

Mine to Port

Mine to Port is published for the employees, retirees and partners of IOC.



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Message from our President and CEO

For many of us it has been a long winter; not only due to the bitter cold temperatures, but also due to the anticipation of what was to come with the latest labour negotiations that concluded in March. At some points for me, I have to say, time seemed to stand still as I awaited the final outcome. But, I am happy to report that with some hard work and dedication by our talented negotiations team, we reached a successful agreement with both our unions in Labrador City and Sept-Îles. This new agreement and competitive wage schedule provides us with the opportunity to attract and retain the employees we need to successfully grow our business. It also allows us to focus on our future with the confidence and the stability of a six year contract. I want to extend my sincere thanks to all involved and congratulations to all employees on this very positive outcome.

As we navigated our way through the labour negotiation process, one of the constant concerns for me was the potential distraction this process presented for each of us. Although the process was necessary and the eventual outcome was positive, I would hate to think that the distraction compromised any team members focus on the task at hand, their safety, or that of their teammates. As I reflect on our safety performance to date, it is pleasing that our All Injury Frequency Rate (AIFR) is tracking below target. However, there are still causes for concern with a number of serious incidents that had the potential to cause significant injury. I would like to ask each of you to ensure you review the hazards in any task and the appropriateness of the controls you have in place. With that in mind, I want to reinforce my message from the safety handbook distributed to all employees late last year – each and every one of us has the right to stop work if we believe that it is not safe.

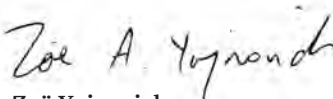
Unfortunately, it has been a disappointing start to the year in terms of production with performance for January, February and March well below target. Historically this time of year is difficult; however many of the issues which have driven this result were potentially avoidable.

Construction delays and challenges in commissioning the Parallel Ore Delivery System (PODS) have created a shortfall. This has been exacerbated by a series of issues such as equipment reliability that lead to the mine being the bottleneck in our system at this stage. If we are to succeed with our strategy to make IOC a very competitive asset for the long term, we must build credibility by operating our assets at their full potential and delivering on our targets. The leadership team are extremely focussed on these issues and have decided to tackle IOC's performance challenges in a turnaround fashion. The turnaround will focus on four fronts initially: 1) creating business performance transparency at all levels in the organisation, 2) debottlenecking operations, starting with the mine, 3) quickly solving our most burning human resources issues and 4) delivering our expansion projects. Focus and execution rigour needs to be a priority for all of us as this will form the basis of building our credibility.

As we start to embrace the early signs of spring, and with the successful conclusion to our labour negotiations now behind us, we must make this next chapter in the IOC story a real success.

I look forward to speaking with many of you during our upcoming Dialogue Tour 2012 where all our executive team members will be available to answer questions and have discussions on the issues that matter the most to you. We will also follow up on many of the items that were raised last year and the progress that has been made to date. More details will be forthcoming as we determine the schedules so please keep checking the intranet Mine to Port.net and the IOC TVs for details.

Thank you and please be safe.


Zoë Yujnovich

Fifty Years of Healthcare in Sept-Îles!

This year *Centre de santé et de services sociaux de Sept-Îles (CSSS)* celebrates its fiftieth anniversary. As a CSSS partner and to honor its anniversary, IOC will help organize some of the events on the calendar of festivities for the coming year.

Something for everyone

The 50th anniversary organizing committee's approach is that "healthcare is a community effort." Without a doubt the committee has planned activities to appeal to everyone – employees, volunteers, patients, residents, and the whole community.

IOC – A partner in the festivities

It goes without saying that IOC is participating in the celebration. You will recall that 60 years ago, between 1952 and 1959, the hospital serving the Sept-Îles community was located on the IOC base camp at Mile 3.

Among other things, IOC is ramping up its participation and financial contribution to the various fundraising activities of the hospital foundation, like the golf tournament and casino night. We have also covered the costs of producing and distributing video clips featuring various fascinating aspects of our regional health center. Lastly, we will be expanding our family day concept and the conference usually held during HSE week in order to offer joint events with the CSSS.

