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October 21, 2005

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - NI 43-101 *Standards of Disclosure for Mineral Projects*, s. 9.1 – exemption from the requirement to file a technical report - An issuer wants to disclose information in a circular about its mineral project without having to file a technical report - Information regarding the mineral project is contained in a previously filed disclosure document and no new material information exists since that disclosure; the issuer is eligible to file a short form prospectus in accordance with National Instrument 44-101 *Short Form Prospectus Distributions*; if the disclosure document was a short form prospectus instead of a circular then the issuer could rely on grandfathering in 4.2(1)2 and 4.2(1)6 in NI 43-101 and no technical report would be required to be filed

Applicable British Columbia Provisions

National Instrument 43-101, s. 9.1

In the Matter of
the Securities Legislation of
Ontario, Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec,
New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and
Labrador, Yukon, the Northwest Territories and Nunavut
(the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review Systems for Exemptive Relief Applications

and

In the Matter of
Inco Limited
(the “Filer”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for an exemption from the requirements under subsection 4.2(1)9 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) to file current

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technical reports to support information relating to the Sudbury Mines, the Manitoba Mines and the PT Inco Properties (each as defined below) incorporated by reference into a take-over bid circular being prepared by the Filer in connection with an intended offer by the Filer to acquire all of the outstanding common shares of Falconbridge Limited (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “MRRS”),

- (a) the Ontario Securities Commission is the Principal Regulator for this Application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer was incorporated in 1916 under the laws of Canada, succeeding a business established in 1902. In 1979, the Filer was continued by articles of continuance under the Canada Business Corporations Act and is governed by that Act. The Filer’s registered and principal offices are located in Toronto, Ontario.
2. The Filer is a mining and metals company, and has interests, or entitlements in respect of, the following properties:
 - (a) mines in operation in the Sudbury area of Ontario, which consist of the Copper Cliff North, Copper Cliff South, Creighton, Garson, Gertrude, McCreedy/Coleman and Stobie mines (collectively, the “Sudbury Mines”);
 - (b) mines in operation in the Thompson area of Manitoba, which consist of the Birchtree and the Thompson mines (collectively, the “Manitoba Mines”);
 - (c) properties on the island of Sulawesi, Indonesia (the “PT Inco Properties”), held by PT International Nickel Indonesia Tbk, an approximately 61% owned subsidiary of the Filer;

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- (d) the Voisey's Bay nickel-copper-cobalt project in the Province of Newfoundland and Labrador, Canada ("Voisey's Bay"); and
 - (e) the Goro nickel-cobalt project in the French overseas territorial community of New Caledonia in which the Filer holds approximately a 70% interest ("Goro").
3. The Filer is a reporting issuer or its equivalent under the Legislation and the Filer is eligible to use the short form prospectus system established by National Instrument 44-101 – *Short Form Prospectus Distributions* ("NI 44-101").
 4. The Filer files periodic reports with the U.S. Securities and Exchange Commission pursuant to the requirements of the U.S. Securities Exchange Act of 1934, as amended. the Filer's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.
 5. The authorized share capital of the Filer consists of an unlimited number of common shares and 45 million preferred shares issuable in series, each series consisting of such number of shares and having such provisions attached thereto as may be determined by the board of directors of the Filer, subject to a maximum aggregate issue price of Cdn.\$1,500 million (or the equivalent in other currencies). As of October 6, 2005, there were 189,494,165 common shares and no preferred shares of the Filer issued and outstanding.

Falconbridge

6. Falconbridge Limited ("Falconbridge") is the continuing corporation resulting from the amalgamation under the *Business Corporations Act* (Ontario) of Noranda Inc. and Falconbridge on June 30, 2005. Its registered and head offices are located in Toronto, Ontario.
7. Falconbridge is a leading international copper and nickel producer with investments in fully integrated zinc and aluminium assets.
8. Falconbridge is a reporting issuer or its equivalent under the Legislation.
9. Falconbridge files periodic reports with the U.S. Securities and Exchange Commission pursuant to the requirements of the U.S. Securities Exchange Act of 1934, as amended. Falconbridge's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.

