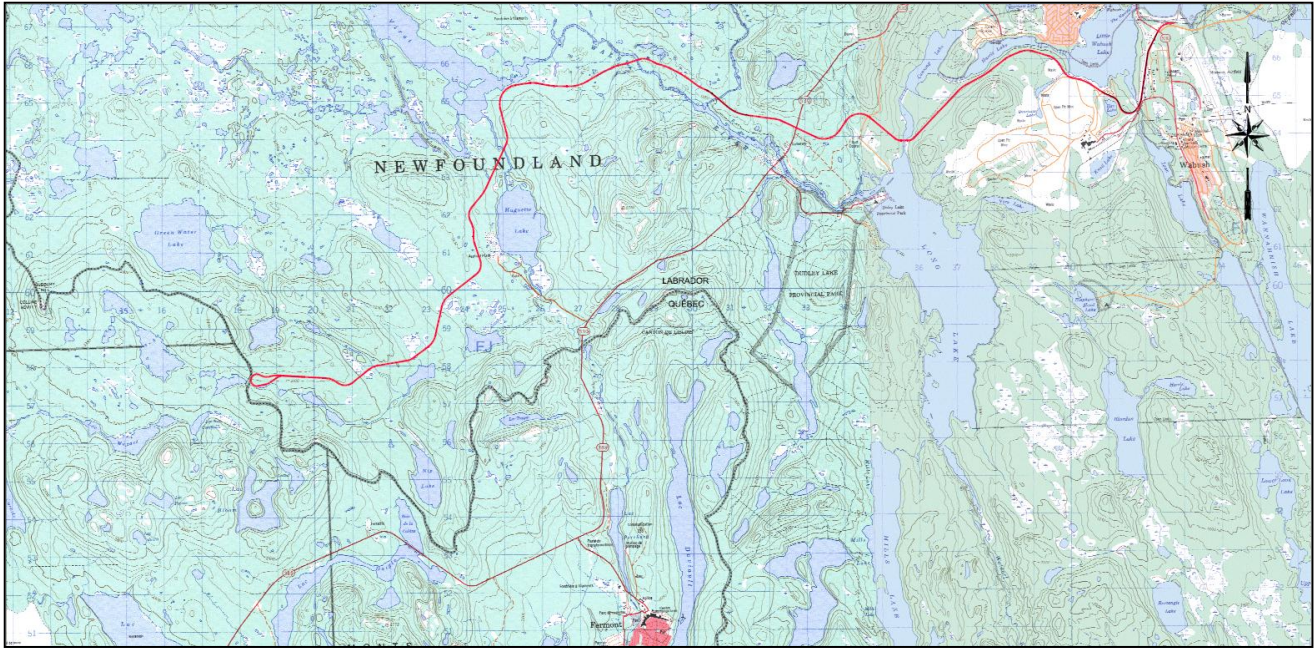




CONSOLIDATED
THOMPSON



REPORT

Bloom Lake Railway
(Resubmission)
Environmental Preview Report

CONSOLIDATED THOMPSON
IRON MINES LTD.

REPORT NO. 1041677.



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REPORT TO **Consolidated Thompson Iron Mines Ltd.
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FOR **Bloom Lake Railway (Resubmission)**

ON **Environmental Preview Report**

28 August 2008

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Table of Contents

1.0	NAME OF THE UNDERTAKING	1
2.0	PROPONENT	1
3.0	THE UNDERTAKING	2
4.0	DESCRIPTION OF THE UNDERTAKING	3
4.1	Geographic Location	3
4.1.1	Railway Route	5
4.1.2	Location of River and Stream Crossings.....	5
4.1.3	Site Plan and Description of Ore Load-Out System	5
4.1.4	Rail Crossings of Route 500	10
4.1.5	Connection to QNS&L	10
4.1.6	Proximity of Railway to Existing Quarry Activities at Huguette Lake.....	15
4.1.7	Rail Route at Newfoundland and Labrador Hydro Wabush Terminal Station	15
4.2	Construction	18
4.2.1	Civil Works	18
4.2.1.1	Schedules.....	18
4.2.1.2	General	18
4.2.2	Bridges	18
4.2.2.1	Schedules.....	18
4.2.2.2	General	18
4.2.3	Track Construction – Rail Works	19
4.2.3.1	Schedules.....	19
4.2.3.2	General	19
4.2.3.3	Track Construction	19
4.2.3.4	Miscellaneous.....	20
4.2.4	Road Crossing and Railway Signal Construction	20
4.3	Operations.....	20
4.3.1	Summary of Operations.....	20
4.3.2	Train Operations.....	20
4.3.2.1	Bloom Lake to Wabush Yard	20
4.3.2.2	Wabush to Arnaud Junction.....	21
4.3.3	Mechanical Maintenance	21
4.3.3.1	Regulatory – Cars and Diesel Engines	21
4.3.3.2	Inspection Locations.....	21
4.3.3.3	Predeparture Inspection Procedure by Other Than a Qualified Car Inspector.....	21
4.3.3.4	Repairs.....	22
4.3.3.5	Bad Order Set Off Locations.....	22
4.3.3.6	Track Maintenance	23
4.3.3.7	Regulatory	23
4.3.3.8	Track Inspection	23
4.3.3.9	Bridge Inspection.....	23
4.3.3.10	Culverts and Drainage.....	24
4.3.3.11	Animal and Pest Control.....	24

