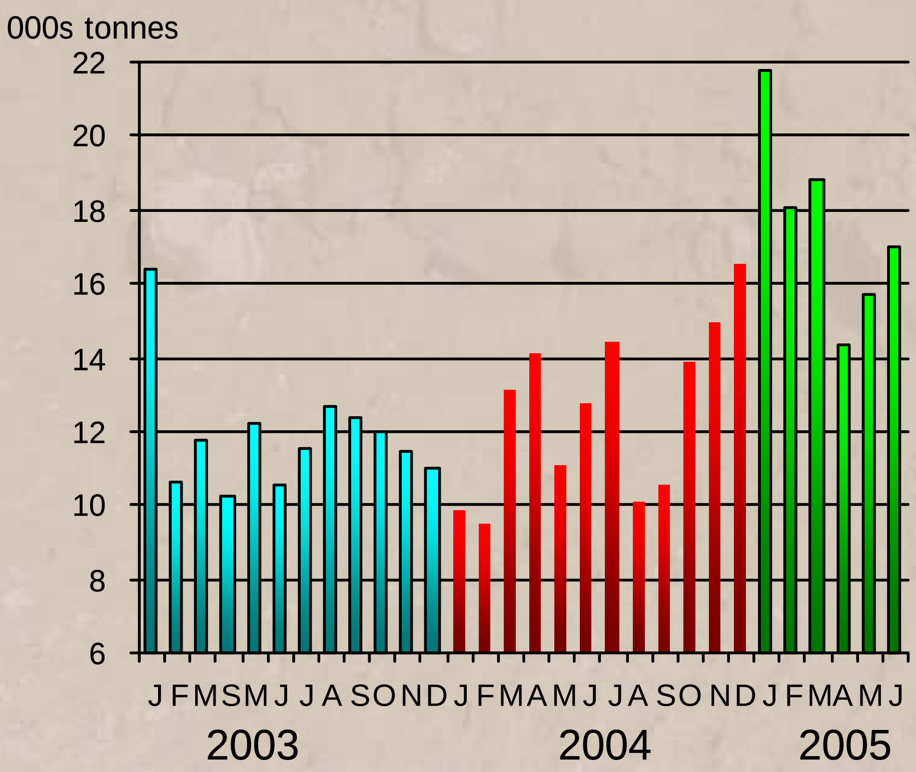
- Demand increases from China stainless
- Strong high nickel alloy demand
- Limited nickel supply growth

LME price will adjust to the situation

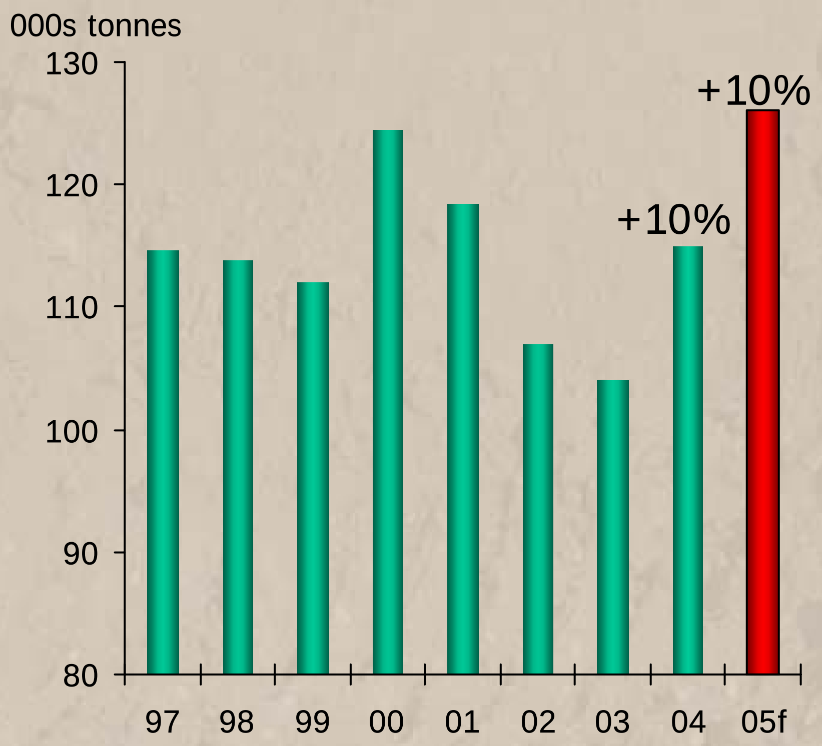


The nickel market remains very healthy and will stay that way

China incl. Hong Kong Nickel Demand



Nickel demand from nickel based alloys



- Nickel demand remains strong in China – up 50% year over year
- Demand for high nickel alloys is strong

Nickel supply will struggle to keep pace with demand growth

Three sources of supply:

- Primary production
- Stainless steel scrap
- Nickel inventories

Each will be limited by real physical constraints



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2006 market outlook

- Expect strong demand for nickel from nickel base alloys and stainless steel
- Aerospace market to strengthen further
- Stainless capacity will increase by over 2.5 million tonnes, most will be in China
- Very low nickel inventories
- Limited nickel supply growth
- Inco Voisey's Bay starts
- Demand growth capped at about 3.5%

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Supply will be limited for several years

Next mine projects expected to go ahead?

		Expected Capacity (tonnes)
Inco's Voisey's Bay –	Q1/06	50,000
Inco's Goro –	Q4/07	60,000
BHP Billiton's Ravensthorpe –	Q4/07	45,000
CVRD's Vermelho -	Q4/08	46,000

With an assumed 4% long-term nickel demand growth rate, the market needs a "Goro-size" project every year to meet increased demand at that rate*

Only a portion % of Voisey's Bay will be new nickel on the market

Supply from these projects
will be phased in 2006-to-2011

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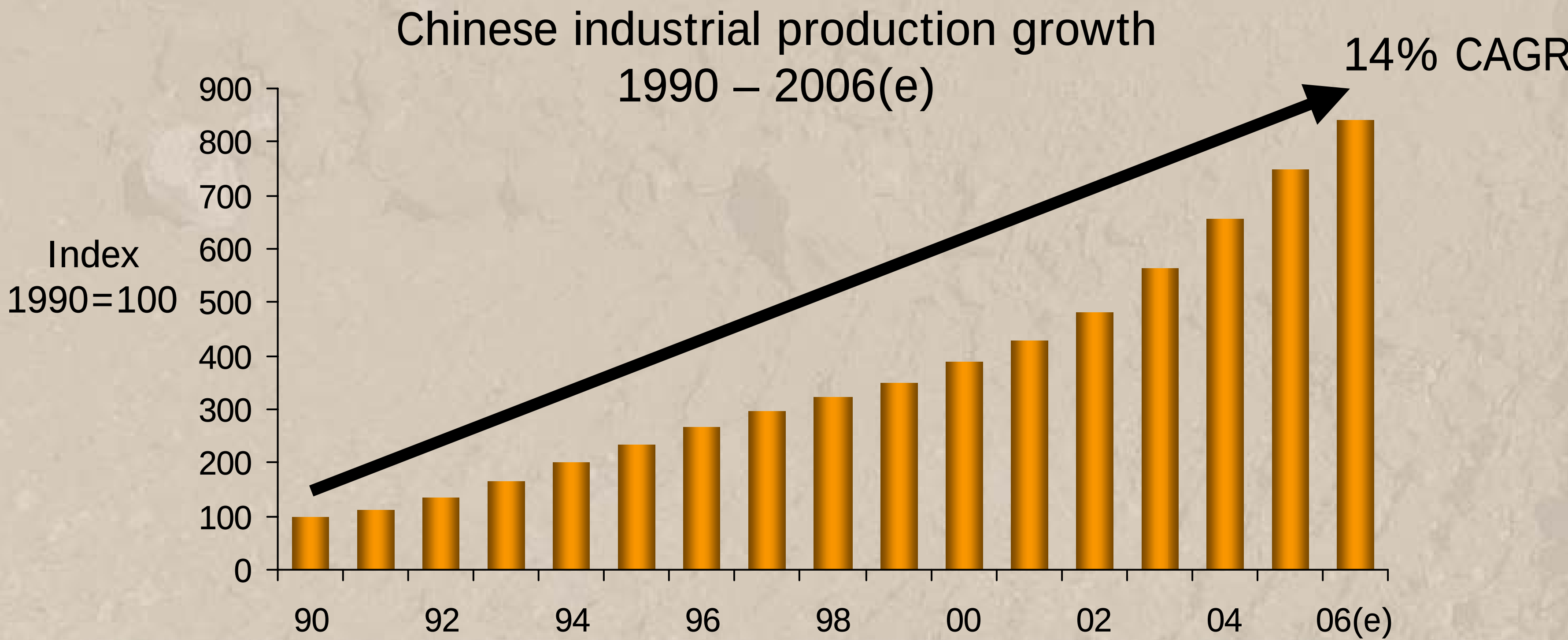
Developing new nickel projects is challenging

- Most "greenfield" nickel projects on the drawing board in feasibility stage;
- We're now seeing delays – higher capital costs; financing challenges
- 7-to-10 years to bring on capacity, including three years to permit
- Much of world's nickel is lower grade
- Many deposits cannot be developed at a reasonable long-term nickel price
- Cyclicality of demand for nickel

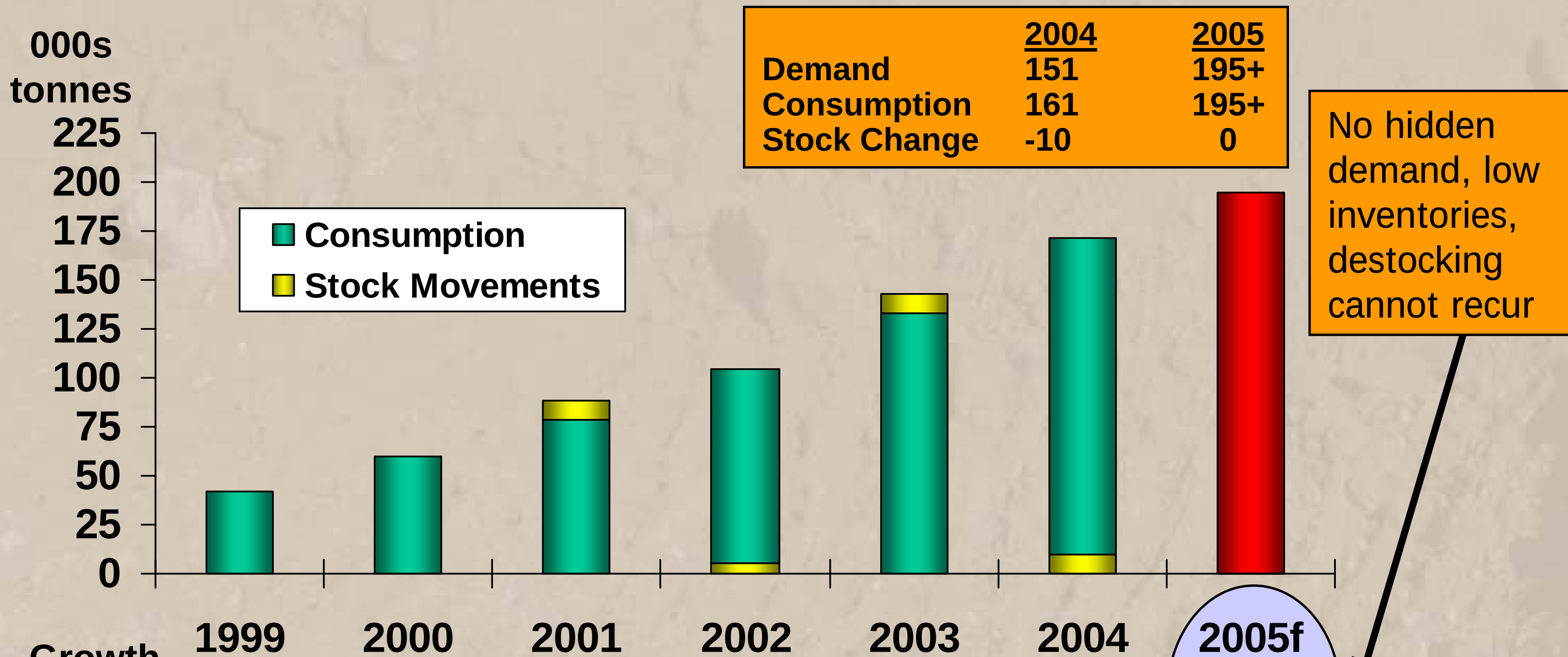


China remains key driver of global growth with 16.4% industrial production growth in first half of 2005



