

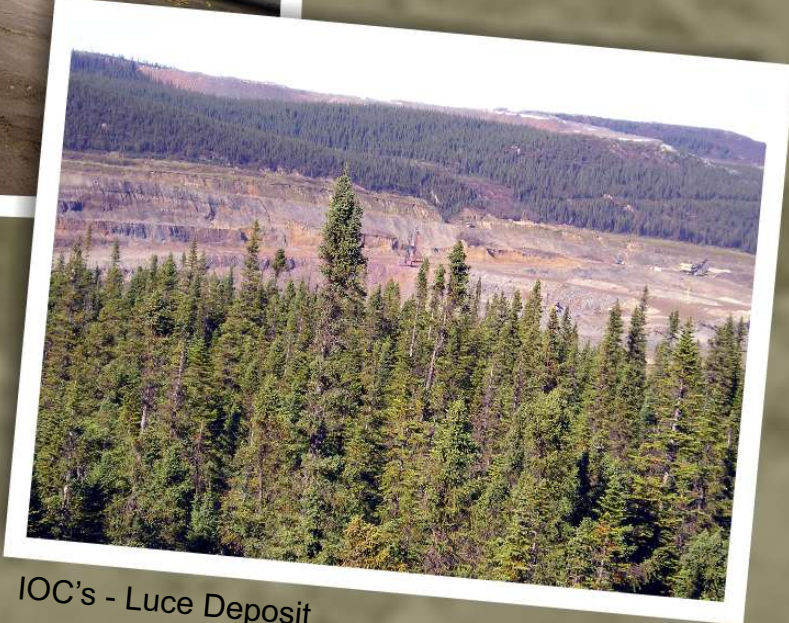
INDUSTRY ANALYSIS

IOC Expansion

IOC Expansion - Bunk houses under construction

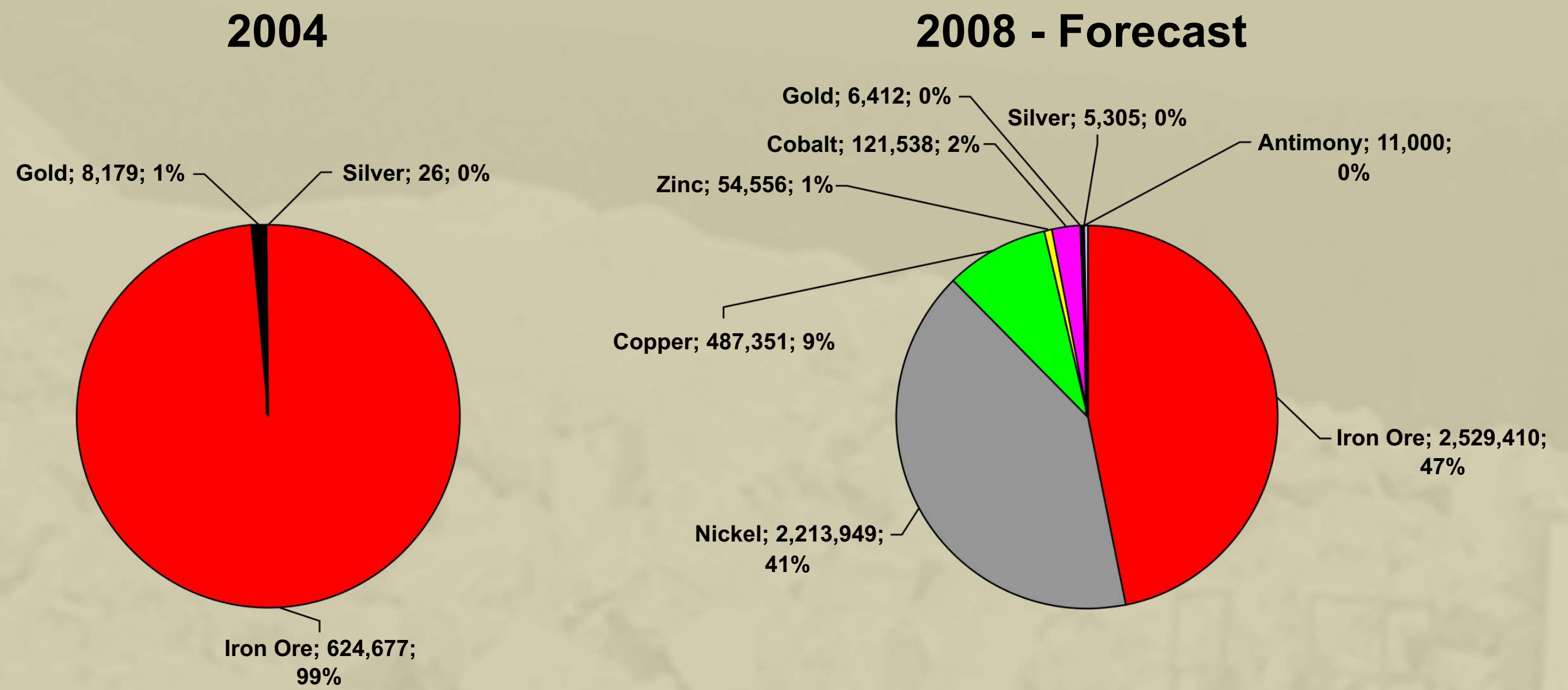