4.3.3.12	Weed Control	24
4.3.3.13	Crossings	24
5.0	ENVIRONMENT – BIO-PHYSICAL.....	25
5.1	Design and Installation Details of Watercourse Crossings	25
5.1.1	Bridges	25
5.1.2	Culverts	30
5.2	Buffer Zones, Blasting and Access Road Upgrades	34
5.3	Mitigation to Protect Fish Habitat	35
5.4	Fish and Fish Habitat.....	35
5.5	Walsh River and Canning Narrows Bridges	41
5.6	Property Ownership	41
5.7	Walsh River and Canning Narrows Watercourse Descriptions.....	41
5.8	History of Waterway Use	41
5.9	Photographs of Walsh River and Canning Narrows Bridge Locations.....	41
5.10	Preliminary Construction Drawings of Bridges	43
5.11	Inbound Goods and Materials.....	43
5.12	Type of Rail Car for Transport of Iron Concentrate	43
5.13	Sources of Quarry and Ballast Material	43
5.14	Cut and Fill Volumes	43
5.15	Roadbed Aggregate on Wabush Mines Property	43
6.0	ENVIRONMENT – SOCIO-ECONOMIC	44
6.1	Detailed Socio-economic Impact Statement	44
6.1.1	Background	44
6.1.2	Economic Benefits Approach.....	44
6.1.3	Construction Phase Impacts	45
6.1.3.1	Direct Impacts	45
6.1.3.2	Indirect Impacts	46
6.1.4	Operation Phase Impacts	49
6.1.5	Conclusions.....	50
6.2	Community Effects	50
6.2.1	Communities Overview.....	50
6.2.2	Effects on Community Infrastructure and Services	52
6.3	Land Use and Zoning Effects.....	53
6.4	Consultation	53
6.4.1	Community Consultation.....	54
6.4.2	Aboriginal Consultations	55
6.5	Maintenance of Way.....	58
6.6	Implications of the Transportation of Other Resource Based Goods.....	58
6.7	Consolidated Thompson – QNS&L Transportation Agreement.....	58
6.8	Consolidated Thompson – Wabush Mines Discussions.....	59
6.9	Protective Measures at Wabush Mines Property	59
6.9.1	Written instructions in the Daily Operating Bulletins	59
7.0	PROJECT RELATED DOCUMENTS	60
8.0	APPROVAL OF THE UNDERTAKING	60

9.0	FUNDING	62
10.0	REFERENCES	62

List of Figures

Figure 4-1	Location of Bloom Lake Railway	4
Figure 4-2	Location of Bloom Lake Railway Stream Crossings (Numbered) and Bridges.....	6
Figure 4-3	Ore Load-out System.....	7
Figure 4-4	Overview of Ore Load-Out System	8
Figure 4-5	Location of the Ore Car Loading Bin	9
Figure 4-6	Highway 500 Crossing at Wabush Junction and Connection to QNS&L.....	11
Figure 4-7	Highway 500 Crossing between Fermont and Labrador City.....	12
Figure 4-8	Typical Level Railway Crossing (Transport Canada 2002)	13
Figure 4-9	Rail Route Around Huguette Lake.....	16
Figure 4-10	Rail Route at Newfoundland and Labrador Hydro Wabush Terminal Station.....	17
Figure 4-11	Bloom Lake Railway Project Schedule Overview	18
Figure 5-1	Preliminary Design of Canning Narrows Bridge	26
Figure 5-2	Preliminary Design of Ironstone River Bridge.....	27
Figure 5-3	Preliminary Design of Walsh River Bridge.....	28
Figure 5-4	Preliminary Design of Viroit River Bridge	29
Figure 5-5	Preliminary Design of Culvert 6B in Wabush Mines Rail Yard.....	31
Figure 5-6	Diagram of Cylindrical and Pipe Arch Culverts.....	32
Figure 5-7	Typical Culvert Design Details	32
Figure 5-8	Typical Placement of Baffles in a Culvert	33
Figure 5-9	Photos of Canning Narrows and Walsh River Bridge Locations	42

List of Tables

Table 5.1	Recommended Minimum Buffer Zone Requirements for Activities near Watercourses.....	35
Table 5.2	Preliminary Hydrological Information for Stream Crossing Locations	36
Table 5.3	Preliminary Fish Habitat Information for Stream Crossing Locations	37
Table 5.4	Classification of Flow	37
Table 5.5	Classification of Substrate.....	38
Table 5.6	Summary of Fish Habitat Information for Culvert Crossings	39
Table 5.7	Preliminary Culvert Dimensions	40
Table 5.8	Summary of Stream Crossing Information for Bridges	40
Table 5.9	Watercourse Details at Proposed Walsh River and Canning Narrows Bridge Locations	41
Table 6.1	National Occupation Classification Codes, Construction	45
Table 6.2	Direct, Indirect and Induced Employment During Construction.....	49
Table 6.3	National Occupation Classification Codes, Operations and Maintenance	49
Table 6.4	Chronology of Community Consultation	54
Table 6.5	Chronology of Consolidated Thompson Meetings with the Innu, 2006	56
Table 6.6	Chronology of Consolidated Thompson Meetings with the Innu, 2007	56
Table 6.7	Chronology of Consolidated Thompson Meetings with the Innu, 2008	57
Table 8.1	Permits/Approval/Authorizations that may be Required for the Bloom Lake Railway	61

List of Appendices

APPENDIX A	Guidelines for Environmental Preview Report
APPENDIX B	Photos of Stream Crossing Locations
APPENDIX C	Environmental Protection Procedures
APPENDIX D	Consolidated Thompson/Bloom Lake Railway Newfoundland and Labrador Benefits Policy
APPENDIX E	Supplier Development Workshop Presentation and Questionnaire
APPENDIX F	Consolidated Thompson and QNS&L Transportation Agreement Press Release

1.0 NAME OF THE UNDERTAKING

The undertaking has been assigned the name “Bloom Lake Railway (Resubmission)”, per the Environmental Preview Report Guidelines, issued 20 August 2008 (see Appendix A).

