

### **REGISTRATION PURSUANT TO**

# SECTION 3 OF THE NEWFOUNDLAND AND LABRADOR REGULATION 54/03,

# **ENVIRONMENTAL ASSESSMENT REGULATIONS, 2003**

## **UNDER THE**

# **ENVIRONMENTAL PROTECTION ACT (SNL 2002 Ce-14.2)**

FOR THE PROPOSED

# LABRADOR IRON MINES LIMITED

**SCHEFFERVILLE PROJECT** 

**April 30, 2008** 

## **Submitted to:**

Government of Newfoundland and Labrador Department of Environment and Conservation P.O. Box 8700 St. John's, NL A1B 4J6

**Attention:** Minister of Environment and Conservation



### SCHEFFERVILLE PROJECT

# **Executive Summary**

This Project, to be developed by Labrador Iron Mines Limited (LIM), will see the reactivation of three previously closed iron ore mine areas located in Labrador near the community of Schefferville, Quebec. Although the mine operations will involve the extraction of iron ore, LIM's proposed project will be smaller than the one that was active from 1954 to 1982 and will operate under current regulations and environmental protection standards and industry best practices.

# Highlights of the Project include:

- mining activities will take place at previously mined locations (i.e., brownfield sites);
- mining will be conducted approximately 250 days/year with a winter shut-down;
- the mining program will be similar to a quarry operation with blasting, crushing, and washing but no milling or chemical processing;
- a crusher/screen, and other facilities will be semi-portable and temporary;
- a Development Plan and Rehabilitation and Closure Plan will be submitted and approved by Mines Branch before the Project proceeds;
- Operation Plans will be prepared and submitted annually;
- an Environmental Protection Plan (EPP) will also be prepared for the Project; and
- an Employment Equity Plan will be developed and implemented.

# Local and Regional benefits include:

- approximately 75 jobs;
- between \$30 million and \$60 million per year in total operating costs, much of which will be incurred within the Province of Newfoundland and Labrador;
- close working with the Innu of Labrador involving them in provision of labour, goods and services;
- maximum use of qualified mining contractors and other services based elsewhere in the region, such as Labrador City, Wabush and Happy Valley-Goose Bay; and
- LIM is committed to the creation and implementation of employment equity practices to promote recruitment, training, and advancement of qualified visible minorities and women.

Labrador Iron Mines Limited is committed to carrying out the Project development, operation and closure in a manner consistent with applicable health, safety and environmental regulations and industry best practices.

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# NAME OF UNDERTAKING: SCHEFFERVILLE PROJECT

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## 1.0 THE UNDERTAKING

### 1.1 NATURE OF THE UNDERTAKING

This undertaking or Project involves the development and mining of 'direct shipping' iron ore deposits in western Labrador in an area of previous iron mining. High-grade haematite iron ores will be mined from a number of identified deposits on sites where similar mining has taken place in the past. Mining will be conducted in a sequential manner using conventional open pit mining methods. There will be no mill. Once mined, the rock will be beneficiated (washed, crushed and sorted prior to loading onto rail cars) at an area referred to as the Silver Yards, located to the north of the James property in Labrador. This area was previously owned by IOC and, although the former rail spur line was removed, the rail bed is still present in this area and in good condition; As a result, the Project will also include the re-establishment of the spur line rail along this existing rail bed.

The products will include lump and sinter fine ores for direct shipping to end users in Europe and/or Asia. As the deposit is a high-grade iron ore, no further processing will be conducted in Canada, aside from the proposed crushing and washing to be conducted in Labrador. Mining will initially be at a combined rate of one to two million tonnes per year at three mine sites at an estimated daily production rate of less than 3,000 t/day per mine location. Rock beneficiation at the Silver Yard will be carried out during an estimated seven to eight month (approximately 250 days) working season. The operation will use existing infrastructure such as the railway line between Schefferville and Sept-Iles, roads and electrical power and, as such, no work is proposed within the province of Quebec. Although some local upgrading of roads and of the railway may be necessary, no major improvements are anticipated and work will be conducted along existing rail-beds, roads and right-of-ways including the re-establishment of a short spur line along the existing rail bed at the Silver Yard (approximate length of 3.5 km). The development of a mine at James site was previously the subject of a Project Registration and Release (June 28, 1990) (Appendix A).

#### 1.2 RATIONALE FOR THE UNDERTAKING

LIM believes that there is a market demand for high-grade direct shipping iron ore products to satisfy demands of steel smelters in Europe and in Asia. Such direct-shipping products were previously mined and shipped from the area during the period 1954 to 1982 by the Iron Ore Company of Canada.

### 1.3 COMMUNITY BACKGROUND AND CONSULTATION

Although the Project areas of James North, James South and Redmond are located in Labrador, they are located close to the community of Schefferville. Schefferville is located less than 2 km from the border with Labrador, on the north shore of Knob Lake, and was established by the Iron Ore Company of Canada in 1954 to support mining operations in the area. Schefferville is approximately 5 km by road from the James' deposits and 17 km by road from the Redmond

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deposit. The relative location of these sites is shown in Figure 2, together with the location of the beneficiation and loading area at the Silver Yard in Labrador.

Iron ore mining at Schefferville ceased in 1985 and many of the 4,000 non-Aboriginal occupants left at that time, leaving a primarily Aboriginal community comprised of people who had settled there in the preceding 30 years. Some houses and public facilities have been demolished since this time, but some new homes have been built. Statistics Canada (2006) identifies the current population of Schefferville as 202, a reduction of 16% since 2001. The median age is 39.2 years, with approximately 60 families residing within the community.

Since early exploration activities in 2005, LIM has been in continual contact with the communities living near the development area and with the Innu Nation of Labrador. These community and stakeholder consultation activities have included frequent meetings with Band Councils, local businesses, local political representatives, local interest groups, provincial and federal regulators, educators and a wide variety of stakeholders.

As there are no nearby established communities in Labrador, a community relations office has been opened in Schefferville and ongoing contact is maintained with the Chiefs, Band Councils, school, and the wider communities in the Quebec-Labrador Peninsula. This includes Innu Nation of Labrador; the Innu Nation of Matimekush-Lac John; the Naskapi Nation of Kawawachikamach; the Innu Nation of Takuaikan Uashat Mak Mani-Utenam, the Mayors and Councils of Wabush and Labrador City and the Administrator of the town of Schefferville.

The Company has signed a Memorandum of Understanding (MOU) with the Innu Nation of Labrador. LIM has also signed an MOU with other nearby Aboriginal communities including the Innu Nation of Matimekush-Lac John and the Naskapi Nation of Kawawachikamach and is in discussions with the Innu Nation of Takuaikan Uashat Mak Mani-Utenam. LIM is dedicated to providing early and clear information to the community and working with all communities towards the common goal of positive, respectful and sustainable development in the area.

# 1.4 BENEFITS

LIM believes that there will be considerable local economic benefits arising from this undertaking to the Province of Newfoundland and Labrador in general and to the local communities in particular. It will inject new life into an area of high priority for regional economic development, for example by:

approximately 75 jobs;

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- between \$30 million and \$60 million per year in total operating costs, much of which will be incurred within the Province of Newfoundland and Labrador;
- close working with the Innu of Labrador involving them in provision of labour, goods and services;
- maximum use of qualified mining contractors and other services based elsewhere in the region, such as Labrador City, Wabush and Happy Valley-Goose Bay; and
- LIM is committed to the creation and implementation of employment equity practices to promote recruitment, training, and advancement of qualified visible minorities and women.

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### 1.5 HEALTH AND SAFETY

LIM is committed to carrying out the Project development, operation and closure in a manner consistent with applicable health, safety and environmental regulations and industry best practices.

### 2.0 DESCRIPTION OF THE UNDERTAKING

#### 2.1 GEOGRAPHICAL LOCATION

The Project areas of James North, James South and Redmond are located in Labrador, at distances ranging from 5 km (James North) to 17 km (Redmond) from the town of Schefferville. The general location of LIM's claims holdings is shown in Figure 1. All locations within the undertaking are previously mined sites. The relative location of the properties is shown in Figure 2, together with the location of the single beneficiation area and the local community of Schefferville. Rock from the properties will be beneficiated at a single location, at or close to the former Silver Yards.

The Schefferville region is situated at the southern edge of the forest tundra (Waterway et al. 1984; Hare 1950; Hustich 1949). The James and Redmond Properties contain varied land classes from exposed tundra/exposed bedrock with lichen and very scattered trees and shrubs to low wetland areas (including bogs). However, significant surface disturbance is present on these properties as a result of previous mining (please refer to photos located in Appendix B). Intermediate land classes consist of varied forest types with spruce-moss and spruce-lichen predominating although merchantable timber was not noted. Observed canopy closure for all forest sites ranged from 0% to 80%, with most in the range of 30% to 60%.

The James property straddles an existing road connecting Schefferville with the Redmond property to the south, and continues to the Meniheck Hydro Dam, where the road is terminated. The terrain is comprised of parallel ridges and valleys trending northwest to southeast, is thinly forested, with bare rock exposures and moose barrens. The Redmond site is located to the south of the James' property and extensive past surface disturbance is present, including the presence of flooded abandoned mine pits, a former rail bed and stockpiled materials.

# **Mining Lease Areas**

The proposed development area addressed in this Project Registration consists of mineral licenses registered to LIM and/or covered by current joint LIM-Fonteneau Resources agreements, as well as some small areas of adjacent lands where the mineral licenses are registered to a third party, New Millenium Capital Corp., (NML). NML has acknowledged that these jointly held deposits will most likely be mined in accordance with the LIR (LIM) mining schedule (see NML News Release 08-05, February 5, 2008, Appendix D). To date there has not been any agreement reached with NML regarding NML's mineral licences that partially cover the extension of these deposits. LIM will attempt to negotiate some mutually satisfactory agreement with NML regarding the mining on the NML licences and anticipates that agreement will be reached by Project permitting and, as such, the proposed development area covers this greater area. LIM

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mineral licenses, including current agreements, are shown on the attached Figures 3 and 4 as being contained by a solid line. The areas currently held by NML are shown as surrounded by a dashed line.

# 2.1.1 James North and James South Properties

Approximately 50% of the surface area of the Project area has been disturbed during previous mining activities. There are also insufficient timber volumes to permit merchantable timber harvesting within the subject property. Two pits are planned for the Project area, the James North and James South pits. The pits will be established on either side of a buffer which will be established around an upwelling which divides the two properties.

# 2.1.2 Redmond Property

The majority (over 90%) of the property has been disturbed and is no longer in a natural state. Existing evidence of past mining activities includes the presence of flooded abandoned pits, a former rail line turnaround and rail bed, and stockpiles. There are insufficient timber volumes to consider the area suitable for merchantable timber in the Project area, as vegetation, where present, consists mostly of speckled alder (*Alnus incana*) shrubs.

# 2.1.3 Beneficiation Area (Silver Yards) and Infrastructure

According to the Newfoundland and Labrador Mining Act (1999), a "mill" means "a facility in which a substance containing minerals may be concentrated by a physical or chemical process or otherwise treated, except by simple washing or crushing". As the proposed beneficiation at the Silver Yard will be conducted using a semi-mobile washer and crusher, there will be no mill.

The beneficiation area is proposed to be situated at, or close to, the footprint of the Silver Yard, located to the north of the James North property. Although the former rail spur lines have been removed, linear infrastructure (roads and the spur rail bed) exist in an upgradeable form. The current Project includes the re-establishment of the railway spur along the existing rail spur bed (approximate length of 3.5 km), the placement of a semi-mobile washer and crusher, stockpile areas and loading area to facilitate transport of ore on to the rail cars.

Water required for the ore washing and dust suppression will be sourced locally. The Project currently anticipates that this water will be sourced from existing mine pits on or near the Project areas. Reject washwater originating from the Silver Yard area will also be directed back into the same pit from which the washwater was sourced so that pit water will be recycled and any fines will be settled out in the pit. Water/washwater lines will be established during the Project for this purpose and will removed upon completion of mine activities. In addition to the existing open pit options being evaluated, LIM is also assessing the potential use of a land depression near the James property for use as a washwater settling area.

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## 2.2 PHYSICAL FEATURES

# 2.2.1 Existing Facilities

An existing road connects the Project areas with Schefferville to the north and the Meniheck Power Dam to the south. An existing rail bed connects the Silver Yard to the rail network that connects Schefferville to Wabush and to Sept-Isle in Quebec.

Existing electrical transmission facilities deliver power across the Redmond and James property. Power utilized for the Project (LIMW) will either be generated on-site using diesel-powered generating sets or will be delivered through the existing grid.

# 2.2.2 Proposed Facilities

# **Buildings**

No permanent buildings will be constructed for the mining operations although some temporary stores and workshops will be established. A number of portable office, camp and lunchroom facilities will also be established at each site. All of the buildings, including foundations if required, will be removed on completion of operations.

