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**Montreal, March 17, 2006**

**SHAREHOLDER UPDATE**

**Dear O.T. Shareholders and Interested Parties,**

The attached PDF file contains a copy of an article, which is a "must read" for OT shareholders, on the "Copper Shortage" that appeared in the Wall Street Journal yesterday, March 16, 2006.

As you read it, my purpose in forwarding it to you will become very clear.

A news release and shareholder update are in preparation.

Please call or e-mail me with any questions you may have.

Yours sincerely,

James W. Hess  
President

**Disclaimer:** This news release contains certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

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# A Red-Hot Desire for Copper

*The World's Growing Appetite Melds With Supply Concerns To Keep Prices Above \$2 a Pound*

By PATRICK BARTA

**W**ITH DEMAND for copper sending prices higher, there is a worry for everyone from mining companies to microwave-oven makers: the lack of new mother lodes to tap.

In the 1990s, Chile emerged as the Saudi Arabia of copper. An era of political stability there enabled foreign and domestic companies to extract epic deposits of minerals, flooding the globe with supply. Soon Chile was producing more than one-third of the world's copper, helping push prices down to less than 70 cents a pound.

Today, however, demand from China and elsewhere has kept copper-futures prices above \$2 a

**COMMODITIES REPORT**

pound, even after a recent pullback. Chile's production slipped about 2% last year, and meantime, new mines aren't being discovered

or exploited quickly enough to make up the shortfall.

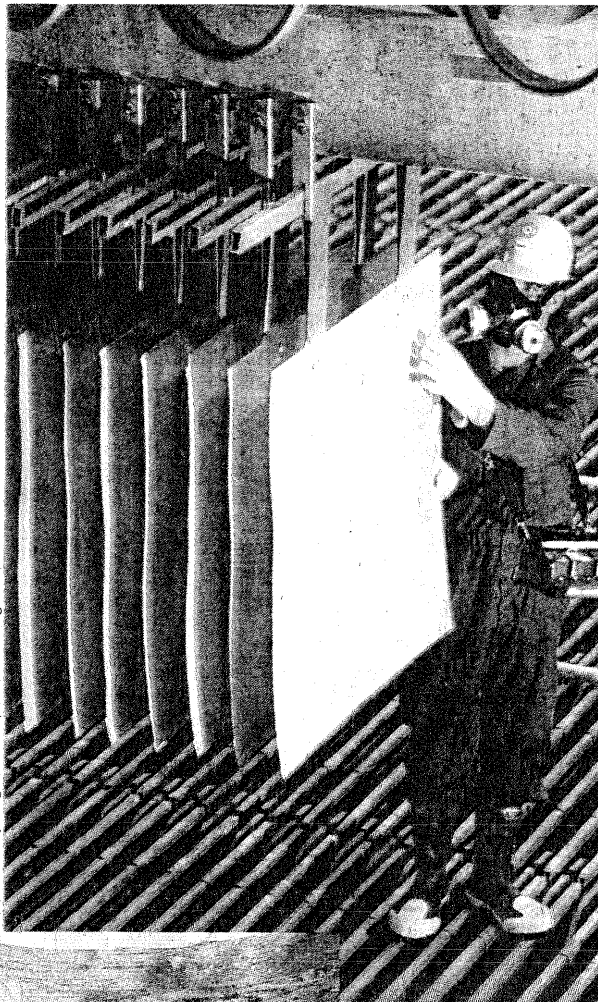
The mining industry is "living off the fruits and labors of...prospectors of 100 years ago," Steven Whisler, chief executive of Phoenix-based copper miner Phelps Dodge Corp., said at a Morgan Stanley mining conference last month.

As a result, the world has unusually low levels of the stuff, and that is tough news for the global economy. Copper is among the most important industrial metals, used in everything from electrical wiring to plumbing to the minting of money.

