

Mine to Port

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



- 03 Our Communities
- 04 Health and Safety
- 05 Health and Safety and Environment
- 06 Recrutement
- 07 Employee Engagement

- 08 Operational and financial performance
- 09 Growth and Innovation
- 10 Special Feature
- 11 Customers and Markets

Message from our President



When I arrived at IOC, one of the first things that struck me was how resourceful our employees are in getting things done – especially in a crisis.

I was impressed by the stability of our group and by the history, knowledge and commitment of our employees to IOC. That commitment has stood the test of time through long droughts of capital investment and years of marginal earnings. I can sense that deep commitment and the pride in having contributed to what makes IOC a success today.

These strengths are the foundations on which we can build a better tomorrow.

One example, as sombre and tragic as the events were, but that clearly demonstrates how we can pull together in a time of crisis was the fatality that occurred on April 19.

First, let me say how deeply saddened I was—as I know you all were—by the tragic accident that happened to a G.J. Cahill; subcontractor employee who was fatally electrocuted. As many of you know, he had a family, and our thoughts are with them in this time of sorrow. We do not yet have the final results of the investigation, but when they are released, we will certainly ensure we share the key learnings so we can all prevent such a tragedy from happening again.

I cannot express strongly enough in my belief that such accidents should never happen. This is why I am as committed, as you are, to our objective of Zero Harm. We can however, only achieve this if we work together.

I was greatly encouraged by the strengths displayed during this time of crisis (and indeed during others such as the rail washout to name one of many). When we come together and focus and maintain our focus on what needs to be done we can achieve amazing things.

There are no divides between union and management during these times. We listen together, work together and ultimately ensure everyone is looked after while we get the job done safely.

Decisions were made quickly, we supported each other and I felt that we truly were one united team. There was a deep and authentic sense of caring that started on-site and extended well beyond IOC's gates.

We need to tap into things we already do well instinctively, as well as into the strengths we showed then, so we can integrate them into our day-to-day work:

- quick decision-making with everyone willing to chip in to find a solution and get the job done safely;
- working together as a unified team, with no silos between management and union or between areas. In a sense, working as a community toward a common goal;
- looking after one another to create a healthy and safe environment to work and learn in.

The most recent employee engagement survey reminds us of what we saw – that we already have the strengths and the potential for change in our DNA that will assure our future growth:

- 87% of our employees believe they go “...beyond what is required”;
- 84% feel they are “...doing something they consider really worthwhile”;
- 80% believe that “...The people I work with are willing to help”.

These very positive responses show our readiness to change. However, I am still very concerned with what many statistics show and about some of the behaviours I notice every day. During the Dialogue Tour 2011, for example, an employee told us that it took six months to get a broken ladder fixed. That's just not acceptable.

And some of the results from that recent survey also show that we need to improve in some respects:

- 36% of our employees don't think that IOC is well managed;
- 38% don't believe that management trusts their judgement.

So there's good and not-so good! Nonetheless, I believe we are in a good position to improve; but we need to focus on our strengths and to trust in our ability to change, which begins, first, with us as individuals.

In closing, and on a quite different note, I'd like to express my sincere thanks to George Kean who recently retired as President of USW Local 5795. His commitment to all of us has been evident on many occasions, not just on-site, but also in the community. We look forward to continuing the collaboration we have begun with the unions with Ron Thomas, President of USW Local 5795, and with Tony Record, President of USW Local 6731.

Helping Habitat Build Homes



For fifteen days in August, an estimated 60,000 nails will be hammered by volunteers as Habitat for Humanity Homes are built in Labrador City. Walls will go up, floors will go down and, at the end of an exciting two-week long build, deserving families from Labrador West will become new home owners.

Through a partnership with Cabot Habitat for Humanity in St. John's, the Labrador West Housing and Homelessness Coalition led the formation of a group of 20 who are the project leaders for this summer's undertaking.

To date, IOC has provided \$45,000 for Labrador West housing and homelessness research and committed in-kind support. IOC will also provide the land for the build and announce a major contribution to the project in the coming weeks. The largest contribution, however, will come from volunteers. Hundreds of volunteers will be needed to build these homes in a mere fifteen days.

