THE LABRADOR TROUGH:

OPPORTUNITIES IN CANADA’S PREMIER IRON ORE DISTRICT
Located in a modern, politically stable, mining-friendly jurisdiction

The Canadian provinces of NEWFOUNDLAND AND LABRADOR and QUEBEC
Canada’s premier iron ore district

Long production history: more than 60 years of profitable operations

More than 2 thousand million tonnes produced

Entry point into the seaborne market in Europe, Asia, the Middle East and N. America

Opportunity for long-term reliability and competitively of future supply: no “Big 3”
The Resource: World-class

More than 80 billion tonnes of known iron ore resources with excellent exploration potential

Near surface deposits; open pit mining methods

Represents ca. 99.8% of Canadian production

Most current and historic production by Rio Tinto-IOC (Carol Lake), Arcelor Mittal (Mont Wright, Fire Lake) and Cliffs Natural Resources (Bloom Lake, Wabush)

Vastly underexplored on a district scale
High-quality ores

Low phosphorous, alumina, sulphur and alkalies

High Fe content concentrate and pellets

Superior quality relative to Australian and Brazilian product offsets freight disadvantage (for China markets)
Product diversity: Lump, premium fines, concentrate and pellet grades

Flexibility to deliver special products
POWER INFRASTRUCTURE

Ample water and reliable sources of low-cost hydro-electric power

Stably priced green energy
Key transportation infrastructure with excess rail and port capacity
NEW INVESTMENTS IN MULTI-USER PORT FACILITIES

PORT OF SEPT ISLES HANDLES CAPE-SIZE and CHINAMAX* VESSELS
NO PROHIBITIVE CONTROL OF RAIL
BY A MAJOR PRODUCER

CANADIAN LAW RECOGNIZES THE QSN&L RAILWAY AS A “COMMON CARRIER”
INVESTMENT POTENTIAL
CURRENT “BEAR” MARKET HAS PROVIDED A UNIQUE OPPORTUNITY TO CONSOLIDATE WITHIN THE DISTRICT
Opportunities for future development: Labrador

Northern Trough
• **NuTAC** New Millennium Iron Corp.
• **JAMES, HOUSTON** Labrador Iron Mines Holdings Ltd.
• **JOYCE LK** Century Iron Ore
• **BLOCK 103** Cap-Ex Ventures Ltd.

Southern Trough
• **KAMI** Alderon Iron Ore Corp.
• **JULIENNE LAKE** Altius Resources Inc.
• **JULIENNE LAKE EML** (Government of NL)
• **SCULLY MINE**: Cliffs Natural Resources
PRODUCERS: BULK TONNAGE, SPECULARITE

Open-pit mining operations at Labrador City and Wabush

- **RIO TINTO**: Iron Ore Company of Canada
- **CLIFFS NATURAL RESOURCES**: Wabush (currently idled pending sale)

3 billion tonnes *in situ* resources
New independently owned production from open-pit mining operations in Menihek

TATA STEEL MINERALS CANADA

LABRADOR IRON MINES  
*(currently idled)*
SHOVEL-READY:

Kami Project: Alderon/Hebei Iron & Steel

Proven: 431.7Mt @29.7% Total Fe
Probable: 236.8Mt @29.2% Total Fe

Feasibility Study Results: Jan 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Annual Production (65.2% Fe con)</td>
<td>8.0Mtpa</td>
</tr>
<tr>
<td>Initial CAPEX</td>
<td>$1,272.9M</td>
</tr>
<tr>
<td>Cash operating cost (FOB)</td>
<td>$42.17/t</td>
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<tr>
<td>Capital Intensity</td>
<td>~$160/t</td>
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<tr>
<td>Average annual cash flow</td>
<td>+$400M</td>
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<tr>
<td>Payback period</td>
<td>3.8 years</td>
</tr>
<tr>
<td>Proven and Probable Reserves</td>
<td>668.5Mt @ 29.5% TFe**</td>
</tr>
<tr>
<td>Mine life</td>
<td>30 years</td>
</tr>
</tbody>
</table>

*Pre-tax  **15% cut-off grade
NuTac Initiative: LabMag; KeMag
New Millennium Iron

- Seven significant deposits, all certified to NI 43-101 standard
- Magnetite ore with simple geology, and low in impurities
- Naturally suited for production of high quality pellets and pellet feed
- Comprehensive feasibility studies carried out on LabMag and KeMag deposits (2014)
- Smaller scale development now being studied through NuTac initiative

### Magnetite Pellet Feed

<table>
<thead>
<tr>
<th></th>
<th>Fe</th>
<th>SiO₂</th>
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</thead>
<tbody>
<tr>
<td>BF</td>
<td>66.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>DR</td>
<td>67.8%</td>
<td>1.8%</td>
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</table>

### High Quality Products from the Taconite Deposits

New multi-user iron ore dock at Sept-Îles, QC
ADVANCED PROJECT: FEASIBILITY STUDY COMPLETE
Joyce Lake DSO Project
Century Iron Mines

Joyce Lake DSO Project
17.7Mt High Grade Reserves

<table>
<thead>
<tr>
<th>Reserves</th>
<th>Tonnage (t)</th>
<th>Grade (%Fe)</th>
<th>Grade (%SiO₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Grade Proven (above 55% Fe)</td>
<td>11.63</td>
<td>61.35</td>
<td>9.16</td>
</tr>
<tr>
<td>Low Grade Proven (52% - 55% Fe)</td>
<td>2.89</td>
<td>53.31</td>
<td>20.70</td>
</tr>
<tr>
<td>Proven Reserves (above 52% Fe)</td>
<td>14.52</td>
<td>59.75</td>
<td>11.45</td>
</tr>
<tr>
<td>High Grade Probable (above 55% Fe)</td>
<td>2.45</td>
<td>61.50</td>
<td>9.48</td>
</tr>
<tr>
<td>Low Grade Probable (52%-55% Fe)</td>
<td>0.75</td>
<td>53.09</td>
<td>21.90</td>
</tr>
<tr>
<td>Probable Reserves (above 52% Fe)</td>
<td>3.20</td>
<td>59.52</td>
<td>12.40</td>
</tr>
<tr>
<td>Total Reserves (above 52% Fe)</td>
<td>17.72</td>
<td>59.71</td>
<td>11.62</td>
</tr>
</tbody>
</table>

Oblique View of Joyce Lake Mineralized Envelopes for Block Modeling, Looking North
REDUCING INVESTMENT RISK

ADDITIONAL FACTORS:

Skilled and experienced local workforce

Highly qualified local mining supply and service network (vendors and contractors)

Government support at municipal, provincial and federal levels

Stable taxation and regulatory environments

Clear guidelines for Aboriginal consultation
SOCIAL LICENCE TO OPERATE

Canadian companies in the Labrador Trough have had a strong focus on corporate responsibility, the environment, Communities, and Aboriginal issues.
The long view:  
... the outlook for iron ore is good.

Building infrastructure to meet worldwide growth in urbanization and industrialization.

Market downturn has created a window of opportunity in Canada.