China's growth means higher nickel consumption

Chinese Nickel Demand and Consumption



Growth	2000	2001	2002	2003	2004	2005f
Consumption	42%	30%	27%	36%	22%	22%+
Demand	42%	39%	4%	52%	6%	30%+
Industrial Production	11.4%	9.9%	12.6%	17.0%	16.7%e	13.9%

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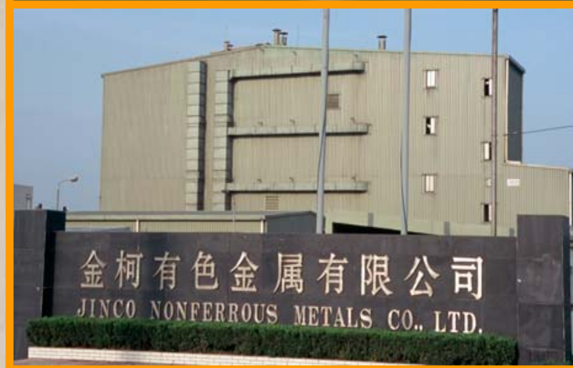
Inco made the investments necessary to assume a leading market position in Asia

Inco TNC Limited
(Japan, 1965)

Taiwan Nickel Refining
Company (1984)

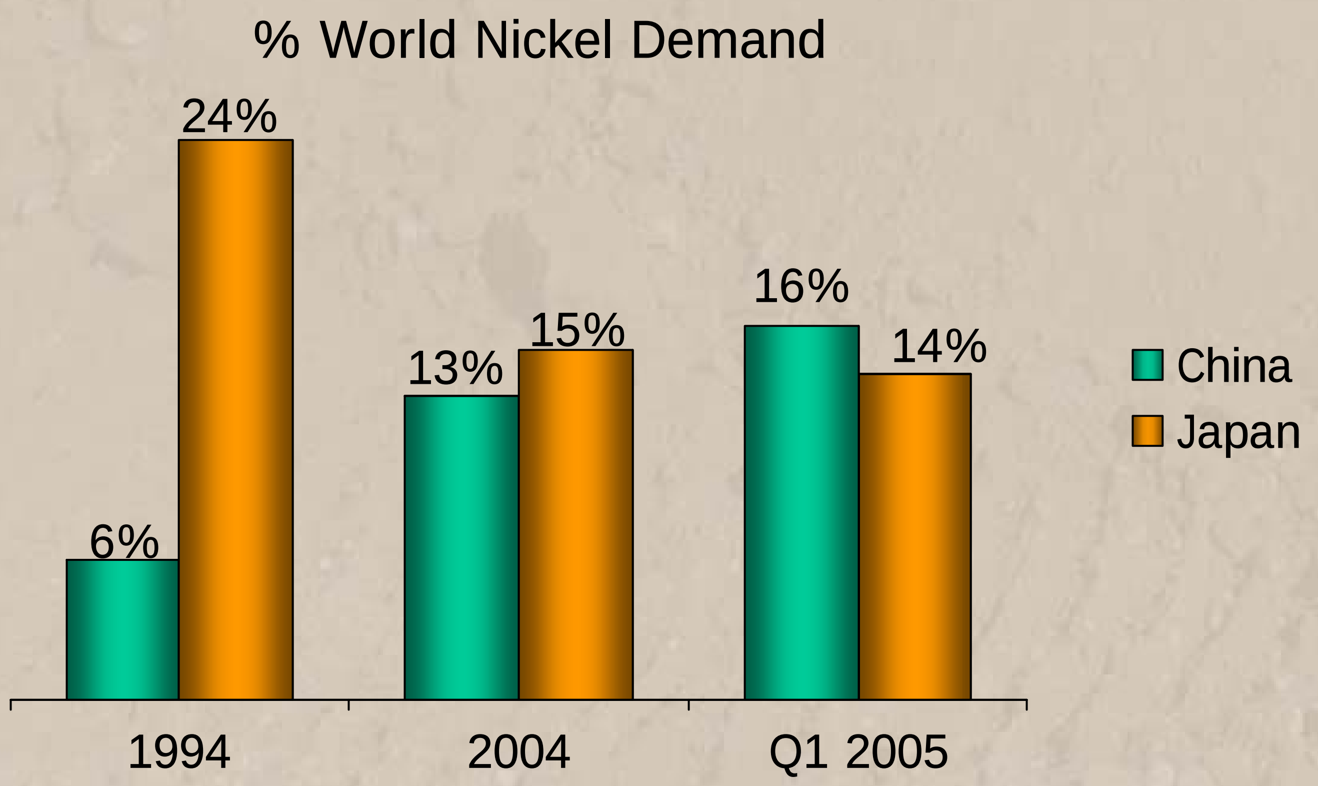
Shanghai Sales Office
(1994)

Korea Nickel Company (1989)



Jinco Non-Ferrous Metals Co.
(Kunshun, China, 1997)

China has surpassed Japan as the largest nickel consumer during first quarter 2005, accounting for about 16% of demand



World Nickel Demand:

1994 - 1 million tonnes

Inco has 560 employees in China - as China's nickel market grows, we will grow with it

Shanghai - Sales Office

1994

1997

Kunshan - Jinco Nickel Salts Plant (65% interest)

2003

Jilin - exploration agreements

2004

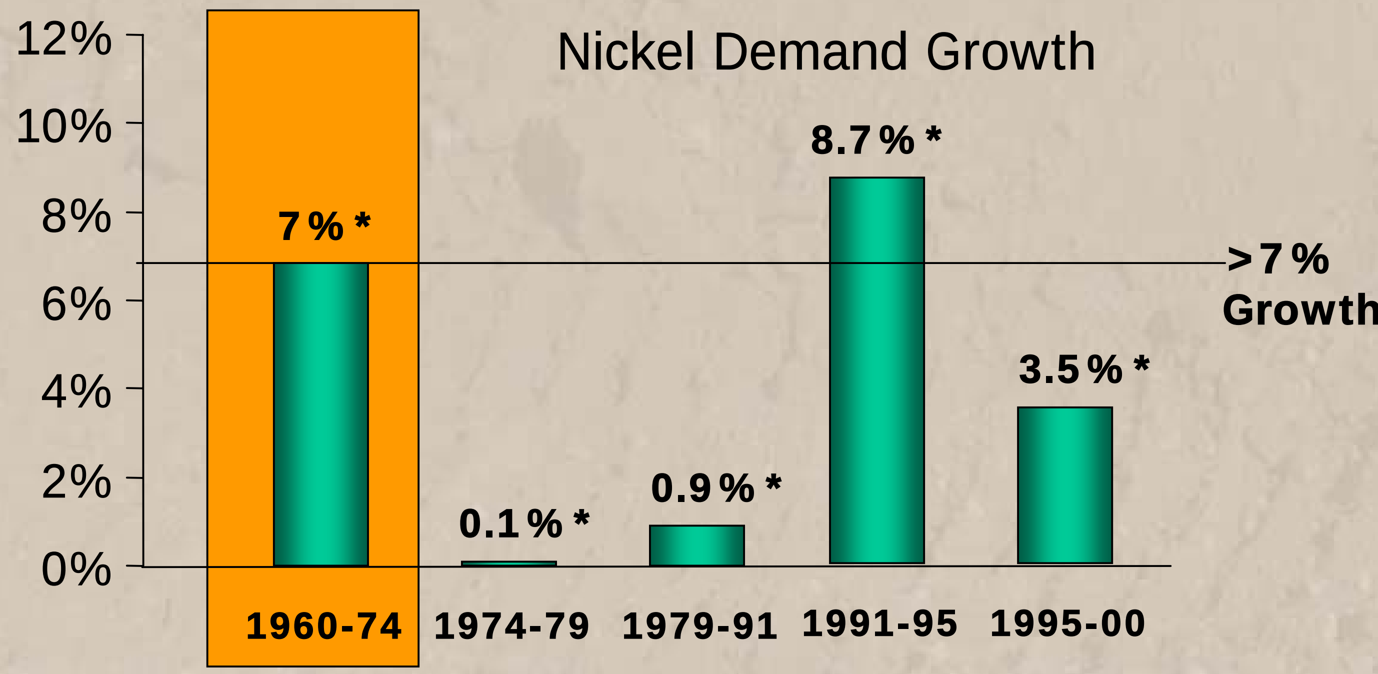
Dalian -
- nickel foam plant (77% interest)
- shearing plant

2005

Shenyang - Champower nickel foam plant (77% interest)

Considering best options with start-up of Goro to serve the China stainless industry

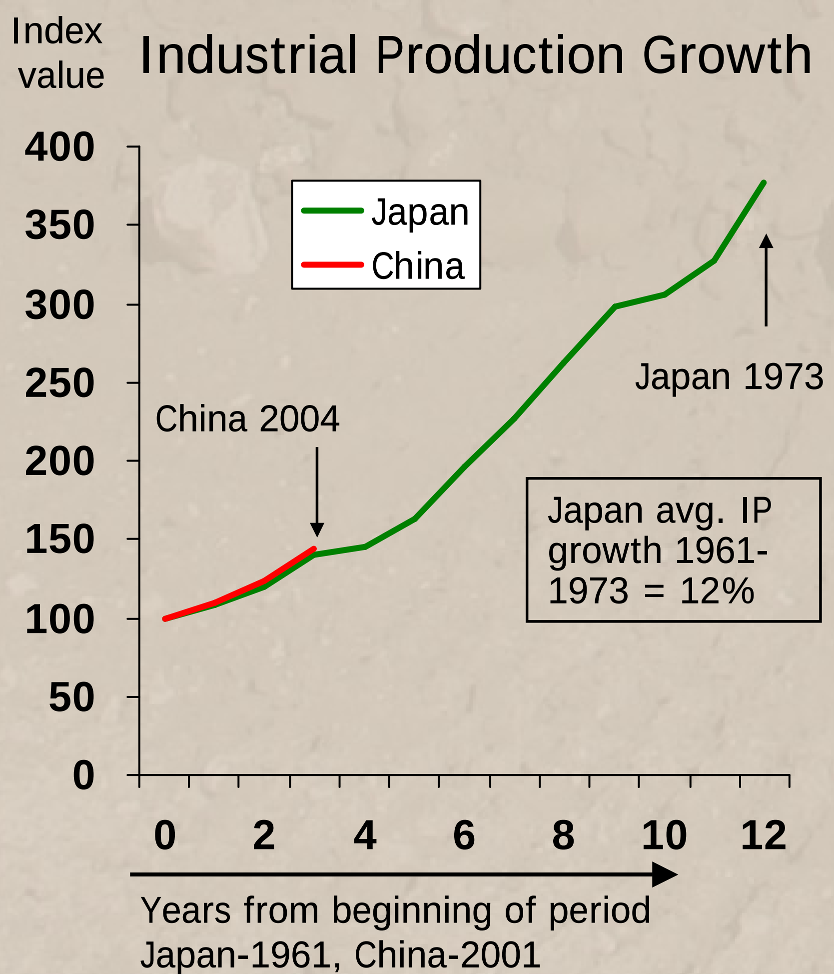
During last period of strong global industrial production growth, driven by Japan from 1960 to 1974, world nickel demand growth averaged >7% per year