"IOC recognizes that housing costs are rising and, while our expansion project brings much growth and opportunity, there are those that are still struggling," says IOC's Director of External Relations, Heather Bruce-Veitch. "Habitat for Humanity simply makes sense for an area

like Labrador West. It is a true community project, which will help address a great need; one which we are proud to be a part of."

The Habitat for Humanity build will take place from August 12-26 in Labrador City. To volunteer or find out how you can get involved, please contact Krista Norman, External Relations at the Labrador City Operations.

Did you Know?

- ▮ Habitat for Humanity operates in 93 Countries.
- ▮ It is estimated that a Habitat for Humanity home is started every 10 minutes.
- ▮ There are over 50,000 Habitat for Humanity volunteers in Canada.
- ▮ 1.7 million Canadian families are living without adequate housing.
- ▮ Over half a million Canadians pay more than 50% of their household income on shelter.

Habitat's Home Ownership Program:

- ▮ Houses appraised at fair market value;
- ▮ SOLD with no cash down payment. Families have to work 500 hours of sweat equity;
- ▮ Mortgages held interest-free by Habitat;
- ▮ Payments geared to income.

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough to those who have too little"

- Franklin D. Roosevelt

Taking all precautionary measures

Since the Expansion Project was re-started back in May 2010, the Labrador City site has seen an extreme increase in traffic due to the high volume of equipment and supplies needed for such a large scale project.

As of now we have received shipments from all around the world including Serbia, China, Spain, U.S and Canada.

During February 2011 we received shipments from approximately 65 loaded transport trucks carrying items such as parts for the overland conveyor, crusher steel and crusher building. All ships have been docking in Baie Comeau, Quebec, as the one expected to arrive mid-May holding 170 truck loads, which then headed over Route 389.

Of course having loaded trucks travelling their way to our site increases the risks for potential hazards and in order to eliminate them, the Expansion team had to ensure all safety measures were in place. "We recognized that this volume of truck traffic and specialized loads could create various hazards and subsequently we have spent an enormous effort in making sure the volume of trucks was to be managed safely," said Craig Giles, Superintendent of Health and Safety – Expansion Projects.

A vehicle escort service must accompany the trucks to site, however, if a truck exceeds a certain weight and if the equipment loaded on the truck is too wide, the truck must be

accompanied by a police escort from the moment it leaves Baie Comeau until it reaches its destination point on site.

With such an increased volume of truck traffic headed our way during the month of May, we will continue our safe practices and ensure we are prepared with the correct number of escorts needed. For clearance purposes, IOC Security team and Mine Dispatch are always notified of the volume of truck loads coming on site and all standard IOC safety procedures are in place and followed at all times.

"We developed a full procedure with various check sheets and training package to accompany the people involved in these escorts and these are reviewed continuously for improvement. All companies involved took the view that any incident would be unacceptable and developed a rigorous approach. To date we have been very successful with superb cooperation and communication all around," stated Giles.

After our shipment arrives in May, we will have had over 600 loads delivered to us from all around the world since October 2009.

We are proud to say that since 2009, we have had no major incidents during the transporting and unloading of materials and supplies. This was possible due to the commitment of all employees and contractors involved in the process.



New safety barometer

Within the Site Safety Acceleration Program (SSAP), a team consisting of supervisors and HSE people completely revamped the action requirements for each color mode.

Now if the barometer is yellow or red, each supervisor will have to select one of the following supplemental activities:

- Do a specific safety meeting with his/her team (on a specific topic, sharing a lesson learned, revising a standard or a procedure);
- Do a full start of a job in the field with employees or contractors (Take 5's and JHA's along with any other forms in the area with an employee or contractor);
- Check all permits or used forms in the area with an employee or contractor (pre-use, lockout form, permit);
- Inspect carefully equipment, tools or PPE in the area with an employee or contractor (harness, face shield, drills, grinders, extension cords).

HEALTH, SAFETY AND ENVIRONMENT

Journey to “Zero Harm” System

An integrated approach for the management of health, safety, environment and quality performance

Health, safety and environmental (HSE) issues present significant risks to Rio Tinto – both to IOC and to the Group as a whole. Rio Tinto’s approach to HSE management is simple: one responsibility; one reputation; one programme.

