

MINERAL INDUSTRY ANALYSIS



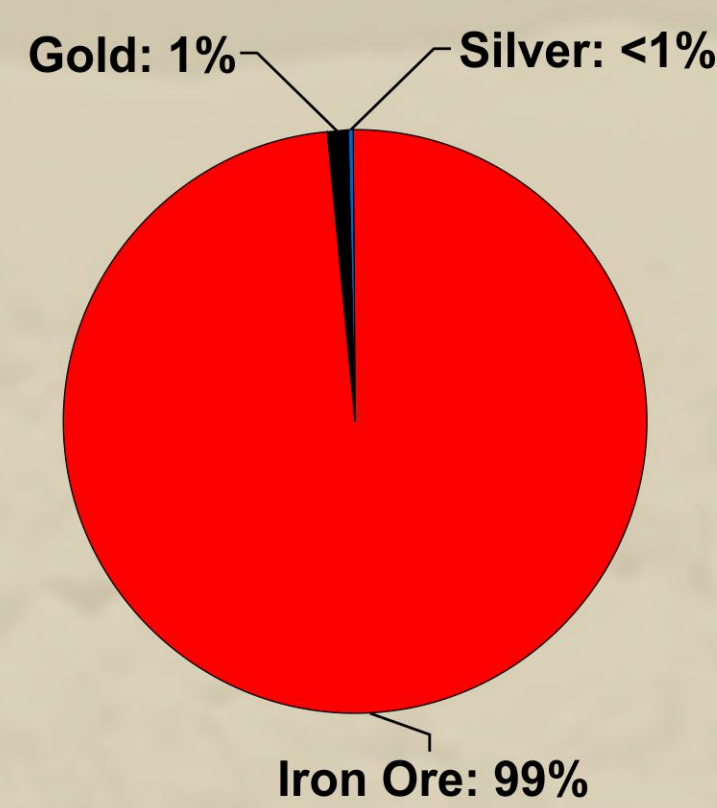
Upper tier, Long Harbour nickel processing plant
(Courtesy of Vale Newfoundland and Labrador Limited)



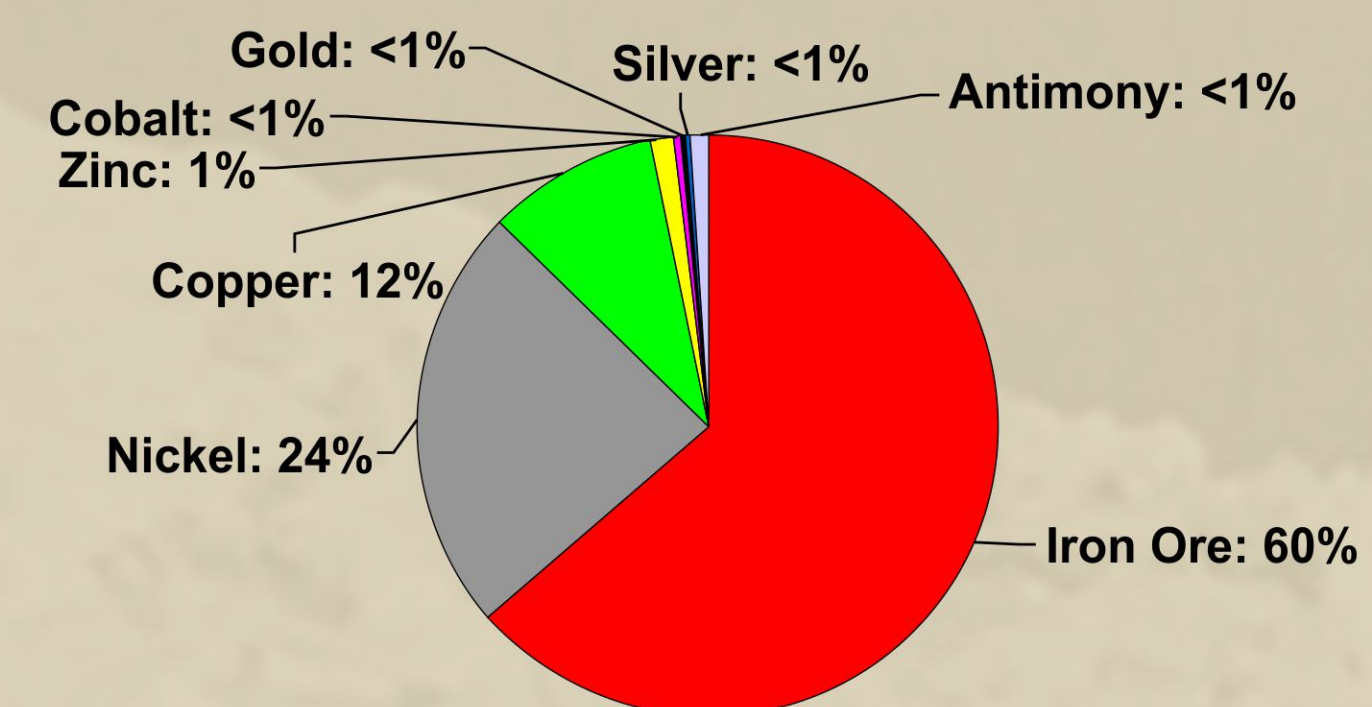
A new crusher and conveyor, the main components of IOC's Concentrate Expansion Program Phase 1, deliver ore from the Luce pit directly to the ore storage barn at the processing complex.