IOC Expansion - New crusher being delivered



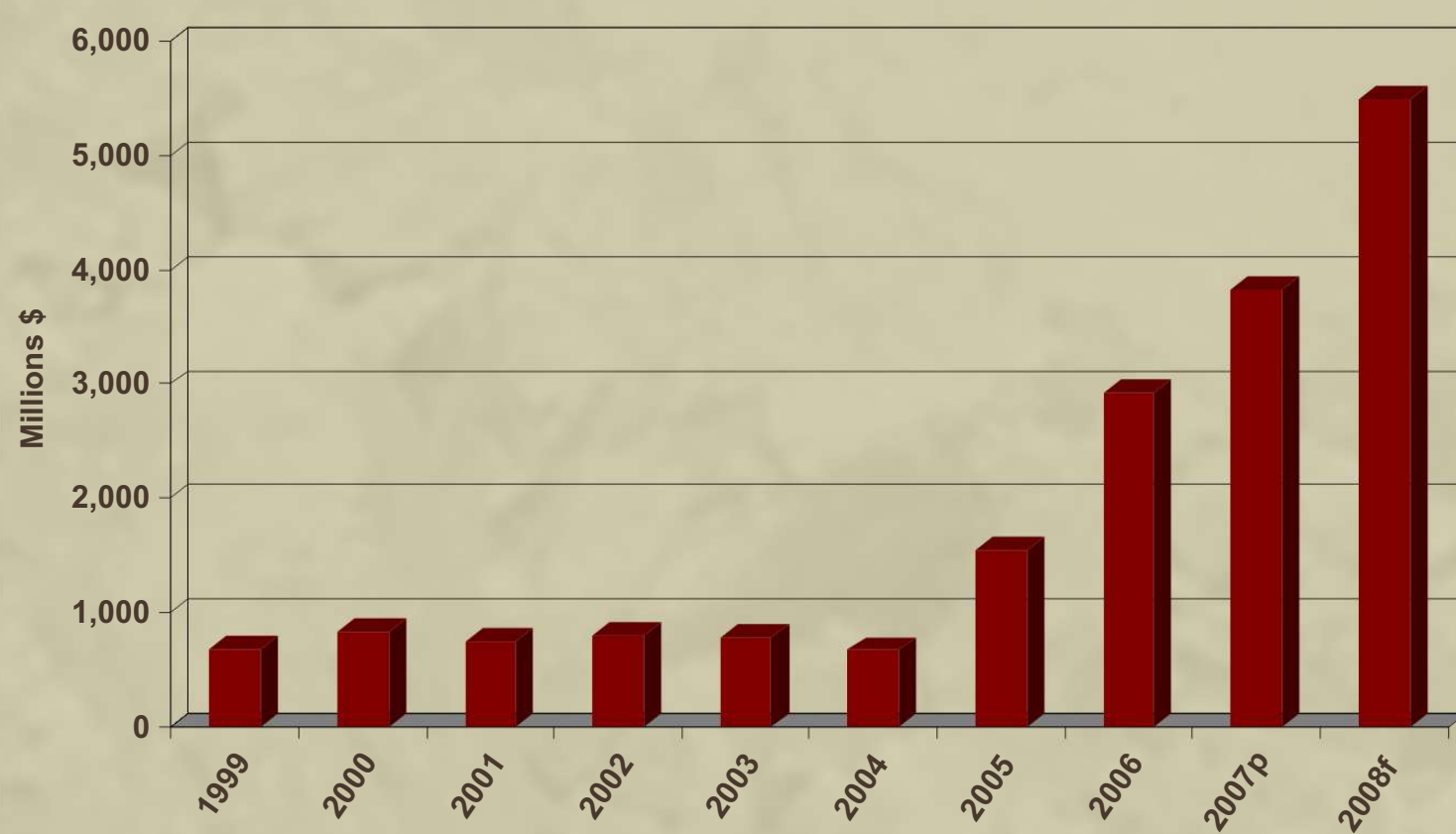
IOC's - Luce Deposit

Newfoundland and Labrador Distribution of Metals Shipments by Commodity, (\$000)

