



PERFORMANCE HIGHLIGHTS

It was another year of achievement for Voisey's Bay Nickel Company in 2003. At year-end, over 1,500 people were employed supporting construction and engineering planning on all aspects of the Voisey's Bay project. Contract and procurement commitments made during the year exceeded \$460 million, of which 90 per cent were awarded to Newfoundland and Labrador companies.

Building on the successes of 2002, we focused on strengthening our relationships with Aboriginal communities in Labrador, government and other stakeholders; completing the 2003 work plan for the mine and concentrator site in Labrador; installing preliminary infrastructure at the site of the hydromet demonstration facility at Argentia, Newfoundland; continuing the hydrometallurgical research and development program; and working with Memorial University on the development of the Inco Innovation Centre in St. John's, Newfoundland. By year-end 26 per cent of the mine and concentrator construction project was completed.

2003 Performance Highlights

Mine and Concentrator

- Construction camp expanded
- Site communications system upgraded
- Concentrator site excavated
- Began erecting structural steel for concentrator building
- Fuel storage capacity expanded
- 1,600-metre permanent airstrip completed
- 1149 people employed
- 32 per cent of workforce were Innu and Inuit

Hydromet Research and Development

- Mini-pilot plant opened in October
- Three integrated mini-pilot campaigns completed by year-end
- Refurbished offices to accommodate Argentia Project Office
- Office/warehouse at demonstration facility site constructed
- Design of residue ponds finalized
- Continued working on design of demonstration facility
- 11 Newfoundlanders and Labradorians (full-time and co-op students) gained work experience at mini-pilot facility

Innovation Centre

- Funding agreement with Memorial University finalized
- \$4 million of Inco's \$20 million contribution dispersed to Memorial
- Asbestos removal and interior demolition of former Thompson Student Centre completed
- Detailed engineering completed



Structural steel in place for concentrator building at Voisey's Bay construction site.



Office/warehouse at hydromet demonstration plant site, Argentia.

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

Supporting Exploration and Innovation

The Inco Innovation Centre will be a world-class facility offering advanced exploration, engineering and related services to the mining and processing sectors globally. The Centre will enable Memorial's scientists, engineers and senior students to develop leading edge technologies to support advanced exploration techniques and provide support to chemical process engineering, including the Inco Hydromet facility at Argentina. "I believe the Centre will help transform our society and our economy into a knowledge-based economy," commented Dr. Axel Meisen, President of Memorial University.

Besides being a centre for excellence in research and technology, the Centre will house a variety of Labrador art, depicting the culture and heritage of Labrador and Aboriginal peoples and will be home to Memorial's new Canada Research Chair in Aboriginal Studies. The chair will address not only the scientific and technical issues important to Newfoundland and Labrador's Aboriginal people but also their social and cultural needs. VBNC is pleased to be a partner in this project.



Living Up to Our Commitments

October 3, 2003, marked the official opening of Inco's new Voisey's Bay hydrometallurgical (hydromet) mini-pilot plant in Mississauga, Ontario.

The mini-pilot plant marks a significant milestone in Inco's \$203 million research and development program aimed at confirming the commercial application of hydromet technology to treat Voisey's Bay concentrates. Hydromet technology offers a cost-effective and environmentally friendly alternative to conventional smelting and refining.

Scaled to about 1/10,000 of the size of a commercial hydromet plant, the mini-pilot plant will enable scientists and technicians to define the required process steps, the operating conditions and the engineering design parameters for a demonstration plant to be constructed in Argentina, Newfoundland, beginning in 2004.

Commenting on the opening of the mini-pilot plant, a senior official with the Department of Mines and Energy for Newfoundland and Labrador noted "Today marks another substantial step forward in the development plan for Voisey's Bay. With the official launch of the mini-pilot plant phase of this project, Inco continues to demonstrate that it is living up to its commitments in the Development Agreement. This project will create hundreds of jobs for generations to come and inject billions of dollars into the provincial economy."



Scott Hand, Mayor Bride McLellan (Town of Placentia), and Dr. Daniel Green (Argentina Management Authority) at the official opening of Inco's mini-pilot plant in October 2003.

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