

# **THE LABRADOR TROUGH:**

**OPPORTUNITIES IN CANADA'S  
PREMIER IRON ORE DISTRICT**



**Located in a  
modern,  
politically stable,  
mining-friendly  
jurisdiction**

The Canadian provinces of  
**NEWFOUNDLAND AND LABRADOR**  
and **QUEBEC**



# Canada's premier iron ore district

**Long production history: more than 60 years of profitable operations**

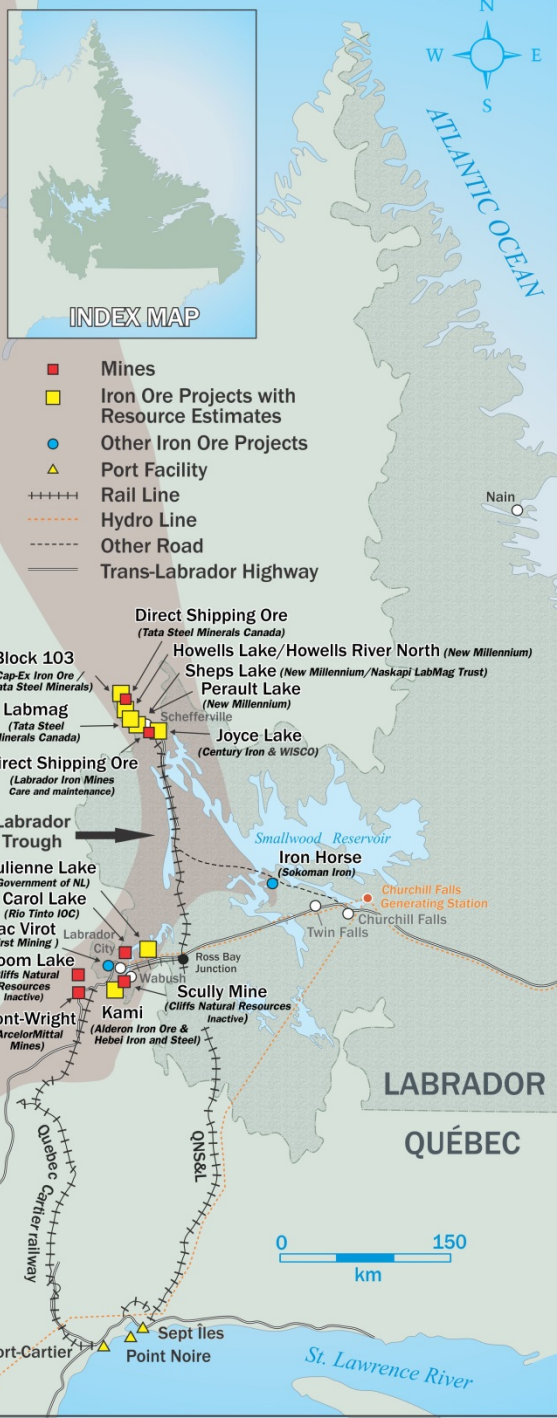
**More than 2 thousand million tonnes produced**

**Entry point into the seaborne market in Europe, Asia, the Middle East and N. America**



*Opportunity for long-term reliability and competitiveness of future supply: no "Big 3"*





# The Resource: World-class



Natural Resources

More than 80 billion tonnes of known iron ore resources with excellent exploration potential

Near surface deposits; open pit mining methods

Represents *ca.* 99.8% of Canadian production

Most current and historic production by Rio Tinto-IOC (*Carol Lake*), Arcelor Mittal (*Mont Wright, Fire Lake*) and Cliffs Natural Resources (*Bloom Lake, Wabush*)