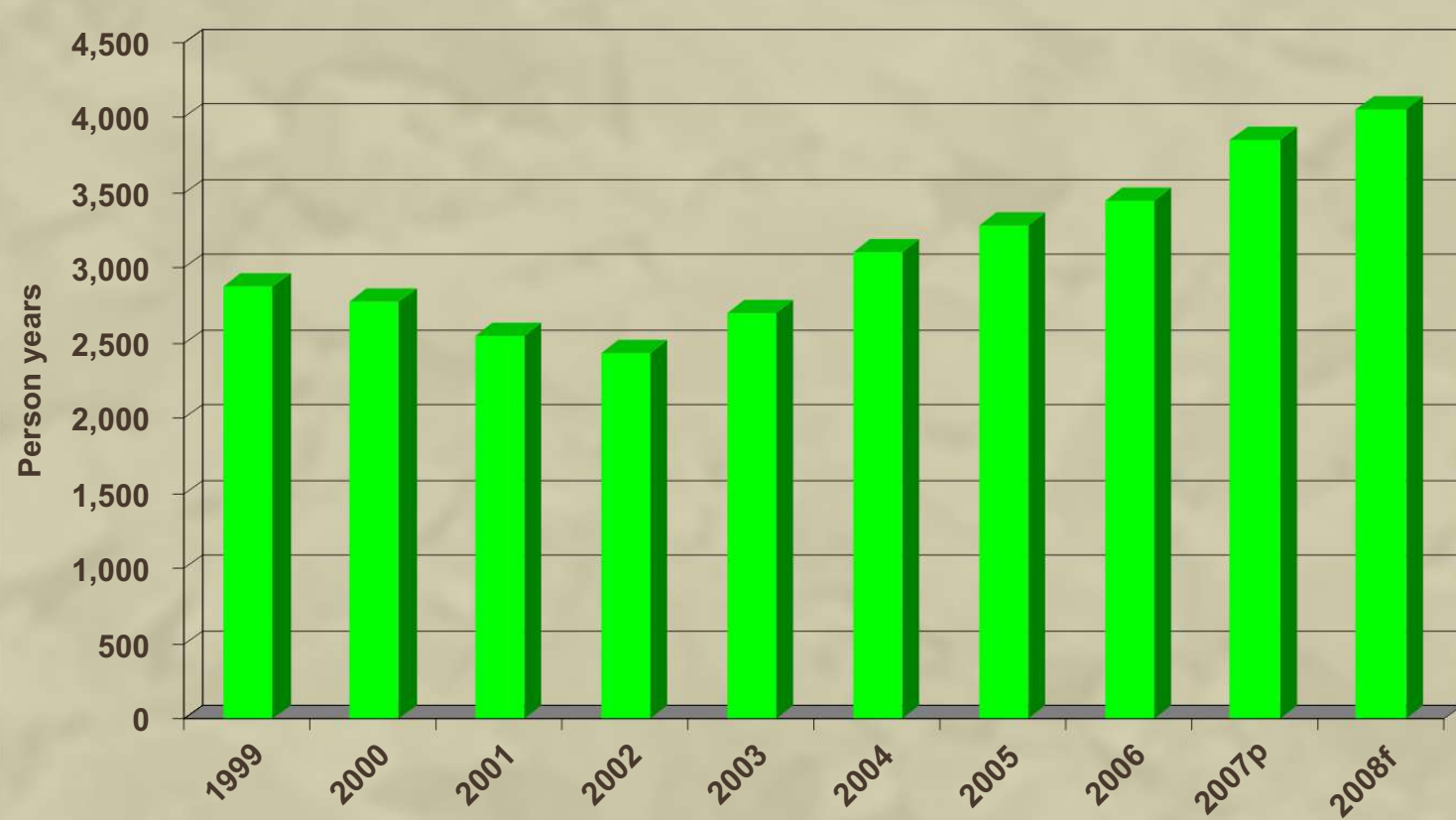


Sources: Department of Natural Resources and NRCAN

