

THE GOSSAN

A VOISEY'S BAY NICKEL COMPANY PUBLICATION

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What's a Gossan?

A gossan is a rust-coloured outcrop that can indicate sulphide deposits buried beneath the earth's surface. In 1993, prospectors exploring northern Labrador for diamonds spotted a gossan atop a hill near Voisey's Bay. Subsequent exploration revealed a number of nickel-bearing ore bodies in the area, ore bodies that are the foundation of the Voisey's Bay project.

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Managing Director's Message

At Voisey's Bay Nickel Company, safety is our top priority. Our parent company, Inco, has prided itself on creating a "safety first" culture with safety performance among the best in the mining and metals industry.

VBNC is following in the same direction. To date, our safety performance is comparable to other Inco operations across Canada and in the UK. In fact, as of March 2004 we had the lowest lost time injury frequency of any of our corporate operations.

We have achieved this sound safety record by working collaboratively with the Resource Development Council (RDC), its member unions, and all contractors hired to support construction of the project. We have a common goal of eliminating injury and at-risk behavior from our workplace and partnering is key to achieving this goal.

Together, we have adopted a "Zero Harm" policy that encourages all workers to make a personal

commitment to safety. This means not taking risks under any circumstances, identifying and reporting unsafe conditions and risks and helping to prevent incidents and accidents. We have also implemented a safety training program that reinforces our commitment to a safe and healthy workplace and helps employees identify and correct at-risk behavior.

Safety is the responsibility of all employees. By working together to create and maintain a safe and healthy working environment we will be successful in eliminating injury and at-risk behavior from the workplace.



Phil du Toit

VBNC's Commitment to a Safe and Healthy Workplace

One of the challenges of operating in a remote location like Voisey's Bay is creating a safe and healthy work environment, a challenge the Voisey's Bay project safety team is meeting head on.

"Developing a safety culture among site workers is our top priority both during construction and as we prepare for the operations phase of the project," says Earl Dwyer, VBNC's manager of environment, health and safety. "We believe all accidents can be prevented and our goal is to have zero injuries in our workplace."

The Project's safety program has been successful so far, as evidenced by the fact that injury rates are lower than those experienced in the construction industry. While we are pleased with our performance, our safety management team is working hard to eliminate injury and at-risk behavior from the workplace.

Achieving this goal involves overcoming the unique challenges surrounding the Voisey's Bay

Project, like coordinating the safety programs and workplace inspections of multiple contractors working at site.

VBNC is working with contractors and project management staff on all aspects of the safety program. A joint Occupational Health and Safety committee has been formed with representatives from all contractors working at site and contractors are committed to implementing the Voisey's Bay Project safety goals and values.

According to Dwyer the VBNC site safety coordinator has an excellent working relationship with SNC-Lavalin safety staff (our engineering, procurement and construction management team), and contractor safety personnel. "This is key to having an effective safety program," says Dwyer. Both VBNC and SNC-Lavalin have taken a lead role in demonstrating their commitment to a safe workplace.

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VBNC and SNC-Lavalin in Conduct Emergency Response Exercise

Emergency response training/preparedness is an essential part of VBNC's overall Environment, Health and Safety program. While emergency response plans can be helpful in mapping out the "right" way to manage emergencies, there is a lot to be gained from mock disaster training.

VBNC and SNC-Lavalin recently tested the communications component of the emergency response plan for the mine and concentrator construction site. The training exercise required VBNC and SNC-Lavalin's emergency response management teams to work together on procedures that would be followed in the event that a real emergency occurred at the construction site.

Ern Smith, VBNC's safety coordinator at the mine and concentrator construction site says that emergency response training is an important part of any safety program.

"We do emergency response drills because the initial response to any emergency is critical and testing communications is a very important part of that. We need to continue to monitor how effective we are in the event of an emergency on site and make sure every employee is aware of his or her responsibilities in the event of an emergency," says Smith.

No significant problems were identified through the recent emergency response exercise, however, VBNC and SNC-Lavalin safety personnel will continue to test the emergency response plan through other exercises both on and off site. ■



Emergency Response Team conducting a fire drill

VBNC's Commitment to a Safe and Healthy Workplace

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Part of the Voisey's Bay safety program is the new Zero Harm initiative. This initiative uses a behavior-based safety philosophy that encourages employees to identify and correct at risk behavior in the workplace and make a personal commitment to safety. The initiative is presented from the outset to all employees working at site during their initial safety training.

