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Headnote

The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - The issuer became a wholly owned subsidiary of another company; the issuer has debt securities outstanding that are held by more than 50 holders; there is a de minimis number of Canadian holders of the debt securities holding a de minimis amount of the outstanding debt; there is no market for the debt securities; the issuer is required under the terms of the debt instrument to provide certain continuous disclosure to the holders of the debt securities as long as the securities are outstanding, but is not required to remain a reporting issuer in Canada; the issuer does not intend to do a public offering of its securities to Canadian residents; the issuer will not be a reporting issuer in any Canadian jurisdiction

Exemption Order

Inco Limited
(now CVRD Inco Limited)

Section 88 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Inco Limited (now CVRD Inco Limited) (the Filer) applied to the Commission for an order under Section 88 of the Act to be deemed to have ceased to be a reporting issuer.

Representation

- ¶ 2 This decision is based on the following facts represented by the Filer:
1. the Filer is a corporation governed by the *Canada Business Corporations Act* with its head office at 145 King Street West, Suite 1500, Toronto, Ontario, Canada;
 2. the Filer is a reporting issuer in each of the jurisdictions of Canada and is not in default of any requirement under the securities legislation in these jurisdictions (the Legislation);
 3. the Filer's authorized share capital consists of an unlimited number of common shares (the Amalco Common Shares), an unlimited number of Class A redeemable preferred shares and an unlimited number of Class B redeemable preferred shares;
 4. as a result of the completion of its take-over bid (the Take-Over Bid) for all of the common shares (the Inco Common Shares) of Inco Limited (Inco) dated

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August 14, 2006, as amended, CVRD Canada Inc. (CVRD Canada), a wholly-owned, indirect subsidiary of Companhia Vale do Rio Doce (CVRD), indirectly held approximately 87.77% of the issued and outstanding Inco Common Shares as at December 13, 2006;

5. following the completion of the Take-Over Bid, at the request of CVRD Canada, Inco called a special meeting of shareholders to approve an amalgamation (the Amalgamation) between Inco and Itabira Canada Inc. (Itabira Canada), a wholly-owned, indirect subsidiary of CVRD Canada, to form CVRD Inco Limited, the Filer;
6. the Amalgamation constituted a second-step going-private transaction under Ontario Securities Commission Rule 61-501 *-Insider Bids, Issuer Bids, Business Combination and Related Party Transactions* and Policy Statement No. Q-27 of the Autorité des marchés financiers;
7. following the completion of the Amalgamation, which was effective as at January 4, 2007, all of the Amalco Common Shares were owned by Itabira North America Inc., a wholly-owned, direct subsidiary of CVRD Canada, whose principal office is located in the province of Ontario;
8. as a result of the Amalgamation, the Filer is a reporting issuer in all jurisdictions in Canada, and is not in default of any of the reporting requirements under the Legislation;
9. the Inco Common Shares were de-listed from the Toronto Stock Exchange, effective January 5, 2007;
10. there is one holder of options to acquire Inco Common Shares, which holder was not resident in Canada, as at December 13, 2006;
11. the following debt securities of Inco (now the Filer) were issued and outstanding as at December 13, 2006 (stated principal amounts payable at maturity): (i) U.S.\$1.403 million of Liquid Yield Option Notes due 2021; (ii) U.S.\$1.649 million of Convertible Debentures due 2023; (iii) U.S.\$26,000 of Subordinated Convertible Debentures due 2052; (iv) U.S.\$400 million of 7.75% Notes due 2012; (v) U.S.\$300 million of 5.70% Debentures due 2015; and (vi) U.S.\$400 million of 7.20% Debentures due 2032. The debt securities noted in this paragraph are collectively referred to as the Notes;
12. the Notes were distributed in Canada solely on a private placement basis and the Notes are not, and never have been, listed on a public exchange;

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13. to the knowledge of the Filer, after due enquiry, as at November 17, 2006, there were 516 beneficial holders of the Notes, of whom 511 were resident in the United States and 5 were resident in Canada, representing less than 10% of the total number of beneficial holders of the Notes and holding less than 10% of the value of the Notes. Of the five Canadian-resident beneficial holders, four were resident in Ontario and the province or territory of residence of the fifth holder was undisclosed;
14. under the terms of the indentures governing the Notes, as long as any Notes are outstanding, the Filer must provide to the trustee of the Notes, all documents, information and other reports as may be required pursuant to the *U.S. Trust Indenture Act of 1939*, which are those documents, information and other reports required to be filed with the U.S. Securities and Exchange Commission (the SEC) pursuant to Section 13 or 15(d) of the *U.S. Securities Exchange Act of 1934*;
15. the Filer is no longer required to make any filings with the SEC, having filed a Form 15 with the SEC on January 4, 2007; and
16. the Filer does not presently intend to seek public financing by way of an offering of its securities in Canada.

Order

- ¶ 3 Considering that it is not prejudicial to the public interest, the Commission orders, under Section 88 of the Act, that the Filer is deemed to cease to be a reporting issuer.
- ¶ 4 January 5, 2007

Martin Eady, CA
Director, Corporate Finance
British Columbia Securities Commission