



ENVIRONMENTAL PROGRESS REPORT 2004



**VOISEY'S BAY NICKEL
COMPANY LIMITED**

A subsidiary of Inco Limited



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EXECUTIVE SUMMARY

This document submission, as described in the Undertaking Order, coincides with Panel Recommendation #96 from the Environmental Assessment Panel Report on the Proposed Voisey's Bay Mine and Mill Project Environmental Impact Statement. The 2004 construction season at the Voisey's Bay mine/concentrator facilities in Labrador brought significant advancements in site development. Concurrently, a number of challenges were encountered.

A total of 125 permits/authorizations and amendments were submitted during 2004. Of this total, 104 were approved and received. On July 25, 2004, the VBNC mine and concentrator project was declared a mine under development as defined under the Metal Mining Effluent Regulations (MMER), and consequently these regulations now apply to all activities at the mine and concentrator facility.

With a workforce of approximately 900, 2004 proved to be an aggressive year for construction. Project developments included the construction of the permanent dock and a portion of the concentrate storage building, the erection of two 11 million liter fuel storage tanks at Edward's Cove, completion of the permanent airstrip, steel erection of the mill site infrastructure, continued construction of site water management facilities, overburden stripping of the Open Pit mine, construction of the Headwater Pond access road and preparation for tailings dam construction. Before year's end, approximately 2.7 million cubic meters of grubbing, topsoil and overburden were removed from the surface of the ore body. However, surface water run-off and frequent periods of heavy precipitation slowed progress and presented challenges in dealing with sediment-laden water. Pumping of Headwater Pond began in early November with approximately 8 million cubic meters of water forecasted to be pumped from Headwater Pond by May of 2005.

Environmental monitoring concerns regarding fuel handling and waste management were on the forefront of discussion among site environmental personnel. During 2004 construction season a total of 13.4 million liters of fuel and 79 thousand liters of gasoline were delivered to the project site. VBNC requested and received an important change to fuel offload procedures to allow nighttime fuel transfer.

Increases in camp population, the delivery of more than 60,000 tons of supplies, and increased levels of activity site-wide presented challenges with site waste management. Over 5,000 cubic meters of waste was delivered to the Construction and Demolition waste landfill site in 2004, waste oil shipped in 2004 totaled approximately 44,000 liters, and approximately 500 metric tons of waste were incinerated.

Management of surface water run-off from construction work areas presented many challenges in 2004. Spring run-off, and ongoing periods of heavy precipitation through June and July resulted in high levels of suspended sediment in much of the water collected from construction work areas. A temporary discharge line was constructed from the Ovoid to one of the plant site sedimentation ponds, where approximately 150,000 cubic meters of water was transferred for temporary storage and treatment.

Although there were increased construction activities and associated noise of moving machinery and site workers, it was common to observe wildlife throughout all areas of the VBNC project site. Black bear presence within the project area remained persistent from May to November during the 2004 construction season. Over 600 sightings of black bear were recorded. The landfill of the temporary waste transfer station, temporary satellite lunch trailers, and the main campsite cafeteria are all odor-emitting sources that attract black bear in their relentless search for food.

Caribou frequented the project site from June to September, however, in much smaller numbers than recorded in 2003. As a conservative estimate, less than 500 caribou were observed in various locations throughout the property.

The many environmental challenges encountered during the 2004 construction season resulted in valuable lessons and experiences that will be used as tools to help plan future activities.



Small trout captured in Headwater Pond for relocation.

1. INTRODUCTION

The 2004 construction season at the Voisey's Bay mine/concentrator facilities in Labrador brought significant advancements in site development. Concurrently, many challenges were encountered. Voisey's Bay Nickel Company Limited (VBNC), in maintaining a focused approach for sustainable development of its facilities, ensured necessary measures were undertaken to keep environment, health and safety at the forefront.

On behalf of VBNC, SNC-Lavalin continued its contractual obligation for site management and development of VBNC's turnkey mining operation. As in 2003, environmental aspects of site construction activities provided a common focus for VBNC, SNC-Lavalin, the Innu Nation and Labrador Inuit Association environmental personnel.

2. PURPOSE

The Environmental Progress Report provides an overview of the previous year's activities with a focus on environmental aspects. This document provides an opportunity to capture and present environmental experiences encountered during site development, helping to foster transparency for environmental stewardship with its stakeholders and aboriginal partners.

3. OBJECTIVES

The Environmental Progress Report provides a summary of significant events and challenges shared by environmental monitors at the project site. This document presents an overview of site development activities, identifies both positive and negative environmental aspects, and indicates where applicable, appropriate mitigative strategies implemented. In presenting environmental aspects of site activities in this manner, it is hoped that readers gain increased understanding of how environmental management is incorporated in all efforts by VBNC to develop its northern Labrador mineral deposit.



Porcupine crosses the pipelines to Headwater Pond.

4. REGULATORY HIGHLIGHTS

4.1 Permits, Approvals and Authorizations

Regulatory approvals during 2004 were required for aspects of construction and operations. An accelerated effort for permit application, review and approval was required early in the year due to a pending provincial public sector labour strike. Although the labour disruption affected many of the provincial government departments necessary for issuance of approvals, all significant and essential approvals were obtained prior to this event, thus avoiding any potential delays in site development.

A total of 125 permits/authorizations and amendments were submitted during 2004. Of this total, 104 were approved and received. The VBNC Environmental Management Board continued with its permit review process. These permits are listed in Appendix A.

4.2 Regulatory Inspection

Both provincial and federal regulatory environmental agencies visited the project site in 2004, inspecting all aspects of construction and infrastructure development to date. In total, six scheduled visits were conducted.

Officials from the Department of Fisheries and Oceans visited on several occasions, focusing on culvert installations, runoff from construction areas and overburden stripping at the Ovoid.

Government Services Centre officials from Goose Bay conducted a site inspection during the month of August. Fuel storage, waste management and sewage treatment facilities were thoroughly examined during each visit. No deficiencies were noted during these inspections.

Site visits by Conservation Officers from the Department of Natural Resources were warranted in response to problems with black bears. They were involved in trapping and relocation efforts to ensure both safety of the workers and animals during the summer season.



A visit by federal and provincial environment representatives.

An annual audit was conducted by the Water Resources Division of the Department of Environment and Conservation to examine VBNC's three real-time water quality monitoring sites. No deficiencies were noted during this audit.

Officials from Environment Canada toured the project site in September of 2004. Particular attention was given to surface water management and treatment of surface water runoff from construction areas. Some concerns were raised regarding the quantities of surface water runoff requiring attention and the difficulties encountered in dealing with elevated levels of suspended sediment. A subsequent visit by the Department of Fisheries and Oceans noted similar concerns. Recommendations were issued to VBNC to mitigate these concerns and appropriate measures were taken accordingly to the satisfaction of the regulators.