Vastly underexplored on a district scale



# High-quality ores

**Low phosphorous, alumina, sulphur and alkalies**

**High Fe content concentrate and pellets**

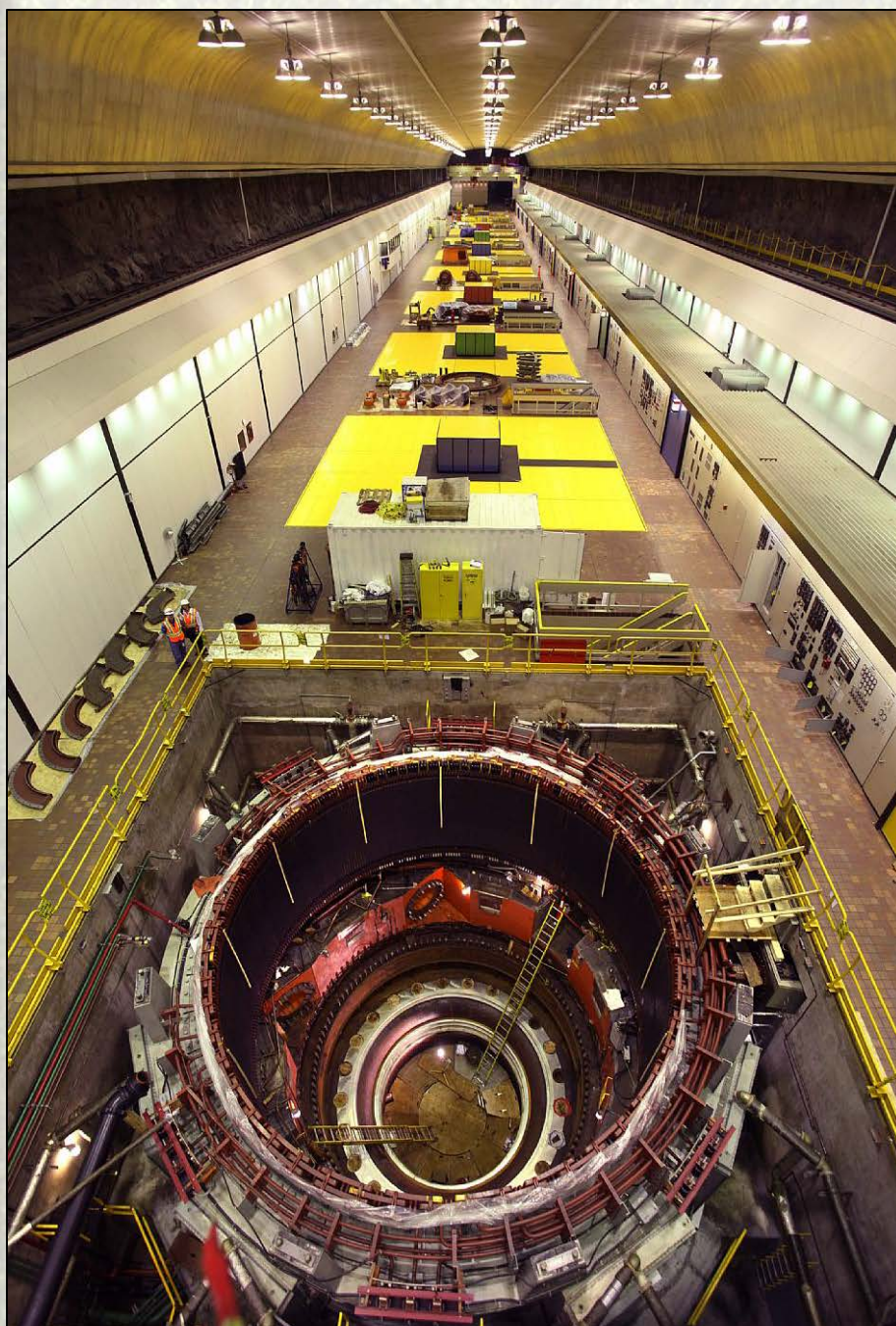
*Superior quality relative to Australian and Brazilian product  
offsets freight disadvantage (for China markets)*