Newfoundland and Labrador Distribution of Metal Shipments by Commodity

2004
(\$0.64 Billion)

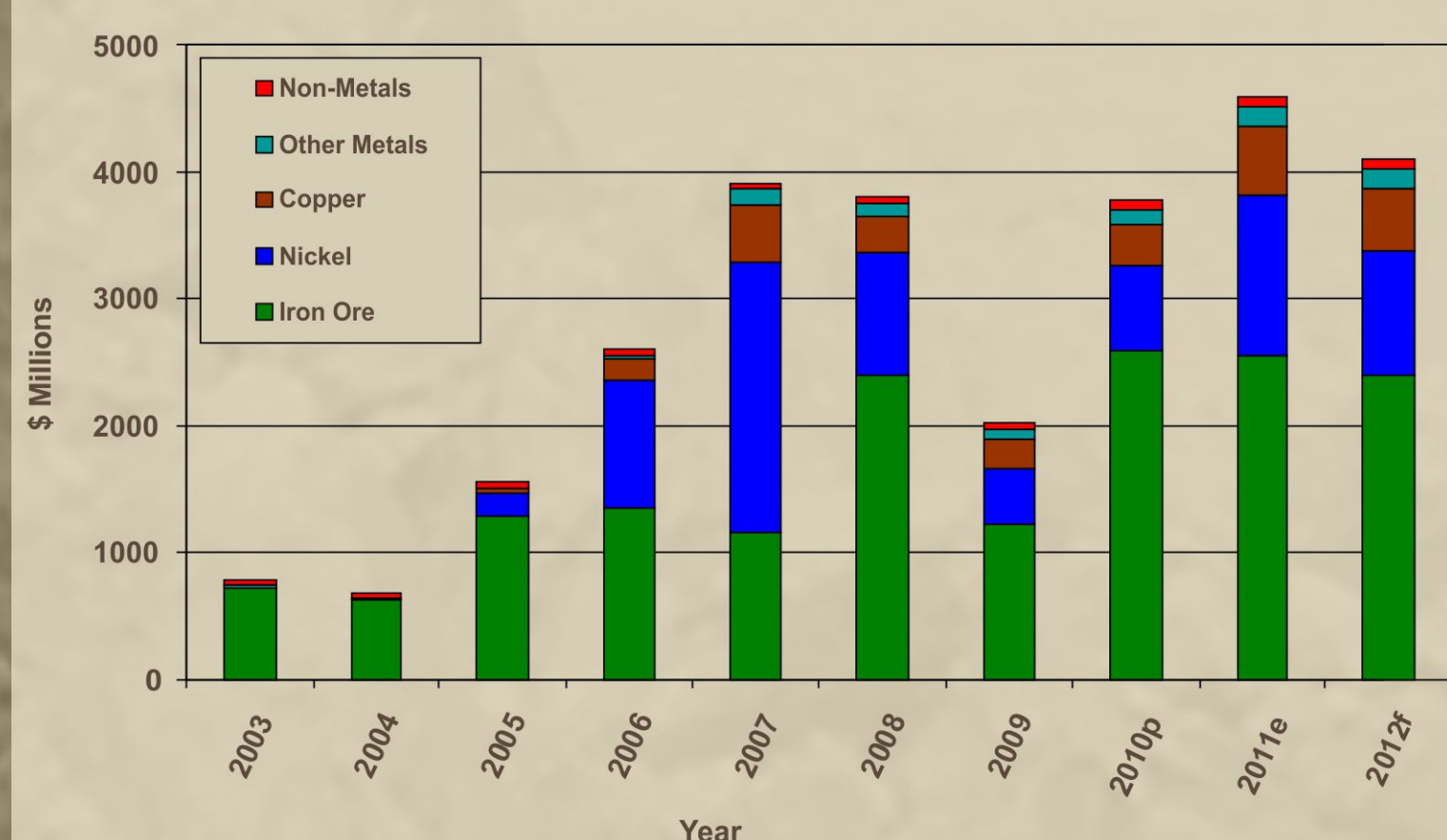


