



## NOTICE OF COMPLIANCE

October 3, 2006

Dear Shareholder of Falconbridge Limited,

Xstrata Canada Inc. (the "**Offeror**"), a wholly-owned indirect subsidiary of Xstrata plc ("**Xstrata**"), made an offer to all holders (the "**Shareholders**") of Common Shares (as that term is defined herein) of Falconbridge Limited ("**Falconbridge**") pursuant to an offer and circular dated May 18, 2006 (the "**Original Offer**"), as varied, amended, and supplemented by the notice of extension dated July 7, 2006, the notice of variation dated July 11, 2006, the notice of variation dated July 21, 2006, and the notice of extension dated August 15, 2006 (as varied, amended and supplemented, the "**Offer**") to purchase all of the issued and outstanding common shares of Falconbridge together with associated rights (the "**SRP Rights**") under the shareholder rights plan of Falconbridge (collectively, the "**Common Shares**"), which includes Common Shares that may have become 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 or exchangeable or exercisable for Common Shares. The Offer was made on the basis of Cdn. \$62.50 in cash for each Common Share. The Offer expired at midnight (Vancouver time) on August 25, 2006.

Subsequent to the expiry of the Offer, the Offeror took up and paid for all of the Common Shares validly deposited under the Offer, representing no less than 90% of the Common Shares not previously owned by the Offeror and its affiliates and associates at the date of the Original Offer.

The Offeror provided notice to all "dissenting offerees" (as that term is defined in subsection 187(2) of the *Business Corporations Act* (Ontario) (the "**OBCA**")) of Falconbridge pursuant to a notice of compulsory acquisition (the "**Offeror's Notice**") dated September 5, 2006, that it intends to acquire, pursuant to the provisions of section 188 of the OBCA, all of the issued and outstanding Common Shares which it did not acquire under the Offer.

I hereby give notice on behalf of the Offeror in accordance with subsection 188(8) of the OBCA, that the Offeror transferred to Falconbridge on September 25, 2006, the amount of money that it would have had to pay to all dissenting offerees if they had elected to deposit their Common Shares under the Offer.

**XSTRATA CANADA INC.**

by (Signed) *Benny S. Levene*

Name: Benny S. Levene

Title: President