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Your feedback

We want to know what you think about this publication.
Visit our online survey at www.ironore.ca/survey
To thank you for actively participating in this process, IOC will donate $25.00
to a non-profit organization (choose from a list provided in the survey) on behalf
of each of the first 100 people who take part in our survey.
Iron Ore Company of Canada is proud to present its 2005 Social & Environment Report, which tells the story of IOC’s best year ever! Wherever I happen to look in IOC, whomever I happen to speak to, I feel a renewed energy and a strengthened commitment because of the positive actions we’ve taken in the spirit of continuous improvement.

As a family, IOC and the community members of Sept-Îles and Labrador City have worked together to achieve a new, focused outlook for our future. It is a future that is rooted in the idea of sustainable development, striking a balance between the economic, social and environmental aspects of our business to meet the needs of today’s generation as well as tomorrow’s.

In 2005, we were delighted to celebrate IOC’s 50th anniversary. Together with our host communities, IOC held festivities to commemorate our successes with regards to the Community, Employees, Environment and Operational Performance.

This publication chronicles our performance in 2005, sharing with you the pride we feel in a job well done. And as we value what you have to say, we are relying on you to be active in this ongoing process: Navigate through our web site to keep up to date on IOC activities in your community and let us know your thoughts and suggestions for improvement.

Sincerely,

Terence F. Bowles
President & CEO
Iron Ore Company of Canada
Community investments:

$2.2 million

With the help of over 1000 employees, IOC revamped its company Mission Statement and Values.

Production:

37.8 million tonnes of crude ore.

NEW leadership training programs and recruitment efforts reflect a long-term plan to secure the future of IOC employees.

A renewed focus on health & safety resulted in a 20% reduction in Lost Time Injuries.

IOC has achieved substantial milestones with regards to the environment and was honoured with the Great Blue Heron Award for work in biodiversity.

Over $125 million was invested in improving all aspects of our business.
IOC's roots lie in the adventures of Father Louis Babel, a surveyor and missionary, who, from 1866 to 1870, traversed the Quebec and Labrador region documenting and mapping out the land. It was his exploration that opened the road to the 1945 discovery: over 400 million tonnes of ore. Soon after, various companies joined together to create Iron Ore Company of Canada and saw its official incorporation in 1949.

Today, IOC is the largest iron ore producer in Canada and one of the world’s leading suppliers of iron ore pellets and concentrates. With customers across the globe, IOC is one of the few pellet manufacturers worldwide that can meet very specific chemistry requirements.

IOC’s Labrador City location began its operations in 1962 and is the site of the mine, concentrator and pelletizing plant. Operating 24 hours a day, 365 days a year, the QNS&L railway transfers the finished products from Labrador City to the deep-water seaport in Sept-Îles. Ranked first in the world for transshipment of merchandise, the port handles over 250 vessels each year.

IOC’s approach is one that is focused on sustainable development, spurred on by the tremendous opportunity granted by the communities in which it operates. It is imperative that the company’s actions are responsible and aligned with the evolving priorities of those communities in order to achieve long-term success. IOC has continued to improve its knowledge and understanding of the environmental implications of its activities, concentrating on areas such as biodiversity, climate change, water and energy use, waste management as well as how to minimize and eliminate where possible, potential impacts on the community and surrounding environment.

IOC is owned by Rio Tinto (58.7%), Mitsubishi Corporation (26.2%) and the Labrador Iron Ore Royalty Income Fund (15.1%).

Learn more about IOC from our web site at www.ironore.ca.
About Rio Tinto

Rio Tinto is a leader in finding, mining and processing the earth’s mineral resources. It spans the globe, with major operations in Australia and North America and significant businesses in South America, Asia, Europe and southern Africa. The Group is the second largest iron ore producer in the world and other products include aluminum, copper, diamonds, energy products (coal and uranium), gold, and industrial minerals (borax, titanium dioxide, talc and salt). Rio Tinto acquired the majority interest in IOC in 2001.

Wherever Rio Tinto operates, the health and safety of its employees is the first priority. The Group seeks to contribute to sustainable development. Its worldwide businesses work as closely as possible with host countries and communities, respecting their laws and customs. At the community level, Rio Tinto ensures fair and equitable transfer of benefits and enhancement of opportunities. The Group’s health, safety, environment and social issues are overseen by a committee of the board of directors, the Committee on Social and Environmental Accountability, which promotes the development of business practices that are consistent with the high standards expected of a responsibly managed company, and develops the necessary clear accountability on these practices.

Aiming towards responsibility and sustainability in the process of maximizing shareholder return, Rio Tinto’s strategy is to focus on significant, long-term and cost-effective mining operations.

Explore Rio Tinto at www.riotinto.com
2005 PERFORMANCE FLASHBACK

IOC & Sustainable Development

Meet the needs of the present generation without compromising those of the future.

IOC’s approach to sustainable development is driven by the fact that it has been granted a tremendous opportunity full of possibility by the communities in which it operates. Therefore, it is imperative that we function responsibly and align our actions with the evolving priorities of those communities in order for all to achieve long-term success.

Sustainable development has been brought to the forefront of IOC’s business strategy, influencing all aspects of the way IOC works and its role in the community; sustainable development is smart living. It is in this light that IOC adopted Rio Tinto’s 5 Pillars of Sustainable Development:

- **People** – Provide a safe and healthy workplace, equipped with challenging opportunities for personal and professional development aligned with business needs.
- **Environment & Resource Stewardship** – Develop work methods that respect the environment and natural resources, ultimately minimizing or erasing our impact on the earth entirely.
- **Communities** – Nurture relationships that are based on trust and partnership through communication and issue management so that a common vision can be shared.
- **Governance & Management Systems** – Ensure that the proper systems are in place and that those governing these systems do so in a spirit of honesty, integrity and fairness.
- **Product Stewardship** – Produce high quality products within the sustainable development principles while staying competitive in the marketplace.

2005 Targets

Establish an internal Sustainable Development focus group to set up IOC’s Sustainable Development Framework.

2005 Performance

IOC refrained from establishing the Sustainable Development focus group and framework in 2005, as priority was given to the implementation and registration of IOC’s Environmental Management Systems to ISO 14001:2004 Standard as well as IOC’s newly developed Mission Statement and Values, which incorporates Sustainable Development principles. Although the proposed framework is not complete, aspects of it have been constructed or are underway, namely the incorporation of Sustainable Development implications into IOC’s decision making processes, community interaction, quality of the workplace and biodiversity.

IOC has also been actively involved in the development of the Mining Association of Canada’s Towards Sustainable Mining (TSM), an initiative that looks at the sustainability of mining in Canada. TSM performance indicators are being identified and developed, and IOC is participating in that process. So far, four indicators have been identified and in 2005 IOC scored as follows:

- **Tailings Management** – Low
  Certain areas of the Tailings Management operational systems are not yet fully in place.
- **Energy Management** – Above average
- **External Outreach** – Average
- **Crisis Communications Management** – Above average

IOC has up-to-date Crisis Communication Management plans in place at both its Labrador City and Sept-Îles operations.

2006 Targets

- The Sustainable Development framework will be formally developed into an approved IOC Sustainable Development strategy.
- **Carol Project** – Create a Community Advisory Panel (CAP) consisting of a cross-section of representatives from the local community and municipal government.
- Implement a crisis communication management plan at IOC’s corporate office in Montreal.
- Conduct an archaeological assessment of the terrestrial habitat to be affected by dyke and access road construction, with the intent to identify and preserve any historical artifacts encountered.
The Iron Ore Company of Canada has developed a new Mission and Values, which included an extensive internal consultation process.

The new Mission and Values is IOC’s response to the changing marketplace, new company ownership, community developments and employee needs. A successful company is one that changes with the times, listens to the multitude of voices in its environment and develops new, innovative and cost-effective ways of working together.

You will notice a fresh focus on responsible management, work safety, teamwork, the development of effective role models within our management structure and social & environmental accountability. These elements reflect our evolving needs as we move forward into the future, a future that together we can make secure.

**Values**

- **We will show respect & consideration to all by:**
  -Treating people fairly.
  -Behaving in a way that we would want others to behave.
  -Encouraging everyone to bring forward ideas and concerns.

- **We will pursue excellence in health & safety by:**
  -Providing a safe & healthy workplace.
  -Accepting responsibility for our own health & safety and sharing responsibility for the health & safety of others.
  -Working safely at all times.

- **We will focus on performance by:**
  -Always delivering planned & expected results.
  -Continually improving existing processes and practices.
  -Making the right decisions quickly.
  -Setting clear goals and ensuring expectations are understood.
  -Communicating necessary information and feedback in a timely fashion.
  -Being flexible and responding quickly to changing customer needs.
  -Contributing to and supporting team decisions.

- **We will be an employer of choice by:**
  -Providing challenging and satisfying work.
  -Providing competitive compensation.
  -Developing and maintaining a satisfying workplace.
  -Creating opportunities for employee growth & development.

- **We will be socially & environmentally responsible by:**
  -Establishing mutually beneficial, sustainable relationships with our local communities.
  -Respecting the environment in everything we do.

**Mission**

Securing Our Future Together as a successful supplier of iron ore products to the global steel industry.

To achieve our mission, we will:
- Show respect and consideration to all.
- Pursue excellence in health & safety.
- Focus on performance.
- Foster effective teamwork & leadership.
- Be an employer of choice.
- Be socially & environmentally responsible.

**2006 Targets**

- Present the new Mission and Values to all employees through President’s employee sessions in 2006.
**IOC & COMMUNITY**

**Community Investments**
- In 2005, 2 weeks of celebrations were held to commemorate IOC’s first 50 years of operations. Employees and community members united during daily events and evening galas and all received an IOC album created for the occasion.
- The commitment to sponsoring the 2007 Quebec Games in Sept-Îles has been made with an initial contribution of $17,000. IOC has pledged to donate $50,000 in total.
- IOC and the local boaters association united to install a buoy marker system in Labrador West with IOC donating $12,000 for the cause.
- 2005’s United Way Campaign at IOC was the most successful in its history. Over $52,000 was raised thanks to the contribution of IOC and its employees. Compared to 2004, employee contributions doubled, increasing by over $9,000.
- In the spirit of its new Mission & Values, IOC has donated $200,000 to Sept-Îles for the development of a new palliative care facility and a plot of land of the same value to the town of Labrador City for the construction of a new seniors housing complex.
- With the help of IOC volunteers, teams representing companies and communities of Labrador City and Sept-Îles participated in the annual Relay for Life, a fundraiser for the Canadian Cancer Society. $60,000 dollars was raised in Labrador City and $40,000 in Sept-Îles at this year’s events.
- In March, August and December, IOC hosted Family Day to celebrate the relationships every IOC employee has at work and at home. Activities ranged from skiing, snowshoeing and tobogganing in the winter to water sports and various children’s games in the summer. IOC sponsored the events for its employees of Labrador City and Sept-Îles.

**Occupational Health**
- Corporate wide education on Occupational Health and Hygiene (OHH) standards for employees and supervisory staff was completed.
- In tandem with educational experience, employees have been encouraged to set their own personal health and wellness objectives.
- Noise control has progressed and success has been achieved regarding all hand/arm and whole body vibration levels, with results indicating that no whole body vibration exposure is above risk levels.
- After the completion of audits, results in both Labrador City and Sept-Îles operations show a 96% compliance rate with the demanding Health and Hygiene standards required of all Rio Tinto businesses.

**IOC & EMPLOYEES**

**Health & Safety**
- Lost Time Injuries were reduced by 20%.
- The All Injury Frequency Rate was not reduced and will be a major focus for improvement in 2006.

**Emergency Measures**
- The Disaster Management and Recovery Plan was implemented at IOC operations in Labrador City as well as two simulations held during the year.

**Leadership Training and Involvement**
- Key findings from audits, inspections and Joint Operational Safety, Health and Environment Committee (JOSHE) meetings were successfully integrated into operating and maintenance practices.
- With the development of the Team Leader Development Program, the Leadership Group now spends between 20% and 30% of its time working on and driving safety performance.

**Safety Standards**
- A comprehensive Safety Standards Implementation Team was established and the results of the team were recognized during very successful Rio Tinto ESH Audits.

For detailed 2005 targets and performances as well as IOC’s targets for 2006, visit our in-depth Social & Environment Report online at [www.ironore.ca](http://www.ironore.ca)
Air Quality

- As planned, IOC’s Air Quality Management Plan was submitted to provincial regulators on June 29, 2005.
- Emissions testing on selected stacks (as agreed with NL regulators) was completed as planned and a plume dispersion model was finalized in February 2005.
- Relocation of the PM2.5 monitor was deferred until Q3 2006 in agreement with NL regulators to allow for relocation of the unit based on the outcomes of the planned IOC 2006 plume dispersion model.
- Air within the communities of Labrador City and Sept-Îles continues to be of high quality.

Biodiversity

- The North American Waterfowl Management Plan Joint Venture program (EHJV) recognized IOC initiatives by awarding IOC with the 2004 Great Blue Heron Award which acknowledges participants in the North American Waterfowl Management Plan who have made significant, long-term contributions that result in benefits to waterfowl and other migratory bird populations of North America.
- As part of the Municipal Wetlands Stewardship Agreement signed in 2005, IOC initiated the wetlands education and awareness program in grade four classes of the Labrador City Elementary School. The initiative has received positive feedback from the community and regulators. In 2006, schools are scheduled to visit IOC’s rehabilitated sites.
- The small mammals survey along the QNS&L railway corridor was completed in 2005, with the bird survey to be completed in 2006.