2012 - Forecast
(\$4.02 Billion)



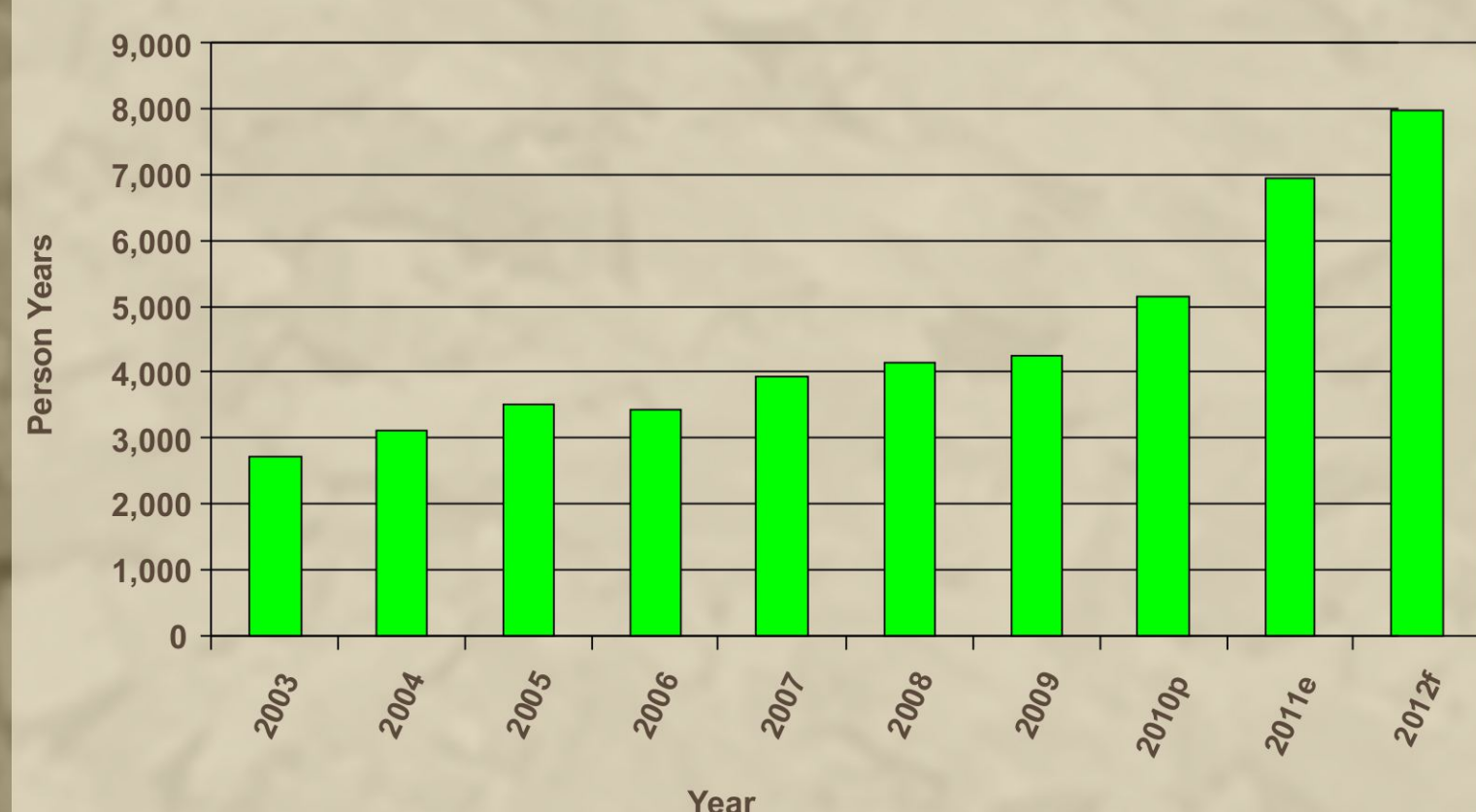
Sources: Department of Natural Resources (NL) and Natural Resources Canada