# **Crusher/Washing Facilities**

The crusher and washer will be established at the beneficiation area at the Silver Yard. This area is shown on Figure 8. As shown on this Figure, raw material stockpile areas, sorted ore stockpiles, and a loading area will also be present. The crusher and washer equipment will be semi-mobile. Dust and emission controls will be established and monitored during operation.

#### Accommodations

It is currently planned that accommodations for employees will be in the nearby established community of Schefferville and, therefore, accommodations will not be constructed on the Project areas.

### **Potable Water and Power**

Each mining operation will require water and power. Water required for ore washing, fire-fighting, and dust suppression purposes will be abstracted locally, preferably from existing pits, and stored in on-site tanks. Potable water will be tanked to the site and/or bottled water will be transported to the Project area.

It is estimated that the collective power requirements for the Project will not exceed 1MW and will either be generated locally using diesel-powered generating sets, or if required, reticulated from a sub-station established locally and connecting to the existing regional grid. The regional grid crosses the Redmond property and is located < 2 km away from the James property along existing roadways.

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# **Railway Spur Line**

The current Project includes plans to re-establish the rail line spur along an existing rail bed that branches westward from the main rail line at a point just south of Lejeune Lake. This abandoned rail bed is in good condition and continues to the northwest from this point to the Quebec border. LIM proposes to re-establish this spur line from where the spur branches westward off the main line to the beneficiation and loading area at the Silver Yard. The estimated length of the spur line is 3.5 km.

## 2.3 EXISTING ENVIRONMENT

Environmental baseline work was initiated in the area by LIM's environmental consultant, Earth Tech Canada, in 2005. Community consultation was also initiated in 2005. Environmental baseline work conducted to date, and included in ongoing programs, includes:

- Surface water sampling, geochemistry, and general water quality
- Community consultation, meetings and traditional knowledge collection
- Preliminary ARD Assessment
- Aquatic habitat mapping (lake, pits and streams)
- Benthic community and sediment surveys
- Terrestrial assessment of properties (vegetation communities)
- Avifauna and Wildlife Surveys

In addition to the environmental data collected to date, additional programs have been initiated and include investigations related to:

- Due diligence assessment on Project areas to document current predevelopment site conditions and historical disturbance
- Snow and ice pack
- Air quality
- Noise and vibration
- Climatology
- Fish community assessment
- Fish tissue sampling
- Hydrology and hydrogeology
- Water quality monitoring (seasonal)

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- Additional terrestrial and wildlife surveys (spring birds, on-site presence, etc.)
- Detailed fish habitat assessments of existing watercourse crossings
- Traditional knowledge
- Cultural resources and archaeological assessment

Additional relevant details of the existing environment are included in the descriptions under Construction and Operations sections.



### 2.4 Environmental Control during Construction and Operation

Monitoring will be conducted during all phases of the work program from construction to closure. Environmental baseline data collection will be conducted to support the requirements for environmental assessment. Environmental protection plans, including emergency spill response programs, will be prepared for each of the sites as required and appropriate management systems and mitigation strategies, if required, will be established.

# 2.4.1 Potential Sources of Pollution during Construction and Operation

### **Effluent**

Precipitation infiltration and site drainage during construction may result in run-off water containing suspended solids. As a result, stockpile construction and mine design will include prevention and mitigation strategies for control and treatment of the suspended solids, as required (e.g. ditch blocks, filter cloths, settling ponds, etc).

Washwater originating from the beneficiation area will contain rock fines but will have no chemical constituents. Current mine plans anticipate that washwater will be directed into existing mine pits to settle out solids, and pit water will be recycled for use in the wash process. Current baseline information, including a preliminary aquatic habitat assessment indicates that the elevated evaluated abandoned pits have no surface connectivity to existing fish habitat. Further to recent discussions with regulators (DFO, February 2008), the summer 2008 baseline program will provide additional confirmation that the existing pits do not contain self-sustaining fish communities.

Storage and management/disposal of sanitary wastewater and greywater will be conducted in accordance with applicable legislation.

Currently, it has not been determined if there will be a full-service onsite mine equipment/vehicle maintenance facility, as LIM will be using a mine contractor who will be responsible for these activities and may choose to undertake them at an offsite garage. Pending confirmation, onsite storage of small quantities of hydraulic oils and other materials may be required for limited mine vehicle/equipment maintenance. In addition, diesel storage associated with local or emergency back-up power generation may be required. Petroleum/oil/lubricant (POL) transport, storage, use and disposal will be conducted in accordance with applicable legislation and all workers will be trained in the appropriate Environmental, Health & Safety (EHS) approach to working with these materials. Spill kits will be available at key locations on site and workers will be trained in their use and other emergency response procedures. Any required fuel storage would be constructed and operated in accordance with applicable regulations and secondary containment methods, including the use of double-walled tanks and berms to 110% of total volume, will be employed.

## Waste Rock, Overburden, and Reject Rock Fines

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Waste rock and overburden will be stockpiled and contoured in a manner that conforms to provincial guidelines and regulations. These materials will be managed to limit the possibility of



suspended solids being introduced into site drainage or adjacent waterbodies. Overburden will be used during site reclamation to support revegetation.

Reject rock fines resulting from the washing process will be deposited into either an existing open pit or a reject pond to be constructed due north of the James North area. It should be noted that any water/reject pipeline will follow existing infrastructure features (i.e. road or electrical power corridor).

### Garbage and Litter

Garbage and litter will be stored on-site in secured closed containers to prevent animals and birds from accessing these materials. Garbage and litter will be removed from the site on a regular basis for disposal at an approved location. Initial communications with the contractor for the Town of Schefferville landfill confirms that they have adequate landfill life and capacity to accommodate the municipal waste generated by the mine and would be willing to undertake a contract to complete this service. A recycling program is being considered for the area and LIM will support and participate in this initiative, where possible,

#### Hazardous Waste

It is not expected that the mine will generate large quantities of hazardous waste. However, should any hazardous wastes be generated, they will be stored, transported, and disposed of according to federal and provincial regulations. Licensed contractors, located in Schefferville and experienced in the management and transportation of these types of waste to an approved facility, have indicated availability to offer this service to LIM operations, if needed.

### Air Emissions

A baseline air quality survey in the Project area is planned for summer 2008 to document existing conditions in the Project area and along roadways. Airborne dust is not expected to be an issue during construction and operation of the mine, although most roads are unpaved and anecdotal information indicates that roadways may be dusty in the summer months. Appropriate dust reduction strategies, including water spray, etc., will be reviewed and an appropriate method selected to control airborne dust will be employed, if required.

All on-site vehicles and fuel-powered equipment will have all required emissions control equipment and will be maintained in good working order.

#### **Noise**

Noise is not expected to represent an issue, as the Project areas are removed from the nearest communities and the road access and rail connections already exist; however, an acoustical baseline survey is planned for Sumer 2008 to document current conditions and monitoring during construction will be undertaken to monitor any potential effects, if present. Proper noise suppression equipment during operation will be maintained in good working order on all vehicles and equipment.

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# **Blasting**

Guidance was sought with respect to blasting issues and the following information was provided by NRCan on the requirement for a Factory Licence versus an Ammonium Nitrate & Fuel Oil (ANFO) Certificate:

• An Explosives Factory Licence is required for manufacturing facilities for explosives. A licensed facility can be a fixed site for the manufacture of blasting explosives or in the case of bulk explosives, it can be the base of operations with the facilities necessary to clean, decontaminate and repair vehicles that mix an or deliver explosives directly down the borehole. If there is an existing licensed explosive factory that can serve as the base of operations for the project, then a new factory licence is not required. Mechanical ANFO Certificates: Mechanical AN/FO Certificates are granted to companies producing AN/FO with powered equipment to be discharged directly into a borehole at a specified location, mine or quarry owned by the company to which the certificate is issued. The sale, storage or packaging of mixed product is not allowed. One process vehicle is permitted per certificate. If the explosives operation will be contracted out to an explosives company, then a Factory Licence will be required. A Factory Licence is an Explosives Act trigger under the Canadian Environmental Assessment Act, an ANFO Manufacturing Certificate is not.

LIM will contract the mine work to an experienced mine Contractor who will be responsible for securing all permits to manage the required explosives needs. Based on information regarding other mining operations in Labrador West, it is currently expected that there would be only a satellite plant erected on site, as the base factory (Wabush) is located less than 800 km away. A mixing truck would be on site and all the ingredients, solution, etc. would be shipped by rail on tanker and bulk truck. The Contractor would have a tanker that would visit the site at regular intervals to prepare the explosives required for each blast. The Contractor will also establish the required wash out station for the tanker.

# 2.4.2 Potential Resource Conflicts during Construction and Operation

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## Water

Water requirements are modest, with the process water being drawn from and recycled through existing flooded pits. Both properties contain water bodies and watercourses of various sizes, with several being ephemeral in nature. General flow direction of surface water features at the James and Redmond properties is in a south-southeast direction, parallel with the regional topographic lineation found in this portion of the Labrador Trough. Minor variations of this flow direction were observed in localized areas.

Environmental baseline data, collected seasonally by LIM since 2005, indicates that existing water quality in the area after 30 years of extensive iron ore mining has not been adversely affected. Water quality measurements (e.g., pH, total alkalinity, hardness, conductivity) were collected at a number of locations within each of the sites visited. In general, the water quality appeared very good, when compared with the Water Quality Guidelines for Aquatic Life (CCME 2006 Update) and the Guidelines for Canadian Drinking Water Quality (Health Canada, 2007). It



should be noted that iron and some other ions exceeded CCME and Health Canada guidelines within the former pits and in areas of spring activity. The pH measurements in these areas indicated neutral to slightly alkaline conditions (6 to 8). Alkalinity ranged from 0 to 80 ppm, hardness from 0 to 200 ppm, and conductivity at < 200 ppm. Surface water samples were collected at the Redmond and James properties and sent to Maxxam Analytics for ICAP-MS analysis (both total and dissolved metals) and general chemistry parameters. Results of the analysis indicate that the measured dissolved and total parameters are generally present at concentrations less than the method detection limits (MDL).

The exposed stockpiles' samples were analyzed for Acid-Base Accounting (ABA) to determine their potential for acid generation. Sulphates and chloride concentrations were low in samples collected from the James Site. The major cation was calcium and the major anion was carbonate/bicarbonate. There was no evidence of any acidification, as is often the condition in proximity to mining areas if exposed sulphide mineralization occurs. This appears to support archival documentation which indicates that there is minimal, if any, sulphide mineralization in this area.

Potential resource conflicts are not expected in the Project areas as there are currently no plans for the Project to interfere with naturally occurring surface water features and as there is no evidence that the former abandoned pits are used for recreational purposes or fishing. No other users have been noted at or near the Project area. Washwater will be monitored to verify compliance with provincial and federal water quality criteria. Impacts to navigable watercourses are not planned during Project development or operation.

## Fish and Fish Habitat

## General

Evaluated naturally-occurring watercourses in the Project area exhibited substrates ranging from rock cobble to silt. Brook trout (*Salvelinus fontinalis*) have been observed in streams and water bodies on the James property (unnamed tributary creek and James Creek) and at existing stream crossing locations (Bean Outlet Creek, rail spur, and Wishart Creek, road to Redmond). Most waterbodies connected to streams in the project area were observed to support populations of brook trout (based on visual observations only). These observations will be confirmed through the completion of fish community inventories, which are scheduled for the summer and fall of 2008. Fish were not observed in any of the existing open pits during past investigations.

Discussions with the local communities have identified that brook trout and lake trout (Salvelinus namaycush) dominate the targeted sportfish species near the subject properties. Other lake species expected, after discussions with local Aboriginal groups, include: common white sucker (Catostomus commersoni) and longnose sucker (Catostomus catostomus). LIM is working with Aboriginal groups in the area to develop an Elder's Committee and this Committee will be actively involved in the Traditional Knowledge program. Any ecological information arising from this program will be added to the existing baseline database and monitored should additional management or mitigative strategies be required.



Fishing will not be conducted by mine staff during mine construction or operation.

# **James North and James South Properties**

There are two surface water features within the James North and James South properties:

- James Creek flows along the eastern edge of the sites; and
- An unnamed tributary which originates between the James North and James South areas and flows southeast into Bean Lake.

During the proposed development program, no impacts to James Creek are anticipated, as existing infrastructure (i.e. culvert crossings) are considered sufficient to support the proposed development.

Based on the site-specific investigations conducted to date, a small spring-fed tributary originates and bisects the James North and James South mine areas. The flow for this tributary originates from a spring situated between the James North mine pit and the James South mine pit, located approximately 30 m west of the existing road crossing. Further investigations reveal that the topographic features upstream of the spring function as a surface flow drainage conveyance feature, as sufficient flows were not noted, no defined channel existed along the forest floor, and no fish were captured during electrofishing efforts in standing pooled water. Although not considered to represent fish habitat, no development in the tributary area will be undertaken during the program. Mitigation measures will be utilized to ensure no adverse impact to water quality and fish habitat occurs.