4.3 Registration - Metal Mining Effluent Regulations

On July 25, 2004, the VBNC mine and concentrator project was declared a mine under development as defined under the Metal Mining Effluent Regulations (MMER), and consequently these regulations now apply. Accordingly, VBNC registered five discharge points under MMER during the 2004 construction season. Only three are expected to be active during operations; South Sedimentation Pond, Port Sedimentation Pond and Treated Effluent Discharge to Edward's Cove.



Edward's Cove, a staging area for Harlequin Ducks.



5. CONSTRUCTION

Construction of the Port Site continues year round.

With a workforce of approximately 900, increased equipment activity and marine shipments to the project site, 2004 proved to be an aggressive year for construction. Project developments included the construction of the permanent dock and a portion of the concentrate storage building, the erection of two 11 million liter fuel storage tanks at Edward's Cove, completion of the permanent airstrip, steel erection that shaped mill site infrastructure, continued construction of site water treatment facilities, overburden stripping of the Ovoid and construction of the Headwater Pond access and preparation for dam construction.

5.1 Port Facility

As soon as spring weather conditions were favorable, construction of the port facility commenced. Blasting and site excavation continued with the removal of approximately 420 thousand cubic meters of rock, bringing the site to design grade and creating space for planned facilities. As in 2003, blasting activities were closely monitored for potentially acid-generating (PAG) rock. An amount totaling 47 thousand cubic meters of PAG rock were segregated from "clean" construction material and placed in temporary storage until it was later used to build the under water portion of the port facility.

With the arrival of marine construction crane barges and large steel templates, development began on the main sheet-pile cells that form the front of the port facility. Once completed, a causeway was constructed from the shoreline to each of the pillars. The aggregate crusher was relocated from the mill site area to the PAG rock stockpile to produce aggregate for sheet pile cell fill - thus safely using the PAG material generated from port site excavation.

Upon completion of foundation, and concrete work for the concentrate storage building, steel work began, forming the skeletal frame of the building and slowly changing the look of the port landscape.

At the temporary dock facilities a total of 74 vessels delivered over 60 000 tons of construction material, fuel and general supplies without incident.

5.2 Edward's Cove Facilities

Edward's Cove facilities continued to be the main support infrastructure for the maximum workforce of approximately 900. With an increase in population from the 2003 construction season, upgrade was required on the sewage treatment system. A new Extended Aeration plant was installed near the existing Rotating Biological Contactor (RBC) sewage treatment plant. Treated sewage effluent was discharged to Edward's Cove. Existing accommodations saw a minor expansion of the campsite with an addition of a one hundred-person dormitory.



Mill Sedimentation Ponds and Mine Surge Pond are complete in preparation for surface run-off.



One of the more significant pieces of work in Edward's Cove during the 2004 construction season was the erection of the remaining two 11.4-million liter fuel storage tanks that will supply fuel to the mine and concentrator operations.

5.3 Mill Site Development

The major core of construction activity during the 2004 season occurred at the mill site and adjacent area. During the beginning of the construction season, efforts began on continued erection of steel for the mill. This followed with foundation work for the site services complex, crusher building, coarse ore storage buildings, and powerhouse.

Once ice no longer hampered marine shipping activities, arriving materials included the modular permanent accommodations complex. Assembly of the three-wing complex and central hub was well underway by late summer, with internal piping and electrical work continuing late into the season.

With steel erection advancing as the season progressed, site wide cladding began to encase the buildings. Enclosure of mill site infrastructure meant that mechanical, piping and electrical work could comfortably continue during the winter in 2005, well sheltered from the elements.

Earthworks at the mill site saw the completion of the remaining two plant site sedimentation ponds; sedimentation Pond A with a storage capacity of 380 000 cubic meters and mine water surge pond with a 65 000 cubic meter storage capacity. Both ponds were lined with an impervious high-density polyethylene membrane.

The freshwater/firewater intake and pump house was installed in Camp Pond during 2004. This unit will provide the necessary fresh water for site wide use, including the potable water system, hydrants and fire suppression systems.

5.4 Open Pit Progression

There was a concerted effort in 2004 to begin overburden dewatering and stripping of the surface of the Ovoid for future development of the open pit mine. Before year's end, approximately 2.7 million cubic meters of grubbing, topsoil and overburden were removed from the surface of the ore body. However, surface water run-off and frequent periods of heavy precipitation slowed progress and presented challenges in dealing with sediment-laden water.

Other challenges to control run-off through the open pit construction area occurred as a result of problems with Stream 35 diversion - a stream diversion that was completed in 2003. Stream bank instability at the diversion caused a blockage within the channel, thus requiring the flow of water to be redirected through its original natural watercourse to the Ovoid area. Until the diversion channel could be once again opened, much of the water was eventually controlled with large pumps and kept from entering the Ovoid excavation.

South of the open pit and overburden stockpile, earthworks activities were undertaken to berm and shape the South Sedimentation Pond. The South Sedimentation Pond, with an approximate 184,000 cubic meter capacity; will be used to collect run-off from the overburden and topsoil stockpiles during mine operations.

5.5 Headwater Pond Tailings Impoundment

During 2004, road construction continued from the east end of the permanent airstrip to Headwater Pond. This provided the required access to begin pump-down of Headwater Pond in preparation for dam construction and creation of the tailings and PAG rock impoundment area.

Pumping of Headwater Pond began in early November. With water lines discharging to Otter Pond, and flow proceeding to Camp Pond, increased water levels were closely monitored in Camp Pond Brook. This was necessary to ensure pumping rates remained within the established criteria outlined in regulatory approvals for this activity. Approximately 8 million cubic meters of water were forecasted for pumping from Headwater Pond by May of 2005.