Contaminated Sites

- Based on the prioritization in the Contaminated Sites Action Plan, characterization and remediation activities were completed at designated sites at the Labrador City Carol Project, the QNS&L railway corridor and the Sept-Îles port facility.
- Ongoing fuel recovery, site remediation, and groundwater monitoring continued in 2005 at Ross Bay, Ryans Crossing and Labrador City Heating Plant areas, as well as at the Sept-Îles heating plant and associated treatment areas.

Energy Efficiency

- IOC’s production dramatically increased in 2005 and there was a corresponding massive decrease in energy consumption of 13.2% per tonne of product produced.

Greenhouse Gases

- In line with the energy efficiency improvements, IOC achieved a massive decrease of greenhouse gas per tonne of product produced, reducing by 12.6% in 2005 compared to 2004.

ISO 14001

- Certification to the ISO 14001 standard on Environmental Management Systems was achieved for Labrador City Carol Project site in 2005.

Land Reclamation

- Rehabilitation of 30 hectares of disturbed land at the Labrador City Carol Project was achieved—More than double the planned area.

Tailings management

- Booster tailings pumphouse construction was on schedule with commissioning expected in the second quarter of 2006.

Water Efficiency

- Our knowledge base improved through Environmental Effects Monitoring programs, water quality and ecosystem monitoring programs and ongoing water quality compliance monitoring programs.
- Global site water balance was created in May 2005 for the Labrador City Carol Project.
- The Rio Tinto Water Diagnostic was applied to identify opportunities for improvement in water utilization and reduction in usage. A Water Management Plan was developed which meets the intent of the Rio Tinto Standard with respect to water use and water quality.
- Freshwater withdrawal reduction of 6% (against 2003 baseline) during period of production increase of 10% (against 2003 baseline).

Waste Management

- IOC sponsored a Household Hazardous Waste Collection Day in Labrador City, providing residents with a safe and convenient way to dispose of their household hazardous waste products. This has been confirmed as an annual event and is a valuable component of the municipal waste management strategy aimed at environmental protection and increased awareness. In 2006, similar events are planned for both Labrador City and Sept-Îles.
- Waste disposal audits have been conducted by IOC’s audit team and external resources.
Setting targets is significant in the continuous improvement process. In every area of our business, 2005 was IOC’s best year yet!
2005 was a year filled with challenges, calling us all to rise up and show what we are truly made of, as a team and as a family. And IOC is proud to say that we did just that. How fitting it was to celebrate with such pride during our anniversary: 2005 was also IOC’s first 50 years of operations – an exceptional half century during which we contributed to the economic and social development of Labrador City and Sept-Îles.
In 2005, two weeks of celebrations were held to commemorate IOC’s first 50 years of operations. Employees and community members joined in numerous events and galas and contributed to a special IOC album which was printed and distributed to all.

IOC and the local boaters association united to install a buoy marker system in Labrador West with IOC donating $12,000 for the cause. The project will be completed in 2006.

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The commitment to sponsoring the 2007 Quebec Games in Sept-Îles has been made with an initial contribution of $17,000. IOC has pledged to donate $50,000 in total.
In keeping with its newly revamped Mission Statement and Values, IOC will continue to strive to establish mutually beneficial, sustainable relationships with local communities. By listening and supporting individual members and forming strategic alliances with local companies, we plan to achieve the shared goals of all stakeholders involved.

Being partners with every member of the community is of paramount importance to IOC – the foundation on which it is built, the Mission and Values that run like a thread through all of its activities, are based on this cherished reciprocity. This exchange means acting with transparency, encouraging participation and sharing ideas through an open dialogue that will ultimately benefit the future sustainability of IOC and its communities of interest.

This partnership extends to all community members including:
- Employees and their families
- Retirees
- Contractors and suppliers
- Aboriginal groups
- Federal and provincial government
- Administrations
- Authorities
- Media
- Learning institutions
- Interest groups
- Profit and non-profit organizations

Celebrating Family Day in Sept-Iles.

Hockey teams from Labrador City and Fermont compete at the Fer-O Tournament in Sept-Iles.
Although Labrador City is flourishing today, the land remains quite untouched; a surprising circumstance considering the promise its abundance of natural resources has held for so long. With its vast potential for hydro-electric and mineral development, its myriad of bays, fiords and coastal fishing, forestry possibilities, hunting and agriculture, and oil and gas prospects, it is no wonder that explorers from across the world came to the shores of Labrador, recognizing it as a land of plenty with a thriving future.

Labrador City grew out of a vast, untouched expanse of land that held visions of adventure and mystery, into a small group of houses and basic services, and finally a prosperous town equipped with schools, medical facilities, shopping malls and recreational amenities. Most importantly, Labrador City’s members are connected by roots that run deep and only grow stronger over time.

In Labrador City alone, IOC employs over 1200 people — about one-quarter of the population. The city is comprised primarily of families, the majority of whom own their own homes and are significantly more educated than the provincial average. According to Census 2001 data, only 2.6% of the population is over 65 years of age compared to 17% in the rest of Canada.

It was 45 years ago this year that Iron Ore Company of Canada established Labrador City to support its operations and provide housing for miners and their families. In some respects, it was a challenging venture: Labrador is a rugged terrain and the winters are often harsh and unforgiving with temperatures dipping well below freezing. Yet the invigorating nature of Labrador’s vast and relatively untouched interior with its mountainous wilderness and wide open landscapes offered a chance to establish a community that values its environment and in turn, strives to propel that same value into everything its members experience.
Sept-Îles

It was Jacques Cartier who gave the north shore of Quebec its original name – the Round Islands – but it was only on his second voyage, after returning from Quebec in 1535, that he changed the name to the present day’s Sept-Îles for the seven islands that make up the area: Grande Basque, Petite Basque, Corossol, Petite Boule, Grosse Boule, Manowin and îlets De Quen.

Like Labrador, Sept-Îles was recognized by its first inhabitants and those explorers who ventured thereafter as a land flush with opportunity and resources. Many were attracted and sustained by the immense circular bay with its entrances protected by islands, and it became a port of shelter during storms as well as a place to hide from enemies in search of new land to exploit or to protect hunting and fishing territories.

Early economic activity in Sept-Îles was based on fishing and the fur trade, and later, forestry and eventually mining. The islands teem with resources and wildlife – a plethora of waterfowl, seals and a whale route that has existed for some 10,000 years.

Sept-Îles was a mere fishing village in 1949 with a population of approx 1200 non-migratory inhabitants and an average of 700 Amerindians. The modern Sept-Îles was built practically overnight during the construction by IOC of the Quebec North Shore and Labrador Railway, a 357-mile (575 km) railway link to the northern town of Schefferville. Iron ore mined near Wabush, Labrador was transported on this railway and shipped from the Port of Sept-Îles, one of Canada’s deep-water seaports that is seconded only by Vancouver for yearly tonnage. This huge rail project led to a major population boom: from 2,000 inhabitants in 1951 to over 30,000 today.

The Port of Sept-Îles is the most important of its kind in Quebec and acts as a gateway to the world with a strategic location providing access to the Atlantic Ocean, the Great Lakes, the Eastern Seaboard of the United States and the entire North American continent. It has even been ranked first in the world for transshipment of merchandise.

IOC continues to be a major employer in the area with over 450 employees. Sept-Îles is predominantly French speaking. It is the main urban centre in the region with a fairly diversified economy, radio and television stations affiliated with major French-language networks, a regional hospital, and junior college.
## Census Statistics

<table>
<thead>
<tr>
<th></th>
<th>Labrador City</th>
<th>Sept-Îles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>9,638</td>
<td>26,952</td>
</tr>
<tr>
<td>Aboriginal population</td>
<td>255</td>
<td>2,839</td>
</tr>
<tr>
<td>Foreign born</td>
<td>160</td>
<td>300</td>
</tr>
<tr>
<td>Visible minority population</td>
<td>95</td>
<td>120</td>
</tr>
<tr>
<td>Median age</td>
<td>35.3</td>
<td>37.1</td>
</tr>
<tr>
<td>% over 15 years of age</td>
<td>82%</td>
<td>80.2%</td>
</tr>
<tr>
<td>Total private dwellings</td>
<td>3,695</td>
<td>11,964</td>
</tr>
<tr>
<td>Average value</td>
<td>$70,604</td>
<td>$85,231</td>
</tr>
<tr>
<td>New dwellings built (1991 to 2001)</td>
<td>30</td>
<td>1,265</td>
</tr>
<tr>
<td>Land area (square km)</td>
<td>56.27</td>
<td>1,697.44</td>
</tr>
<tr>
<td>Population over 15 years of age</td>
<td>7,900</td>
<td>21,615</td>
</tr>
<tr>
<td>Married</td>
<td>4,660</td>
<td>7,905</td>
</tr>
<tr>
<td>Single</td>
<td>2,500</td>
<td>10,140</td>
</tr>
<tr>
<td>Common-law relationships</td>
<td>700</td>
<td>4,920</td>
</tr>
<tr>
<td>Separated, divorced or widowed</td>
<td>740</td>
<td>3,570</td>
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</table>

### Language (mother tongue)

<table>
<thead>
<tr>
<th>Language</th>
<th>Labrador City</th>
<th>Sept-Îles</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>9,135</td>
<td>875</td>
</tr>
<tr>
<td>French</td>
<td>310</td>
<td>23,345</td>
</tr>
<tr>
<td>Both French and English</td>
<td>65</td>
<td>240</td>
</tr>
<tr>
<td>Other languages</td>
<td>115</td>
<td>2,310</td>
</tr>
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### Religion

<table>
<thead>
<tr>
<th>Religion</th>
<th>Labrador City</th>
<th>Sept-Îles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protestant</td>
<td>5,640</td>
<td>660</td>
</tr>
<tr>
<td>Catholic</td>
<td>3,670</td>
<td>25,140</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>125</td>
</tr>
<tr>
<td>No religious affiliation</td>
<td>320</td>
<td>835</td>
</tr>
</tbody>
</table>

### Labour force (2002)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>People working full- or part-time</td>
<td>5,670</td>
<td>14,390</td>
</tr>
<tr>
<td>Earning an average of</td>
<td>$37,638</td>
<td>$30,986</td>
</tr>
<tr>
<td>People working full time all year</td>
<td>2,910</td>
<td>7,030</td>
</tr>
<tr>
<td>Earning an average of</td>
<td>$53,380</td>
<td>$43,273</td>
</tr>
<tr>
<td>Unemployment rate (2002) (^3)</td>
<td>9.7%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

Source: 2001 Canada Census

NOTES:

1. Labrador City: 8% lower than 1996
2. Labrador City: Chinese, Black, Latin American, Sept-Îles: Chinese, Black, Korean
3. National rate stood at 7.8%; Labrador, Newfoundland at 21.8%, Québec at 8.2%
IOC & Community

2005 Community Investments

Bird Watching
On 16 July, 2005, IOC employees and their families were invited to a day of bird watching guided by Sept-Îles biologist Isabelle Normand and funded by IOC at a cost of $2,000. Given the chance to experience a variety of birds in their natural habitats, 39 participants boarded boats and examined through binoculars the nature found around Sept-Îles.

Chamber of Commerce
Staying current on business trends and being an active member of the business community, IOC has been a long-time member of the Chamber of Commerce, networking with various industry members, planning events such as Tradex, and partnering with other businesses to improve the communities of Sept-Îles and Labrador City. Not only is IOC able to improve its own awareness, but it is given the chance to promote IOC on a greater scale.

CHRSI Foundation
$14,500 was raised in just 3 days (May 25th, 26th and June 3rd) by IOC employees in support of Sept-Îles’ local hospital, enabling it to purchase much needed equipment.

CIM Tradex
In partnership with the town of Labrador City, IOC participated in the annual provincial and national Tradex shows, working to promote Labrador City as a superb place to work and live. IOC was a presenter to CIM membership as well as displaying an information booth for visiting university students and professionals. The total cost to IOC was $10,000 for the national Tradex show and $3,000 provincially.

Community Investment Program
Sustainable development requires long-term strategic planning. That was one of IOC’s focuses for 2005 as it developed a $10,000 program in conjunction with industry, governments, inter-governmental agencies and community aimed at identifying foreign investment targets and attracting international investment to the Labrador region.

Employee Assistance Program
Designed to provide confidential assistance and support for employees and their family members in Labrador City and Sept-Îles, IOC is committed to actively and effectively helping to manage their personal matters. With a variety of workshops held throughout the year, the EAP also focuses on wellness by providing practical education and presentation programs. The program received acclaim, being sited in a book: Wellness and Work: Employee Assistance Programming in Canada, by Dr. Rick Csiernik.

Family Days
Every March, August and December IOC hosts Family Day, to celebrate the relationships every IOC employee has at work and at home. Activities range from skiing, snowshoeing and tobogganing in the winter to water sports and various children’s games in the summer. For both communities of Labrador City and Sept-Îles, IOC sponsors the events.