IOC family day will extend a special welcome to CSSS employees and their families, and the next day the event will be repeated so all Sept-Îles families can join in. A similar initiative is also underway to open the conference, usually presented during HSE week, to a wider audience that will include CSSS employees and the public at large.

Don't miss the video clips! They will be broadcast every Tuesday during *Téléjournal* (between 6:00 p.m. and 6:30 p.m.) on *Radio-Canada* (SRC).



Photo Archives 1956

HEALTH

Employees in Sept-Îles Butt Out During National No Smoking Week 2012

Have you ever thought of kicking the habit? Does it scare you? Are you afraid of craving cigarettes, eating too much, putting on weight or getting depressed?

As part of the National No Smoking Week campaign last January, our company implemented a stop smoking program. After this initiative was taken by the Occupational Health Department, some of our colleagues took up the challenge. Over a four-week period, a support group was formed by

employees wishing to join the ranks of the non-smokers. Once a week, this group would get together for lunch to discuss the impacts of smoking on their health, each person's experience and what they were going through so that they could provide one other with support and get through this very difficult phase on the way to kicking the habit.

Two employees in Sept-Îles agreed to share their experience with us.

This was not the first time Clyde tried to kick the habit. He started smoking when he was 14 and tried to stop for the first time 7 years ago. He was a non-smoker for three years. Little by little, he began to slip – a snowmobile excursion, a cigar here, a cigar there, and the first thing he knew, he was on the road to becoming a full-time smoker once again. The program was a good reason for him to get back on track and break the habit. "It's dumb. It's only the gesture, holding something in your hand, because I don't miss nicotine," he says. The worst time is after meals and with the first morning coffee. That is when Clyde is most appreciative of the support group. It motivates him to think that the day of the meeting has come and he will be able to announce with pride that he did not have a relapse. "It's interesting to share with others, to see we're not alone, and to see the results others are achieving as well! It's tremendously motivating." It also has a trickle-down effect. Four people in Clyde's circle also stopped smoking, seeing that he stopped as well. Congratulations Clyde and hang in there!



Clyde Bobbitt – 42
Operator-Repairman
Ore handling equipment
Sept-Îles



Daniel Gagnon – 51
Project engineer
Sept-Îles

Daniel was what you would term an occasional smoker. There were times he smoked, and other times, he wouldn't touch it. However, the habit had taken hold for about the past year and a half. "It's totally ridiculous! I stopped working out and eating well, because I told myself, There's no use. I'm smoking anyway, so why take care of myself, it's absurd." His mind was made up, and he would have stopped with or without the program. But since his main motivation was to help others stop, he told himself that joining the program would be a good way of keeping up his motivation. Since he stopped, he has lost weight, because now that he doesn't smoke, all areas of his life have changed. He works out, breathes better, sleeps better and thinks better! "If this article can inspire others to do the same, it will be my personal victory over smoking."

Make it Your Mission: Get educated on your prostate



Charlie Ward

On his 60th birthday, Charlie Ward, an IOC retiree, was diagnosed with prostate cancer after showing no symptoms.

“I was always expecting it because of my family history,” says Charlie. “Three of my brothers have had it, so I had people to talk to, but there were still the normal emotions of shock, fear, and anger.”

Prostate cancer will affect one in six men, making it the most common cancer among Canadian males. However, with early detection, 90% of all prostate cancers are curable. That’s what makes education and preventive measures so important.

Given his own family history, Charlie was very proactive in regards to his own health. He had a normal prostate-specific antigen test (PSA) reading at every check up, but since PSA readings only work for 80% of the male population, he knew that he had to make it part of his health care regimen to keep getting checked.

Charlie is now a prostate cancer survivor and recently joined forces with IOC’s Occupational Health team to help employees get educated.

“At IOC, 80% of our work force is composed of males, so during Prostate Awareness Month in March we held information sessions and asked Charlie, who worked with IOC for 35 years, to be part of that,” says Norma Boozan,

Occupational Health Nurse. “We are really fortunate to have this opportunity to work together to increase awareness about prostate health.”

Some common symptoms to be aware of include frequent and urgent need to urinate, difficulty in starting or stopping the urine flow or being unable to urinate. You can have a feeling that you are not completely able to empty your bladder or a burning or pain when you urinate. Sometimes you may even see blood in your urine.