2.0 PROPONENT

Consolidated Thompson Iron Mines Ltd (Consolidated Thompson) is a Canadian mining exploration and development company. Consolidated Thompson is the owner and developer of several mining operations including the Bloom Lake Iron Ore Mine located at the south end of the Labrador Trough. Consolidated Thompson will be the main developer and operator of the Bloom Lake Iron Ore Mine, however, a third party consortium, based in Wabush, will be formed to build and operate the Bloom Lake Railway.

The name and address of the Corporate Body is:

Consolidated Thompson Iron Mines Ltd.
1155 University Street, Suite 508
Montréal, QC H3B 3A7

The Chief Executive Officer (CEO) is:

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3.0 THE UNDERTAKING

Consolidated Thompson is the developer and operator of the Bloom Lake Iron Ore mine, located in Québec, approximately 30 km west of Wabush and Labrador City. Consolidated Thompson's Bloom Lake Railway Project (the Project) consists of an approximate 31 km single-track railway which will connect the Bloom Lake Mill's load-out system, which straddles the Québec-Labrador border, with the existing railway between Wabush Mines and the Québec North Shore and Labrador Railway (QNS&L). The entire Bloom Lake Railway and the ore car loading bin, which is a part of the ore load-out system, will be located within the Province of Newfoundland and Labrador.

The ore car loading bin will be built over a turn-around loop at the western extent of the railway. The railway will follow an optimized rail route that will minimize environmental impact. The ore car loading bin will be fed by a conveyor (approximately 220 m long) from a 24,000 tonne storage silo on the Québec side of the border. The silo will be fed by a longer conveyor transporting iron ore concentrate from the Bloom Lake Mine.

A marshalling yard near the junction with the existing railway (QNS&L) and a section of double rail siding to hold 240 empty cars will be built. The railway, marshalling yard, and ore load-out system are necessary to deliver iron ore concentrate to new port facilities to be constructed at Sept-Iles, where it will be shipped by super cape-size (300,000+ tonne) vessels to domestic and overseas customers.

In general, the Bloom Lake Railway Project (the Project) will facilitate further such economic development by making a major contribution to the development of the industrial transportation infrastructure of, and related to, Western Labrador. In particular, the Project will:

- be constructed and operated by a Labrador-based third party consortium (referred to as the „Bloom Lake Railway’), which will be available for use by other companies and will improve the commercial viability of mineral resources along and in close proximity to it. There is a number of such prospects, and if potentially commercial reserves are discovered that could benefit from the railway, the Bloom Lake Railway will cooperate in their development by facilitating use, and if necessary realignment, of the line;
- participate with QNS&L in expanding its capacity over and above what is required to ship Bloom Lake concentrate ore; and
- see the construction of new multi-user port shipping facilities in Pointe-Noire, Québec. This multi-million dollar investment will increase the competitiveness of existing and potential Labrador mines by allowing them, for the first time, access to such a facility, permitting them to use super cape-size carriers to ship ore to world markets.

4.0 DESCRIPTION OF THE UNDERTAKING

There were three rail alternatives considered to transport the Bloom Lake iron ore concentrate to a port for shipment to market. The first was a dedicated stand-alone rail line. The overall attractiveness of developing the Bloom Lake mine is the cost efficiencies realized through the existence of major infrastructure currently serving other mines in the Labrador Trough. On that basis, the exorbitant cost of constructing a 400+ km rail line just for the Bloom Lake Iron Ore Mine was considered uneconomical.

The second alternative was using the Québec Cartier Mining Railway (QCM). The QCM Railway terminates at Port-Cartier where Consolidated Thompson does not have access to ship-loading facilities and yard or handling equipment, primarily due to the limited space available. Furthermore, the manmade port at Port-Cartier is not designed to accommodate super cape-size vessels, which is a requirement for Consolidated Thompson's purposes. If Consolidated Thompson still optioned to use the QCM Railway, port access would have to be through Pointe-Noire which would require construction of an approximate 35 km railway, requiring two major bridges; the largest of which would cross the Ste-Marguerite River at an estimated cost of more than \$100 million because of its length. As well, an 8 km railway link connecting Bloom Lake to Mont-Wright would have to be constructed, where there is a 2 percent slope on average which technically is too high for this type of rail line. Therefore, both technically and economically, the QCM Railway is not an option.

The preferred alternative was building a rail link to the QNS&L which connects through to Sept-Iles and onwards to Pointe-Noire where a new port facility will be constructed. Required investments to construct the Bloom Lake Railway and upgrade the QNS&L was determined to be the most cost-effective approach of transporting the Bloom Lake ore concentrate to the port facility at Pointe-Noire for shipment to market.