6. ENVIRONMENTAL MONITORING

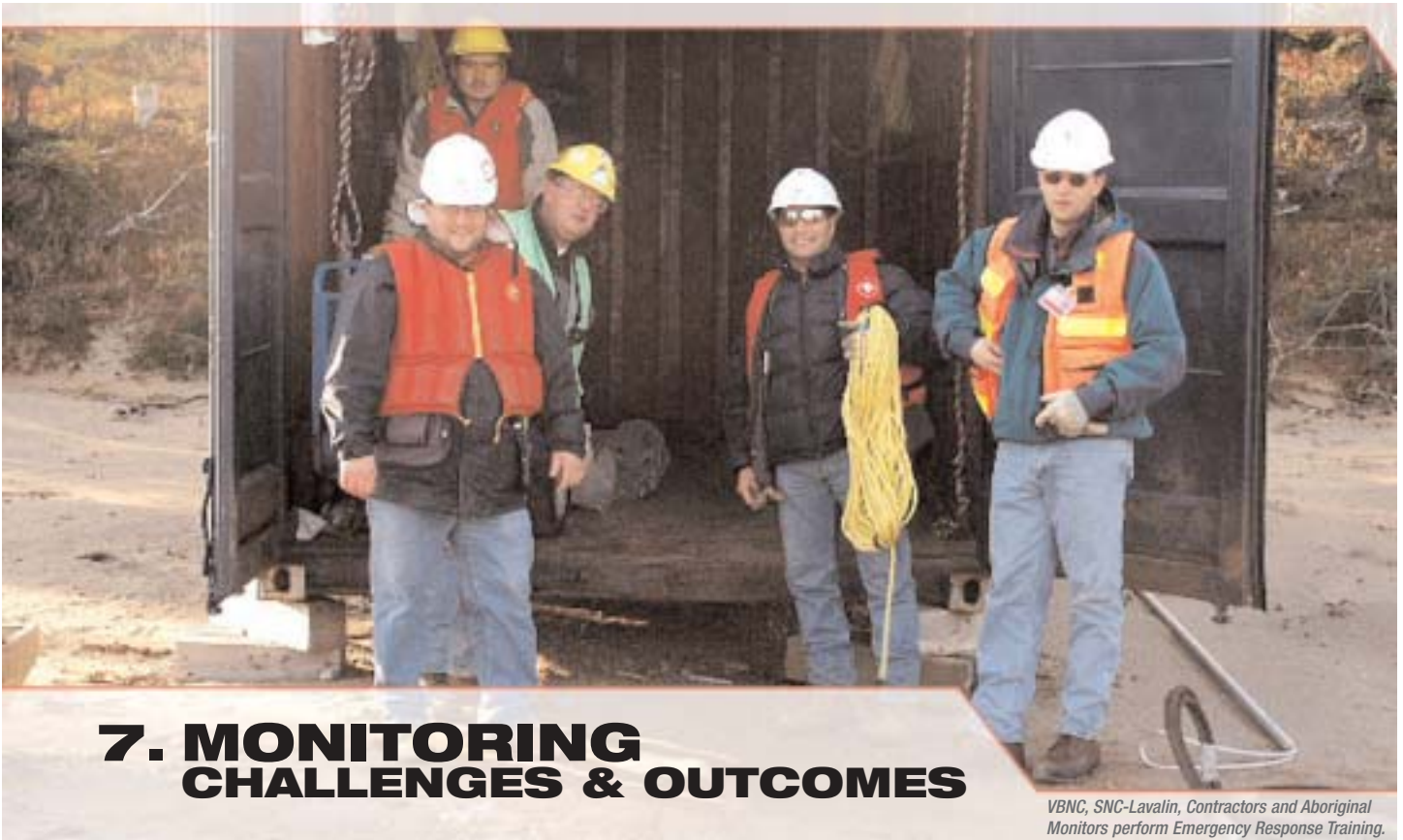
LIA Monitor observes VBNC Exploration drill move.

As construction for the Voisey's Bay project proceeds, daily activities continue within a stringent framework of provincial and federal regulatory approvals, corresponding supporting legislation, and the VBNC Environmental Protection Plan.

With such an intricate matrix of environmental regulations and guidelines, environmental monitoring continues to play an important role in preserving a commitment by VBNC for environmental protection and sustainable development. As in 2003, environmental monitoring in 2004 was a shared commitment by VBNC, SNC-Lavalin, Innu Nation, Labrador Inuit Association and site contractors.

Job Environmental Analysis (JEA) continued to be an important process in new work activities, addressing potential concerns and providing mitigative measures for protection of the environment. With daily opportunities to raise issues and concerns, and to share thoughts and ideas, environmental monitors remained persistent with a goal of ensuring that all work was being performed in an environmentally acceptable manner.

As always, an important element to sustain stability in environmental management remains with the relationships amongst all stakeholders and environmental monitoring personnel. The third annual Environmental Progress Review Workshop (EPRW) was held to capture all aspects of environmental monitoring. Open discussion between VBNC and representatives from the Innu Nation and Labrador Inuit Association about the past year's construction and development activities is a valuable component of ensuring continuous improvement as the project moves forward. Aspects of the EPRW are discussed in the following sections with recommendations presented in Appendix B.



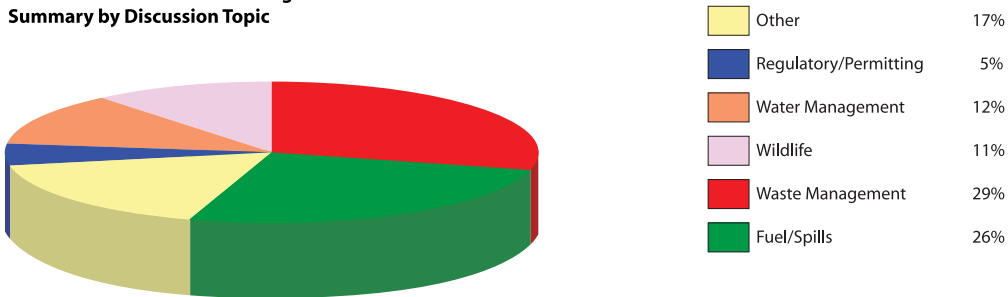
7. MONITORING CHALLENGES & OUTCOMES

VBNC, SNC-Lavalin, Contractors and Aboriginal Monitors perform Emergency Response Training.

Throughout the construction season, daily environmental monitoring at the project site examines a variety of parameters, identifying opportunities for improvement, observing effectiveness of planned mitigations, and making other general observations. In summarizing discussion topics raised in environmental meetings, a representative sample of meeting minutes was examined for the year. This summary is presented below.

Environmental monitoring concerns regarding fuel handling and waste management were in the forefront of discussion among site environmental personnel. Sections that follow provide a summary of key monitoring aspects based on outcomes of discussion and consultation between all environmental monitors at the project site.