# **Product diversity: Lump, premium fines, concentrate and pellet grades**

**Flexibility to deliver special products**







# **POWER INFRASTRUCTURE**

**Ample water and  
reliable sources of  
low-cost  
hydro-electric power**

**Stably priced green energy**



# Key transportation infrastructure with excess rail and port capacity





## NEW INVESTMENTS IN MULTI-USER PORT FACILITIES



**PORT OF SEPT ISLES HANDLES CAPE-SIZE and  
CHINAMAX\* VESSELS**





# **NO PROHIBITIVE CONTROL OF RAIL BY A MAJOR PRODUCER**

**CANADIAN LAW  
RECOGNIZES THE *QSN&L*  
RAILWAY AS A “COMMON  
CARRIER”**



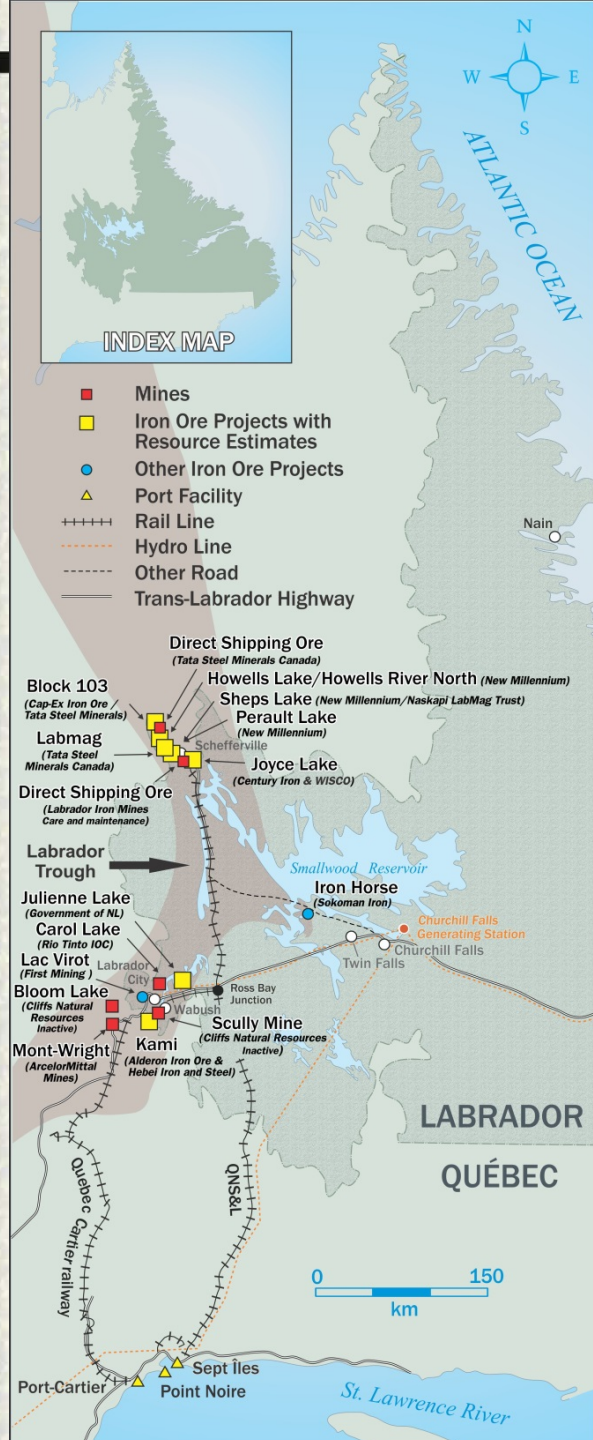
# INVESTMENT POTENTIAL



**CURRENT “BEAR” MARKET HAS PROVIDED  
A UNIQUE OPPORTUNITY  
TO CONSOLIDATE  
WITHIN THE DISTRICT**



# Opportunities for future development: Labrador



## Northern Trough

- **NuTAC** *New Millennium Iron Corp.*
- **JAMES, HOUSTON** *Labrador Iron Mines Holdings Ltd.*
- **JOYCE LK** *Century Iron Ore*
- **BLOCK 103** *Cap-Ex Ventures Ltd.*

## Southern Trough

- **KAMI** *Alderion Iron Ore Corp.*
- **JULIENNE LAKE** *Altius Resources Inc.*
- **JULIENNE LAKE EML** *(Government of NL)*
- **SCULLY MINE:** *Cliffs Natural Resources*



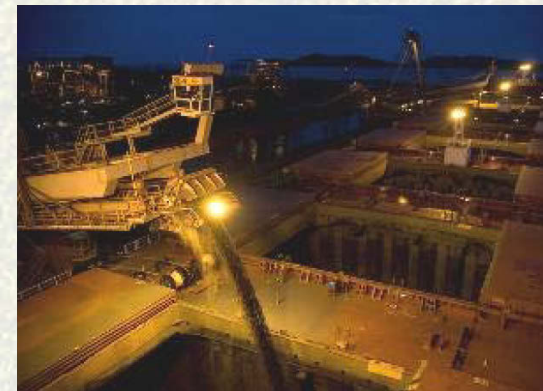
## PRODUCERS: BULK TONNAGE, SPECULARITE



Open-pit mining operations at Labrador City and Wabush

- **RIO TINTO:** Iron Ore Company of Canada
- **CLIFFS NATURAL RESOURCES:** Wabush (*currently idled pending sale*)