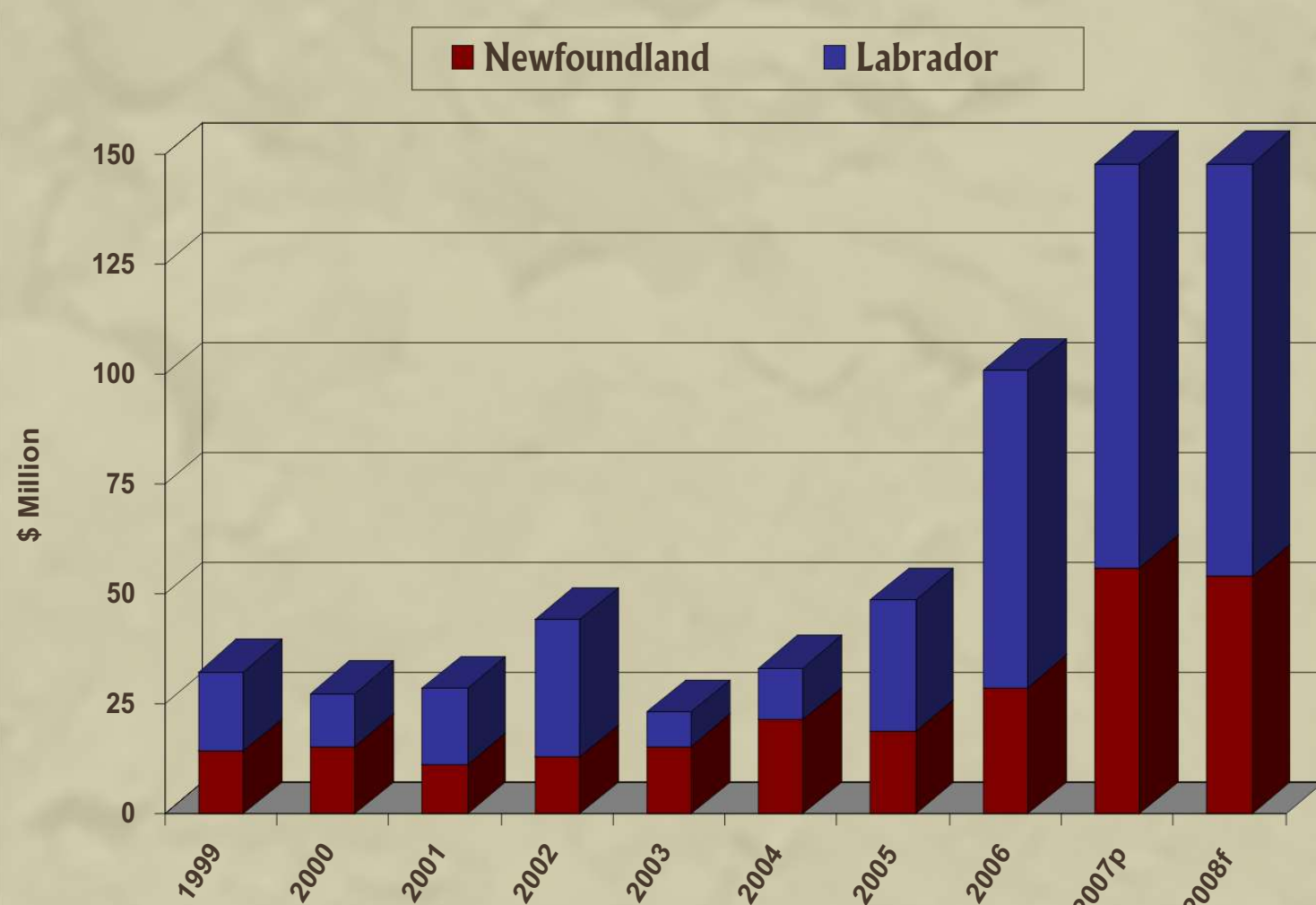
Newfoundland and Labrador Total Value of Mineral Shipments



