

THE SECURITIES ACT

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Order No. 4808

Subsection 20(1)

June 22, 2005

NORANDA INC. AND FALCONBRIDGE LIMITED

WHEREAS:

(A) Application has been made by Noranda Inc. ("Noranda") and Falconbridge Limited ("Falconbridge" and together with Noranda, the "Filers") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of The Securities Act, R.S.M. 1988, c. S50 (as amended) (the "Act") that certain trades in securities of certain corporations that may result from amalgamations involving both or one of the Filers shall be exempt from sections 6 and 37 of the Act.

(B) It has been represented to the Commission by the Applicant that:

1. Noranda and Falconbridge are both corporations existing under and governed by the laws of the Province of Ontario. The head offices of Noranda and Falconbridge are located in Toronto, Ontario. Noranda Acquisition Inc. ("AcquisitionCo") is a wholly owned subsidiary of Noranda. AcquisitionCo is a corporation incorporated under the laws of the Province of Ontario solely for the purposes of consummating the Alternate Amalgamation (as hereinafter defined), if necessary. Its head office is located in Toronto, Ontario.

2. The authorized capital of Noranda is comprised of an unlimited number of junior preference shares issuable in series (the "Noranda Junior Preference Shares"), an unlimited number of preferred shares issuable in series (the "Noranda Preferred Shares"), an unlimited number of participating shares issuable in series and an unlimited number of common shares (the "Noranda Common Shares"). There are three issued and outstanding series of Noranda Preferred Shares; Series F, Series G and Series H. The Noranda Preferred Shares Series F and Series G provide for certain automatic conversion features for which there is no statutory exemption from the registration and prospectus requirements under Sections 6 and 37 of the Act. Pursuant to Order No. 1479 of the Commission dated October 16, 1996, the Commission granted exemptive relief pursuant to subsection 20(1) of the Act for certain trades in connection with the automatic conversion features of the Noranda Preferred Shares Series F and Series G (the "Prior Noranda Order"). The Noranda Preferred Shares Series H do not provide for an automatic conversion feature in respect of which relief would be required.

3. The authorized capital of Falconbridge is comprised of an unlimited number of preferred shares issuable in series (the "Falconbridge Preferred Shares") and an

unlimited number of common shares (the "Falconbridge Common Shares"). There are three issued and outstanding series of Falconbridge Preferred Shares; Series 1, Series 2 and Series 3. The Falconbridge Preferred Shares Series 2 and Series 3 provide for certain automatic conversion features for which there is no statutory exemption from the registration and prospectus requirements under Sections 6 and 37 of the Act. Pursuant to Order No. 1673 of the Commission dated March 19, 1997, the Commission granted exemptive relief pursuant to subsection 20(1) of the Act for certain trades in connection with the automatic conversion features of the Falconbridge Preferred Shares Series 2 and Series 3 (the "Prior Falconbridge Order"). The Falconbridge Preferred Shares Series 1 do not provide for an automatic conversion feature in respect of which relief would be required.

4. Noranda, together with its subsidiaries, including Falconbridge, is an integrated mining and metals company whose principal business is the ownership and operation of mining and metallurgical assets and the addition of value through the development and operation of these assets. Noranda is engaged primarily in the production of copper and nickel, and also in the production of zinc, primary and fabricated aluminium, lead, silver, gold, sulphuric acid and cobalt. Noranda is also engaged in the recycling of secondary copper, nickel and precious metals.

5. Falconbridge and its subsidiaries are engaged in the exploration, development, mining, processing and marketing of metals and minerals. Falconbridge is also engaged in the custom feed business through the processing and recycling of third-party materials. Falconbridge has mining and mineral processing facilities in Canada, Norway, the Dominican Republic and Chile. Falconbridge's principal products are nickel, ferronickel, copper, zinc and cobalt. Other products include silver, gold, platinum group metals, cadmium, indium and sulphuric acid.

6. Noranda is a reporting issuer or the equivalent, as applicable or required, in each province and territory of Canada, and each of the Noranda Common Shares, each series of Noranda Preferred Shares and each series of Noranda Junior Preference Shares are currently listed and posted for trading on the Toronto Stock Exchange, and the Noranda Common Shares are also listed and posted for trading on the New York Stock Exchange.

7. Falconbridge is a reporting issuer or the equivalent, as applicable or required, in each province and territory of Canada, and each of the Falconbridge Common Shares, the Falconbridge Preferred Shares Series 2 and the Falconbridge Preferred Shares Series 3 are currently listed and posted for trading on the Toronto Stock Exchange.

8. To the best of the Filers' knowledge, information and belief, neither Noranda nor Falconbridge is in default of its reporting requirements under the Act.

9. On March 24, 2005, Noranda made an offer (the "Noranda Offer") to purchase all of the outstanding Falconbridge Common Shares not already owned by

Noranda or its affiliates on the basis of 1.77 Noranda Common Shares for each Falconbridge Common Share. At the time of the Noranda Offer, Noranda owned approximately 59% of the issued and outstanding Falconbridge Common Shares. On May 6, 2005, Noranda took up the 58,476,589 Falconbridge Common Shares validly deposited under the Noranda Offer. After the acquisition of Falconbridge Common Shares pursuant to the Noranda Offer, Noranda owned approximately 91% of all outstanding Falconbridge Common Shares.