2004 Environmental Monitoring Outcomes Summary by Discussion Topic



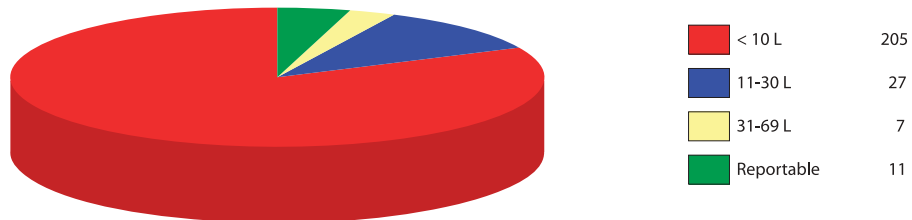
7.1 Fuel Handling

During 2004 construction season a total of 13.4 million liters of fuel and 79 thousand liters of gasoline were delivered to the project site. Fuel delivery from ship to shore storage tanks occurred through a ship to shore transfer line from the ship's anchor point in Edward's Cove to the fuel storage tanks located near the beach at the Anaktalak Bay construction campsite.

VBNC requested an important change to fuel offload procedures to allow nighttime fuel transfer. After extensive review and revision of applicable sections of its Environmental Protection Plan, VBNC was granted regulatory approval to continue fuel offload after daylight hours. Necessary control measures included adequate ship to shore lighting, more frequent surveillance of the fuel line, and constant communications between shoreline monitors and ship's personnel.

Total fuel consumption during the 2004 construction season was approximately 14.3 million liters of diesel and over 80 000 liters of gasoline (these amounts include existing inventories from 2003). Large quantities of petroleum products required handling and transfer to sustain power supply generators, pumps, light vehicles and a large fleet of heavy equipment that often operated 24 hours per day, seven days per week. Stringent spill reporting procedures were required to adequately address responsibilities for clean up and recovery of accidental releases.

**Number of Spills by Volume
2004 Construction Season**



In 2004 a total of 250 spills of various sizes were reported by site contractors, resulting in approximately 448 cubic meters of hydrocarbon contaminated soil being delivered to the site Temporary Waste Transfer Station (TWTS) bioremediation cell. Of these spills, seven required regulatory reporting, exceeding an amount of 70 liters. The remaining four reportable spills resulted from much smaller accidental releases from the crane barge and other construction equipment and activities at the port site.

The table below provides a comparative summary of spill reporting from 2002-2004. Also presented are total work hours, indicating the increased scale of construction and development activities.

SPILL REPORTING SUMMARY 2002-2004

	2002	2003	2004
Total Project Work Hours	296 000	1 279 000	2 483 000
Spills >70 L	2	0	7
Total # Spills	121	136	250



VBNC Environmental Coordinator conducts water quality monitoring at Reid Brook.



VBNC Environmental Coordinator collecting water samples from Camp Pond Brook.



VBNC Environmental Coordinator provides water to captured bear.

In providing additional assurance for environmental protection during fuel handling and transport, both SNC-Lavalin and VBNC recruited a new Oil Spill Emergency Response team. Over 20 volunteer members were recruited from the construction workforce and trained in both the theoretical and practical side of boom deployment and provided with boat operators safety and coldwater rescue training. Additionally, new environmental spill response equipment was purchased and new storage arrangements were made to improve response time in the event of an incident.

7.2 Waste Management

Increases in camp population, the delivery of more than 60,000 tons of supplies, and elevated levels of activity site-wide presented many challenges with site waste management. Areas of concern included waste segregation, sheer volumes of construction waste generated, and site incineration capacity.

With the volume of contractor activity at the project site, waste segregation was sometimes difficult to manage. To alleviate some of the necessity for waste segregation, regulatory amendment to the existing waste management permit was received for the construction and operation of a landfill to be specifically used for construction-related debris. Scrap wood, damaged pallets, plastics, and other types of dry demolition waste were transported to this area to alleviate some of the overloading at the Temporary Waste Transfer Station (TWTS). Over 5000 cubic meters of waste was delivered to the Construction and Demolition waste landfill site in 2004.

During the early part of the 2004 construction season, two new incinerators were installed at the TWTS with a combined incineration capacity of 3000 kg per day. This complemented an existing incinerator with a capacity of 1000 kg per day. Although incineration capacity increased, there were times when operational difficulties were experienced. This warranted temporary storage of backlogged waste, which in turn, caused some problems with attracting wildlife such as foxes and black bears. A total of approximately 500 metric tons of waste as incinerated during 2004.

Waste oil amounts shipped in 2004 totaled approximately 44,000 liters. In addition, other substances transported offsite included 4800 liters of waste diesel, 2100 liters of gasoline, 200 liters of waste glycol, and over 6 cubic meters of crushed oil filters. As in previous years, the construction campsite continued with its beverage container-recycling program. Approximately 45 cubic meters of beverage containers were shipped off site for recycling in 2004.

As previously stated, one new addition was made to the sewage treatment facilities at the construction camp to accommodate the increase in the construction workforce. An Extended Aeration plant was installed and many changes to original piping arrangements for the old sewage treatment system were completed to adequately distribute and deliver influent flows from the construction complex. Regulatory reporting results throughout 2004 showed elevated levels for some parameters analyzed, and consequently ongoing maintenance and troubleshooting was required to determine the potential causes of some of the elevated levels. Bleach and harsh cleaners were removed from use due to their potentially damaging effects on bacteriological growth in the treatment plants.

7.3 Surface Water Management

Surface water management continues to be an integral and essential component of construction and operations activities. Considerable efforts were placed on development of water management facilities for operations including the construction of sedimentation ponds, pipelines, diversion channels and dams. Ongoing daily allocation of equipment and resources were essential to manage activities that provided control of surface water runoff from work areas. Activities included the installation of silt fence, construction of sumps, pumping and temporary pipeline installations and deployment of sediment boom.

Management of surface water run off from construction work areas presented many challenges in 2004. With large amounts of exposed soil, spring run off, and ongoing periods of heavy precipitation through June and July much of the water collected from construction work areas contained high levels of suspended sediment, well beyond provincial and federal regulatory discharge limits. Extensive time and resources were allocated to installation and maintenance of temporary pumping systems comprised of hundreds of meters of waterline and large submersible pumps powered by diesel generators.

To assist in confirmation of suspended sediment concentrations and to monitor effects of ongoing mitigations, an on-site water analysis laboratory continued to operate as in 2003. The site laboratory testing services contractor collected water samples from a number of different locations including natural surface watercourses such as ponds and streams, from construction work areas such as diversion ditches, sumps and settling basins and other areas as requested by site environmental personnel.

As topsoil and overburden removal continued on the surface of the Ovoid, difficulties were encountered in controlling large volumes of sediment-laden water. A temporary discharge line was constructed from the Ovoid to one of the plant site sedimentation ponds, where approximately 150,000 cubic meters of water was transferred for temporary storage and treatment. A flocculation system was designed for treatment of this construction run off after consultation with an off-site flocculation expert.

However, difficulties with system maintenance and mechanical malfunction of specialized pumps prevented much success with this operation. Efforts will continue in 2005 to ensure that regulatory requirements are met for any water released from this area.