To support this global approach and our own Journey to Zero Harm, one of IOC’s strategic goals in 2011 is conformance to the Rio Tinto HSEQ SM standard, as it’s taking place across all Rio Tinto businesses.

This integration provides, for the first time at IOC, a framework within which all HSE activities take place, from workplace monitoring to hazard identification to controlling air and water emissions.

Leading up to our certification audit by DNV, scheduled for October 2011, the next few months will be a particularly busy period, as HSEQ communications begin, new risk management processes are embedded, documents go live and training activities are rolled out.

The Journey to Zero Harm isn’t easy; in order to get there we all need to be change agents. Use tools like TAKE 5 to answer the question “How would I instruct my son or daughter to do this task?”, and don’t except any less for yourself. We will achieve our collective goals with collaboration, commitment and perseverance, and we look forward to and are counting on your continued support.

Leading for a Zero Harm Culture

This two-day training initially made up for supervisors, superintendents, managers and Montreal executive team has been so successful and appreciated by everyone that Sept-iles team decided to adapt the module into a one day course so that all unionized employees could benefit from it.

To reach our Zero Harm objective, we must continue to progress each and every day. Setting targets is important but Zero Harm is more than this. It is a deep commitment that we make to each other and renew every day.

At IOC we broadly focus on two key areas – our systems and our behaviours. These are both driven by a need to understand the risks in our workplace. Understanding risk is the core behind being able to make the changes we are looking for. We must be careful that our time is not distracted by focusing on too many “bandaids” when in fact there may be life threatening situations that our teams are exposed to. Our efforts must squarely be focused on ensuring our critical risks are properly managed.

Zero Harm session concluded with a commitment to focus on three priorities: minimizing fatal risks, improving housekeeping standards, and staying in good health.



RECRUITEMENT

Our recruitment strategy

During 2011 Dialogue Tour, we presented a number of issues and respective actions to be put in place in order to facilitate our recruitment. Three months later, we are ready to openly talk about our new recruitment strategy as many initiatives are taking place or in process of being implemented. Here's a short summary.

Our recruitment process needed to be reviewed and adapted to our new reality (competitive landscape, scarcity of skilled labour, demography, growth of mining industry, accommodation shortage and increase in house prices, insufficient local infrastructure and services to welcome several new families in a short period of time).

At this point, we know that 250 new employees will be required for 2011 and about 100 positions from those will be exclusively for growth in our expansion program.

One of the short term recruitment strategy initiative was to organize local career fairs in our two communities. Here was the ad used to promote the job fair in Labrador City.

Our solution has been to develop a 2-dimension recruitment strategy:

Labour market

Broadening the pool of potential candidates through several initiatives:

- Multimedia and targeted advertising campaign to be done shortly;
- Internal review of job posting to reach all employees;
- Launching of an improved employee referral program for key positions;
- Local job fairs in May and June 2011;
- Key positions open to non-residential employees in May 2011 to attract scarce skills and broaden candidate pool;
- Enhance our university recruitment (Summer/Fall 2011);
- Apprenticeship program:
 - Improve financial support to IOC employees;
 - Continue to strive for a complete curriculum at the College of the North Atlantic.

Communities

Investing in communities to improve infrastructures and services:

Housing and infrastructures in Labrador City

- LCC transformation – a school turned into 88 apartments.
- Further increase of apartment capacity in the region: business case is currently underway.

Services in Labrador City and Sept-Îles

- Afterschool services and daycare are being implemented in Labrador City and daycare places are available in Sept-Îles.
- IOC invested in a CT Scanner that should be functional in May (Labrador City).

As many of these initiatives are in progress or will be soon, let's work together to make them a huge success.



Explore opportunities with us

Meet the challenge

We are the largest Iron Ore company in Canada and part of Rio Tinto, the 3rd largest mining group in the world.

We need to expand our pool of talented candidates who meet these minimum criteria:

- > 18 years old
- > High School diploma
- > Valid driver's license

Come and meet us!