FER-O Tournament
Each year in Sept-Îles, from January 27th until the 30th, IOC sponsors this hockey tournament through its donation of free train tickets to hockey teams from Labrador City, Fermont, Schefferville and Wabush. The annual donation of 15 to 25 thousand dollars allows these teams from the North to participate in the event.

Film Festival & Book Fair
With almost 20,000 people in attendance between these two events, IOC contributed to the Sept-Îles Film Festival in January 2005 through the purchase of ad space in the Film Festival program and to the Sept-Îles Book Fair by sponsoring the main stage. Not only did IOC support these community activities, but it was able to reach out to a variety of people, promoting awareness of IOC and its activities. In total, IOC contributed nearly $4,000.

Golf Club Donation
As part of its ongoing policy to contribute to the social well-being of the communities in which it operates, IOC donated materials valued at $5,000 to the Labrador City Golf Club in order to help maintain its infrastructure.

Health & Safety Week
IOC makes a continuous effort to spread awareness and promote health and safety in the workplace and at home. Health & Safety week, running from November 22nd to the 24th, focuses on just that with a variety of daily activities such as video presentations, conferences, gifts, publications, health tests and training designed to inform employees.
IOC & Community

2005 Community Investments (continued)

Healthy Community Coalition
IOC conducts regular meetings throughout the year with the community, in order to further the health and wellness of each and every citizen. The mandate involves working collaboratively with Health Labrador, organizations and community members, sharing ideas towards improving quality of life and to further awareness of health care issues in the community.

Household Hazardous Waste Collection Day
On October 8, 2005, IOC sponsored a Household Hazardous Waste Collection Day in Labrador City, providing residents of the community with a safe and convenient way to dispose of their household hazardous waste products. This has been confirmed as an annual event and is a valuable component of the municipal waste management strategy aimed at environmental protection and increased awareness. Safety Kleen Inc, the waste contractor who handles hazardous waste disposal for IOC, agreed to participate in the program, providing equipment and personnel trained in handling hazardous waste.

IOC Curling Tournament
In February of 2005, IOC held its annual curling tournament focusing on fun, health and wellness with employees competing in teams of four over a two-day period. A supper was also held with spouses of employees in attendance. Over 100 people gathered together with IOC sponsoring the event at a total of $2,000.

IOC Golf Tournament
Consistently furthering relationships between all employees of IOC, spouses and friends, as well as encouraging wellness outside the workplace, IOC created an annual Golf Tournament. The local golf course was also supported via green fees, equipment rentals, food consumption, etcetera, with 105 golfers and 125 diners. Held for one day on September the 17th, IOC contributed approximately $8,000.

Iron Ore Company of Canada Web Site
Online since the beginning of 2005, the new IOC web site was honoured with an Award of Excellence from Communications Concepts, an organization that distributes awards for superior communications initiatives to companies across North America. IOC was competing against 565 other companies for the distinction, yet came out on top with its user-friendly and informative new site.

Junior Achievement Program
IOC’s Junior Achievement Program was designed to contribute to its vision of a sustainable community. Sponsoring and participating in curriculum for students, IOC provides an opportunity for young people to learn about the company and potential employment prospects. $2,000 went towards such programs as Business Basics and The Economics of Staying in School. This year, approximately 100 students benefited from the program.

Labrador West Employment Corporation
With the support of local unions, IOC invited and encouraged people with disabilities to apply for employment. Over a 6-month period, individuals learn valuable skills and job satisfaction as well as acquiring the self-confidence needed when embarking on a career path. Awarded by the Employment Corporation for its efforts, IOC assigns enough funds annually to employ 8 individuals with disabilities.

Labrador West Joint Buoy Committee
IOC and the local boaters association united to install a buoy marker system in Labrador West with IOC donating $12,000 for the cause. The project will be completed in 2006.

Labrador West Status of Women / Mining Watch Canada Study
Mining Watch Canada is a coalition of labour, aboriginal, environmental, social justice and development organizations from across Canada, with a mandate to support communities affected by mining in Canada and by Canadian mining companies around the world. In partnership with the Labrador West Status of Women, a study was completed on the Effects of Mining on the Health of Women. IOC met with the Labrador West Status of Women and provided additional information in order to assist them to understand, heal and protect women and the communities they live in from the adverse health impacts of mineral extraction.

http://www.miningwatch.ca

Labrador West Youth Center
Furthing the vision that IOC shares with the communities within which it works, IOC sponsors Labrador City youth programs annually. This year, IOC volunteers assisted in creating various programs and contributed $5,000.

Le Phare de Port-Cartier
Le Phare de Port-Cartier is an organization that helps people with disabilities find employment. IOC supports this organization through the ongoing donation and recycling of various office supplies.
MIRA Foundation
In its effort to support various community organizations, IOC donates empty printer cartridges, cell phones and accessories, annually, to The MIRA Foundation that provides seeing eye dogs for those in need. Through these various items, MIRA is able to raise money to support its clientele. More than 2500 companies and people worldwide are collaborating on this project.

Procurement Information Sessions
Each year in Labrador City, IOC addresses the Chamber of Commerce to provide updates on procurement issues. Delivered by the Vice President of Operations Michael Shannon, the business community, including suppliers, learns about IOC practices and processes.

Quebec Games in Sept-Îles
In August 2007, the Quebec Games will be held in Sept-Îles over a period of 9 days which will include over 4,000 athletes and 1500 volunteers. The community will be able to strengthen its efforts to prepare for the games with IOC contributing a total of $50,000 over a three-year span. So far, IOC has given $17,000.

Recruitment Presentation
Travelling across the country, IOC representatives introduced the company at various road shows and career fairs, highlighting IOC’s Graduate Development Program, presenting available opportunities at IOC and hosting employer information sessions.

Regional Palliative Care Facility & Senior Housing
Working with the municipalities of Labrador West and Sept-Îles, IOC is conducting a study on the needs of senior citizens in the community in the hopes that by the end of 2006, a new palliative care facility will be built in Sept-Îles and new senior housing will be constructed in Labrador West. Commenced in 2004, this project requires funding as well as land and IOC is donating both in its continued effort to support the community – $200,000 was given to Sept-Îles and land of equal value was donated in Labrador City for a senior citizens complex.

Relay for Life
With the help of hard working IOC volunteers, teams representing companies and communities of Labrador City and Sept-Îles participated in the annual Relay for Life, a fundraiser for the Canadian Cancer Society. The fundraiser includes the Survivors Victory Lap celebrating cancer survivors and a Luminary Ceremony at dusk to remember those who have been lost to the disease. $60,000 dollars was raised in Labrador City and $40,000 in Sept-Îles at this year’s events, with IOC contributing $8,000.

Rio Tinto Visits
Consistently improving its work methods, IOC ensures that it is incorporating best practices in business techniques by sharing ideas and receiving feedback from its majority shareholder, Rio Tinto. Visiting Labrador City and Sept-Îles, two of Rio Tinto’s representatives met with IOC employees and community leaders to review IOC’s sustainability programs and how IOC acts responsibly within the communities.

SafetyNet
IOC is continuing to demonstrate its commitment to creating a safe and healthy work environment by joining a coalition comprised of the Steelworker’s Union, Memorial University and internationally recognized safety management specialists on a research project to develop a program for evaluating the effectiveness of safety management systems. The SafetyNet coalition is a community research alliance based at the Memorial University of Newfoundland that works to understand the causes and consequences of occupational injuries and health problems and, based on the findings, helps to implement positive policy changes.

Scholarship Program
Encouraging academic excellence, IOC offers the children of its employees and its subsidiaries’ employees in Labrador City and Sept-Îles the opportunity to acquire undergraduate scholarships. Valued at $1,000 per year, the scholarship can last for up to five consecutive years.

Snowmobile Safety Campaign
The annual partnership of IOC, Whitewolf Snowmobile Club and RNC was another success as the three brought to Labrador City a safety awareness campaign focusing on snowmobiling with an emphasis on safety at railway crossings. IOC contributed an amount of $5,000.
Sports League
IOC sponsors annual recreational activities within the Labrador City and Sept-Îles communities in order to promote sustainable living. This year, in Sept-Îles, IOC donated $2,000 towards volleyball, hockey and baseball. And in Labrador City, IOC sponsored: Menihek – $5,000; Smokey Mountain – $10,000; Whitewolf Snowmobile – $5,000; Loppet – $2,500.

Student Co-op Program
Each year, IOC recruits students for the January, May and September work terms, each ranging from four, eight and twelve months respectively. Disciplines include engineering (electrical, mechanical, civil, chemical, metallurgical, mining and geological), business and geology. Disciplines and numbers of students hired may vary each work term. The objective of the program is to provide students with on-the-job experience in various areas and to enhance and encourage their professional and personal development.

Tutoring
Each and every school year, children in Sept-Îles can access tutoring three days a week for nine months straight. This free service, promoting the importance IOC places on education, is available to children from the age of six until twelve. So far, over 200 children have benefited from this service, with IOC contributing approximately $4,000 this year alone.

United Way
2005’s Centraide Campaign at IOC was the best ever! Over $52,000 was raised thanks to the contribution of IOC employees. Sessions were held onsite over a three-day period to increase awareness; over 250 employees participated in the sessions. Compared to 2004, employee contributions doubled, increasing by over $9,000.

Visits
IOC regularly welcomes shareholders, customers from China, Japan and Germany, and provincial and federal government employees to its installations to facilitate awareness of IOC and its processes as well as showcase its high quality products and capital investments. The visits take place on the Labrador City and Sept-Îles installations.

Youth Centre Donation Campaign
Beginning in 2004, IOC partnered with the Labrador West Youth Centre to donate used toner cartridges to the Youth Centre’s Cartridge Recycling Program. Twenty five percent of all monies raised through this program goes to the Teens against Destructive Decisions, a leadership initiative aimed at the youth of the community. The remaining funds will be utilized for other programs and activities at the centre. The centre’s efforts will also have an impact countrywide as they have arranged with Trees Canada to donate one sapling for every 12 cartridges sent for recycling, with the saplings used for reforestation projects throughout Canada.
## IOC & Community

### 2005 IOC Community Investments List

<table>
<thead>
<tr>
<th>Organization</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Association de baseball mineur de Sept-îles</td>
<td>Hockey IOC/QNS&amp;L – Ligue de hockey</td>
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<tr>
<td>Association Hockey Mineur Lushat mak Mani-Utenam</td>
<td>Jeux miniers canadiens</td>
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<tr>
<td>Association minière du Québec</td>
<td>Journée plein-air hiver Sept-îles</td>
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<td>Association Ringuette S.I.</td>
<td>Joyeux Retraités (IOC/QNS&amp;L)</td>
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<td>Balle IOC/QNS&amp;L – Ligue de balle</td>
<td>La Maison, le coin des femmes de Sept-îles</td>
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<td>Baseball Côte-Nord</td>
<td>Labrador Prostate Cancer</td>
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<td>Carol Curling Club</td>
<td>Labrador West Minor Softball Association</td>
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<td>Centennial Regional High School (Greenfield Park)</td>
<td>Le Centre Action (adultes handicapés) – Montréal</td>
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<td>Centre d’Action Bénévole</td>
<td>Légion canadienne</td>
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<tr>
<td>CHRSI – Tim Hortons (tournoi de golf)</td>
<td>Maison Alouette (MOCSI) Aide aux devoirs</td>
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<tr>
<td>CIM Newfoundland Branch</td>
<td>Menihek High School</td>
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<td>Classique Innu Open (foursome)</td>
<td>Menihek Nordic Ski Club</td>
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<td>Club de boxe le Sept-Ilien</td>
<td>Montreal Children Hospital</td>
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<td>Club de curling S.I. (North-Shore Open)</td>
<td>Nascapi recreation Facility and Naskapi Community centre</td>
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<tr>
<td>Club Optimiste de Sept-Îles</td>
<td>NCSM Jolliet – Jour du souvenir</td>
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<tr>
<td>Club Patinage artistique de Sept-îles</td>
<td>Newfoundland and Labrador Legacy Nature Trust (Gold Partner)</td>
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<tr>
<td>Club Richelieu Montréal – dépouillement arbre de Noël</td>
<td>NL Chamber of Mineral Resources</td>
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<tr>
<td>Collectif de Sept-îles pour la santé des femmes</td>
<td>Opération Fée des Étoiles</td>
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<td>Colloque sur la santé et la sécurité du travail Côte Nord (CSST)</td>
<td>Orchestre symphonique de Longueuil</td>
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<td>Comptoir alimentaire Sept-Îles</td>
<td>Ordre du Mérite Nord-Côtier</td>
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<tr>
<td>Conseil des loisirs scientifiques</td>
<td>Pivot des Îles – Club des 100</td>
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<tr>
<td>Conseil du Patronat du Québec</td>
<td>Place aux Jeunes</td>
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<tr>
<td>Curling IOC (QNS&amp;L – Bonspiel)</td>
<td>Roman d’Art «L’Empire Perdu»</td>
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<tr>
<td>Dalhousie University (Child Field School 2005)</td>
<td>Rotary Club of Labrador City</td>
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<td>École Manikoutai (bourse)</td>
<td>Royal Canadian Legion</td>
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<td>Équipe Volley-Ball Schefferville</td>
<td>Royal Canadian Sea Cadets</td>
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<td>ETS – bal des finissants</td>
<td>Salle de spectacle Sept-îles</td>
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<td>Festival international du film de Sept-îles</td>
<td>Salon du livre de la Côte-Nord</td>
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<td>First Carol Scout Troop</td>
<td>Smokey Mountain Ski Club</td>
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<td>Fondation canadienne des maladies inflammatoires de l’intestin</td>
<td>Snowbird Gymnastic Club</td>
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<td>Fondation du Cégep de Sept-Îles (bourses)</td>
<td>Société Alzheimer</td>
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<tr>
<td>Fondation du CHRSI (golf)</td>
<td>Société canadienne Croix-Rouge</td>
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<td>Fondation Marie-Vincent</td>
<td>Société canadienne du cancer (Div. du QC) Relai pour la vie</td>
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<tr>
<td>Fondation Mira</td>
<td>Tournoi des entreprises – on bouge volleyball</td>
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<td>Gateway Labrador (distribution of the Family album)</td>
<td>Tournoi hockey Mario Vollant</td>
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<tr>
<td>Golf IOC/QNS&amp;L – Tournament</td>
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<tr>
<td>Grande guignolée des médias – comptoir alimentaire de Sept-îles</td>
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<tr>
<td>Groupe Scouts-guides Sept-Îles inc.</td>
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Since operations began at Wabush Lake in the early 1960s, IOC has extracted iron ore from the crude ore through its milling process, the tailings from which have created a vast landform that today spans some 540 hectares within Wabush Lake.

