

July 31, 2003

SENT VIA SEDAR

Ontario Securities Commission
Suite 800
20 Queen Street West
Toronto, Ontario
M5H 3S8

Attention: Corporate Finance

Dear Sirs/Mesdames:

Re: CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., UBS Securities Canada Inc., Canaccord Capital Corporation, Griffiths McBurney & Partners, HSBC Securities (Canada) Inc. and Trilon Securities Corporation Noranda Inc. - Application for Exemptive Relief Pursuant to National Instrument 33-105

This letter constitutes an application for exemptive relief pursuant to Section 5.1 of National Instrument 33-105 — Underwriting Conflicts (the “Rule”).

We act as counsel to the Underwriters (as defined below) in connection with a proposed public offering (the “Offering”) of Common Shares (the “Common Shares”) of Noranda Inc. (the “Issuer”). In that capacity, and on behalf of the Underwriters, we are applying to the Ontario Securities Commission (the “Commission”) for an order pursuant to the Rule for relief from the limitations imposed on underwriters in respect of offerings involving “related issuers” and “connected issuers” in connection with the Offering.

1. THE FACTS

- 1.1 The Issuer is incorporated under the laws of Ontario.
- 1.2 The Issuer’s head office and registered office is located in Toronto, Ontario.
- 1.3 The Issuer is a leading mining and metals company with more than 48 mining and metallurgical operations and projects under development in 17 countries.
- 1.4 The Issuer is in good financial condition and is not under any financial pressure to complete the Offering.

1.5 The Issuer is currently a “reporting issuer” in each of the provinces and territories of Canada. The Offering will be made under a short form prospectus (the “Prospectus”). The preliminary Prospectus relating to the Offering was filed today.

1.6 The underwriters of the Offering (the “Underwriters”) are CIBC World Markets Inc. (“CIBCWM”), RBC Dominion Securities Inc. (“RBC”), Scotia Capital Inc. (“Scotia”) TD Securities Inc. (“TDSI”), BMO Nesbitt Burns Inc. (“BMONB”), National Bank Financial Inc. (“NBF”), UBS Securities Canada Inc. (“UBS”), Canaccord Capital Corporation (“Canaccord”), Griffiths McBurney & Partners (“Griffiths”), HSBC Securities (Canada) Inc. (“HSBC”) and Trilon Securities Corporation (“Trilon”). CIBCWM is the lead underwriter in the Offering.

1.7 Concurrent with the Offering, the Issuer will distribute Common Shares to Brascan Corporation (“Brascan”) under the Prospectus.

1.8 A portion of the net proceeds of the Offering to be received by the Issuer after deduction of the Underwriters’ fees and the estimated expenses of the Offering payable by the Issuer will be used to redeem all of the outstanding Cumulative Preferred Shares, Series I, all of which are held by Brascan, which indirectly owns more than 20% of the voting interest in Trilon and approximately 40% of the voting interest in the Issuer. The balance of the net proceeds of the Offering will be used to reduce amounts outstanding under the Issuer’s revolving bank indebtedness, some of which has been advanced by affiliates of some of the Underwriters.

1.9 The proportionate share of the Offering underwritten by each of the Underwriters is expected to be as follows:

<u>Underwriter</u>	<u>Proportionate Share</u>
CIBCWM	22.0%
RBC	18.0%
Scotia	18.0%
TDSI	14.0%
BMONB	9.0%
NBF	7.0%
UBS	5.0%
Canaccord	2.0%
Griffiths	2.0%
HSBC	2.0%
Trilon	1.0%
	<hr/>
	100%

1.10 The preliminary Prospectus contains, and the final short form Prospectus will contain, a certificate signed by each of the Underwriters.

1.11 CIBC, RBC, Scotia, TDSI, BMONB, NBF, HSBC and UBS (collectively, the “Connected Registrants”) are each affiliates of banks (“Banks”) that are lenders to the Issuer, its subsidiaries

and, in some cases, its joint ventures. Some amounts of that indebtedness to the Issuer's joint ventures is guaranteed by it. The maximum commitment under those credit facilities ("Credit Facilities") from the Banks directly to the Issuer is \$535 million. The maximum commitment under the Credit Facilities from the Banks to the Issuer's subsidiaries and joint ventures is \$741 million. To the knowledge of the Issuer, each of the Issuer, its subsidiaries and its joint ventures is in compliance with the terms of the Credit Facilities.