But one symptom that is very common with prostate cancer is no symptoms at all. That is why it is so important that if you are a male over 40 years old, if you have had a family member who has been diagnosed if you consume more than two servings of red meat a week (or have a high fat diet), or if you have a body mass index greater than 30, you should be in contact with your doctor to talk about prevention.

“When you have symptoms, it may mean that the cancer is advanced, so make it your mission to take your health into your own hands, get educated and get checked regularly,” says Norma. “We are all on the journey to Zero Harm and that includes Zero Harm to our personal health.”

If you would like more information about prostate cancer prevention and awareness, please contact a member of the Occupational Health team in your area.

SAFETY

More People, More Ideas

JHA rollout aims to keep you safer on the job

The Health and Safety team are rolling out a new approach to identifying hazards and implementing controls in order to prevent harm to people, property and the environment. The goal is Zero Harm.

Job Hazard Analysis (JHA) is a pre-task hazard assessment that complements the Take 5 exercise. When hazards are not adequately controlled after the completing of a Take 5, a JHA should be completed.

Kristy Campbell, Manager of Health and Safety, says she is very excited to introduce this new approach and strongly believes it is one of the best HSE tools we have in our HSE toolbox.

“The JHA is really solutions based, it is conducted in the workplace prior to the start of a job and the main goal for our employees is to not only identify the hazards, but to put the proper controls in place to ensure the work can be done safely,” says Kristy. “The approach also allows employees to work together and to brainstorm innovative controls, which helps to engage them in the JHA process.”

When should a JHA be performed?

- > When hazards remain inadequately controlled after the completion of a Take 5.
- > When there are significant deviations from the procedure.
- > When there is no procedure addressing the risk associated with the task.
- > When the existing procedure does not address the risks.
- > When permits are required.
- > For jobs or tasks involving new equipment, machinery or processes.
- > For the development of procedures or instructions.

Training is currently being rolled out to supervisors and other leaders who will be involved in leading the JHAs in their areas. The training involves videos and practical exercises so employees can visualize how the JHA should be conducted.

If you would like more information on JHAs, contact your supervisor or a member of the Health and Safety team.



Darryl Collins, Trainer and Safety Advisor
Other JHA trainers: Keith Canning and Belinda Grouchy

PEOPLE

Recruitment Road

Recruitment team efforts see 575 new hires in 2011

The road wasn't always easy and there were certainly challenging conditions along the way, but the Rio Tinto People and Organization Support (POS) Recruitment & Talent Team helped IOC successfully recruit over 575 new employees in 2011 through on-the-ground initiatives like attendance at university career fairs and organized recruitment events dubbed "Swat Recruitment".

In November 2011, an interview blitz took place in Labrador City where 42 candidates were interviewed and 35 people were hired this past January.

"This initiative was the preamble to the recruitment 'Swat Team', where hiring managers and recruiters traveled to several cities in Newfoundland to interview candidates," says Michelle Turpin, Recruiter, Site Lead, Labrador City.



"These events resulted in lots of visibility for IOC and helped attract graduates and coops for our graduate development roles, and helped source critical skills such as mine engineers," says Nadine Douyon, Manager, Recruitment & Talent (POS). "Additionally, IOC participated in an event planned by *l'Ordre des Ingénieurs du Québec*, where IOC recruiters met candidates and offered their expertise and advice. Another was when POS participated at a fair for mining industries in Montréal, a three-day event that attracted more than 25,000 people."

Last fall was especially busy for the recruitment team as they met with Zoë Ujnovich, President and CEO of IOC, during the POS Canada conference in Montréal in mid-October to learn more about IOC's business strategy and goals for the next few years. In addition, Rio Tinto Recruitment launched a national advertising campaign spearheaded by POS Recruitment & Talent Canada which consisted of TV, radio and newspaper ads, as well as the creation of the career microsite www.jobs.riotinto.ca. Job seekers can go to this site and find a listing of all career opportunities in Canada, as well as articles and video testimonials of actual Rio Tinto employees, and footage from each of Rio Tinto's Canadian business units.

