Developing New Nickel Resources
Voisey's Bay Project

Presentation to

MEND Maritimes Workshop

Halifax

May 24, 2006

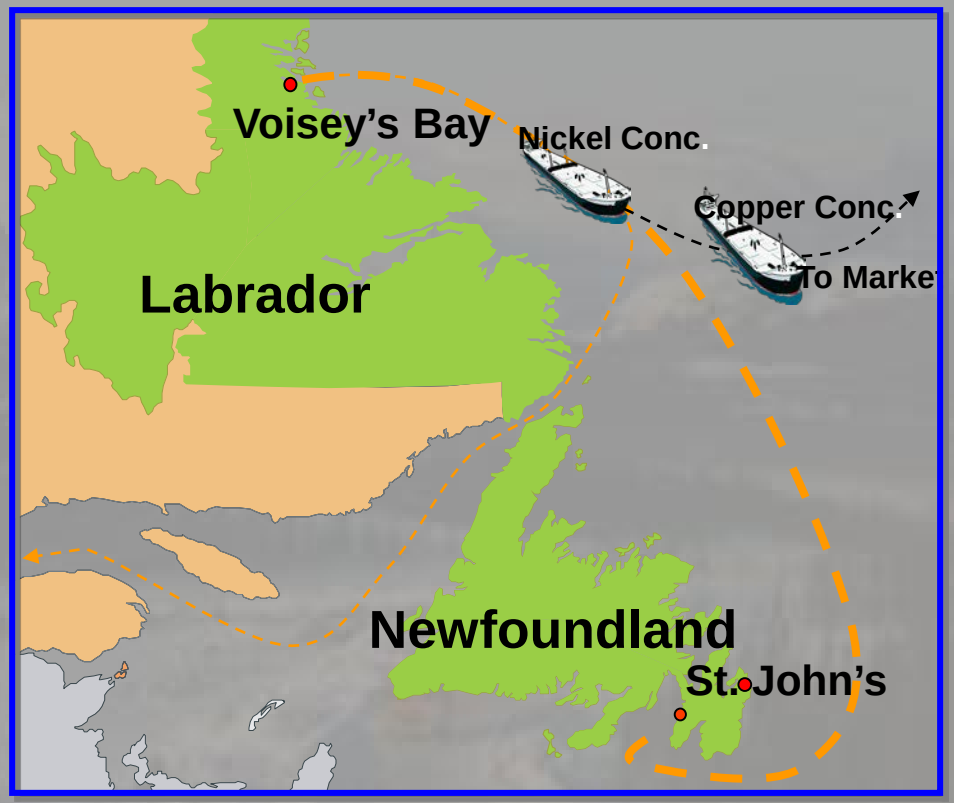


“This presentation will include projections and other forward-looking statements. While these projections and other statements represent our best current judgement, they are subject to risks and uncertainties that could cause actual results to vary, including the risk factors identified in Inco Limited’s filings with the U.S. SEC”.



Project Configuration

- The Project is being developed at two sites separated by about 1200 km
  - The mine & concentrator at Voisey's Bay, Labrador
  - The hydromet demonstration plant and commercial nickel processing plant in Newfoundland
- Both sites require development of extensive infrastructure such as port facilities, power supply, water supply & roads. The Voisey's Bay site also includes an airport and accommodation complex





Voisey's Bay project context

- Greenfield site development in remote area with access to shipping
- Overlapping and unsettled land claims - Innu Nation; Labrador Inuit Association (LIA)
- Multi-party environmental assessment – Canada, Newfoundland, Innu Nation, LIA
- Project promotion resulted in high expectations among local inhabitants and politicians
- Possible application of hydrometallurgical process technology (as opposed to pyrometallurgical technology)