Further field investigations, conducted by Earth Tech Canada in 2006 and 2007 (and summarized in this registration document), confirmed that fish habitat was not present in the Project area but was present offsite, approximately 50 metres east of the tributary crossing the original road. Therefore, although no fish habitat was identified in the tributary in the Project area, field observations suggest that water flow in the tributary likely contributes to water quality offsite where fish habitat was identified. This conclusion was based on characteristics recorded by Earth Tech Canada including gradient (slope >10%), shallow depth, and 30 metres of sub-terrain flow under the forest floor until a consolidation of flows were concentrated sufficiently to form a creek channel in the offsite area. In this area, juvenile and multi-year classes of brook trout (*Salvelinus fontinalis*) were observed within the tributary.

Habitat mapping for this tributary has been completed and a detailed report under a separate cover is being completed for the Department of Fisheries and Oceans to demonstrate that suitable quantification of fish habitat has been ascertained. Further monitoring of this area will continue during mine development, operation and closure.

### **Redmond Property**

The Redmond site represents the upper reaches of a small watershed, with isolated ponds and pits that are primarily the result of past mine workings. Natural small waterbodies, where present, exhibit anoxic conditions (Earth Tech Canada 2006, 2007 and 2008). A small stream (located approximately 5 km from proposed mine operation) originates on

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the property and flows in a southeasterly direction through existing abandoned ore stock piles towards Redmond Lake (Figure 4).

The Project works will not involve any impacts to natural waterbodies/watercourses on the property, as existing infrastructure (i.e. culvert crossings) currently exist. Suitable erosion and sediment control measures will be implemented to prevent sediment accumulation in surface run off. There is no evidence that the former mine pits are used for recreational or fishing purposes.

## **Beneficiation Area (Silver Yards)**

The Project works will not involve any impacts to natural waterbodies/watercourses on the property, as existing infrastructure (i.e. culvert crossings) currently exist. Existing watercourse crossings may require minor maintenance or replacement, but culvert extensions and/or major upgrades are not planned. Impacts to navigable watercourses are not planned during Project development.

### **Open Pits (Washwater Supply and Reject Depositional Area)**

Preliminary site investigations of the existing open pits (Ruth – Option 1, Wishart – Option 2 and Redmond 1 and Redmond 2 – Option 4), currently being assessed for source water/washwater deposition, indicate that there has been no noticeable rehabilitation or naturalization of these areas or surrounding environs. No benches were noted within the pits and slope walls were extremely steep >45 degrees. Detailed investigations of these areas are to be completed in summer of 2008 to confirm water volumes, natural features, and absence of fish habitat.

## Vegetation

The James North, James South and Redmond mine areas are largely disturbed as a result of past mining activities. No Species at Risk (SAR) listed plant species have been identified or are suspected to be on the Project areas (Government of Canada, 2008). A Traditional Knowledge program, including the collection of hunting, trapping, berry-picking etc., is being organized by LIM. This program will include consultation with an Elder's Committee and this information will be incorporated into the environmental baseline for the Project areas.

The predominant tree species encountered in the area is black spruce (*Picea mariana*), white spruce (*Picea glauca*), and tamarack (*Larix laricina*). Tamarack is encountered as a species interspersed amongst the spruces, with larger populations observed in the lower wet areas of the properties. The least common species observed in the area is birch (*Betula sp.*), which occurred mostly in disturbed areas, such as along the railway right-of-way. Thicker birch stands mixed with spruce were only encountered on the James property along the western edge in close proximity to the eastern flank of the large hill.

Ground vegetation was consistent with the typical biophysical land classes associated with spruce-moss and lichen forests of varying age. The shrub layer consisted mostly of willow (*Salix* spp.) and alder (*Alnus* spp.), with extensive growth seen in low-lying locations.

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There are insufficient timber volumes to consider the Project areas suitable for merchantable timber in the Project area. Reclamation planning and reclamation activities to re-establish vegetation in the area upon mine closure will be an integral part of the mine development, operation and closure phases.

#### Wildlife

A large portion of the wildlife (including avifauna) habitat within the Project area has already been disturbed by clearing, removal of overburden and previous mining activities. According to the Government of Canada (2008), documentation indicates the potential that two Species at Risk (SAR) may be encountered within the Project area: 1) the wolverine (eastern population) and, 2) the harlequin duck (eastern population) (Government of Canada, 2008); however, environmental baseline data collected to date by LIM consultants (Earth Tech Canada, 2006-2008) has not identified the presence of limiting or critical habitats that would be essential for either of these two species within the Project areas. Ongoing baseline programs will continue to assess habitats and presence for all wildlife, with a focus on the potential presence of these two SAR. A Traditional Knowledge program, including the collection of hunting, trapping, berry-picking etc., is being organized by LIM. This program will include consultation with an Elder's Committee and this information will also be incorporated into the environmental baseline for the Project area. Hunting and trapping by mine staff will not be permitted on site during mine development or operation.

Various field surveys have been undertaken to identify the presence of wildlife species. Fall investigations have identified caribou game trails on the open heath lichen areas of the Redmond property. A review of satellite imagery suggests the potential presence of game trails in some places around the Redmond property. Other signs of caribou, including the presence of skeletal remains, were observed; however, based on the condition of the bones (suggesting that they were not recent) and uncertainties regarding hunting and predation patterns in the area, additional information will be collected in 2008 to confirm if those particular locations were the actual kill sites. No bedding sites were observed during the field visits. Winter observation during 2007 and 2008 indicates that these sites are not used by caribou during the late winter months, as no tracks were found.

For both the James and Redmond properties, visual observations of willow ptarmigan (*Lagopus lagopus*) were noted during fall and winter site visits by Earth Tech Canada. Winter tracking data collected during the winter of 2007 and 2008 indicate that red fox (*Vulpus vulpus*) and snowshoe hare (*Lepus americanus*) were abundant throughout the study area. Evidence of porcupine (*Erethizon dorsatum*) was noted on spruce trees on the Redmond property and it is suspected that porcupines would also be wintering on the James property, as well.

# **Land Use**

The sites have been previously mined and no conflicts with land use are anticipated. The proposed development area addressed in this Project Registration consists of mineral licenses registered to LIM and/or covered by current joint LIM-Fonteneau Resources agreements, as well as some small areas of adjacent lands where the mineral licenses are registered to a third party, New Millenium Capital Corp. (NML). NML has acknowledged that these jointly held deposits will most likely be mined in accordance with the LIR (LIM) mining schedule (see NML News

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Release 08-05, February 5, 2008, Appendix D). To date there has not been any agreement reached with NML regarding NML's mineral licences that partially cover the extension of these deposits. LIM will attempt to negotiate some mutually satisfactory agreement with NML regarding the mining on the NML licences and anticipates that agreement will be reached by project permitting and, as such, the proposed development area covers this greater area. LIM mineral licenses, including current agreements, are shown on the attached Figures 3 and 4 as being contained by a solid line. The areas currently held by NML are shown as surrounded by a dashed line.

#### **Historic Resources**

As noted previously surface disturbance, including the removal of overburden material in areas, has occurred at the James and Redmond sites. Evidence of past exploration and mining activities, such as trenching and drilling, were also observed in the Project area. The most noticeable signs of past mining practices were observed at the Redmond property, including the presence of large flooded former mine pits (Redmond #1 and #2), and mineralized material/rock and overburden piles. The old rail bed is still evident on the Redmond property, including the turnabout in the upper center of the site.

Although the Project areas have been previously disturbed and the presence of areas of historical and/or cultural significance have not been identified to date, a Stage 1 Historic Resources Overview will be conducted prior to site development. Traditional knowledge information gathered from the Elder's Committee and/or other community members will be also be documented and evaluated.

#### Socio-Economic

LIM is actively working with the communities and current information indicates the support of the communities for this relatively small-scale mining operation. It is believed that this undertaking will provide sustainable social and economic benefits to the region. LIM has engaged the communities in all aspects of its proposed development and will continue to work closely with community representatives during baseline studies, planning, construction and operation, and closure with respect to employment and economic development opportunities, development and improvement in transportation links, land utilization, culture and heritage, environmental mitigation and flora and fauna protection and enhancement. A community outreach office has been established in Schefferville, and an Elder's Committee is being organized, in order to facilitate the sharing of information between LIM and the community.

# 2.5 CONSTRUCTION

The single primary construction activity will be the re-establishment of the Silver Yards area as a beneficiation and loadout area. The construction period is expected to be relatively short, probably within a period of six months. The other construction activities required, such as the establishment of the portable crusher and washer, sub-station connection lines, water/washwater pipelines and localized minor rehabilitation of existing site roads will be completed at the same time. Pending the completion of the regulatory and approvals process, LIM anticipates that this work will be completed by June to September 2009.

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The proposed mine pits will be developed concurrent with the Silver Yards area and associated construction.

Ongoing exploration on LIM's other properties in the area will continue and, pending the positive results of the exploration programs for these areas, development will follow in a logical sequence over a number of years and will be subject of separate applications.

## 2.6 OPERATION

Open pit mining, using conventional mining techniques will be used. The only process reagent is water. There will be no use of chemicals or other harmful substances. Direct shipping of the high-grade iron ore products (lump and sinter fine ores) will be loaded on to 100-tonne rail cars for transport on existing rail-lines from the Schefferville area to the port of Sept Iles.

It is estimated that beneficiation can be carried out during a 7-8 month period (April-May to November-December) concurrent with mining; however, although beneficiation will be conducted seasonally, the feasibility of conducting mining for a longer period may be considered. The current Project area has a resource base to provide for 3-4 years of production at a starting rate of between 1 and 2 million tonnes per year and increasing to up to 3.5 million tonnes per year by Year 4. Ongoing exploration is being conducted on LIM's other properties and, pending the confirmation of data, other adjacent deposits may proceed as satellite projects to the currently proposed operation and will provide for up to an estimated 20 years of continuous mine life.

# 2.6.1 *Mining*

Each of the iron ore deposits that will be exploited will be excavated by conventional open-pit methods, creating excavations descending in a series of benches of maximum height of 10 m to a depth of around 75 m. Typical pit cross-sections, both longitudinal and transverse, are shown in Figures 3 and 4. Overburden (where it exists) rock will be stripped from the surface area of these open-pits and will be stored for use in reclamation. Benches will be either excavated by dozers or drilled and blasted by a Contractor.

Excavation and transport to the beneficiation area will be done using conventional truck and excavator methods. Removed overburden, where present, will be stored for later use in progressive rehabilitation in the mine areas. Stockpiles will be created consisting of either waste rock or low-grade ore for placement in the open pits to minimize visual and surface disturbance. In developing and operating these operations, some new local access roads may be created; however, current plans indicate that existing roads will be used.

It is currently planned that ore extraction will be conducted by a Labrador-based mining contractor. Mining methods will be left to the Contractor's discretion. Mechanical methods will be used, where possible, to break up the rock. The Contractor may also require the occasional use of explosives. If explosives are required, the Contractor will be responsible for complying with the required permit and/or approvals under the Natural Resources Canada Explosive Regulatory Division. The Contractor will ensure that blasting will follow all provincial regulations, including for Occupational Health and Safety Regulation, under the Newfoundland and Labrador

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Occupational Health and Safety Act 1165 and the Mine Safety of Workers under Newfoundland and Labrador Regulation 1145/96. The Contractor will hire experienced/licensed blasters.

During Project start-up, and in parallel with initial development of the mining operation, early product output may be possible by transporting lower grade ore currently stockpiled at the Redmond property, to be trucked to the Silver Yards beneficiation area.

# 2.6.2 Rock Crushing, Screening and Washing

Mined rock will be transported to the beneficiation area at the Silver Yards, Labrador, for simple rock crushing, washing, screening and loading. This area is located close to a railhead and rail loading arrangement, near the community of Schefferville but on the Labrador side of the border. The rock crushing, washing and screening will be conducted using semi-mobile equipment. These activities will be conducted on a seasonal basis (7-8 months). It is not anticipated that permanent structures will be established in this area. Small piles of beneficiated rock and ore awaiting loading and shipment will be temporarily stored in this area.

No chemicals will be used during the crushing, washing or screening of the rock.

Water will be required for washing the rock and the current identified sources include water contained in nearby mine pits from previous operations. Small pipelines will be established to transport the water to the beneficiation area and will follow existing right-of-ways, where possible. These pipelines will be temporary and will be removed upon mine completion. It is currently planned that the used water and any resulting reject rock fines will be recycled back into the original pits.

It is currently estimated that the existing open pits in the vicinity of the Project area will be sufficient in meeting the water demands required for beneficiating extracted materials prior to loadout. Water supply and reject deposition will occur within the same pit location. Potential flooded open pits under consideration for water supply and washwater deposition include, Ruth (Option 1), Wishart (Option 2) and Redmond pits 1 and 2 (Option 3). These options are presented in Figure 7.