"New recruitment screening tools were introduced such as psychometric safety and cognitive assessments. More than 450 resumes were screened, resulting in a series of interviews in Corner Brook and St. John's. Those recruitment efforts resulted in IOC hiring many new qualified tradespeople, such as millwrights, haul truck drivers, heavy duty mechanics and electricians."

Another swat team was recently deployed across Québec in Trois-Rivières, Montréal, Saguenay and Sept-Îles, to recruit enginemen and source candidates for other anticipated vacancies across the business. More than 1,000 candidates participated in this swat event.

What's coming in 2012?

IOC currently has close to 300 open positions for its operations and expansion projects combined. The IOC HR Team and the POS Recruitment Team are working together to create synergies and find innovative talent acquisition strategies. These will focus on proactive recruitment to convert applicants into candidates and use the Rio Tinto Assessment Center Model to expedite the recruitment and selection process, making certain only the best talent is attracted and hired to help IOC reach its business objectives.



Overview of Air Quality in Labrador City

Doing Our Part

We are committed to do our part with respect to our contribution to air quality in Labrador City. In producing iron ore pellets and concentrate, dust and other substances are released within our facility boundary and, to a lesser extent, the ambient air in our community.

Since 1998, IOC has been operating a network of provincially-regulated air quality monitoring stations in Labrador City. This network was set up in consultation with the province, and assists in understanding air quality within the community.

The community air monitoring stations measure different substances in the air, which include emissions from the facility, as well as from other sources surrounding each monitor including other nearby mining companies' operations, tailings sites, cars and trucks on the road, woodstoves, and other common sources.

Measurements of substances at these air monitors have typically met air quality standards.

Planning for the Future

“Early in 2010, IOC identified a need to better manage our emissions, even though the air monitoring results have

typically met air quality standards,” says Julie Gelfand, IOC’s newly hired Vice President of Environment and Corporate Social Responsibility. “In addition, the federal government is proposing new emission limits for all iron ore facilities in Canada that we will need to meet. In response, IOC launched a comprehensive study on air emission and abatement options called the Air Quality Improvement Program (AQIP).”

Working Together

As part of IOC’s ongoing commitment to the community under the AQIP, IOC has engaged all levels of government by providing reports and updates on our progress. In addition, a number of independent specialist engineering and scientific companies have been retained by IOC to study the current and future air quality in Labrador City. These firms include Bestech, Air Testing Services, RWDI Air Inc., A. J. Chandler & Associates, Intrinsic Environmental Sciences, Bechtel, SENES and ERM. Their studies include ambient air quality monitoring within the community, sample testing of facility emissions, air dispersion or computer modeling of emissions, health risk assessment and evaluation of possible engineering solutions. The studies conducted under this program enable a more thorough analysis of community air quality in Labrador City, and will allow IOC to better evaluate our role, and possible solutions.



have concluded that long term exposures to air emissions within the community are unlikely to affect people's health. There have been some brief, infrequent, elevated concentrations of sulphur dioxide and nitrogen dioxide at the monitors. The science team considers risks associated with these infrequent excursions to be low, even for those within the community that have respiratory sensitivities, such as asthma. Typically, the concentrations of fine dust particles, sulphur dioxide and nitrogen dioxide in the air in Labrador City are similar to those present in many communities in the Atlantic region, such as St. John's, Corner Brook, Moncton and Fredericton.

Next Steps

"We are encouraged by the results of these independent studies, but we recognize that there is still work to be done," says Ms. Gelfand. "Going forward, we will be investing a significant amount of time, money, and resources through our Air Quality Improvement Program which will further improve our emissions management. We will continue to provide updates as we move forward."

Julie Gelfand, Patrick Lauzière, Manager of Environment and Sustainable Development, Christine Moore, Senior Scientist with Intrinsic Environmental Sciences, and Don Hyma, VP of Expansion recently met with members of the provincial government, as well as the Labrador City Town Council and the Community Advisory Panel to discuss AQIP and the results of the recent health risk assessment studies conducted by Intrinsic. A community mail out was sent to all residents of Labrador City which provided detailed information on the health risk assessment results. There was also a community open house held in late March.

