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**CIRCULAR**  
November 1, 2006

**FINAL CONTRACT ADJUSTMENT  
Falconbridge Limited (FAL)  
Plan of arrangement**

**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 the Toronto Stock Exchange (TSX) has announced today, October 31, 2006, that all the outstanding shares of Falconbridge Limited (Falconbridge) will be delisted at the close of market on Wednesday, November 1<sup>st</sup>, 2006.

The plan of arrangement provides that the shareholders of Falconbridge will receive \$62.50 Canadian for each share held.

**CDCC - adjustment details:**

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

- **EFFECTIVE DATE:**                      **November 2, 2006**
- **OPTION SYMBOLS:**                      **FAL and LFA respectively become FAQ and LFQ**
- **NUMBER OF CONTRACTS:**              **No change**
- **MULTIPLIER:**                              **100**

Circular no.: 181-2006

- **NEW DELIVERABLE PER CONTRACT:**      **\$ 6,250 Cdn\***

\*The cash portion of the deliverable will remain permanently fixed as the option deliverable, and will not vary.

- **POSITION AND EXERCISE LIMITS:**      **Effective November 2, 2006, Position and Exercise Limits will remain unchanged at 75,000 contracts.**

- **CUSIP :**      **NOTACUSIP**

### **Bourse de Montréal Inc. adjustment details:**

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 plan of arrangement and will therefore have to **be re-entered** into the Montreal Automated System (SAM) by the approved participants.

The existing series of FAL and LFA options classes will be transferred to FAQ and LFQ options classes representing the new deliverable. Please note that only closing transactions will be permitted on the adjusted classes. (Actual series that do not have open interest will not be adjusted).

<b>Falconbridge Limited</b>		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 16.00	FAL	FAQ
\$ 18.00	FAL	FAQ
\$ 20.00	FAL	FAQ
\$ 22.00	FAL	FAQ
\$ 24.00	FAL	FAQ
\$ 26.00	FAL	FAQ
\$ 28.00	FAL	FAQ
\$ 30.00	FAL	FAQ
\$ 32.00	FAL	FAQ
\$ 34.00	FAL	FAQ
\$ 36.00	FAL	FAQ
\$ 38.00	FAL	FAQ
\$ 40.00	FAL	FAQ
\$ 44.00	FAL	FAQ
\$ 48.00	FAL	FAQ
\$ 50.00	FAL	FAQ
\$ 56.00	FAL	FAQ

<b>Falconbridge Limited</b>		
Long-Term Equity Options 2008		
Actual Strike Prices	Actual Class Symbol	New Class Symbol
\$ 18.00	LFA	LFQ
\$ 20.00	LFA	LFQ
\$ 22.00	LFA	LFQ
\$ 24.00	LFA	LFQ
\$ 26.00	LFA	LFQ
\$ 28.00	LFA	LFQ
\$ 32.00	LFA	LFQ
\$ 34.00	LFA	LFQ
\$ 36.00	LFA	LFQ
\$ 38.00	LFA	LFQ
\$ 40.00	LFA	LFQ
\$ 44.00	LFA	LFQ
\$ 46.00	LFA	LFQ
\$ 50.00	LFA	LFQ
\$ 56.00	LFA	LFQ

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THESE OPTION CLASSES 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. CDCC Clearing Members may contact the CDCC Operations Department.

Joëlle Saint-Arnault  
Vice-President, Legal Affairs and Secretary