

# mine to port

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Spring 2006



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Mine-to-Port is published for the employees, the retirees and the partners of IOC.



# Message from the President



## Iron Ore Company of Canada

1000, Sherbrooke W., Suite 1920, Montreal (QC) H3A 3G4

March 14, 2006

Dear Colleagues:

The first quarter of 2006 has presented us with some challenges much like it did in 2005. Our safety performance during the first two months was just slightly over our target, proving that we can work without accidents if we all try. Unfortunately the combined impacts of extensive damage to our key #96 shovel from a falling frost cap and maintenance problems that shut down many of our trucks and caused delays at our crusher have left us behind budget at the end of February.

The good news is that very few of the usual winter production problems showed up this year. This means that without the unique events that I just mentioned we would likely be looking at a record first quarter. Although our current position as compared to budget is challenging I am confident that with everyone's effort we can get back on track quickly. We did it together last year and I am sure that we can do even better in 2006.

I was very pleased to have the opportunity to meet with close to 1,200 of you last month and to thank you all for your contribution towards achieving the tremendous 2005 results and also talk about the challenges of 2006. At the end of the 25 sessions, I have asked leaders from across the company to follow up on any questions that were raised and not answered and I have been assured that we are targeting to do so by the end of March.

We also proudly launched our new Mission and Values Statement, which was developed with the help of over 47 work groups from across IOC and will form the foundation on which we plan to "build our future together". As of today, many of you have completed our survey providing your input into how we can better live these new values, and in the upcoming months, you will all be invited to participate in training sessions focused on these new values and how best to implement them.

In the spirit of these new Values, IOC has committed to donating \$200,000 for a palliative care centre in Sept-Iles as well as land for the construction of a senior's home in Labrador City. We've also conducted a Community Recruiting Fair in Labrador City to allow potential new employees to interact with members of the IOC team and learn more about qualifications and skills that will be needed in the future. We need to attract about 150 talented people this year to help us achieve our goals.

I am very happy to hear that fewer people are being injured at work and I want to see this trend continue. Each and every one of us must ensure that our workplace is clean and orderly at all times. However, to achieve our value of pursuing excellence in Health & Safety, we need to go another step. It is important to look after our own safety, but it is just as important to look out for the safety of others. We need to improve at identifying hazards and risks and pointing them out to each other so that the work can be done safely.

I believe that our new Mission and Values will help us all to focus on the same common objectives and to identify areas where we can improve. Last year was one of the best in IOC's long and proud history. Let's keep up the good work!

Yours sincerely,

A handwritten signature in blue ink that reads "Terence F. Bowles".

Terence F. Bowles  
President and Chief Executive Officer



# Sept-Iles Engineering Team wins the President's Safety Award

Congratulations to the Sept-Iles Engineering team, which received the President's Safety Award for 2005!

Over the past year, this team has set itself apart through its excellent safety performance, completing **four years with zero accidents and requiring no medical treatment in 2005.** This success is even more impressive since these results also include the work done by contractors on various projects overseen by the Sept-Iles Engineering team.

The three groups that received honourable mentions for 2005 include:

- the **Mine Maintenance team**, recipient of last year's Award, for maintaining good performance with no LTI's and only one medical treatment;
- the **Concentrator team**, for improved housekeeping throughout the sector;

- **the administrative sectors in Sept-Iles, Labrador City and Montreal**, for maintaining their good safety records. This group has more than 400,000 working hours per year and got only one LTI back in September 2003.

IOC presents this Award on an annual basis to recognize safety excellence.

The selection committee consisted of:

- Georges Kean, Robert Bellavance and Léo Robichaud, IOC union presidents;
- Terence F. Bowles, President and CEO;
- Mike Shannon, Vice-President, Operations and Engineering;
- Dave Porter, Vice-President, Human Resources; and

- Phil Turner, General Manager, EHS.

A performance assessment based on clearly defined criteria allowed the committee to identify the sectors with the most exceptional safety records and the group with the best overall safety performance.

Ensuring that our work area remains orderly at all times is no easy task, but it is essential. All the effort we put into this is for us—for our safety and our quality of life.

*Bravo to the Sept-Iles Engineering team for its superb performance!*



Front : *Éric Porlier, Drafting Technician; Ghislain Boisvert, Technologist; Monia Marcoux, Assistant; José Riopel, Chief Engineer; Marc Lévesque, Drafting Technician; Marc Brochu, Engineer; Sébastien Lebel, Engineer; Richard Caouette, ESH Advisor.* Back : *Robert Bellavance, President of the Steelworkers, local 9344; Luc Masse, Engineer; Christian Fortin, Technologist; Bruno Yockell, Technologist; José Banville, Engineer; Caroline Marceau, Engineer; Mario Boudreau, Engineer; Louis Gravel, General Manager – Product Delivery; Pierre Dubé, Chief Engineer; Terence F. Bowles, President and CEO; Stéphane Houde, Engineer; Simon Dallaire, Engineering Manager; Bernard Coulombe, Engineer; Mike Shannon, Vice-President Operations and Engineering; Éric Tremblay, Engineer; Martin Thiboutot, Engineer; Jean-François Létourneau, Engineer; Rémy Boucher, Engineer; Denis Deraîche, Co-President JOSH Committees. Absentees : Louis Villeneuve, Technologist; Philippe Guérard, Operateur SM2; Alain Michaud, Engineer.*

# Labrador City Facilities Receive ISO 14001:2004 Registration

**Adding a new contact from a received message**  
Open the message from the person you wish to add to your contacts. Right click the senders e-mail address. Select the command ADD TO CONTACTS. Enter the information and click SAVE AND CLOSE.