Even though IOC’s tailings are non-toxic and chemically benign, IOC is becoming increasingly environmentally conscious in its handling of the tailings material and as such, has conducted extensive rehabilitation on the landform since the late 1980s and early 1990s mostly to alleviate the risk of windblown dust from the site which impacted the community. The barren windswept tailings landform has been transformed into an ecologically diverse area with an abundant mixture of native grasses, crops, shrubs and trees, providing a green space that is safe and welcoming for birds, water fowl and small mammals. In 2002 IOC initiated a wetlands development program to enhance the biodiversity of the area.

In response to this environmental contribution, the industry recognized the initiative by awarding IOC with the 2004 Great Blue Heron Award which acknowledges participants in the North American Waterfowl Management Plan who have made significant, long-term contributions that result in benefits to waterfowl and other migratory bird populations of North America.

The annual biodiversity project works hand-in-hand with IOC’s long-term sustainable development strategy focused on progressive rehabilitation to reduce the cost of closure at the end of mine life and improve the overall natural habitat of the area. Not only are the Labrador City operations receiving attention, but Sept-Îles’ closed tailings pond is now being considered for extensive rehabilitation as well. As such, IOC is now a leader in environmental management, looking at its business in terms of what it can do to improve conditions for tomorrow – being proactive in environmental management issues as opposed to reactive.

IOC and the towns of Labrador City and Wabush signed a Municipal Wetland Stewardship Agreement with the province, representing their commitment to protect waterfowl habitat in the region. IOC was instrumental in promoting the signing of these agreements and has also committed to assisting in the delivery of a wetlands education program. The Eastern Habitat Joint Venture will work with Labrador City and Wabush to develop a conservation plan for the community’s wetlands to ensure the protection of the region’s waterfowl habitat.

2006 Targets

- Communicate and get a buy-in on the new tailings management: from a dyke to flocculation technology.
The regions of Schefferville and Sept-Îles, Quebec are home to Nation Innu Matimekush/Lac-John, the Naskapi Nation of Kawawachikamach and Innu Takuai kan Uashat mak Mani-Utenam, First Nations peoples. Iron Ore Company of Canada recognizes that these First Nations communities are its partners, sharing the same vision of a sustainable future that includes a successful industry offering long-term employment and opportunities for generations to come.

2005 was a milestone for IOC and Quebec First Nations as IOC transferred its passenger rail service between Schefferville and Sept-Îles to Tshiuetin Rail Transportation Inc. As part of this transaction, the northern portion of IOC’s Quebec North Shore and Labrador (QNS&L) railway line, running between Schefferville and Emeril Junction NL, was also transferred to Tshiuetin Rail Transportation Inc. The handover will create 40 new jobs and numerous business opportunities for the communities.

In light of this partnership, IOC has been involved in an ongoing dialogue with representatives of First Nations in order that both may benefit from future initiatives. IOC plans to construct a new recruitment program for its installations to attract new employees, including First Nations peoples.

2006 Targets
- Establish the basis for hiring and subcontracting processes for aboriginals from the provinces of Quebec and Newfoundland & Labrador.
IOC & Community

Recruitment – An Inside Look

To continue being leaders in the mining industry, IOC is always searching for people who share our passion for continuous improvement, quality and pride as we strive to foster effective leadership and teamwork within every department and to be an employer of choice for current and potential employees. IOC’s purpose may lie beneath the earth, but what lies above is just as important.

The IOC team is one of the industry’s best. They are a big part of the reason why our iron ore is in demand around the world. Being part of Rio Tinto - the world’s leading mining company with operations on every continent - allows us to offer opportunities to candidates not only in Labrador City and Sept-Îles, but also within other Rio Tinto business units worldwide.

Whether an internal initiative or when partnered with universities and local organizations, IOC has worked hard to develop a variety of recruitment efforts aimed at attracting the best from a diverse pool of resources. Each year, an IOC team journeys across Canada attending career fairs and road shows, conducting information sessions to promote the opportunities we have to offer.

Some of IOC’s most successful recruitment efforts are:

• Employee of the Future Program
  Started in 1999, in collaboration with United Steelworkers and the local college, this program focuses on providing students with the level of skills necessary to work effectively in the mining industry. Since its inception, 104 graduates have been hired as permanent employees, 50% of whom are female. The program lasts for two years and includes two work terms at each location – mine, pellet plant and concentrator – with the ultimate goal being to prepare students to replace departing hourly workers.

• Junior Achievement Program
  IOC, in collaboration with the local business community, has been a proud sponsor of Junior Achievement Programs in Labrador West, for several years, as well as a contributor to curriculum development: Business Basics delivered to grade six students and The Economics of Staying in School for grade nine students. The program also provides an opportunity for young people to learn about IOC and potential employment prospects. In 2005, approximately 100 students benefited from the program. Junior Achievement is an international, not-for-profit organization that inspires and educates young people on valuing free enterprise, understanding business and developing entrepreneurial and leadership skills.
Co-op and Graduate Development Program
Providing university students with an opportunity to gain hands-on experience in an industrial environment, this program allows them to apply some of the skills they have learned in school as well as put their newly learned skills to use in the workplace. As a starting point, graduates have the opportunity to experience various areas within IOC so that growing within the company and becoming true leaders are possibilities for the future.

Student Summer Program
Throughout the school year, IOC hires on an ad hoc basis for its locations in Labrador City and Sept-Îles. The student summer program is quite particular in that each year students enrolled in any discipline have the opportunity to apply and work at IOC. Approximately 300 students were hired in the summer of 2005 – 75 for Sept-Îles and 225 for Labrador City – with each going through a process to match their program of study to an IOC job.

Apprenticeship Training
The internal and external selection processes began in early 2005 for Mechanical Millwright and Electrical Apprenticeships. Apprenticing is an industry-based program involving an agreement between a person who wants to learn a set of occupational skills and an employer who needs a skilled worker. It is a proven training system that combines on-the-job practical learning with technical training to produce a qualified journeyperson. IOC currently has 15 apprentices working within their trades.

Labrador West Employment Corporation
With the support of local unions, IOC invites and encourages people with disabilities to apply for employment. Over a 6-month period, individuals learn valuable skills and job satisfaction as well as acquiring the self-confidence needed when embarking on a career path. Awarded by the Employment Corporation for its efforts, IOC assigns enough funds annually to employ 8 individuals with disabilities.

Quality Auditor Recruitment
Pursuing initiatives to further improve the Quality Management Systems, IOC added 12 new auditors to its existing internal ISO 9001:2000 team in October of 2005, bringing the total to 22 auditors across the organization. As part of the audit process, they offer an enhancement to the existing knowledge base and a new level of expertise within the auditing team. They facilitate awareness of ISO 9001:2000 standards and re-enforce IOC’s commitment to its QMS across the organization. IOC is pursuing other initiatives to further improve the QMS and the function of the Internal Auditor within the system such as: incorporate union members into the auditing process, increase the number of internal auditors to include an auditor from every department, and explore an auditor exchange program between IOC and other Rio Tinto Business Units.

In tandem with the restructuring and redesign of IOC’s web site was the creation of a CV Manager, an online employment engine that allows potential employees to view current opportunities and submit their CV directly into the IOC database. The CV Manager also provides a job alert feature to notify candidates of suitable job openings when they become available.

2006 Targets
- Keep the recruitment section and CV Manager on the IOC web site updated and accurate.
- Create a competitive advertising campaign to support IOC recruitment efforts.
- Increase off-site career fairs locally and nationally and develop a recruitment information package.
In 2005, IOC proudly celebrated its first 50 years of operations. Two groups of volunteers from various community organizations and IOC in Labrador City and Sept-Îles came together to discuss this notable milestone and plan events worthy of such an historical occasion.

The celebrations were held over a two week period for everyone in the Communities and included a key note address to the respective Chambers of Commerce by IOC President and CEO, Terence F. Bowles. A civic reception was hosted by Mayor Graham Letto of Labrador City and Mayor Ghislain Lévesque of Sept-Îles and a sculpture representing the world and IOC was awarded to both Councils in appreciation of IOC's involvement with both communities.

Other events organized by the committee were a youth council, a duathlon, various dinners with special guest speakers, a community wide grandscale musical event, attracting a large number of people in both communities. As well, there were public and student lectures. Overall, the celebrations were a huge success.

To commemorate the 50 years of success, IOC produced a Family Album complete with photographs of employees, their families, IOC friends, and memorabilia that map out a visual history of IOC from the mid 1900s until today.

These festivities may have come to a close in 2005, but IOC has begun to embark on a new adventure that will lead to another celebration: 100 years of operations! Alongside the communities of Labrador City and Sept-Îles, IOC will continue to provide employment, education, business opportunities and a secure and prosperous future for generations to come.
2005 marked a turning point for Iron Ore Company of Canada in terms of Safety: It is the safest year ever in IOC’s 51 year history!

With the launch of IOC’s new Mission and Values in 2005 came a renewed focus on Safety: striving to not only keep employees safer at work, but to provide everyone with the values that are required to make entire lives secure, at work and at home. The strong commitment and dedication displayed by every employee has been inspiring as ensuring the safety of peers has been tantamount to the safety of one’s self.

IOC’s safety campaigns have an impact that reaches beyond the workplace with many new and improved initiatives. In early 2005, the collaboration between IOC and Memorial University’s SafetyNet was well underway, researching the causes and consequences of occupational injuries and health problems through nine focus groups involving over 70 people. The findings will be compiled and effectiveness of safety management systems will be evaluated with the initiative concluding in the summer of 2006.

In tandem, over 80 safety workshops were implemented at IOC, which included every available employee. Participation and feedback proved exceptional, spurring on many new programs such as summer Safety Tours in all areas of operations, focusing on eliminating overall risk in the workplace and Safety Interactions featuring coaching sessions led by a guest host (most recently, Herb Tessier of Dupont Canada – a company that has one of the country’s lowest rates of compensated accidents). Firefighter training for the members of the IOC/QNS&L Emergency Brigade is now provided jointly with training for Sept-Îles municipal firefighters consisting of 275 hours of training. There has also been a renewed focus on visual campaigns, like Take 5, which has also helped to increase safety awareness and participation.

The results of IOC’s safety initiatives were immediate: Lost Time Injuries decreased; production records rose; Engineering celebrated its fourth year free of accidents; Project Manufacturing received two GM Quarterly Housekeeping Awards; and IOC’s Sept-Îles operations made its mark in Health & Safety as Rio Tinto announced its audit results - Sept-Îles has one of the best H&S records across all of Rio Tinto’s business units world-wide.

IOC and all its employees have made Safety the #1 priority.

2006 Targets
- Hold a second Safety Workshop involving all employees.
2005 PERFORMANCE FLASHBACK

IOC & Employees

In 2005, IOC employees proved that stronger teams and stronger leaders are created through positivity along with pride and hard work - it has been truly inspiring for us all. And it is because of every employee’s efforts that the company is such a success, consistently moving forward and staying competitive in the global iron ore industry.
2005 PERFORMANCE FLASHBACK

IOC & Employees

Highlights

Leadership Training and Involvement

Key findings from audits, inspections and Joint Operational Safety, Health and Environment Committee (JOSHE) meetings were successfully integrated into operating and maintenance practices.

With the development of the Team Leader Development Program, the Leadership Group now spends between 20% and 30% of its time working on and driving safety performance.

Injuries & Illnesses

Lost Time Injuries were reduced by 20%

Emergency Measures

The 2005 Emergency Measures target was achieved with the DM&R Plan being implemented at IOC operations in Labrador City as well as two simulations held during the year.