With the operations phase of the Voisey's Bay project scheduled to begin in late 2005 VBNC's safety team is already planning for the implementation of the operations safety program.

"Our goal is to have our operations workers receive safety training before starting work at the site and to go into operations with a workforce that considers health and safety part of their culture," says Dwyer. "This year we will focus on developing a health and safety management system and preparing plans, procedures and training programs for the operations phase of the mine and concentrator project."

A steering committee has already been formed with representatives of each department to provide guidance and oversight for those developing the safety management system. ■

Training Vital to Success

VBNC's training and development program is one of the key components of the Human Resources plan that has been developed for our operations in Labrador and on the Island.

In Labrador, VBNC is working closely with aboriginal groups, government and other stakeholders to maximize aboriginal participation on the Voisey's Bay project. With over 300 aboriginal participants trained in 2003, it is obvious that the training program has already proven to be worthwhile and has contributed to the success of the construction phase of the project.

An integral part of VBNC's overall workforce

development strategy involves using the project's construction phase to provide people with entry-level positions and on-the-job training. The goal is to train as many people as possible before operations begin to perform the various jobs that will be at site.

Bob Marshall, superintendent of training and development, says VBNC is working to provide the aboriginal workforce with the skills needed to fill positions at many levels of the operational workforce.

"All of the training we're doing is aimed at increasing the skill level of aboriginal people in the north. We are operating on their land, and we want as

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Training Vital to Success

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many people from the aboriginal communities as possible to have the skills to operate the mine site.”

To date, training has occurred both on site and in communities throughout Labrador.

Training at the construction site has been offered in areas such as security practical training, heavy equipment operator training, accommodations and maintenance training, gender sensitivity, and Innu and Inuit cultural awareness.

A large component of the community-based programs we have developed has focused on pre-employment training. In these programs we teach individuals employability and financial management skills, as well as job-specific training in areas like construction trades helper, cooks helper, and housekeeping.

One of the more innovative aspects of the training and development strategy that has been adopted to support the mine and concentrator construction project involved the creation of the Joint Voisey's Bay Employment and Training Authority, or JETA. JETA is a not-for-profit organization that is receiving funding from government to train aboriginal people for construction employment at the mine site. JETA's members are the Labrador Inuit Association, Innu Nation, Labrador Métis Nation and VBNC.

“JETA's funds are being used to supplement training being done by VBNC. They can offer training at site, as well as through training institutions and within the communities along coastal Labrador,” says Marshall. “An example of the success of JETA is the Heavy Equipment Operator Training Program in Natuashish. In April the first class of eight graduated from this program, which is the first of its kind ever to have been offered successfully in that community.” (see sidebar).

After the training program for the construction phase has been fully implemented and the permanent workforce has been recruited, a training plan will be implemented to help prepare new employees to participate in the commissioning phase of the project. During commissioning operations training will increase and the training program will focus on providing people with hands-on experience with the exact equipment and operations that will occur at the mine site.

Marshall will head up a ten-person training team to lead the operational training at the mine and concentrator site. The team will provide all training



Heavy Equipment Operation simulator training session in Happy Valley-Goose Bay

related to pit operations, mill operations, maintenance, safety and workplace literacy. The team will remain in place and offer continuous training throughout the operations phase of the project.

Marshall says the training and development program is having a big effect on aboriginal communities. “People completing this training are role models for kids and other individuals in their communities. It tells them to get their education and there are jobs to be had. It tells them it can be done and gives them a sense of confidence and pride that there is a future to look forward to.” ■



A student of IKCB Heavy Equipment Operator Training Program

First Class Graduates from Heavy Equipment Operator Training Program in Natuashish

On April 27, 2004, a ceremony was held to honor the first eight graduates of the Heavy Equipment Operator Training Program (HEO) in Natuashish. The program, funded by JETA and the Mushua Innu Band Council, was the first of its kind ever to be offered in the community.

“To see Innu stand in honour like that, having successfully completed training and hopeful of a better future was an event that will not easily be forgotten. Congratulations and best wishes to the graduates from all JETA staff and Board,” says Marjorie Flowers, manager of JETA.

