

THE GOSSAN

A VOISEY'S BAY NICKEL COMPANY PUBLICATION

- 2004 YEAR IN REVIEW -

2004 was a successful year for Voisey's Bay Nickel Company Limited (VBNC). We met all of our engineering and construction goals during the year and as a result we were able to advance the start-up date for the mine and concentrator in Labrador and the hydromet demonstration plant in Argentina by about six months. We are now planning to ship the first nickel and copper concentrate from Voisey's Bay in November, which means that the hydromet demonstration plant in Argentina will also be ready to test nickel concentrate in November. VBNC would like to thank everyone who contributed to this great accomplishment.

Over 3,200 people were employed on various aspects of the project in 2004, the majority of whom were working in support of construction activities at the mine and concentrator site in Labrador. Contract and procurement awards on the project in 2004 total more than \$348 million, bringing our total contract and procurement awards on the project to date to more than \$800 million, of which 83% was awarded to Newfoundland and Labrador companies. ▼

MINE AND CONCENTRATOR

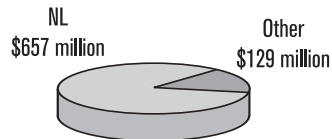
At the mine and concentrator construction site in Labrador, we continued working on infrastructure projects that got underway in 2003. Construction efforts during the year focused on building a permanent port site and completing the construction of the concentrator building. We also began constructing the permanent accommodations and services complex, we started pre-stripping the Ovoid, and we installed the main power plant that will generate electricity for the site. After enclosing the concentrator building we commenced the installation of mechanical, piping, electrical and control systems for the concentrator. At December 31, 2004, construction of the mine and concentrator was more than 74% complete.

of those employed at the construction site were either members of Innu Nation or Labrador Inuit Association.

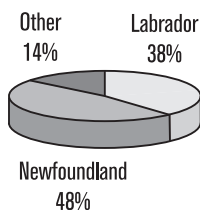
Over \$786 million has been spent to date on procurement and contract awards related to the mine and concentrator. Newfoundland and Labrador companies have received 84% of these awards, including aboriginal companies who have received contracts valued at more than \$490 million.

2005 will be an exciting year as the construction program at the Voisey's Bay site winds down and we begin operation of the mine and concentrator. We will begin mining in May, ore will be processed in the concentrator starting in August and the first shipment of concentrate is expected to leave Voisey's Bay in November 2005. ▼

Procurement Summary (Project to date)



Employment Summary



In total 2,800 people were employed at the mine and concentrator construction site during the year, of which more than 85% were residents of Newfoundland and Labrador. Approximately 580



Coarse ore storage building (foreground) and concentrator building

HYDROMET R&D PROGRAM

Work on the hydrometallurgical research and development program also made significant progress. By late February 2004 we had collected sufficient information from our mini-pilot plant in Mississauga, Ontario, to begin working on the detailed engineering for the demonstration plant.

In March 2004 negotiations got underway with the Resource Development Council (RDC) to determine whether a collective agreement could be negotiated with the Building Trades Council to provide skilled trades to construct the demonstration plant at Argentia. These

negotiations were successfully concluded in May 2004 and construction at the demonstration plant site got underway early in May. By year-end we had built and enclosed the process building that will house the demonstration plant, upgraded water and sewer infrastructure at the Argentia site, rehabilitated two large underground water tanks and constructed a sewage treatment plant. We also began installing the mechanical, electrical and piping systems on the interior of the process building and began constructing residue storage ponds and a fire and process water pumphouse.

In 2005 we will finish installing mechanical, electrical, piping and control systems in the process building and complete the construction of residue storage ponds. We will also focus considerable effort on fabricating, assembling and installing all of the process equipment in the process building. Once this equipment is installed and commissioned, the hydromet demonstration plant will be ready to test concentrate in November 2005, to coincide with first shipment of concentrate from Voisey's Bay. ▼



Laying underground piping at the hydromet demonstration plant site



Installing roofing on the process building

INCO INNOVATION CENTRE

Construction of the Inco Innovation Centre at Memorial University is expected to be completed Spring 2005. 2004 saw the completion of demolition and installation of foundations and structural steel. The general contract for the provision of construction services for architectural, mechanical and electrical systems as well as interior fit-up was awarded to Marco Services Limited in April. At the end of the year, construction was over 80% complete. ▼



Construction of Inco Innovation Centre at Memorial University

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