"We are committed to communicating more openly and effectively with our key stakeholder groups and the recent meetings we held to discuss the AQIP were a very positive step in the right direction," says Ms. Gelfand.

Community Air Monitoring Network

As part of the AQIP, the community air monitoring network was upgraded in January 2011. This new community air network currently has six stations in Labrador City, and an additional station will be installed at Wabush Mountain in the near future. Site selection of the new monitoring stations was done in consultation with provincial and municipal authorities.

Measured substances include large dust particles (TPM or TSP), fine dust particles ($PM_{2.5}$), and gases (sulphur dioxide, or SO_2 , and nitrogen dioxide, or NO_2), as well as wind data (wind speed and direction).

It is important to note that the ambient air monitoring stations only measure air quality in the community, not in the workplace. There is a completely separate process for monitoring workplace exposures. Workplace dust monitoring is coordinated by IOC's Health and Safety team and our monitoring systems go beyond provincial occupational health and safety requirements.

Results of Recent Studies – Air quality is similar to many communities in the Atlantic Region

The community air monitoring data, as well as computer modeling of emissions from the IOC facility, have been evaluated by Intrinsic Environmental Sciences from a health perspective. Their studies have undergone a peer review by other independent experts.

The peer reviewed studies have concluded that while there have been large dust particle exceedances over the years, these represent a soiling and nuisance issue that is important to the community and IOC, but do not represent a health issue. The studies conducted to date

If you have questions or concerns about the Air Quality Improvement Plan, please contact 709 944-8400 ext 8677.



Air monitoring station #1

Innovative training equipment at IOC!

If you pass by the simulator training room at the Mine Training Building you may have to take a second look. You may think you've stumbled across an arcade and employees may appear to be playing the likes of grown-up video games! But, what you've actually discovered is the new simulator equipment being used to provide innovative, safe, and practical training for employees.

The training department recently acquired Hydraulic Excavator, Track Dozer, Large Wheel Loader and Grader equipment simulators. Simulators engage employees interactively helping them to practice, retain, and apply what they have learned in the classroom to their everyday tasks.

"It is very important that each employee be equipped with the skills necessary to perform his job safely and confidently," says Brad Hancock, Trainer/Assessor with the Training Department. "Employees new to these pieces of equipment become familiar with and gain an understanding of the equipment in a non-pressured environment before jumping into real life experiences. The risk of personal injury as a result of unfamiliarity with equipment is greatly reduced with the simulated learning environment."

Simulators not only benefit the operators but also have a positive impact on the business as well. Studies indicate that simulator use reduces fuel costs, cuts down on maintenance costs incurred through driver error, produces



more safety conscious employees and lessens the impact on production, as the equipment is not always being used for training scenarios.

IOC has also partnered with the College of the North Atlantic to use their Haul Truck simulator. Upon completion of their theoretical training, new employees are given the opportunity to "drive" a haul truck simulator and implement the knowledge they gained in the classroom before they actually start their practical training. A program has been designed to allow current employees to practice their winter driving skills as well.

"The feedback from participants has been quite positive. Some have even likened the simulation to a 'grown up video game'," says Brad. "Certainly our employees will be more confident in their abilities to operate equipment after spending quality time on the simulator. Employees perform at their best in an innovative and creative work environment."

As we continue on our journey to Zero Harm, this innovative approach to training will help ensure that our equipment operators have the knowledge, skills, and practical training to work safely on the job.



Our first apartment building in Labrador City

We are excited to announce the completion of our first apartment building in Labrador City. The Matthew, which includes 32 two-bedroom units and 16 three-bedroom units, will be used to facilitate new employees relocating to Labrador West, from mid-March. In addition, IOC is also completing 25 townhouses in Wabush and actively plans to construct an additional 107-unit apartment

building in Labrador City by the end of summer 2012. IOC will continue pursuing more projects to increase housing availability for the Labrador West area.

Should you have any suggestions or comments you would like to share with IOC's accommodations team, please write us at accommodations@ironore.ca.



A Whole New Outlook

Pellet plant belt shop crew celebrates 5S success

Lean is not a quick fix, it is a process that is mandated from the top of the organization but championed from the floor level employees. Given his previous working knowledge of how Lean could benefit his team, Gerry Robinson, Belt Shop Supervisor, reached out for help from the business improvement team.