3 billion tonnes *in situ* resources





## PRODUCERS: HIGH-GRADE DSO



New independently owned production from open-pit mining operations in Menihek

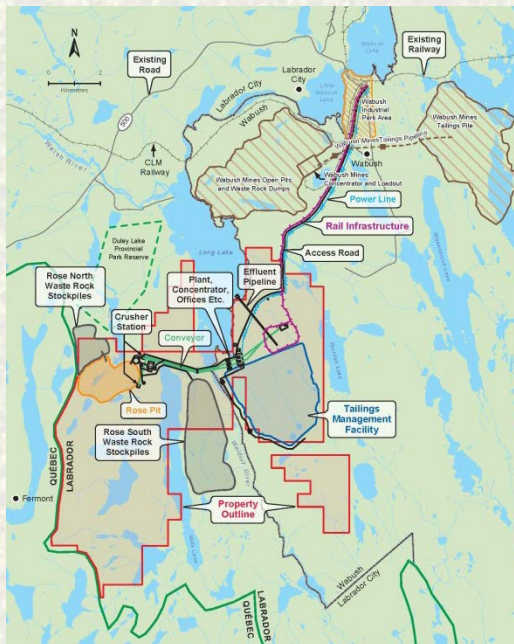
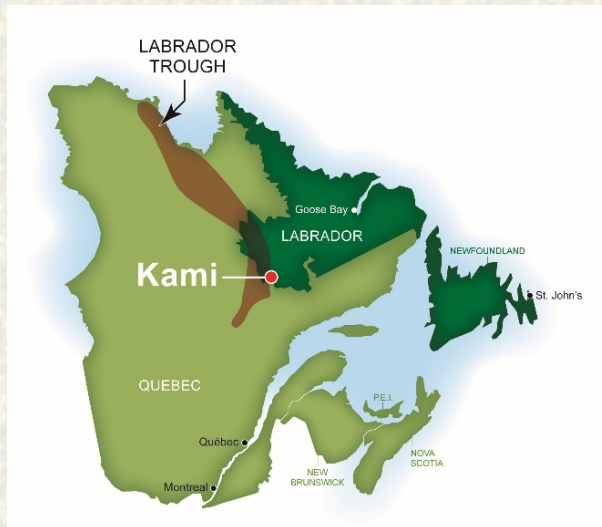
**TATA STEEL MINERALS CANADA**

**LABRADOR IRON MINES**  
*(currently idled)*





# SHOVEL-READY:



## Kami Project: Alderon/Hebei Iron & Steel

**Proven: 431.7Mt @29.7% Total Fe**  
**Probable: 236.8Mt @29.2% Total Fe**

## Feasibility Study Results: Jan 2013

Annual Production (65.2% Fe con)	8.0Mtpa
Initial CAPEX	\$1,272.9M
Cash operating cost (FOB)	\$42.17/t
Capital Intensity	~\$160/t
Average annual cash flow	+\$400M
Payback period	3.8 years
Proven and Probable Reserves	668.5Mt @ 29.5% TFe**
Mine life	30 years

\*Pre-tax

\*\*15% cut-off grade

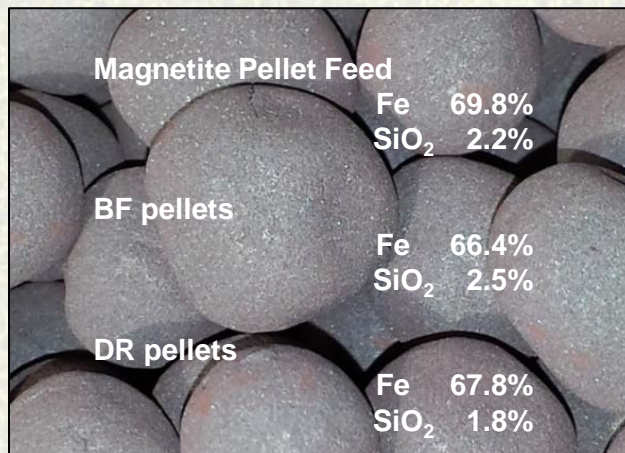
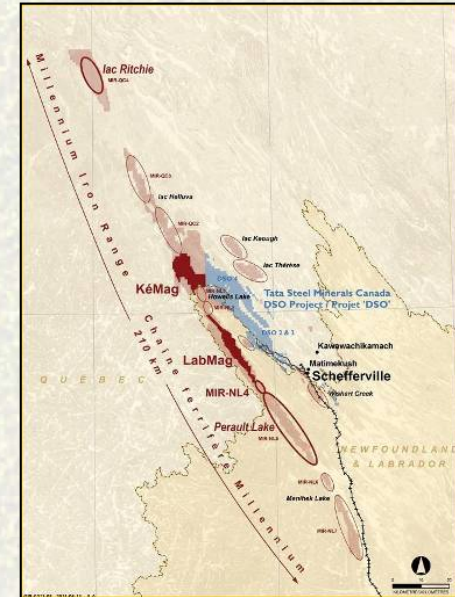