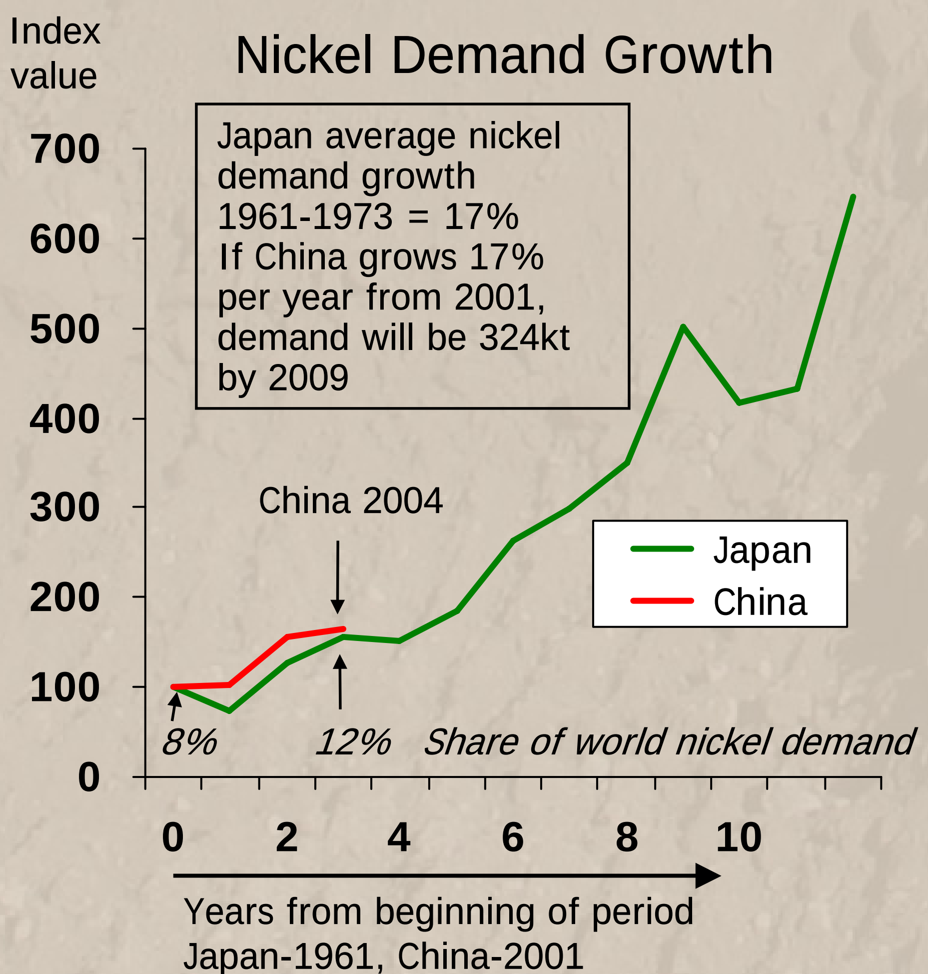


Similar potential as China continues to grow

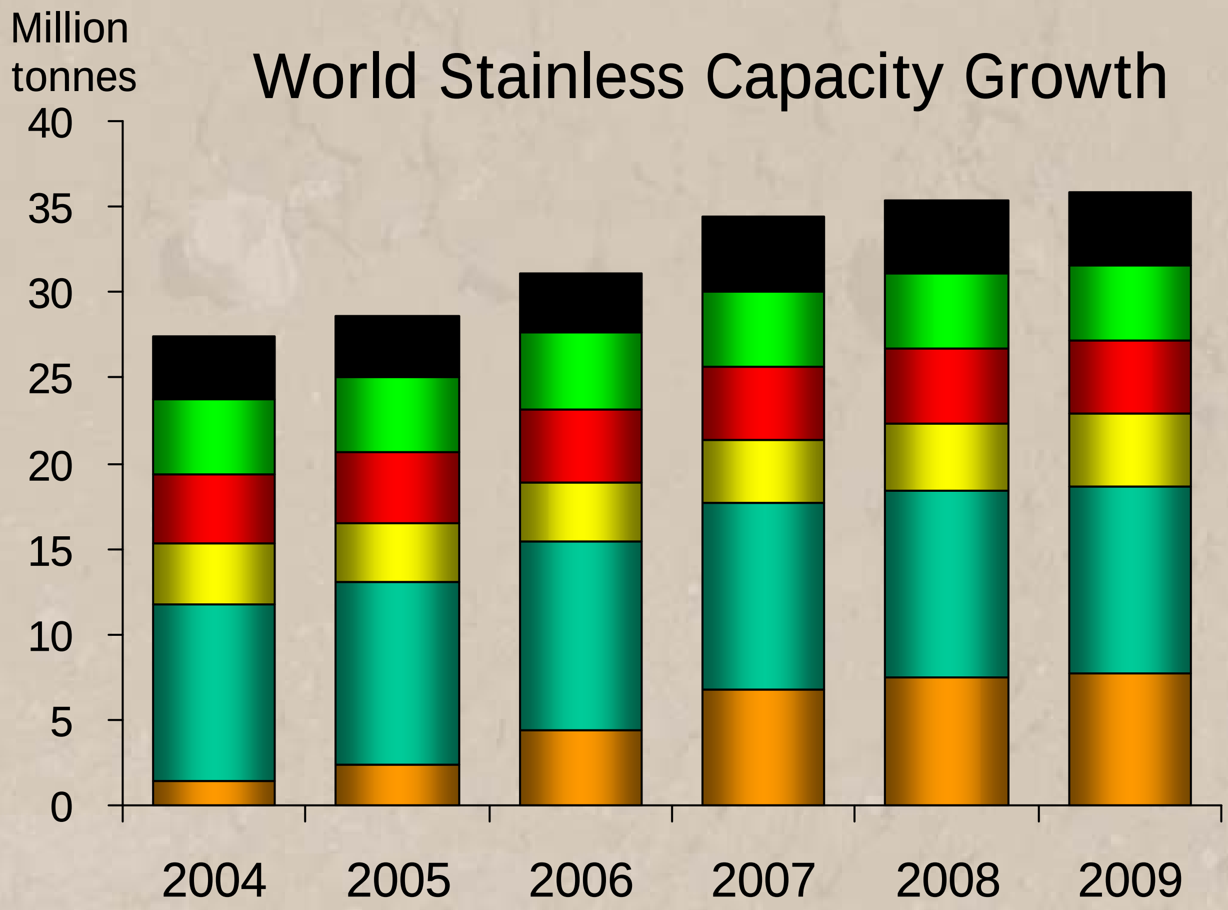
*Average for periods indicated

If China follows the same path as Japan, it could experience nickel demand growth of over 17% per annum for the next eleven years, keeping world nickel demand well above the long-term trend





Chinese stainless capacity expected to increase by over six million tonnes and account for 70% of the growth in world output in the next five years

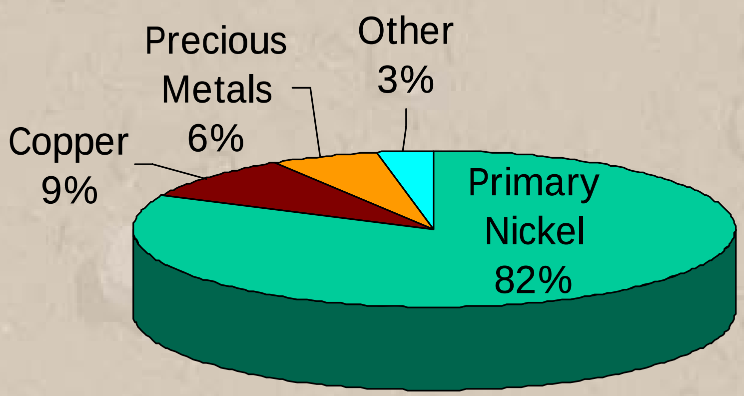


	Average rate of growth	Growth 000s of tonnes
Other	4%	700
Japan	0%	0
Korea/ Taiwan	1%	250
U.S.	4%	800
Europe	1%	500
China	40%	6,300
Total	5.5%	8,550

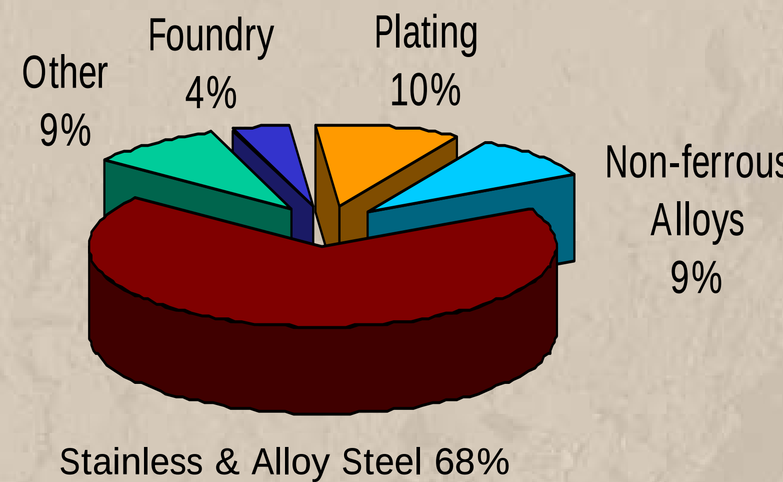
INCO STRATEGY FOR NICKEL

- Strongest operations
- Best growth plans
- Greatest reserve and resource position
- Leader in market presence
- Excellent financial position

