

TRANSMITTAL AND ELECTION FORM

TO: XSTRATA CANADA INC.
AND TO: CIBC MELLON TRUST COMPANY., as Transfer Agent, at the address set out herein.

Reference is made to: (i) the offer of Xstrata Canada Inc. (the "**Offeror**"), a wholly-owned indirect subsidiary of Xstrata plc, dated May 18, 2006 (the "**Original Offer**"), as varied, amended, and supplemented by the Notice of Extension, dated July 7, 2006 (the "**First Extension**"), the Notice of Variation, dated July 11, 2006 (the "**First Variation**"), the Notice of Variation, dated July 21, 2006 (the "**Second Variation**"), and the Notice of Extension, dated August 15, 2006 (the "**Second Extension**") (as varied, amended, and supplemented, the "**Offer**"), to purchase all of the issued and outstanding common shares of Falconbridge Limited ("**Falconbridge**") together with the associated rights (the "**SRP Rights**") under the shareholders rights plan of Falconbridge (collectively, unless the context otherwise requires, the "**Common Shares**"), including Common Shares that may have been issued and were outstanding after the date of the Original Offer, but before the Expiry Time of the Offer, upon the conversion, exchange or exercise of any securities of Falconbridge (other than the SRP Rights) that are convertible, exchangeable or exercisable for Common Shares; and (ii) the notice of the Offeror (the "**Offeror's Notice**") dated September 5, 2006, relating to the acquisition (the "**Compulsory Acquisition**") by the Offeror of all of the Common Shares to which the Offer relates, other than the Common Shares owned by Xstrata or its Affiliates, which the Offeror did not acquire under the Offer, on the basis of Cdn. \$62.50 in cash for each Common Share (the "**Cash Payment**").

Capitalized terms used but not otherwise defined in this Transmittal and Election Form which are defined in the offer to purchase and related offering circular dated May 18, 2006, as varied, amended and supplemented by the First Extension, the First Variation, the Second Variation and the Second Extension (as varied, amended and supplemented, the "**Circular**"), have the respective meanings set out in the Circular, which is available in Falconbridge's filings at www.sedar.com.

Please complete Box 1, Box 2, Box 3 and Box 4 of this Transmittal and Election Form. If your Transmittal and Election Form (or other written notice of demand, if applicable) is not properly completed and received by the Transfer Agent on or before midnight (Toronto time) October 2, 2006, you will be deemed to have elected to transfer your Common Shares to the Offeror on the basis of the Cash Payment.

U.S. Shareholders and Substitute Form W-9

U.S. federal income tax law generally requires that a U.S. Shareholder who receives cash in exchange for Common Shares must provide the Transfer Agent with its correct Taxpayer Identification Number ("**TIN**"), which, in the case of a Shareholder who is an individual, is generally the individual's social security number. If the Transfer Agent is not provided with the correct TIN or an adequate basis for an exemption, such holder may be subject to penalties imposed by the Internal Revenue Service and backup withholding in an amount equal to 28% of the gross proceeds of any payment received hereunder. If withholding results in an overpayment of taxes, a refund may be obtained by filing a U.S. tax return.

To prevent backup withholding, each U.S. Shareholder must provide its correct TIN by completing the "Substitute Form W-9" set forth in this Transmittal and Election Form, which requires such holder to certify under penalties of perjury, (1) that the TIN provided is correct (or that such holder is awaiting a TIN); (2) that (i) the holder is exempt from backup withholding; (ii) the holder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of a failure to report all interest or dividends; or (iii) the Internal Revenue Service has notified the holder that they are no longer subject to backup withholding; and (3) that the holder is a U.S. person (including a U.S. resident alien).

Exempt holders (including, among others, all corporations) are not subject to backup withholding and reporting requirements. To prevent possible erroneous backup withholding, an exempt holder must enter its correct TIN in Part 1 of Substitute Form W-9, write "Exempt" in Part 2 of such form, and sign and date the form. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (the "**W-9 Guidelines**") for additional instructions.

If Shares are held in more than one name or are not in the name of the actual owner, consult the enclosed W-9 Guidelines for information on which TIN to report.

If a U.S. Shareholder does not have a TIN, such holder should: (i) consult the enclosed W-9 Guidelines for instructions on applying for a TIN; (ii) write "Applied For" in the space for the TIN in Part 1 of the Substitute Form W-9; and (iii) sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number set forth in this Transmittal and Election Form. In such case, the Transfer Agent may withhold 28% of the gross proceeds of any payment made to such holder prior to the time a properly certified TIN is provided to the Transfer Agent and if the Transfer Agent is not provided with a TIN within sixty (60) days, such amounts will be paid over to the Internal Revenue Service.

If the Substitute Form W-9 is not applicable to a U.S. Shareholder because such holder is not a U.S. person for U.S. federal income tax purposes, such holder will instead need to submit an appropriate and properly completed IRS Form W-8 Certificate of Foreign Status, signed under penalties of perjury. Such appropriate IRS Form W-8 may be obtained from the Transfer Agent.

