



EXPENDITURE SUMMARY

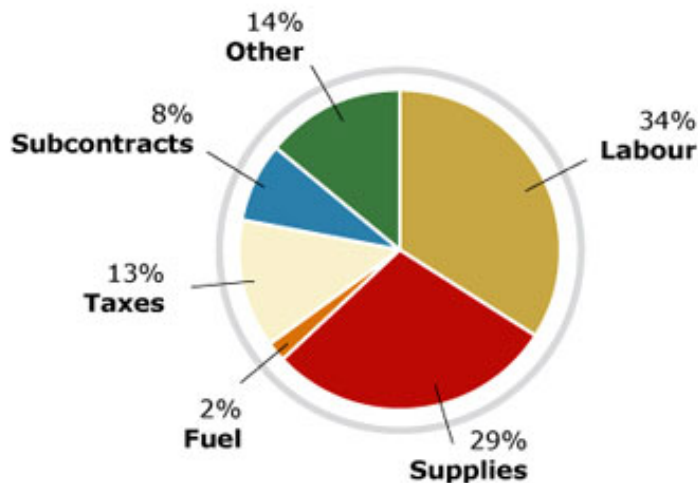
Expenditures throughout the year were primarily directed to infrastructure work at the mine and concentrator site in Labrador and preliminary infrastructure at the hydromet demonstration facility site at Argentia, Newfoundland. At the mine site, infrastructure spending was directed to the start of construction of the concentrator building, the expansion of the camp, upgrade of the communications systems and building a permanent airstrip. Total expenditures for 2003 were approximately \$215 million, of which about 70 per cent were distributed to businesses, individuals or government within Newfoundland and Labrador.

2003 Expenditure Summary

(in CDN\$ millions)

Location	Labour	Supplies & Equipment	Transportation & Fuel	Taxes	Subcontracts	Other	Total
Newfoundland	\$ 23.4	\$ 15.7	\$ 1.4	\$ 9.3	\$ 7.9	\$ 14.6	\$ 72.3
Labrador	\$ 29.4	\$ 28.8	\$ 2.7	\$ 9.0	\$ 2.3	\$ 4.6	\$ 76.8
Other	\$ 20.1	\$ 18.6	\$ 0.6	\$ 9.0	\$ 7.4	\$ 10.7	\$ 66.4
Total	\$ 72.9	\$ 63.1	\$ 4.7	\$ 27.3	\$ 17.6	\$ 29.9	\$ 215.5

2003 Expenditure Summary



At December 31, 2003, there were 1,558 people employed on all facets of the project and about \$73 million was spent on labour during the year. Some 72 per cent of the project's total labour expenditures were made in Newfoundland and Labrador. Expenditures on industrial supplies, consumables and equipment totalled approximately \$63 million during the year and accounted for 29 per cent of total VBNC expenditures, of which 75 per cent of were made in Newfoundland and Labrador. These purchases supported construction activities in Labrador, and administrative support for the Voisey's Bay project and our corporate office.

Tax payments totalled \$27.3 million for the year and represented almost 13 per cent of all project expenditures in 2003. Subcontracts for such things as leased equipment, cleaning services and minor construction contracts, which were primarily Aboriginal businesses, accounted for over 8 per cent of expenditures. Miscellaneous costs accounted for approximately 14 per cent of total expenditures during the year, including overhead charges, insurance, telecommunications, and payments to Memorial University to support the construction of the Inco Innovation Centre.

** All figures as of December 31, 2003 - All figures are in CDN dollars unless otherwise stated*