## ISO 14001:2004

IOC has made the commitment to minimize the impacts of its operation on the receiving environment. Understanding how we interact with the environment each and every day, and how to control that interaction, is the basis on which our Environmental Management System (EMS) was built. In December 2005, IOC accomplished a major milestone with the registration of its Labrador City facility's EMS to the international ISO 14001:2004 standard.

A company that conforms to ISO 14001 ensures a systematic process to managing the environmental aspects of our operation. This milestone does put us in position to get where we need to be – a recognized industry leader in environmental management. **How we will we get there?** Teamwork and commitment.

External teams, who conducted the recent ISO certification audit and the Rio Tinto ESH Standards audit, recognized the teamwork and the demonstrated level of commitment of employees to the three main pillars of our EMS:



Contractor rolling a belt at the source.

- √ Legal Compliance
- √ Continuous Improvement
- √ Pollution Prevention

## Process for handling waste belts

### Old Method:

The belt crew would remove old conveyer belts and tow them to the dump.

After accumulation warranted, a contractor would be brought on-site to roll the belts **(cost to IOC)** which are then shipped to Asset Disposal in Sept-Îles **(cost to IOC)** for disposal **(environmental impact)**.



### New Method:

The belt crew will notify the contractor that a belt is scheduled for removal. The contractor will roll the belt at the scene **(no cost to IOC)** rather the contractor pays IOC for the used belt **(asset to IOC)** and the belt is recycled **(no environmental impact)**.

## Example of a positive impact

For the past several years there has been a focus to improve our overall waste management through increased recycling efforts. A good example is the process for handling waste conveyer belts. This process has been streamlined to have a positive effect on the environment and the bottom line, as well as demonstrating that we can make a difference when we recognize the impacts of our actions on the environment.

Remember: All of our actions have an impact on the environment – positive or negative.

Striving to be an industry leader is a goal that can certainly be attained; especially with the teamwork that is continually demonstrated. We need only to look at the leadership IOC has shown in dealing with the Kyoto Accord, or recall the international recognition for our work on biodiversity with the 2004 Great Blue Heron Award.

**Let's continue our good job !**

# ISO 14001 - Improvements to Continue

Now that IOC's installations in Labrador City are registered to the ISO 14001 Standard, our registration body (QMI) will be conducting regular surveillance audits to make sure we maintain and improve our Environmental Management System (EMS).

### Labrador City Audit Schedule:

Audit Dates	Areas being audited
April 25 – 26	<ul style="list-style-type: none"> <li>• Central Services and Shops</li> <li>• Mine Operations</li> <li>• Technical Services - Mine</li> <li>• Technical Services - Product Manufacturing</li> </ul>
November 14 – 15	<ul style="list-style-type: none"> <li>• Procurement &amp; Purchasing</li> <li>• Warehousing &amp; Inventory</li> <li>• Environment, Safety &amp; Health</li> </ul>

Over the next several months we will be working with the areas to ensure continued implementation of our EMS.

In Sept-Iles, we are steadily working towards registration to the ISO 14001 Standard. We completed our preliminary audit by the registration body on 7-8 February. The next step for Sept-Iles is the internal audit leading up to the registration audit in April.

### Sept-Iles Audit Schedule:

Audit Dates	Audit
March 6 – 10	Internal Audit
April 17 – 21	Registration Audit (QMI)

With cooperation and support of all involved, we are confident of a successful outcome during the Labrador City and Sept-Iles audits in April.

### Misconceptions of ISO 14001

- It is a management system; therefore, it is management's responsibility
- It is a Rio Tinto initiative thus; it does not affect me or my actions
- It is just some other "green thing" led by the Environment Department
- If I report an environmental incident we will lose our ISO 14001 certification

## Stocking in an efficient way

Warehousing and timely access to equipment and replacement parts is a key factor to the success of IOC. IOC's storepersons are responsible for stocking and dispersing millions of dollars of inventory in an efficient manner. They must ensure that all materials are stored in their proper locations, are easily retrievable, and are delivered to requesters in a timely and efficient manner to avoid unnecessary equipment downtime and ultimately lost production.

Storeman, Elliott Rowe, describes his process for ensuring customer satisfaction, "I bring out the material to the end-user. If someone has a question or concern about a PO order not yet received, I'll personally try to resolve it."



Graeme Bain, Jane Anthony and Elliott Rowe, storepersons at Labrador City Warehouse, are proud of their performance.

## Primary Ore

# The Largest Single Bench Blast in IOC's History

On December 21, 2005 IOC's blasting team, working closely with Orica's Advanced Mining Solutions team, successfully detonated the largest single bench blast in our history.

This was a tremendous achievement for both IOC and Orica, and more particularly the Primary Ore team who made this possible. Albert Careen, Operator Maintainer, stated that even though it was "a lot of work" it was "nice to see when it all came together".

### A World Record

The first production hole was drilled on November 1, 2005 with loading completed on December 18, 2005. The pattern consisted of 1,693 production holes and was loaded with approximately 2,400 tonnes of emulsion. The blast was primed with 3,173 of Orica's i-kon™ electronic detonators, making it

the world record for number of electronic detonators fired in a single blast.

The blast was located in Luce Main and generated 5.0 million tonnes of broken inventory. "I enjoyed getting it ready and felt satisfied that it went off okay and in a safe manner", commented Gary Compton, Operator Maintainer.



An IOC's blasting crew: Gary Compton, Albert Careen, Andy Riggs and Archie Clarke, Operators Maintainers.

## 2005 - A Year of Records

This past year has truly been a remarkable “Year of Records” in Product Manufacturing. We have proven that we can achieve and sustain world class productivity – *safely*.