It is currently estimated that the Project areas, including the Silver Yard area, will require less than 1 MW of power. It is also currently planned for an onsite sub-station to be constructed. This sub-station will draw power from a new power line (along existing roadways) connected via a further substation connected to the regional grid, or generated locally.

The processing facility will create reject rock fines at an estimated 15-20% of feed. The current preferred option is for the rock fines to be deposited into nearby open pits until such time as the new mine pits are decommissioned; however, four options are currently under evaluation (please see Figure 5 for relative locations):

- 1. an open pit at the Ruth site;
- 2. an open pit at the Wishart Site;
- 3. a small on-land facility to be established to the north of the James North area in a previously excavated valley; and
- 4. open pits at the Redmond site.

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In order to direct the reject fines to the deposition site, pipelines will be constructed. It is currently planned that they will follow existing right-of-ways (existing roads etc.) and will be removed upon mine completion.

Ore washwater will not trigger the Metal Mining Effluent Regulations (MMER), as the preferred option currently considered is to use water that will be discharged into an area not considered to be fish habitat, i.e. washwater will be directed into and contained within an existing pit with no surface connection to local waterbodies, thus creating a relatively closed-circuit source water/washwater system.

# 2.6.3 Loading

A railroad siding and loading facility will be re-established on or near the site of the original Silver Yards facility. It is situated adjacent to the proposed beneficiation area, and will involve the re-establishment of a spur line along existing roadbeds from the main line railway to the former Silver Yards area for loading of ore trains. Figure 8 shows the general arrangement. No extension of that original facility will be required. Loading of railcars is planned from surface stockpiles, with side tip loaders, conveyors or other loading arrangements.

### 2.7 REHABILITATION AND CLOSURE

A Development Plan will be submitted prior to operation to the satisfaction on the Minister, a mine operational plan for each mine will be submitted every 12 months, and a Rehabilitation and Closure Plan will be submitted to provincial Mines Branch before the Project commences. These plans must be accepted before a mine lease can be issued. Financial assurance in accordance with applicable regulations will also be established.

Progressive rehabilitation will be integrated into mine operations to allow an economical and environmentally effective method of reducing disturbance and potential pollution. At the conclusion of operations, the full plan will be implemented to the satisfaction of the appropriate regulators.

Each mine site will be closed after depletion of mineable reserves and restored according to the Rehabilitation and Closure Plan. The aim is to carry out the final closures in a manner that reduces the requirements for long-term monitoring. The rehabilitation measures as established in the rehabilitation and closure plans are to be started as early as practical during operating mine life leaving the final closure activities to a minimum.

## 2.8 OCCUPATIONS

The company plans to engage a qualified mining contractor, anticipated to be based in Wabush/Labrador City, to conduct all of the mining operations – pre-stripping, stockpiling of overburden rock, low-grade ore, crushing, screening, washing, and reject rock fines deposition. The company plans to contract out the rail transport operation for the provision of complete transportation services, including ore haulage, loading of rail cars, and rail transportation, including service and maintenance of transportation equipment. The company will also contract

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out certain administrative and other services, including the provision of housing (if needed) and office facilities to a corporation owned by the First Nations community.

The company plans to work with the local communities and experienced contractors to develop suitable employment training programs ahead of mine start up and during the course of operations. Initial communications have been established with the local school and additional educational program opportunities will be evaluated with the involvement of local educators and communities.

The company estimates that approximately 75 full-time direct or sub-contract positions will be created when the mine is in operation with up to 150 positions during construction and start up. The categories of such permanent positions including contractors, as per the National Occupational Classification 2001 are listed below in Table 2.1.

Table 2.1: List of Occupations Required for the Project

<b>Category</b>	Number	<u>Description</u>
0811	1	Primary Production Manager (Mining)
1221	1	Administration Officer
1231	1	Bookkeeper/Accountant
1241	1	Secretary
1411	2	General Office Clerk
1432	1	Payroll Clerk
1475	1	Dispatcher/Radio Operator
2113	3	Geologist
2143	3	Mine Engineer
2148	1	Other Professional Engineer
2154	1	Land Surveyor
2212	3	Geological Technologist and Technician
2254	1	Land Surveyor Technologist and Technician
4131	1	College and Other Vocational Instructor
6242	2	Cook
6641	2	Food Counter Attendant, Kitchen Helper
6651	2	Security Guard
6661	1	Light Duty Cleaner
7211	1	Supervisor, Machinist
7231	3	Machinists and Machining and Tooling Inspectors
7333	1	Electrical Mechanic
7361	1	Railway and Yard Locomotive Engineer
7372	6	Driller, Blaster (Surface Mining)
7411	10	Truck Driver
7421	6	Heavy Equipment Operator
7431	3	Railway Yard Worker
7432	1	Railway Track Maintenance Worker
8221	3	Supervisor – Mining & Quarrying
8614	4	Mine Labourer
9211	1	Supervisor – Mineral & Metal Processing
9231	1	Central Control & Process Operator – Mineral & Metal Processing
9411	3	Machine Operator - Mineral & Metal Processing
<u>9611</u>	<u>3</u>	Labourer - Mineral & Metal Processing
TOTAL	75	

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LIM is committed to the creation and implementation of employment equity practices to help achieve maximum employment and training benefits for the region, including the recruitment, training, and advancement of qualified visible minorities and women, and, as such, will prepare and implement an Employment Equity Plan in association with the development and operation of the Project.

#### 2.9 PROJECT-RELATED DOCUMENTS

- Technical Report of an Iron Project in Northwest Labrador. Prepared for Labrador Iron Mines Limited by SNC Lavalin, October 2007.
- Information Review, Property Status Report and Strategy Development. Prepared for Labrador Iron Mines Ltd. by Earth Tech Canada Inc., March 2006
- Iron Mountain Project 2006/2007 Environmental and Engineering Program James, Houston and Knob Lake Sites. Health and Safety Plan. Prepared for Labrador Iron Mines Ltd. by Earth Tech Canada Inc., August 2006
- Iron Mountain Project Environmental Reconnaissance Program, Prepared for Labrador Iron Mines Ltd. by Earth Tech Canada Inc., March 2007
- Feasibility Study for the Labrador Iron Ore Project, Prepared by Labrador Iron Mines Limited, September 28, 2006
- Scoping Study For The Labrador Iron Mountain Iron Ore Project, Prepared for Labrador Iron Mines Limited by T.N. McKillen, January 25, 2006
- High Level review of Transportation Options, Prepared for Labrador Iron Mines Limited by Met-Chem Canada Inc., January 24, 2006
- Assessment of Rail Infrastructure Conditions of the Menihek Subdivision of Tshiuetin Rail Transportation Inc., Prepared for Labrador Iron Mines Limited by Hatch Mott MacDonald, September 13, 2006
- Registration Form Pursuant to Section 6 of The Environmental Assessment Act James Mine Project, Prepared by La Fosse Platinum Group Inc., May 4, 1990
- Schefferville Area (James Mine) Iron Ore Mine Registration Official Release under Environmental Assessment Act, June 28, 1990
- Provide one copy of any reports on environmental work already performed by or for the proponent.
  - Environmental baseline data contained and discussed in this registration document has been summarized from the referenced Earth Tech Canada reports for work conducted from 2005 to 2008.
  - Copies of biophysical and geophysical mapping for each area (James North, James South and Redmond) have been prepared and are attached as Appendix C.

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# 3.0 APPROVAL OF THE UNDERTAKING

Permits, approvals and authorizations that may be required for the Project are listed in Table 3.1, which shows the permit or approval, indicates the permitted activity, the issuing agency and relevant legislation.

**Table 3.1: Permits, Approvals and Authorizations** 

	Permit, Approval or Authorization Activity	Issuing Agency Legislation
Fed	eral	
•	Authorization for Works Affecting Fish Habitat, or	Fisheries and Oceans Canada
•	Letter of Advice regarding Protection of Fish Habitat	Fisheries Act
Pro	vincial	
•	Release from the environmental assessment process	DOEC – Environmental Assessment
	•	Division
		Environmental Assessment Regulations
•	Permit to Occupy Crown Land	DOEC – Crown Lands Division
	- Easement Rights for Pole Line	Crown Lands Act
•	Environmental Approval to Alter a Body of Water	DOEC – Water Resources Management
	- Stream Diversion	Division
	- Site drainage	
	- Dewater pits	Environmental Protection Act
	- Settling ponds	
	<ul> <li>Reject fines deposition</li> </ul>	Water Resources Act
•	Environmental approval of Water Intake Structure/Withdrawal	
	System	
•	Water Use Licence	
	- Process water	
•	Environmental Permit for Culvert Installation	
•	Certificate of Approval for Watercourse Crossings	
•	Certificate of Approval Industrial Processing Works	DOEC – Pollution Prevention Division
		Environmental Protection Act
•	Permit to Control Nuisance Animals	DOEC – Wildlife Division
		Wildlife Act
•	Blasters Safety Certificate	Government Service Centre (GSC)
•	Magazine Licence	
•	Certificate of Approval for a Sewage/Septic System	Public Health Act
•	Approval for Storage & Handling Gasoline and Associated	
	Products	Environmental Protection Act – GAP
	- Temporary Fuel Cache	Regulations
•	Fuel Tank Registration	
•	Fire, Life and Safety Program	Health and Community Services Act
•	Approval for a Waste Management System	Sanitation Regulations

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Permit, Approval or Authorization	Issuing Agency
Activity	Legislation
Approval of Development Plan, Closure Plan, and Financial	DNR – Mineral Development Division/
Security	DOEC – Crown Lands Division
Quarry Permit	
Mining Lease	Quarry Materials Act
Surface Rights Lease	Mining Act
	Mining Regulations
Operating Permit – Fire Season	DNR – Forest Resources
Permit to Cut Timber	Forestry Act
Permit to Burn	
Blasters Safety Certificate	Dept. of Education, Industrial Training
·	Centre
Approval for a Temporary Lunchroom/Washroom Facilities	DH – Public Health Inspector
Food Establishment Licence	
Archaeological Research permit	TCR – Provincial Archaeological Office
	Historic Resources Act

DOEC - Newfoundland and Labrador Department of Environment and Conservation

DH - Newfoundland and Labrador Department of Health

DNR - Newfoundland and Labrador Department of Natural Resources

GSC - Newfoundland and Labrador Department of Government Services

TCR - Newfoundland and Labrador Department of Tourism, Culture and Recreation

# 4.0 SCHEDULE

Subject to approval, construction could start in 2008 or mid-2009. The Project areas are already partially pre-stripped and a limited amount of iron ore product could be readily developed for shipment on a limited basis using the existing railway.

## 5.0 FUNDING

The Project will be funded by share capital and does not depend on government funding. The estimated capital cost is \$30 million.

Date	April 30, 2008	
	•	

John F. Kearney, Chairman and Chief Executive Officer

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# 6.0 LITERATURE CITED

- CCME, 2006. Canadian Environmental Quality Guidelines. 2006 Update 6.0. Issued by the Canadian Council of Ministers of the Environment. (on CD).
- Government of Canada, 2008. Species at Risk Public Registry, Geographic Querry, Web Access <a href="http://www.sis.ec.gc.ca/ec\_species/ec\_species\_e.phtml">http://www.sis.ec.gc.ca/ec\_species/ec\_species\_e.phtml</a>, on April 25<sup>th</sup>, 2008.
- Hare, F. K. 1950. "Climate and zonal divisions of the boreal forest formation in east& Canada". *Geogr. Rev.* Vol. 40, pp. 615-35.
- Hustich, I. 1949. 'On the forest-geography of the Labrador Peninsula'. Acta Geographica, Vol 10, 63 pp.
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- Waterway, M. J., M. J. Lechowicz, and T. R. Moore. 1984. Vegetation of the Schefferville Region, Nouveau-Quebec. Future directions for research in Nouveau-Quebec. McGill Subarctic Research Paper Number 39. Centre for Northern Studies and Research, McGill University, Montreal, Quebec, Canada.