A U.S. SHAREHOLDER WHO FAILS TO PROPERLY COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH IN THIS TRANSMITTAL AND ELECTION FORM OR, IF APPLICABLE, THE APPROPRIATE IRS FORM W-8 MAY BE SUBJECT TO BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS OF ANY PAYMENTS MADE TO SUCH HOLDER PURSUANT TO THE COMPULSORY ACQUISITION.

BOX 1

ELECTION OF CONSIDERATION OR DEMAND FOR PAYMENT

Pursuant to subsection 188 of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the undersigned holder of Common Shares elects as follows in respect of the Common Shares referred to at Box 2 and represented by the enclosed certificate(s):

Shareholders may choose only ONE of the choices below:

Choice A — The CASH ALTERNATIVE

Shareholders who check this box will transfer such Common Shares to the Offeror and will receive Cdn. \$62.50 in cash for each of such Common Shares.

Choice B — The COURT APPRAISAL ALTERNATIVE

Shareholders who check this box elect to demand payment of the fair value of such Common Shares in accordance with sections 188(13) to (21) of the OBCA, and hereby notify the Offeror of such election.*

* This or other written notice of an election to demand payment of the fair value of the Common Shares represented by the enclosed certificate(s) must be given to the Transfer Agent at the address set out herein so as to be received by no later than midnight (Toronto time) October 2, 2006, failing which the holder will be deemed to have elected to transfer the holder's Common Shares to the Offeror on the basis of the Cash Payment.

If your Transmittal and Election Form (or other written notice of demand, if applicable) is not properly completed and received by the Transfer Agent on or before midnight (Toronto time) October 2, 2006, or if you do not make an election in Box 1 of your Transmittal and Election Form, you will be deemed to have elected to transfer your Common Shares to the Offeror on the basis of the Cash Payment.

BOX 2

DESCRIPTION OF FALCONBRIDGE COMMON SHARES

(Please print or type. If space is insufficient, please attach a list to this Transmittal and Election Form in the form below.)

Certificate Number(s)	Name(s) in which Registered (please print)	Falconbridge Common Shares Represented by Certificate
		Total:

BOX 3

CURRENCY OF PAYMENT

- I wish to receive payment of consideration payable under the Offeror's Notice in U.S. dollars based upon the Bank of Canada noon rate of exchange for Canadian dollars to U.S. dollars on the business day immediately preceding the delivery of the payment.

A Shareholder who does not check the box above will receive payment of consideration under the Offeror's Notice in Canadian dollars.

BOX 4

U.S. SHAREHOLDERS

A U.S. Shareholder is any Shareholder (A) whose address on the records of the transfer agent of the Common Shares is within the United States or any territory or possession thereof, or (B) that is a U.S. person for United States federal income tax purposes.

INDICATE WHETHER OR NOT YOU ARE A U.S. SHAREHOLDER OR ARE ACTING ON BEHALF OF A U.S. SHAREHOLDER:

- The owner signing this Transmittal and Election Form represents that it is not a U.S. Shareholder and is not acting on behalf of a U.S. Shareholder.
- The owner signing this Transmittal and Election Form is a U.S. Shareholder or is acting on behalf of a U.S. Shareholder.

IF YOU ARE A U.S. SHAREHOLDER OR ARE ACTING ON BEHALF OF A U.S. SHAREHOLDER, THEN IN ORDER TO AVOID BACKUP WITHHOLDING YOU MUST COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW, OR OTHERWISE PROVIDE CERTIFICATION THAT YOU ARE EXEMPT FROM BACKUP WITHHOLDING, AS PROVIDED IN THE INSTRUCTIONS.

DATED this _____ day of _____, 2006.

Signature of Holder of
Shares

Name (please print)

Address (please print)

**SUBSTITUTE FORM W-9
TO BE COMPLETED BY U.S. SHAREHOLDERS ONLY**

<p align="center">SUBSTITUTE FORM W-9</p> <p align="center">Department of the Treasury Internal Revenue Service</p> <p align="center">Payer's Request for Taxpayer Identification Number and Certification</p>	<p>Part 1 – Taxpayer Identification Number ("TIN") – ENTER YOUR TIN IN THE BOX AT RIGHT. (For most individuals, this is your social security number. If you do not have a TIN, see "Obtaining a Number" in the Guidelines included in this form.) CERTIFY BY SIGNING AND DATING BELOW.</p> <p>Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine which number to give the payer.</p>	<p>_____ Social Security Number(s) (If awaiting TIN, write "Applied For")</p> <p>OR</p> <p>_____ Employer Identification Number(s) (If awaiting TIN, write "Applied For")</p>
<p>Part 2 – For payees exempt from backup withholding, please write "exempt" here (see Instructions):</p>		
<p>Name _____</p>		
<p>Business Name _____</p>		
<p>Please Check Appropriate box</p> <p><input type="checkbox"/> Individual/Sole Proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other</p> <p>Address _____</p> <p>City _____ State _____ Zip Code _____</p>		
<p>Part 3 – Certification – Under penalties of perjury, I certify that:</p> <p>(1) The number shown on this form is my correct TIN (or I am waiting for a TIN to be issued to me); and</p> <p>(2) I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and</p> <p>(3) I am a U.S. person (including a U.S. resident alien).</p>		
<p>Certificate Instructions. You must cross out Item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.</p> <p>Signature of U.S. person _____ Date _____, 2006</p>		

