



PROVIDING OPPORTUNITIES FOR LOCAL BUSINESSES

From the outset of this project, we have recognized the need to establish a procurement and contracting philosophy that balances our need to receive the best-value on the goods and services we purchase with our goal of maximizing opportunities for companies in Newfoundland and Labrador. We also knew there were long term benefits associated with having a strong base of local suppliers that could support the Company once operations begin.

In Labrador, we recognized the importance of working closely with Innu Nation and Labrador Inuit Association to see that Aboriginal businesses developed the business skills and technical expertise necessary to capitalize on opportunities presented by the construction and operations phases of the mine and concentrator project. We believe that having such a capability developed within Aboriginal businesses is a key ingredient in improving long-term sustainability of the communities in which those businesses operate.

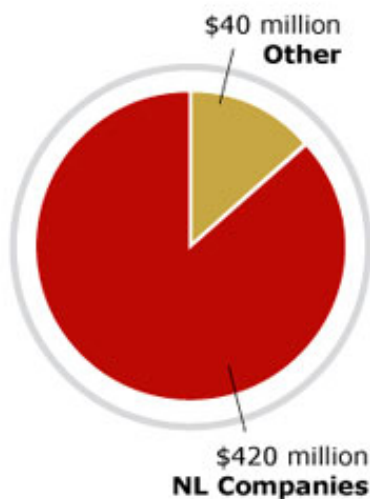
To that end, we developed a process governing how suppliers are selected to provide goods and services that is aimed at maximizing the participation of businesses in Newfoundland and Labrador. Through this effort, more than 90 per cent of the contracts and procurement awards made in 2003 went to Newfoundland- and Labrador-based companies.

It is also worth noting that Aboriginal businesses were awarded contracts with a total value of \$290 million or 60 per cent of total contracts awarded during the year. These results demonstrate VBNC's commitment to Aboriginal people and all residents of the province.

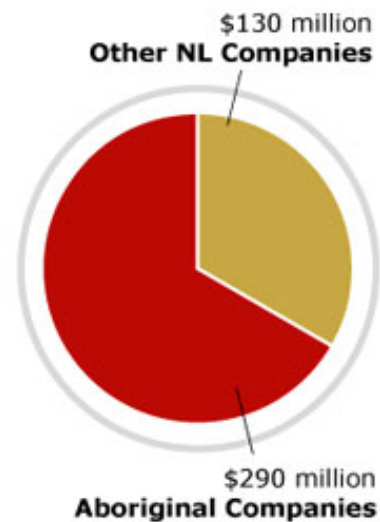


Lily Chambers is a lead hand camp attendant with Labrador Catering.

Distribution of Contract and Procurement Awards



Distribution of Contract and Procurement Awards to Newfoundland and Labrador Companies



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

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 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-otter 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."



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Supplier Profile: Torngait Services Inc.

Torngait Services Inc. (TSI) was one of the busiest contractors at the mine and concentrator construction site in 2003. TSI, a Labrador based company, is a joint venture between the Labrador Inuit Development Corporation and ATCO Frontec Services Limited. TSI's mandate is clear: to provide the logistics and support services to the mining and exploration companies pursuing opportunities in the minerals discovery sector in Labrador.

TSI, a majority Inuit owned company, has been involved with the Voisey's Bay project for several years. Their reputation and commitment to supporting the growth and development of Labrador and their dedication to excellence, ethical business practices and environmentally safe operations is evident in the work they provide at Voisey's Bay.



TSI is active in several activities at the construction site in Labrador, providing site services to support the running of the site such as maintenance on some of the facilities, equipment maintenance and snow clearing responsibilities in the winter months.

TSI was also responsible for bringing in the extra 350 beds that were needed to accommodate the large workforce on site during the 2003 construction season and the company made sure they were procured locally. TSI employees were also involved in projects such as the set up of a 700-person cafeteria and the construction of a small office complex.

Helicopter services also fall on TSI's list of responsibilities. When needed, TSI will call upon local companies like Universal and Canadian Helicopters to provide this support service. Although these calls are only occasional, it's an important contract and TSI is ready to meet the needs of VBNC at a moments notice.

TSI has a support centre and office located in Happy Valley - Goose Bay which ensures quick access to the site if needed. TSI provides logistical support to the project in Happy Valley-Goose Bay as well as coordinates movement of goods on the Upper St. Lawrence Seaway.

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