



Project Update Long Harbour Processing Plant

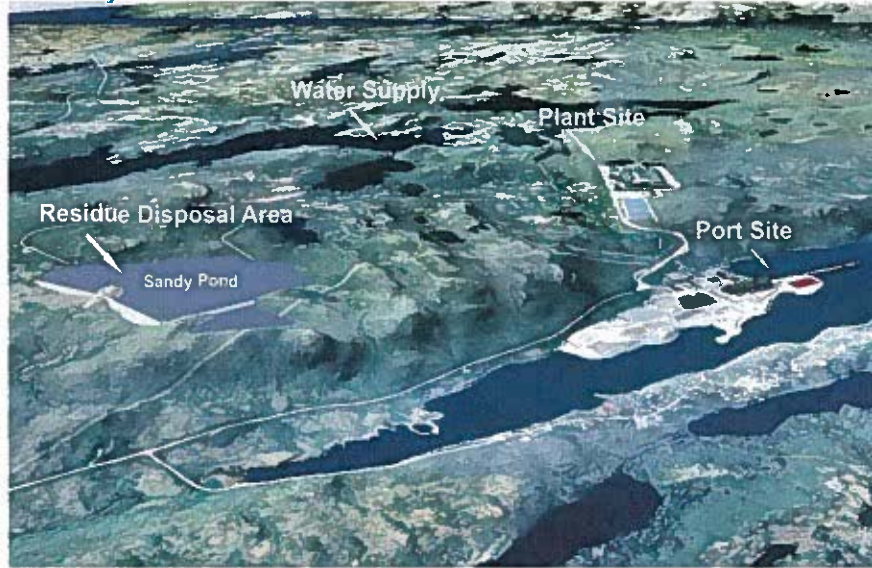
February 4, 2010

Project Overview

- Design and construct a hydrometallurgical facility to produce 50,000tpy Ni and associated Cu and Co
- Construction timeline: 2009 - 2013
- Commissioning and Start-up in 2013



Site Layout



mining



Ni Ore (2%)

milling



Concentrate (20%)

hydrometallurgy

smelting



Matte (70%)