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**FIGURES** 



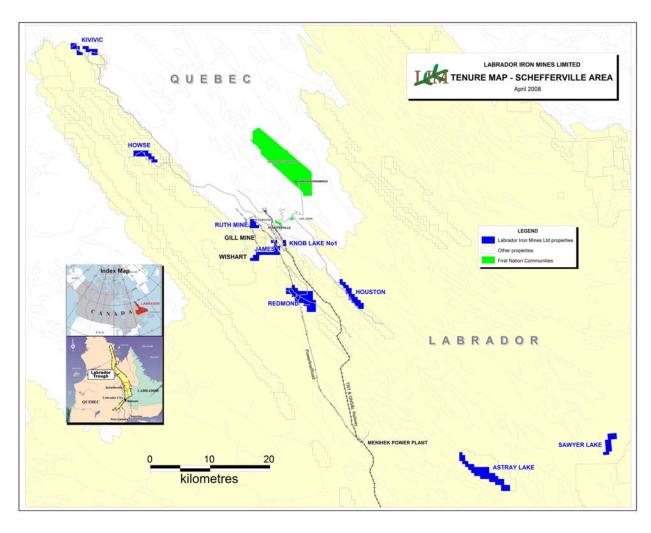


Figure 1: Labrador Iron Mines Limited – Claim Holdings

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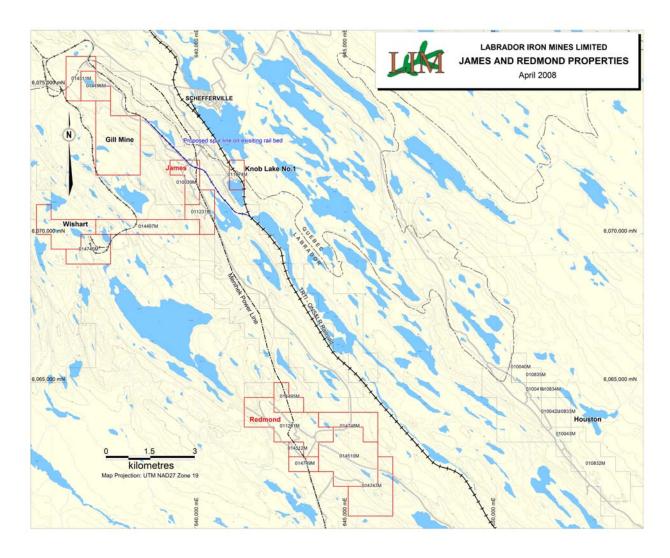
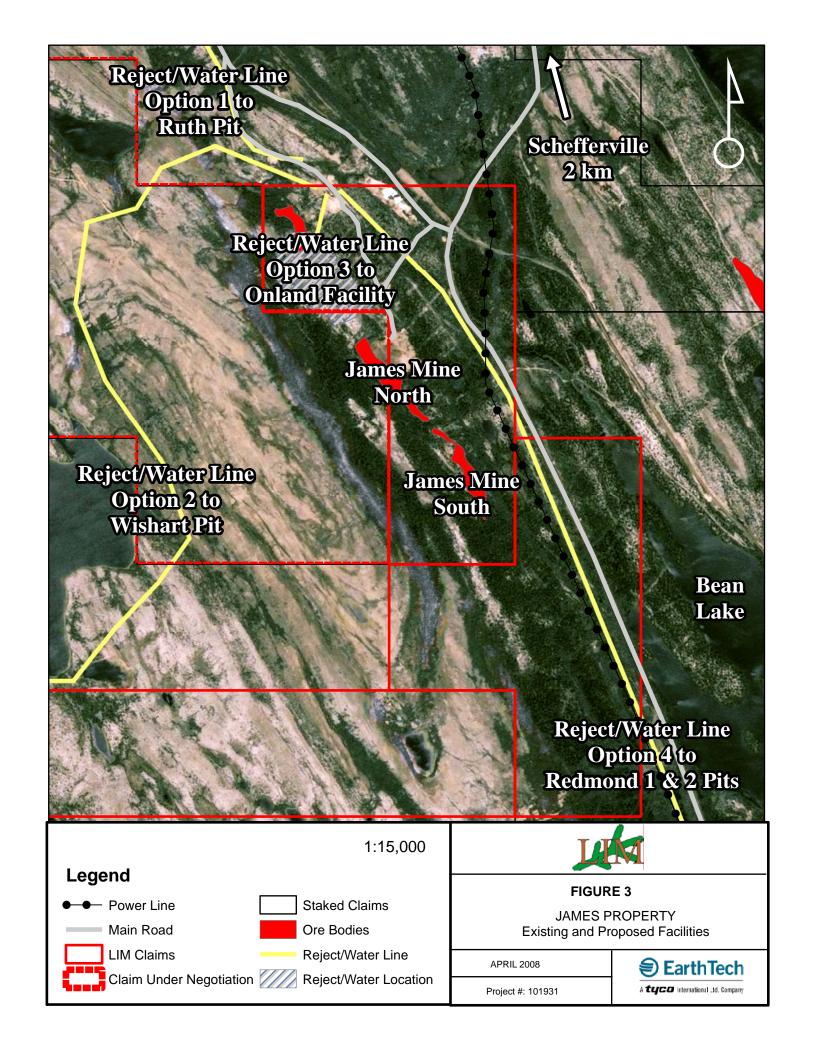
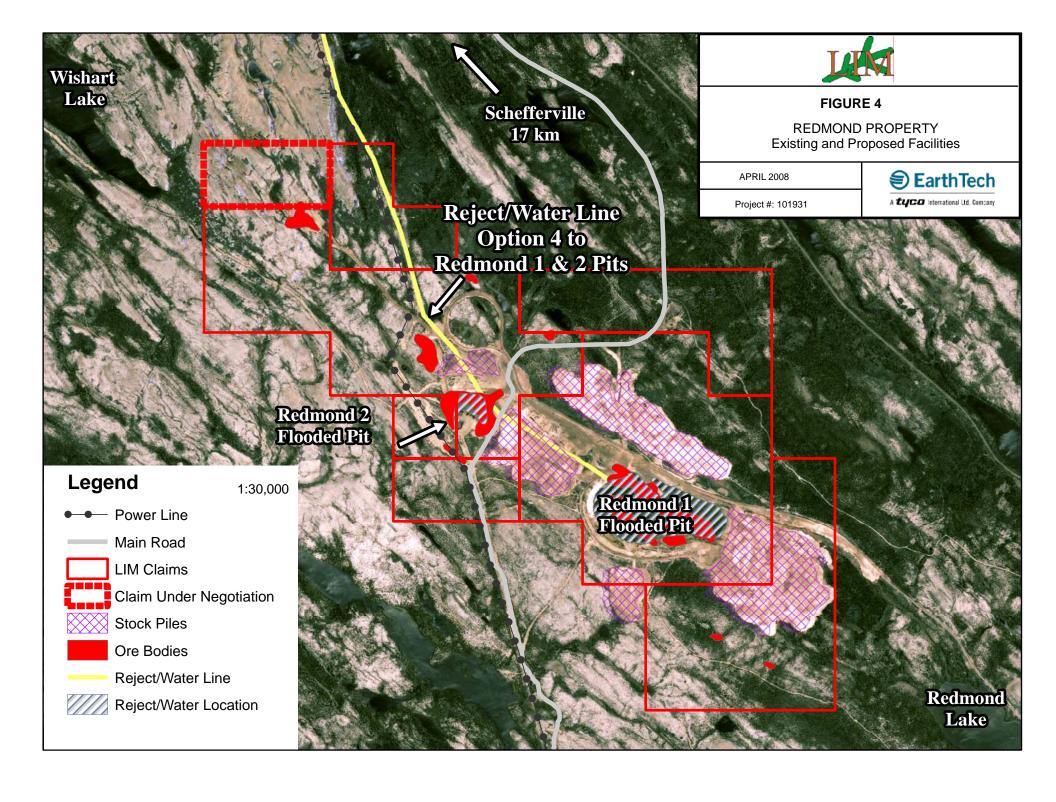
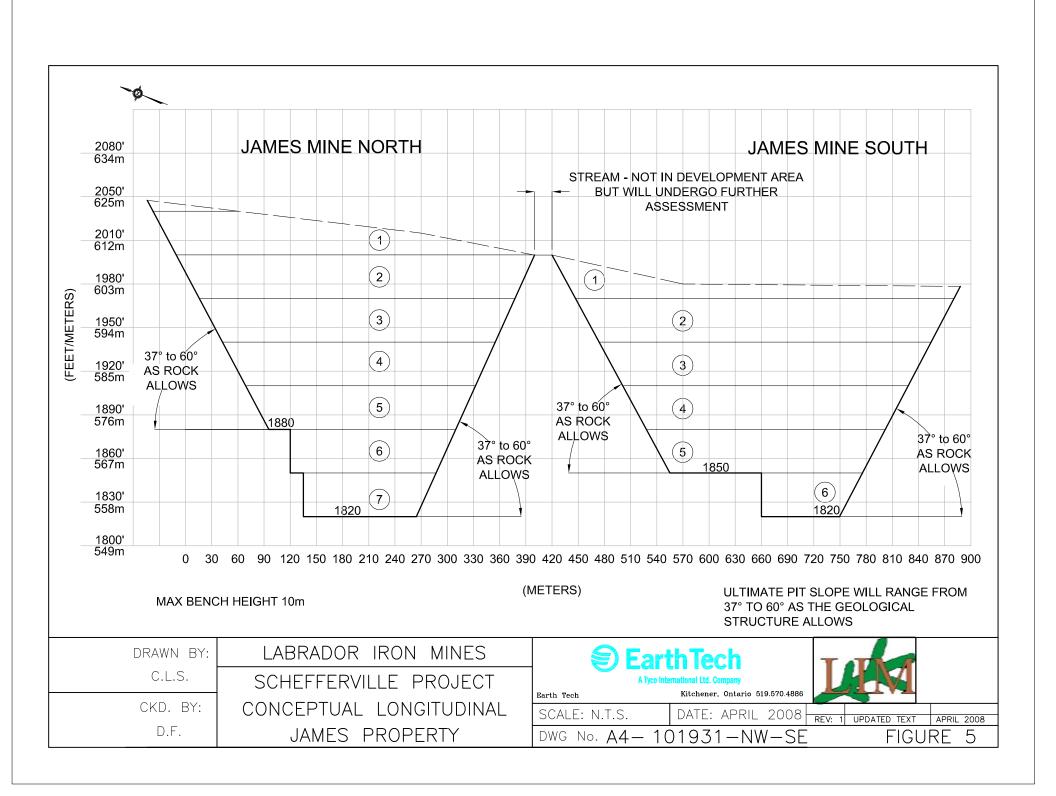


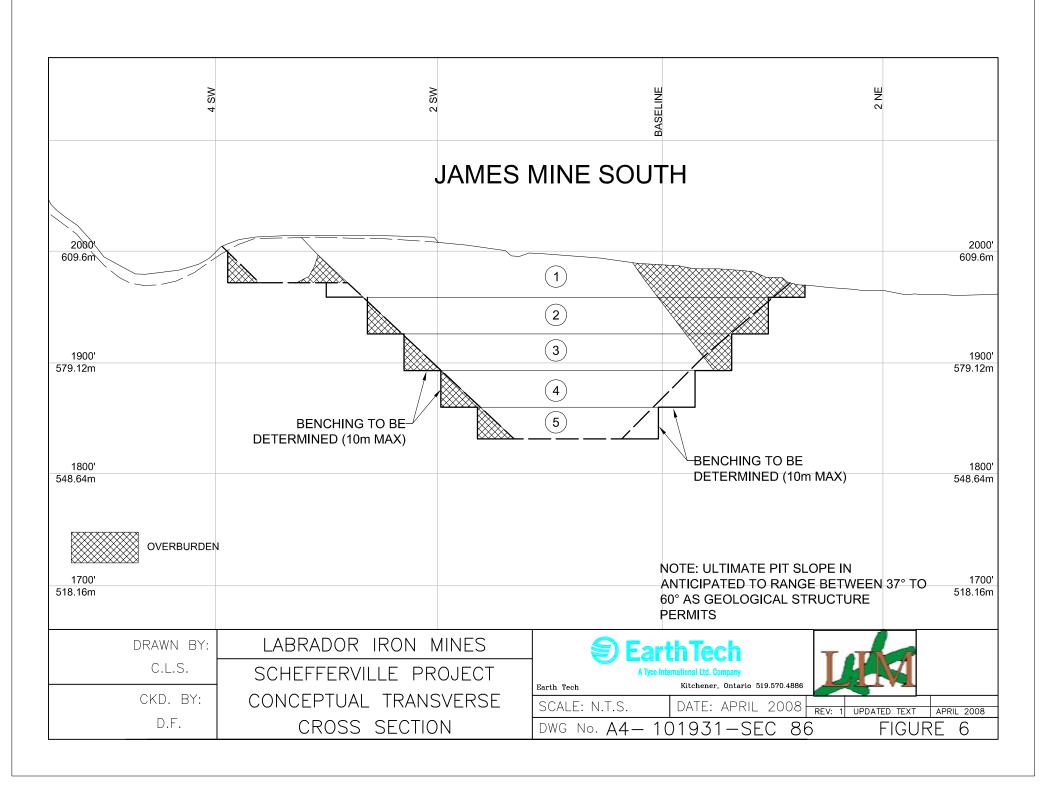
Figure 2: Location Map – James & Redmond Deposits