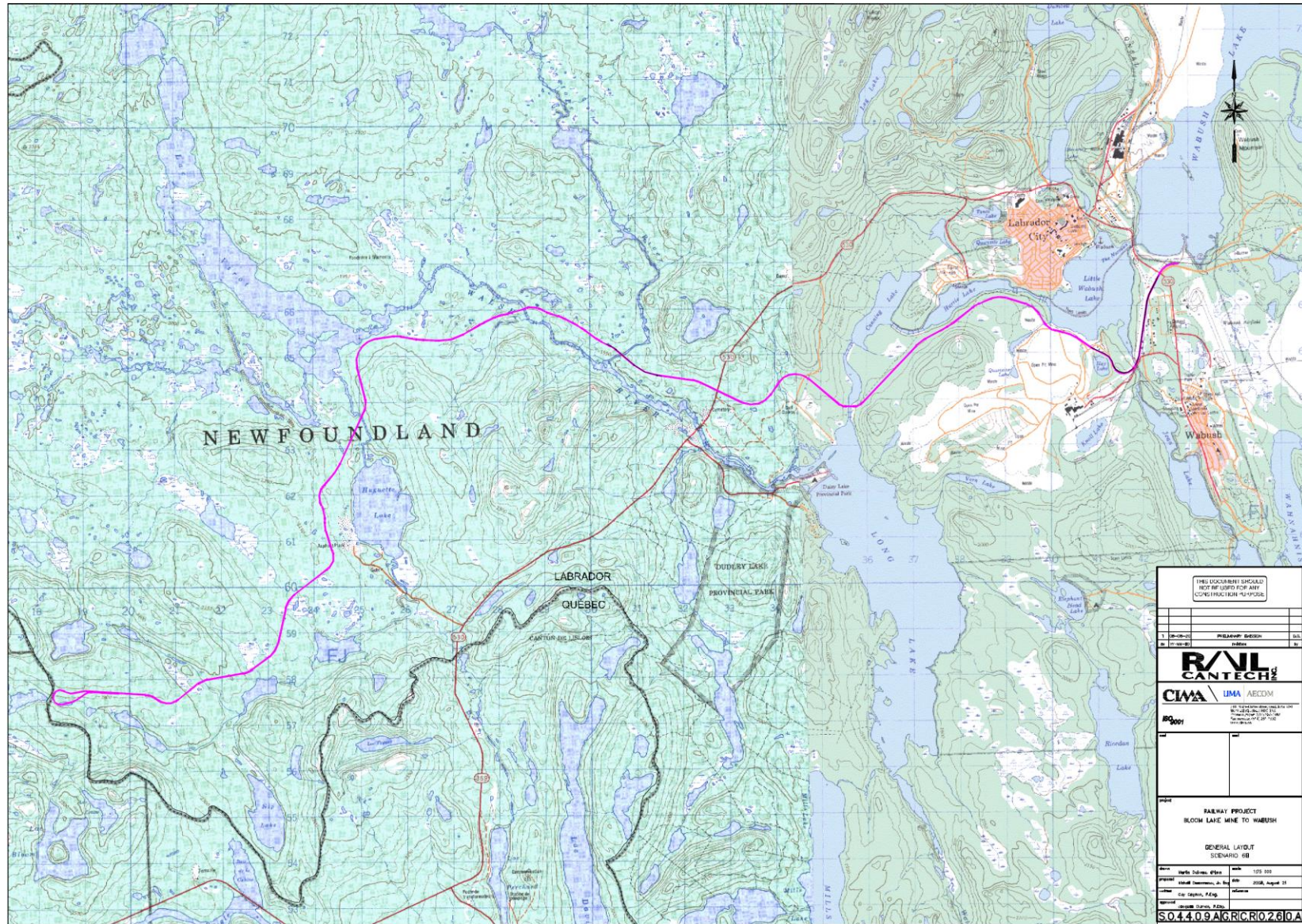
The optimized 31 km route for the Project railway is shown in Figure 4-1. The single-track railway will connect the Bloom Lake Mine ore load-out system with the existing rail line between the Wabush Mines installations and the QNS&L. The optimized route will also have a turn-around loop, and a switching station, which will be constructed around the ore car loading bin, which will be constructed to load concentrate onto rail cars near the Québec-Labrador border. Finally, a marshalling yard will be built in Wabush near the junction with the QNS&L, including a section of double rail siding to hold 240 empty cars.

4.1 Geographic Location

A detailed map of the optimized rail route displaying the geographic location is provided in Figure 4-1.

Please note that detailed locations of adjacent land ownership, existing commercial and residential properties, utility easements, and existing right-of-ways is currently being surveyed to depict exact locations adjacent to or within the proposed Bloom Lake Railway right-of-way.

Figure 4-1 Location of Bloom Lake Railway



4.1.1 Railway Route

As a result of the technical data collected in geotechnical surveys, on-ground surveys, review of the latest LiDAR imagery, as well as aerial surveys and reviews, the rail route has been optimized through several iterations since the original iteration shown in the April 2008 resubmission of the Registration. Furthermore, there were optimizations to the rail route due to:

- Providing maximum buffer zone at Harrie Lake subdivision and the Walsh River cabins;
- Avoiding the recreational zone that extends north of the Tamarack Golf Course;
- Avoiding some wetland areas; and,
- Avoiding the operational area of the quarry near Huguette Lake.

As a result of these changes, the total length for the Bloom Lake Railway, within the proposed rail right-of-way, is now 31.98 km, which directly corresponds with the length of the proposed rail right-of-way.

4.1.2 Location of River and Stream Crossings

Figure 4-2 identifies the location of all river and stream crossings. Representative photographs of the proposed watercourse crossings are provided in Appendix B.

4.1.3 Site Plan and Description of Ore Load-Out System

Consolidated Thompson is constructing a 7,000,000 metric tonne per year concentrate plant at Bloom Lake. This system will require a load-out system for the iron ore concentrate that is generally described as follows.