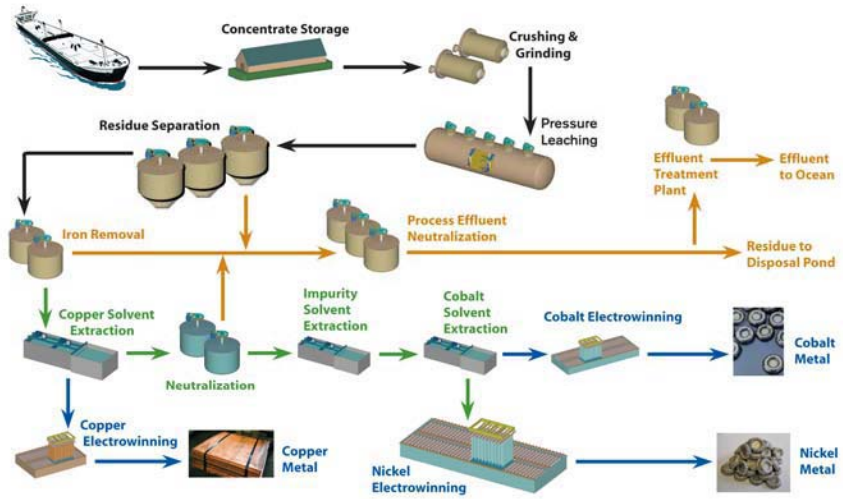
refining



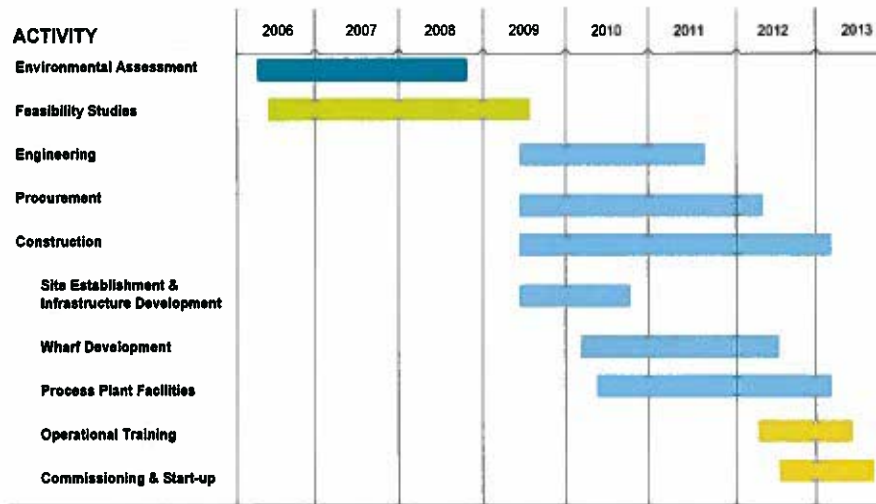
Ni Metal



Hydromet Process Flowsheet



Project Schedule



Estimated Quantities

Commodity	Unit	Approx. Quantity
Concrete	m ³	130,000
Structural Steel	t	30,000
Piping	m	350,000
Electrical Cable	m	1,000,000
Earthworks – Cut	m ³	2,000,000
Earthworks - Fill	m ³	1,800,000



Project Status

Project Milestones Completed To Date

- Environmental Assessment - August 2008
- Technology Selection - November 2008
- FEL 3 Engineering - March 2009
- Early Works Started - April 2009
- Project Sanction - May 2009
- EPCM Selection - May 2009
- Civil Contract Award - May 2009
- Port Site Remediation - September 2009



Contracts & Procurement

	Total	Closed packages		Awarded Packages
		Closed	% Closed	
Equipment	207	54	28%	17
Materials / Bulks	64	6	20%	3
Contracts	104	18	17%	14
TOTAL		78		34

Note: Packages will fluctuate as scope definition is refined.



Contracts Awarded

- CC-0001 Earthworks
- CC-0002 Site Clearing
- CC-0004 Port Site Demolition
- CC-0006 EPCM Office Site Preparation
- CE-0001 Site Power Supply
- CE-0003 Site Temporary Power Supply
- CG-0001 Site Temporary Structures
- CG-0002 Geotechnical Investigations and Testing
- CG-0004 Site Survey
- CG-0007 Site Medical Services
- CG-0015 Site Security
- SG-0069 Pioneer Office
- SG-0076 Site Janitorial Services
- SC-0502 Geotechnical / Blasting Services



Contracts in Process

- CB-0007 Concrete Foundations Neutralization Building
- CB-0008 Concrete Foundations Ni EW Building
- CC-0008 Marine Ro-Ro Dock
- CG-0027 General Site Construction Services
- CG-0028 Concrete Batch Plant
- CG-0052 Construction Camp
- CG-0056 Temporary Water and Sewer



Employment (as of December 31, 2009)

- ~ 850,000 person hours of employment generated since initial work began in April
 - 75% of person-hours in Newfoundland & Labrador
 - 25% outside province
- > 850 people currently supporting project
 - 500 working on the construction site, of which about 80 are residents of the local area
 - 350 supporting engineering, procurement and operations planning at our offices in St. John's and our EPCM's offices in Vancouver



Community Investments

Fire Hall

- 60% complete, building closed-in
- Fire truck delivery April

Training Center

- Bids under evaluation - award mid Feb.