10. Pursuant to a support agreement dated March 8, 2005 between Noranda and Falconbridge (the "Support Agreement"), Falconbridge agreed that, following the completion of the Noranda Offer, it would cooperate with Noranda to enable Noranda to proceed with a subsequent acquisition transaction under which Noranda would acquire all Falconbridge Common Shares not tendered to the Noranda Offer. In addition, Noranda stated in the circular related to the Noranda Offer that it intended to take such action as was necessary, including causing a special meeting of Falconbridge Common Shareholders to be called to consider an amalgamation of Falconbridge and Noranda or an affiliate of Noranda, to enable Noranda to acquire all of the Falconbridge Common Shares not acquired under the Noranda Offer.

11. On June 2, 2005, Noranda and Falconbridge entered into an amalgamation agreement (the "Primary Amalgamation Agreement") providing for the amalgamation (the "Primary Amalgamation") of Noranda and Falconbridge to form a new corporation to be named Falconbridge Limited ("NorandaFalconbridge") pursuant to section 175 of the Business Corporations Act (Ontario) (the "OBCA") and certain other matters.

12. On or about June 9, 2005, Notices of Special Meetings of the Noranda Common Shareholders, the Noranda Junior Preference Shareholders and the Falconbridge Common Shareholders to be held on June 30, 2005 (collectively, the "Special Meetings" and individually, a "Special Meeting"), and a Joint Management Information Circular (the "Circular") prepared in connection with, among other things, the Primary Amalgamation, were sent out to the Noranda Common Shareholders, the Noranda Junior Preference Shareholders and the Falconbridge Common Shareholders.

13. The Primary Amalgamation is subject, among other things, to the approval of a resolution (the "Primary Amalgamation Resolution") authorizing the Primary Amalgamation by affirmative vote of at least 66 2/3% of the votes cast in respect of each of the Noranda Common Shares and the Noranda Junior Preference Shares by the holders of such shares (the "Noranda Common Shareholders" and the "Noranda Junior Preference Shareholders" respectively) present in person or by proxy at the Special Meetings for the Noranda Common Shareholders and the Noranda Junior Preference Shareholders, and by affirmative vote of at least 66 2/3% of the votes cast in respect of the Falconbridge Common Shares by holders of such shares (the "Falconbridge Common Shareholders") present in person or

by proxy at the Special Meeting for Falconbridge Common Shareholders. Noranda Common Shareholders of record, Noranda Junior Preference Shareholders of record and Falconbridge Common Shareholders of record have the right to dissent in respect of the Primary Amalgamation Resolution and to be paid the fair value of their shares held, as fixed by a court, upon strict compliance with, and subject to the requirements of, applicable law. Neither the approval of the holders of Noranda Preferred Shares nor of the holders of Falconbridge Preferred Shares is required to proceed with the Primary Amalgamation.

14. In addition to the required approvals as set out in paragraph 13 hereof, the Primary Amalgamation is also subject to the following conditions:

(a) all arrangements are in place and all requirements are met such that, as of their issuance, (i) the common shares, each series of preferred shares (with the exception of the preferred shares, series 1) and each series of junior preference shares of NorandaFalconbridge issued pursuant to the Primary Amalgamation Agreement will be listed on the Toronto Stock Exchange, and (ii) the common shares of NorandaFalconbridge issued pursuant to the Primary Amalgamation Agreement will be listed on the New York Stock Exchange;

(b) Noranda obtains all approvals and fulfils all conditions as may be required under applicable Canadian securities legislation for the issuance of the shares of NorandaFalconbridge pursuant to the Primary Amalgamation Agreement to entitle (i) NorandaFalconbridge to issue the shares of NorandaFalconbridge without a prospectus and (ii) the holders thereof to trade such securities freely, subject to control block restrictions; and

(c) the completion and effectiveness of all necessary corporate action on the part of Noranda and Falconbridge to authorize consummation of the transactions contemplated by the Primary Amalgamation Agreement.

15. Pursuant to the Primary Amalgamation Agreement, if the Primary Amalgamation is consummated, among other things:

(a) each issued and outstanding Noranda Preferred Share, Series F will be converted into one preferred share, series F, of NorandaFalconbridge (the "NorandaFalconbridge Preferred Shares Series F");

(b) each issued and outstanding Noranda Preferred Share, Series G will be converted into one preferred share, series G, of

NorandaFalconbridge (the "NorandaFalconbridge Preferred Shares Series G");

(c) each issued and outstanding Falconbridge Preferred Share, Series 2 will be converted into one preferred share, series 2, of NorandaFalconbridge (the "NorandaFalconbridge Preferred Shares Series 2"); and

(d) each issued and outstanding Falconbridge Preferred Share, Series 3 will be converted into one preferred share, series 3, of NorandaFalconbridge (the "NorandaFalconbridge Preferred Shares Series 3").