Newfoundland and Labrador Gross Value of Mineral Shipments



Sources: Department of Natural Resources and NRCAN
p: Preliminary; e: Estimate; f: Forecast

Newfoundland and Labrador Mining Industry Average Employment



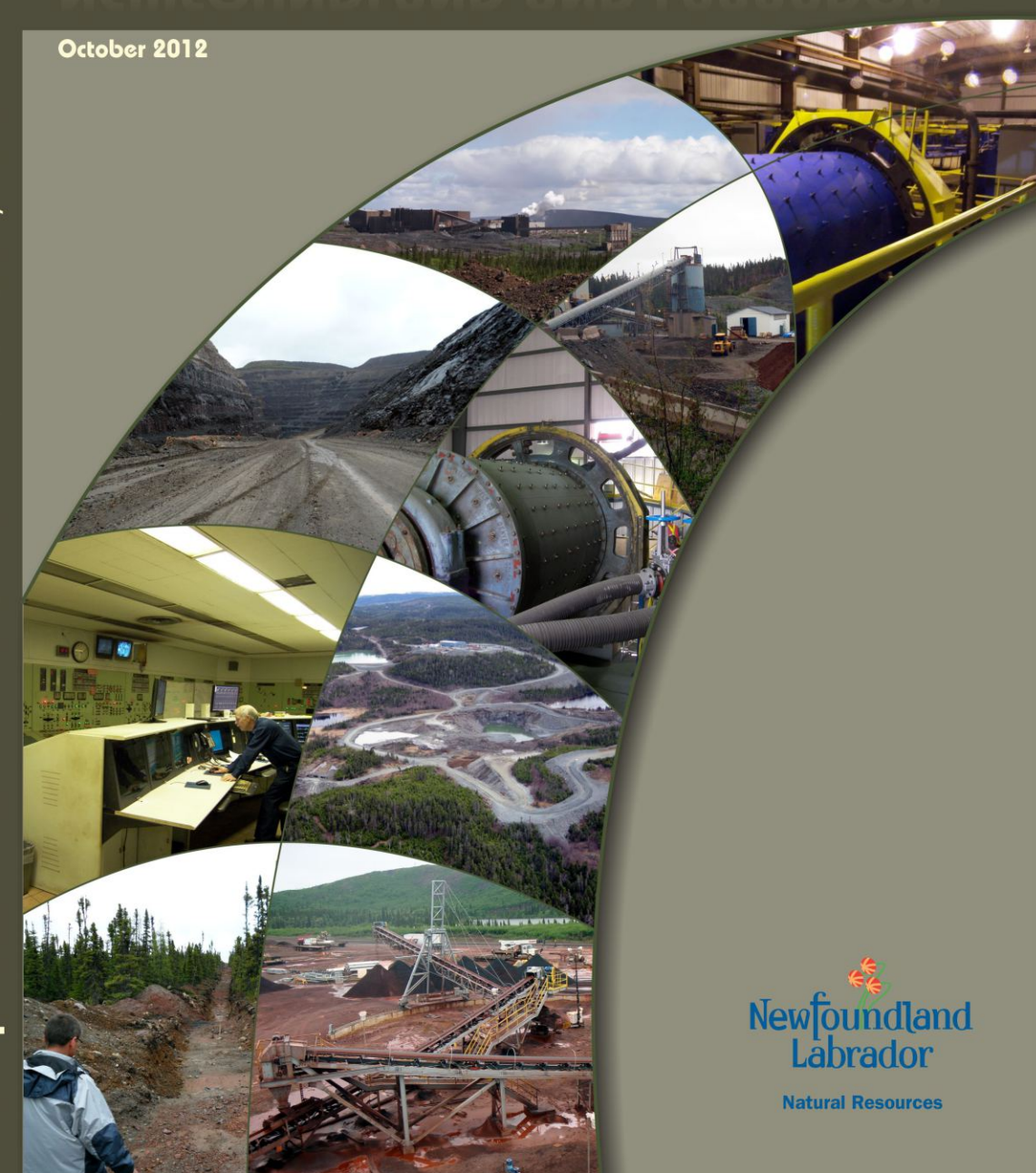
Sources: Department of Natural Resources and NRCAN
p: Preliminary; e: Estimate; f: Forecast