Inco is the world's largest nickel producer outside of Russia



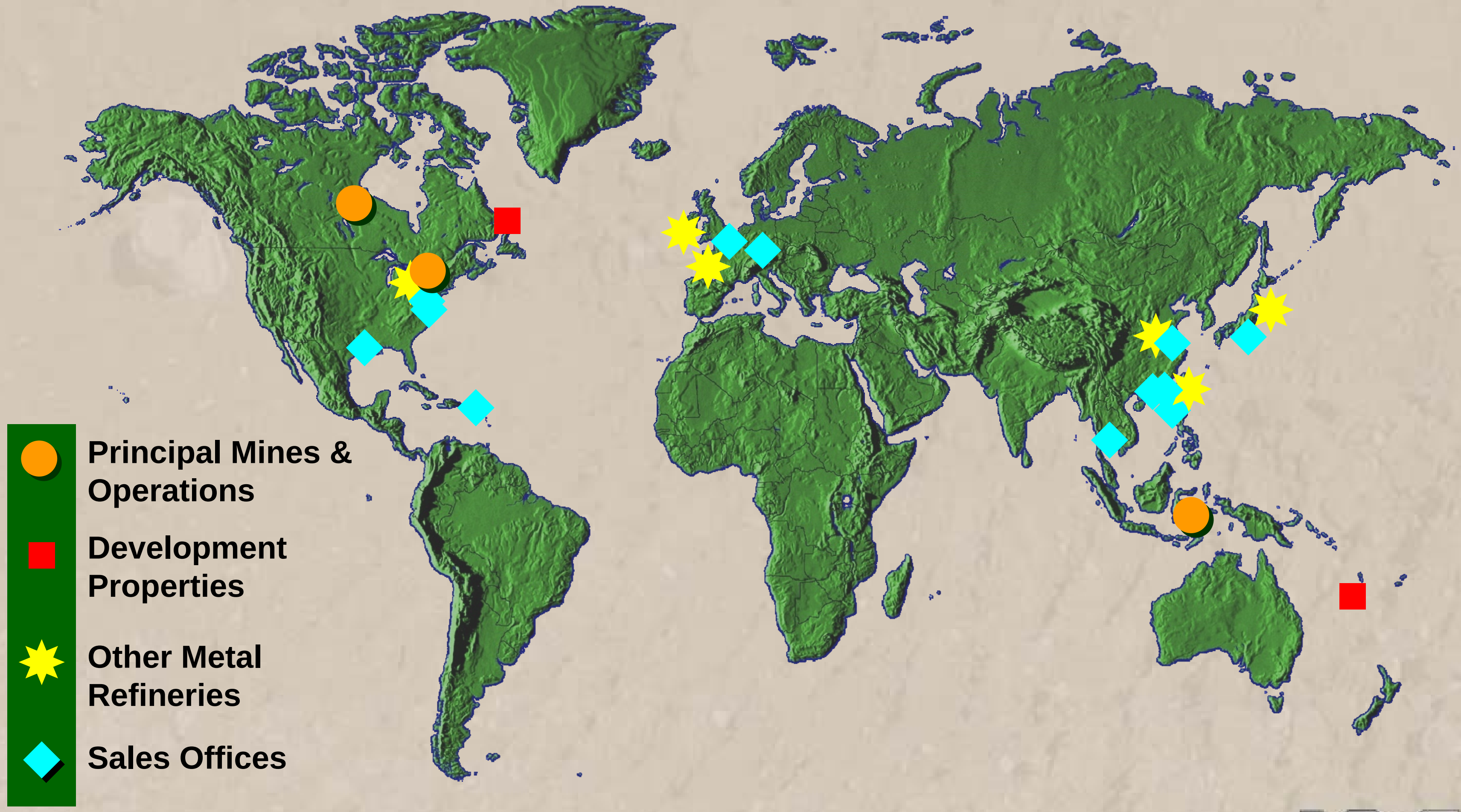
Inco 2004 Net Sales to Customers by Product



World Nickel Use

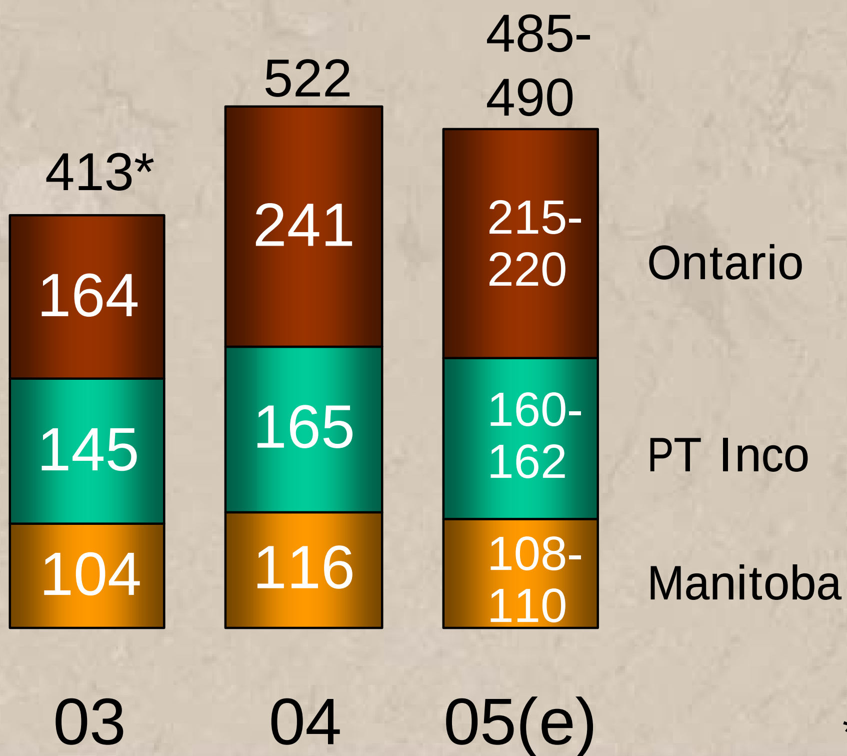
About 68% of nickel is used to make stainless steel – and 42% of our sales our destined for this use

Strong existing operations



We had record production levels in 2004 and plan to produce 485-to-490 million pounds in 2005

(millions of pounds)

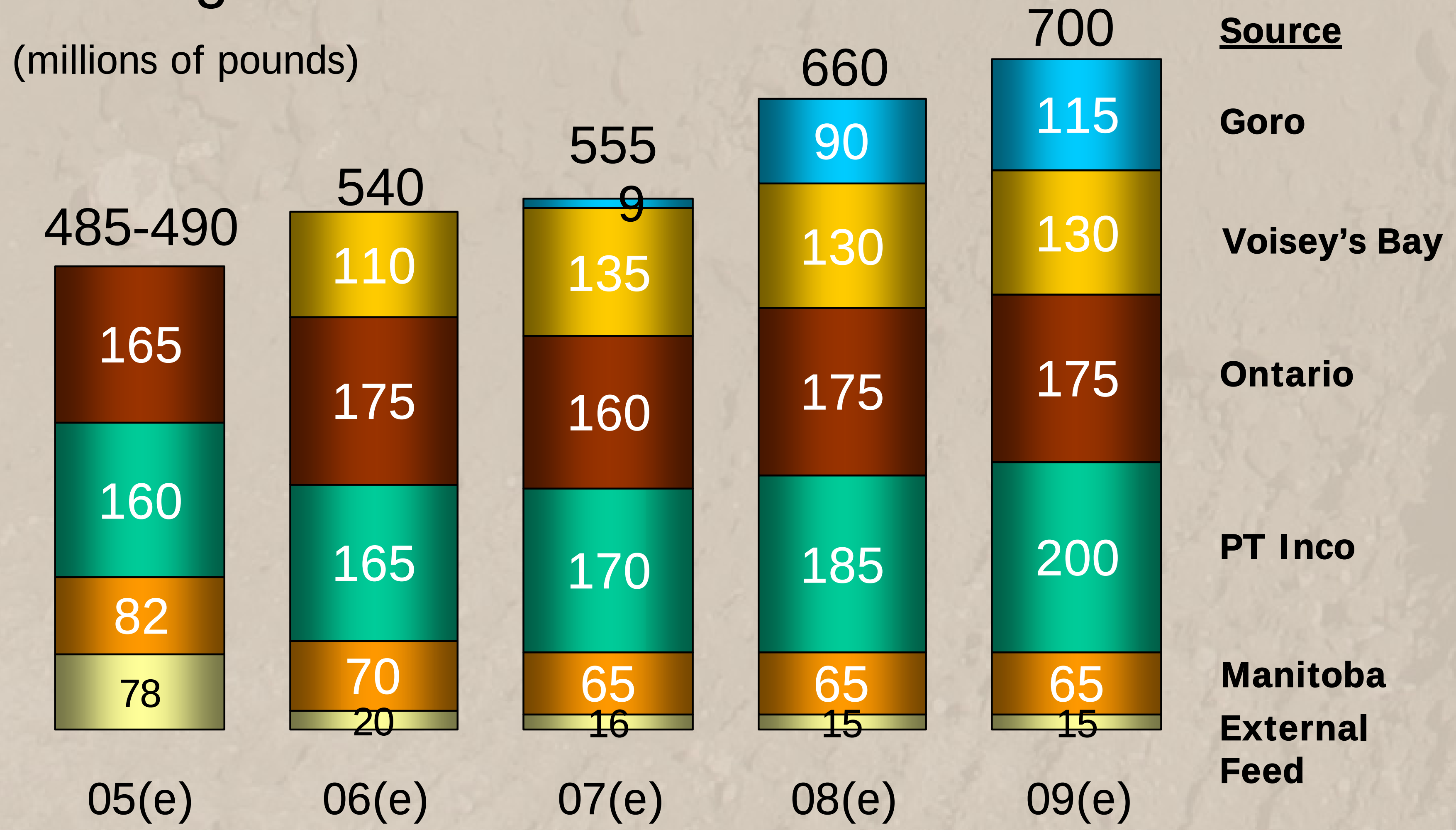


2005 production challenges:

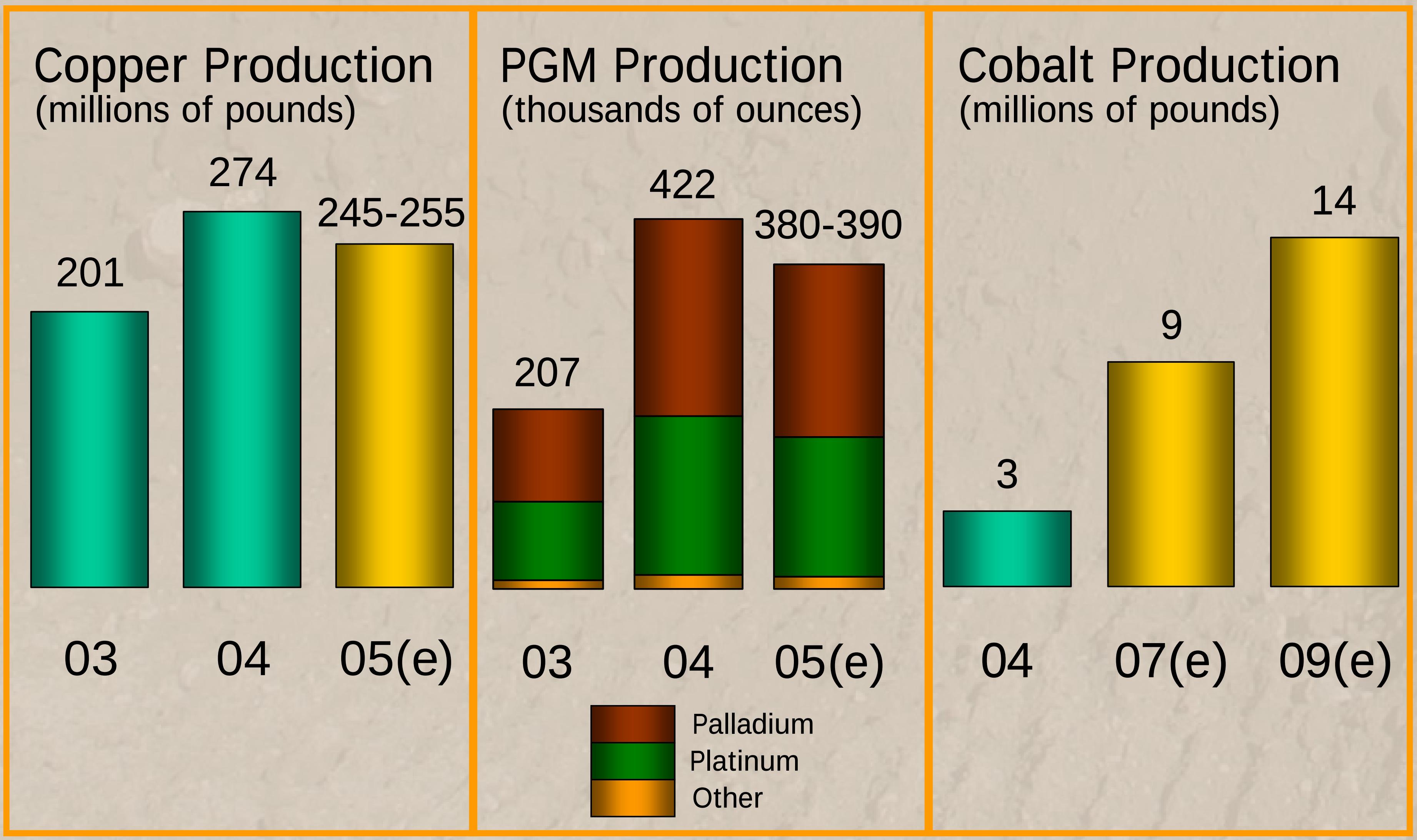
- Furnace rebuilds in Sudbury and Thompson
- Rainfall at PT Inco – now at normal levels
- Manitoba's labour agreement expires on September 15