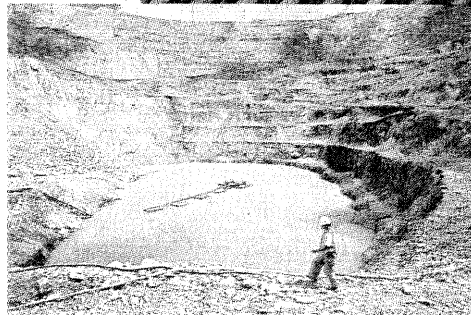
That could continue to squeeze profit margins of many companies, such as St. Louis-based Belden CDT Inc., one of the largest U.S. makers of high-speed electronic cables. It recently said its fourth-quarter net income fell 43% as it struggled with rising copper costs.

The lack of obvious new mining megaprojects is a key reason why many analysts believe copper prices will hover well above \$1 a pound for at least several years. The shortage of new mine projects isn't confined to copper. Concerns extend to zinc, aluminum and other resources important to the world economy.

Commodity prices have soared during the past several years amid a surge in demand from China. Some analysts are comparing China's boom with the industrial revolution that transformed the U.S. into a global economic power in



Top photo: Getty Images; bottom photo: Bloomberg News/Landov



**New copper sheets** roll off the production line, above; a view of the huge **Batu Hijau** copper-mining pit on the Indonesian island of Sumbawa.

the late 1800s, yielding a multidecade rise in commodity prices.

In the case of copper, futures prices have retreated after soaring past \$2.30 a pound on the New York Mercantile Exchange in February. Many analysts believe prices were pushed too high during the past year by speculators and a series of mine mishaps and worker strikes that since have been resolved. These included strife at Freeport-McMoRan Copper & Gold Inc.'s massive

Grasberg mine in Indonesia, where illegal miner set up wood-and-stone barricades to protest the company's efforts to stop them from retrieving gold from waste rock.

But yesterday's closing Nymex price of \$2.252 a pound is still sharply higher than 2001, when copper fell below 70 cents.

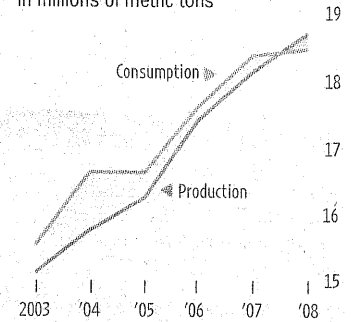
The supply problem arises in part from cuts in spending on mining exploration over the past decade. *Please Turn to Page C5, Column 1*

**Pretty Penny**

The world's appetite for copper is growing quickly, but mining companies don't have new resources to develop.

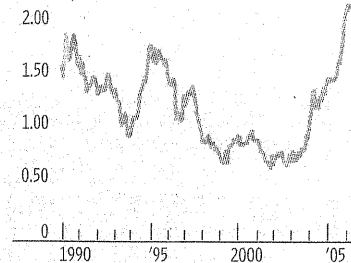
**Soaring demand for copper world-wide ...**

Outlook for refined copper, in millions of metric tons



**... Is sending copper prices higher.**

Comex-traded copper futures, non-seasonally adjusted, \$2.50 per pound in current dollars



Note: Monthly data are adjusted for inflation using the not-seasonally adjusted consumer price index for all items.

Sources: Bloomsbury Minerals Economics; Thomson Datastream; Labor Department

# Demand for Copper Increases Supply Concerns

Continued From Page C1

cade. Like their brethren in the oil industry, mining companies cut back when prices were lower a few years ago. According to the Metals Economics Group, a research firm in Halifax, Nova Scotia, spending on exploration for base metals and some other commodities fell to less

## COMMODITIES REPORT

than \$2 billion in 2002, after reaching more than \$5 billion as recently as 1997. Although mine-exploration spending has risen over the past two years, many analysts believe it could be years before more large projects are developed.

Most of the large, known copper deposits that remain untapped are in regions that have unstable governments or are hard to reach, such as central Africa and Mongolia. Many of the best prospective sites were discovered decades ago, but weren't developed because they were deemed too risky.