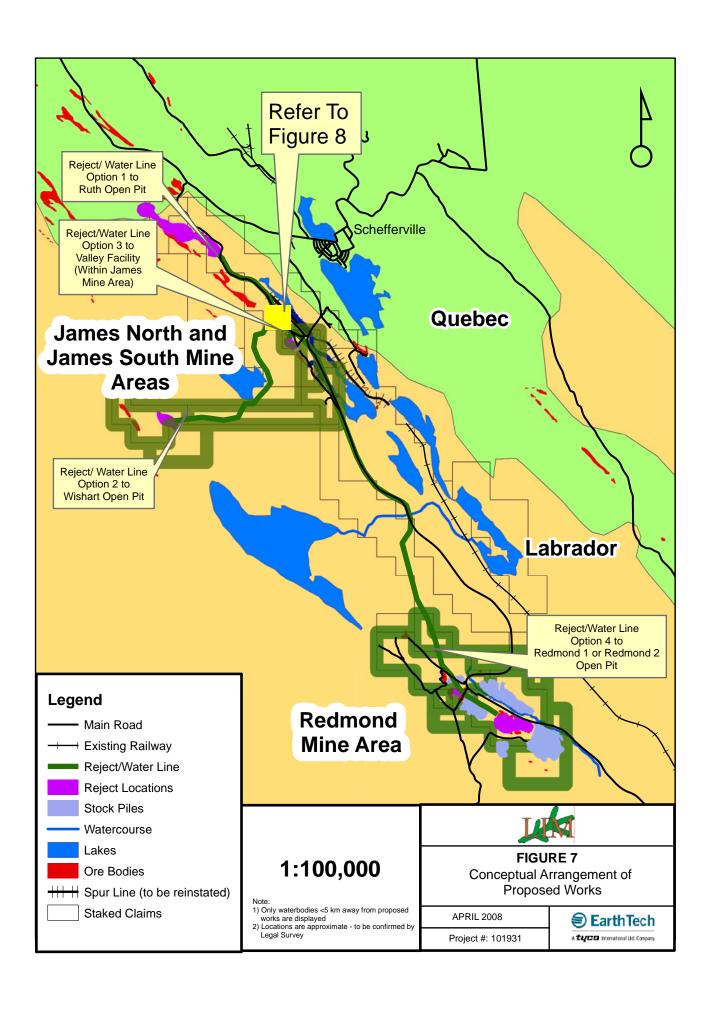
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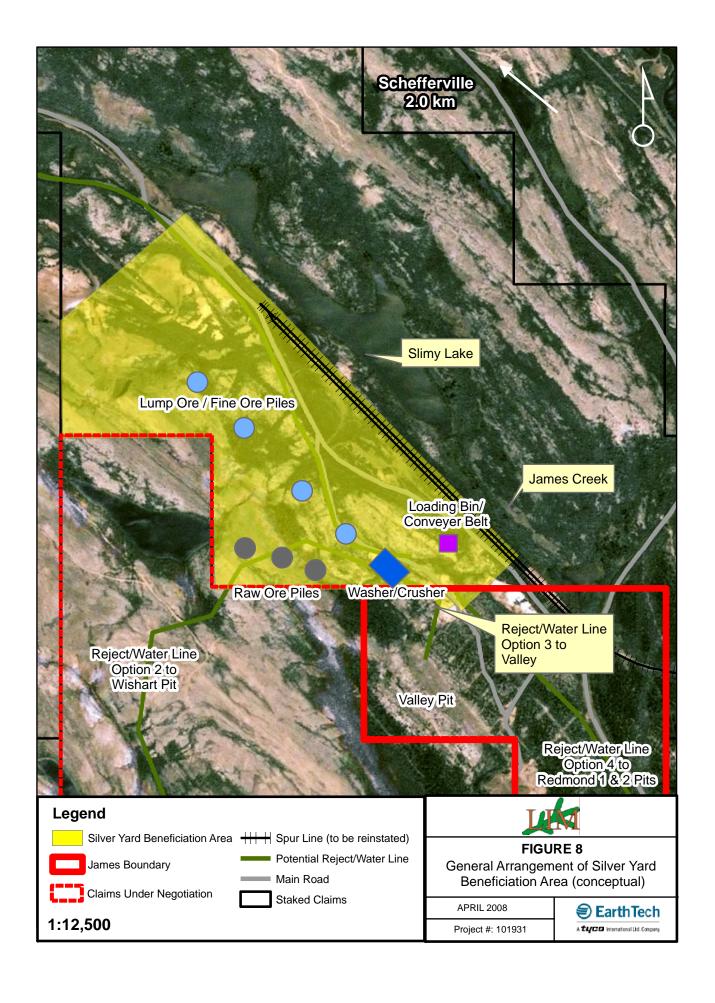












GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Department of Environment & Lands

P. O. Box 8700 ST. JOHN'S, NEWFOUNDLAND A1B 4J6

June 28, 1990

ir. Fenton Scott Hollinger North Shore Exploration Inc. c/o La Fosse Platinum Group Inc. 1131a Leslie Street, Suite 515 Don Mills, Ontario M3C 2K6

E MINISTER

"Schefferville Area (James Mine) Iron Ore Mine" Registration Dear Mr. Scott:

A government and public review of the above-named registration was recently completed pursuant to the Environmental Assessment Act RE: (1980). Please be advised an Environmental Impact Statement (EIS) is not required, and the project as described in the registration is released from further assessment requirements under the Environmental Assessment Act.

This release does not negate your obligation to obtain the relevant permits, certificates of approval etc. A list of reviewers' comments is appended to help you identify some of the regulatory requirements that may apply. Yours truly,

), P.J. (Jim) Kelland

\* \*\*\*\*\*\*

Minister

# LA FOSSE PLATINUM GROUP INC.

1331A LESLIE STREET SUITE 515 DON MILLS, ONT. M3C 2K6 (415) 449-7174



## LE GROUPE PLATINE DE LA FOSSE INC.

169 rue PERRAULT VAL d'OR, QUE. J9P 2H1 (819) 824-3910

May 4, 1990

Mr. Michael Cahill
Nanager
Environmental Assessment Section
Government of Newfoundland and Labrdor
P.O. Box 8700
St. John's, Newfoundland
A1B 4J6

Dear Mr. Cahill:

Re: Registration Form Pursuant to Secton 6 of The Environmental Assessment Act - James Mine Project

Pursuant to Section 6 of The Environmental Assessment Act, La Fosse Platinum Group Inc. submits this form in partial fulfillment of the Act.

NAME OF UNDERTAKING - James Iron Mine

#### PROPONENT

(i) Name of Corporate Body:

Hollinger North Shore Exploration Inc.

- (ii) c/o La Fosse Platinum Group Inc. 1131a Leslie Street, Suite 515 Don Mills, Ontario M3C 2K6
- (iii) Chief Executive Officer

Name: Fenton Scott Title: President

Telephone Number (416) 449-7174

(iv) Principal Contact Person

Name: Fenton Scott Title: President

Telephone (416) 449-7174 Fax (416) 449-7176

#### THE UNDERTAKING

### (1) The Nature of the Undertaking

The project will be the establishment of a small sinter iron ore mine by Hollinger North Shore Exploration Inc. (Hollinger) on one of the many deposits remaining in the Schefferville area of Labrador, adjacent to the Quebec boundary.

Market studies and metallurgical tests by Hollinger suggest that the James Mine ores can be upgraded through washing and screening to the standards presently required by the steel industry in North America, Europe and Japan.

Engineering studies indicate an open pit reserve of 4.5 million tonnes. Initial mining of test shipment to potential customers in 1990 will amount to 100,000 tons to 200,000 tons. Future shipments will depend on market demand.

## (ii) Purpose of the Undertaking

Between 150 and 175 million tonnes of run-of-mine iron ore remained in the Schefferville area when the operations of Iron Ore Company of Canada terminated in 1982.

Over the past two years iron ore prices have risen faster than direct mining costs. The iron ore industry, on a global basis, operated at capacity in 1989, the first time in a decade.

Since 1982, specifications for sinter ore such as Schefferville produced have changed. Test work by Hollinger has established the probability of mining and upgrading ore capable of meeting such specifications.

In the event that adequate customers for sinter ore can be obtained, a revival of iron ore mining in the Schefferville district will be the result.

The operation of iron ore mines in the area will:

- (a) Provide employment for residents of Quebec and Labrador,
- (b) Permit more efficient use of the infrastructure in the Schefferville area, including the Mehihek power facility.
- (c) Provide additional revenues to the Quebec North Shore and Labrador Railway to enable it to continue to service this area of Labrador. It is estimated that over 60% of the selling price of these sinter cres will be devoted to transportation.

## 4. DESCRIPTION OF THE UNDERTAKING

(i) The boundary of the requested James Mine Mining Lease is shown on figure 1 in relation to the interprovincial boundary and local topographic features.

Figure 2 demonstrates the location of the James Mine in relation to the town of Schefferville, the nearly abandoned open pit mines and waste piles, and the adjacent access road and railroad.

Run-of-mine ore will be hauled by truck for treatment at a screening and washing plant to be located adjacent to one of the abandoned open pit mines five kilometers to the north. The upgraded ore will be loaded in ore cars for transport to Sept-Iles, Quebec on the existing railroad.

Solid effluent, in the form of slurry, amounting to approximately 20 tons for every 100 tons mined, will be pumped and deposited in an abandoned, flooded open pit iron mine. These abandoned pits have a capacity for 100-150 million tons of solids. Water content of the pits now contains its maximum quantity of suspended solids, so no cosmetic degradation of the hydrosphere is anticipated.

In the screening and washing process, fresh and reclaimed water are the sole active medium and no additives are used.

The exact location of the screening and washing plant will depend on engineering studies presently underway. This plant may be located in the Province of Quebec.

## (11) Physical Features

The project will consist of two open pit mines, two overburden preservation piles and two waste dumps.

When sections of the mines have reached their projected depths, it is planned to pile all future waste production in the pits, so as to restore part of the area to its original contours. Any parts so restored will have the preserved surface overburden replaced.

The ore body is crossed by a small, unnamed stream. For this reason, two separate pits are planned, rather than one long pit, so as to avoid disturbance to the natural drainage net.

The total area to be affected by the open pits, waste pits, and overburden preservation piles will be + 15 hectares.

## 4. DESCRIPTION OF THE UNDERTAKING (continued)

No conceptual drawings of the project are available. An attached topographic map demonstrates the planned area of the pits.

- (iii) The shallow overburden over one end of the proposed mine was stripped in the 1980's. It is planned that mining will start in the third week of June. No construction is planned.
- (iv) The standard mining operation will consist of a backhoe, shovel, or loader to load trucks for transport to the screening plant. The actual equipment selection will be up to the contractor. Fuel will be delivered by local fuel supplier to a 2,000 gallon above-ground tank on site.

The operation will be carried out during the period of May to October each year.

#### POLLUTANTS

- Airborne Minor iron ore dust emissions will be generated by drilling (if required) and loading operations. These will be limited to a few meters from the generation points and will not contain any contaminants as legally defined. Since wet screening will be employed, no airborne emissions will be generated by any comminution and screening process.
- (ii) An average of 150,000 tons per year of rejected fines will be deposited in water-filled abandoned open pit mines, which presently contain a maximum of suspended solids. These open pits are totally enclosed and do not communicate with the natural surface drainage network.

#### (111) Solid Waste

In the early years of operation, up to 300,000 tonnes per year of solid waste will be piled adjacent to the open pits. In later years, this type of material will be deposited in abandoned pit areas.

#### RESOURCE CONFLICTS

## Fisheries

(i) A few brook trout exist in the unnamed stream which crosses the mine area. No disturbance to this stream is expected.

#### (11) Forestry

None of the scrub trees at the location can be expected to attain commercial size.

#### RESOURCE CONFLICTS (continued)

(1i1) Recreation

The area is not recreational, and there is no nearby habitation.

(iv) Hunting

Caribou and partridge have been occasionally observed in the area. They should not be affected.

#### OPERATIONS

#### Occupations anticipated are as follows:

Heavy Equipment Operators Mechanics Waste Plant Operators Geologist

Mine Survey Technician Mining Engineer General Surface Labour

Truck Drivers

Electricians

#### Project Related Documents

Laboratory Technicians

Sections and plane, drill hole information and assay results are in the possession of the proponent. These data were generated by Iron Ore Company of Canada, who developed this mine for production around 1980.

#### 7. APPROVAL OF THE UNDERTAKING

#### Main Permits Required

Newfoundland Department of Mines
Newfoundland Department of Environment and Lands - Lands Branch
Newfoundland Department of Forestry and Agriculture

#### SCHEDULE

The latest date we wish to complete the requirements and seek approval for the undertaking is June 15, 1990. Necessary, if 1990 test mining operations to commence. If deadline is not met, financial constraints will lead to abandonment of project.

#### 9. SCHEDULE

No grant or loan requests as yet.