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First Class Graduates from Heavy Equipment Operator Training Program in Natuashish

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Graduates of the HEO Training Program in Natuashish

The 21-week course followed a government-approved curriculum and consisted of seven academic modules and 60 hours of practical training on three pieces of equipment. In addition, training was provided in the areas of first aid, air brake training and class 5 vehicle drivers license. The graduates are now eligible to work with an employer as an HEO apprentice.

In his valedictory speech Ivan Katishnak, one of the graduates, told the audience that the program had given him a new sense of hope. "This is the first time in my life that I have finished something and I am happy that my family are here and that they are proud of me," said Katishnak. "Things have been very hard for (my family) but everything is going to be better now." ■

Maximizing Opportunities for Labradorians through the Adjacency Principle

One of the commitments that VBNC and its contractors are devoting a lot of energy to is the Labrador Adjacency Principle. VBNC adopted this principle in 1997 to ensure that people living in the communities nearest to the mine and concentrator project will have priority for supplying services to, and working at, the Voisey's Bay site.

VBNC developed hiring guidelines for construction at the site with the support of the Resource Development Council and its members unions. When a contractor accepts a construction contract to work at Voisey's Bay, they have agreed to follow the following guidelines for hiring:

- First preference to qualified members of LIA and Innu Nation who are union members;
- Second preference to qualified members of LIA and Innu Nation who are non-union members;
- Third preference to qualified residents of Labrador who are union members;
- Fourth preference to qualified residents of Labrador who are not members of a union; and
- Fifth preference to qualified union members from the Island part of the province.

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Construction workers at the mine and concentrator site

Maximizing Opportunities for Labradorians through the Adjacency Principle

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A similar process has been established for awarding procurement and contract awards for the mine and concentrator.

We are committed to maximizing the participation of Labradorians on the mine and concentrator project. We report to government, Innu Nation and the Labrador Inuit Association regularly on employment and contract awards. We have also established an Innu employment coordinator position and an Inuit employment coordinator position within VBNC to help facilitate the hiring of Aboriginal peoples. Finally, our extensive training program is aimed at developing the Labrador workforce to fill as many positions as possible on all phases of the Voisey's Bay project.

The results we have been able to achieve thus far are evidence of the fact that the Adjacency Principle is working. In 2003, there was 48% Labrador participation and 32% Aboriginal participation on the mine and concentrator. Of the \$460 million awarded in procurement and construction support contracts, \$290 million went to Aboriginal companies. This is a clear indication of VBNC's commitment to maximizing opportunities for Labradorians. ■



Sybella Daniels, a heavy equipment operator at the mine and concentrator site



Peter Jones, President and C.O.O. of Inco, congratulates Isabella Pain on being chosen as one of Canada's Top 40 Under 40.

Hats Off!

...To **Isabella Pain**, Inuit Affairs Officer for VBNC, for being chosen as one of this year's recipients of *Canada's Top 40 Under 40* program, an honor bestowed on Canada's best and brightest. Congratulations Isabella on this outstanding achievement!

...To the **Emergency Response Team**. On November 19, 2003 the VBNC emergency response team responded to a call from the Tuvaq, a fuel tanker that anchored several hundred metres off shore in Anaktalak Bay. A worker onboard was having respiratory problems and required prompt medical attention.

Members of the Emergency Response Team, including two InnuMed nurses, boarded the tanker and administered emergency care to the victim. The victim was then secured on a stretcher and transported to the site clinic where nurses and Emergency Response Team members worked continuously throughout the early morning to stabilize the patient until the arrival of the medivac. Congratulations to the emergency response team for bringing a happy ending to this potentially tragic situation! ■

VBNC Announces Scholarship Programs for Inuit and Innu Students

Earlier this spring VBNC was pleased to announce two new scholarship programs for Inuit and Innu high school students in Labrador.

The Inuit program, available to high school students who are members of the Labrador Inuit Association, consists of six scholarships. One scholarship is valued at \$4,000, payable at \$1,000 a year for four years, and Inuit students in all communities in Labrador are eligible. The other five scholarships, valued at \$1,000, may be awarded to one student in each of the following communities: Nain, Hopedale,

Makkovik, Postville and Rigolet.