NOTE: FAILURE TO FURNISH YOUR CORRECT TIN MAY RESULT IN A U.S. \$50 PENALTY IMPOSED BY THE INTERNAL REVENUE SERVICE AND IN BACKUP WITHHOLDING OF 28% OF THE GROSS AMOUNT OF CONSIDERATION PAID TO YOU PURSUANT TO THE COMPULSORY ACQUISITION. FOR ADDITIONAL DETAILS, PLEASE REVIEW THE ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" THAT FOLLOW THIS SUBSTITUTE FORM W-9.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN PART 1 OF SUBSTITUTE FORM W-9.

<p>CERTIFICATION OF AWAITING TAXPAYER IDENTIFICATION NUMBER</p>	
<p>I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate IRS Center or Social Security Administration Office, or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a TIN by the time of payment, 28% of the gross proceeds of such payment made to me will be withheld.</p>	
<p>Signature _____</p>	<p>Date _____, 2006</p>

FOR U.S. SHAREHOLDERS ONLY
GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number for the Payee (You)

To Give the Payer — Social security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employee identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer. All "Section" references are to the Internal Revenue Code of 1986, as amended. "IRS" is the Internal Revenue Service.

For This Type of Account:	Give The Taxpayer Identification	
1. Individual	The individual	(iii) An international organization or any agency or instrumentality thereof.
2. Two or more individuals (joint account)	The actual owner of the account or, if combined fund, the first individual on the account(1)	(iv) A foreign government and any political subdivision, agency or instrumentality thereof.
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	(v) A corporation.
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)	(vi) A financial institution.
b. So-called trust that is not a legal or valid trust under state law	The actual owner(1)	(vii) A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
5. Sole proprietorship	The owner(3)	(viii) A real estate investment trust.
6. A valid trust, estate, or pension trust	The legal entity(4)	(ix) A common trust fund operated by a bank under Section 584(a).
7. Corporate	The corporation	(x) An entity registered at all times during the tax year under the Investment Company Act of 1940.
8. Association, club, religious, charitable, educational, or other tax-exempt organization account	The organization	(xi) A custodian.
9. Partnership	The partnership	(xii) A futures commission merchant registered with the Commodity Futures Trading Commission.
10. A broker or registered nominee	The broker or nominee	(xiii) A foreign central bank of issue.
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity	(xiv) A trust exempt from tax under Section 664 or described in Section 4947.

Exempt payees described above must file a Substitute Form W-9 included in this Letter of Transmittal to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART 2 OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

- (1) List first and circle the name of the person whose number you furnish. If only one person on an account has a social security number, that person's name must be used.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name, but you may also enter your "doing business as" name. You may use either your social security number or your employer identification number (if you have one).
- (4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

Obtaining a Number

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Card, at the local Social Administration office, or Form SS-4, Application for Employer Identification Number, by calling 1 (800) TAX-FORM, and apply for a number.

Payees Exempt from Backup Withholding

Payees specifically exempted from withholding include:

- (i) An organization exempt from tax under Section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(7), if the account satisfies the requirements of Section 401(f)(2).
- (ii) The United States or a state thereof, the District of Columbia, a possession of the United States, or a political subdivision or wholly-owned agency or instrumentality of any one or more of the foregoing.

PRIVACY ACT NOTICE— Section 6109 requires you to provide your correct taxpayer identification number to payers, who must report the payments to the IRS. The IRS uses the number for identification purposes and may also provide this information to various government agencies for tax enforcement or litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to payer. Certain penalties may also apply.

SEND YOUR TRANSMITTAL AND ELECTION FORM TO THE TRANSFER AGENT AT THE FOLLOWING ADDRESS:

By Mail

CIBC Mellon Trust Company
P.O. Box 1036
Adelaide Street Postal Station
Toronto, ON M5C 2K4

By Hand or by Courier

CIBC Mellon Trust Company
199 Bay Street
Commerce Court West, Securities Level
Toronto, ON M5L 1G9

Telephone: +1 (416) 643-5500 (Toronto and outside of Canada)
Toll Free Phone: + 1-800-387-0825 (North America only)
E-Mail: inquiries@cibcmellon.com