1080934 - R8 SDMS

Maureen Oreilly/ENF/R8/USEPA/US
06/18/2004 08:50 AM

To Richard Baird/ENF/R8/USEPA/US@EPA
cc
bcc
Subject Re: Noranda/Richardson Flat Tailings

Rick - This was one of the first things I checked when I was assigned to the site. All four PRPs were noticed on December 4, 2001.

Maureen O'Reilly
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"We make a living by what we get. We make a life by what we give."
- Winston Churchill

Richard Baird

Richard Baird
Sent by: Richard Baird
06/17/2004 09:53 AM

To: Gregory Phoebe/ENF/R8/USEPA/US@EPA
cc: Maureen Oreilly/ENF/R8/USEPA/US@EPA
Subject: Re: Noranda/Richardson Flat Tailings

ATTORNEY CLIENT COMMUNICATIONS - PRIVILEGED

I'm sorry for not knowing this, but have we sent out notice letters on this site? Has Noranda gotten one? If not, this may be a good time to send them one. In any acquisition, companies have to disclose liabilities so sending Noranda a notice letter may help get them to the table for settlement talks. Just a thought.

Richard H. Baird
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Gregory Phoebe/ENF/R8/USEPA/US

Gregory Phoebe/ENF/R8/USEPA/US
06/16/2004 04:07 PM

To Maureen Oreilly/ENF/R8/USEPA/US@EPA, Richard Baird/ENF/R8/USEPA/US@EPA
cc
Subject Noranda/Richardson Flat Tailings

FYI, some information about Noranda and possible sale. --greg

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Brazil Miner CVRD in Talks to Buy Noranda

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By Denise Luna and Nicole Mordant

RIO DE JANEIRO/VANCOUVER (Reuters) - Brazil's Cia Vale do Rio Doce (VALE5.SA) (NYSE:RIO - news) is in talks to buy a controlling stake in Canadian miner Noranda Inc. (Toronto:NRD.TO - news) (NYSE:NRD - news) in a deal that could be worth up to $3 billion, a source close to the talks said on Wednesday.

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Toronto-based Noranda, the world's third-biggest zinc and ninth-biggest copper producer, said it has interest from several companies but did not name any potential suitors.

Shares in Noranda, a target of major miners in the last year at the same time it tried to expand on its own, soared nearly 14 percent on the day to a six-year high before edging back slightly.

"The deal may reach $3 billion ... It has fantastic growth potential for CVRD," said the source close to the deal. The source said with the addition of Noranda, CVRD would become the world's second-biggest mining company after BHP Billiton (BHP.AX) (BLT.L).

The source said that CVRD hadn't yet presented a proposal for Noranda, which is also a major nickel producer and a primary aluminum maker.

"Noranda's market value is high; it would be a huge operation," the source said, adding: "It's part of CVRD's strategy to raise its market value rapidly through acquisitions ... CVRD's hunger is permanent."

CVRD declined to comment.

Brazil's Valor Economico daily newspaper earlier on Wednesday said that CVRD, the world's biggest iron ore miner, was negotiating the purchase of a 43 percent controlling stake in Noranda from Canada's Brascan Corp. (Toronto:BNNA.TO - news).

Valor said that CVRD, which also produces alumina and aluminum and is starting copper mining, offered over $2 billion for the stake, but the Canadian side wanted about $3 billion. Morgan Stanley is advising CVRD in the operation, the newspaper said.

Noranda chairman David Kerr said in a statement that Brascan Corp., whose interests include real estate, financial services and forestry, supported the company's actions.

Noranda said it has hired CIBC as financial adviser.

LONG RUNNING TALKS

A source close to Noranda said that the company had been talking to potential suitors for at least a year. Analysts expect high metal prices and robust cash flows could spark a wave of consolidation within the industry.

Shares in Falconbridge Ltd. (Toronto:FL.TO - news), of which Noranda owns 59 percent, soared 10 percent at one point to C$34.25 on speculation that a takeover of Noranda might be extended into a buyout of all of Falconbridge.

The world's third biggest nickel producer, Falconbridge is regarded as a valuable asset because global nickel supply is expected to be tight for at least another two years.

"My guess is that if it is CVRD they would want the whole group," said Greg Barnes, an analyst at Canaccord Capital in Toronto. But purchase of both could be very expensive.

Brascan chief executive Bruce Flatt noted that the base metals industry is benefiting from renewed interest after a strong run-up in metals prices.

"As we look forward, increased Chinese demand for commodities, lack of supply additions and ongoing consolidation in the base metals industry provide an opportune environment to review our options in order to maximize value for Brascan and all Noranda shareholders," Flatt said in a statement.

CVRD stock, the most heavily traded on the Sao Paulo Stock Exchange on Wednesday, was off about 2 percent.

"I'm not sure why CVRD stock is falling as the deal is not yet confirmed and Noranda's debt is not all that big at $2.7 billion," said Catarina Pedrosa of Banif Investment Banking in Sao Paulo. "CVRD is developing nickel and copper, which is exactly what Noranda has."

CVRD chief executive Roger Agnelli said in January that the company planned to invest $6 billion between 2004 and 2008, including $1.8 billion in 2004, to meet strong world demand.

Shares of Noranda closed up C$2.07, or 9.4 percent, to C$24.06 on the Toronto Exchange.

(Additional reporting by Carolyn Koo)

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