The Innu program is being offered to members of Innu Nation. All high school students who are members of Innu Nation are eligible to apply for a \$4,000 scholarship, payable at \$1,000 a year for four years. In addition, a \$1,000 scholarship may be awarded to one student in Natuashish and another of the same value may be awarded to one student in Sheshatshui.

Both programs are aimed at students who plan to pursue post-secondary education leading to careers

in the mining industry. Examples of such careers include geology, mining engineering, accounting, health, environmental science and archaeology.

The main criteria for recipient selection includes academic achievement, leadership/school/community involvement, and financial need. The scholarship program, which will be provided annually, is evidence that VBNC is meeting its commitments as outlined in Impact Benefits Agreements with the Labrador Inuit Association and Innu Nation. ■

Forging Ahead with 2004 Construction Program for Argentia

The 2004 construction program at the hydrometallurgical demonstration facility site in Argentia is underway and this year looks to be a busy one for VBNC and those hired to support construction at the Argentia site.

The construction program for 2004 focuses on basic site infrastructure development such as the completion of site grading and roadways, as well as the completion of the main process building shell.

In March 2004 a contract was awarded to Olympic Construction for the design, supply and erection of the main process building, expected to be

finished in October of this year. Upon completion of the building Inco will commence mechanical, piping and electrical controls for the concentrator.

Fencing construction and construction of the process building has also begun. Brownco Investments has been hired to construct the chain link fence, which will be completed in early June. Brownco is an Argentia based company, as is M.J. Hickey, subcontractor for Olympic Construction.

"A number of other work packages will be core to our 2004 work program. The tender has been issued for a sewage treatment plant and expressions

of interest have been called for site infrastructure and water tank rehabilitation. Plus other opportunities will be posted later this year," says Bob Kelly, construction manager for the Argentia site. "2004 will be a busy and exciting year as construction activity advances in building the hydromet demonstration facility at Argentia."

Also on the agenda is the development of residue ponds and a storm water drainage system. In addition, VBNC intends to develop storage facilities to supplement the capacity of the warehouse that has already been constructed at Argentia.

SGE Hatch is the engineering, procurement and construction management company for the demonstration facility. The hydromet demonstration plant team is headed by Paul Napier, project manager.

To date, activities associated with the construction of the demonstration facility have proceeded on time and on budget. The facility is part of Inco's \$200 million R&D program to confirm the commercial application of hydrometallurgical, or hydromet, technology to treat Voisey's Bay concentrate.

Inco has already successfully completed bench-scale testing of the technology and proven that each separate chemical process works individually at a laboratory scale. Operation of a mini-pilot facility is currently underway at Inco's research and development center at Sheridan Park to ensure the steps can be integrated into a continuous process. Seven mini-pilot campaigns have been completed to date, all using a feed of Voisey's Bay nickel concentrate. The next campaign is scheduled for mid-June 2004. ■



Pouring the first concrete at demo facility site in Argentia.

Project Update



Constructing the Concentrator at Voisey's Bay

Mine and Concentrator

- Continuing with excavation of the port site and mill site
- Continuing with construction of the settlement ponds
- Began prestripping the overburden of orebody
- Continued to erect steel and pour concrete for concentrator
- Construction of permanent dock to begin upon arrival of supply vessels
- Setting of major equipment and tanks to begin on upon arrival of supply vessels



Nick Chubbs, from Happy Valley-Goose Bay, working at the mini-pilot facility

Hydromet R&D

- Seven continuous mini-pilot campaigns have been completed to date, all using a feed of Voisey's Bay Nickel Concentrate
- Eight Newfoundlanders and Labradorians are currently working at the mini-pilot plant in Sheridan Park



Construction activity at the Inco Innovation Centre (photo courtesy of MUN Photographic Services)

Innovation Centre

- Contract awarded to Marco Services Ltd. for construction services for architectural, mechanical and electrical systems and building interior fit-up

Supplier Profile: Innu Mikun Airlines

Innu Mikun Airlines was awarded the fixed wing transportation contract for the construction phase of the Voisey's Bay Project in October 2003. Since that time they have landed over 1,000 flights at the mine and concentrator construction site, a true mark of the growth of the airline since its establishment.