This system will receive iron ore concentrate at a rate of approximately 1,100 tonnes per hour by belt conveyor from the production plant where the material will be directed to a 24,000 metric tonne capacity storage silo with an option to an emergency stockpile (located in Québec). Material will be transferred by belt conveyor from the silo to an ore car loading bin (located in Labrador) for loading into railcars at a rate of approximately 6,000 metric tonnes per hour (see Figures 4-3, 4-4 and 4-5).

Twenty-four thousand (24,000) metric tonnes per day will be loaded into the railcars that will transport the material to the new Pointe-Noire, Québec shipping terminal.

This system has been conceptually designed and is in the procurement stage.

Figure 4-2 Location of Bloom Lake Railway Stream Crossings (Numbered) and Bridges

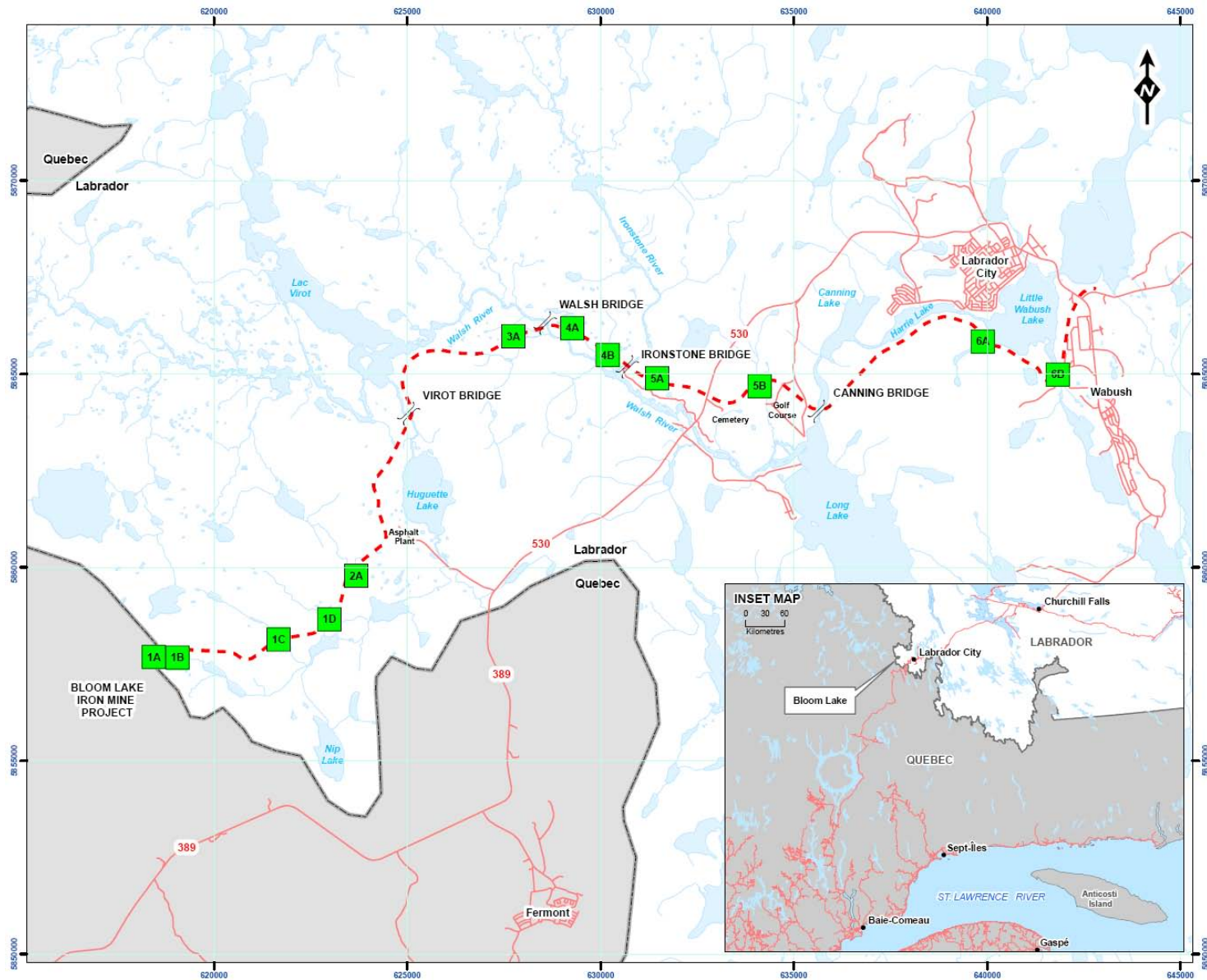


Figure 4-3 Ore Load-out System

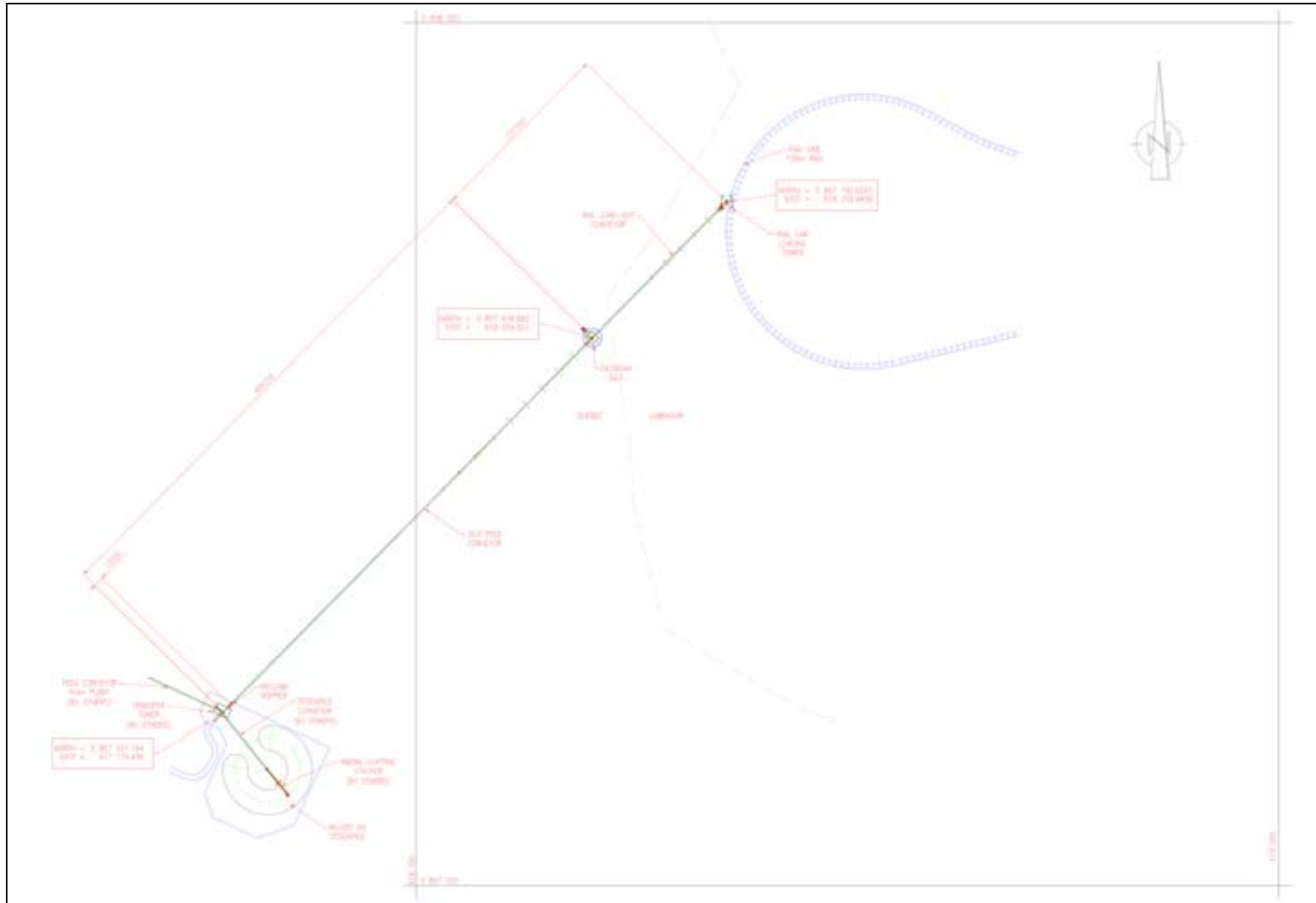


Figure 4-4 Overview of Ore Load-Out System