Project Overview

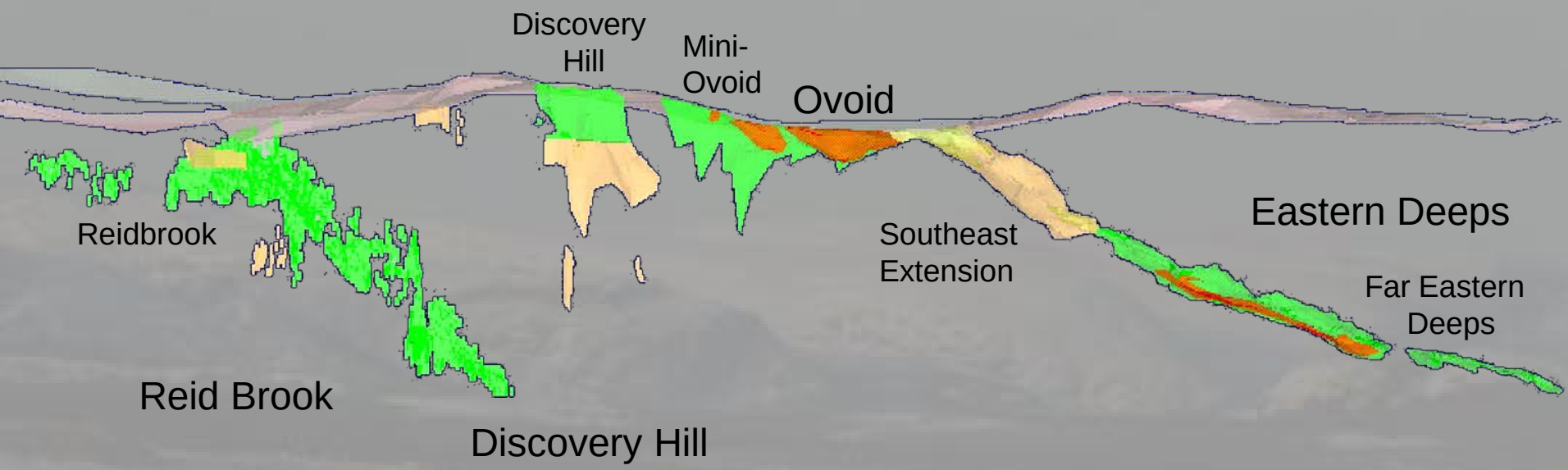


Project capacity

- 6,000 tonne-per-day mine and concentrator
- Annual production
  - 50,000 tonnes nickel-in-concentrate, containing 2,300 tonnes cobalt and up to 6,800 tonnes copper
  - 32,000 tonnes copper-in-concentrate



Voisey's Bay mineral resources

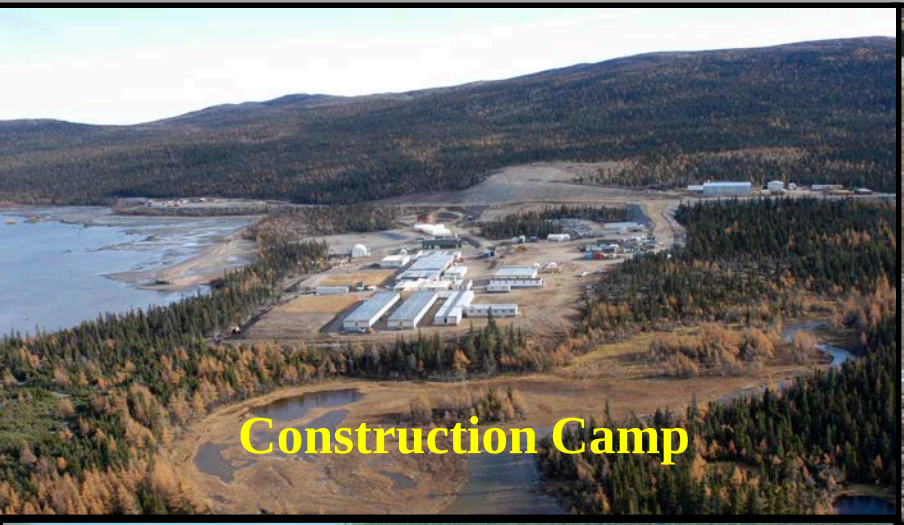


Massive Sulphide Measured + Indicated
Disseminated Sulphide Measured + Indicated
Massive + Disseminated Sulphide Inferred

- 32 million tonnes proven and probable reserves
- 50 million tonnes indicated mineral resource
- 12 million tonnes inferred mineral resource

