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CORPORATE PARTICIPANTS

Moderator *Noranda Inc.*

Denny Couture *Noranda Inc. - VP Communications*

Derek Pannell *Noranda Inc. - President and CEO*

Aaron Regent *Noranda Inc. - President and CEO, Falconbridge*

Lars-Eric Johansson *Noranda Inc. - Executive VP and CFO*

CONFERENCE CALL PARTICIPANTS

Analyst

PRESENTATION

Moderator - *Noranda Inc.*

Ladies and gentlemen, thank you for standing by. Welcome to the Noranda/Falconbridge joint conference call. During the presentation, all participants will be in a listen-only mode. Afterwards, we will conduct a question and answer session. At that time, if you have a question, please press the 1, followed by the 4, on your telephone. As a reminder, this conference is being recorded Tuesday, May 28th, 2002.

I would now like to turn the conference over to Mr. Denny [Couture], vice president, communications. Please, go ahead, sir

Denny Couture - *Noranda Inc. - VP Communications*

Thank you very much, operator, and thank you all for participating in this joint conference call. Since the people involved in the announcement are the same at both companies, we thought it would be preferable for this time only to hold just one call.

We have with us today Derek Pannell, who is our new president and CEO at Noranda, Aaron Regent, the new president and CEO at Falconbridge, and Lars-Eric Johansson, Noranda's new executive vice president and chief financial officer.

They will start by saying a few words and we will follow afterwards with your questions. Derek?

Derek Pannell - *Noranda Inc. - President and CEO*

Thank you, Denny.

I don't expect that this call will be very long. We really wanted to provide you with the opportunity to ask questions, if there are any questions.

I want to start by saying a few words, and then I'm going to pass it over to Aaron and then to Lars-Eric.

David Kerr is not with us this afternoon. He's actually, I think, on a well-deserved vacation.

His decision to reduce his involvement at Noranda was one of the important triggers in the changes that were announced yesterday. He will now be executive chairman at Noranda, stepping down from the position of CEO that he held for many years. In those new duties, David will be mostly involved at the strategic level and, importantly for us, will remain a key player in building relationships that he's developed over the years with industry and with governments.

For my part, after having done two jobs for more than three months, I must say that I'm not entirely unhappy with the turn of events. I'm very proud to have been selected by the Noranda board for this important job of chief executive officer of Noranda. As I couldn't hold both CEO jobs, the board decided to appoint Aaron Regent to the position of CEO of Falconbridge.

Aaron is well known to many of you as a dynamic and creative senior executive. He has now been given another opportunity to use his impressive talents. I will be working closely with Aaron in my new role as deputy chairman of the Falconbridge board, as well as with Alex Balogh, who is another veteran of the mining industry who will be available to help both of us.

Aaron's departure to join Falconbridge has opened up the CFO position at Noranda, and there was no hesitation on our part to offer that to Lars-Eric Johansson. Lars-Eric is very well known in the industry and has been playing - been playing that role, in fact, effectively at Falconbridge for some time, and we look forward to him making the same kind of leading contribution in a larger setting.

I've had the pleasure of working closely with Lars-Eric during the last few months, and it will be a real pleasure to continue working with him in our new capacities.

That sums it up for me. I'm going to pass it over to Aaron just to say a few words. Aaron?

Aaron Regent - *Noranda Inc. - President and CEO, Falconbridge*

Thank you, Derek.

I am - I'm looking forward to this new challenge here at Falconbridge. I have been closely involved with Falconbridge for a number of years, and I have always been impressed by the quality of the people within the company, and I'm looking forward to working more directly with them. We have a strong team.

A few comments I would like to make. I don't anticipate any major changes in the strategic direction of the company. We will continue to focus on the growth in the nickel business and there's a lot of potential on this front. We will also continue to maximize returns from all of our assets. For example, we are actively working with Noranda to maximize the performance of each of our [coffer] assets for the benefit of our respective shareholders and in Falconbridge's case, particularly at [Cape] Creek and within our South American businesses.