There were **27 production records** established throughout Product Manufacturing during 2005 including:

### Pellet Plant Records:

- √ A Record Year
- √ 2 Record Halves
- √ 4 Record Quarters
- √ 2 Record Months
- √ 2 Record Weeks
- √ 3 Record Weekends
- √ 2 Daily Records

### Concentrator Records:

- √ A Record Month
- √ A Record Week
- √ A Record Weekend
- √ 2 Daily Records

Producing 13.3 million tonnes of pellets isn't possible without feed from the Mine and Concentrator. The Concentrator set the pace breaking records, in one case, twice in three days with a new daily milestone of 69,790 tonnes. Four previous records fell in one month alone. There were several daily pellet production records, including weekly, monthly, quarterly, semi-annual and annual records broken across differing product ranges all driven by an intense operational focus. This is all the more impressive when we reflect back upon the many new and revitalised ESH safety standards implemented during 2005 and the various audits that were undertaken while the old record book was being seriously rewritten by both plants!

Records are not an end to themselves;

they are merely a reflection of our true capabilities and potential. They define our commitment to continuous improvement and illustrate our collective tenacity to be a successful producer of iron ore. Outperforming the competition in a sustainable manner over time is key to securing our future here at IOC.

### Congratulations

Product Manufacturing did not simply enjoy success driven by a few people but engaged the path to success through the willing participation of all employees. Each team member in their own way contributed to this record year representing Product Manufacturing's contribution to IOC's success story.

## New Loadout Lunchroom

On January 26, the new Pellet Plant loadout lunchroom was officially opened. The facility will provide a lunchroom, shower facilities plus offices and meeting room for the area employees. It also replaces a number of smaller buildings in the area. This long awaited building was designed to meet the needs of the area and is a key component to maximizing efficiency.

*Thanks to all employees who contributed to the successful completion of this project.*

*Terence F. Bowles, ▶  
Mike Shannon ,  
Tayfun Eldem and  
employees were  
present for the event.*



◀ View of the lunchroom



Outside view of the new building.▶

## Product Manufacturing

# Safety Milestones are Achieved in two Departments

### Labrador City Chem Lab Celebrates Four Years Lost Time Injury Free

On January 5, the Labrador City Chem Lab celebrated 4 years without a Loss Time Injury. This is truly a wonderful accomplishment that the team should be very proud of.

According to Leo Griffin, Team Leader, "Over the past 4 years there has been a lot of turnover in the Lab but thanks to the experience, knowledge transfer and co-operation between the senior and new employees, they have kept their performance perfect."

### Pellet Plant Loadout Celebrates 29 Months Lost Time Injury Free

On February 10, the Pellet Plant Loadout celebrated nearly 2-1/2 years Lost Time Injury free. Another significant team accomplishment.

Doug Rice, Loadout Team Leader said "I would like to thank every employee on this achievement, 2-1/2 years without a lost time injury is truly an example of your dedication to safety. Over this 2-1/2 years we have seen some of our employees retire and now new employees are filling these positions, I am asking each of you to be a mentor to these employees and share with them your knowledge and experience so that we may continue reaching Milestones as we continue into 2006 and beyond."



*Faye Brown, Kim Knight and Art Hall, Operator Maintainers; Pat Horan, Chemist; Leo Griffin, Team Leader; George Abrabams, JETA Trainee; Aneas Decker, Operator Maintainer.*

There have been a number of factors that have contributed to both of these successes:

- Full implementation of our minimum Safety Standards
- Embracing the Take 5 – personal risk assessment process
- Delivering on the commitments within the Divisional Safety Improvement Action Plan
- And the dedication of employees with a safety attitude

Tayfun Eldem, General Manager Product Manufacturing thanks every employee for their contribution to achieving these milestones. "Thanks and remember, truly involved people can do anything."



*Larry Thomas and Pierce Beals, Operator Maintainers; Alec Garland, Operator Maintainer Sr; Doug Rice, Team Leader; Scott Hodge and Gordon Letto, Operator Maintainers; Wade Organ, Maintainer Operator Mechanical; Don Alyward, Operator Maintainer; Rick Parsons, Maintainer Operator Electrical; Allan Gale, Maintainer Operator Mechanical; Pat George, Maintainer Operator Mechanical; Tom Turnbull, Operator Maintainer and Derek Sharpe, Operator Maintainer Mechanical.*

# Working Together to Save Money

**Creating a signature**  
From the menu, select TOOLS then OPTIONS. Click on the tab MAIL FORMAT. In the signatures zone, click on the SIGNATURES button and on NEW. Select the desired options then click FINISHED.

A common theme throughout IOC is how to cut cost without impacting safety or production. One such area that has done a remarkable job with this is the Pallet Shop.