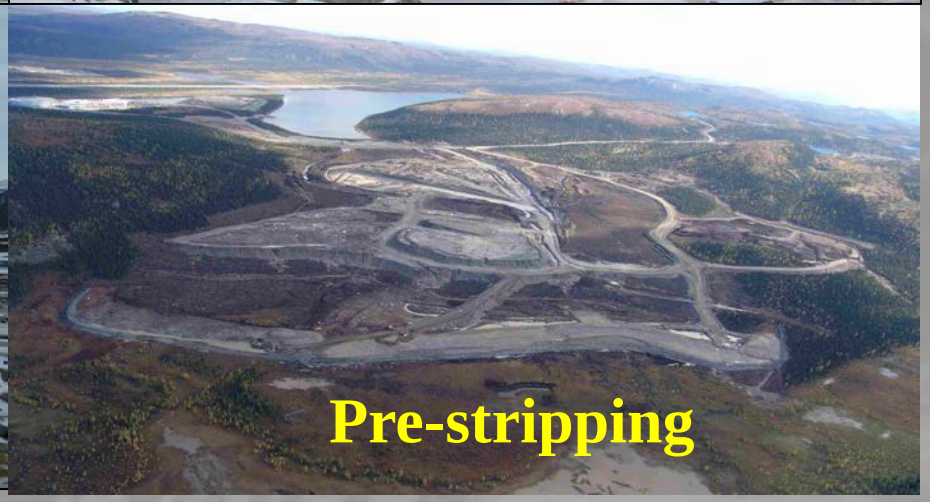


Reaching agreement with the Province, and aboriginal groups allowed us to begin to install infrastructure in 2002.



In 2003 our construction effort focused on building civil infrastructure and logistics.

Having civil infrastructure in place, allowed us to finish permanent facilities and start pre-stripping the open pit in 2004.



Mining the Ovoid began on August 21, 2005



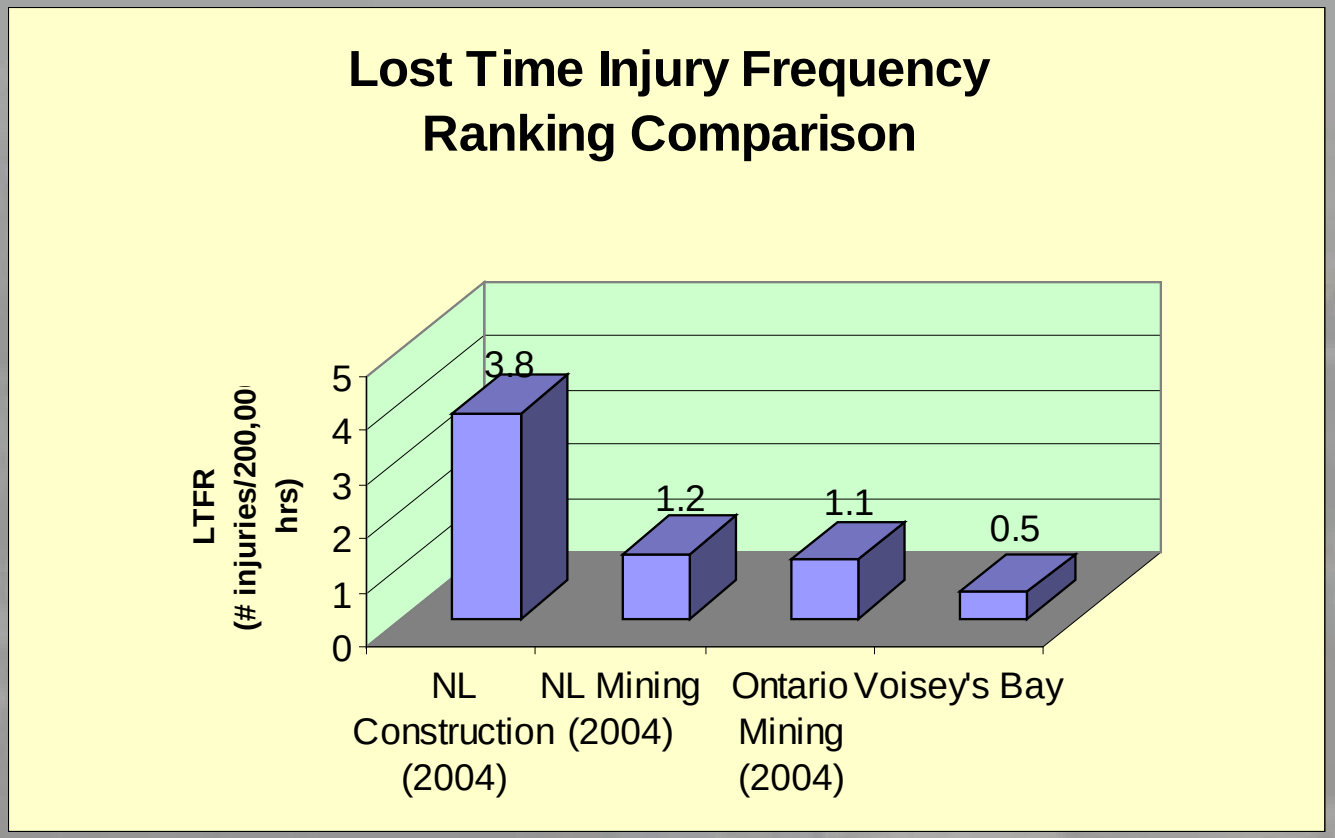
First concentrate produced on September 12, 2005