May 4, 1990

Signature of Chief Executive Officer

Date

#### James mine

#### MINING LEASE CO-ORDINATES

Starting at North East Corner at UTM 6073000N - 639000E of Zone 19

Thence 500m south to 6072500N - 639000E

Thence 500m east to 6072500N - 639500E

Thence 500m south to 6072000N - 639500E

Thence 500m east to 6072000N - 640000E

Thence 1,000m south to 6071000N - 640000E

Thence 500m west to 6071000N - 639500E

Thance 500m north to 6071500N - 639500E

Thence 500m west to 6072500N - 639000E

Thence 500m west to 6072500N - 639000E

Thence 250m west to 6072000N - 638750E .

Thence 500m north to 6072500N - 638750E

Thence 250m west to 6072500N - 638500E

Thence 500m north to 6073000N - 638500E

Thence 500m east to point of beginning at 6073000, 639000E

May 17, 1990

#### ADDENDUM TO REGISTRATION

- (a) Location of Washing and Screening Plant
  The location of this plant depends on engineering studies presently underway. At present there is one operative plant and three abandoned plants nearby in Quebec (photo 4). In any case, if the decision is made to construct a temporary plant in Labrador, your Department will be requested to give its approval. The restrictions specified in our registration documents will apply, namely:
  - All solid wastes deposited under 400-500 feet of water in abandoned and flooded former iron mines (photo 1).
  - (2) Wet processing to remove the possibility of any dust contamination.
  - (3) The use of previously existing operating sites, so as to eliminate any need for clearing or environmental disturbances.
  - (4) The make up water for the washing will be taken from whatever pit is a depository for fines.
- (b) Ultimate depth of mining at James Mine 125 feet
- (c) Preservation of overburden
  The "overburden" will be preserved for the life of the operation, or until it is replaced over waste fill. It should be pointed out that the podzol soils have not developed at this location (photo 3) and the "overburden" is fine grained "D" horizon material, whose ability to support vegetation is a function of its grain size.

We had considered adding fertilizer and reseeding any restored areas. Our decision against this procedure was based on two important factors:

 Natural regeneration could be observed in the area of previous soil disturbances. (Photo 2) (2) There was a strong possibility of unexpected and possibly deleterious effects from adding nitrogen, phosphate, and potash to a local ecosystem that is anomalously depleted in these elements.

#### (d) Fuel Storage

Diesel oil and lubricants are delivered on site by a local dealer at Schefferville. During mining operations, fuel requirements may be augmented by erecting a temporary storage tank up to 2,000 gallons capacity at a location (in pit) where no leakage or spills can reach the drainage net. Depending on scheduling, the more likely alternative will be deliveries by dealer directly to mobile equipment.

## (e) Living Accommodations

Employees will reside at existing facilities in the municipality of Schefferville. No personnel will reside in Labrador.

## (f) Moisture Content of Fines

The present abandoned mines have water depths ranging from 400 to 800 feet. The maximum volume of slurried fines to be disposed of in these pits will not affect either the water level or the depth of water. There is no possibility of exposure to the atmosphere, with resultant dust.

## (g) Occupations Employed

#### Full Time

Heavy Equipment Operators	(4)
Mechanics	(3)
Wash Plant Operators	(2)
Truck Drivers	(12)
Surface Laborers	(6)

#### Part Time

Geologist	(1)
Technicians	(2)
Electricians	(1)
Surveyors	(2)
Mining Engineer	(1)

PMCTO 1 Abandoned, flooded former open pit iron mine - Schafferville

NOTE: Coarse overburden -No revegetation

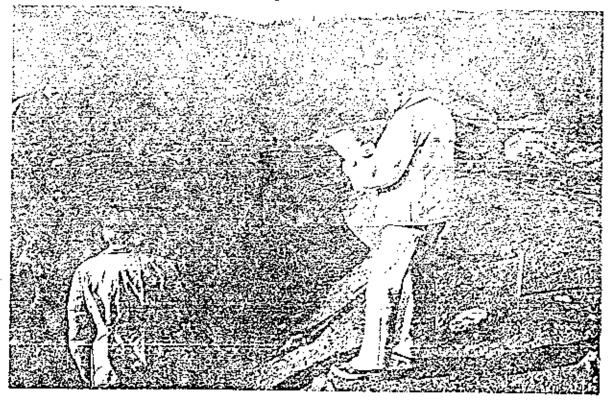


PHOTO 2 Former site of trenching operations
James Mine

NOTE: Revegetation on right and left sides of photo



PHOTO 3 Aerial view Schefferville iron ranges

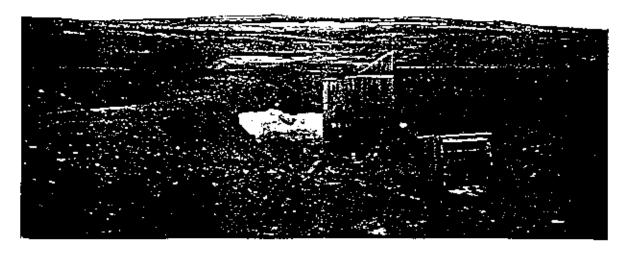


PHOTO 4 Former crushing and screening

**APPENDIX "B"** 

REPRESENTATIVE PHOTOS



Photo 1. Redmond Property, Redmond 1 Pit in background, Redmond 2 Pit in foreground, September 2007.



Photo 2. Redmond Property, eastern side, looking west overlooking Redmond 2 Pit, September 2007.



Photo 3. Redmond 2 Pit, September 2007.



Photo 4. Redmond 2 Pit, September 2006.



Photo 5. Redmond Property, September 2006.



Photo 6. Redmond Property, Hydro Corridor, September 2006.



Photo 7. Redmond Property, September 2006.



Photo 8. Redmond Pit 1, April 2008.



Photo 9. Redmond Pit 1, September 2006



Photo 10. James Mine North, stockpiled material, September 2007.



Photo 11. James Mine North, stockpiled material, October 2006.



Photo 12. James Property, access road to James Mine North, October 2006.



Photo 13. James Property, October 2006.



Photo 14. James Property, north of stockpiled material, September 2007.



Photo 15. James Property, Channelized section of unnamed tributary on James Property, September 2007



Photo 16. Ruth Open Pit, north of James Property, September 2007.

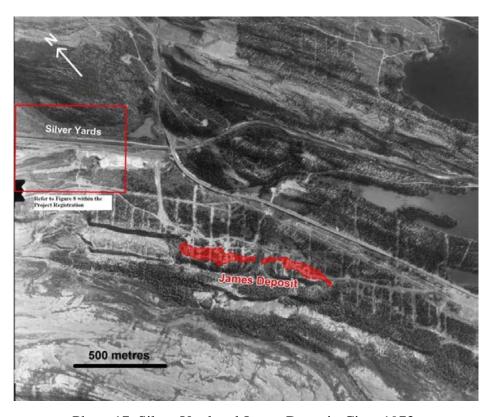


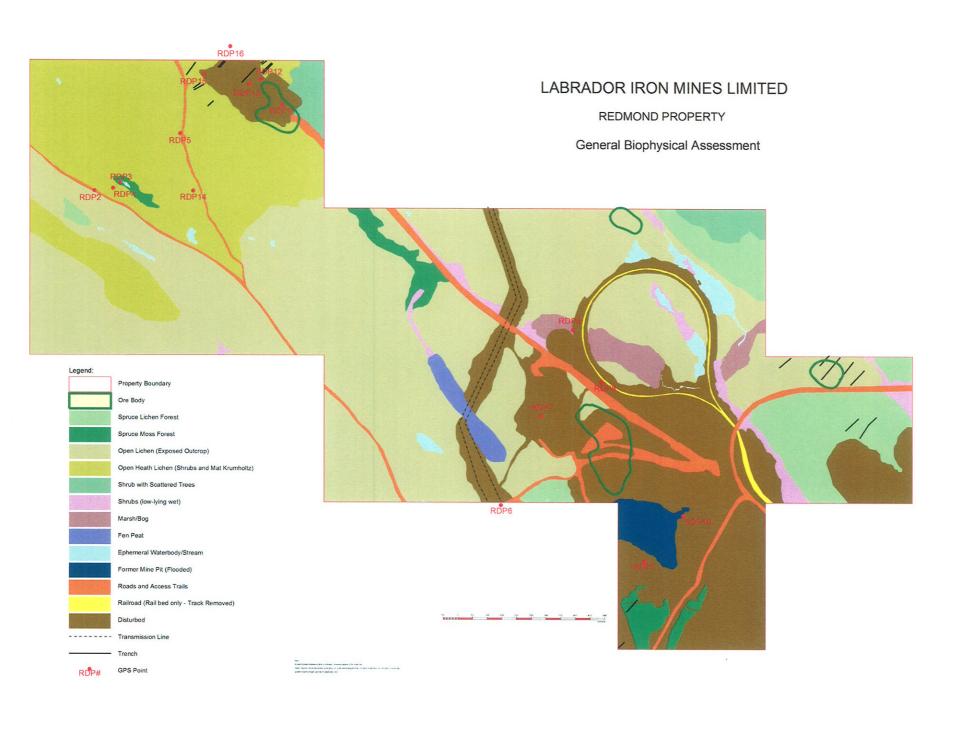
Photo 17. Silver Yard and James Deposit, Circa 1973.

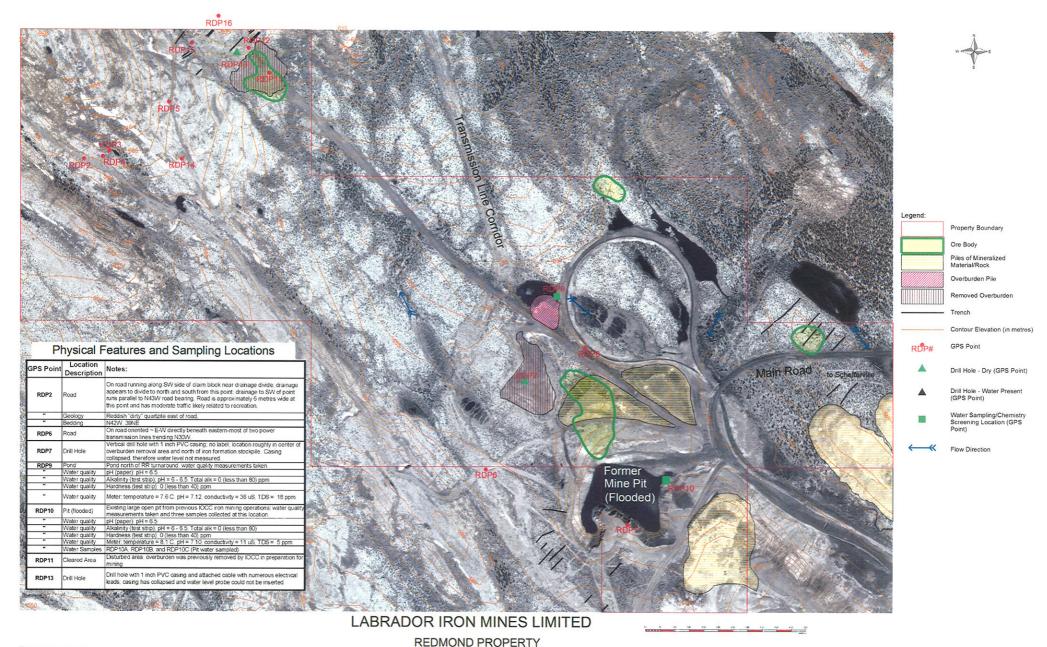


Photo 18. Silver Yard location, September 2007.

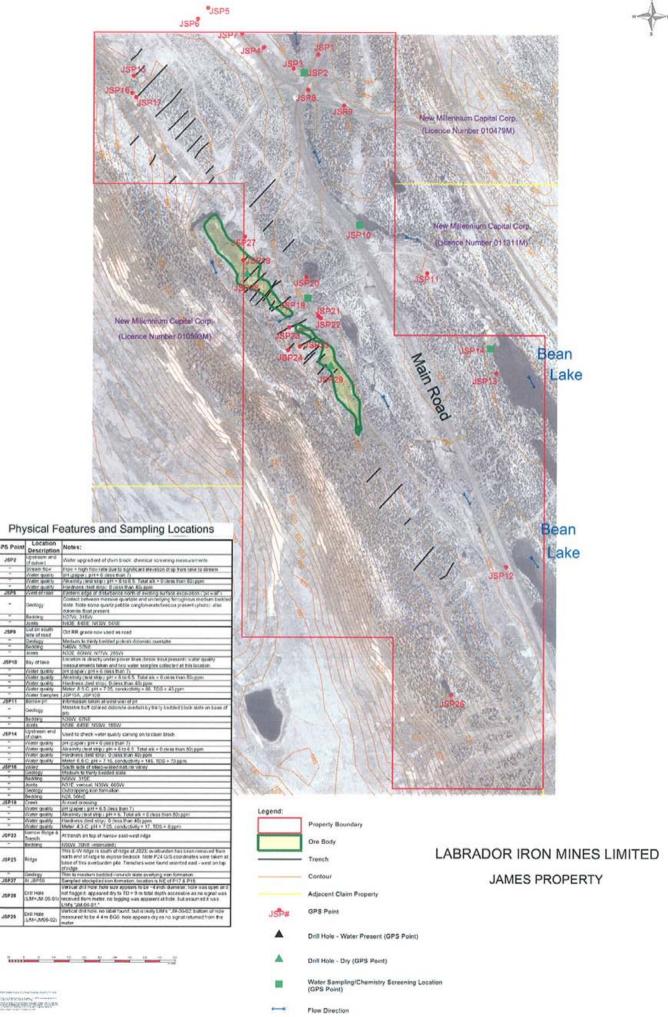
# **APPENDIX "C"**

BIOPHYSICAL AND PHYSICAL FEATURES MAPPING (EARTH TECH 2006)





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#### **NEWS RELEASE 08-05**

# NEW MILLENNIUM ANNOUNCES PRODUCTION DEVELOPMENT UPDATE OF ITS DIRECT SHIPPING ORE PROJECT

#### Not for Distribution to US newswire services or dissemination in the United States

**CALGARY, Alberta, Canada – February 5, 2008** – New Millennium Capital Corp. ("NML" or "the Company") (TSX-V: NML), announced today that it has completed the proposed development plans and schedule for its Direct Shipping Ore ("DSO") Properties in the Schefferville region of Quebec and Newfoundland and Labrador.