* 3-month strike in Sudbury

Profitable growth through Voisey's Bay, Goro and PT Inco - when these projects reach expected capacity, our planned production should be about 35% higher than 2004's record level

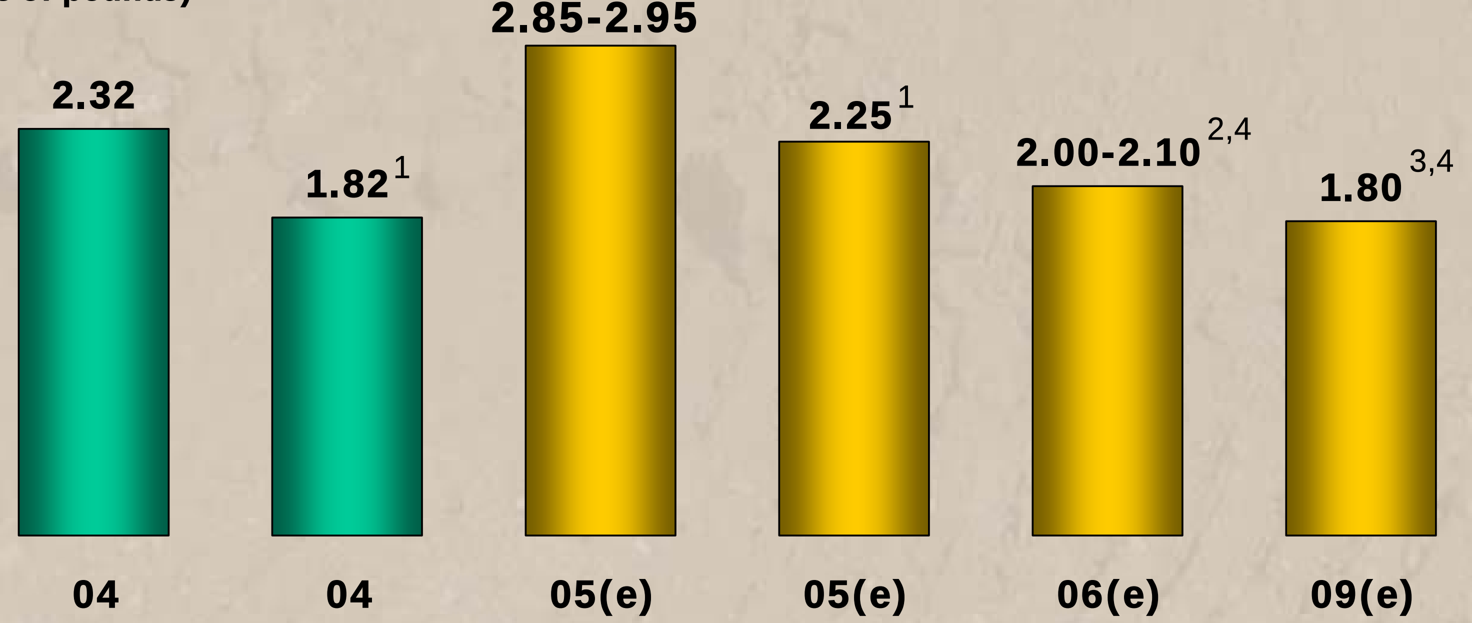


2005 copper production should be 250 million pounds and we'll produce about 385,000 ounces of PGMs and 3.8 million pounds of cobalt



Our 2006 nickel unit cash costs after by-product credits should fall to $2.00-to-$2.10 a pound with the arrival of high-grade, low-cost feed from Voisey's Bay

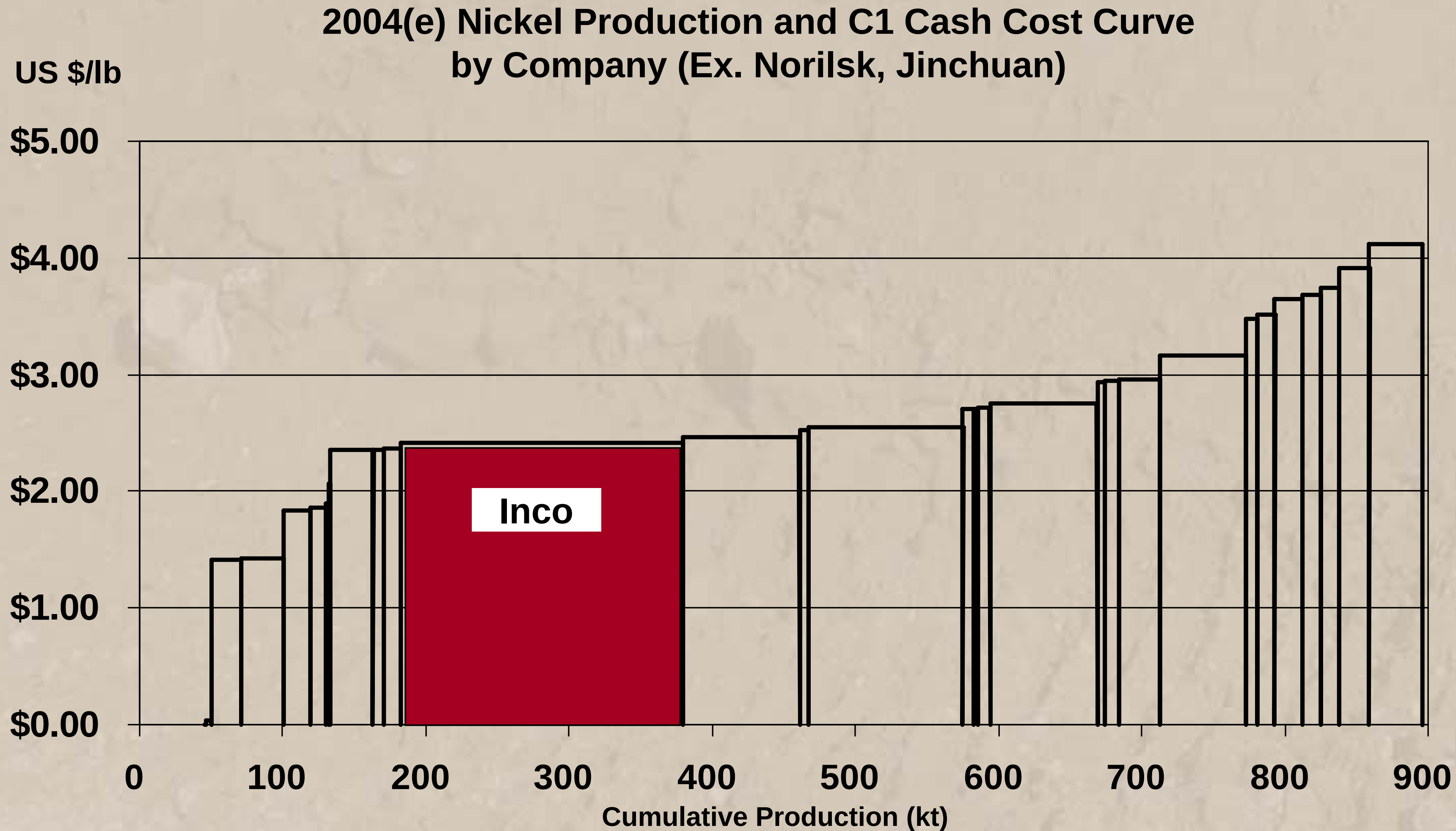
Inco Nickel Cash Unit Cost of Sales, after by-product credits
(millions of pounds)



1. Inco mine production costs (excludes external feed)
2. Cost with ramp up of Voisey's Bay
3. Cash costs with Goro almost 90% ramped up and Voisey's Bay full ramped up
4. Unit cost increase of $0.10 due to higher energy price assumptions

(e) Estimate, assuming a CDN $0.82 for 05, $0.80 for 06, and 0.72 for 09

Rising costs are an industry-wide issue



Note: Brook Hunt 2004 forecasts adjusted to reflect most recent Inco forecasts for 2004 production by producer. 2004 actual Currency fx, fuel and metals prices have been used where available.
Note: Production costs are weighted average of company operations for own mine source only – do not include purchased feed.

Inco advantages

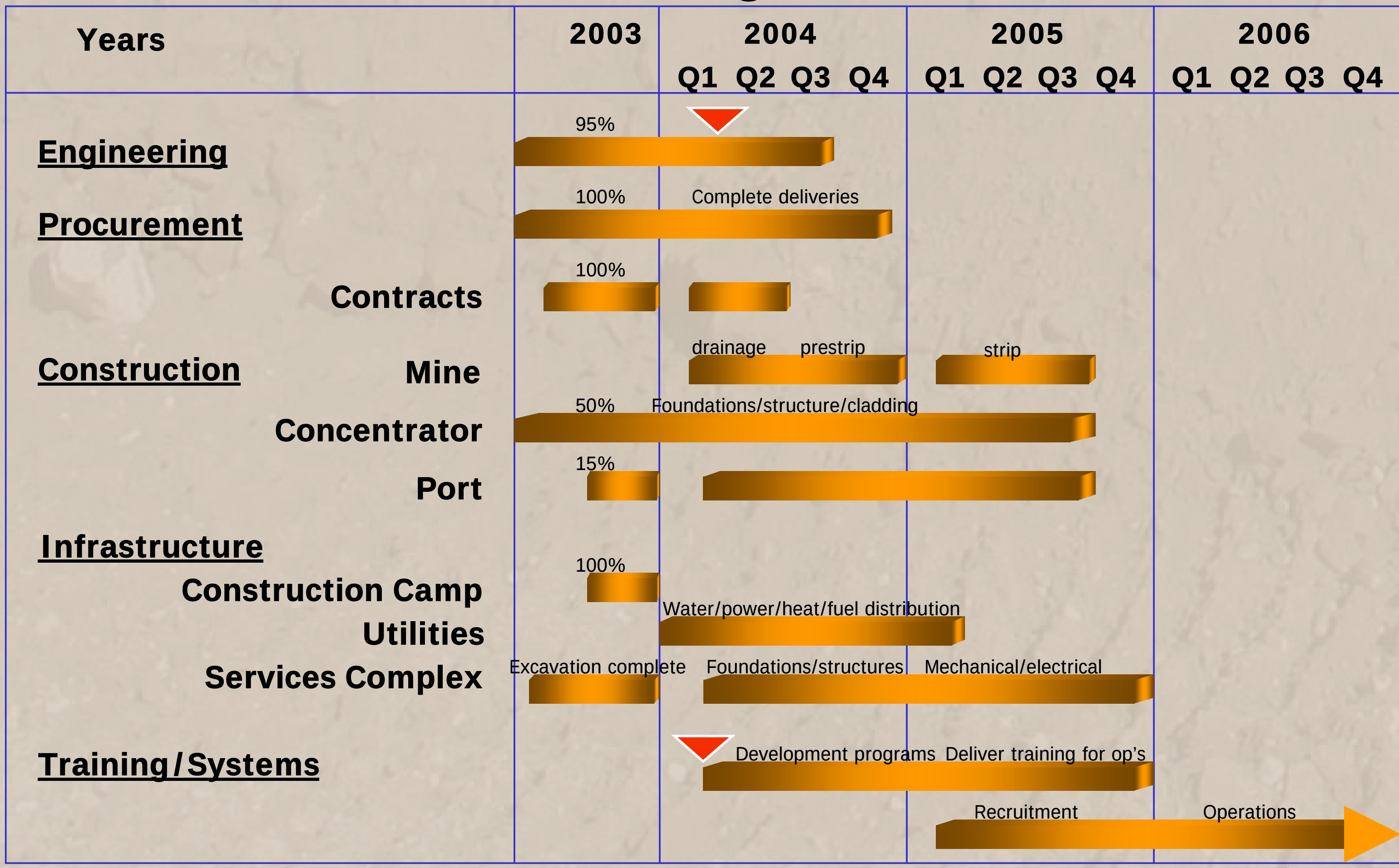
- Strong existing operations
- Profitable growth – one of the best growth profiles in the industry