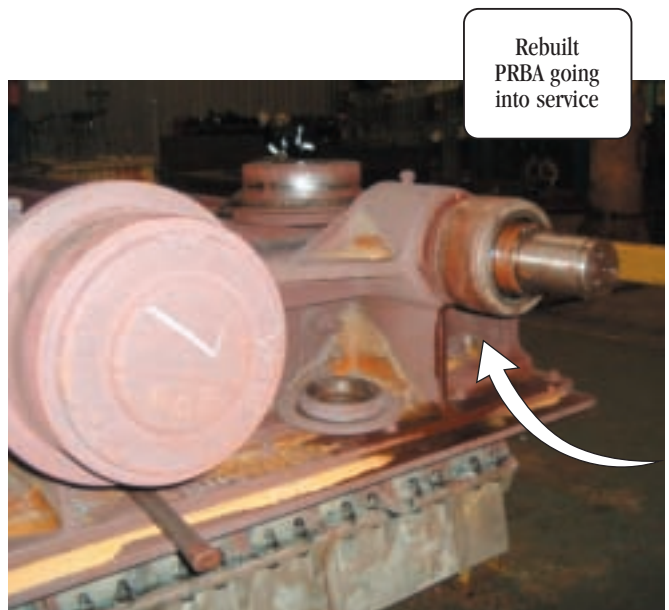
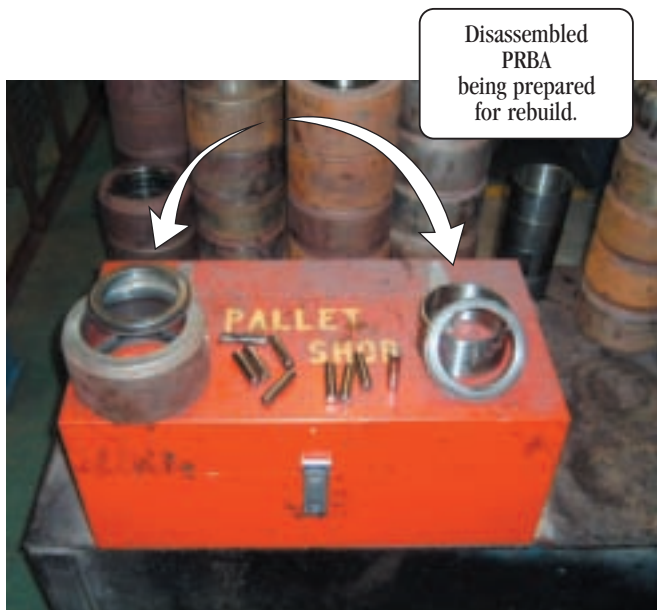
The Pallet Shop is responsible for rebuilding the pallet assemblies for the Pellet Plant. Without these pallets, the induction machines would not turn. During the rebuilding of these assemblies, they require a pressure roller bearing assembly (PRBA). In the past, we have bought new bearings as we were under the impression that the bearings could not be replaced, however, the crew in the Pallet Shop were not satisfied with this answer and did their own investigation to see if this was in fact correct. "They were put together in the first place, they had to come apart", stated Maintainer Operator Mechanical 2, Albert Dodge. After approximately 6 to 8 months of critiquing what was currently being done and how they believed the bearings could be restored, they developed a procedure to repair bearings.

Since the new year to February 7, the Pallet Shop has successfully rebuilt 121 pressure roller bearing assemblies, in turn saving the Company approximately \$50 thousand dollars. This was truly a joint effort amongst the crew and goes to show that team effort does work and can make a difference.



Troy Buckle, Team Leader; Albert Dodge, Maintainer Operator; Kevin Tulk, Operator Maintainer; Reg Walters, Maintainer Operator; Kenneth Evely, Maintainer Operator; Charles Barry, Operator Maintainer.

The Pallet Shop is continuing to improve on the amount of time required to rebuild a pallet from start to finish. In addition to maintaining the day-to-day reserve float of pallets, the Pallet Shop has rebuilt an extra 75-80 pallets, assisting the Pellet Plant rebuild Machines #2 and #5. Team Leader, Troy Buckle added, "This is quite an achievement. Thank you to everyone who contributed to the success of this initiative."



## Product Delivery

# Arrival of 7 New Locomotives

As part of our equipment replacement program, the Product Delivery division received seven new locomotives in February.

These long anticipated locomotives arrived in two stages. The BBC California first arrived at the Sept-Iles unloading dock on February 13, and the initial four locomotives were unloaded the next day. The ship then headed back to Montreal to transfer the other three locomotives from the rear hold to the central hold and returned to Sept-Iles on February 20.



*Locomotives assembled at GE's shops in Erie.*

Technical Advisor Jacques Rioux, who has been working on this project for two years now, was able to travel from Norfolk to Sept-Iles aboard the ship carrying the locomotives. "The work doesn't end with the arrival of the engines. We now have to overhaul and commission the locomotives based on the procedures established in conjunction with General Electric (GE), designer and manufacturer of the AC 4440s."



*Cabin assembly line at GE's shops in Erie.*

The commissioning of the locomotives, numbered 415 to 421, involves four steps amounting to approximately two weeks work. Here are some of the tasks to be carried out during each of them:

### Minimum requirements to bring the trailing unit into operation

- Install the proximity sensing equipment, the black box and the QNS&L frequency program
- Carry out the commissioning tests

### Servicing of leading unit for standard train

- Install the automated train loading system, all equipment required for leading operations and the radiator guards
- Verify the power of radio communications on all frequencies

### Remote-controlled trains - leading unit and remote-controlled unit

- Test the seven leading/remote-controlled units
- Carry out the Dash 8 & 9 compatibility tests
- Carry out the locomotive operational tests with the Sept-Iles control tower (dumper #3)

### Tests on the automated loading system

- Commission the Carol Lake automated loading system
- Carry out a safety confirmation during the loading stage

Since March 6, the seven locomotives have been fully operational, with the exception of the automated loading system, which is expected to be brought into service toward the end of March.

Project engineer Luc Masse reminds us that this is a long-term project: "The process began in November 2003 with a market study, followed by a pre-feasibility study as well as two feasibility studies—one focussing on the project as a whole and another to select the type of locomotive (AC vs. DC). Benchmarking was then done to verify the reliability of the AC locomotives before soliciting bids from two suppliers, GM and GE. Another very important part of this process was the involvement of some unionized employees as well as team managers, who had to make several trips to the Erie GE plant, in the United States, to monitor the design and assembly of the locomotives."

