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**CIRCULAR**  
January 5, 2007

**FINAL CONTRACT ADJUSTMENT**  
**Inco Limited (N) – CVRD Canada Inc.**  
**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 Inco Limited (Inco), a subsidiary of Companhia Vale do Rio Doce (CVRD), announced on January 3, 2007 that, at its special meeting of shareholders held on January 3<sup>rd</sup>, 2007, shareholders approved the amalgamation of Inco with Itabira Canada Inc. Furthermore, the Toronto Stock Exchange announced on January 4, 2007 that Inco's common shares will be delisted at the closing of markets on January 5, 2007.

Upon the amalgamation, shareholders of Inco will receive, for each Inco common share held, one Class A redeemable preferred share of CVRD Inco. As soon as practicable following the amalgamation, each such Class A redeemable preferred share of CVRD Inco will be redeemed for Cdn.\$86.00 in cash.

The Bourse and CDCC will adjust Inco option contracts pursuant to the CVRD offer. The adjusted deliverable of the Inco option contracts will be Cdn \$8600.00 per contract.

Circular no.: 002-2007

**CDCC - adjustment details:**

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

- **EFFECTIVE DATE:**                      **January 8, 2007**
- **OPTION SYMBOLS:**                      **NX, N, NNX, LNI, LNO and ZNI become NNZ, NZ, LNZ and ZNZ as indicated in the tables below**
- **NUMBER OF CONTRACTS:**      **No change**
- **MULTIPLIER:**                              **100**
- **NEW DELIVERABLE PER CONTRACT:**      **\$ 8,600 Cdn\***

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

- **POSITION AND EXERCISE LIMITS:**      **Effective January 8, 2007, 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 NX, N, NNX, LNI, LNO and ZNI options classes will be transferred to NNZ, NZ, LNZ and ZNZ options classes (as indicated in the tables below) representing the new deliverable. Please note that only closing of markets transactions will be permitted on the adjusted classes. (Actual series that do not have open interest will not be adjusted).

<b>Inco Limited</b>		
<b>Actual Strike Prices</b>	<b>Actual Class Symbol</b>	<b>New Class Symbol</b>
\$ 36.00	NX	NNZ
\$ 37.50	NX	NNZ
\$ 40.00	NX	NNZ
\$ 42.50	NX	NNZ
\$ 45.00	NX	NNZ
\$ 47.50	N	NNZ
\$ 50.00	N	NNZ
\$ 52.50	N	NNZ
\$ 55.00	N	NNZ
\$ 56.00	N	NNZ
\$ 58.00	N	NNZ
\$ 60.00	N	NZ
\$ 62.00	N	NZ
\$ 64.00	N	NZ
\$ 66.00	N	NZ
\$ 68.00	N	NZ
\$ 70.00	N	NZ
\$ 72.00	N	NZ
\$ 74.00	N	NZ
\$ 76.00	N	NZ
\$ 78.00	N	NZ
\$ 80.00	N	NZ
\$ 82.00	N	NZ
\$ 84.00	N	NZ
\$ 86.00	N	NZ
\$ 88.00	N	NZ
\$ 90.00	NNX	NZ
\$ 92.00	NNX	NZ

<b>Inco Limited Long Term 2008/2009</b>		
<b>Actual Strike Prices</b>	<b>Actual Class Symbol</b>	<b>New Class Symbol</b>
\$ 42.00	LNI	LNZ
\$ 46.00	LNI	LNZ
\$ 48.00	LNI	LNZ
\$ 50.00	LNI	LNZ
\$ 52.00	LNI	LNZ
\$ 54.00	LNI	LNZ
\$ 56.00	LNI	LNZ
\$ 58.00	LNI	LNZ
\$ 60.00	LNI	LNZ
\$ 62.00	LNI	LNZ
\$ 64.00	LNI	LNZ
\$ 66.00	LNI	LNZ
\$ 68.00	LNI	LNZ
\$ 70.00	LNI	LNZ
\$ 72.00	LNI	LNZ
\$ 74.00	LNO	LNZ
\$ 78.00	LNO	LNZ
\$ 80.00	LNO	LNZ
\$ 62.00	ZNI	ZNZ
\$ 68.00	ZNI	ZNZ
\$ 70.00	ZNI	ZNZ

**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.

Caroline Bilodeau  
Legal Counsel