Mr. Robert Martin, New Millennium CEO and President, said, "We are very pleased to start development of our DSO Project. With our current robust iron ore markets, there have been many inquiries from potential consumers concerning our intentions. Our plan is to establish a brownfield mining operation that can be developed sooner and with less capital than the KéMag deposit. The expedient and cost effective development of the DSO Project can potentially produce substantial cash flow for the Company while the larger KéMag Project is being developed. Successful development of the DSO Project is aided by management's intimate familiarity with the properties and we are also fortunate in being able to assemble a strong project team with past experience in the Schefferville operations."

NML's DSO holdings are contained in 27 deposits that were previously owned by the Iron Ore Company of Canada ("IOC"). These deposits are outlined on the attached map. They consist of 145 mineral claims in Quebec covering 6,344 hectares and 155 mineral claims in Labrador covering 3,875 hectares. Based on historical estimates, these claims cover approximately 100 million tonnes of direct shipping quality iron ore. The grade of this ore, based on historical operations as published by the American Iron Ore Association in 1978, is in the order of 60% iron (dry analysis).

The historical estimates contained in this news release of quantities of direct shipping quality ore are not in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves, as required by National Instrument 43-101 ("NI 43-101"). Accordingly, NML is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101 and such historical estimates should not be relied upon. A qualified person has not done sufficient work to date to classify the historical estimates as current mineral resources or mineral reserves. The term "ore" in this release is being used in a descriptive sense for historical accuracy, and is not to be misconstrued as representing current economic viability. A feasibility study has not been completed in respect of the DSO properties and there is no certainty the proposed operations will be economically viable.

The DSO holdings controlled by NML are sub-divided into four areas designated Area 1, Area 2, Area 3 and Area 4. The Company's conceptual plan is to consider mining these areas in two phases.

The first phase, which represents about 20% of the Company's DSO historical estimated resources, includes Area 2 and Area 3. This brownfield phase has semi-developed infrastructure which will permit rapid development. The conceptual plan is to transport the crude ore by haulage truck from the 10 open pit deposits in Area 2 (10 km north of Schefferville) and Area 3 (20 km north of Schefferville) to a wash plant to be built and installed in Area 3. The wash plant is expected to produce two products, a lump ore and a fines product. It is planned to transport these products by rail to a marshalling yard near Schefferville prior to shipment on the main line to Sept Iles.

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One of the mines in area 3, Timmins 3, was partially mined and two others, Timmins 4 and Timmins 7 were partially stripped by IOC at the time of closure in 1982. All three would be expected to be reopened by NML.

The second phase, about 75% of NML's DSO historical estimated resources, will entail mining in Area 4. This area, which is about 50 km north of Schefferville is devoid of infrastructure and, as a consequence, will take longer to develop than Area 2 and Area 3. The conceptual mining plan is to transport the crude ore by haulage truck from the 9 open pit deposits in Area 4 to an overland conveyor for transport to the wash plant in Area 3, then via the phase 1 infrastructure to the Port of Sept-Iles.

NML anticipates the startup of its Phase 1 production (Areas 2 and Area 3) in 2010 and its Phase 4 production (Area 4) in 2013. There are nine Area 1 open pit deposits, about 5% of NML's DSO historical estimated resources. Seven of these are jointly owned with Labrador Iron Mines (TSX-V: LIR). Seven of these, the James, the Knob Lake 1, the Redmond 5, the Houston 1, the Houston 2S and the Houston 3 would most likely be mined in accordance with the LIR mining schedule which currently plans to commence production in area 1 in 2009. To date there has not been any agreement reached with LIR regarding NML's claims that partially cover seven of their deposits. As part of this year's program, NML will attempt to negotiate some mutually satisfactory agreement with LIR regarding the mining of NML's ore and the possible cost sharing of infrastructure.

NML's DSO development is being fast-tracked to take advantage of current shortages of iron ore in the world market place. The project is expected to be a relatively low cost capital venture owing to the existence of significant infrastructure in the form of air, rail and hydroelectric links with the Town of Schefferville and, in most cases, road links from Schefferville to the Company's deposits.

Phase 1 development is currently in progress with the commencement of planning related to geology, mining and resource, metallurgy, environmental and pre-feasibility studies. Negotiations with effected First Nations and the TRT railroad are also in progress.

The Company's 2008 DSO Project objectives are: 1) to initiate development drilling and trenching in Area 2, Area 3 and Area 4 in order to publish a NI 43-101 compliant resource estimate; 2) to complete metallurgical testing and finalize the wash plant flowsheet; 3) to complete phase 1 environmental assessment; 4) to finalize Impact and Benefit Agreements ("IBA") with the First Nations, tariff agreements with three railways, land and dock use agreements with the Sept-Iles Port Authority, infrastructure sharing at Pointe Noire with Wabush Mines and the leasing of rolling stock and mining equipment; and, 5) to complete a preliminary feasibility study and financial evaluation.

Approximately 4,000 metres of reverse circulation drilling and 2,000 metres of trenching are scheduled. The drilling and trenching program will be done for twinning purposes. This is expected to supplement and verify the use of the extensive drilling and trenching previously performed on these properties by IOC. It is also expected to upgrade the historical results to current NI 43-101 standards. Results are expected by the end of December 2008.

To complete metallurgical testing, several bulk samples will be taken for crushing and screening tests to determine the amount of lump ore in the run of mine materials along with their respective grades. Samples of both lump and fines will be sent to an outside testing lab for washing and iron recovery tests including product grades which may be expected. This work is expected to be completed by the end of September 2008.

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The environmental impact assessment has started and the DSO Project description is currently being prepared. Contracts will be awarded to consultants by the end of March and the Environmental Impact Statement is expected to be sent to the appropriate governmental authorities by the end of October. Government review and approval is expected for Area 2 and Area 3 by the end of March 2009.

IBA meetings have recently started with some of the effected First Nations. Discussions with the Tshiuetin Railway, which requires a major upgrade to its track structure, the QNS&L Railway and the Arnaud Railway will be initiated to plan the railway transportation agreements required to move the ore from the mine sites near Schefferville to the Port of Sept-Iles. Initial discussions with The Port Authority of Sept-Iles have begun and discussions with Wabush regarding the joint use of their ship loading terminal will be scheduled as soon as the Wabush facilities are turned over to its new owner. All agreements are expected to be in place by the end of December 2008.

A Preliminary Feasibility Study will be initiated once the summer program is completed and the sample analysis results start to arrive. The final report and financial analysis is scheduled for completion by the end of December 2008 and the feasibility study is expected by the end of May 2009.

As previously announced, the Corporation, with the assistance of it's financial advisors Credit Suisse ("CS") and Miller Mathis ("MM:"), is actively seeking investment and offtake commitments from potential strategic partners that will permit the Corporation to develop one or more of its iron ore projects located in the provinces of Quebec and Newfoundland and Labrador, Canada. This process includes the DSO Properties. While this process continues, no agreements have been achieved in respect of such commitments. However, this process has elicited a number of expressions of interest, and now can be advanced to a further stage where firm offers are solicited.

Moulaye Melainine, Eng. and Bish Chanda, Eng. are the Qualified Persons as defined in NI 43-101 who have reviewed and verified the scientific and technical mining disclosure contained in this news release on behalf of NML.

#### About New Millennium

New Millennium holds a 100% interest in the KéMag Property (Quebec) and an 80% interest in the LabMag Property (Newfoundland and Labrador). Both properties are located within the Millennium Iron Range, the centre of which is located approximately 230 km north of Labrador City, NL and 40 km northwest of Schefferville, QC. The Company also has a 100% interest in 300 DSO claims in Quebec and Labrador that contain, based on historical estimates that are not in compliance with NI 43-101, in excess of 100 million tons of direct shipping quality ore. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

Subject to the completion of positive feasibility studies, project financing and project construction, the concentrate from the KéMag Project would be pumped from the property through a slurry pipeline, about 750 kilometres, to Pointe-Noire, near the Port of Sept-Iles, QC, where it would be both pelletized and sold as concentrate. The concentrate from the LabMag Project would be pumped from the property through a slurry pipeline, about 230 kilometres, to Emeril, NL where it would be pelletized prior to rail transportation via an existing railroad about 390 km to Pointe-Noire, near the Port of Sept-Iles. DSO products are envisioned to be transported by rail to a Port at Pointe-Noire.

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These projects envision the construction and operation of ship loading facilities and related infrastructure at the Pointe-Noire terminus from where the various iron ore products would be shipped by ocean vessels to markets in Canada, the United States, Western Europe, North Africa, the Middle East and Asia.

The Corporation's mission is to add shareholder value through the responsible and expeditious development of the Millennium Iron Range and other mineral projects to create a new large source of raw materials for the world's iron and steel industries. For further information, please visit <a href="https://www.nmlresources.com">www.nmlresources.com</a>.

This release may contain forward looking statements within the meaning of the "safe harbor" provisions of US laws. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward looking statements. New Millennium does not assume any obligation to update any forward looking information contained in this news release.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENT OF THIS RELEASE. THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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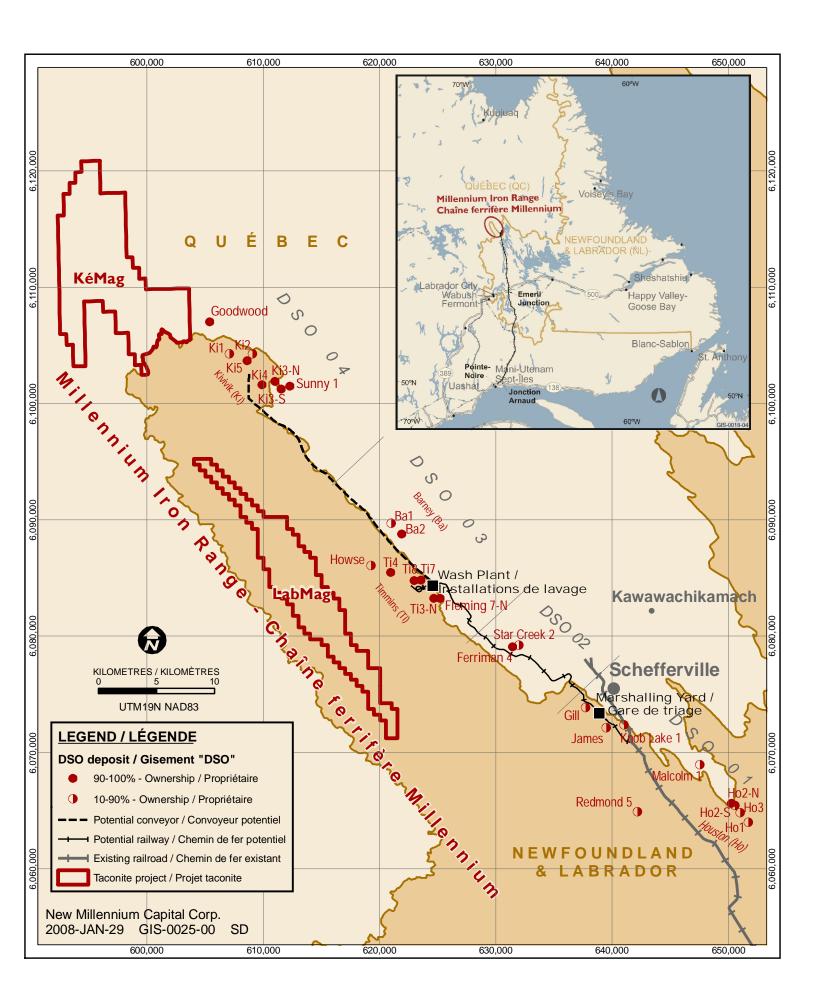
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