# ADVANCED PROJECT: FEASIBILITY STUDY COMPLETE

NuTac Initiative: LabMag; KeMag

New Millennium Iron

- Seven significant deposits, all certified to NI 43-101 standard
- Magnetite ore with simple geology, and low in impurities
- Naturally suited for production of high quality pellets and pellet feed
- Comprehensive feasibility studies carried out on **LabMag** and **KéMag** deposits (2014)
- Smaller scale development now being studied through **NuTac initiative**



High Quality Products from the Taconite Deposits



New multi-user iron ore dock at Sept-Îles, QC



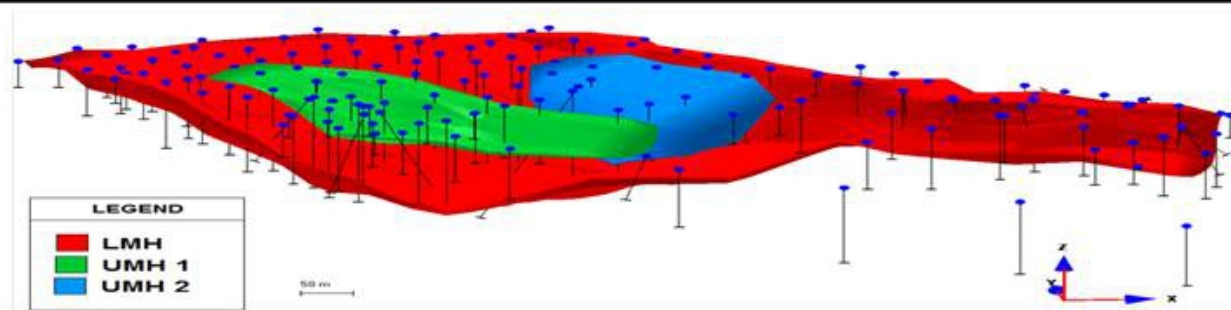
# ADVANCED PROJECT: FEASIBILITY STUDY COMPLETE

Joyce Lake DSO Project

Century Iron Mines

## Joyce Lake DSO Project 17.7Mt High Grade Reserves

Reserves	Tonnage (t)	Grade (%Fe)	Grade (%SiO <sub>2</sub> )
High Grade Proven (above 55% Fe)	11.63 M	61.35	9.16
Low Grade Proven (52% - 55% Fe)	2.89 M	53.31	20.70
Proven Reserves (above 52% Fe)	14.52 M	59.75	11.45
High Grade Probable (above 55% Fe)	2.45 M	61.50	9.48
Low Grade Probable (52%-55% Fe)	0.75 M	53.09	21.90
Probable Reserves (above 52% Fe)	3.20 M	59.52	12.40
Total Reserves (above 52% Fe)	17.72 M	59.71	11.62





# REDUCING INVESTMENT RISK

## ADDITIONAL FACTORS:



**Skilled and experienced local workforce**

**Highly qualified local mining supply and service network (vendors and contractors)**

**Government support at municipal, provincial and federal levels**

**Stable taxation and regulatory environments**

**Clear guidelines for Aboriginal consultation**



# SOCIAL LICENCE TO OPERATE

**Canadian companies in the  
Labrador Trough have had a strong focus on  
corporate responsibility, the environment,  
Communities, and Aboriginal issues**





# The long view:

... the outlook for iron ore is good.

Building infrastructure to meet worldwide growth in urbanization and industrialization.



Market downturn has created a window of opportunity in Canada