2. RELIEF SOUGHT

2.1 Relief is requested from the requirement of the Rule that a registrant not act as a direct underwriter if a related issuer of the registrant is the selling securityholder unless an "Independent Underwriter" underwrites not less than the lesser of (a) 20 percent of the dollar value of the distribution and (b) the largest portion of the distribution underwritten by an underwriter that is not an independent underwriter (the "Independent Underwriter Requirement").

3. ANALYSIS

3.1 In light of the common indirect ownership of both the Issuer and Trilon by Brascan, the Issuer is a related issuer of Trilon. In light of the Issuer's indebtedness to Trilon, the Issuer may be considered a connected issuer of Trilon.

3.2 The Rule provides that a registrant may not act as a direct underwriter in a distribution of securities under a prospectus if a related issuer of the registrant is the selling securityholder unless the Independent Underwriter Requirement is satisfied and the prospectus contains the prescribed disclosure.

3.3 In light of the Credit Facilities and the use of proceeds of the Offering, the Issuer may be considered a connected issuer of the Connected Registrants or these parties may not be considered to be independent underwriters pursuant to the Rule.

3.4 If the Issuer is considered to be a connected issuer to the Connected Registrants, the Independent Underwriter Requirement will not be satisfied based on the composition of the underwriting syndicate.

3.5 But for the minor portion of the Offering being underwritten by Trilon, the Independent Underwriter Requirement would not apply to the Offering and the only requirement would be to provide the prescribed disclosure. In addition, to the knowledge of the Connected Registrants, each of the Issuer and its subsidiaries is in compliance with the terms of the Credit Facilities and none of the Banks participated in the Issuer's decision to distribute the Common Shares or in the determination of the terms of the Offering.

3.6 The Rule provides that the Commission may grant a general exemption to the Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

3.7 We submit to the Commission that an exemption should be provided in the circumstances to allow Trilon to act as an underwriter in connection with the Offering as (i) Trilon will only underwrite a small minority (1.0%) of the Offering; (ii) the nature and the details of the relationship between the Issuer, Trilon and Brascan and the Issuer and the Connected Registrants will be described in the Prospectus in accordance with Appendix C to the Rule; and (iii) Trilon will receive no benefits relating to the Offering other than payment of its fees in connection with the Offering.

3.8 None of the Banks, Brascan or Trilon participated in the Issuer's decision to issue and sell the Common Shares to the Underwriters pursuant to the Offering or in the determination of the terms of the issuance and sale of the Common Shares to the Underwriters pursuant to the Offering.

3.9 The Underwriters will not benefit in any manner from the Offering other than through the payment of their fees in connection with the Offering.

3.10 The Rule provides that the Commission may grant a general exemption to the Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

Based on the foregoing, it is submitted that it would not be prejudicial to the public interest for the Commission to grant the requested exemption on behalf of itself and on behalf of any other applicable jurisdiction. Pursuant to Section 5.2 of the Rule, we request that the granting of this exemption be evidenced by the issuance by the Commission of a receipt for the final Prospectus. We will disclose in the final Prospectus that we have applied for and received the discretionary relief contemplated by this application.

If you have any questions or require further information, please contact the undersigned at 416.865.7651.

Yours truly,

"Cornell C.V. Wright"

Cornell C.V. Wright

CCVW/rdn

cc: British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Office of the Administrator, New Brunswick
Nova Scotia Securities Commission
Registrar of Securities, Prince Edward Island
Securities Commission, Newfoundland
David A. Scott, *CIBC World Markets Inc.*
George Braun, *CIBC World Markets Inc.*
Frank DeLuca, *McCarthy Tétrault LLP*
Karrin Powys-Lybbe, *Torys LLP*