First concentrate being loaded on *M.V. Arctic* at the port site on November 12 - more than eight months ahead of our original schedule.



Safety

- Project hours worked to date about 7 million





Environmental

- Very close monitoring has taken place and overall good environmental compliance has occurred
- High environmental standards maintained



Managing Acid Rock Drainage at Voisey's Bay



Acid Rock Drainage

- ARD is one of most significant issues facing mining industry.
- Environmental costs of acid plus metals are considerable
  - Legacy issue
  - Interaction with aquatic environment, fish



VBNC's Principles for ARD Management

"All quarry material or waste rock is considered potentially acid generating (PAG) until it is proven otherwise through sound geoscientific investigation"

"All rock containing greater than 0.2 % Sulphur is considered PAG and is placed under water cover"



ARD Management

- Prevention
  - Keep potential acid generating materials (PAG) separate
  - Keep PAG away from either water or air
    - This slows oxidation, acid formation
  - *Most important, plan site for closure!!*



ARD Management

- Drill cuttings analyzed for Sulphur by Leco Analyzer to screen for PAG rock
- Mill tailings placed under water cover in TIA
- Mineralized waste rock placed under water cover in TIA
- Storm run-off from non-mineralized waste rock is collected and sent to site effluent treatment system as a precaution
- Plant storm run-off is collected and sent to effluent treatment
- Streams at road crossings regularly monitored for pH
- Concentrate is managed to eliminate spillage that may cause ARD