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10. The authorized capital of Falconbridge consists of an unlimited number of common shares, an unlimited number of Preferred Shares issuable in series, an unlimited number of Junior Preference Shares issuable in series and an unlimited number of Participating Shares issuable in series. As of October 10, 2005, there were issued and outstanding approximately: (i) 369,224,340 common shares; (ii) 3,246,057 Preferred Shares, Series F; (iii) 8,753,943 Preferred Shares, Series G; (iv) 6,000,000 Preferred Shares, Series H; (v) 89,835 Preferred Shares, Series 1; (vi) 4,787,283 Preferred Shares, Series 2; and (vii) 3,122,822 Preferred Shares, Series 3; (viii) 11,999,899 Junior Preference Shares, Series 1; (ix) 11,999,899 Junior Preference Shares, Series 2; and (x) 5,999,903 Junior Preference Shares, Series 3. As of October 10, 2005, there were options to acquire an aggregate of 8,350,869 common shares outstanding under the Falconbridge's stock option plans. In addition, Falconbridge has issued Cdn.\$150,000,000 aggregate principal amount of convertible debentures due April 30, 2007.

The Offer

11. The Filer has agreed to make an offer by way of formal take-over bid (the "Offer") to acquire all of the outstanding common shares of Falconbridge in accordance with, and subject to the terms and conditions of, a Support Agreement dated October 10, 2005 between the Filer and Falconbridge. As consideration, the Filer intends offer holders of the Falconbridge common shares either: (i) Cdn.\$34 in cash; or, in the alternative (ii) 0.6713 of a common share of the Filer and Cdn.\$0.05 in cash, for each common share of Falconbridge tendered to the Offer, subject to proration as will be described in the Offer.
12. The Filer intends to commence the Offer by mailing an offer and take-over bid circular containing the terms of the Offer and related information (collectively, the "Take-Over Bid Circular") to its shareholders on or about October 21, 2005. The Take-Over Bid Circular will incorporate by reference a number of documents previously filed by the Filer in each Jurisdiction, including its annual report on Form 10-K for the year ended December 31, 2004, filed in satisfaction of its requirement to file an annual information form (the "AIF").
13. The disclosure in the Take-Over Bid Circular regarding the mining projects on the Filer's material properties will be incorporated by reference from the Filer's current AIF. No technical reports in respect of Sudbury Mines, the Manitoba Mines or the PT Inco Properties were required with respect to the disclosure contained in the AIF, on the basis that no material information was included concerning mining projects on material properties that had not been contained in a disclosure document filed before February 1, 2001 (as provided

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by section 4.2(1)6(a) of NI 43-101). Similarly, no technical report requirement would exist in the event that the Filer wished to use this disclosure in connection with a short-form prospectus offering in Canada of common shares of the Filer (as provided by section 4.2(1)2(a) of NI 43-101).

14. The Filer has filed in each Jurisdiction a technical report, effective as of August 31, 2003, in respect of Voisey's Bay that complies with the requirements of NI 43-101 (the "Voisey's Bay Report"), and there has been no material change relating to the information contained in the Voisey's Bay Report since its effective date.
15. The Filer has filed in each Jurisdiction a technical report, effective as of March 20, 2003, in respect of Goro that complies with the requirements of NI 43-101 (the "Goro Report"), and there has been no material change relating to the information contained in the Goro Report since its effective date.
16. Concurrently with filing the Take-Over Bid Circular in each Jurisdiction, the Filer will file the Certificates of Qualified Persons and Consents of Qualified Persons required by sections 8.1 and 8.3 of NI 43-101, respectively, as they pertain to the Voisey's Bay Report and the Goro Report.
17. The Filer has not filed technical reports in respect of the Sudbury Mines, the Manitoba Mines and the PT Inco Properties. The material information concerning mining projects in respect of each of the Sudbury Mines, the Manitoba Mines and the PT Inco Properties, which will be included in or incorporated by reference into the Take-Over Bid Circular, was previously contained in disclosure documents filed in each of the Jurisdictions before February 1, 2001.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers is that the Requested Relief is granted.

Erez Blumberger
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Ontario Securities Commission