2012 Highlights

- Direct employment in the Newfoundland and Labrador mineral industry is projected to be 7,977 person years, an additional 1,045 over 2011. This is mainly the result of additional hiring for the construction of the hydromet nickel processing facility at Long Harbour, and increased employment in the iron ore industry.
- The value of mineral shipments is forecast to exceed \$4 billion for a second consecutive year.
- IOC's Concentrate Expansion Project Phase 1 became operational in August 2012. This has increased concentrate production capacity at the Carol Lake site to 22 million tonnes per year.
- Vale Newfoundland and Labrador Limited announced that it will commence a test run at Long Harbour using a high quality material from Indonesia by the fourth quarter of 2013. This will be the beginning of a three-year ramp-up to full production.
- Rambler Metals and Mining PLC announced commercial production at its Ming Mine.
- Labrador Iron Mines Ltd. expects to ship 1.7 million tonnes of iron products from its Menihek area mine in 2012.
- Tata Steel Minerals Canada Limited started mining high-grade iron ore from its Timmins 4 deposit in the Menihek area of Labrador on September 10, 2012.
- New Millennium Iron Corp. and joint venture partner, Tata Steel, expect to publish a feasibility study on New Millennium's taconite iron ore deposits before the end of 2012. Tata Steel will then have a maximum of four months to make an investment decision. Capital costs for the project could be \$4 to \$5 billion.
- On October 10, 2012, the Government of Newfoundland and Labrador, through the Minister of Natural Resources, issued a Call for Expressions of Interest to seek proposals for the development of the Julienne Lake iron ore deposit in western Labrador. The deadline for receipt of such expressions is November 14, 2012.

MINING IN NEWFOUNDLAND AND LABRADOR

October 2012



Tata Steel Minerals Canada Limited mining direct shipping iron ore (DSO) from Timmins 4 Pit.



Rambler Metals and Mining Canada Limited commissioning its new copper mill at Nugget Pond.



Screening direct rail iron ore (DRO) from Labrador Iron Mines Ltd.'s James North Mine.