Founded as a joint venture between Provincial Airlines Limited and Innu Development Limited Partnership, Innu Mikun Airlines began offering charter services in Labrador in 1998. It has since expanded to include scheduled regional passenger and cargo airline services to coastal Labrador communities. Today there are 42 employees.

Tom Randell, managing director for Innu Mikun sees the company as an integral part of growing the economy of Labrador. "In an area such as Labrador with its widely distributed population, air service is the backbone of the regional transportation system. Economic growth and stability is not achievable without an adequate reliable air service that is responsive to local needs of both individuals and Labrador based businesses."

Innu Mikun is doing everything they can to meet the needs of individuals and businesses in Labrador, including VBNC.

"The relationship with VBNC is not only commercially important to Innu Mikun



Landing of the first Dash 8 aircraft at Voisey's Bay.

Supplier Profile: Innu Mikun Airlines

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Airlines, but also is important to achieving the company's goals of developing regional transportation infrastructure that facilitates and promotes regional economic growth as well as developing career opportunities in aviation for Innu people," says Randell.

Prior to the completion of the permanent airstrip at the Voisey's Bay mine and concentrator site, air transportation was limited mostly to the twin-engine aircraft. A significant milestone in the relationship between Innu Mikun and VBNC occurred in April 2004 when the first Dash 8 aircraft, a much larger aircraft, landed at site. The implementation of the Dash 8 air

service to Innu Mikun means better schedules and services for Labrador businesses and residents.

So what does the future hold for Innu Mikun? Randell says the possibilities are endless.

"Innu Mikun is optimistic about the future for Labrador and sees the development of projects like the Voisey's Bay mining operation as offering opportunities for growth in air services in the region," says Randell. "Innu Mikun Airlines is committed to providing air services that promote development and promote opportunities for Labrador businesses and residents." ■

Appointment Notice



Don Stevens

Newfoundlanders and Labradorians Gaining Valuable Work Experience at Mini-Pilot Facility in Sheridan Park

Lesley Joy, originally from Bell Island, NL, is as a Process Metallurgist/Engineer 1 at the Voisey's Bay mini-pilot facility. Leslie holds a Bachelor of Science (Chemistry/Math) from Memorial University of Newfoundland and a Bachelor of Applied Science (Chemical Engineering) from the University of Toronto. Lesley's responsibilities include: training/educating individuals in chemical processing and operation of circuits; designing and performing laboratory experiments; optimizing and operating circuits and coordinating a team of samplers; and, generating mini-plant standard operating manuals for circuits.

Tom Collins, originally from Freshwater, Placentia, is a student of the Electrical Engineering Technology program at the College of the North Atlantic (CONA). Tom has recently returned from a work term at the mini-pilot facility where he was responsible for assisting senior operators with maintenance and modification of the Nickel Electrowinning module, preparing batches of feed solution, recording data, maintaining an operator's log and taking samples, among other things. Tom is also a graduate of the Electronics Engineering Technology (Instrumentation) program at CONA.

Desmond McGrath is a recent graduate of the Civil Engineering program at Memorial University of Newfoundland. During his studies he completed a work term at the mini-pilot facility where he was responsible for iron removal and operating a circuit. He re-joined the mini-pilot team after graduation in June 2004 as an Engineer 1. Desmond is originally from Patrick's Cove, a community 30 km south-west of Placentia, NL. ■



Some of the Newfoundlanders & Labradorians gaining valuable experience at mini-pilot facility

Peter Jones, president and C.O.O. of Inco, recently announced the appointment of Don Stevens as Operations Manager Hydromet Demonstration Plant, effective June 1, 2004.

Don joined Inco in March 2000 as a Process Engineer in Hydrometallurgy at ITSL in Mississauga. In his most recent role as Principal Process Engineer he has been deeply involved in the planning and engineering development of the Voisey's Bay concentrate treatment process.

Prior to joining Inco Don was with Sherritt International in Alberta where, among many roles, he acted as the owner's rep in several nickel and cobalt hydromet construction projects. Don also held project engineering and plant commissioning roles at New Brunswick Power.

Don completed his Bachelor of Science (Chemistry) at Memorial University of Newfoundland and his Master of Engineering (Chemical) degree at University of New Brunswick. ■