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<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation

CIRCULAR
May 18, 2006

**ANTICIPATED CONTRACT ADJUSTMENT
Falconbridge Limited (FAL) – Inco Limited (N)
Plan of arrangement (Follow - up)**

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

The Bourse and CDCC wish to inform you that Inco Limited (Inco) and Falconbridge Limited (Falconbridge) announced on May 13, 2006 that their respective Boards of Directors have unanimously agreed to increase by Cdn \$5.00 to Cdn \$51.17 per Falconbridge common share the cash consideration offered to holders of Falconbridge common shares pursuant to Inco's offer to acquire all of the issued and outstanding Falconbridge common shares.

Under the terms of the amended agreement, Falconbridge shareholders will be entitled to elect to receive from Inco, for each Falconbridge common share held, either Cdn \$51.17 in cash or 0.6927 of an Inco common share plus Cdn \$0.05 in cash, subject, in each case, to proration based upon the maximum amount of cash available and the maximum number of Inco common shares issuable under the offer.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst Market Operations, Bourse de Montréal Inc. at (514) 871-3526 or CDCC's Operations Department.

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Vice-President, Legal Affairs and Secretary

Circular no.: 098-2006

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