

Message from President and CEO Dean Journeaux

I am pleased to have the opportunity to replace Robert A. Martin, who is the person who had the vision to develop the DSO and Millennium Iron Range projects. From the beginning of this initiative, I was very much involved. NML's commitment is to develop those projects with respect for the local people and the environment. We are pleased to have our partner Tata Steel managing the joint venture.

In line with NML's concern for the environmental and social impacts of its activities, this issue of NML News focuses on environmental and social matters.

Dean Journeaux

Welcome

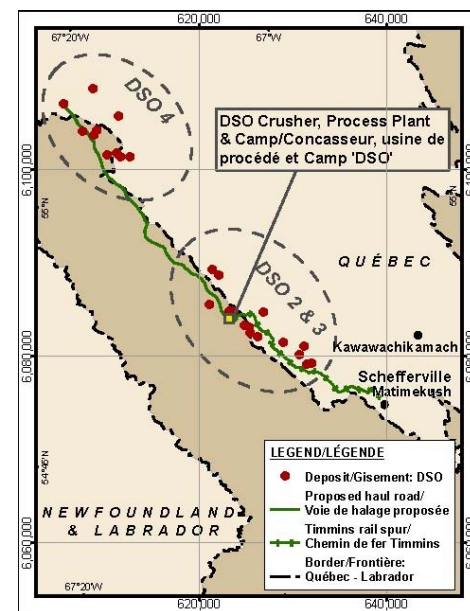
NML is pleased to welcome the following new members to the NML/TSMC team:

- Cathy Dornan, Vice-President, Communications, NML;
- Coco Calderhead, Manager, Community Affairs, TSMC;
- Loic Didillon, Environment Specialist, TSMC;
- Philippe McKenzie, Liaison Officer in NML's Sept-Îles office;
- Stéphane Blanchette, Senior Director, Human Resources, TSMC;
- Daniel Gabriel, Foreman, Schefferville.

DSO Overview

Tata Steel Minerals Canada Ltd. (TSMC), the joint venture between NML and Tata Steel that will build, own and operate the DSO Project, owns some 25 haematite deposits located in Labrador and Québec near Schefferville. The Project has an expected life of approximately 12 years based on current reserves.

The deposits will be mined using conventional open-pit methods. The rock will be drilled, blasted and loaded into trucks, which will deliver the run-of-mine ore to the processing plant in Labrador. A 38-kilometer access road will link the DSO3 and DSO4 areas. Operations will occur year-round.



Phase 1 – Newfoundland and Labrador

Project 1a will be the first component of the DSO Project to be implemented. Its objective is to extract, over a period of 12 years, roughly 11 million tonnes of run-of-mine ore from four pits. After crushing, washing, screening and (in winter) drying, the run-of-mine ore will produce sinter fines and super fines at an average rate of roughly 4 million tonnes per year of production. The product will be transported by railway to the Port of Sept-Îles for loading into ocean-going vessels, which will transport it to the steel mills of Tata Steel Europe. Construction of the infrastructure began in Summer 2011. It will continue through 2012, and the beginning of operations is scheduled to occur late in 2012.

Located in Labrador, Project 1a includes major infrastructure such as: a processing plant; abandoned pits (containing no fish) into which tailings will be deposited; processed ore storage; a rail car loading system and associated yard track; a camp to accommodate the workers; offices; a warehouse; workshops; garages; a laboratory; and a landfill. Much of the processing infrastructure will be enclosed in a dome measuring 170m x 106m x 35m high.

The four deposits and the infrastructure will affect an area of approximately 94 ha, roughly half of which has already been disturbed by former mining activities and infrastructure between 1954 and 1982.

Environmental and Social Affairs

For purposes of environmental impact assessment, the DSO Project has been divided into four assessment groups according to the applicable assessment regimes (see table). As of today, Projects 1a and 2b, both located in Labrador, have received an environmental approval or release from the authorities, subject to certain conditions. The assessment of Project 2a, which is in Québec, is at an advanced stage.