New dam at PT Inco will enable us to increase production and reduce energy supply risk in “dry” years

Larona River

- $275 - $280 million to raise production and power output
- Increasing hydroelectric capacity by 90 megawatts to 365 megawatts
- Enabling us to produce about 200 million pounds of nickel per year by 2009 and reduce nickel unit cash costs by $0.10-to-$0.15 a pound from 2004 level

50,000 tonne-per-annum $920 million Voisey's Bay project in Newfoundland and Labrador remains six months ahead of its original schedule



- Money-forward returns from January 2003 of over 15% at $3.00 a pound nickel

We began mining during second quarter at our Phase One 50,000-tonne-a-year, $920 million Voisey's Bay project...

Voisey's Bay – shovel and truck at Ovoid

Voisey's Bay – flotation area, concentrator

...and started up the concentrator last month

Key near-term Voisey's Bay milestones

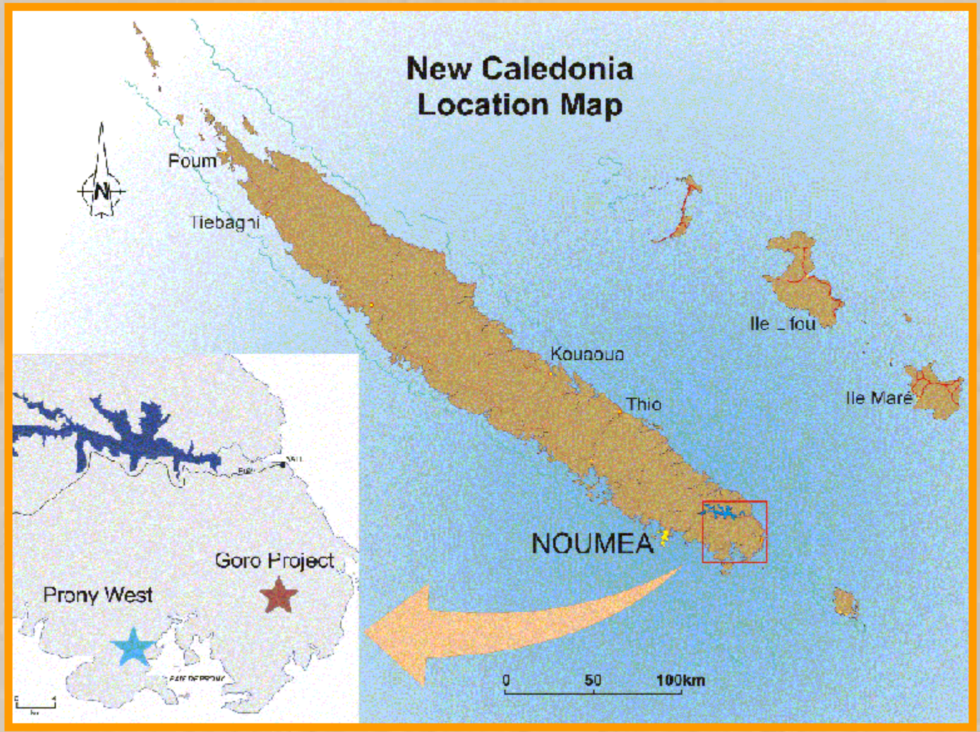
October -	opening of demonstration plant
November -	first concentrate shipment
Early 2006 -	first finished nickel from concentrate

Voisey's Bay life-of-mine cash costs through to finished product, after by-product credits, are estimated at $1.10-$1.15/pound

Assumptions:
$7.00/pound cobalt, $0.90/pound copper and
$0.66 Canadian dollar

Goro is among the world’s highest grade and largest leachable nickel laterite deposits

- Increased estimated mineral reserves by 66% as of December 31, 2004 to 95 million tonnes of estimated proven and probable mineral reserves
- Excellent grades:
  - Averaging 1.53% nickel and 0.12% cobalt in proven and probable mineral reserves
- 55 million tonnes of estimated measured and indicated mineral resources
- 20-year mine plan
- Initial annual capacity:
  - 60,000 tonnes of nickel
  - 4,300-to-5,000 tonnes of cobalt
- Can be expanded many times
- Will supply the growing market for decades to come



Engineering of Goro project is about 55% complete

- Began work on the quarry, camp rehabilitation and extension, and geotechnical drilling for earthworks
- Test mine is essentially complete
  - Validated geological modeling
  - Providing information to confirm fleet productivity and metallurgical characteristics of the ore

Goro – quarry sedimentation pond

We commenced construction of processing plant modules at two major fabrication yards in the Philippines

- Reduction in peak onsite workforce
- Better control over quality and scheduling
- Reduce currency risk

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Our construction leadership team is in place on site and we made good progress with permitting during the quarter

- Received necessary permits for all work areas in construction area
- Awarding $200 million of contracts – about half to local companies – and have started full construction

Goro – quarry bench

Like many projects worldwide, we're experiencing input cost pressures and we're taking steps to mitigate and offset them

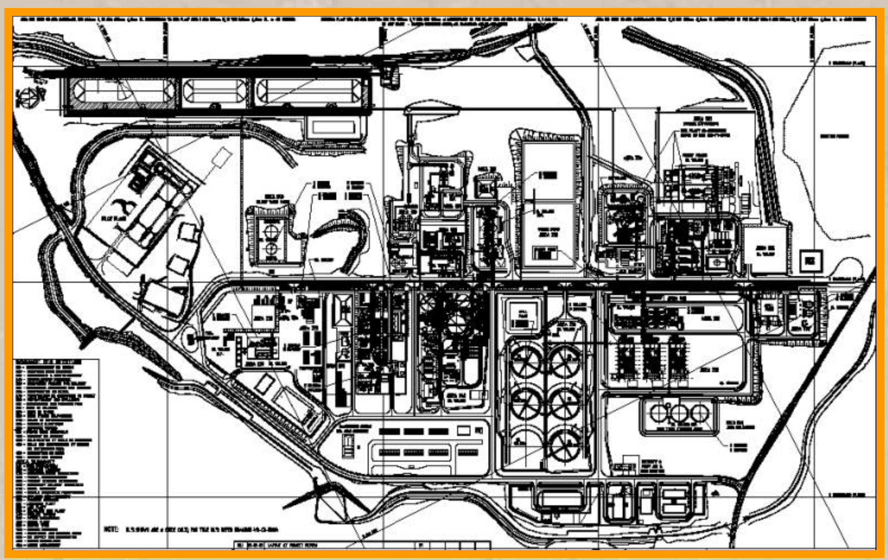
Goro – concrete batching in foreground; process plant site in background

Goro – mining on 170 bench

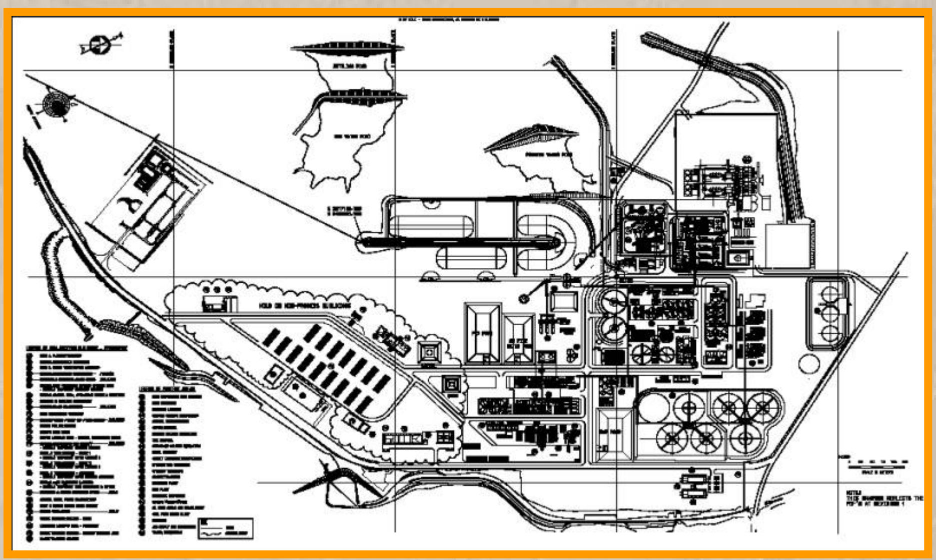
- Cost efficiencies from modularization
- Already purchased items like autoclaves and structural steel

We've optimized design and engineering at Goro

- Focused on port and tailings storage areas
- Reduced plant footprint by over 50%
- Optimized risk profile, environmental impact and maintenance requirements



Previous Layout



Current Layout

Total escalated capital cost remains at
$1.878 billion at
minus 5%-to-plus 15% confidence level;
includes $42 million in escalation

