

Inco gets final approvals for Falconbridge takeover

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Mr. Scott Hand of Inco reports

CLEARANCE BY EUROPEAN COMMISSION REMOVES FINAL REGULATORY CONDITION TO INCO'S FALCONBRIDGE ACQUISITION

Inco Ltd.'s pending acquisition of Falconbridge Ltd. has been cleared by the European Commission. The company has therefore satisfied the final outstanding regulatory condition to the acquisition, and Falconbridge shareholders are encouraged to tender their shares to Inco's enhanced offer reported in Stockwatch news on June 26, 2006.

The regulatory clearance, set forth in a decision issued by the commission, is conditioned on the same remedy agreed upon with the U.S. Department of Justice (DOJ) to address potential competition issues related to Inco's pending acquisition of Falconbridge. This remedy, as previously reported in Stockwatch news on June 7, 2006, consists of the sale to LionOre Mining International Ltd. of Falconbridge's Nikkelverk refinery in Norway and the Falconbridge marketing and custom-feed organizations that market and sell the finished nickel and other products produced at Nikkelverk and obtain third party feeds for this facility, together with an agreement for the combined Inco and Falconbridge to supply to Nikkelverk up to 60,000 tons of nickel in matte annually. As previously indicated, the closing of this sale is conditioned on, and expected to be completed upon receipt of the clearances, as have now been obtained, by the DOJ and the commission of the pending acquisition of Falconbridge by Inco, as well as Inco taking up and paying for Falconbridge shares pursuant to its offer and certain other standard terms and conditions to closing.

"We are pleased with the conclusion of the commission's second-phase review and its clearance of the combination of Inco and Falconbridge," said Scott Hand, chairman and chief executive officer. "With this final clearance behind us, we can now move forward with our offer to acquire Falconbridge."

Based on recent discussions with the DOJ, the DOJ has indicated to Inco that its clearance of Inco's pending acquisition of Falconbridge was based on the previously announced court filing of the final judgment and signing of a hold separate stipulation and order providing for the completion of the sale of Falconbridge's Nikkelverk refinery and related operations and arrangements. The DOJ, accordingly, will not be providing the parties with a formal notice of early termination under the U.S. Hart-Scott-Rodino Act. Receipt of such notice is not required in order for Inco to complete its pending acquisition of Falconbridge.

We seek Safe Harbor.