

INCO LTD  
Form 425  
July 31, 2006

Filed by Teck Cominco Limited  
This communication is filed pursuant to Rule 425 under the Securities Act of 1933, as amended  
Subject Company: Inco Limited  
Commission File Number : 333-134390  
Date: July 31 2006

**INTERNAL NEWS RELEASE**  
06-15-TCI

**For Immediate Release:** July 31, 2006

**MESSAGE TO ALL TECK COMINCO EMPLOYEES FROM DON LINDSAY**

Fellow Teck Cominco Employees:

I am pleased to announce today that we have revised our offer for all of the outstanding shares of Inco.

Our new offer is \$82.50 per share made up of C\$40.00 per share in cash, or C\$12.00 more cash per share than the original offer. The maximum number of shares we will be issuing has decreased to approximately 132 Million shares or 11 Million less than in our original offer. The closing date of this offer will remain August 16th.

This new offer represents a disciplined approach which reflects our belief in the continuing strength in the metals markets, our long-term strategy of diversification, and our intention to avoid an expensive bidding war.

Teck Cominco has a long and distinguished history. The company has been built by men and women whose core values remain alive in the soul of the organization to this day. As we make decisions and take actions we do so with the clear understanding that it is our responsibility to uphold these values while we strive to continue the company's exceptional track record of creating real shareholder value.

Our decision to bid for Inco was the culmination of a well-conceived step toward creating additional value. This step was motivated first by our considered view of the relative attractiveness of the nickel market's fundamentals. Next we looked for the best entry point to the nickel business. Only subsequently did we focus on the opportunity that the equity market presented in the spring when the original Inco-Falconbridge deal would by all accounts be unsuccessful.

Throughout this process from the original nickel market review, to the announcement of our offer on May 8th and since then while we've been watching as subsequent events have

TECK COMINCO LIMITED  
200 BARRARD STREET, VANCOUVER, B.C. V6C 3L9 TEL: (604) 687-1117 FAX: (604) 687-6100 www.teckcominco.com



unfolded, we have never lost sight of our overriding vision of creating shareholder value in a strong, vibrant and fiscally disciplined company. If in the end however, Inco shareholders choose not to tender to our offer we will respect their choice and wish them well. But then we will quickly move on to the many other interesting opportunities that have been waiting for our undivided attention. You will find interesting and fulfilling career opportunities as we go forward.

We firmly believe that by bringing Inco's assets under Teck Cominco management, we will create a terrific opportunity for all of our employees. The new Teck Cominco will be uniquely well positioned, with:

- Broadly diversified, long life, low cost producing assets;
- Highly regarded operations management;
- An extensive pipeline of growth assets;
- And the financial liquidity and balance sheet strength to fund both organic and external growth opportunities.

On a personal note, I would once again like to thank every Teck Cominco employee for their dedication and hard work. Your effort has put us into the position to pursue this rare opportunity to create one of the world's largest and most diversified mining and metals companies.

This is an exciting opportunity for Teck Cominco and as this transaction unfolds, we will keep you informed of our progress.

Don Lindsay  
President and Chief Executive Officer  
Teck Cominco Limited

#### **Important Notice**

This document may be deemed to be solicitation material in respect of Teck Cominco's proposed tender offer for the shares of Inco. On May 23, 2006, Teck Cominco has filed the following documents with the Securities and Exchange Commission (SEC) in connection with its offer to purchase all of the outstanding common shares of Inco: (1) a Registration Statement on Form F-10 (containing an offer to purchase and a share take-over bid circular) and (2) a tender offer statement on Schedule T-O.

**Investors and shareholders are urged to read the Registration Statement, the Schedule T-O and any other relevant documents filed or that will be filed with the SEC when they become available because they will contain important information about the tender offer.**

These documents will be available without charge on the SEC's web site at [www.sec.gov](http://www.sec.gov) and may be obtained without charge from the SEC at telephone number 800-SEC-0330. Free copies of these documents can also be obtained by directing a request to Teck Cominco, 600-200 Burrard St. Vancouver British Columbia Canada, V6C 3L9, attention Corporate Secretary, by telephone to (604) 687-1117, or by email to: [info@teckcominco.com](mailto:info@teckcominco.com).

## Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the *United States Private Securities Litigation Reform Act of 1995* and forward-looking information as defined in the *Securities Act (Ontario)*. Forward-looking statements and information can be identified by the use of words such as plans, expects or does not expect, is expected, budget, scheduled, estimates, forecasts, intends or does not anticipate, or believes, or variation of such words and phrases or state that certain actions, events or results may, could, should, would, might or will be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Teck Cominco or Inco to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include estimates, forecasts, and statements as to management's expectations concerning the company, including after its proposed acquisition of Inco, with respect to, among other things, the size and quality of the company's development projects, mineral reserves and mineral resources, future trends, plans, strategies, objectives and expectations, including with respect to future operations, products, services and projects for the company, expected synergies and cost savings from the proposed acquisition of Inco, including the timing thereof, and the financial results, cash flows and operations of the company, including following the company's proposed acquisition of Inco. These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially.

These statements are based on a number of assumptions, including, among others, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, deliveries of, and the level and volatility of prices of nickel, cobalt, platinum group metals, zinc, copper, coal and gold and other primary metals and minerals as well as oil, natural gas and petroleum products produced by Teck Cominco and Inco, the timing of the receipt of regulatory and governmental approvals for Teck Cominco's and Inco's development projects and other operations, the availability of financing for Teck Cominco's and Inco's development projects on reasonable terms, Teck Cominco's and Inco's respective costs of production and their respective production and productivity levels, as well as those of their competitors, power prices, market competition, the accuracy of Teck Cominco's and Inco's reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, future commodity prices, production of commodities by the company, Inco and their respective competitors, the realization of synergies, transaction costs, and the future financial performance of the company and Inco. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially.

Factors that may cause actual results to vary include, but are not limited to: the Teck Cominco Class B subordinate voting shares issued in connection with the proposed acquisition may have a market value lower than expected, the businesses of Teck Cominco and Inco may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected, the expected combination benefits and synergies and cost savings from the Teck Cominco/Inco transaction may not be fully realized or not realized within the expected time frame, the possible delay in the completion of the steps required to be taken for the eventual combination of the two companies, business and economic conditions in the principal markets for the companies' products, the supply, demand, and prices for metals to be produced, changes in commodity and power prices, changes in interest and currency exchange rates,

inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, changes in general economic conditions or conditions in the financial markets and other risk factors related to the mining and metals industry as detailed from time to time in Teck Cominco's and Inco's reports filed with the US Securities and Exchange Commission (SEC).

Certain of these risks are described in more detail in the annual information form of the company and in its public filings with the SEC. The company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.