Occupational Health

Corporate-wide education on Occupational Health and Hygiene (OHH) standards for employees and supervisory staff was completed.

Noise control has progressed and success has been achieved regarding all hand/arm and whole body vibration levels, with results indicating that no whole body vibration exposure is above risk levels.

After the completion of audits, results in both Labrador City and Sept-Îles operations show a 96% compliance rate with Rio Tinto Health and Hygiene standards.
IOC has given new meaning to the word Safety, promoting and encouraging it in order to create a stronger culture of ownership, well-being and team spirit. Work and safety practices have become more interactive than ever before at IOC, with campaigns that run throughout every department. For example: crews begin each day with Take 5 – a checklist of safe practices that assesses individual risk; implementation of Safety Tours and Safety Interactions has been stepped up, teaching about and eliminating overall risk in the workplace; SafetyNet, a program designed to research the causes and consequences of occupational health & safety, is still a strong focus; Interactive Safety Workshops were started in 2005 concentrating on performance and new targets; general Good Housekeeping is reflected in the well-lit work areas and clean surroundings with equipment properly stored. An open-door policy has also been implemented, providing all employees with the opportunity to voice concerns or ideas for improvement on an immediate basis.

In 2005, IOC successfully completed implementing Rio Tinto’s corporate standards for safety, environment and occupational health & hygiene.
IOC recognizes that excellence in environment, safety and health (ESH) performance is integral to a successful business. We pledge to aggressively pursue effective management so that the health and safety of employees and contractors is assured, environmental impacts are minimized and our contribution to the communities in which we operate is enriched.

To achieve these objectives IOC will:

- Instill safety as a core value and strive to establish workplaces that are free of injuries and health hazards;
- Ensure that it has a system in place to identify, control and monitor ESH risks arising from its operations;
- Ensure that all employees and contractors are trained and competent in the use of the ESH management system and that they are aware of their responsibilities;
- Continually improve by setting targets, assigning accountability and reviewing our operations against those targets in a rigorous and scheduled manner;
- Comply with applicable ESH laws, regulations and other requirements to which the organization subscribes;
- Implement best practices to prevent pollution, reduce waste and improve our efficiency in water and energy use;
- Work to foster co-operation and trust through open and proactive communications with employees, contractors, the community and government;
- Produce quality products that obtain competitive advantage through sustainable development policies.

This is the foundation for IOC’s commitment to improving ESH performance. By overseeing regular audits and receiving monthly ESH reports pertaining to progress against targets, compliance, potential risk areas, significant incidents and closure of corrective actions, IOC’s senior management will ensure that this policy is put into effect throughout the company.
2005 saw significant successes in terms of injuries & illnesses. Although the year started poorly with 17 LTIs in the first six months, substantial effort was made by every employee to turn these results around: this dropped to five LTIs in the last six months of 2005. The frequency rate of 0.98 represents the lowest LTIFR in the history of IOC and meeting this aggressive target was a substantial accomplishment.

Notable successes:
• A new Safety Standard covering Cranes and Lifting was implemented and well-received by employees.
• IOC's first ever Safety Workshop in May 2005 - Over 80 interactive workshops held over a three-day period involving all employees and including discussions on Performance & Targets and sharing methods to improve safety in each work area. Ideas were assimilated, the top three presented to each division and then put into action.
• A Carol Operation Plant shutdown occurred in September of 2005 without a single LTI, an impressive result considering the significant number of man-hours and complexity of the work.
• Daily safety meetings in Sept-Îles for management with an in-depth look at the use of IOC safety campaigns.
• Primary Ore employees assembled and commissioned three 830E haul trucks, a production loader and overhauled #3 Pocket – all free of LTIs.
• Weekly Safety Tours by senior management (10 per week) in each division.
• Safety Interactions were increased by 36% in the second half of 2005 resulting in over 20,000 Interactions for the year.
• The use of Take 5 increased to an all-time high.

2005 Targets
Building on our significant safety improvements in 2004, IOC has developed an aggressive yet realistic five-year plan to achieve a further 50% reduction in LTIFR and AIFR.

The 2005 targets represent a:
• Reduction in LTIFR, which results in a target of 0.98
• Reduction in AIFR, which results in a target of 2.2

Despite the reduction in LTIFR, the AIFR target was not achieved due to the significant number of Medical Treatment Cases in 2005: In total, there were 44 MTCs. This will be a major focus for improvement in 2006.
2005 President's Safety Award

(awarded in early 2006)

- The President’s Safety Award Program was initiated in 2003 to recognize excellence in safety performance. It was designed to develop pride in safety and reinforce it as a value, and to create positive employee attitudes and morale. Employee behaviour that results in positive recognition such as the President’s Safety Award tends to be repeated, thus perpetuating a cycle of continual improvement.

- The 2005 award recipient was Sept-Îles Engineering, an IOC group that has continued to lead the way in safety, achieving an astounding 4 years without a lost time injury or a single medical treatment case in 2005. Engineering manages special and major projects and has been able to address the difficulties of a constantly changing contract workforce.

- An Honourable Mention goes to the Mine Maintenance Facility (MMF) in Primary Ore who won the 2004 President’s Award, now commended in 2005 for maintaining very good performance with zero LTIs and one medical treatment case.

- The Concentrator in Product Manufacturing is commended for the improvements made throughout the area, particularly in housekeeping, which are an indicator of sustainable safety improvements for the future.

- The combined Montreal, Sept-Îles and Labrador City Administration group receives a Special Mention for sustaining their safety performance. This group records over 400,000 hours per year and the only LTI on current records was in September of 2003.

2006 Targets

- 2006 LTIFR Target = 0.78, representing a 20% reduction from 2005.
- 2006 AIFR Target = 2.08, representing a 27% reduction from 2005 (2.85) and a 20% reduction on 2004 (2.60).
The Disaster Management and Recovery Plan helps IOC develop, maintain and promote plans for managing and recovering from crises such as train derailments, extreme weather conditions, floods, power supply outages and explosions.

2005 Targets
Implement the Disaster Management and Recovery Plan (DMRP) at the Labrador City operation, complete with simulations to test the effectiveness of the plan.

2005 Performance
The 2005 Emergency Measures target was achieved with the DM&R Plan being implemented at IOC operations in Labrador City as well as the two simulations being held during the year. The effectiveness of the Plan was evaluated by external consultants who identify key outcomes with recommendations for improvement of the overall DM&R Plan. In Sept-Îles, where the Plan has already been established, improvements are continuously being made such as the electronic automation of the Manual. Like Labrador City, two simulations were held, one of these being a full-scale field exercise.

Both sites have had the opportunity to utilize the Plan due to train derailment, a fire in the Mine Maintenance Facility and a helicopter incident along the railway. Review of the Plan’s usage identified some communication issues, which have since been addressed.

2006 Targets
• Implement Disaster Management and Recovery Plan (DMRP) at the Corporate office in Montreal as well as a simulation of the Plan to test its effectiveness.
IOC is intent on developing a culture that fosters leadership in order to support its sustainable development framework for the future. We see leadership training as a key to effective team building, progressive career development, solid communications & community relations, successful recruitment initiatives and overall succession planning.

Over the last year, IOC has been focusing on rolling out a new program – The Way We Work – which involves hands-on daily learning with experiential activities, developing leaders in the areas of task delegation and team leadership. This program is coupled with the ongoing leadership training in various other areas such as facilitation skills, collective agreement training, communication, safety talks, assertiveness and discipline.

As many new leaders step forward, more and more training is required to ensure the successful transfer of knowledge and the support necessary to achieve success in their new roles. The new Team Leader Development Program, a major OE initiative for 2006, will help new leaders grow in the particular areas of technical training, safety and people management through a well-structured, 12-month development program.

As of now, the Leadership Group spends between 20% and 30% of its time working on and driving safety performance. Some examples of its responsibilities include weekly safety tours that total over 200 hours per week, keeping track of the number of Safety Interactions undertaken by all levels of management including the President, managing the Standards Implementation programs at Sept-Îles and Labrador City involving management and over 200 employees, daily management safety meetings in Sept-Îles and regular departmental safety meetings in all other areas, as well as other safety-focused meetings such as Hazard, Accident and Incident (HAI) review and actions closure meetings.

2005 Targets
- Integrate key findings and actions arising from the Joint Operational Safety, Health and Environment Committee (JOSHE) inspections, government directives and Rio Tinto Safety Audits into IOC’s core operating and maintenance practices.
- Leadership Group to spend a minimum of two hours per week setting, measuring and driving safety throughout our operations.

2005 Performance
Key findings from audits, inspections and JOSHE meetings are integrated into operating and maintenance practices as follows:
- Government inspection items are tracked internally and by the Inspectorate and reported back to the Inspectorate within its set time frame.
- Audit findings are similarly tracked until closure. For example, the recent Rio Tinto ESH audit found no repeat findings.
- JOSHE, established under Canadian workplace safety regulations, meets quarterly and tracks progress on issues raised.

2006 Targets
- VP and GMs to participate in one Safety Tour and conduct one Safety Interaction per week.
- Restructure the Standards Implementation Team to cover all of ESH across the business.
- Carry out the new Team Leader Development Program over the next 12 months.
Safety Standards apply to all employees whether working individually, as a team or with contractors and relate to all aspects of work interaction – physical safety, equipment, hazardous energy & substances, work spaces, the proper management of change and communication.

As part of the annual plan, every business, site and department must have in place a Safety Improvement Action Plan for eliminating all injuries in its operations. With respect to that action plan, every employee, in partnership with his or her manager, must set out targets pinpointing individual contributions and follow-up with regular meetings to weigh performances against targets and identify areas for improvement.

2005 Targets
Improve the 2004 Safety Audit performance during the March (Sept-Îles) and December (Labrador City) Corporate Health, Safety and Environment Standards audits.

2005 Performance
In 2005, a comprehensive Safety Standards Implementation Team was established which directly involved over 200 IOC employees in both Sept-Îles and Labrador City. The results of the team were displayed during very successful Rio Tinto ESH Audits. Similarly, the SafetyNet alliance (a program designed to research the causes and consequences of occupational health & safety) has been a successful one: Interviews were held with 76 employees, either individually or in focus groups, to gather information to be used in the development of the safety management systems evaluation tool. A workshop was held in February 2006 to process the research findings and develop the tool. As a result, the entire team has grown and contributed during this experience and IOC employees took on a fully participative role during the research process. Although this is slower than the planned schedule, it is still on time for the completion date of mid 2006.

2006 Targets
• Implement SIAPs in all operating divisions – February 2006.
• Continue with the successful Standards Implementation Team – January 2006.
• Expand the Standards Implementation Team to cover E, S and H in all operating areas – May 2006.
• Continue working with the SafetyNet project to completion. Timing dependent on the Memorial University research team, but anticipated by end 2006.
In November of 2005, Rio Tinto conducted an audit on IOC’s Health & Hygiene programs in Labrador City to ensure that they are or will be up to par with Rio Tinto standards – the results showed a 96% compliance rate. These standards cover all aspects of the OHH programs, from the number of samples taken for dust, noise and vibration to the quality of the annual medicals, return to work program and ergonomics.

Similarly, the programs at Sept-Îles operations were put to the test by Rio Tinto in March of 2005. As this was the first time the area had been formally reviewed, the results were pleasantly surprising: The Health & Hygiene services scored 96% compliance with 10 recommendations for improvement.

2005 Targets
- Facilitate corporate-wide education on the Occupational Health and Hygiene Standards (OHHS).
- Encourage employees to set their own health and wellness objectives and targets.
- Provide more information to management on health trends and risks.
- Further progress on engineering controls for noise.
- Assess health risks due to vibration exposure.
- Achieve full compliance with Rio Tinto Health and Hygiene Standards, conduct audits at Sept-Îles and Labrador City operations.

2005 Performance
Corporate wide education on OHH standards to employees and supervisory staff was completed through site presentations and information provided during safety talks. The results proved fruitful and much data was collected on the subject as the information was welcomed by all and participation was high. In tandem with the educational experience, employees are encouraged to set their own personal OH objectives that are usually identified most positively and with the necessary support at clinics, consultations and annual medicals. From these objectives and the overall educational program, a monthly health report is submitted to management on indicators and trends from non-occupational and work related absences, health exposures, etc.

Noise control has progressed and the steam plant was the first location to be refitted at a cost of $200,000. This brought the steam plant noise levels to 85 dB – a best practice intervention for IOC! Similarly, success has been achieved regarding all hand/arm and whole body vibration levels, as sampling has been completed at all sites with results indicating that no whole body vibration exposure is above risk levels.
2006 Targets

Early Intervention of Injury Management
- Set guidelines for consistency and integrate rehab tools into the process. Track and evaluate the effectiveness of interventions through reduced severity and improved health.
- Construct a fully-integrated stress management program and launch the Virtues project.

Prevention of exposure in high risk areas
- Provide service to high MSI risk areas.
- Proceed with AFE’s to implement controls at the source with the goal of 20% reduction over 5 years.

Ability to respond to any emergency
- Construct a fully functional team that is assessed physically and evaluated on performance.
- Implement training of the ERT on these skills by officers and link it with the community on additional skills.
- Determine reports for supervisors on gate access and DMR plan and control building entry and photo ID cards.