16. On or about June 9, 2005, Noranda, Falconbridge and AcquisitionCo entered into an amalgamation agreement (the "Alternate Amalgamation Agreement") providing that, if the requisite approvals of the Primary Amalgamation by the Noranda Common Shareholders, the Noranda Junior Preference Shareholders and the Falconbridge Common Shareholders pursuant to and in accordance with the requirements of the OBCA (as more particularly described in paragraph 13 hereof) are not obtained or if the Primary Amalgamation is otherwise not implemented, AcquisitionCo and Falconbridge will, subject to the requisite approval of the Falconbridge Common Shareholders (as more particularly described in paragraph 17 hereof), amalgamate pursuant to section 175 of the OBCA (the "Alternate Amalgamation") to form a new corporation to be named Falconbridge Limited ("Amalco"). Noranda will not amalgamate into Amalco as part of the Alternate Amalgamation.

17. The Alternate Amalgamation is subject, among other things, to the approval of a resolution (the "Alternate Amalgamation Resolution") authorizing the Alternate Amalgamation by affirmative vote of at least 66 2/3% of the votes cast in respect of the Falconbridge Common Shares by holders present in person or by proxy at the Special Meeting for Falconbridge Common Shareholders. Neither the approvals of the Noranda Common Shareholders nor of the Noranda Junior Preference Shareholders nor of the Noranda Preferred Shareholders nor of the Falconbridge Preferred Shareholders are required to proceed with the Alternate Amalgamation. Falconbridge Common Shareholders of record have the right to dissent in respect of the Alternate Amalgamation Resolution and to be paid the fair value of the Falconbridge Common Shares held, as fixed by a court, upon strict compliance with, and subject to the requirements of, applicable law. The Alternate Amalgamation is subject to similar conditions as the Primary Amalgamation.

18. Pursuant to the Alternate Amalgamation, should it occur, among other things:

(a) each issued and outstanding Falconbridge Preferred Share Series 2 will be exchanged for one preferred share, series 2 in the capital of Amalco (the "Amalco Preferred Shares Series 2"); and

(b) each issued and outstanding Falconbridge Preferred Share Series 3 will be exchanged for one preferred share, series 3 in the capital of Amalco (the "Amalco Preferred Shares Series 3").

19. In the event that the Primary Amalgamation is consummated:

(a) The NorandaFalconbridge Preferred Shares Series F and the NorandaFalconbridge Preferred Shares Series G will have the same automatic conversion features as the Noranda Preferred Shares Series F and Series G respectively, as set out in the Prior Noranda Order. Specifically, if on an applicable conversion date, less than 1,000,000 NorandaFalconbridge Preferred Shares Series F (or Series G, as applicable) remain outstanding, such NorandaFalconbridge Preferred Shares Series F (or Series G, as applicable) shall automatically convert into NorandaFalconbridge Preferred Shares Series G (or Series F, as applicable) on a one-for-one basis (the "Series F and G Automatic Conversions");

(b) The NorandaFalconbridge Preferred Shares Series 2 and the NorandaFalconbridge Preferred Shares Series 3 will have the same automatic conversion features as the Falconbridge Preferred Shares Series 2 and Series 3, as set out in the Prior Falconbridge Order. Specifically, if on an applicable conversion date, less than 500,000 NorandaFalconbridge Preferred Shares Series 2 (or Series 3, as applicable) remain outstanding, such NorandaFalconbridge Preferred Shares Series 2 (or Series 3, as applicable) shall automatically convert into NorandaFalconbridge Preferred Shares Series 3 (or Series 2, as applicable) on a one-for-one basis (the "Series 2 and 3 Automatic Conversions").

20. In the event that the Alternate Amalgamation is consummated, the Amalco Preferred Shares Series 2 and the Amalco Preferred Shares Series 3 will have the same automatic conversion features as the Falconbridge Preferred Shares Series 2 and Series 3, as set out in the Prior Falconbridge Order. Specifically, if on an applicable conversion date, less than 500,000 Amalco Preferred Shares Series 2 (or Series 3, as applicable) remain outstanding, such Amalco Preferred Shares Series 2 (or Series 3, as applicable) shall automatically convert into Amalco Preferred Shares Series 3 (or Series 2, as applicable) on a one-for-one basis (the "Amalco Series 2 and 3 Automatic Conversions"). The Series F and G Automatic Conversions, the Series 2 and 3 Automatic Conversions and the Amalco Series 2 and 3 Automatic Conversions are hereinafter referred to collectively as the "Automatic Conversions".

21. The relief applied for by the Filers is consistent with, and is intended to, in effect, carry forward the benefit of the exemptive relief orders previously issued by the Commission to Noranda and Falconbridge such that the successor by way of amalgamation of Noranda and Falconbridge (or in the case of the Alternate Amalgamation, the successor by way of amalgamation of Falconbridge and AcquisitionCo) will have the same ability to issue convertible preferred shares of the amalgamated corporation issuable upon an automatic conversion of other convertible preferred shares of the amalgamated corporation.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, all trades in connection with the Automatic Conversions shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal