

Mining

Voisey's Bay Concentrator Complex



Strong global commodity markets are stimulating expansion of mineral production capacity, new developments and mineral exploration. The value of mineral shipments is expected to total over \$3.9 billion in 2007, the highest value on record, up 55% compared to the estimated 2006 total. This increase is due to higher shipments from Voisey's Bay, the opening of the Duck Pond mine and increased commodity prices.

Voisey's Bay

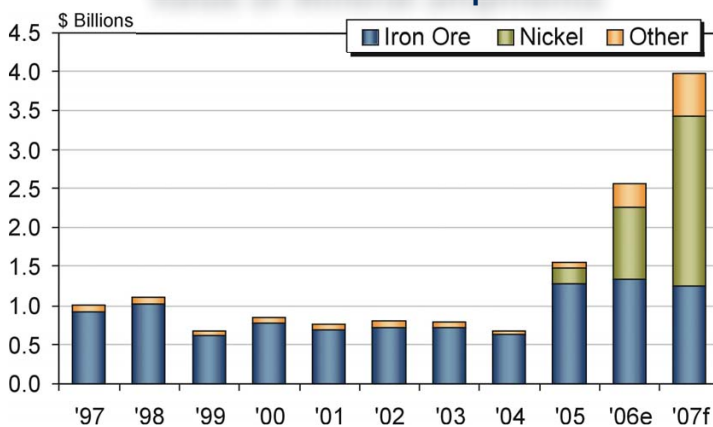
Voisey's Bay Nickel Company Limited (VBNC) expects to ship over \$2.5 billion worth of metal concentrate in 2007, more than double the value in 2006. The increase reflects both higher shipment volumes and commodity prices. The Voisey's Bay project continues to advance. VBNC has registered both the hydromet and matte commercial processing plant layouts for environmental assessment. This will ensure that regardless of which process is selected, the construction completion date of December 2011, as identified in the Development Agreement, will be met. The company submitted the Environmental Impact Statement for the commercial plant to the provincial and federal governments in early November 2007.

Iron Ore

The volume of iron ore shipments is expected to total just over 19 million tonnes this year, a decrease of 5.0% relative to 2006. The value of shipments is expected to be about \$1.2 billion, down 6.9% over 2006. The decline in shipments reflects an interruption in production due to a labour-management dispute at the Iron Ore Company of Canada (IOC) earlier this year that lasted about seven weeks. IOC is expected to ship 13.8 million tonnes of iron ore this year, down 12.7% from 2006. In August, IOC announced a \$60 million investment to increase concentrate production capacity to 18.4 million tonnes by mid-2008. Currently, the operation has the capacity to produce 17 million tonnes of concentrate, of which 13 million tonnes can be converted into pellets. The company is also assessing a further increase to 21 million tonnes.

Concentrate shipments from Wabush Mines are expected to increase by almost 25% to 5.2 million tonnes in 2007, primarily because of production problems encountered during 2006 which lowered shipments during that year. On September 5, 2007, ArcelorMittal announced that it intends to acquire Wabush Mines through its Dofasco subsidiary. Dofasco, which already holds 28.6% of Wabush Mines, will purchase the interests of Stelco (44.6%) and Cleveland Cliffs (26.8%). The transaction is expected to be finalized by December 2007. When the acquisition is completed, ArcelorMittal will own 100% of Wabush Mines.

Value of Mineral Shipments



e: estimate; f: forecast
Department of Natural Resources

New Mine

Production at the Duck Pond mine in central Newfoundland commenced in January 2007 and the first concentrate shipments were made in April. The mine is expected to produce 41 million pounds of copper, 76 million pounds of zinc, 574,000 ounces of silver and 5,000 ounces of gold annually over its eight-year life. Employment at the mine should average about 192 people annually over the life of the mine. In September 2007, Vancouver-based Teck Cominco took control of Aur Resources, the owner of the Duck Pond mine.