Black Bear prepares for winter hibernation near the Voisey's Bay site.

7.4 Wildlife

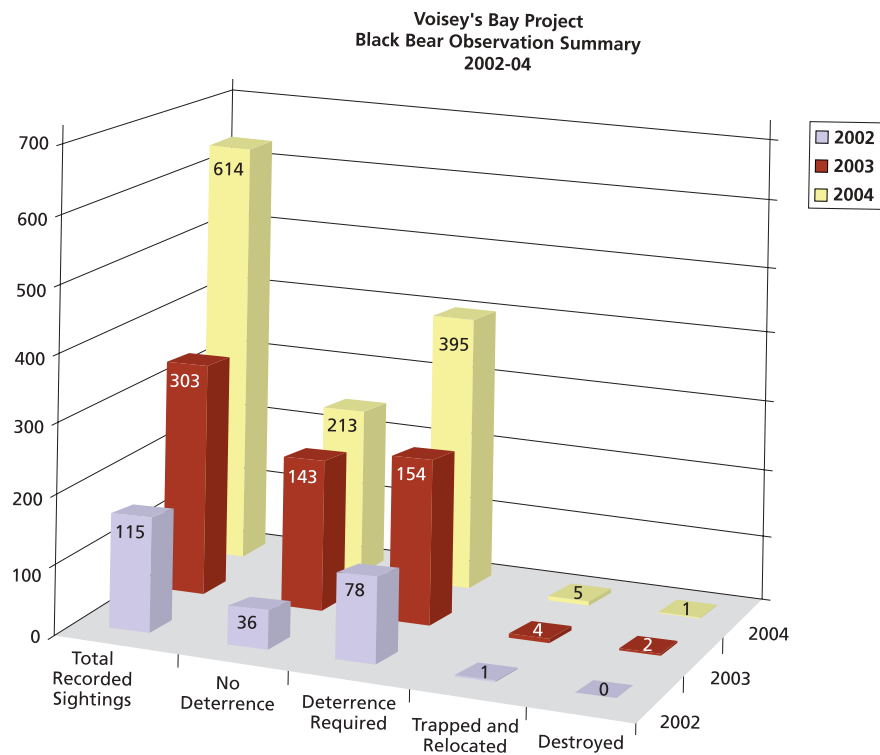
Despite increased construction activities and associated noise, moving machinery and site workers, it remains common to observe wildlife throughout all areas of the VBNC project site. Most commonly reported wildlife sightings were black bear, caribou, and red fox.

Caribou frequented the project site from June to September, however, in much fewer numbers than recorded in 2003. As a conservative estimate, less than 500 caribou were observed in various locations throughout the property. Small numbers were commonly observed feeding along the shoreline of Edward's Cove near the temporary dock and port construction area, on the hilltops east of the kilometer 2.2 materials lay-down, on hilltops east of kilometer 6 stream crossing, on the large bog north of Camp Pond Brook and the mill site, and near the South Sedimentation Pond.

On occasion, caribou were observed directly within construction areas. With radio notifications by heavy equipment operators, workers were alerted to give these animals the right-of-way, ensuring that they moved through without incident. Signs were posted along the haul road to alert drivers, and airstrip surveillance was conducted before aircraft landing and departure.

Black bear presence within the project area remained persistent from the month of May to November during the 2004 construction season. Over 600 sightings of black bear were recorded - many reported sightings were of the same bear at different times and locations. The landfill of the temporary waste transfer station, temporary satellite lunch trailers, and the main campsite cafeteria are all odor-emitting sources that attract black bear in their relentless search for food. Occasionally, environmental monitors observed improper storage or disposal of worker lunch waste, which often times rewarded hungry bears near construction work areas. These incidents occurred despite the delivery of a new black bear awareness orientation, a poster awareness campaign, and strategies outlined in a Black Bear Management Plan developed to highlight effective measures for managing people and black bears in an environment where both have to safely co-exist.

Despite improved attempts for more effective black bear management strategies, one black bear was destroyed. This measure was taken after consultation with wildlife officials, the Innu Nation and LIA. The animal had become habituated to construction noise and site workers and was a threat to worker safety with its bold mannerism and apparent fearlessness. Five other bears were trapped and relocated from July to October with assistance from Conservation Officers of the provincial Department of Natural Resources. Black bear summary statistics for 2004 are presented in the following table along with a comparison for previous years. Increases in sightings may be a result of increased worker awareness and willingness to report all black bear sightings, as well as an overall increase in black bear presence at the project site.



7.5 Other

Management of harvested timber was subject to discussion amongst environmental personnel during 2004. Timber harvesting activities occurred on the Ovoid, the south haul road and Headwater Pond access road. With approximately five thousand cubic meters of timber harvested, efforts were made to have stockpiled timber utilized by off-site companies.

During the summer, interest was solicited for local business opportunities, and representatives from aboriginal-based companies traveled to site to assess the viability of utilizing the existing cut timber. However, efforts to have the wood removed and utilized proved unsuccessful after much consideration. Factors taken into account in making this decision included the logistics of moving the wood to the port, cost of wood transport by barge, and the condition and size of wood cut. A quantity of harvested timber was made available at Edward's Cove for local residents to take to their communities by snowmobile during winter months.

Dust control during 2004 was also a concern, especially during the drier summer months. Contractor water trucks were allocated to dust suppression along the main traffic routes. Water applications and road grading continued on a constant basis. However, there were times when high daytime temperatures in summer months made dust suppression with water difficult.

8. VBNC HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

VBNC is developing a Health, Safety and Environmental Management System (HS&EMS) to effectively manage potential occupational hazards and environmental impacts associated with its Mine and Concentrator Operations. VBNC has developed this system to be consistent with the criteria defined in the OHSAS 18001:1999 *Occupational Health and Safety Management Systems - Specification and the ISO 14001:96 Environmental management systems - Specification with guidance for use*.

VBNC HS&EMS is based on 5 principles:

1. Top Management Commitment;
2. Determining Environmental Aspects and OH&S Risks, Legal Requirements & Performance Objectives;
3. Developing mechanisms to achieve Policy, Objectives and Targets;
4. Measuring, Monitoring and Evaluating Performance; and
5. Continually Improving the HS&EMS

The environmental aspects and occupational hazards associated with the Mine Concentrator operations have been identified. Operational controls to minimize these risks are being incorporated into site Standard Operating Procedures. In addition to these procedural controls, operational management plans have been developed to guide site activities (i.e., Environmental Protection Plan, Emergency Response Plan, Marine Transportation Management Plan, Health and Safety Plan, Environmental Effects Monitoring Plan, Rehabilitation and Closure Plan, etc.).