I also want to assure you that I am committed to increasing the share price of Falconbridge. While it has been suggested in the past that this may not be in Noranda's interest, to the contrary, it is in their interest since Noranda would be the biggest beneficiary as the largest shareholder of the company.

I was going to limit my comments to this today, but I look forward to reporting to you as the year progresses. I'll turn it over to Lars-Eric.

Thank you, Aaron.

Good afternoon, everyone, and thank you, Derek, for your kind words. This is a little embarrassing for a Scandinavian like me to be described like that.

I must say that I'm extremely pleased to be given this opportunity to join Noranda and face a new challenge. Not that I didn't have any. I have spent many years as a CFO of Falconbridge and it will be interesting for me to redefine my role and learn about Noranda's other businesses.

I'm especially glad to have an opportunity to continue to be working with Derek. I think that we understand each other's vision and that we can easily work side by side.

The challenges over at Noranda are clear. We will continue to focus on improved profitability and to strengthen our balance sheet. That's really nothing new to me, since I've been doing it for the last 12 years at Falconbridge and before that in several other companies.

As the release indicated, I will continue to act as the CFO of Falconbridge until my replacement is identified, and I look forward to continuing to work with Aaron in his new role at Falconbridge.

I got to know Aaron in the mid '90s, and over the years we have worked together from time to time on various transactions. So Aaron is familiar with Falconbridge and the challenges ahead.

Thank you, and over to you, Derek.

Derek Pannell - Noranda Inc. - President and CEO

Thank you, Lars-Eric. And I'd like now to open the lines to questions from callers. Operator, if you could begin the question period, please. Thank you.

QUESTIONS AND ANSWERS

Moderator - Noranda Inc.

Thank you. Ladies and gentlemen, if you would like to register a question, please press the 1, followed by the 4, on your telephone. You will hear a three-tone prompt to acknowledge your request. If your question has been answered and you would like to withdraw your registration, please press the 1, followed by the 3. If you are using a speakerphone, please lift your handset before entering your request.

Once again, if you'd like to register a question, press 14 on your telephone. One moment, please.

Our first question is from Terrance [Orchland] with TSO Associates. Please proceed with your question.

Analyst

Thanks for the conference call, guys, and good luck to all of you in your new challenges.

I guess my only question is: With respect to each of your new mandates or extended mandates, could we have some sort of a time frame whereby you expect to achieve or look at certain things and come back and report back to us?

Obviously, you're familiar with all the companies and activities. We all know that. And we've got a lot of confidence in you in being able to direct the companies in the right direction. But like in every new administration that comes in, doesn't matter which political power in the White House or whatever, they have new visions and new expectations and maybe each one of you want to go through exactly what you want to see and the time frame that you can let us know. Thanks.

Derek Pannell - Noranda Inc. - President and CEO

Here, maybe I can kick off, Terrance.

I think the first thing that we talked about was bringing the Falconbridge and Noranda back offices and so on together. In fact, we have a structure in place and are already beginning that. That would actually take place physically within the next six months. By the end of this year, we would hope to have the people physically relocated.

And the similar would be true, perhaps a little ahead of that time, for our Santiago offices. We are already seeing that cooperation, in fact, particularly between [Alto Norte] and [Lumas Bias] on the asset. So I think that is going to take another 4 to 6 months to really start seeing it bedded down. But that's the time frame that I see there.

With a lot of the other ones, I think the 15% ROE, that's our main target and that's what we clearly are being - are focusing on at both companies. And that, to a large extent, in Noranda and I guess elsewhere within industry, depends on the economic recovery and where we see that happening.

Now, there has been perhaps a little plateau or a little faltering in the last month or so, but it is clearly continuing and we're seeing that improving.

So our strategy to get to that 15% should be in place by the end of this year. As we begin the planning cycle, in fact, for next year, we should have the plan in place. When we actually achieve it will be dependent on the economy and metals prices, but certainly by the end of this year, we should have a clear plan, a strategic plan, milestones, and so on, in place, to get to that 15%, dependent on metal prices. Aaron?

