MATERIAL CHANGE REPORT

Pursuant to

Section 85(1) of the *Securities Act* (British Columbia)
Section 146(1) of the *Securities Act* (Alberta)
Section 84(1) of the *Securities Act* (Saskatchewan)
Section 75(2) of the *Securities Act* (Ontario)
Section 73 of the *Securities Act* (Quebec)
Section 81(2) of the *Securities Act* (Nova Scotia)
Section 76(2) of the *Securities Act* (Newfoundland)

1. Reporting Issuer

Noranda Inc. ("Noranda" or the "Company")

2. Date of Material Change

January 27, 2003

3. Press Release

The press release reporting the material change was issued by Noranda on January 28, 2003 in Canada through the Canadian Timely Disclosure Network of Canada News Wire.

4. Summary of Material Change

Noranda plans to restructure its magnesium business and will take a fourth-quarter 2002 after-tax charge of $630 million to reduce the book value of its magnesium business. The charge represents $2.64 per share and will be reflected in the financial results of the Company for the year ended December 31, 2002. In 2003, a further $28 million after-tax charge is expected to be recorded related to costs incurred to shut down the Company's Magnola plant in Danville, Quebec. After the write-down, the book value of Noranda's magnesium business will be $300 million.
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5. Full Description of Material Change

Noranda plans to restructure its magnesium business to respond to major structural changes which have taken place in the global magnesium industry. The decision to restructure the Company's magnesium business was taken on the basis of the current low price of magnesium and the Company's expectations of future trends for both pure magnesium and alloys.

Noranda has initiated discussions with Societe generale de financement du Quebec (“SGF”), which owns 20% of the Magnola plant, with respect to temporarlily shutting down the Magnola plant until magnesium prices increase and the resumption of operations is financially justified. However, the Company will also review with the SGF the possibility of operating the cast-house section of the plant using purchased metal and expanding Magnola’s presence in the magnesium alloy market with the introduction of new specialized alloys. The Magnola plant currently has about 380 employees.

Noranda will take a fourth-quarter 2002 after-tax charge of $630 million to reduce the book value of its magnesium business. The charge represents $2.64 per share and will be reflected in the financial results of the Company for the year ended December 31, 2002. In 2003, a further $28 million after-tax charge is expected to be recorded related to costs incurred to shut down the Magnola plant. After the write-down, the book value of Noranda’s magnesium business will be $300 million.

6. Reliance on Section 75(3) of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

- Derek Pannell
- President and Chief Executive Officer
- (416) 982-7243

- Lars-Eric Johansson
- Executive Vice-President and Chief Financial Officer
- (416) 982-7377

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

SIGNED this 28th day of January at Toronto, Ontario.

NORANDA INC.

“Derek Pannell”

Per:____________________________
Derek Pannell
President and Chief Executive Officer