Some new supply is coming on line: Mined copper production rose about 2% last year to about 15 million metric tons (16.5 million short tons), according to Bloomsbury Minerals Economics Ltd., a London metals consulting firm. But the firm sees consumption of refined copper growing 3.5% a year, driven by demand in China, other parts of Asia and Europe.

At the time of the last two big price

jumps, in the late 1980s and mid-1990s, the copper industry had Chile to plug the supply gap. Mining companies had long known that the country had plenty of ore under the ground. A stabilizing political climate made it easy for them to ramp up capacity. Production has jumped to about 5.5 million metric tons a year from about 1.5 million metric tons in 1990. Chile now produces about 36% of the world's supply, up from 18% in 1990.

Chilean production slipped slightly last year, however. While **Corporación Nacional del Cobre de Chile**, or Codelco, the world's largest copper miner, plans to expand mines, many analysts believe the country is approaching its peak as old mines are depleted and mineral grades decline.

At the Morgan Stanley conference, Richard Adkerson, chief executive of New Orleans-based Freeport-McMoRan, said production at the Grasberg deposit in Papua, Indonesia, would drop roughly 10% this year to nearly 600,000 metric tons, and will remain close to that level for several years. The world's second-largest copper mine, it will continue to produce a large amount of copper for many years, and the company has added to reserves through continued exploration in the area. The company isn't planning to develop any other major mines.

There are at least two big untapped copper deposits on the horizon. One is a copper and gold deposit in Mongolia's remote Gobi region that is being developed by **Ivanhoe Mines Ltd.**, a venture founded by billionaire mining entrepreneur Robert Friedland. The other is Tenke Fungurume, a long-delayed project in the Democratic Republic of Congo that is controlled by Phelps Dodge.

Ivanhoe aims to begin production in 2008, ramping up to a peak capacity that could make its operation one of the biggest in the world. Some experts believe that if

the mine is fully developed, it would produce enough minerals to effectively double Mongolia's total gross domestic product.

Ivanhoe hasn't yet obtained final financing, and Mongolian officials haven't finalized mining and tax laws that would govern the project.

In the Congo, Phelps Dodge hopes to begin some mine construction this year or early next. It's not certain when full-scale production will begin in the country, which has long suffered from political instability.

In Chile, there is concern that prospects there are limited in part because of a shortage of water. The copper-mining process requires large amounts of water to help separate copper from the ore, and some of Chile's biggest mines are located in the forbidding Atacama Desert far north of Santiago.

In other commodity trading yesterday:

**CRUDE OIL:** Futures on the Nymex fell 1.5% after government data showed a sharp rise in U.S. commercial crude-oil inventories. At 339.9 million barrels, stocks stand at their highest level in seven years, while inventories in the Gulf Coast, home to much of the country's refining capacity, hover at their highest level since 1990. The April contract settled 93 cents lower at \$62.17 a barrel.

**COCOA:** Prices on the New York Board of Trade rose, supported by gains in other commodity markets at the exchange and overseas strength. May increased \$45 to \$1,489 a metric ton. Spot March also gained \$45, to \$1,469.

## Recent Stock-Listing Changes

NEW YORK—Among recent stock-listing changes on the American Stock Exchange, **CGI Holding Corp.** is changing its name to **Think Partnership Inc.** using same symbol THK. Previously trading on the Nasdaq Stock Market, **Stage Stores Inc.** is now trading on the New York Stock Exchange using new symbol SSI.

Commodity Indexes	Wednesday, March 15, 2006		
	CLOSE	NET CHG	YR AGO
Dow Jones-AIG Commodity .....	161.976	- 0.649	165.246
Dow Jones-AIG Spot .....	246.327	- 0.988	223.144
Reuters U.K. ....	1916.97	+1.94	1744.24
Reuters/Jefferies CRB .....	325.63	-1.34	322.42

Futures listings appear on page C11.