Aaron Regent - *Noranda Inc. - President and CEO, Falconbridge*

You know, Terry, at this point, my main focus is to get out to as many of the Falconbridge operations as possible as quickly as possible, and I think once I've had a chance to do that and reflect, I'll have a better sense of a time line under which - and specific objectives that we want to accomplish, and a time line as to when we could achieve that.

But I think everything we're doing at Falconbridge is - or the direction we're heading at Falconbridge is consistent with what Derek has just laid out. Our focus is on how to do we get our returns up, how do we reach that 15% return on equity objective, and that's driving every decision that we have.

Derek Pannell - *Noranda Inc. - President and CEO*

Is there another question?

Moderator - *Noranda Inc.*

Ladies and gentlemen, as a reminder, if you'd like to register for a question, press 14 on your telephone.

Our next question is from David [Sutnick] with EDS. Please proceed with your question

Analyst

From UBS.

Hi, guys. Just a quick question. Just balance sheet overall, particularly at Noranda. If there is - I mean, if there's a heightened sense to try to reduce debt relative to expectations. Before I know there has been some progress at Noranda with the recent equity unit trust that was done. I guess I'm just trying to sense if it's costs on balance sheet and that's it and if there's a heightened sense at all and if you think there will be significant progress this year on the balance sheet side.

Derek Pannell - *Noranda Inc. - President and CEO*

You know, I think as we see metal prices pick up, I would certainly expect to see some progress on the Noranda balance sheet and we're very encouraged with the success we've had on the Noranda income fund. That has been very positive and will flow through to the appropriate ratios and debt - debt to equity ratio. So that's going to have an immediate effect, yes. Aaron?

Aaron Regent - *Noranda Inc. - President and CEO, Falconbridge*

I think - David, it's good to hear from you. I haven't talked in a while, but.

Analyst

How are you doing.

Aaron Regent - *Noranda Inc. - President and CEO, Falconbridge*

Great. But I think just to add to Derek's comments here, one of the objections we had set out for ourselves at the beginning of the year was to make sure that our debt levels did not rise from where they were at the end of the year, and in fact, obviously trying to head in the other direction. And so there are a number of things that we have been focusing on. The income fund was an important initiative and that went very well for us, so that brought a lot of capital in which has been used to repay debt. Second, we have looked at our capital expenditure programs and we have been curtailing them, to the extent we can, and so that's making a - having an impact.

And also, the exchange rate. At the end of the year, the Canadian dollar was 159. Right now it's kind of 153, 154. So that's also taken debt off our balance sheet on an exchange-adjusted basis.

So we are making progress, but I think that the major commitment that the company has is to maintain its investment grade ratings and we are not deviating from that objective at all and we're continuing and I'm sure Lars now takes this a day-to-day basis but we're continuing to look at ways to [inaudible] the balance sheet.

Derek Pannell - *Noranda Inc. - President and CEO*

You know, I think also add that, you know, we've taken some of the difficult decisions. We're continuing to look to see what else we can do but I think the losses that were being accumulated - [Gaspey], for example - we've shut that down. That is shut down. Everything is empty down there. We've got the working capital that is in the process of coming out of that. We shut down the Warsaw plant. I think you're probably aware of those. Clearly, that - those difficult decisions have been taken and we're looking around to see whatever else flows on from that. But we're very focused on improving the financial situation short-term.

Analyst

Great. Thanks.

Derek Pannell - *Noranda Inc. - President and CEO*

Anybody else out there?

Moderator - *Noranda Inc.*

There are no further questions at this time, sir.

Derek Pannell - *Noranda Inc. - President and CEO*

Well, thank you, operator. If that is the case, then we'll terminate the call. Thank you very much for your participation, and good-bye.

Moderator - *Noranda Inc.*

Ladies and gentlemen, that does conclude the conference call for today. We thank you very much for your participation and we ask that you please disconnect your lines.

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