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CIRCULAR
October 13, 2005

**ANTICIPATED 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 PLAN OF ARRANGEMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

The Bourse and CDCC hereby inform that Inco Limited (Inco) and Falconbridge Limited (Falconbridge) announced on October 11, 2005 that their respective Boards of Directors have approved the acquisition of all the outstanding common shares of Falconbridge by Inco by way of a friendly take-over bid.

According to the information provided by the companies, Inco will offer CA\$34.00 in cash or 0.6713 of an Inco common share plus CA\$0.05 in cash for each Falconbridge common share. Falconbridge's common shareholders will have the right to elect to receive all cash or all Inco common shares (plus CA\$0.05 per Falconbridge Common Share), subject to a prorated adjustment based upon the maximum amount of cash and Inco Common Shares offered.

The mailing of the related documents in connection with the offer is expected to occur in the next two weeks, with the offer being open for acceptance until 12:00 midnight (Toronto time) 60 days following the date of the mailing, unless withdrawn or extended.

The Bourse and CDCC will adjust the equity options, including long term equity options, of Falconbridge according to the terms of the proposed plan of arrangement and will issue additional notices once further information becomes available.

Circular no.: 150-2005

For further information, please contact Richard Bourbonnière, Vice-President, Market Operations, Bourse de Montréal Inc. at (514) 871-3548 or CDCC's Operations Department.

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