"All floor level employees receive a two-hour lean training session which gives them a brief overview of what lean can do for them," says Judy Pope, Lean Coach, Pellet Plant. "So our first step was to provide a more intensive presentation with the Belt Shop Crew defining and coaching the 5S process."

Armed with the information they needed, the team began to see the shop with a new outlook. Instead of what they couldn't change, they looked at what they could change. They identified many areas within the shop that needed to be addressed. To simplify and build an achievable road for success they divided the area into five individual projects to be completed in sequence. Action plans were brainstormed, agreed and committed to; micro schedules were created incorporating achievable milestones taking into consideration reduced timeframes and demanding work schedules. To date, the team has completed all five projects.

- 1) Locker / Tool Storage Area
- 2) Work Station Area
- 3) Template Storage Area
- 4) Industrial Belt / Presses Racking
- 5) Belt Clamps / Shop Organization / Demarcation

Previous Process Used	Lean 5S Process
Scrounge	Sort Separate need from unneeded
Seize	Set Put things in their place
Stash	Shine Make things clean and organized
Scramble	Standardize Create a consistent way to do things
Search	Sustain Make a commitment and keep it

Within the last eight months the Belt Shop Crew has seen many improvements directly related to their 5S activities.

"Retrieving items for the job has become more efficient." — Sam Gavin: Crew

"Finally a process where the floor level employees have a voice in their own work area." — Dale Hollett: Crew

"The full potential of our shop is finally being realized." — Jon Burke: Crew

To date, Gerry has submitted 5 Safety / Continuous Improvements with success of being the top improvement of the week in their area multiple times. "I am really proud of the improvements that the team has made so far and excited for the ones to come," says Gerry. "This project has been great for many reasons but mostly because it really demonstrates what can be done when ideas from the end users are encouraged and supported. We now have a cleaner, more efficient, and, most importantly, safer working environment."

Since the completion of the last 5S projects, the team has committed to taking on more improvements within the shop consisting of rectifying problems that have been discovered or highlighted through the previous Lean activities, or continuous improvement to enhance work completed which will increase either production, efficiency, HSE or all the above.

5S Benefits Achieved

- > Improve safety
- > Reduce non-value added activities
- > Identify problems
- > Develop control through visibility
- > Establish convenient work practices
- > Increase product and process quality
- > Strengthen employees pride in their work
- > Promote stronger communication
- > Raise employee moral
- > Empower employees to be accountable and sustain their work area



Before



After



Before



After

"Initially the team thought they had a unique set of problems or operating conditions which would make 5S and other Lean tools difficult to implement," says Judy. "The reality tends to be very different. Once they get over the first high hurdle of buy-in, progression and improvements were rapid. This team was open to sharing ideas and giving Lean a chance, the open and continued communication from the start has built respect of the process, created a high functioning unified team, and displayed exceptional completed work which has lead to recognition throughout upper management and other departments."

"I am very proud of the work this team has accomplished," says Nicole Slade, Manager, Pellet Plant and Product Handling.

"I am excited about future improvements and this demonstrates what is possible with a truly engaged team."

Everyday challenges we face inevitably enhance the bottom line, but when employees are engaged and contribute to finding solutions, we begin to share in the same vision of securing our future together.

Crew:

Sam Gavin, John Burke, Mike Willcott, Job Dewland Jr., Philip Anthony, Chris Thoms, Eugene Hynes, Dale Hollett, Myles Penney



Photo from left to right: Stuart Murray, Myles Penney (crew), Sam Gavin (crew), Nicole Slade, Dale Hollett (crew), John Burke (crew), Zoë Ujnovich, Gerry Robinson, Judy Pope, Frank Hynes. Missing from photo: Mike Willcott (crew), Job Dewland Jr. (crew), Philip Anthony (crew), Chris Thoms (crew), Eugene Hynes (crew).

More to expansion than meets the eye: An update on CEP1

As the Site Manager for the first phase of IOC's Concentrate Expansion Project (commonly referred to as CEP1), Mario Courchesne oversees construction and coordinates between IOC and Bechtel.