Newfoundland and Labrador Mining Industry Average Employment



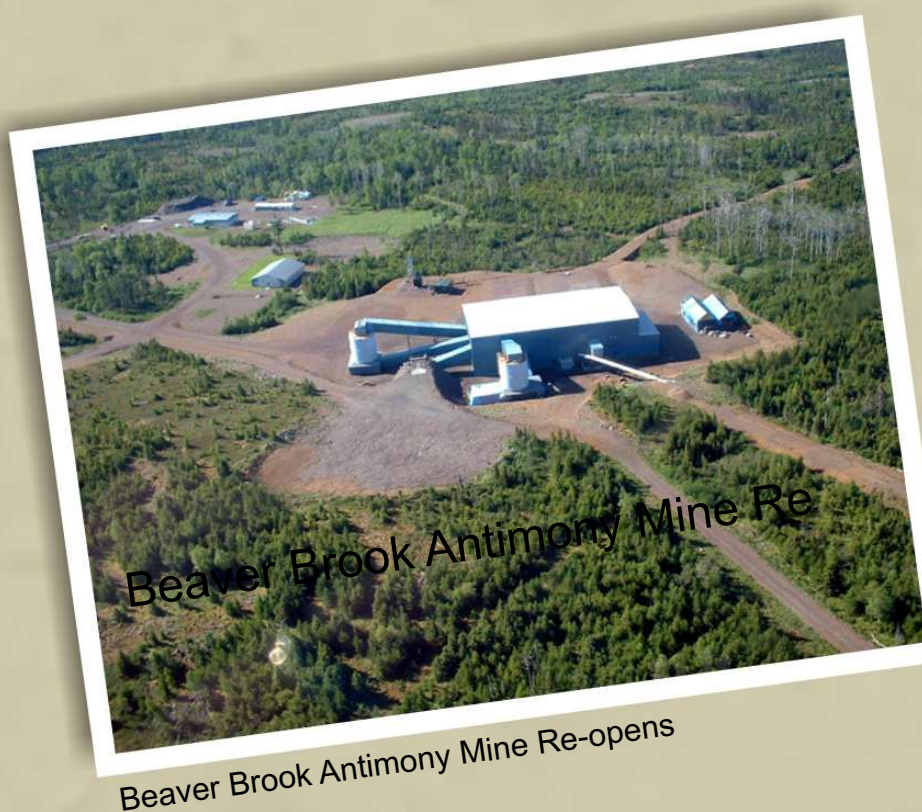
Newfoundland and Labrador Exploration Expenditures



