



Bourse
de Montréal Inc.

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CIRCULAR
July 5, 2005

FINAL CONTRACT ADJUSTMENT
Falconbridge Limited (FL) and Noranda Inc. (NRD)
Merger

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

Bourse de Montréal Inc. and CDCC hereby inform you that the proposed merger between Noranda Inc. (Noranda) and Falconbridge Limited (Falconbridge) has been approved by their respective shareholders on June 30, 2005. The newly merged company will continue to trade under the name Falconbridge Limited effective July 6, 2005.

As a result of the merger:

- Each outstanding Falconbridge common share (other than shares already held by Noranda) was converted into 1.77 common shares of the new Falconbridge Limited.
- Each outstanding Noranda common share was converted into one common share of new Falconbridge Limited.

CDCC - adjustment details - Falconbridge equity options:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, Falconbridge options will be adjusted as follows:

- **EFFECTIVE DATE:** July 6, 2005
- **RECORD DATE:** June 30, 2005
- **OPTION SYMBOL:** FLZ
- **NUMBER OF CONTRACTS:** No change

Circular no.: 103-2005

- **MULTIPLIER:** 100
- **NEW DELIVERABLE PER CONTRACT:** 177 Falconbridge (new) common shares
- **POSITION AND EXERCISE LIMITS:** On the effective date, Position and Exercise Limits will remain unchanged at 75,000 contracts
- **CUSIP:** No cusip

CDCC - adjustment details - Noranda equity options:

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, Noranda options will be adjusted as follows:

- **EFFECTIVE DATE:** July 6, 2005
- **RECORD DATE:** June 30, 2005
- **OPTION SYMBOL:** FAL, VFA (2007), LFA (2008)
- **NUMBER OF CONTRACTS:** No change
- **MULTIPLIER:** 100
- **NEW DELIVERABLE PER CONTRACT:** 100 Falconbridge (new) common shares
- **POSITION AND EXERCISE LIMITS:** On the effective date, Position and Exercise Limits will remain unchanged at 75,000 contracts
- **CUSIP:** 306104100

Bourse de Montréal Inc. adjustment details:

On the effective date, the existing series of Noranda options class will be transferred into the new Falconbridge options class FAL and the existing series of the Falconbridge options class will be transferred in the adjusted class FLZ representing the new deliverable of the Falconbridge options.

Please note that for the FLZ options, there will be no new series added.

It is important to note that on the effective date mentioned above, all open orders on this options class **will not be automatically modified** to reflect the merger and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

At the opening of business on the effective date, Bourse de Montréal Inc. will list the new options classes FLZ and FAL as indicated below:

Falconbridge Limited - FL-FLZ		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the merger
\$ 24.00	FL	FLZ
\$ 26.00	FL	FLZ
\$ 28.00	FL	FLZ
\$ 30.00	FL	FLZ
\$ 32.00	FL	FLZ
\$ 34.00	FL	FLZ
\$ 36.00	FL	FLZ
\$ 38.00	FL	FLZ
\$ 40.00	FL	FLZ
\$ 42.00	FL	FLZ
\$ 44.00	FL	FLZ
\$ 46.00	FL	FLZ
\$ 48.00	FL	FLZ

Falconbridge Limited - NRD-FAL		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the merger
\$ 10.00	NRD	FAL
\$ 12.00	NRD	FAL
\$ 14.00	NRD	FAL
\$ 16.00	NRD	FAL
\$ 18.00	NRD	FAL
\$ 20.00	NRD	FAL
\$ 22.00	NRD	FAL
\$ 24.00	NRD	FAL
\$ 26.00	NRD	FAL
\$ 28.00	NRD	FAL
\$ 30.00	NRD	FAL

Falconbridge Limited Long -Term Equity Options 2007 -2008 VRD/LRD-VFA/LFA		
Actual Strike Prices	Actual Class Symbol	New Class Symbol after the merger
\$ 16.00	VRD / LRD	VFA / LFA
\$ 18.00	VRD / LRD	VFA / LFA
\$ 20.00	VRD / LRD	VFA / LFA
\$ 22.00	VRD / LRD	VFA / LFA
\$ 24.00	VRD / LRD	VFA / LFA
\$ 26.00	VRD / LRD	VFA / LFA
\$ 28.00	VRD / LRD	VFA / LFA

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 your local CDCC office.

Caroline Bilodeau
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Legal Affairs and General Secretariat