"CEP1 is all about expanding our operations to increase production by four million tonnes per annum," said Mario. "We're looking at an increase from 18.4 million tonnes to 22.4 million tonnes at the completion of CEP1."

But it's not as easy as simply extracting more ore from the ground. In fact, there's a lot more to expansion than meets the eye.

In order to increase the amount of iron ore we produce, we must also improve and expand our infrastructure.

As Mario explained, the project scope of CEP1 consists of several elements: the installation of two haul trucks, dump hopper, an apron feeder and a gyratory crusher, which includes maintenance and utility facilities. The crusher circuit will discharge onto a 6,000 tons per hour (tph) overland conveyor designed to deliver the ore to the ore barn and distribute it throughout the barn via a moveable head conveyor. A fourth autogenous grinding



First haul truck to PODS Feb 24th

(AG) line will be added to the three existing ones. And, the current power grinder will be expanded by the addition of a seventh power line coming from the Wabush terminal.

And, CEP1 is known as "the PODS" for the new parallel ore delivery system that is being designed. The new conveyor will run parallel to the train / crusher system. As Mario explained, "That's a flexibility we never had before in the operation."

The engineering for CEP1 is practically complete, and construction is well underway at about 90 per cent complete. CEP1 reached a peak of about 700 workers on-site in January 2012.

"We reached an important milestone by running the overland conveyor for the first time on December 21, 2011," explained Mario. "Since that time, the overland conveyor has run several times during the month of February 2012 for commissioning."

Another important milestone was reached by delivering the first haul truck through the system on February 24th.

"The people of Lab West can expect to see the project really ramp up in March and April," said Mario.



Overland conveyor with ore in it

Interview with Simon Desjardins

Pellet plant dismantling in Sept-Îles

The Sept-Îles industrial landscape is in for a change in 2012. Cleaning and dismantling of the IOC pellet plant got under way in the fall of 2011 and is proceeding smoothly. For fans of the area's beaches and views of the St. Lawrence, the famous "IOC castle" will soon be a thing of the past, replaced by sand dunes and wild rye grass.

The man in charge of the project is Simon Desjardins. Trained as a civil engineer, he also has impressive chemical expertise, which is extremely important and useful for this type of project. This isn't his first dismantling job. Before joining Rio Tinto Alcan, Simon worked on taking down U.S. Army bases in the Canadian Arctic. Harsh conditions are nothing new to him. Inuit armed with rifles protected the workers from polar bear attacks during his previous assignment, and the St. Lawrence North Shore's bitter cold snaps are nothing new to someone who's experienced the Far North...

For the first few months of his IOC assignment, Simon had the great fortune to be backed up by a peerless team that included Guy Plourde, with 44 years of experience with the company, and Jean-René Masson, a brave and determined 69-year-old retiree. At the end of their stints, our friends Guy and Jean-René left for their second well-earned retirement. Thanks to their contributions, the dismantling project is well on its way to completion.

According to Simon, taking down the plant is a rigorous process that has to be deployed carefully and methodically to avoid damaging the environment. All of the buildings, including the regrind plant, bentonite tower and bulk unloader, will be torn down and the site will be returned to the way it looked at the start of the 1970s, before the facility was built.

To achieve this, the team is taking all necessary precautions. Thousands of litres of used oil, BPC-contaminated ballast, mercury thermostats and asbestos will be removed from the buildings, shipped and eliminated in keeping with the standards approved by the pertinent government departments. An air sampling system will be operational during the dismantling of structures that may contain asbestos, to measure potential releases to the atmosphere.



Simon Desjardins

In the event of a problem, the work will be suspended until it can be started up again safely.

EDS, the company in charge of dismantling the plant, is responsible not only for the demolition work, but also for allocating reusable assets and equipment, which will be sold to a variety of firms. Steel that cannot be reused will be sent to foundries in Canada and the United States. Up to 7,000 tonnes of steel (out of an expected total of 45,000 tonnes) is waiting on our docks to be shipped to Canadian and U.S. steel mills for recycling, via the St. Lawrence Seaway and the Great Lakes.