A site Emergency Response Plan has been developed to address emergency preparedness and response to potential incidents or accidents that may arise during Operations. A Compliance Registry has been developed to identify, document and update all legal and other requirements (i.e., codes of practice, guidelines, policies, commitments, etc.) that are applicable to the Mine and Concentrator Operations. A protocol is in the process of being developed to address changes in legislative requirements to ensure that the compliance registry lists most current legislative requirements.

Document Control of the HS&EMS will be electronic. A library has been created on the Voisey's Bay intranet to manage the information and documentation required for the HS&EMS.

9. CONCLUSION

With the completion of the 2004 construction season the Voisey's Bay Project is another step closer to the official start-up of its mine and mill operations in Northern Labrador. With many environmental challenges having already been encountered, resulting valuable lessons and experiences will be used as tools to help plan future activities.

APPENDIX A
LIST OF 2004 PERMITS

PERMIT REGISTER 2004

Permit No.	Application/Approval	Approval No.
P-C2003-028S	Letter of Advice - Stream Crossings Tailings, Reclaim & Wastewater Pipeline Right of Way/Waste Rock Haul Road	4-03-VBNC-020
P-C2003-041I	Navigability Assessment Stream Crossings Tailings, Reclaim & Wastewater Pipeline Right of Way/Waste Rock Haul Rd.	BWA-8200-03-1586
P-C2003-047E	Application for Environmental Approval Stream Crossings - Tailings, Reclaim & Wastewater Pipeline Right of Way/Waste Rock Haul Rd.	3/11/7478
P-C2004-038C	Navigable Waters Protection Act Letter of Assessment for Headwater Pond, Voisey's Bay, Labrador	BWA-8200-03-1626
	Navigable Waters Protection Act - Advertisement Package	
P-C2003-056A	Temporary Storage of Potentially Acid-Generating Rock-Port Site	Temporary Approval Valid until glacial till impoundment is constructed
	Edward's Cove Temporary Potential Acid Generating (PAG) Rock Storage Facility	AA04-045426
	Temporary Storage of Potentially Acid-Generating Rock-Port Site-Authorization Letter	Approved
	Edward's Cove Temporary Potential Acid Generating (PAG) Rock Storage Facility - Amended CofA	AA04-045426A
P-C2003-062B	Diesel Generator Registration Forms, Mill Area,	Not required
P-C2003-X05	Occupational Health and Safety Manual	Approved
P-C2004-029C	Project Referral for Voisey's Bay Project - North Sedimentation Pond	4-03-VBNC-022
P-C2004-061C	Certificate of Approval for Industrial Facilities/Processes - North Sedimentation Pond	AA04-035423
P-C2004-028X	Letter of Advice - Fire Water Intake at the Permanent Wharf, Edward's Cove, Anaktalak Bay, Labrador	4-03-VBNC-021
P-C2004-038F	Navigable Waters Protection Act - Application for Fire Water Intake at the Permanent Wharf, Edward's Cove, Anaktalak Bay, Labrador	BWA 8200-03-1086
P-C2004-016A	GPS Hill Quarry Permit - 1km South of Camp Pond	112121
P-C2004-006A	Renewal of Quarry Permit - Beach Landing Site	112122
P-C2004-007A	Renewal of Quarry Permit - Approximately 15km Northeast of Trout Pond	112123
P-C2004-008A	Renewal of Quarry Permit - 15km Northeast of Trout Pond	112124
P-C2004-009A	Renewal of Quarry Permit - 1.5km Northeast of Reid Brook	112125
P-C2004-010A	Renewal of Quarry Permit - Voisey's Bay Project	112126
P-C2004-012A	Renewal of Quarry Permit - 0.5km East of Camp Pond	112127
P-C2004-013A	Renewal of Quarry Permit - 1km North of Otter Pond	112128
P-C2004-014A	Renewal of Quarry Permit - 400m North of Headwater Pond	112129
P-C2004-015A	Renewal of Quarry Permit - South of Headwater Pond	112130
P-C2004-068B	Amendment to Temporary Waste Management System for Construction (letter from DOEC)	Approved
	CofA received from Government Services and Lands	LB-WMS03-12003A
P-C2004-020A	Permit to Burn - Renewal	8079
	Permit to Burn debris (scrap wood, etc.)	8082
P-C2004-093V	Request for Approval of Plans under the National Building Code Cold Warehouse #1	Approved

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Permit No.	Application/Approval	Approval No.
P-C2004-096V	Request for Exemption under the Buildings Accessibility Act for Regulations - Cold Warehouse #1	EA-5118
P-C2004-093W	Request for Approval of Plans under the National Building Code Cold Warehouse #2	Approved
P-C2004-096W	Request for Exemption under the Buildings Accessibility Act and Regulations - Cold Warehouse #2	EA-5117
P-C2004-029B	Project Referral for VB Project - South Sedimentation Pond	4-03-VBNC-023
P-C2004-061D	Certificate of Approval for Industrial Facilities/Processes - South Sedimentation Pond	AA04-055427
P-C2004-058B	Application for Constructing Non-Domestic Wells (Mill Site)	04-003
P-C2004-018A	Renewal of Commercial Cutting Permit	04-19-00250
	Operating Permit	OP02140
P-C2004-059D	Application for Water Use Licence for Mill Site Wells	WUL-04-020
P-C2004-059E	Amendment to General Application for Water Use Licence for Anaktalak Bay Construction Camp Wells	WUL-03-042
P-C2004-093F	Request for Approval of Plans under the National Building Code Port Site Concentrate Storage Building	Approved
P-C2004-093E	Request for Approval of Plans Under the National Building Code Coarse Ore Storage Building	Approved
P-C2004-096E	Request for Exemption under the Buildings Accessibility Act and Regulations - Coarse Ore Storage Building at the Voisey's Bay Mill Site	EA-5119
P-C2004-096F	Request for Exemption under the Buildings Accessibility Act and Regulations - Port Concentrate Storage Building	EA-5115
P-C2004-083B	Certificate of Approval - Sewage Treatment Plant #2	SS04-031099ARev.
P-C2004-093X	Request for Approval of Plans under the National Building Code - Port Site Salt Firewater Pump House	Approved
P-C2004-096X	Request for Exemption under the Buildings Accessibility Act and Regulations - Port Site Salt Firewater Pump House	EA-5116
P-C2004-060	Request for Approval Under the Fire Protection Act Mill Site Fire Water System	Approved
P-C2004-093U	Request for Approval of Plans under the National Building Code - Tank Farm Fresh Firewater Pump House	Approved
P-C2004-096U	Request for Exemption under the Buildings Accessibility Act and Regulations - Tank Farm Fresh Firewater Pump House at the Voisey's Bay Site	EA-5125
P-C2004-061E	Certificate of Approval for Industrial Facilities/Processes - Powerhouse (Construction)	AA04-035424
	Certificate of Approval for Industrial Facilities/Processes - Powerhouse (Operation)	AA04-105435
	Letter - Relocation of Ambient Air Monitoring Station #2	Approved
P-C2004-046C	Application for Environmental Approval to Alter a Body of Water - Headwater Pond	ALT1672
P-C2004-019A	Renewal of the Permit for the Development of Culvert-Type Traps for the Capture of Problem Bears at the Voisey's Bay Project Site	Approved
P-C2004-093I	Request for Approval of Plans under the National Building Code - Coarse Ore Conveyor Enclosure	Approved

