

AUGUST 2006



# Raglan Mine



## Location

- Raglan is located in the Nunavik peninsula.
- The Raglan property is located 100 km South-East of Salluit and 1,540 km North of Rouyn-Noranda.
- The site occupies 1,600 hectares of land (150 km<sup>2</sup>).
- There are no roads between the mine and Southern Québec.
- The site is linked by road to Donaldson airport and the port of Deception Bay.

## Background

- **In the 1930's:** Launch of initial exploration campaigns.
- **1992:** Start of initial feasibility study.
- **1995:** Launch of mine construction.
- **1997:** Beginning of mining and concentrate production.

## Facilities

- Raglan employees work at the Katinniq site.
- The Raglan complex offers comfort and convenience. It includes production facilities as well as lodging, a kitchen and cafeteria, a convenience store, a medical center, the human resources department, offices for the union and for security teams as well as sports and leisure equipment.

## Production

- Approximately 90% of the ore extracted at Raglan comes from three underground mines with the balance from an open pit mine.
- The ore is extracted and processed into a nickel-copper concentrate at the Raglan plant, which has a capacity of 3,000 tonnes/day.
- The concentrate is trucked 100 km north and shipped to Québec City by boat at least six times a year, during the eight months when the seaway is free of ice. From there, the concentrate is carried by railway to the Sudbury smelter and returned to Québec City as nickel matte (55%). It is then shipped by boat to Falconbridge's nickel refinery in Norway.
- Annual production capacity currently stands at 26,000 tonnes.

## Employees

- Raglan employs 500 people as well as 250 on contract. Approximately 16% of the employees are of Inuit culture.
- Production facilities are operated 24 hours/day, 365 days/year.
- Employees are transported to and from the site by a Falconbridge-owned aircraft.



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## Investments

- Initial investment of Cdn\$600 million
- Additional investments of Cdn\$28 million since 1997 to increase the concentrator's capacity

## Economic benefits

- The Raglan mine contributes to the economic vitality of the region with expenses of Cdn\$250 million annually, 32% of which remains in the Abitibi and 11% in Northern Québec.
- 86% of annual spending remains in Québec.

## Commitment towards Inuit communities

- The Raglan Agreement includes a profit-sharing program with the Inuit population of the Nunavik.
- The Agreement was signed in 1995 by Makivik, the Qaqalik Corporation of Salluit, the Salluit community, the Nunaturlik Corporation of Kangiqsujuaq, the Kangiqsujuaq community, and Société minière de Raglan du Québec Ltée.
- In April 2006, Falconbridge remitted a cheque in the amount Cdn\$9.3 million to Makivik, representing a year's worth in royalties.
- Makivik owns subsidiaries such as Air Inuit, First Air, Nunavik Arctic Foods, Nunavik Creations, Halutik Fuels, Cruise North. It also jointly owns Pan Arctic Inuit Logistics (PAIL) with other local Inuit corporations.
- The objective of the Agreement is to harmonize relations and to generate opportunities for Falconbridge as well as local populations and their representatives in areas such as training, development of local entrepreneurship and environmental stewardship.
- Kiewit, Katinniq Transport and Bradley Numumiut are among Falconbridge's Inuit suppliers and contractors.

## New investments in infrastructure and facilities at the Raglan nickel mine

- Falconbridge announced the launch of two important studies for the Raglan Mine expansion. The first will focus on developing new ore reserves to replace those depleted since the mine's opening in 1997. This investment will likely reach nearly Cdn\$240 million over six years.
- The second study is to support the expansion of nickel ore production from one million tonnes per year to 1.3 million tonnes as early as 2009. This 30% increase, requiring an additional investment of roughly Cdn\$250 million, would create 50 additional jobs and increase the value of annual royalties Falconbridge pays to local Inuit communities.
- Falconbridge also announced the start of major renovations to its Deception Bay loading dock. The Cdn\$50 million investment will extend the dock's service life and support production increases.

## Falconbridge in Québec

- **Horne Smelter – Rouyn-Noranda (560 employees)**  
Processes copper concentrates and recyclable materials.
- **CCR Refinery – Montréal East (500 employees)**  
Processes into cathodes, copper anodes from the Horne smelter and the Altonorte smelter in Chile.
- **CEZinc Refinery – Valleyfield (700 employees)**  
The second largest zinc refinery in North America (25% owned through the Noranda Income Trust)
- **Raglan Mine – Nunavik (500 employees and 250 sub-contractors)**  
Nickel mine and concentrator
- **General Smelting of Canada – Lachine (60 employees)**  
Niche products like specialty alloys as well as lead and zinc products
- **Exploration Office – Laval (26 permanent employees and 56 contract employees)**  
Responsible for all new exploration projects in North America
- **Regional Office – St-Laurent (50 employees)**  
Technological support