



For Immediate Release

Ambatovy Project Receives Environmental Approval from Madagascar Government

Project on Track for Construction by Mid-2007

Richmond Hill, Ontario (December 4, 2006): Dynatec Corporation (“Dynatec” – TSX: DY) is pleased to announce that Madagascar’s Office National pour l’Environnement (ONE) has issued the environmental permit required for the development and operation of the Ambatovy Nickel Project. Receipt of the environmental permit is an important step in receiving full certification under Madagascar’s Loi sur les Grands Investissements Minières (LGIM), expected during the first quarter of next year. The Project is on track for construction to begin by mid-2007.

Ambatovy is among the largest nickel projects under development in the world, with annual design capacity of 60,000 tonnes of nickel and 5,600 tonnes of cobalt. It is anticipated that Ambatovy will be placed near the bottom of the industry cost curve based on expected low nickel production costs. The Project is currently owned 45% by Dynatec and 27.5% by each of Sumitomo Corporation and Korea Resources Corporation (leading a consortium of Korean enterprises including Daewoo International Corporation, Keangnam Enterprises Ltd. and STX Corporation). SNC-Lavalin Inc. has agreed to acquire a 5% interest in Ambatovy from Dynatec coincident with the closing of the project debt financing, anticipated early in 2007.

Bruce V. Walter, President and Chief Executive Officer of Dynatec, commented: “Completing the environmental permitting process is a key development for Ambatovy as we move the Project towards construction. We are committed to ensuring that Ambatovy is developed and operated in an environmentally responsible manner. Our Environmental Assessment (EA) was prepared in accordance with Madagascar regulations and also meets all applicable Equator Principles and World Bank guidelines. The EA also reflects input received through extensive consultation with the Government, local communities and non-governmental organizations in Madagascar. I want to thank the Ambatovy environmental team for their commitment and hard work throughout the permitting process and congratulate them on achieving this significant milestone ahead of schedule.”

About Dynatec Corporation

Dynatec Corporation is a growing mining company with extensive mining and metallurgical expertise, developed over many years as a leading service provider to the mining industry. Dynatec's strategy is to create shareholder value by applying its mining and metallurgical expertise to attractive ownership opportunities. The Company currently has three principal growth assets in its portfolio, including its interest in the Ambatovy Project, a 24.5% ownership interest in FNX Mining Company, and a wholly owned coal-bed methane lease arrangement in West Virginia.

About the Ambatovy Project

Ambatovy is a large-tonnage nickel project with production costs for nickel, after by-product credits, expected to be among the lowest in the industry. Key components of the Ambatovy Project from the April 2006 feasibility study include:

- Annual design capacity of 60,000 tonnes of LME Class 1 nickel metal, 5,600 tonnes of cobalt and approximately 190,000 tonnes of ammonium sulphate;
- Estimated proven and probable reserves of 125.0 million tonnes at approximately 1.04% nickel and 0.099% cobalt using a 0.8% nickel cutoff grade;
- 27-year estimated Project life, with the potential for more;
- Cash operating costs for nickel of US\$0.77 per pound after byproduct credits during the first 10 years of full production based on the base case cobalt price of US\$10.00 per pound (with the potential for significantly lower cash operating costs per pound of nickel after credits at higher cobalt prices); and a
- Capital cost estimate of US\$2.50 billion, including all relevant infrastructure and a contingency of US\$286 million.

The Ambatovy mine site is located 80 kilometres east of the capital of Madagascar, Antananarivo, and lies within a few kilometers of the main road and rail system connecting Antananarivo and the main port city of Toamasina on the east coast. The Project will consist of an open-pit mining operation and an ore preparation plant at the mine site. The slurried laterite ore will then be delivered via pipeline to a process plant and refinery located a few kilometers from the Port of Toamasina. More information about the Ambatovy Project is available on Dynatec's website at www.dynatec.ca.

Forward-Looking Statements

This press release contains certain forward-looking statements related to the potential financing, development and operation of the Ambatovy Nickel Project. These forward-looking statements are subject to a variety of risks and uncertainties beyond the Project's sponsors' ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Readers should refer to relevant disclosure documents, including Dynatec's most recent Management's Discussion and Analysis and Annual Information Form, for a review of risks and uncertainties related to the Ambatovy Project. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, please contact:

Mark Utting
Director, Communications and Investor Relations
Dynatec Corporation
905-780-1980 x329
MUtting@dynatec.ca