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Permit No.	Application/Approval	Approval No.
P-C2004-096I	Request for Exemption under the Buildings Accessibility Act and Regulations - Coarse Ore Conveyor Enclosure	EA-5126
P-C2004-082	Storage Tank System Application, Mill Site Fuel Storage	Approved LB-GAP04-02003 LB-GAP04-02002
P-C2004-093K	Request for Approval of Plans under the National Building Code - Mill Feed Conveyor Support Building	Approved
P-C2004-096K	Request for Exemption under the Buildings Accessibility Act and Regulations - Mill Feed Conveyor Support Building	EA-5132
P-C2004-038D	Navigable Waters Protection Act Letter of Assessment for the Treated Effluent Diffuser, Edward's Cove, Anaktalak Bay	BWA 8200-04-1094
P-C2004-046G	Application for Environmental Approval to Alter a Body of Water - Treated Effluent Diffuser	ALT1704
P-C2004-062C	Diesel Generator Registration Forms, Mill Site Area, Voisey's Bay, Labrador	Not required
P-C2004-C01	Food Premises Application Form (submitted by AE Consultants Ltd.)	
P-C2004-C93N	Fire Commissioner's National Building Code Accommodations Complex (submitted by AE Consultants Ltd.)	Approved
P-C2004-C96N	Application for Building Accessibility Accommodations Complex (submitted by AE Consultants Ltd.)	Approved
P-C2004-093Y	Request for Approval of Plans under the National Building Code - Tank Farm Fuel Pump House	Approved
P-C2004-096Y	Request for Exemption under the Buildings Accessibility Act and Regulations - Tank Farm Fuel Pump House at the Voisey's Bay Site	EA-5137
P-C2004-093J	Request for Approval of Plans under the National Building Code - Crusher Building	Approved
P-C2004-096J	Request for Exemption under the Buildings Accessibility Act and Regulations - Crusher Building	EA-5138
P-C2004-0930	Request for Approval of Plans under the National Building Code - Potable Water Pump House	Approved
P-C2004-0960	Request for Exemption under the Buildings Accessibility Act and Regulations Potable Water Pump House	EA-5141
P-C2004-047F	Application for Environmental Approval for Pipe Crossings - Treated Effluent Pipeline	ALT1728
P-C2004-047I	Application for Environmental Approval for Pipe Crossings - Port Fuel Pipeline	ALT1734
P-C2004-029D	Amendment to the Project Referral for Voisey's Bay Project - South Sedimentation Pond	4-03-VBNC-023 (same # as 29B)
P-C2004-060D	Request for Approval under the Fire Protection Act - Tank Farm Firewater System	Approved
P-C2004-061W	Amendment to the Certificate of Approval for Industrial Facilities/Processes - South Sedimentation Pond	AA04-055427 (same # as 61D)
P-C2004-030B	Application for Experimental Licence (submitted by AMEC)	NL-0180-04
P-C2004-X01B	Amendment to Section 2.4 of the Construction Environmental Protection Plan	Approved
P-C2004-004B	Application for Ownership Registration of Radiation Equipment - Outokumpu Courier 6 SL analyzer 1333-200409#1	C0935
	Application for Ownership Registration of Radiation Equipment - Outokumpu Courier 6 SL analyzer 1333-200409#2	C0936
P-C2004-093G	Request for Approval of Plans under the National Building Code - Utilidors	Approved

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Permit No.	Application/Approval	Approval No.
P-C2004-096G	Application for Building Accessibility Registration and Request for Exemption under the Buildings Accessibility Act and Regulations - Utilidors	EA-5147
P-C2004-093T	Request for Approval of Plans under the National Building Code - Concentrate Receiving Station	Approved
P-C2004-096T	Request for Exemption under the Buildings Accessibility Act and Regulations - Concentrate Receiving Station	EA-5148
P-C2004-93BB	Request for Approval of Plans under the National Building Code - Port Site Electrical Building	Approved
P-C2004-96BB	Request for Exemption under the Buildings Accessibility Act and Regulations - Port Site Electrical Building	EA-5153
P-C2004-93CC	Request for Approval of Plans under the National Building Code - Mill Site Electrical Building	Approved
P-C2004-96CC	Request for Exemption under the Buildings Accessibility Act and Regulations - Mill Site Electrical Building	EA-5152
P-C2004-093P	Request for Approval of Plans under the National Building Code - Mill Site Fuel Pump House	Approved
P-C2004-096P	Request for Exemption under the Buildings Accessibility Act and Regulations - Mill Site Fuel Pump House	EA-5154
P-C2004-061V	Certificate of Approval for Industrial Facilities/Processes - Boilers	AA04-065429
	Inspection Certificate - Hot Water Tank - Serial Number 6814-1	Approved
	Inspection Certificate - Hot Water Tank - Serial Number 6811-1	Approved
	Inspection Certificate - Air Receiver Machine - Serial Number NB 1260349	Approved
	Inspection Certificate - Air Receiver System - NB68264	Approved
	Inspection Certificate - Air Receiver System - NB68262	Approved
	Inspection Certificate - Air Receiver System - NB68260	Approved
	Inspection Certificate - Air Receiver System - S087967	Approved
	Inspection Certificate - Air Receiver System - S087966	Approved
P-C2004-038G	Amendment to Navigable Waters Protection Act Letter of Assessment for the Treated Effluent Outfall/Diffuser Pipeline, Edward's Cove, Anaktalak Bay	BWA 8200-04-1094
P-C2004-046H	Amendment to Application for Environmental Approval to Alter a Body of Water-Treated Effluent Outfall/Diffuser Pipeline, Edward's Cove, Anaktalak Bay	ALT1704
P-C2004-002A	MMER-Final Effluent Discharge Points, South Sedimentation Pond	No official approval needed
P-C2004-061G	Certificate of Approval for Industrial Facilities/Processes - Concentrating Facility	AA04-125438
P-C2004-099	Environmental Effects Monitoring Plan	
P-C2004-060C	Request for Approval under the Fire Prevention Act - Port Site Fire Water System	Approved
P-C2004-C07	Radio Licence - Non Directional Beacon	Approved
P-C2004-C08	Radio Licence - DME	Approved
P-C2004-93DD	Request for Approval of Plans under the National Building Code - Port Site Reclaim Conveyor System	Approved
P-C2004-96DD	Request for Exemption under the Buildings Accessibility Act and Regulations - Port Site Reclaim Conveyor System	EA-5170