You're invited

OPEN HOUSE for opportunities

MAY 12,13,14

Employment Connection Center Office
Labrador Mall, 500 Vanier Ave.
Thursday-Friday, 6:00 p.m. to 9:00 p.m.
Saturday, 9:00 a.m. to 5:00 p.m.

At IOC Labrador City, you'll enjoy a fantastic lifestyle, well-rewarded hard work, gratifying personal life, and a strong community feel.



Reap the rewards You get the job done. So do we.



IOC, Labrador City.

RioTinto IOC

Engagement Update...

“In our last edition of Mine to port” we gave you an overview of the company’s commitment to achieving business performance through enhanced engagement of our employees.

In this month’s update we want to give you some context on how we are going to make that journey from our current state to our desired, future state. Over the course of the last few months, Zoe and the senior management team have spent a number of intensive days with a view to developing the vision and roadmap for IOC.

That vision is being built through analysis of our employee survey results, discussions with employees throughout the company and reviewing our current policies, programs and processes, understanding the market that we operate in and our short and long-term business goals. Parallel with developing our vision the leadership team is working to build the roadmap of how we will realize our common vision.

The plan consists of identifying the collective behaviours and priorities that will make our company stronger and adapting key processes and programs to foster the kind of environment that will make us all successful.

It is an exciting time for IOC as we look to the future and begin to illustrate who we intend to be both within the company and without to our stakeholders and partners.

Next survey will be administered in September 2011.



Restructuring and getting back to basics

Over the past few months there have been some significant changes to the Mining Operations organizational structure to ensure the team has the right people in the right positions with clean accountabilities and responsibilities.

One of the change is that the previous title of "Team Leader" is now referred to as "Supervisor". This small change aims to clarify the role's purpose, which is to directly supervise the workforce or the work done by others.

The supervisor title aligns with the Newfoundland and Labrador Occupational Health & Safety act and with industry standard. "This restructure is the first step to improving the effectiveness, performance and engagement of the mining operations department as roles are better defined thus allowing people to operate at the appropriate level with clear accountability and responsibility", said Richard Whittington, General Manager – Mining Operations.

Another step has been to more clearly define each area; both Mine Maintenance and Mine Operations have been divided into three main work streams:

Mine Maintenance

- | Field Maintenance
- | Mobile Maintenance
- | Planning & Reliability (new)

Mine Operations

- | Load & Haul
- | Drill & Blast and Development
- | Mine Support Services (new)

Each area will have additional leadership roles at Supervisor and at Superintendent level to support the new work streams and maintain an appropriate span of control. "The restructure creates new roles at different levels which will allow for better succession planning and people development", says Whittington. This will help us provide our workforce with more opportunities for career development, which will in turn be a critical tool for internal / external recruitment.

Due to the lack of experienced supervisors, the Senior Supervisor role will be utilized as a coaching role focusing solely on improving the supervisor's capabilities. This will directly support what the restructure aims to provide, to have supervisors spend more than 50 per cent of their time in the field directly supervising their workgroups.

These changes come in effect in order to allow us to better deliver on our key business results in the area of safety, production and cost. "The restructure will ensure we have the appropriate supervisor to employee ratio which is imperative to consistently delivering safe production", says Whittington.

Getting back to basics is necessary for all areas across the site and the positive changes have already begun to travel its way to Process Operations and other departments site wide.

Maintenance at its best!

About two and a half years ago, the members of the Terminal's maintenance team divided themselves up into "sub-teams" in order to optimize their strengths and maximize their effectiveness.

One example is the sub-team in charge of lubrication, made up of Christian Chouinard and Gaétan Côté, who are responsible for the reliability of equipment. "Concentrate full time on this specific aspect of maintenance has allowed us to significantly improve our work methods from both an operational and a health and safety point of view," they explain.

One of their long-term projects involves improving the sealing of the drive units in order to eliminate infiltration of various external contaminants (dust, salt air, water, etc.). To solve this problem, the two teammates chose to add a small device to the drive units so that the oil constantly remains in a closed circuit. In reality, it's a simple improvement that involves the installation of a quick connector for filling up the oil, as well as see-through oil level indicators. Now, when oil needs to be added, you just have to insert the oil nozzle into the connector and pump, whereas before, you had to climb onto the equipment and pour from an oil bucket that you had to hold, more often than not, at arm's length.