Tailings Impoundment Area



Plant Site Run-off Ponds

ARD Investigations - Construction

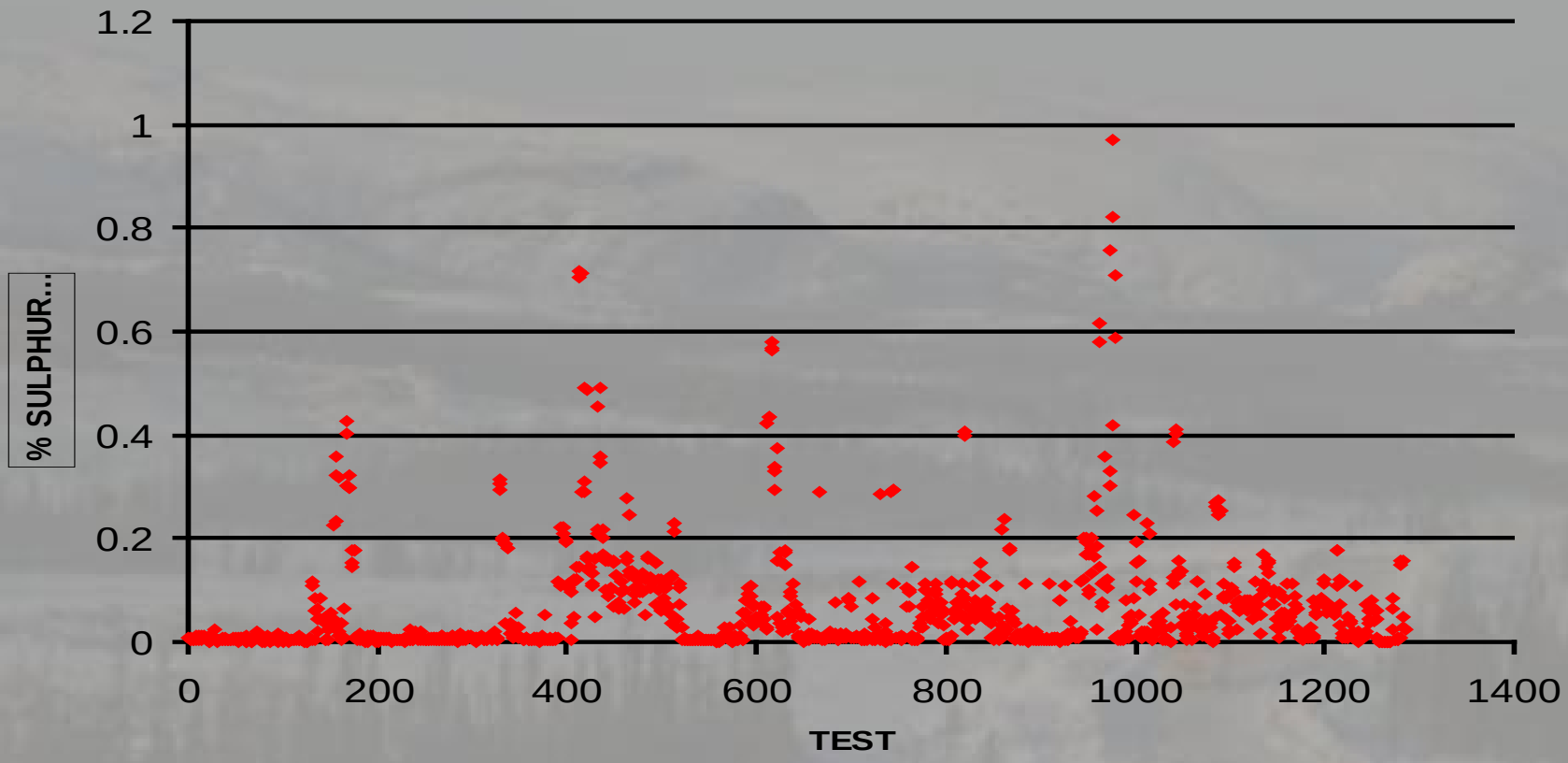
- ARD investigations at the Voisey's Bay site were carried out in two stages:
  - VBNC's prescreening drill program on a 50m grid testing each metre of drill core for S ; and
  - Screening of quarry drill cuttings which were sampled on a 5m grid, and tested for S on a 5m or 15m grid based on the prescreening ARD test results



