

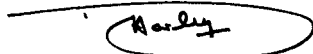
**MAJOR COPPER PRODUCER
TO SOLE FUND DRILLING ON THE
MOUNT GUNSON COPPER PROJECT,
SOUTH AUSTRALIA**

Noranda Pacific Pty Limited, the wholly owned subsidiary of major Canadian nickel-copper producer Falconbridge Limited, today signed an Option/Joint Venture agreement which gives it the right to sole fund \$10 million of exploration and possibly development work on the Mount Gunson Copper Project in South Australia. Principal terms of this agreement are as follows:

- 1 Noranda may earn a 51% interest in the Project by spending \$3.5 million in 3 years from the date on which certain conditions precedent are satisfied. Noranda will not have any equity in the project if it fails to meet its expenditure requirements and may withdraw at any time.
- 2 If Noranda earns its initial 51% interest, it may then increase its equity to 75% by spending a further \$6.5 million in an additional 3 year period. Again, if it fails to meet this minimum expenditure target, its interest will not increase and will revert to 51%. Alternatively, Noranda may initiate a Joint Venture where it holds a 51% interest and Gunson 49%.
- 3 Once Noranda reaches 75% equity, a Joint Venture would be formed, with Gunson having the right to contribute to ongoing expenditure at 25% interest. Alternatively, Gunson may elect not to contribute and be diluted in accordance with an agreed formula. However, Gunson may elect to recommence contributing to the Joint Venture at the commencement of subsequent budget periods.
- 4 Once Gunson's equity falls below 10%, it will cease to have equity in the Project but will be entitled to a net smelter royalty.

The initial emphasis of Noranda's exploration program will be to test the potential for a major copper-gold-uranium deposit at Chianti Prospect, where Gunson's drilling program completed this year revealed an intersection of 2 metres at 3.4% copper.

This drilling also confirmed a geological environment similar in many respects to the Carrapateena Prospect some 20 kilometres to the east, where another Canadian copper producer, Teck-Cominco will shortly commence a major drilling program to follow up an intersection of 67 metres at 3% copper announced in July 2005.



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ATTRIBUTION

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr D N Harley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.