Assessment Group	Environmental Assessment	Status of Environmental Assessment
1a	<ul style="list-style-type: none"> • <i>Environmental Protection Act</i> (Newfoundland and Labrador) • <i>Canadian Environmental Assessment Act</i> 	<ul style="list-style-type: none"> • Obtained environmental release on January 5, 2011. • Decision that an EIA is not required received on November 1, 2010.
2a	<ul style="list-style-type: none"> • <i>James Bay and Northern Québec Agreement, s.23</i> (Québec Environment Quality Act) • <i>Canadian Environmental Assessment Act</i> 	<ul style="list-style-type: none"> • EIS submitted in September 2010. Awaiting decision. • Decision that an EIA is not required received on May 19, 2010.
2b	<ul style="list-style-type: none"> • <i>Environmental Protection Act</i> (Newfoundland and Labrador) • <i>Canadian Environmental Assessment Act</i> 	<ul style="list-style-type: none"> • Decision that an EIA is not required received on March 17, 2011. • Decision that an EIA is not required received on April 1, 2010.
2c	<ul style="list-style-type: none"> • <i>Environmental Protection Act</i> (Newfoundland and Labrador) • <i>Canadian Environmental Assessment Act</i> 	<ul style="list-style-type: none"> • Project notice not submitted. • Project notice not submitted.

Component Studies and Fundamental Conclusions

Component studies for the environmental impact assessments have been conducted in the following areas: fish and fish habitat; archaeological and heritage sites; gender equity; Schefferville Innu and Naskapi land- and resource-use and traditional knowledge; hydrology; hydrogeology; breeding birds; air quality; noise levels; terrestrial ecosystem mapping; commuter mining (fly-in, fly-out); Aboriginal health. Helicopter-based surveys of caribou were carried out in 2009, 2010 and 2011, the first two in collaboration with Labrador Iron Mines Ltd. They did not identify any endangered woodland caribou in the vicinity of the planned mines immediately prior to the calving season.

From the environmental impact assessments, the following fundamental conclusions can be drawn: there will be no significant negative impacts on biophysical components; the only significant socio-economic impact will be positive and will relate to employment, contracting and training opportunities for local residents.

Mitigative Measures, Monitoring Programmes and Response Plans

A total of approximately 170 standard mitigation measures have been identified. The importance of impacts was evaluated taking into account the application of those standard measures. Wherever feasible, special mitigation measures were identified on a case-by-case basis with the objective of enhancing positive impacts and reducing the importance of negative impacts. Monitoring will be done on numerous biophysical and social components of the environment throughout the life of the Project to identify the nature and the importance of the predicted and unexpected impacts. A monitoring programme will also be put in place to ensure the full implementation of mitigation measures. Nine response plans, including the Women's Employment Plan, the Newfoundland and Labrador Benefits Plan, the Emergency Response Plan, the Environmental Protection Plan, the Rehabilitation and Closure Plan, the Environmental Health, Safety and Sustainability Manual, the Waste Management Plan and the Hazardous Materials and Waste Hazardous Materials Management Plan and the Mine Development Plan have been developed to meet the authorities' requirements, as well as to satisfy TSMC's best management practices standards.

Impact and Benefit Agreements (IBA)

IBAs are contracts between a project proponent and a First Nation. They are designed to reduce negative impacts, enhance positive impacts and share the financial and other benefits generated by the development.

IBAs have already been signed with the Naskapis of Kawawachikamach, the Innu of Schefferville and the Innu of Labrador. An IBA with the Innu of the Sept-Îles area has been initialled.

The IBAs address such matters as: employment; contracting; education; training; financial provisions; socio-economic development; community infrastructure; workplace conditions; consent to the project.

Social Initiatives

NML's recent social initiatives include: scholarships for students from Kawawachikamach, Matimekush-Lac John, Uashat mak Mani-Utenam and Pessamit; sponsoring a hockey camp at Uashat mak Mani-Utenam; and sponsoring the annual pilgrimage to Ste-Anne-de-Beaupré.

Contact Info

Sept-Îles: Tel: (418) 961-1401
 Montreal: Tel: (514) 935-3204 Fax: (514) 935-9650
 Labrador City: Tel: (709) 944-5592 Fax: (709) 944-5651
 St. John's: Tel: (709) 722-5714 Toll-free: 1-877-353-6665
 Schefferville (seasonal): Tel: (418) 585-2065 Fax: (418) 585-2304

info@NMLIron.com