Staff House/Motel

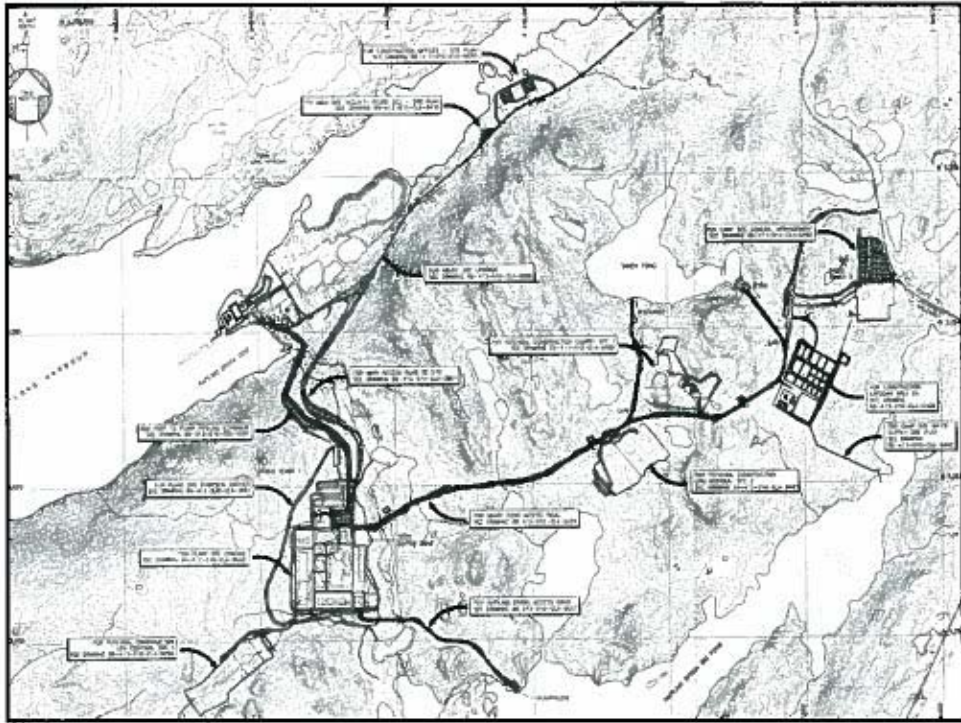
- EOI closed - expect award March

Maintenance Depot

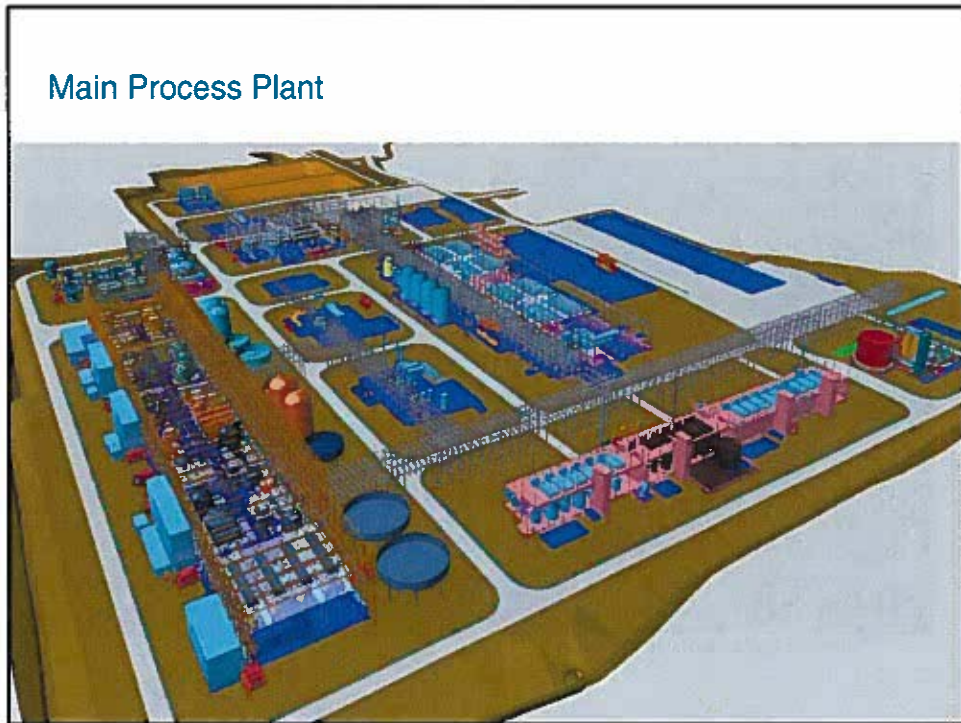
- Due 2013



Construction Progress



Main Process Plant



Port Site - Before Construction



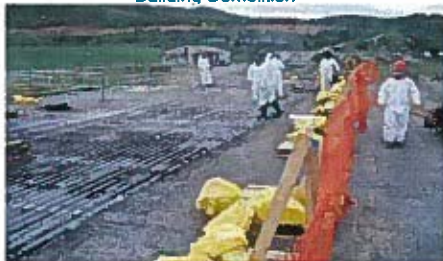
Port Site Demolition & Remediation



Building Demolition



Demolition of Administration Building



Removing Decontaminated Materials



Hydrocarbon Clean Up



Mobilizing Equipment - June 2009



Plant Access Road Construction



Clearing Access Road



Access Road



Sandy Pond Road



Bin Wall Installation



Harvested Firewood



Forest Fire Damage



Plant Site Development



Site Grubbing



Plant Site Leveling



Main Plant Site



Main Plant Site



Water Management System Development



Storm Water Channel Development



Storm Water Diversion Channel



Diversion Channel



Recent Construction Activity



Port Access Road



Intake pipe installation for Camp Water Supply



Placing Fill at Neutralization Building Area



Rattling Brook Box Culvert



VALE INCO