# Product Delivery



*Four locomotives in the central hold of the BBC California.*

“These locomotives represent an essential step for the division and will allow us to enhance the reliability of our fleet and reduce our train turnaround time. Also, since this project required effective communication and a high degree of collaboration among various departments, including Engineering, Locomotive Shop, Maintenance and Transportation, good working relations have been created.” **“Bravo and thanks to the entire team!!!”** adds Louis Gravel, General Manager - Product Delivery.



*Unloading locos at the #1 wharf in Sept-Îles.*



*#415 locomotives of our new fleet.*



*Control panel inside the cabin.*

## IOC Donates Land for Labrador West Seniors' Housing Project

On January 31 2006, Terence F. Bowles announced that IOC had made a significant property legacy donation to Labrador City. A land has been transferred to the municipality for the purpose of the eventual construction of a seniors' housing complex. This donation will allow the Town of Labrador City

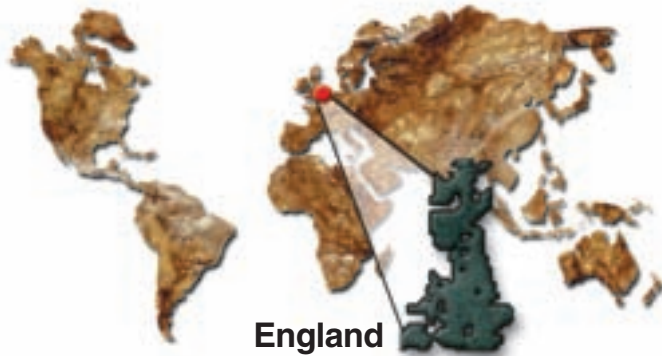
to offer attractive and quality options to developers. IOC has acted in response to a study commissioned by the Labrador West Senior Building Committee. This committee's report identifies a demographic shift necessitating increased housing for the community's aging population.

# Customer profile



**CORUS**

IOC ore can be found anywhere on the planet. The Mine-to-Port team outlines the profile of important clients, all of whom expect the best products, at a competitive price and at the right time.



## FUNDAMENTALS

Corus is an international manufacturer, processor and distributor of metal products as well as a design, technology and consultancy services provider. With customers that span the world over, Corus produces approximately 20 million tonnes of crude steel annually - roughly 10% of total EU production.

### Corus :

- Formed in 1999 through the merger of British Steel and Koninklijke Hoogovens.
- Oversees operations from its headquarters in London, England.
- Employs over 48,000 people worldwide.
- Possesses major operations located in the UK, The Netherlands, Germany, Belgium, France and Norway.
- Holds the ranks of 8<sup>th</sup> largest steel producer in the world and 2<sup>nd</sup> largest in Europe.

### Target Industries:

- Aerospace
- Construction
- Energy & Power Generation
- Packaging
- Shipbuilding
- Automotive
- Consumer Products
- Engineering
- Rail
- Yellow Goods

## PRODUCTS & SERVICES

Corus is committed to working side by side with its broad range of customers to accomplish innovative and efficient ways of working while providing top-notch products and services.

- Aluminum Products
- Business Services
- Bar & Billet
- Construction

- Electrical Steels
- Packaging Steels
- Pre-Finished Steels
- Semi-Finished Steel
- Strip Products
- Products & Services
- Plates
- Rails Products & Services
- Special Profiles
- Wire Rod

## INNOVATION AND RESEARCH & DEVELOPMENT

Corus is well-known for its great strides in technological innovation as well as its focus on research and development. For example, Corus has developed a new off-site construction system to reduce overall project costs and improve site safety, tall wind turbine towers, Polymer Injection Forming and Hybrel – a world first particle/metal hybrid. Corus employs over 900 researchers and works in tandem with universities and research institutes all over the world.

## ENVIRONMENT, SAFETY & HEALTH

Like IOC, Corus deems the health & safety of its employees essential and represents that core value through 8 principles. Corus is also committed to protecting the environment and approaches its work with a focus on sustainability and continuous improvement. Corus' targets reflect this commitment. Here are just a few of those targets:

- Achieve at least 99% compliance with formal regulatory emission limits for both emissions to air and releases to water
- Achieve 100% certification to ISO 14001 for all Corus European manufacturing sites (excluding interim mergers and acquisitions and sites with fewer than 50 employees) by the middle of 2006.

**Creating a reoccurring appointment**  
Go in the CALENDAR section and then from the menu tool bar select ACTION and NEW REOCCURRING APPOINTMENT. Define the period of time and click OK and SAVE and CLOSE.

# SM2 – A High-Energy Power Plant!

Teamwork, motivation and a commitment to continuous improvement have allowed the SM2 power plant team, made up of Operators Stéphane Jomphe and Philippe Guérard, and Civil Engineer Caroline Marceau, to considerably enhance productivity.

Increase in production in 2004 and 2005 compared with 2003

Year	Production	Increase (%)
2003	122 GWh	—
2004	155 GWh	27%
2005	162 GWh	33%

\* The plant was operated at a constant upstream level over the past three years.

## Maintaining optimal production

The team first examined and analyzed the tasks and equipment specifications under their responsibility determining that the alternator groups were underutilized, during the summer season, as a result of an inaccurate interpretation of the transformer limitations and insufficiently reliable vents. Resolving these problems made it possible to increase production while remaining within acceptable operational limits.

## Rigorous planning to optimize production stoppages

Previously, maintenance and major repairs interrupted production for approximately 14 days annually. In 2004 and 2005, the same amount of work was completed in only 5 days



East view of SM-2 Power Plant.