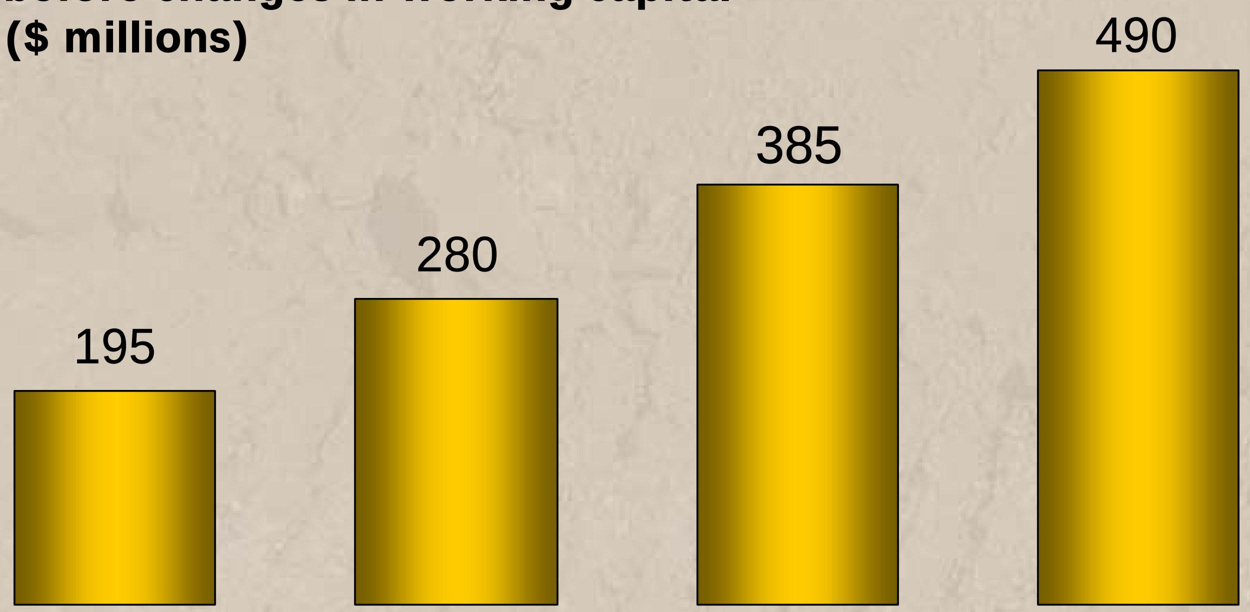
Inco’s internal rate of return on Goro project expected to be equivalent to our long-term, after-tax, weighted average cost of capital of 9-to-10% at a $1.878 billion mine, process plant and infrastructure capital cost, after non-cash charge, and using long-term prices of $3 a pound for nickel and $7 a pound for cobalt

We expect unit cash operating costs for Goro of $1.10-to-$1.15 per pound of nickel in oxide, assuming $7 a pound cobalt

Total nickel unit costs of about $2 a pound, including depreciation and amortization

With Goro on stream in 2009, our cash flow generation will be even stronger

Goro's cash flow from operations in 2009, before changes in working capital ($ millions)



Nickel price ($/lb)	**3.50**	**4.50**	**5.50**	**6.50**
Cobalt price ($/lb)	**9.00**	**10.00**	**11.00**	**12.00**

Timing of Goro $1.878 billion capex
(millions of dollars)

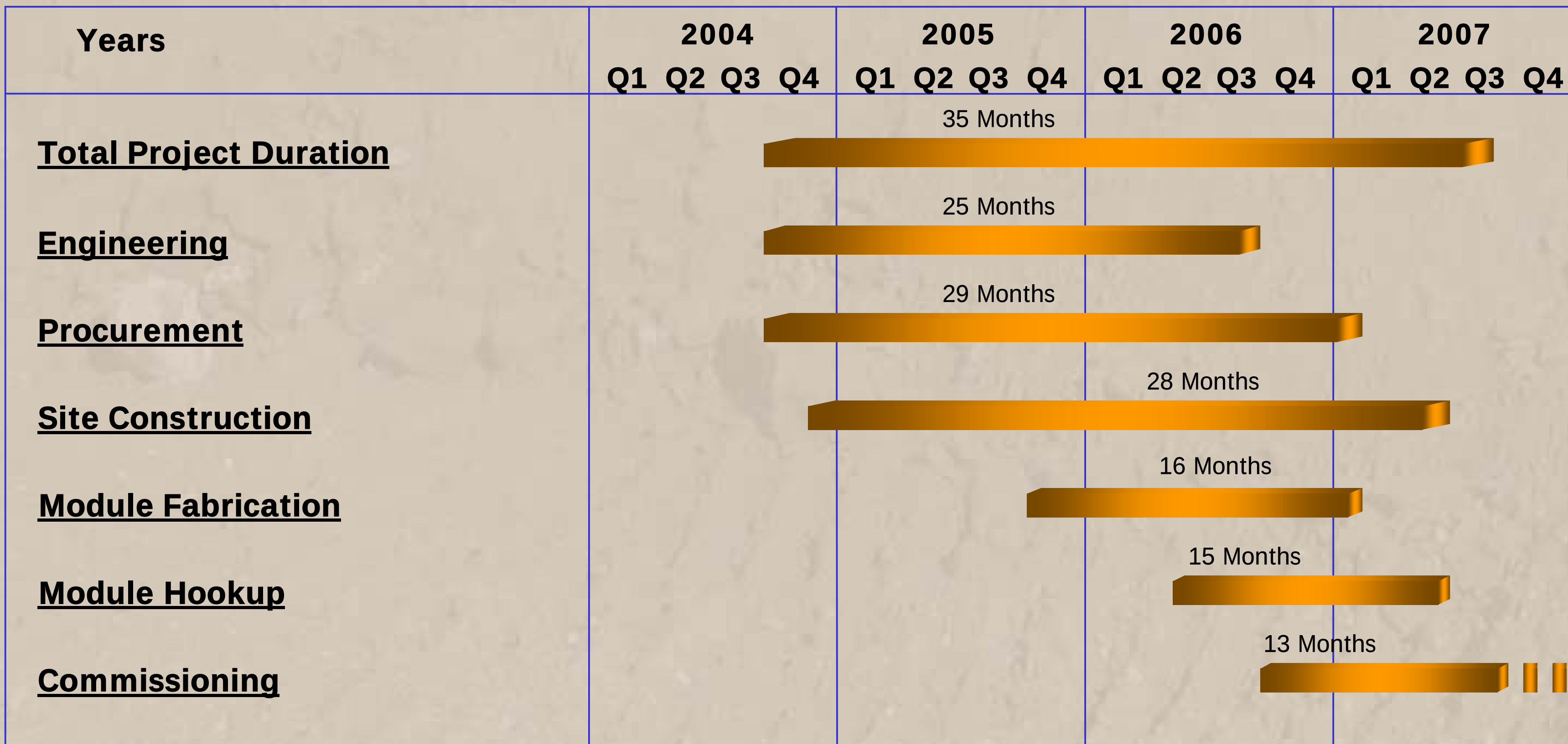
	1 Jul/01 to 31 Dec/04*	2005	2006	2007	2008	2009	Total
Mine, process plant & infrastructure	286	395	835	330	32	-	1,878
Inco's Funding Requirement after $510 million Girardin Act & with a 21% partner**	286	70	525	100	25	-	1,005

***   After non-cash charge, after taxes and minority interest, of $191 million**
**** Reflects Inco meeting the Provinces of New Caledonia's pro-rata capital contributions during construction phase**

At Euro €1.20 and Australian $0.70



Viable implementation schedule and clear project execution plan



- End of year one expect to be at 75% capacity; end of year two 90%
- 60,000 tonnes-per-annum of nickel and 4,300-to-5,000 tonnes-per-annum of cobalt life-of-mine capacity

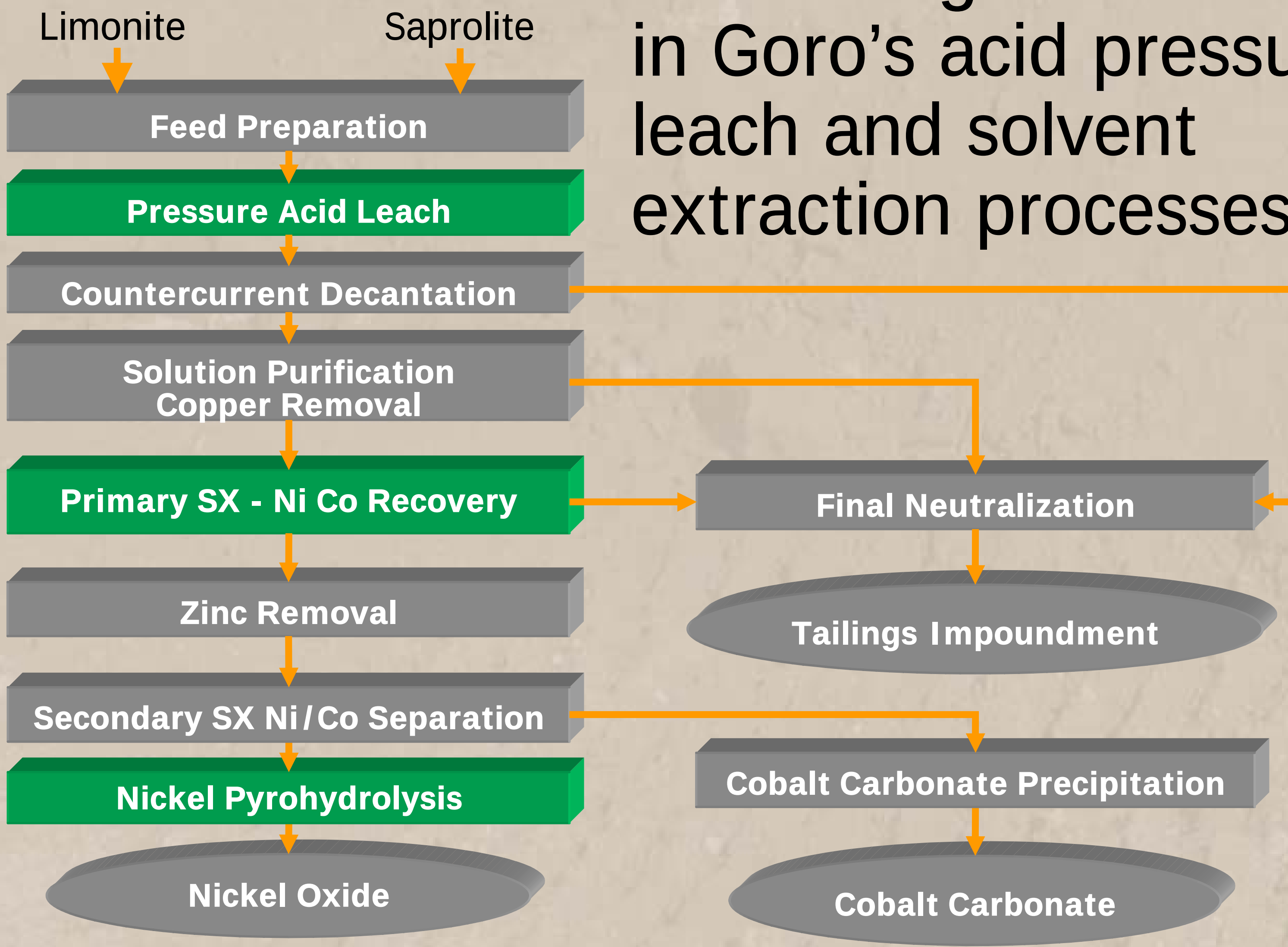
In February 2005, as part of an ownership realignment for Goro, the three Provinces of New Caledonia acquired a 10% interest in Goro Nickel through agreements with Inco and a French Government agency, Bureau des Recherches Géologique et Minières (BRGM)

Sumitomo Metal Mining Co. Ltd. and Mitsui & Co., Ltd. acquired 21% of Goro for $150 million – they are obliged to purchase 21% of Goro's production

- Inco now holds a 69% interest in the Goro project company, with Sumitomo Metal Mining Co. Ltd. and Mitsui & Co. Ltd. owning 21% and the Provinces of New Caledonia a 10% equity interest

Goro – construction camp

We have great confidence in Goro's acid pressure leach and solvent extraction processes



Many engineering advances have taken place since first laterite projects in Western Australia