To make sure the work is safe and meets our standards, EDS has done a meticulous job of organizing the demolition. Some of the buildings are up to 40 metres high, and therefore have to be dismantled in a specific order. The standards for work in high places are strictly applied, to avoid risks of falls. According to Simon, "Demolition by dynamite was out of the question for this type of project, given the dimensions and mostly steel structure. It would have been less safe. That's why it was ruled out."

In collaboration with IOC, EDS has significantly upgraded its safety standards by implementing important IOC health, safety and environmental principles, such as number 3 (risk management) and number 11 (change management). "Their learning curve is phenomenal," says Simon. "They've assimilated the importance of safety for IOC and are busy implementing norms and standards within their own organization that will bring them up to our level of safety expertise."



boutique



IOC's E-boutique is open!

What the store offers?

- IOC Promotional Items
(Backpacks, BBQ sets, umbrellas)
- Apparel
- Office supplies
- Environmentally friendly items

**Be sure to check out the boutique
to see all it has to offer!**

www.ironore.ca/boutique

and on the Intranet

[Mine to Port.net](http://Mine.to.Port.net)



SPECIAL ANNOUNCEMENTS

Together We Care



A successful business is all about collaboration – collaboration within the workplace and within our communities. Each strengthens the other, unleashing our ability to think and dream big, and to deliver on our dreams.

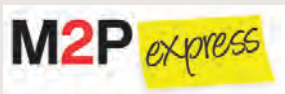
IOC has been part of the community for more than five decades and we plan to be around for that many more... at least. We're proud of the support we have given over the past fifty years; support that has helped make our communities stronger.

For this reason, we are proud of Together We Care – a collection of programs that will reward our hardworking employees and community volunteers to further benefit our host communities.

Results from Centraide in Sept-Îles

IOC's fundraising campaign for United Way in Sept-Îles has set a new record this year. The team set out with two objectives, 1) to raise a total of \$80,000, and 2) to increase the participation rate up to 75%. Employees raised \$50,858, and IOC agreed to match that donation, which brings the total to \$101,717. A huge thank you to everyone who participated in this campaign.

Mine to Port Express Launch



We are pleased to announce the launch of M2P Express, your monthly e-newsletter. Everyone who has an email address received the first two editions. It is also accessible on the Intranet. This communication tool will help keep you informed about expansion projects, job postings, employee recognition, community events and much more.

This is a new initiative and we would appreciate having your comments and questions. Please feel free to send us your feedback at m2pexpress@ironore.ca.

In memoriam

We extend our deepest sympathy to the families of

Norman Peckham, November 25, 2011
James Robichaud, December 4, 2011
Larry Boone, December 9, 2011
Herbert G Hounsell, December 10, 2011
Gordon Abbott, December 21, 2011
Raymond Rossignol, December 22, 2011
Alberto Ferri, December 24, 2011
Patrick Guimond, December 25, 2011
Paul Penney, December 25, 2011
Dany Wright, January 7, 2012
Theodore J. Duiverman, January 9, 2012
Robert Smith, January 12, 2012
Robert Moureaux, January 17, 2012
Frank Thoms, January 25, 2012
Yvon Cormier, January 27, 2012
Rocco Gareffa, February 1, 2012
Fernand St Laurent, February 5, 2012
Lawrence Holloway, February 6, 2012
Shawn Ryan, February 12, 2012

Mine to Port team:

Julie Cusson, Communications and External Relations, Québec

Josée Blouin, Communications

Jeanette O'Keefe, Internal Communications

Pascale Gauthier, Environment

Barry Hillier, Engineering

Kristy Campbell, Health and Safety

Hugues Lapierre, Terminal

Judith Leclerc, Business Improvement

Nicolas Mercier, IPT

Glenn Penney, Pellet Plant

Randy Philpott, Central Services

Carl Poirier, Engineering

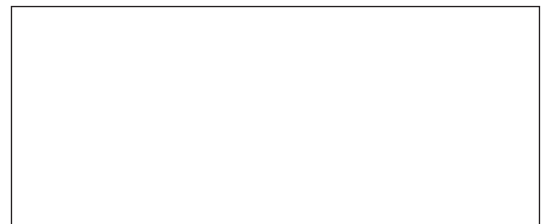
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Iron Ore Company of Canada

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