Caroline Marceau, Civil Engineer, stands between Philippe Guérard and Stéphane Jomphe, Central Operators.

per year. Over a period of two years, the power plant team has thus reclaimed 18 days of production, representing an increase in revenue of approximately \$400,000. The terminal and engineering teams also took advantage of these interruptions to do necessary work on the transmission lines between SM2 and the port facilities. This work was inspected, prioritized, coordinated and monitored by Michel Deraps and Frédéric Monger, Maintainer Operators, and Pierre Dubé, Chief Engineer, Power Distribution.

## Execution of routine work

The power plant must be inspected twice a year to ensure compliance with dam safety regulations. Following each inspection, Stéphane, Philippe and Caroline meet to plan and prioritize the necessary maintenance and improvements. “When it is a matter of safety or a risk to productivity in the short term, the issue is given priority,” explains Philippe. “By ensuring that the work is rigorously followed up based on the established priorities, we considerably reduce the risk of unplanned production stoppages,” adds Stéphane.

The annual energy consumption of IOC amounts to approximately 100 gigawatt hours; any excess energy produced is sold to Hydro-Québec, allowing IOC to realize some profits and to continue investing in the power plant to maintain the equipment in good working order.

These achievements are further evidence that teamwork can be key to meeting seemingly unattainable objectives.

## Human Resources

# Launching of IOC's New Mission and Values



### 1108 employees had a candid dialogue with Terence F. Bowles

Terence began his presentation by congratulating all the employees for the successful year they had in 2005.

Improvements in safety, increases in production, a reduction in costs per tonne, and new production records were all mentioned. He also urged the attendees to continue bringing forward their good ideas and listed several examples of recent changes brought about with successful results.

Employees will also be glad to know that all questions, comments and ideas mentioned during the session that required more information have been addressed the presentation.

Another good reason for Terence to meet all employees was the launching of IOC's Mission and Values. We should all remember that IOC's mission and values are the product of 47 work groups from across the Company.

*Our mission is to secure our future together as a successful supplier of iron ore products to the global steel industry.*

#### Our values:

- Show respect & consideration for all
- Pursue excellence in Health & Safety
- Focus on performance
- Build effective teamwork & leadership
- Be an employer of choice
- Be socially & environmentally responsible

The session ended with presenting all employees with a denim shirt featuring the logo "Securing Our Future" along with a notepad. These shirts have become a popular item for employees to wear at work.

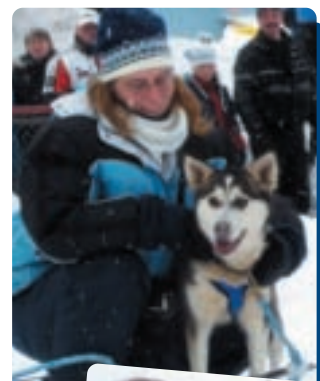


Roy Roberts, JOSH Co-Chair and Ron Doucet, Superintendent Maintenance System & Power Distribution have incorporated the "Securing Our Future" shirts into their work wardrobe.

## 3000 People attended Family Day



Labrador City Family Day took place on Sunday December 11, 2005. Straying away from the norm we held a wonderful winter day where families could partake in the many winter activities we had lined up such as snowshoeing, dog sled rides and snowmobile rides, just to name a few. The event saw approximately 3000 people throughout the day and everyone was treated to a light lunch and all children went away with a new slide. Overall the day was a huge success. We would like to thank the organizing committee as well as the many volunteers that came out throughout the day. Both Management and the Union were very pleased with the collaborative efforts to provide a fun day for employees and their families.



Dog sled rides were very popular.



A day for the young and old!

# First Community Fair in Labrador City

### Printing an attachment

Select the message in the Inbox. From the menu select FILE then PRINT. Check the box PRINT ATTACHED FILES and click PRINT. Then a box will pop up and click OPEN.

IOC in conjunction with the United Steelworkers of America Locals 5795 and 6731 as well as the Town of Labrador City, held the first Resourcing for the *Future Recruitment Fair* on January 26.

Over seven hundred people attended the fair for one of two reasons:

- to learn about IOC's operations and/or our different hiring criteria;
- to discuss their own skills and abilities with IOC representatives.

Throughout the day, those who attended had the opportunity to meet with employees from all areas of operations from the Mine to the Railway, the local Unions and their retirees (SOAR) and the Town of Labrador City. They were given the opportunity to talk to employees, learn what skills and abilities make up an



Tina (Simon) Lewis, Operator Maintainer; Daniel Haire, Planner; Wade Winsor, Maintainer Operator Mechanical and Bernie Parsons, Planner.



More than 700 people attended the Community Fair.

IOC employee profile, how to apply online and about the amenities that our Community has to offer.

### Resourcing for the Future

Terence F. Bowles, President and CEO said, "We've named this fair *Resourcing for the Future* for a reason, because that's exactly what we all need to do: join together to make our communities strong and sustainable for the generations that will follow."

The fair proved to be very successful for all parties involved.

## Jacqui Winter – Appointed to WRDC Board of Directors

Congratulations to Jacqui Winter on her recent appointment to the Women in Resource Development Committee (WRDC) Board of Directors as an Industry Representative. This committee, "... was established to foster an environment in Newfoundland and Labrador that will see the numbers of women in trades and technology grow. WRDC works with women, post-secondary institutions, unions, Government, industry and community groups to make

this happen" (Women in Resource Development Committee booklet).

Considering Jacqui's experience working with and for women in various community support organizations, along with her responsibilities to recruit for IOC's Graduate Development, Co-op and Mining Technician Programs, her appointment to this committee is a natural fit.

For more information about WRDC and

its programs, visit their website: [www.wrdc.nf.ca](http://www.wrdc.nf.ca).



Jacqui Winter, Human Resources Administrative.