Strengthen ESH Leadership
- Provide ongoing education through reports and action plans.

Full compliance with Rio Tinto H&H Standards
- Continue with internal audits – the next scheduled for 2006 – in tandem with the development of programs.
2005 marked a transformation period for IOC: Along with greater prosperity comes greater responsibility. IOC has recommitted itself to the environment with an even stronger pledge to leave a positive and lasting legacy for future generations when it comes to biodiversity, closure planning, land reclamation and ongoing rehabilitation of the land that we occupy.
IOC & Environment

Highlights

Biodiversity
As part of the Municipal Wetlands Stewardship Agreement signed in 2005, IOC initiated the wetlands education and awareness program in grade four classes of the Labrador City elementary school. The initiative has received positive feedback from the community and regulators. In 2006, schools are scheduled to visit IOC’s rehabilitated sites.

Energy Efficiency
IOC’s production dramatically increased in 2005 and there was a corresponding massive decrease in energy consumption of 13.2% per tonne of product produced.

Land Reclamation
Rehabilitation of 30 hectares of disturbed land at the Labrador City Carol Project was achieved – More than double the planned area.

Waste Management
IOC sponsored a Household Hazardous Waste Collection Day in Labrador City, providing residents with a safe and convenient way to dispose of their household hazardous waste products. This has been confirmed as an annual event and is a valuable component of the municipal waste management strategy aimed at environmental protection and increased awareness. In 2006, similar events are planned for both Labrador City and Sept-Îles.

ISO 14001
Certification to the ISO 14001 standard on Environmental Management Systems was achieved for Labrador City Carol Project site in 2005.

The North American Waterfowl Management Plan Joint Venture program (EHJV) recognized IOC initiatives by awarding IOC with the 2004 Great Blue Heron Award which acknowledges participants in the North American Waterfowl Management Plan who have made significant, long-term contributions that result in benefits to waterfowl and other migratory bird populations of North America.

Greenhouse Gases
In line with the energy efficiency improvements, IOC achieved a massive decrease of greenhouse gas per tonne of product produced, reducing by 12.6% in 2005 compared to 2004.
We recognize that the mining industry has a direct impact on the environment – extraction of ore from the ground, utilization of energy and water, generation of waste, emissions, and greenhouse gases – and through the entire process, we recognize our responsibility to minimize, and eliminate, where possible, these impacts on our receiving environment. While the first step to continuously improving environmental performance is awareness, at IOC we go much further.

Acting on the commitments in our Environment, Safety and Health (ESH) Policy, we assess our impact on ecosystems, evaluate future risks, design management systems to mitigate impacts, establish challenging objectives, and measure our performance against key success indicators. This has formed the basis of ISO 14001:2004 certified Environmental Management System, in itself a significant achievement for IOC and a clear indicator of our commitment to the environment in which we operate.

In 2005, we also demonstrated our commitment through implementation of the Rio Tinto Environment Standards. An environmental audit by Rio Tinto of the Labrador City Carol Lake facility in December 2005 resulted 8 minor findings and one commendation (Greenhouse Gas management). This was another major milestone for IOC on the road to becoming a leader in environmental stewardship and risk management, and validated our approach to sustainable mining and environmental performance.

Jody Clark and Phil Turner, from IOC’s environment department, two key players in our sustainable mining and environmental performance.
Mining operations at IOC can result in the generation of dust through the movement or stockpiling of material, vehicular traffic, and facility emissions. There are several classes of dust, or particulate matter, the largest being Total Suspended Particulate (TSP) matter, which consists of visible particles that are too large to enter the human respiratory system. TSP is also known as nuisance dust. Smaller particles, called inhalable or respirable Particulate Matter (PM), can be a concern from a health perspective if exposure levels are elevated as the smaller the particle size, the deeper it is able to travel into the lung.

IOC operates a network of ambient air monitoring stations within the community of Labrador City to monitor levels of TSP and PM within the local airshed from all surrounding sources. Each of these stations adheres to Environment Canada’s National Air Pollutant Survey schedule and meets the equipment requirements and specifications, as outlined by the government of Newfoundland and Labrador.

The IOC ambient air quality monitors are situated to cover the key geographic areas and to monitor locations that may have more sensitive receptors, such as a population of children. The units are located as follows:

- A.P. Low Elementary School – Total Suspended Particulate monitor, 24-hour PM$_{2.5}$ and 24-hour PM$_{10}$ monitor, continuous PM$_{2.5}$ monitor (TEOM), and a continuous SO$_2$ monitor.
- Tamarack Extension – Total Suspended Particulate monitor.
- Labrador Mall - Total Suspended Particulate monitor.

Monitoring data is reported to NL regulators on a monthly basis. As noted in the graphs below, the air within Labrador City continues to be of high quality as noted in a health-based risk assessment conducted in 2002.

### 2005 Targets

- Submit IOC’s Air Quality Management Plan to provincial regulators by the end of the 2nd quarter of 2005.
- Conduct stack sampling and dispersion model to further characterize emissions from stack sources and continue to build the knowledge base.
- Relocate continuous PM$_{2.5}$ monitor.
- Meet and surpass the regulatory limits for ambient air quality within the communities in which we operate.
2005 PERFORMANCE FLASHBACK

IOC & Environment

Air Quality (continued)

2005 Performance

IOC’s Air Quality Management Plan was submitted to provincial regulators on June 29, 2005 and based on their review of the Plan, additional information was provided by IOC on October 7, 2005.

Emissions testing for particulate and gaseous matter from selected stacks was completed at the Labrador City Carol Project, as per agreement with NL regulators.

A plume dispersion model was finalized in February of 2005 for the Labrador City Carol Project using stack emissions data, meteorological conditions, terrain and other factors to determine ground level concentrations (within the community) of particulates and other contaminants from emitting stacks and fugitive dust sources. The model predicts off-site ground level concentrations of IOC emissions.

The PM$_{10}$ relocation was deferred until Q3 of 2006 in agreement with NL regulators in order to site the unit based on the outcomes of the planned IOC 2006 dispersion model. This model will provide prediction of areas of highest potential impact within the community from IOC activities, and the unit will be relocated to this area.

IOC formally commissioned a TEOM and SO$_2$ unit within Labrador City, adding these instruments to its community-based ambient air quality network. Due to the hard work of every employee, IOC continues to ensure that the air within the community is of high quality with minimal impacts from IOC operations.

2006 Targets

- Sept-Îles – Assess and identify requirements for installation of ambient air quality monitors within the community in 2007.
-Sept-Îles – Conduct stack emission testing at the Dumper.
- Sept-Îles – Conduct updated plume dispersion model for facility using the 2006 stack emission data set.
- Sept-Îles – Assess options for control of fugitive emissions from the bentonite unloading activities.
- Carol Project – Relocate the continuous PM$_{2.5}$ (TEOM) in the third quarter of 2006.
- Carol Project – Conduct Dispersion Model using stack emission data from the 2005 data set.
- Carol Project – Undertake dust control trials at the Pellet Plant Loadout area to reduce potential for wind-blown dust.
There is much to be gained from conserving and increasing natural biodiversity – the ways in which life on this planet is organized and interconnected, whether on a cellular level or in relation to entire ecosystems. The genetic resources contained within these ecosystems hold the basis of our continued existence, not only biologically, but in a diverse number of ways as their beauty and variety greatly improve the quality of our lives.

IOC’s commitment to enhancing biodiversity reflects the direction we are taking to maximize the sustainability of our business and our communities. This commitment is demonstrated in the way we operate, for example, through our “Tailings to Biodiversity” initiative, a program at our Carol Project operations that focuses on creating new and diverse habitats across the IOC tailings disposal area to benefit migratory birds such as American black ducks, Canada geese, common terns, shorebirds, fish and many other wildlife and plant species.

In 2005, IOC and the towns of Labrador City and Wabush, signed a Municipal Wetland Stewardship Agreement with the province of Newfoundland and Labrador, representing a commitment to protect waterfowl habitat in the region. IOC was instrumental in promoting the signing of this agreement and has committed to the delivery of a wetlands education program within the local schools.

2005 Targets

- Enhance fish and waterfowl habitat at Patterson Pond.
- In conjunction with the provincial governments, initiate a wetlands education program in our neighboring communities.
- Conduct small mammals survey along the QNS&L corridor.

2005 Performance

Fish and waterfowl habitat at Patterson Pond was enhanced in 2005 through a major engineering and construction project that created a meandering stream and associated grasslands. IOC also introduced the wetlands education and awareness program in the grade four class of the Labrador City elementary school. Both initiatives have received positive feedback from the community and regulators.

The small mammals survey along the QNS&L corridor was completed in 2005, with the birding survey to be completed in 2006. In Sept-Îles, a 5-year Plan was developed to rehabilitate the tailings area. The completion of the Plan would see the transformation of this area into a combination grasslands/wetlands area which will provide refuge and habitat to a variety of waterfowl and small mammals.

2005 also marked the recognition of IOC as a leader in environmental management. Its “Tailings to Biodiversity” and wetlands development programs resulted in IOC being selected as the recipient of the 2004 North American Waterfowl Management Plan Great Blue Heron Award, which recognizes significant, long-term contributions that result in benefits to waterfowl and other migratory bird populations of North America. The tailings biodiversity project and wetlands development will result in a mosaic of habitats rather than a monoculture of grasses that is the traditional method of stabilization. Through a creative use of the inert tailings mixture of rock and sand wetlands, uplands and riparian areas are being created. Over the next 40 years, thousands of hectares of “new” habitat will be developed as a direct result of this project.

2006 Targets

- Carol Project - Investigate measures to increase the utilization of the tailings area by small mammals.
- Carol Project – Investigate partnerships with external stakeholders to address additional opportunities for rehabilitation and biodiversity enhancement at the tailings and mining areas.
- Sept-Îles – Complete bird survey along the QNS&L railway corridor.
PRESS RELEASE

IOC, Labrador City and Wabush support wetland stewardship through the Municipal Wetland Stewardship Program (2005-03-17)
Montreal, Labrador City, Sept-Îles,
17 March 2005 –

IOC along with the towns of Labrador City and Wabush have signed a Municipal Wetland Stewardship Agreement with the Province, representing their commitment to protect waterfowl habitat in the region. The Iron Ore Company of Canada (IOC) was instrumental in promoting the signing of these agreements and has committed to assisting in the delivery of a wetlands education program.

Michael Shannon, Vice President Operations and Engineering of IOC said, “IOC’s commitment to this agreement for the purpose of enhancing biodiversity is important as it reflects the direction IOC is taking with respect to sustainability of the business. By working with the community and other stakeholders, IOC can share this knowledge and the importance of wetland development and biodiversity.”

The experience IOC has gained over the past number of years, in creating new and diverse habitat on our tailings, is important to share with our community. This new habitat will benefit migratory birds such as American black ducks, Canada geese, common terns, shorebirds, fish and many other wildlife and plant species. This Agreement gives IOC an opportunity to increase this knowledge within the community but more importantly with the youth in the community. Bringing the message into the schools is important and this Wetland Education Program will help us achieve this goal.

Minister of Environment and Conservation Tom Osborne commended the Iron Ore Company of Canada for its active role in encouraging the towns’ participation in the wetland stewardship program and for their support to wetland education. “I commend IOC for their innovative and progressive tailings stabilization project ‘From Tailings to Biodiversity’, which is being done in partnership with the Eastern Habitat Joint Venture.”

IOC is the largest manufacturer of iron ore pellets in Canada and generates over $600m revenue. It operates a mine, concentrator and a pelletizing plant in Labrador City, Newfoundland and Labrador, as well as port facilities located in Sept-Îles (Quebec). The Company also operates a 418 kilometer railroad that links the mine to the port. Our customer base covers North American, European and Asian steel producers. IOC has about 1700 employees and celebrates its fifty years of operations in 2005.

IOC’s major shareholder and operator is Rio Tinto, the world’s third largest mining company.
Source: Michel Filion
Director Communications
(514) 217-6253
PRESS RELEASE
IRON ORE COMPANY OF CANADA

For immediate release
Iron Ore Company of Canada recipient of 2004 Great Blue Heron Award
(Canada) Montreal, Sept-Îles, Labrador City, May 11th, 2005 – (Environment and Conservation)

The Minister of Environment and Conservation, Tom Osborne, today congratulated the Iron Ore Company of Canada (IOC) for being among this year’s recipients of the North American Waterfowl Management Plan’s National Great Blue Heron Award.

The Great Blue Heron Award recognizes participants in the North American Waterfowl Management Plan who have made significant, long-term contributions that result in benefits to waterfowl and other migratory bird populations of North America. Recipients of this award are chosen from candidates located across North America.

In partnership with the North American Waterfowl Management Plan’s Eastern Habitat Joint Venture (EHJV) program, which is delivered by the Department of Environment and Conservation, IOC is leading the way through its Tailings to Biodiversity project in ensuring that a positive legacy remains long after the company ceases production at their mine-site in Labrador City. The IOC’s Tailings to Biodiversity project will result in a mosaic of habitats rather than a monoculture of grasses that is the traditional method of stabilization. Through a creative use of the inert tailings mixture of rock and sand wetlands, uplands and riparian areas are being created. Over the next 40 years, thousands of hectares of “new” habitat will be developed as a result of the project.

