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CIRCULAR
October 26, 2006

**ANTICIPATED 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 Companhia Vale do Rio Doce (CVRD) announced on October 24, 2006, that 75.66% of the outstanding Inco Limited (Inco) common shares were tendered to its offer to acquire each Inco common share for Cdn \$86.00 in cash.

CVRD has also announced that it has extended the expiry date of its offer until November 3, 2006 to enable remaining Inco shareholders to tender their shares.

The Bourse and CDCC intend to adjust Inco option contracts pursuant to the CVRD offer. The probable deliverable of the Inco option contracts will be Cdn \$8,600.00 per contract.

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, at (514) 871-3526. CDCC Clearing Members may contact the CDCC Operations Department.

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

Circular no.: 179-2006