Source: Department of Natural Resources and NR Can

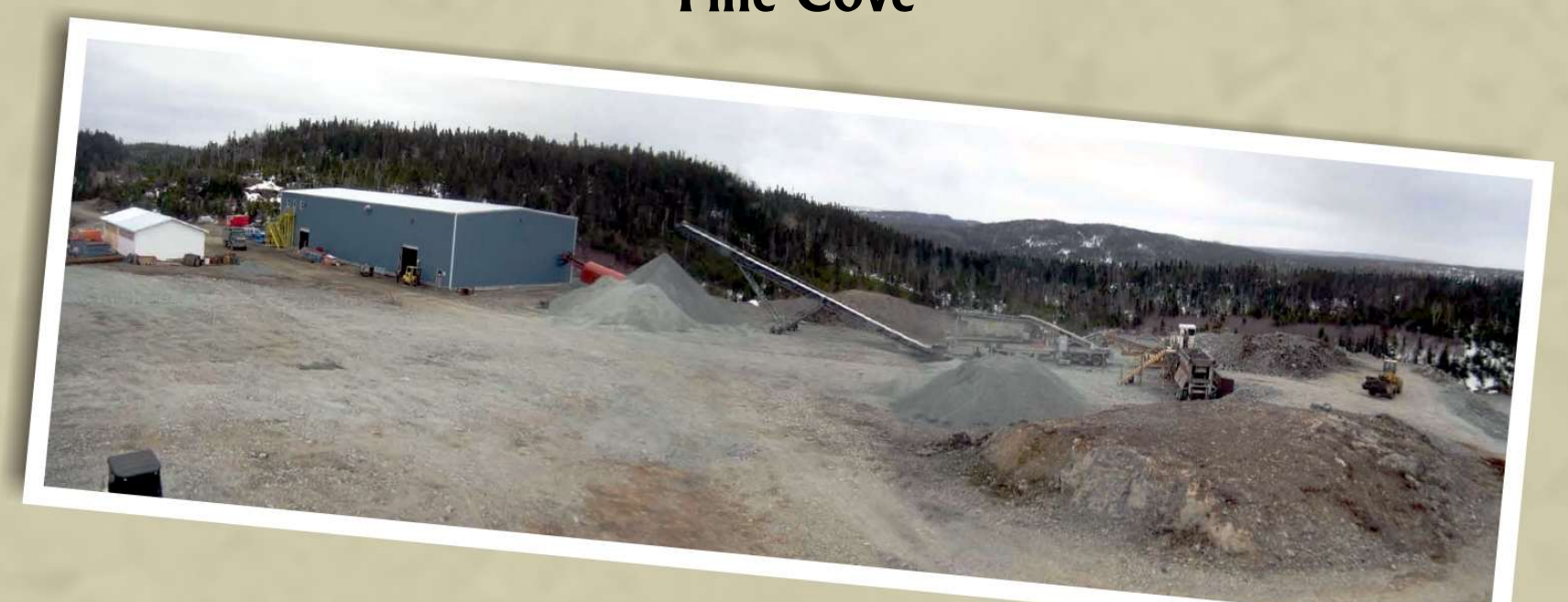
- Newfoundland and Labrador is on pace to produce approximately \$5.48 billion in mineral shipments during 2008. Since 2004 there has been a seven-fold increase in the value of Newfoundland and Labrador mineral shipments. This can be attributed to increased commodity shipments and prices, and a diversification of the minerals produced in the Province (see charts above).
- The mining and exploration industries are expected to provide approximately 4057 person-years of direct employment in 2008, up from 3857 person-years in 2007.
- Newfoundland is a major producer of iron ore and nickel. In 2007 we produced approximately 56% of Canada's Iron Ore and 30% of Canada's Nickel. (*Preliminary estimate of the mineral production of Canada, by province, 2007; NRCAN*).
- Production at Voisey's Bay during 2007 was reported by Vale to be 59,000 tonnes of nickel, 42,000 tonnes of copper and 1,239 tonnes of cobalt. Employment is anticipated to decrease from 850 person years estimated for 2007 to 750 person years for 2008, however, is expected to increase to 1200 in 2009 as a result of the construction workforce required for the commercial processing facility.
- On August 26, 2008, the proposed commercial nickel processing plant at Long Harbour was released from Environmental Assessment, subject to terms and conditions. Vale Newfoundland and Labrador Limited must inform the province of the selected technology, Hydromet or Matte, by November 15, 2008.
- The Iron Ore Company of Canada and Wabush Mines continue to be major contributors to the Newfoundland and Labrador mining industry. The combined value of iron ore concentrate and pellet shipments of these two operations have quadrupled in the past four years from \$624 million in 2004, to a forecasted \$2.53 billion in 2008. Projected strong iron ore prices and a three-phase \$800 million expansion at IOC means that this contribution will continue.
- In 2008 both the Pine Cove Mine and the Beaver Brook Antimony Mine commenced production.
- Teck Duck Pond Operations is now in its second year of operation, and has been steadily increasing production and its supporting workforce to meet its Life of Mine plans of approximately 650,000 tonnes per annum. Annual employment at the mine is anticipated to average 192 people.
- In line with increases in global metal prices and local mineral production, the level of exploration investment in the province has increased dramatically since 2005 when it stood at \$48 million. In 2006, approximately \$101 million was spent in Newfoundland and Labrador on mineral exploration and deposit appraisal. The total expenditure for 2007 is estimated to be \$148 million, and the forecast for 2008 is also \$148 million.

Beaver Brook



Beaver Brook Antimony Mine Re-opens

Pine Cove



Pine Cove Gold Mine Begins Operation