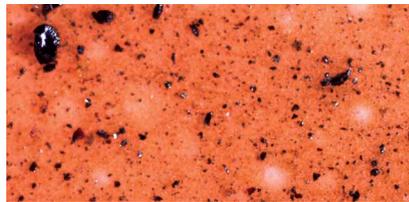
Following this improvement, they proceeded with various tests on measures to control oil contamination.

The positive results of this project are numerous. From an operational and financial point of view, this initiative will extend the life of our equipment and has environmental repercussions since by filtering the used oil we significantly reduce discarded oil as well as oil consumption.

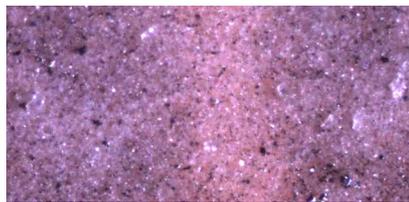
Financially, this technique could theoretically triple the useful life of our equipment.

At this point in time, some of the drive units have been modified on stacker #1, bucket wheel reclaimer #1 and on the shiploaders. The lubrication team will continue to adapt other drive units as windows of opportunity become available for this equipment.

Christian and Gaétan are quick to point out that the success of their team would never have been possible without the support and collaboration of all the Improving Performance Together and the maintenance teams. "The guys help us a lot, either by indicating a difficulty with a machine on a Lean table or by giving us the opportunity to adapt or modify new equipment in our shop before it is put into operation."



Oil at the start.



Oil after emptying and adding new oil.



Oil after eight hours of filtering.



Christian Chouinard and Gaétan Côté, Maintainers Operators Mechanical 2.

CONGRATULATIONS!



Congratulations are extended to CHANTAL MCGRATH on receiving the Victor Batstone award from the CGA Association of Newfoundland and Labrador for having the highest academic standing for the 2010 Newfoundland and Labrador CGA graduates. Chantal was recognized by the CGA Association of Newfoundland and Labrador at the annual Admission to Membership ceremony in St. John's, NL on October 23, 2010.

Chantal also received the Award of Excellence for FA4 for the academic year 2007-2008 for obtaining the highest mark in the province for the Financial Accounting: Consolidations & Advanced Issues course. Chantal started her career with IOC in June 2007 and she is currently working in Labrador City as a Business Analyst with the Finance department.



RTP analyst DAVID DUGUAY was part of a group of 12 Sept-Îles municipal and industrial firefighters who climbed Mount Kilimanjaro in December to raise funds for the Fondation des pompiers du Québec pour les grands brûlés (Quebec firefighters foundation for third-degree-burn victims). *Congratulations David!*

BUSINESS DEVELOPMENT

On March 8, 2011, QNS&L Railway signed a service agreement with Labrador Iron Mines (LIM) to haul their ore from Emeril Junction to Arnaud Junction.



Pictured here are Marc Duclos, Vice President – Transport Services for LIM, Zoë Yujnovich, President and Chief Executive Officer for IOC and Maurice McClure, IOC General Manager – Business Development for IOC.

We should start hauling LIM ore sometime this summer.

TOM ALBANESE IN CANADA

Tom Albanese, Rio Tinto's Chief executive, was in Montreal last April to meet with community stakeholders as well as employees from the Rio Tinto Group.



He shared Rio Tinto's global strategy and priorities as well as listen to employee questions and concerns. We see on this photo Zoë Yujnovich and him talking.

Interview with Peter Bianchini



As our market, our sales, our clients and let's say any general information related to our industry are popular subjects employees all like to hear about and learn more, Mine to Port will try to cover this matter in every edition from now on. For this issue, we met with Peter Bianchini, Sales Director, and Hitoshi Takao, Market Analyst and here is the harvest of a very satisfying meeting as well as interesting comments held in this brief conversation.

The North Shore of Quebec and Labrador are subject of major investments. Existing as well as emerging producers are making significant investments in the region. Where does IOC sit in the current dynamic environment?