Collecting Drill Cuttings

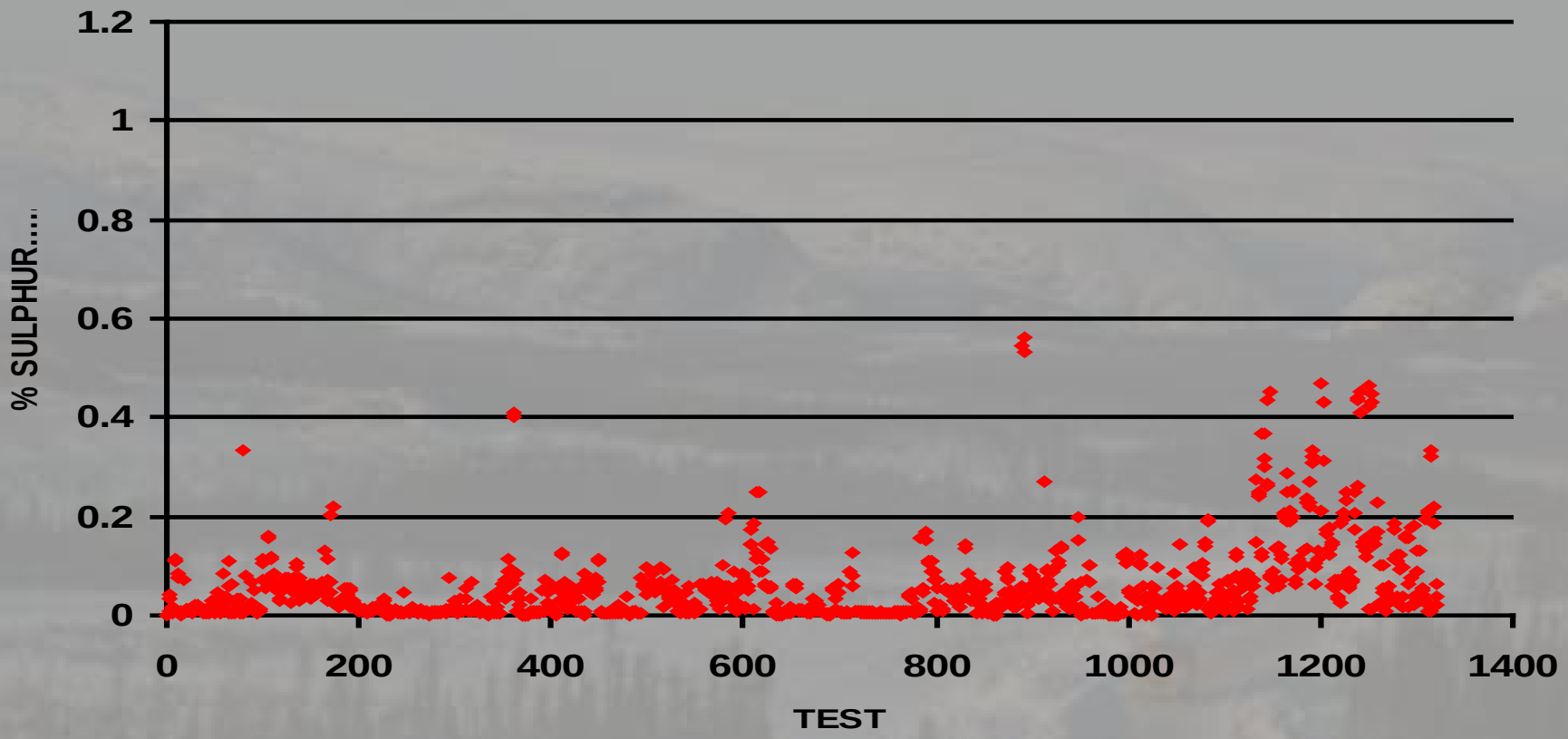
ARD Investigations - Construction

Pre-screening Drill Core Sulphur





ARD Investigations - Construction Quarry Drill Cutting Sulphur





ARD Investigations - Construction

- 2003
  - 372,000 m^3 of quarry rock was drilled and blasted
  - Of this, 13,700 m^3 was classified as PAG rock, and was temporarily stored for placement underwater during dock construction
- 2004
  - 420,000 m^3 was drilled and blasted for port construction
  - Of this, 40,000 m^3 was temporarily stored for placement underwater during dock construction in 2005
- 2005
  - No PAG rock was identified during quarry, construction or mining activities



Permanent Dock Construction

ARD Investigations – Operations

- Quarry
  - Analyze drill cuttings from each hole for Sulphur
- Mine
  - Analyze drill cuttings for Sulphur when drilling at the interface of waste rock and ore;
- Material containing >0.2% S is placed underwater in Tailings Impoundment Area



ARD Management at Closure

- Tailings Impoundment Area
  - Maintain 4 metre water cover over tailings & waste rock
  - Assess whether a barrier over tailings is required
  - Once water meets regulatory limits, allow discharge to environment
- Open Pit
  - Allow it to flood
  - Once water meets regulatory limits, allow discharge to environment




Questions