“The Tailings to Biodiversity project is an excellent example of what can be achieved through cooperation and partnership and with a strong vision. Indeed, IOC is setting an example for other resource-based industries and I hope that the recognition provided by this award will reinforce their commitment and encourage others to follow their lead,” says Minister Osborne.

“The work we are doing and plan to do through biodiversity enhancement, partnerships with the communities and provincial governments, and increasing the awareness of wetlands is important to IOC’s overall sustainability. IOC is grateful for the recognition it has received for this Award and it will serve as a reminder to balance social and environmental responsibility with its economical decisions,” said Terry Bowles, President and CEO of IOC.

The company’s partnership with the EHJV has also resulted in the recent negotiation of a Municipal Wetland Stewardship Agreement with the Town of Labrador City. The EHJV’s Municipal Wetland Stewardship Program encourages municipalities to become active stewards of the wetlands within their jurisdiction.

Source:
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Director, Communications and Community Relations
Compagnie minière IOC
Info: (514) 217-6253

Ms. Tina Coffey,
Communications
Department of Environment and Conservation
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Over its operational life, IOC’s activities have resulted in hydrocarbon contaminated sites located in and between Labrador City and Sept-Îles. In 2003, a detailed environmental classification of 74 sites was completed (Contaminated Sites Action Plan) and provided a baseline from which to set priorities for remediation and further characterization based on the assessed risks. Of the 74 sites evaluated, only two sites were classified as having a high risk potential and these were fully remediated in 2003.

2005 Targets
- Initiate further detailed characterization and remediation activities at five new sites, based on the prioritization in the Action Plan.
- Maintain ongoing remediation works at five existing sites across the company.

2005 Performance
- New characterization and assessment programs were undertaken in 2005 at three sites in the Labrador City Carol Project (Salvage yard, loadout fuel area and MMF retention ponds), the Sept-Îles’ Heating Plant site and the QNS&L oreway camp.
- Ongoing fuel recovery and groundwater monitoring operations continued at previously identified sites across the Carol Project, Product Delivery and QNS&L.
- Groundwater monitoring programs were conducted around designated sites to track any potential movement of contaminants.

2006 Targets
- Carol Project – Re-commission contaminated soil remediation facility.
- Carol Project – Complete characterization and assessment at 1 new site based on risk register.
- Carol Lake – Remove redundant fuel storage facilities and associated infrastructure at the #4 LP area.
- QNS&L – Complete characterization and assessment at 1 new site based on risk register.
- Sept-Îles – Complete characterization and assessment at 1 new site based on risk register.
- Sept-Îles – Construct a contaminated soil remediation facility to treat soil recovered from identified sites.
- Sept-Îles – Remove obsolete bulk fuel storage facilities as per agreement with regulators.
IOC is one of more than 600 companies that are making a commitment to energy efficiency by signing on with Natural Resources Canada as an Industrial Energy Innovator. In 2003, IOC conducted an extensive Mine to Port energy audit to identify specific projects to reduce consumption. Over the past two years many of these projects have been implemented and are paying dividend as seen in the 2005 Performance results below.

2005 Targets
- Reduce energy consumption by 1%.

2005 Performance
Due to substantially increased production, IOC was not able to meet its 2005 target of reducing energy consumption by 1%; however, energy consumption per tonne of product produced was reduced by 13.2% in 2005 compared to 2004. On a global basis, IOC is amongst the best pelletizing plants in the world in terms of energy efficiency and this is a great achievement, particularly given equipment constructed in the 1960’s is used to obtain this result.

2006 Targets
- With the significant decrease in energy consumption per tonne of product in 2005, IOC’s long term targets allow for an increase in energy consumption of 0.14% in 2006.
A lot of money – and greenhouse gas (GHG) emissions – used to go up in smoke at the Iron Ore Company of Canada’s mine and mineral processing plants in Labrador City.

But by installing advanced technology to control the amount of heat consumed in furnaces, the company is cutting fuel consumption, energy costs and GHGs.

The six furnaces, which are used to harden iron ore pellets, resemble pizza ovens but are each the size of a basketball court. They open at each end and are fed by conveyors.

Until the company introduced advanced controls, dampers inside the furnace tended to be opened or closed too slowly to maximize the furnace’s efficiency. The new control system reacts much faster than a conventional system, eliminating the lag time between when temperatures change and when a damper is adjusted.

The company estimates it will reduce consumption of bunker C fuel oil — a thick, sticky residual fuel — by about 12 million litres a year, resulting in 37,000 tonnes of GHG emissions being eliminated.

The project was identified as part of a comprehensive energy audit subsidized by Natural Resources Canada (NRCan). The Iron Ore Company of Canada is also one of more than 600 companies that have registered as Industrial Energy Innovators with NRCan. Innovators make a commitment to establish and work toward energy-efficiency targets and, in return, they gain access to NRCan products and services to help manage their energy use. Other innovators range from large tire and pulp and paper companies to small cheese factories and craft breweries.

The Industrial Energy Innovators program is part of the mandate of the Canadian Industry Program for Energy Conservation (CIPEC), which is celebrating its 30th anniversary in 2005. As a result of CIPEC’s efforts, more than 5,000 companies that represent more than 98 percent of Canadian industry have reduced their combined energy intensity by 8.7 percent between 1990 and 2003, or an average of 0.7 percent a year. Improved energy management enabled Canadian industry to avoid approximately $3.4 billion in purchased energy in 2003 — enough to heat 4.8 million Canadian homes for a year.

Natural Resources Canada NewsRoom
http://www.nrcan-rncan.gc.ca/media/articles/2005/2005art29_e.htm
IOC & Environment

Greenhouse Gases

According to Environment Canada, Canada contributes just 2% of the total greenhouse gases produced worldwide; however, due to our climate, size and resource-based economy, we are one of the highest per capita emitters\(^1\). IOC is leading the iron ore sector in discussions with the federal government on the goals outlined in the Kyoto Protocol.

\(^1\) Environment Canada, Greenhouse Gas Sources and Sinks
< http://www.ec.gc.ca/pdb/ghg/about/gases_e.cfm >

2005 Targets

- Achieve a 1% reduction in greenhouse gas emissions.

2005 Performance

A greenhouse gas emissions reduction of 7.8% per tonne of product has been achieved relative to 2004. IOC’s Advanced Process Control technology has been applied to the induration machines to decrease the lag in machine response time, reducing energy consumption/GHG emissions by reducing heat lost to the stack and stabilizing the machine to allow for operation closer to the pellet quality specifications.

Other areas where IOC has been improving are:

- Hot seat change initiative at the Mine yielded an extra eight loads per shift by avoiding non-productive idle time on haul trucks.
- Locomotive idle management technology has been installed on 4 locomotives with the rest of the fleet to be retrofitted in 2006.
- Greater focus put on running 210 vs. traditional 140 car trains, substantially reducing diesel consumption per tonne-km hauled.
- Pellet plant maintenance alignment has helped increase pellet production by aligning all up and downstream maintenance items in a production train. The benefit from an energy standpoint is that induration machines spend a greater amount of time with feed in the machines as opposed to idling warm.

2006 Targets

- Retrofit the remainder of the locomotive fleet.
- Reduce greenhouse gas emissions by 2% per tonne of product.
On December 13, 2005, the environmental management system of the Iron Ore Company of Canada’s (IOC) Carol Project facility was registered to ISO 14001:2004. This is a significant achievement for IOC and solidifies our position as a leader in environmental stewardship and risk mitigation.

The Carol Project, located in Labrador City, has always had a strong commitment to the environment. ISO 14001:2004 certification involved systematic planning and implementation across the business, and by formalizing IOC’s strategy under an ISO 14001 environmental management system, we are better able to document, demonstrate and communicate our commitment to environmental stewardship and continuous improvement.

2005 Targets

2005 Performance
• ISO 14001:2004 certification was achieved for the Labrador City Carol Project operations in December 2005.
• At our Sept-Îles operations, we are continuing to implement an environmental management system and will be certified to ISO 14001:2004 standards in April 2006. As a result of the workshops organized in Sept-Îles in 2004, area-specific environmental improvement plans were identified, leading to improved operation controls for protection of the environment.

2006 Targets
• Sept-Îles – Certification of the environmental management system to ISO 14001:2004 standards in April 2006.
• Carol Project – Maintain ISO 14001:2004 certification through successful completion of surveillance audits (April and November).
Land can be severely disturbed by non-renewable resource extraction such as mining; therefore, IOC is committed to ensuring sustainability of these sites through the re-establishment of the land to pre-mining conditions. This process can include such practices as development of pit lakes, revegetation of tailings and waste rock dumps, construction of sustainable waterfowl and fish habitat refuges, and planned utilization of the land to allow for return to pre-mining uses.

IOC has been rehabilitating the tailings area in Labrador City’s Carol Project since 1989 and has recently expanded these efforts to include rehabilitation of waste rock dumps and other sensitive areas within the mine as well as development of a five-year plan for the rehabilitation of Sept-Îles’ tailings area.

2005 Targets
• Reclamation and rehabilitation of 15 hectares of Labrador City.
• Develop a five-year rehabilitation plan for Sept-Îles’ tailings facility.

2005 Performance
The rehabilitation target of 15 hectares of land at the Labrador City Carol Project was achieved. In fact, during the revegetation campaign of 2005, over 30 hectares was successfully rehabilitated across the site.
A surface area of 21.8 hectares was revegetated on tailings in Area S21.
A surface area of approximately 0.5 hectares was revegetated on the roadside next to the Pellet Plant entrance, utilizing leftover seeds and fertilizers from other works conducted during the season.
The new fish habitat channel, created across the tailings area through the reshaping of the Luce Creek Diversion Canal, left approximately 5 hectares of surface area completely barren and exposed to wind erosion - this area was quickly stabilized through adequate hay mulching.
Approximately 1.5 hectares along the South-East Dyke service road was re-fertilized in 2005.
At the Mine, 8.5 hectares in total were revegetated at the Luce Haulage Road embankment and 6 hectares were completed using a broadcast technique, while the remaining 2.6 hectares were hydro-seeded.
Revegetation of the White Lake meander and the Road junction near the Mine Office totalled 1 hectare.
In addition, 11 hectares of re-fertilisation occurred, spread across Luce Haulage Road embankment Phase 1 (8.5 hectares), Dorothy-L.P. #3 test plot (0.5 hectares), and Smallwood test plots (2 hectares).

The five-year plan to rehabilitate Sept-Îles’ tailings has been developed. This Plan will see the creation of a grassland/wetland area, which will provide refuge and habitat for a variety of waterfowl and mammals.

2006 Targets
• Carol Project – rehabilitate minimum of 15 hectares of disturbed land.
• Prepare a Land Use Management Plan to cover all land managed by the company.
IOC continued its four year R&D program with completion of detailed lake assessment and toxicological studies on the potential use of a floculant to reduce red water and facilitate settling of tailings within a defined tailings deposition area in Wabush Lake. Acceptance of this proposal by stakeholders will result in significantly reducing the tailings footprint within Wabush Lake, greatly improving the ecological and recreational values of Wabush Lake.

Between 2001 and 2004, IOC conducted community forums in order to update the community on our progress with the Tailings Management Project (TMP). 2004/05 saw a breakthrough in tailings management technology involving internationally recognized research organizations and Rio Tinto’s global specialists. The application of flocculation technology allows IOC to dramatically redefine the TMP to deliver significantly improved environmental, social and economic benefits.

The four components of the improved TMP include:
- The addition of a flocculation system to treat red water and facilitate settling of solids with a designated area of Wabush Lake.
- Confining tailings to a naturally occurring deep water trench, thereby eliminating the need for a 15 km rock dyke.
- Monitoring system performance at an identifiable discharge point.
- Progressive reclamation to restore the landscape and minimize dust lift-off from the exposed tailings beaches.

The four components of the improved TMP include:

- The addition of a flocculation system to treat red water and facilitate settling of solids with a designated area of Wabush Lake.

2005 Targets

• Continue construction of booster tailings pumphouse.

2005 Performance

The pumphouse is used to transport the tailings effluent from the process plants into the designated tailings disposal area within Wabush Lake. Construction is on schedule with commissioning expected in the second quarter of 2006.

2006 Targets

• Complete construction and commission the Booster Tailings Pumphouse.
• Obtain all provincial and federal regulatory approvals for the revised Tailings Management Project.
• Engage and update all stakeholders on the Revised Tailings Management Project through a Public Forum with the Labrador City community and a provincial/federal government roundtable session.
• Initiate construction of the small dyke structures within Wabush Lake with target completion in Q4 2006.

Recognition of IOC’s reclamation efforts:
Recipient of the North American Waterfowl’s 2004 Great Blue Heron Award.

“The Tailings to Biodiversity project is an excellent example of what can be achieved through cooperation and partnership and with a strong vision.”

Minister Osborne — Media release May 2005 Government of NL
IOC uses water in its mining process to separate ore from rock, cool drills, wash the ore, pump out surplus substances and suppress dust. Essentially, we take the water from the environment, use it for our operations, then return it to the environment. We continue to work hard to reduce our overall water consumption and to reduce our impact on the water quality in the receiving waters. IOC continues to focus on protecting the water quality of the receiving environment and improving the ecology of the Wabush Lake system.