There is a lot of activity among emerging mining companies in the region but IOC has its own expansion projects reactivated - Phase 1 of the Concentrate Expansion Project will increase the annual concentrate production capacity to 22 million tons and over 23 million tons with the completion of phase 2. The third phase of the expansion project is currently under study and would increase the production to 26 million tons per annum.

IOC is the largest iron ore producer in Canada and services customers in North America, Europe the Middle East and Asia. Do you foresee IOC maintaining its position in light of recent developments?

IOC is on a growth path to produce 26 million tons of concentrate and may have further expansion options to reach 50 million tons. We believe IOC has good growth prospects on the back of its ore reserves, rail and port infrastructure.

The emergence of China as a significant consumer of imported iron ore has benefited global producers. Would this be the case for IOC?

China remains highly dependent on imported iron ore, receiving more than 615 million tons in 2010 and, is expected to consume up to 1.3 billion tons by 2020. IOC has been steadily increasing its shipments to the Chinese market in recent years and this growth is forecast to continue. IOC does, however, face certain challenges for being a long-distance supplier to this market. We have therefore been engaged with Rio Tinto Marine in developing a competitive freight strategy.

Considering recent events in Japan what impact could this have on the iron ore market?

IOC expects iron ore demand would be largely unaffected by recent tragic events in Japan and may well increase after this year due to reconstruction efforts. No major impact to IOC's current shipping program foreseen at the present moment.



boutique



IOC's new E-boutique IS OPEN!

www.ironore.ca/boutique

What the store offers?

- | IOC Promotional Items
- | Apparel
- | Office supplies
- | Environmentally friendly items

**BE SURE TO CHECK OUT
THE BOUTIQUE**
to see all it has to offer



In memoriam

We extend our deepest sympathy to the families of

William Churchill, April 13, 2010
 Mona Gleeson, April 18, 2010
 Jose Amorin, November 11, 2010
 Norman Moar, November 11, 2010
 Valmont Bérubé, November 17, 2010
 Roger Proulx, November 24, 2010
 Claude Labrecque, December 19, 2010
 Patrice Roussel, December 20, 2010
 Richard Tanguay, December 23, 2010
 Gordon Butler, December 27, 2010
 Yvon Cloutier, December 28, 2010
 Stephen Harrington, December 31, 2010
 Jean-Paul Lévesque, December 31, 2010
 Wallace Bond, January 3, 2011
 Dawson Head, January 15, 2011
 Edward Collins, January 17, 2011
 Lionel Girard, January 20, 2011
 Thomas Butt, January 21, 2011
 Jocelyne Perreault, January 22, 2011
 Thomas Dawson, February 2, 2011
 Claude Roy, February 6, 2011
 Hugh Lawlor, February 8, 2011
 Selby Verge, February 17, 2011
 Terrence Hickey, February 24, 2011
 Donald Dorrance, February 25, 2011
 Yvon Leclerc, March 6, 2011
 Ronato Chiochetti, March 21, 2011
 Grodon Harrington, March 27, 2011



GEORGE KEAN

March 28th, 2011 was my last day working for the Iron Ore Company, retiring after thirty-three enjoyable years. I had been President of USW 5795 for twenty of these years during

which time I had the good privilege to have worked with the best men and women in hourly and management anywhere.

Although there have been many challenges along the way, together we have built a beautiful community in Labrador West that we are proud to call home and a vibrant mining company that is poised to compete in the global market place.

To retirees and employees that I have worked with over the years I want to thank-you all for the respect and support that you gave to me and wish everyone good health-work safe.

Regards,
George Kean

Mine to Port **The team:**

Julie Cusson, Internal Communications
Kayla Edwards, Asset Management
Pascale Gauthier, Environment
Barry Hillier, Engineering
Sean Hiscock, Health and Safety
Éric Labrie, QNS&L Railway
Hugues Lapierre, Terminal
Judith Leclerc, Lean
Nicolas Mercier, IPT

Krista Norman, External Relations
Glenn Penney, Pellet Plant
Randy Philpott, Central Services
Carl Poirier, Engineering
Natalie Rouleau, Internal Communications
Matthew Sheather, Mobile Maintenance
Stephanie Ste.Marie, Human Resources
Chantil Strangemore, IT&S
Richard Whittington, Mining Operations

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