- PAL initially failed not due to technology, but based on how it was applied
- Extensive pilot plant testing for Goro
- Hired experienced people from all of the Australian laterite projects to work on project
- Front end screening facility draws on PT Inco's experience with handling wet laterites
- Bringing together proven technologies in a unique manner and scope
- Opportunity to expand with space left for a fourth autoclave
- After a few years of operations, we'll consider raising nameplate capacity beyond 60,000 tonnes
- Can be expanded many times

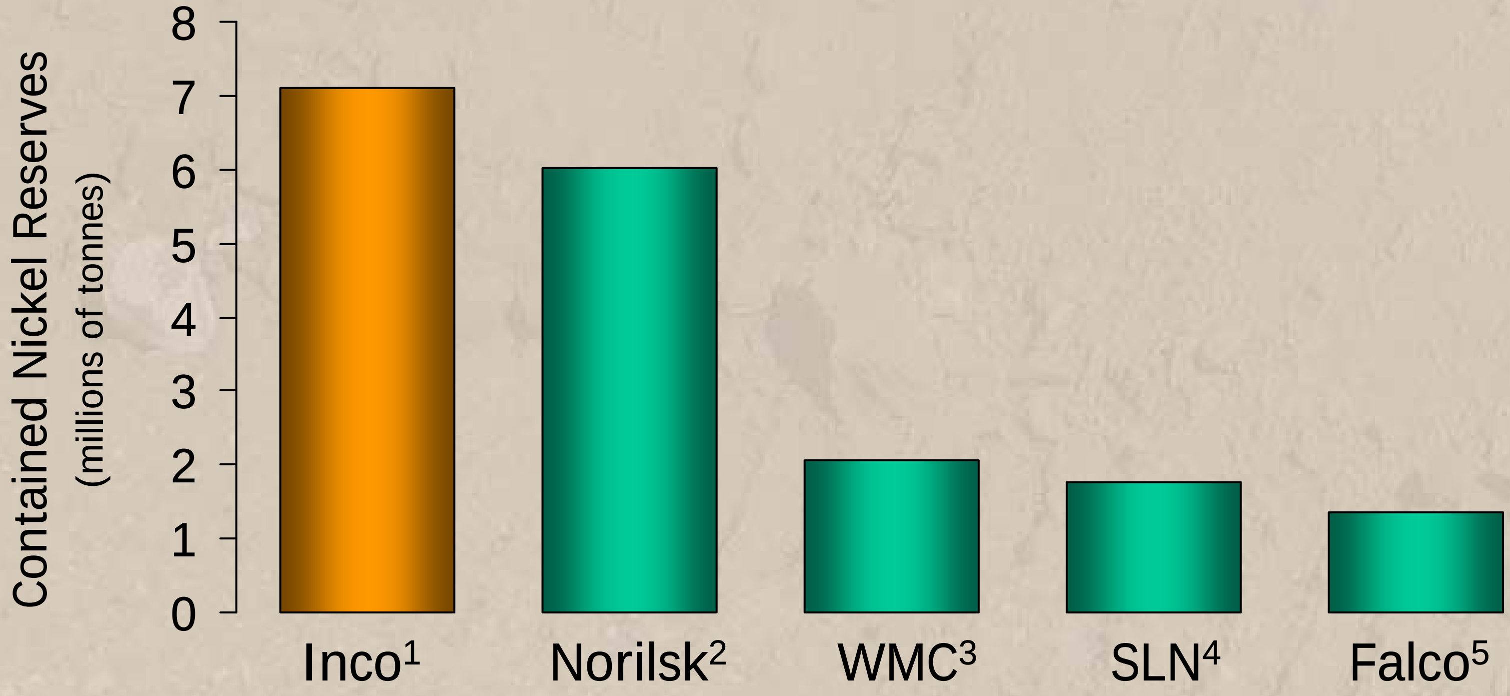
Goro Pilot Plant

Time taken on Goro has been time well spent

- Right operating and project teams in place
- Government, local contractor and local community relationships
- Benefited from having purchased many materials before prices increased
- New plant layout reduced quantities of materials required
- Key members of operating team were in place 2½ years before start of production



Inco's asset base remains a sustainable competitive advantage

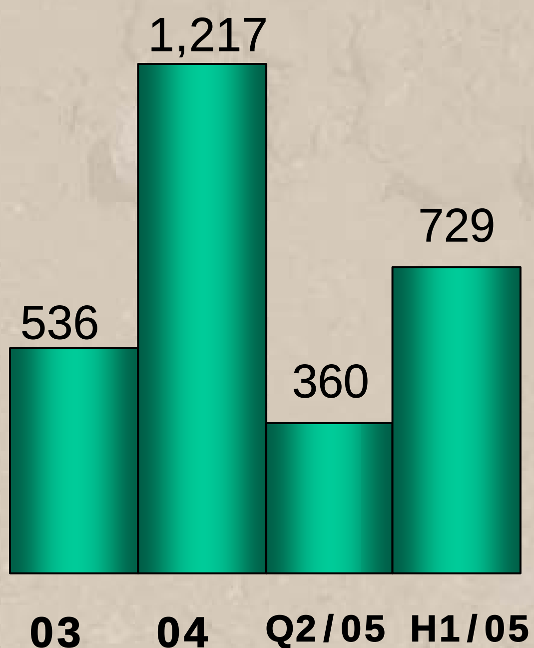


1 Source: Inco 2004 Annual Report
2 Source: Norilsk 2003 Annual Report
3 Source: WMC 2003 Form 20-F
4 Source: Brook Hunt 2003 (estimate)
5 Source: Falconbridge 2004 Annual Report

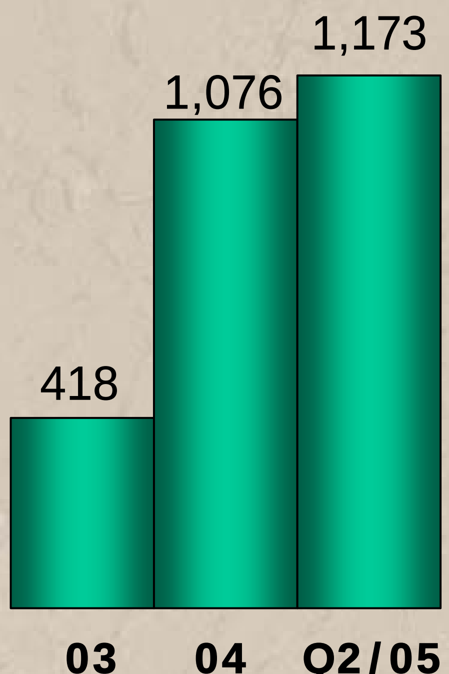


Our financial position is very strong, enabling us to implement our growth plans

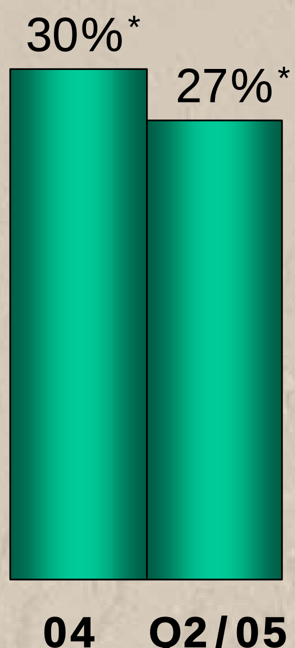
Cash flow from Operations,
before changes in working capital
($ millions)



Cash Position
($ millions)



Debt-to-capitalization ratio

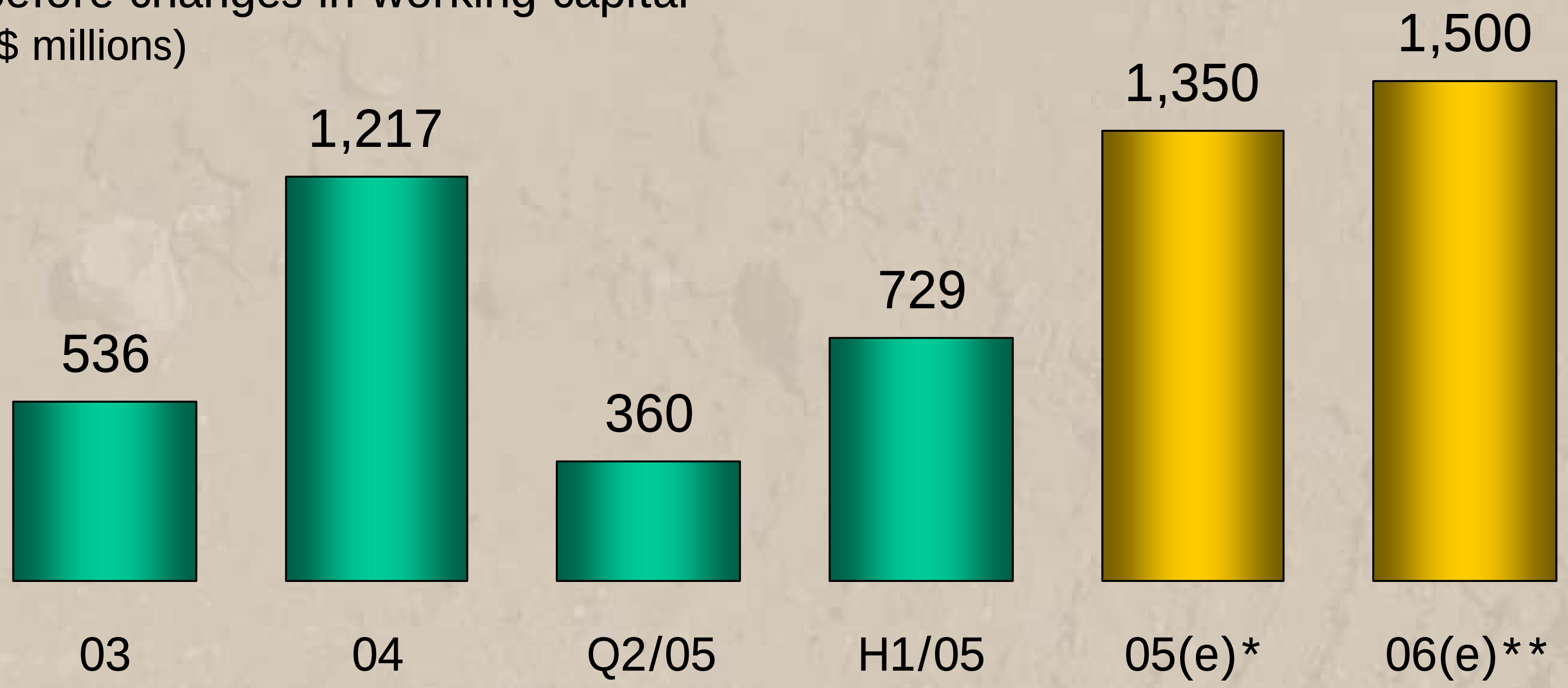


*Substantial portion of convertible debt treated as equity



Strong cash generation in 2005 and 2006

Cash flow from operations,
before changes in working capital
($ millions)



- ↑ $0.10/lb in LME cash nickel price → ↑ $23 million in cash flow
- 223 million diluted shares

* at 2005 First Call consensus nickel price of $7.02/lb; year-to-date average price of $7.15/lb nickel
** at 2006 First Call consensus nickel price of $6.22/lb

"Our policy continues to be that we do not publicly predict or forecast future nickel prices"

INCO

Inco is on a strong growth path

- Chinese growth potential is real
- Nickel market will remain strong
- Inco strategy
  - Focused on the best metal, nickel
  - Strong operations
  - Great financial foundation
  - Profitable growth
  - Finest markets
  - Enhancing shareholder value

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