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June 1, 2006

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Our Matter Number: 1054135

Montréal

Ottawa

**SENT BY MESSENGER AND EMAIL**

Calgary

Ontario Securities Commission  
Suite 1800  
20 Queen Street West  
P.O. Box 55  
Toronto, ON M5H 3S8

New York

**Attention: The Secretary to the Commission**

Dear Sirs/Mesdames:

**Offer by Xstrata Canada Inc. (“Xstrata Canada”), a wholly-owned indirect subsidiary of Xstrata PLC (“Xstrata”) to purchase all of the outstanding common shares of Falconbridge Limited (“Falconbridge”) (the “Xstrata Offer”).**

We are the solicitors for Inco Limited (“Inco”) in connection its offer to acquire all of the outstanding shares of Falconbridge (the “Inco Offer”). In connection with the Offer, Inco has entered into a support agreement with Falconbridge dated October 10, 2005, as amended by amending agreements dated January 12, 2006, February 20, 2006, March 21, 2006 and May 13, 2006 (collectively, the “Support Agreement”).

We write with respect to the correspondence from Davies Ward Phillips Vineberg (“DWPV”), the solicitors for Xstrata and Xstrata Canada, to the Secretary of the Commission dated April 18, 2006 (the “Application”) requesting that the Commission convene a hearing in respect of the shareholders rights plan of Falconbridge (the “Falconbridge Rights Plan”), and subsequent correspondence to the Secretary from DWPV and McCarthy Tetrault, the solicitors for Falconbridge. We understand that the Commission has provisionally scheduled the hearing in respect of the Falconbridge Rights Plan for June 27, 2006.

We write to seek standing on behalf of Inco as a party affected by the Application. Inco respectfully seeks the right to lead evidence and make submissions, on the ground that any order that the Falconbridge Rights Plan be cease traded would directly impact the economic and legal interests of Inco in connection with the Inco Offer and the Support Agreement. Having regard to the nature of the proceeding, Inco believes that it would be able to make a useful contribution to the proceeding and that its proposed intervention would not prejudice or be unfair to the interests of Xstrata or Falconbridge.

Please treat this correspondence as the application of Inco for standing in respect of the Application. Inco is prepared to file a formal Notice of Motion and Motion Record seeking standing, returnable before the Commission at a convenient date for the parties and the Commission, should this ultimately be required. We have copied DWPV and McCarthy Tétrault on this correspondence.

Please do not hesitate to contact me or my partner, Dale Ponder, should you wish to discuss any of the foregoing.

Yours very truly,

Larry Lowenstein

LL:adc

c: Naizam Kanji (*Ontario Securities Commission*)  
William Ainley (*Davies Ward Phillips & Vineberg LLP*)  
Kent Thomson (*Davies Ward Phillips & Vineberg LLP*)  
Garth Girvan (*McCarthy Tétrault*)  
Harry Underwood (*McCarthy Tétrault*)  
Dale Ponder (*Osler, Hoskin & Harcourt LLP*)