

TCS → HVC

Highland Valley Copper (97.5%)*

<u>100%</u>	<u>Three months ended Sep. 30</u>		<u>Nine months ended Sep. 30</u>	
	2005	2004	2005	2004
Tonnes milled (000's)	13,079	12,726	37,139	37,731
Copper grade (%)	0.41	0.38	0.39	0.38
Copper recovery (%)	89.1	89.2	88.6	87.0
Copper production (000's tonnes)	47.6	43.2	128.7	123.2
Copper sales (000's tonnes)	40.8	37.2	136.8	125.0
Molybdenum production (000's pounds)	1,308	2,582	4,997	8,257
Molybdenum sales (000's pounds)	1,701	3,230	5,427	7,588
Company's share of operating profit (\$ millions)*	144	125	423	269

* The company had proportionately consolidated 63.9% of Highland Valley Copper (HVC) results up to February 29, 2004. Upon the acquisition of the additional 33.6% interest of HVC on March 1, 2004, the company began to consolidate 100% of HVC with a 2.5% provision for minority interests.

Copper production of 47,600 tonnes in the third quarter was 10% higher than a year ago due mainly to higher ore grades and slightly higher throughput. Molybdenum production was 1.3 million pounds compared with 2.6 million pounds in the third quarter of 2004 as a greater proportion of ore from the Valley pit, which has higher copper but lower molybdenum grades, was mined in the current period.

Operating profit, including settlement adjustments of \$15 million, was \$144 million in the third quarter compared with \$125 million in the same period last year. Copper sales volumes of 40,800 tonnes were 10% higher than a year ago due to timing of shipments and molybdenum sales of 1.7 million pounds were 50% lower than the third quarter 2004 due to the lower production. The lower molybdenum sales volumes were partially offset by a higher realized molybdenum price of US\$23 per pound compared with US\$17 per pound a year ago. Molybdenum revenues were \$47 million compared with \$70 million in the third quarter of 2004.

In September the mine announced plans to proceed with an extension of the mine life by five years to September 2013, which is discussed in more details in the Corporate Development section.

Hemlo Gold Mines (50%)

<u>100%</u>	<u>Three months ended Sep. 30</u>		<u>Nine months ended Sep. 30</u>	
	2005	2004	2005	2004
Tonnes milled (000's)	842	944	2,626	2,744
Grade (g/tonne)	4.6	3.8	4.5	4.4
Mill recovery (%)	94.0	93.9	93.9	94.2
Production (000's ozs)	118	107	359	362
Sales (000's ozs)	122	105	364	363
Cash operating cost per ounce (US\$)	330	298	321	272
Company's share of operating profit (\$ millions)	3	6	8	24

Gold production of 118,000 ounces in the third quarter increased by 11,000 ounces compared with the same period last year due mainly to higher ore grades. The average gold price realized in the quarter was US\$434 per ounce compared with US\$398 per ounce, but was mainly offset by a weaker U.S. dollar and reduced hedging gains compared with the third quarter 2004.

Cash operating costs of \$396 (US\$330) per ounce in the third quarter were similar to \$390 (US\$298) a year ago as higher mining costs were offset by the effect of the increased production. The increase in U.S. dollar unit operating costs was due to the effect of a weaker U.S. dollar. Operating profit was \$3 million in the third quarter compared with \$6 million last year due mainly to lower hedging gains.

The shipping season was completed on October 21, 2005 with a total of 1.0 million tonnes of zinc concentrate and 200,000 tonnes of lead concentrate shipped from the mine. At September 30, 2005 zinc in concentrate available for sale, excluding production inventories at site, was 330,000 tonnes compared with 365,000 tonnes last year.

Antamina (22.5%)

<u>100%</u>	<u>Three months ended Sep. 30</u>		<u>Nine months ended Sep. 30</u>	
	2005	2004	2005	2004
Tonnes milled (000's)	7,367	8,069	21,996	23,228
Copper grade (%)	1.3	1.3	1.3	1.3
Zinc grade (%)	1.0	1.0	1.1	1.1
Copper recovery (%)	90.1	87.1	89.7	85.7
Zinc recovery (%)	81.5	73.2	83.1	73.2
Copper production (000's tonnes)	86.6	91.9	270.3	259.4
Copper sales (000's tonnes)	94.2	98.7	274.8	242.2
Zinc production (000's tonnes)	55.2	45.0	169.2	165.8
Zinc sales (000's tonnes)	46.2	47.5	162.8	166.8
Molybdenum production (000's pounds)	3,742	2,112	9,772	4,216
Molybdenum sales (000's pounds)	3,515	1,053	11,215	2,080
Company's share of operating profit (\$ millions)	94	59	256	125

Mill throughput in the third quarter was 9% lower than the same period in 2004 due mainly to harder ores being processed. Copper production of 86,600 tonnes was 6% lower than the same period last year due mainly to the lower mill throughput, while zinc production increased 23% due to ore types resulting in higher mill recoveries. Copper-only ore accounted for 63% of mill throughput, similar to the third quarter of 2004. In the fourth quarter, the mining plan calls for the processing of 88% of copper-only ore, which is expected to result in improved milling rates and significantly higher copper production and lower zinc production compared with the third quarter.

Molybdenum production of 3.7 million pounds in the third quarter was higher than 2.1 million pounds a year ago due to significantly higher mill recoveries resulting from continued process improvements. The average realized molybdenum price after smelter deductions was US\$23 per pound in the third quarter compared with US\$12 per pound last year. The company's share of molybdenum revenues in the third quarter increased to \$24 million compared with \$4 million a year ago as a result of the higher prices and sales volumes.

The company's 22.5% share of operating profit in the third quarter was \$94 million, including positive settlement adjustments of \$10 million, compared with \$59 million a year ago due mainly to higher copper and zinc prices and the higher molybdenum revenues.

On September 19, 2005, the Antamina mine issued a press release announcing the completion of a revised reserve and resource estimate for the Antamina deposit. The new estimate is the culmination of a three-year program aimed at improving the Antamina reserve and resource model's local predictive capabilities, incorporating improvements to the geologic and interpolation modeling methods along with additional density data and interpolation. Although a revision of criteria has resulted in a reclassification of proven ore to the probable category, the new estimate substantially confirms the global estimates of reserves and resources previously published for the Antamina project.