2005 Targets
- Continue to improve our knowledge base of water resources and biotic and abiotic characteristics.
- Develop an updated global site water balance.
- Develop targets and plans to manage water use across the company and reduce water consumption.

2005 Performance
Detailed aquatic ecology surveys and environmental effects monitoring was conducted across the Carol Project to monitor the water quality of various local watersheds as well as determine the ongoing health of the ecological values within the lake systems. Detailed sampling of key drainage basins and pipe discharges allowed IOC to ensure that water discharges from its Labrador City and Sept-Îles operations met regulatory requirements.

A Global site water balance was created at the Carol Project in May 2005 and the Rio Tinto Water Diagnostic was utilized to identify opportunities for improvement in water utilization and reduction in usage. IOC data shows that although we have had production increases (10% since 2003), we have managed to reduce freshwater withdrawal (6% less since 2003).

2006 Targets
- Carol Project – Assess means to reduce freshwater withdrawal across the Carol Project to support (if feasible) the Rio Tinto reduction initiatives.
- Sept-Îles – Assess means to reduce reliance on municipal water supply.
Developing cost-effective and environmentally conscious waste management solutions is a top priority for IOC as we recognize that long-term, responsible approaches are needed to meet regulatory requirements and community concerns. Waste generated from IOC’s operations includes oils, tires, batteries, scrap steel, wood, paper and domestic garbage. This waste is managed through reduction, re-use, and recycling principles together with ultimate disposal.

2005 Targets
- Develop a waste management plan and communicate to all areas.
- Conduct audits of waste disposal contractors.

2005 Performance
IOC has developed a waste management plan that details how we handle waste with a focus on recycling, reduction, reuse and recovery. This plan was communicated to employees and has been very successful in diverting wastes streams from its landfill site for reuse, recycling, and recovery. The Waste Management Plan for the Labrador City Carol Project was also provided to the provincial government for review. In tandem, waste disposal audits have been conducted by IOC environment professionals and external resources on waste service providers at IOC.

Among other items, IOC recycles paper, scrap steel, conveyor belts, drums, etc. In addition we donate used printer/copier toner cartridges to the Labrador City Youth Centre as a source of funding. Other waste such as alkaline batteries, acid batteries, waste grease and glycol is collected and diverted from the landfill for disposal at licensed facilities.

Recovery of used oil from the Labrador City and Sept-Îles operations has resulted in the use of this waste stream as an alternate source of fuel and energy for the Pellet Plant Indurations process, resulting in Bunker C savings.

Hazardous waste is managed to minimize potential impacts on the receiving environment. A PCB Transformer removal/replacement program was initiated across the Company in 2006. As a result, 5 PCB Transformers at the Carol Lake operations and a number of PCB transformers at the Sept-Îles facility have been removed from service in 2005. This program will be continued in 2006 such that by the end of the year, all identified PCB transformers will be removed from service and disposed of at licensed off-site facilities.

IOC sponsored a Community Household Hazardous Waste Day in Labrador City in the fall 2005. The event provided residents a means to safely dispose of their paints, solvents, batteries, etc. and was a huge success. IOC has confirmed with the town that this will be an annual event in Labrador City, and IOC will also sponsor a similar event in Sept-Îles in 2006.

2006 Targets
Carol Project and Sept-Îles
- Remove all remaining PCB transformers from service per Plan and dispose at licensed facilities.
- Continue program of recovery of used oil to provide an alternate energy source to the Pellet Plant Induration process.
- Continue audit program of key waste disposal service providers.
- Investigate use of a wood chipper to reduce waste volumes at Carol Project.
- Sponsor Community Household Hazardous Waste Days in Labrador City and Wabush.
PRESS RELEASE
RECYCLING FOR A CAUSE – IOC Support Local Youth Programs
Montreal, Labrador City, Sept-Îles,

For several years now, the IOC Department of Environment has recycled used printer and photocopier toner cartridges by returning them to the supplier. Beginning in 2004, however, the company partnered with the Labrador West Youth Centre to donate used toner cartridges to the Youth Centre’s Cartridge Recycling Program. Twenty five percent of all monies raised through this program will go to the Teens against Destructive Decisions, a leadership initiative aimed at the youth of the community. The remaining funds will be utilized for other programs and activities at the centre. The centre’s efforts will also have an impact countrywide as they have arranged with Trees Canada to donate one sapling for every 12 cartridges sent for recycling, with the saplings used for reforestation projects throughout Canada.
LOOKING TO GET RID OF YOUR HOUSEHOLD HAZARDOUS WASTE

The Iron Ore Company and the Town of Labrador City participates in a household hazardous waste collection program on October 8, 2005.

IOC is proud to sponsor the 2005 Labrador City Household Hazardous Waste Collection Day. This event, to be held on October 8, 2005, will provide residents of the community with a safe and convenient way to dispose of their household hazardous waste products.

Jody Clark, Manager Environment for IOC, notes that the program, which he hopes will be an annual event, is a valuable component of the municipal waste management strategy aimed at environmental protection and increased awareness. "The program will allow for the safe disposal of hazardous waste materials which would otherwise have a detrimental affect on our environment, as well as providing residents with a way to eliminate these chemicals from their households. Safety Kleen Inc, the waste contractor who handles hazardous waste disposal for IOC, has agreed to participate in the program and will provide equipment and trained personnel in handling hazardous waste.

As Labrador City is presently developing plans for a new waste management facility, this program will allow for segregation and diversion of hazardous waste from the future facility. According to Jeff Boland, Town Engineer, an annual Household Hazardous Waste Collection program will help the municipality tailor the design of the new facility. "We are very pleased that IOC volunteered to partner with the community on this initiative. It ties in with our proposed waste management strategy which focuses on waste segregation and increased recycling with the result of significantly reducing the volume of wastes going to landfill."

An advertising campaign will be launched in the coming weeks to provide detailed information on the exact time and location for the program, as well as a description of the wastes that will be accepted.

IOC is the largest manufacturer of iron ore pellets in Canada and generates over $600m revenue. It operates a mine, concentrator and a pelletizing plant in Labrador City, Newfoundland and Labrador, as well as port facilities located in Sept-Îles (Quebec). The Company also operates a 418 kilometer railroad that links the mine to the port. Our customer base covers North American, European and Asian steel producers.

IOC has about 1700 employees and celebrates its fifty years of operations in 2005.

IOC’s major shareholder and operator is the international mining group Rio Tinto which has activities in more than 40 countries throughout the world.

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2005 was a landmark year as our budget for investment back into the company rose from $70 million in 2004 to $135 million. However, from a sustainable development standpoint, IOC investments reach beyond the company itself and back into the communities in which we operate. From donations to generating employment and creating wealth in other sectors, IOC has a long-term approach to investment.

- IOC donates $200,000 to the Fondation du Centre hospitalier régional de Sept-Îles for the development of a new palliative care facility and a plot of land of the same value to Labrador City for the construction of a new seniors housing complex.
- 2005’s United Way Campaign at IOC was the best ever! Over $52,000 was raised.
- In March, August and December, IOC hosted Family Day for its employees of Labrador City and Sept-Îles.
- $9 million to purchase three new haul trucks to meet growing demand.
- $25 million reinvested in rail transport equipment – seven new locomotives.
- $31 million to retrofit the concentrator by replacing the spirals on eight processing lines.
### 2006 Targets

#### IOC & SUSTAINABLE DEVELOPMENT
- The Sustainable Development framework will be formally developed into an approved IOC Sustainable Development strategy.
- Carol Project – Create a Community Advisory Panel (CAP) consisting of a cross-section of representatives from the local community and municipal government.
- Implement a crisis communication management plan at IOC's corporate office in Montreal.
- Conduct an archaeological assessment of the terrestrial habitat to be affected by dyke and access road construction, with the intent to identify and preserve any historical artifacts encountered.

#### IOC & MISSION AND VALUES
- Present the new Mission and Values to all employees through President's employee sessions in 2006.

#### IOC & COMMUNITY
- Communicate and get a buy-in on the new tailings management: from a dyke to flocculation technology.
- Establish the basis for hiring and subcontracting processes for aboriginals from the provinces of Quebec and Newfoundland & Labrador.
- Keep the recruitment section and CV Manager on the IOC web site updated and accurate.
- Create a competitive advertising campaign to support IOC recruitment efforts.
- Increase off-site career fairs locally and nationally and develop a recruitment information package.
- Hold a second Safety Workshop involving all employees.

#### IOC & EMPLOYEES
- 2006 LTIFR Target = 0.78, representing a 20% reduction from 2005.
- 2006 AIFR Target = 2.08, representing a 27% reduction from 2005 (2.85) and a 20% reduction on 2004 (2.60)
- Implement Disaster Management and Recovery Plan (DMRP) at the Corporate office in Montreal as well as a simulation of the Plan to test its effectiveness.
- VP and GMs to participate in one Safety Tour and conduct one Safety Interaction per week.
- Restructure the Standards Implementation Team to cover all of ESH across the business.
- Carry out the new Team Leader Development Program over the next 12 months.
- Implement SIAPs in all operating divisions – February 2006.
- Continue with the successful Standards Implementation Team – January 2006.
- Expand the Standards Implementation Team to cover E, S and H in all operating areas – May 2006.
- Continue working with the SafetyNet project to completion. Timing dependant on the Memorial University research team, but anticipated by end 2006.
- Construct a fully-integrated stress management program and launch the Virtues project.

**Prevention of exposure in high risk areas**
- Provide service to high MSI risk areas.
- Proceed with AFE's to implement controls at the source with the goal of 20% reduction over 5 years.

**Ability to respond to any emergency**
- Construct a fully functional team that is assessed physically and evaluated on performance.
- Implement training of the ERT on these skills by officers and link it with the community on additional skills.
- Determine reports for supervisors on gate access and DMR plan and control building entry and photo ID cards.

**Strengthen ESH Leadership**
- Provide ongoing education through reports and action plans.

**Full compliance with Rio Tinto H&H Standards**
- Continue with internal audits – the next scheduled for 2006 – in tandem with the development of programs.

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**Early Intervention of Injury Management**
- Set guidelines for consistency and integrate rehab tools into the process. Track and evaluate the effectiveness of interventions through reduced severity and improved health.
ENVIRONMENT

• Sept-Îles – Assess and identify requirements for installation of ambient air quality monitors within the community in 2007.
• Sept-Îles – Conduct stack emission testing at the Dumper.
• Sept-Îles – Conduct updated plume dispersion model for facility using the 2006 stack emission data set.
• Sept-Îles – Assess options for control of fugitive emissions from the bentonite unloading activities.
• Carol Project – Relocate the continuous PM2.5 (TEOM) in the third quarter of 2006.
• Carol Project – Conduct Dispersion Model using stack emission data from the 2005 data set.
• Carol Project – Undertake dust control trials at the Pellet Plant Loadout area to reduce potential for wind-blown dust.
• Carol Project – Investigate measures to increase the utilization of the tailings area by small mammals.
• Carol Project – Investigate partnerships with external stakeholders to address additional opportunities for rehabilitation and biodiversity enhancement at the tailings and mining areas.
• Sept-Îles – Complete bird survey along the QNS&L railway corridor.
• Carol Project – Re-commission contaminated soil remediation facility.
• Carol Project – Complete characterization and assessment at 1 new site based on risk register.
• Carol Lake – Remove redundant fuel storage facilities and associated infrastructure at the #4 LP area.
• QNS&L – Complete characterization and assessment at 1 new site based on risk register.
• Sept-Îles – Complete characterization and assessment at 1 new site based on risk register.
• Sept-Îles – Construct a contaminated soil remediation facility to treat soil recovered from identified sites.
• Sept-Îles – Remove obsolete bulk fuel storage facilities as per agreement with regulators.
• With the significant decrease in energy consumption per tonne of product in 2005, IOC’s long term targets allow for an increase in energy consumption of 0.14% in 2006.
• Retrofit the remainder of the locomotive fleet.
• Reduce greenhouse gas emissions by 2% per tonne of product.
• Sept-Îles – Certification of the environmental management system to ISO 14001:2004 standards in April 2006.
• Carol Project – Maintain ISO 14001:2004 certification through successful completion of surveillance audits (April and November).
• Carol Project – Rehabilitate minimum of 15 hectares of disturbed land.
• Prepare a Land Use Management Plan to cover all land managed by the company.
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• Carol Project – Assess means to reduce freshwater withdrawal across the Carol Project to support (if feasible) the Rio Tinto reduction initiatives.
• Sept-Îles – Assess means to reduce reliance on municipal water supply.

Carol Project and Sept-Îles

• Remove all remaining PCB transformers from service per Plan and dispose at licensed facilities.
• Continue program of recovery of used oil to provide an alternate energy source to the Pellet Plant Induration process.
• Continue audit program of key waste disposal service providers.
• Investigate use of a wood chipper to reduce waste volumes at Carol Project.
• Sponsor Community Household Hazardous Waste Days in Labrador City and Wabush.
Contact IOC

Additional information can be found on IOC’s website at [www.ironore.ca](http://www.ironore.ca) and Rio Tinto’s website at [www.riotinto.com](http://www.riotinto.com).

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