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Summary:

NEW MILLENNIUM IRON: It's been years in the planning but New Millennium Iron is closer to mining ore at its location in Labrador.

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COLLEEN CONNORS: It's been years in the planning but New Millennium Iron is closer to actually mining ore at its location in Labrador, close to Schefferville, Quebec. A contract to build this facility has been awarded to Innu Municipal of Labrador City and recently a benefit agreement was signed with the Innu of Labrador. To find out the latest with the development, Labrador Morning's Mike Power reached President and CEO, Dean Journeaux at his office in Montreal.

DEAN JOURNEAUX: Well it's another step along many steps that are required you know to build a project and we've done considerable procurement of the large pieces of equipment that need to go into the plant and now we've just awarded this contract for the actual construction that means the installation of the buildings and the plant equipment that goes inside, the crusher, the load out facilities and so on. So this is one in a series of steps that are required to bring us into production.

MIKE POWER: Give me some idea about the size of this building and what it will contain.

DEAN JOURNEAUX: Well it's 150 metres long by 100 metres wide and 35 metres high. It contains all of the processing equipment, the crusher is outside but the crushing material comes into the building and starts the process for the washing and the upgrading of the ore from roughly 58 to 60 percent up to 64.5 percent which is the requirement for our customer, Tata Steel Europe.

MIKE POWER: And you of course are in close partnership with Tata?

DEAN JOURNEAUX: Yes, in fact this project is 80 percent owned joint venture if you wish between Tata Steel and ourselves, New Millennium. It's only 80 percent owned by

Tata Steel itself and it's managed by Tata Steel Minerals Canada which is primarily managed by Tata Steel people.

MIKE POWER: With this product that you're mining there, there's no complex processing is there? In terms of pelletizing or anything like that.

DEAN JOURNEAUX: No, there's no pelletizing. What we produce is a centre feed which is a relatively course material that's minus 10 millimetres and then we have what we call super fines which is a finer product that less than a half a millimetre and that's the small proportion of the total product. So we mine say 5 tons of ore to get 4 tons or product you know, our annual production is designed to be 4 million tons so the course material of course cannot be pelletized. It would have to be ground down and in it's course state it's an ideal product for centre feed so it wouldn't make any economic sense to grind it all the way down to make pellets and then produce pellets. Pellets aren't really a product for us at this point.

MIKE POWER: You just also recently signed an agreement with the Innu of Labrador, what can you tell me about that?

DEAN JOURNEAUX: Well again that's an agreement that Tata Steel Minerals Canada signed with Innu of Labrador. It's a typical what we call an IBA or Impact and Benefits Agreement and it's contains a number of advantages lets say to the Innu in the way of social training, jobs, contractor, etc.

MIKE POWER: How soon can we expect to see the stuff get onto the trains and head south and when this is finished what are we talking about in terms of employment?

DEAN JOURNEAUX: Well during the construction stage there's well over 200 people required and at the peak it will be slightly above that but the average will be about 200 people for about a year or a year and a half and then it goes into production late next fall. People required initially will be about 200 to operate the mine and the wash plant and then as we move further north for the ore the bulk of the ore is on the Quebec side and it's quite a bit further north in Timmins and we have to build a road 38 kilometres long and then truck that material from that mine site to the Timmins plant. That requires a lot more people because of the number of trucks required and the long haul so we'll be up around 230 or so. Essentially all the people live at the camp site which is right next to the plant in Newfoundland.

MIKE POWER: That would be like a fly in, fly out operation.

DEAN JOURNEAUX: Yeah, fly in and fly out.

MIKE POWER: Is there any provision in all these agreements you know that would give priority to jobs for this province, Newfoundland and Labrador considering that's where

the ore actually is right now?

DEAN JOURNEAUX: With the government, it specifies the number of jobs that will be allocated to Newfoundlanders as we do for the Innu nation and we have a few for the local people that live in the Schefferville area. As you know the two first nations that live there and it's right in their back yard so we have some jobs reserved for them. You can imagine trying to move into somebody's back yard and not accommodating them, it's not so easy.

MIKE POWER: Well it sounds like before we know it we'll be cutting the ribbon. I do thank you so much for your time today.

DEAN JOURNEAUX: You're welcome Mike.

MIKE POWER: Bye.

COLLEEN CONNORS: Dean Journeaux is the President and CEO of New Millennium Iron Corporation.