# Continuous Improvement

# Kaizen – Simple, Fast and Efficient

### Using the out of office manager

From the menu, select TOOLS and OUT OF OFFICE ASSISTANT. Check the box I AM OUT OF THE OFFICE. In the text area please write the response that anyone that sends you an e-mail will automatically receive and click OK.

**Kaizen**, a Japanese word, is an approach for identifying and evaluating all of the steps of a specific work process, in order to make it more gradually efficient.

In January and February 2006, for the first time ever at IOC, the Continuous Improvement team in collaboration with the Sept-Iles Station organized and developed a Kaizen workshop. The work process that was examined was the preparation of the way-freight train for Schefferville.

## Steps

NUMBER OF HOURS	ACTIVITY
2	<ul style="list-style-type: none"> <li>Project information and training</li> </ul>
8	<ul style="list-style-type: none"> <li>Identification of all freight train related tasks, from preparation to departure</li> </ul>
8	<ul style="list-style-type: none"> <li>Identification of activities without added value</li> <li>Identification of fundamental causes of activities without added value</li> <li>Preparation of solutions to eliminate or reduce time wasted on activities without added value</li> </ul>
8	<ul style="list-style-type: none"> <li>Analysis of tested and untested solutions</li> <li>Planning of next steps in implementation</li> <li>Taking stock of the initiative</li> </ul>

Between the third and fourth meetings, employees at the Sept-Iles station tested the proposed solutions and ideas in order to determine the impact on their work.

## Tangible Results

Thanks to this workshop, the team has submitted over 30 ideas to improve efficiency. Eight of them have already been adopted, 10 will be deployed over the coming weeks, and about 10 have been rejected for a variety of reasons as of safety, negative impact on upstream processes or unfeasibility.

All of the ideas are aimed at enabling the manager and his team to achieve immediate improvements. The eight ideas that have



**First Kaizen team at IOC** - Robin Dupuis, Operator Maintainer; Bob Bertrand, Senior Operator Maintainer; Martin Gagné, Operator Maintainer; Éric Thibeault, Team Leader; Judith Leclerc and Nancy Gagnon, Continuous Improvement Advisers.

already been deployed allow employees at the Sept-Iles station to reduce freight train preparation time by five hours and save close to two hours on departure day — hours that they can now devote to other duties.

These results are based on an average way-freight train and on usual work conditions

*“This workshop has opened our eyes to the scope of the work performed by each employee. A second positive aspect consists in heightened awareness that employees can improve their work methods by implementing a series of relatively minor changes.”* Martin Gagné

*“Small changes to our everyday routines allow us to optimize our efforts and those of our co-workers.”* Bob Bertrand

## More to Come

Over the coming weeks, Robin, Bob, Martin and Éric will focus on implementing the ten remaining ideas. Ideas requiring less effort but with a major impact will be implemented first. The guiding rule is to **improve the process efficiency**. Continuous improvement will always be important!

## United Way

\$52,108 went to Centraide Duplessis following the 2005 Centraide Campaign held between November 30 and December 9 at the Sept-Iles Installations. Employees increased their contributions by over \$9,000, a 53% increase compared to 2004. This gives us a total of \$26,054. And for the first time ever, IOC doubled the amount raised by employees which allowed us to reach this record donation.

Thank you to all those who contributed!



— The 2005 Campaign's supplicants

## Fondation du CHRSI

On Friday, February 3, IOC committed to a donation of \$200,000 for the Fondation du Centre hospitalier régional de Sept-Iles' planned palliative care residence.



Gbislain Lévesque, Mayor of Sept-Iles; Terence F. Bowles, President and CEO of IOC; Chantal Pitt, President of the Fondation du Centre hospitalier régional de Sept-Iles; Serge Lévesque, President of the new corporation Maison de soins palliatifs et de convalescence de Duplessis and Gilles Cossette, President of l'Opération Arc-en-ciel.

## Summer Employee at the Olympics!



Mark Nichols, son of retired IOC employee Gerry Nichols, just won a gold medal in Turin on February 24, 2006 along with teammates Brad Gushue, Mike Adam, Jamie Korab and Russ Howard – the Canadian Olympic Curling Team.



Aged 26, Mark has been curling for over 20 years. Their team has been focused on making it to the Olympics for the past six years. The path to achieving Olympic Gold included winning the Canadian and World Junior Curling Championships in 2001. This success continued with appearances at the 2003, 2004 and 2005 Briers. The most important step was winning the Canadian Olympic Trials in Halifax, December 2005.

As well, in November 2005, Mark skipped the NL Team to the Canadian Mixed Championship with his sister Shelley.

Mark currently lives in St. John's, Newfoundland and Labrador, but was born and raised in Labrador City and worked at IOC as a student in the summers of 2001 and 2003.

Mark says, "I am proud to say I am from Labrador West and am thankful for the support I have received from the communities over the years."

## Census 2006

We would like to remind you that the next Census of Canada will take place on May 16, 2006. Every five years, Statistics Canada conducts a census which provides a portrait of our country and its people.