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Permit No.	Application/Approval	Approval No.
P-C2004-93EE	Request for Approval of Plans under the National Building Code - Service Tunnel	Approved
P-C2004-96EE	Request for Exemption under the Buildings Accessibility Act and Regulations - Service Tunnel	EA-5178
P-C2004-004	CNSC Licence Application for Fixed and Portable Gauges	13637-1-06.0
P-C2004-068D	Amendment to Temporary Waste Management System for Construction (CofA LB-WMS03-12003A)	Approved
P-C2004-062D	Diesel Generator Registration Form, Mill Site Emergency Generator	Replaced by P-C2004-062E
P-C2004-93FF	Request for Approval of Plans under the National Building Code - Extension to the Anaktalak Bay Construction Camp	Approved
P-C2004-96FF	Request for an Exemption under the Building's Accessibility Act and Regulations - Extension to the Anaktalak Bay Construction Camp	EA-3265D
P-C2004-093Z	Request for Approval of Plans under the National Building Code - Port Site Administration Building	Approved
P-C2004-096Z	Request for Exemption under the Buildings Accessibility Act and Regulations - Port Site Administration Building	EA-5180
P-C2004-061I	Certificate of Approval for Industrial Facilities/Processes - Wastewater Treatment System	AA04-125439
P-C2004-093M	Request for Approval of Plans under the National Building Code - Service Complex	Approved
P-C2004-096M	Registration under the Buildings Accessibility Act and Regulations - Service Complex	BA004105
P-C2004-061X	Amendment to the Certificate of Approval for Industrial Facilities/Processes - South Sedimentation Pond	AA04-055427A
P-C2005-X03B	Voisey's Bay Mine and Concentrator Development Plan	Approved
P-C2004-001D	Magazine Licence Renewal	U30071/Y
P-C2004-93GG	Request for Approval of Plans under the National Building Code - Explosives Facility AN Storage Building	Approved
P-C2004-96GG	Request for Exemption under the Buildings Accessibility Act and Regulations - Explosives Facility AN Storage Building	EA-5214
P-C2004-93HH	Request for Approval of Plans under the National Building Code - Explosives Facility Process Building	Approved
P-C2004-96HH	Request for Exemption under the Buildings Accessibility Act and Regulations - Explosives Facility Process Building	EA-5213
P-C2004-061T	Certificate of Approval for Industrial Facilities/Processes - Permanent Solid Waste Disposal Facility (includes permanent incinerators)	
P-C2004-001E	Request for Amendment to Magazine Licence #U30071/Y Renewal Application	U30071/Y Amendment 1
P-C2004-046	Application for Environmental Approval for Dams and Appurtenant Structures - Dams H1 and H2	ALT1993
P-C2004-068E	Amendment to Temporary Waste Management System for Construction - Open Burn Pit	Approved
P-C2004-X03A	Rehabilitation and Closure Plan, Voisey's Bay Mine and Concentrator	Approved
P-C2004-002C	MMER - Final Effluent Discharge Point, Diffuser Outfall at Anaktalak Bay	No official approval needed
P-C2004-002B	MMER - Final Effluent Discharge Point, Port Site Sedimentation Pond	No official approval needed
P-C2004-049	Application for Water and Sewer Works at the Mill Site, Voisey's Bay	SS05-051110A
	Application for Water and Sewer Works at the Mill Site, Voisey's Bay (Rev to Regs.)	SS05-051110ARev.

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Permit No.	Application/Approval	Approval No.
P-C2004-062E	Diesel Generator Registration Form, Mill Site Generator, Voisey's Bay	AA04-105434
P-C2004-061F	Certificate of Approval for Industrial Facilities/Processes - Tailings Management Facilities	AA05-065450
P-C2004-080J	Request for Relocation of GEEP Tank from Edward's Cove to Headwater Pond	Approved
P-C2004-001G	Magazine License (Submitted by Dyno Nobel Labrador)	23-09-2004
P-C2004-002D	MMER-Final Effluent Discharge Point, South of Ovoid (new final discharge point)	No official approval needed
P-C2004-0610	Certificate of Approval for Industrial Facilities/Processes - Port Unloading, Storage and Reclaim	AA05-045446
P-C2004-068F	Renewal to Temporary Waste Management System for Construction	LB-WMS05-01001 (replaces LB-WMS03-12003A)
P-C2004-080K	Request for Relocation of GEEP Tank from Edward's Cove to the Mill Site	Approved
P-C2004-080L	Registration of all Fuel Storage Tanks at the Voisey's Bay Project Site (32 tanks)	Approved
P-C2004-023	Explosives Licence - Emulsion Plant (submitted by Dyno Nobel Labrador)	2006(04)-F71601
P-C2004-061Y	Certificate of Approval for Industrial Facilities/Processes - Explosives Manufacturing Plant	AA05-035445

APPENDIX B

**ENVIRONMENTAL PERFORMANCE
WORKSHOP RECOMMENDATIONS**

EPRW RECOMMENDATIONS

The following recommendations have arisen from discussions during the 2004 Environmental Performance Review Workshop.

Agenda Item	Recommendations
Review of 2003 Recommendation	Ensure more frequent review of recommendations to capture progress that has developed on action items.
¹Land clearing and harvested timber management	Formalize a plan to ensure ongoing ease of accessibility of timber by local residents.
¹Dust Control	Improved dust suppression and develop a protocol for dust management
Petroleum products storage, handling and transfer	Include statistical comparison in annual report to present fuel spills in conjunction with level of construction activity.
	Complete trend analysis of 2004 spill reports and include in 2004 Progress Report
Environmental Planning, Monitoring and Reporting	In developing an environmental database, ensure it is capable of tracking and analyzing compliance issues/incidents
	Ensure tracking of unresolved issues in order to determine underlying causes.
Shipping Activities - Shipping Advisors	Continue to improve on communications between shipping advisors and shipping contractors.

¹ recommendation that has been carried over from recommendations discussed during the 2003 EPRW



**VOISEY'S BAY NICKEL
COMPANY LIMITED**

A subsidiary of Inco Limited