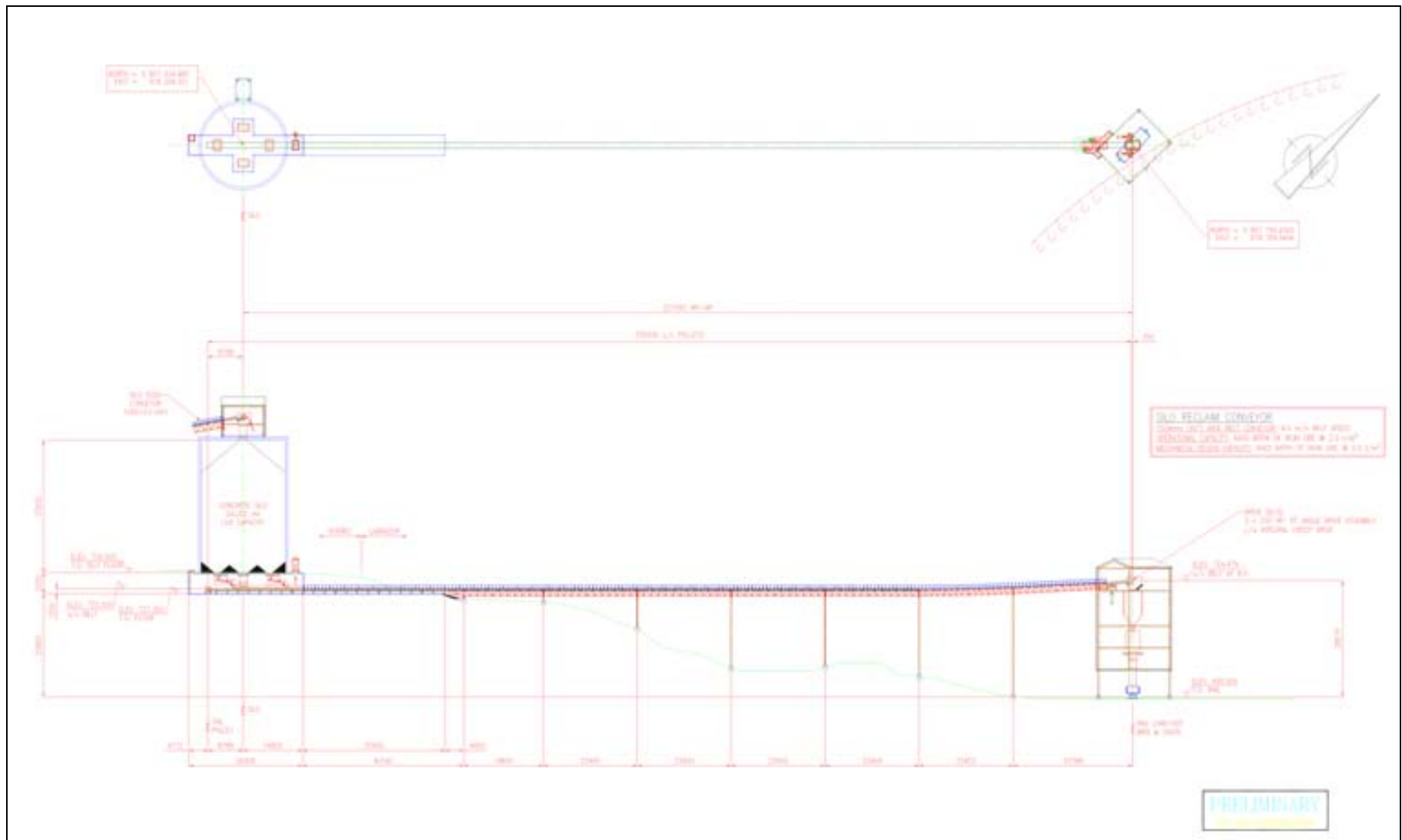
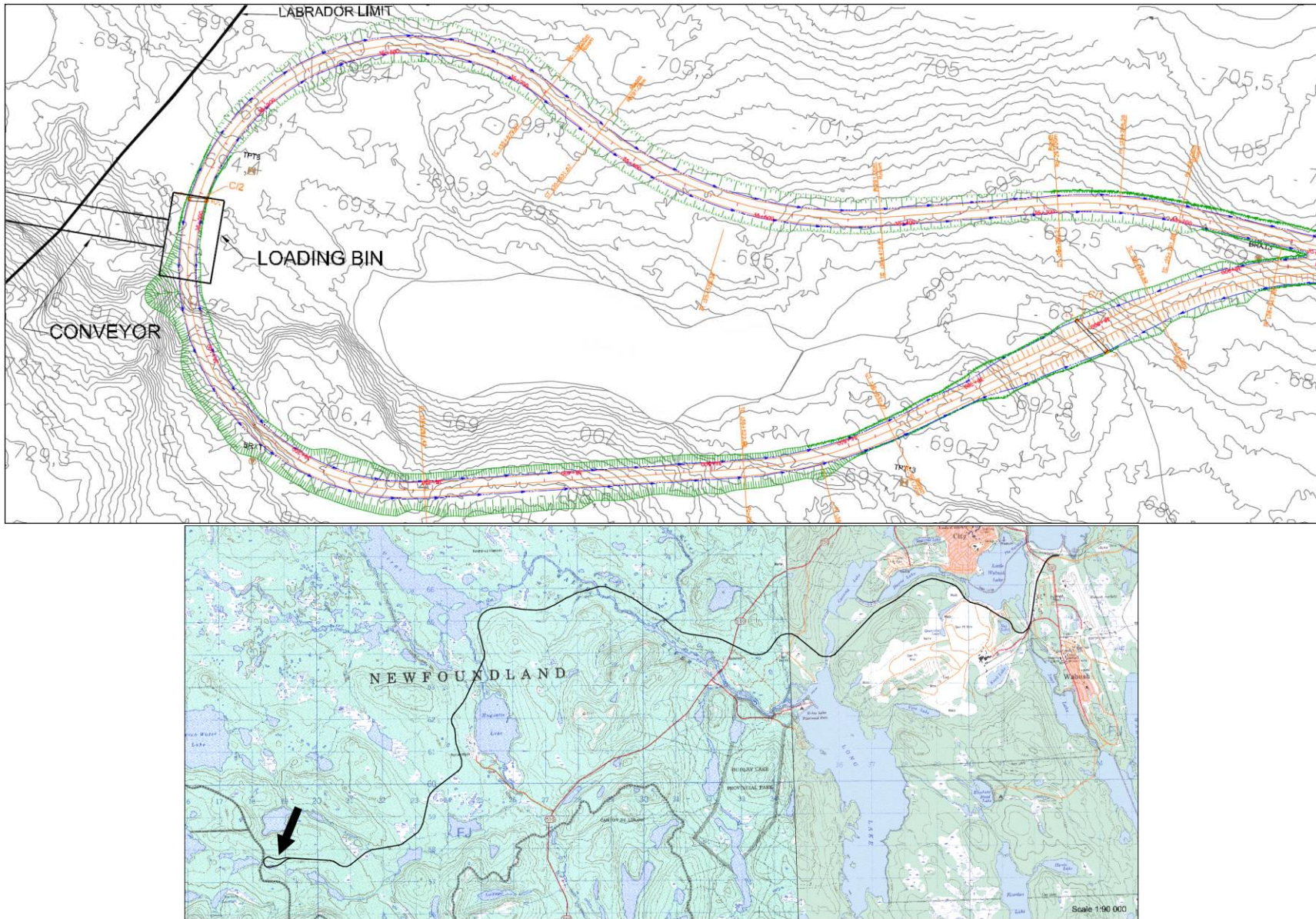


Figure 4-5 Location of the Ore Car Loading Bin



4.1.4 Rail Crossings of Route 500

A detailed safety assessment will be conducted where the railway line crosses Route 500 as per Transport Canada's RTD 10 Standards for level crossings (Figure 4-6 and 4-7). Appropriate safety measures will be taken, including the installation of a grade crossing warning system, to ensure safe rail crossings on Route 500 (Figure 4-8).

4.1.5 Connection to QNS&L

Bloom Lake Railway (BLR) will ensure safe and efficient working conditions and practices when moving inbound and outbound railway traffic within the Bloom Lake – QNS&L switching yard near the Wabush Mines installations and through the Wabush double track crossing area (Figure 4-6). The following summarizes some of the general operating practices that will need to be considered and integrated, in some form or other, into the respective "Operating manuals" of the two Railroad Companies, that is, the Bloom Lake privately owned Railroad Company and the existing QNS&L Railroad Company.

The BLR – QNS&L switching yard area configuration near the Wabush Mine Complex in Wabush will be composed of the following three tracks:

- One common inbound – outbound switching yard track for full iron ore cars (minimum capacity of 240 iron ore cars);
 - BLR inbound track for full iron ore cars = QNS&L outbound track for full iron ore cars;
- One common outbound – inbound switching yard track for empty iron ore cars (minimum capacity of 240 iron ore cars);
 - BLR outbound track for empty iron ore cars = QNS&L inbound track for empty iron ore cars;
- One middle track with multiple crossovers to access the above inbound/outbound switching yard tracks.

Figure 4-6 Highway 500 Crossing at Wabush Junction and Connection to QNS&L

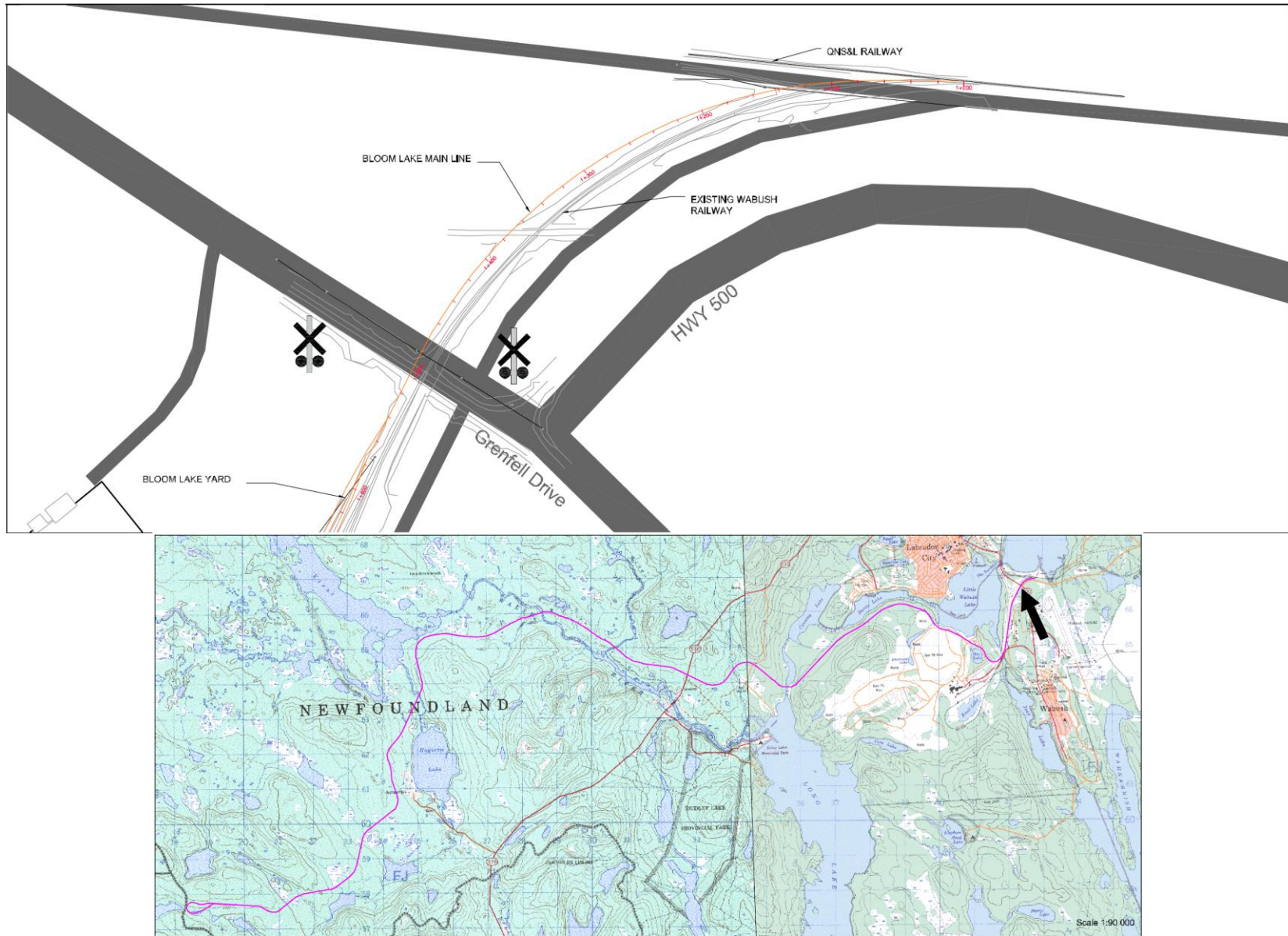


Figure 4-7 Highway 500 Crossing between Fermont and Labrador City