For more info, visit [www.statcan.ca](http://www.statcan.ca)

Canada

# Welcome to Our New Colleagues

**Keith Alexander**  
Maintainer Operator  
Electrical 1  
Tailings

**Patrick Aylward**  
Maintainer Operator  
Mechanical 2  
Product Delivery

**Arnold Bao**  
Manager  
Sales & Marketing

**Kimberly Barker Higgins**  
Buyer jr  
Purchasing

**Rémy Boucher**  
Engineer jr Mechanical  
Engineering

**Mathieu Boudreau**  
Operator Maintainer  
Dumping & Loading

**Martin Bourque**  
Team Leader  
Train Circuit

**François Brassard**  
Operator Maintainer  
Dumping & Loading

**Timothy Butler**  
General Manager  
Organizational Effectiveness

**Lloyd Butt**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Terry Caines**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Kenneth Connors**  
Maintainer Operator  
Electrical 1  
MM Garage

**Joseph Critch**  
Maintainer Operator  
Mechanical 2  
Ore Car Shop

**Steeve D'Astous**  
Operator Maintainer  
Dumping & Loading

**William Dawe**  
Maintainer Operator  
Mechanical 2  
MM Field

**Wayne Decker**  
Team Leader  
Building Maintenance

**Leslie Dove**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Erin Flynn**  
Technologist  
Process Engineering

**Randy Freake**  
Maintainer Operator  
Mechanical 2  
MM Field

**Andrea Fry**  
Operator Maintainer  
Concentrator Operations

**Jeffery Gibbons**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Collin Hartson**  
Operator Maintainer  
Concentrator Operations

**Kenneth Hollett**  
Maintainer Operator  
Mechanical 2  
MM Field

**Darrell Hynes**  
Engineman  
Station & Yard

**Bernard Jomphe**  
Senior Operator Maintainer  
Maintenance of Way

**Christopher Lacey**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Christopher Langdon**  
Operator Maintainer  
Primary Ore

**Steven Leblanc**  
Docking Pilot  
Marine Services

**Deanna Leclerc**  
Administrator Jr  
Engineering

**Darcy Lowe**  
Operator Maintainer  
Concentrator Operations

**Blair Luther**  
Maintainer Operator  
Mechanical 2  
Feed Preparation

**Gerald Mackey**  
Operator Maintainer  
Primary Ore

**Suzanne Marciel**  
Executive Assistant  
Legal Services

**Brian Mercer**  
Technical Advisor  
Engineering

**Éric Monette**  
Manager Senior  
IT Services

**Joseph Mullen**  
Mechanical Engineer Sr  
Engineering

**Yvette Mullen**  
Engineer in Training  
Engineering

**Anthony Murray**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Toby Myles**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Cyril Osmond**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Terry Pardy**  
Engineman  
Station & Yard

**Jason Pelley**  
Maintainer Operator  
Mechanical 2  
Material Handling -  
Maintenance

**Robert Penney**  
Operator Maintainer  
Primary Ore

**Michelle Porter**  
Administrator Jr  
Human Resources

**Thomas Porter**  
Operator Maintainer  
Pellet Plant Operations

**Bramwell Powell**  
Maintainer Operator  
Mechanical 2  
Vehicle Shop

**Rodney Quinton**  
Operator Maintainer  
Primary Ore

**Randy Reardon**  
Maintainer Operator  
Mechanical 2  
Indurating

**Brian Reid**  
Maintainer Operator  
Mechanical 2  
MM Garage

**Sheldon Rideout**  
Team Leader  
Filtering & Balling

**Natalie Rouleau**  
Administrator Jr  
Communications

**Dana Saunders**  
Maintainer Operator  
Mechanical 2  
MM Field

**Scott Sheppard**  
Operator Maintainer  
Warehouse

**Corey Upwards**  
Maintainer Operator  
Mechanical 2  
Material Handling

**Larry Vigenault**  
Team Leader  
Dumping & Loading

**William Walsh**  
Operator Maintainer  
Primary Ore

**Dionne Wareham**  
Planner  
Primary Ore Maintenance

**Harley (Glen) White**  
Maintainer Operator  
Mechanical 2  
Product Delivery

**Jeffrey Young**  
Analyst Business  
Financial Services

## In Memoriam

*We extend our deepest sympathy to the families of*

**Willi Paul Muenzel** passed away Sept. 18, 2005,

**Théodore Fortier** passed away Nov. 24, 2005,

**Origène Tremblay** passed away Nov. 25, 2005,

**Hedwig Major-Marothy** passed away Dec. 6, 2005,

**Joseph Dignard** passed away Dec. 22, 2005,

**Gérard Hancock** passed away Dec. 24, 2005,

**Frederick Malakoff** passed away Dec. 27, 2005,

**Gregor Anderson** passed away Dec. 29, 2005,

**Armand Lévesque** passed away Dec. 29, 2005,

**Valère Gauthier** passed away Jan. 11, 2006,

**David Brown** passed away Jan. 13, 2006,

**Alain Parent** passed away Jan. 19, 2006,

**Martin Butler** passed away Jan. 28, 2006,

**Lucien Lamarche** passed away Feb. 2, 2006,

**Gilles Brassard** passed away Feb. 5, 2006,

**Joseph Briand** passed away Feb. 5, 2006,

**Claude Nobert** passed away Feb. 5, 2006,

**Louis Rioux** passed away Feb. 22, 2006

## IT Team Knows How to Save Money!

In 2001, IOC was paying over \$1M / year in lease, service and contractual costs for its Xerox fleet which was composed of 131 machines across the Company. In 2005, this amount had been reduced to \$466,500.

In 2001, Karen Benson, IT Manager, asked Cindy Fournier, IT Analyst, to take the Xerox multifunction folder and manage the fleet for IOC (Sept-Iles, Labrador City and Montreal). For the next 4 years, Cindy has taken strategic actions coordinating this program and IOC has brought its annual fleet costs down from over \$1,000,000 to \$466,500 in 2005.

When she started this project, Cindy remembers that almost every employee had a printer or a Xerox machine on his/her desk. A norm was put in place so that the multifunction machines would become a central printing area in each building and all other printers were taken out (except a few exceptional cases that needed printers in their office for confidentiality reasons), saving costs on cartridges, paper, leases and service contracts. In 2005-2006, leases on the Xerox machines have come to term and IOC will only be renewing a fleet of 66 multifunction machines.



*Michel Valcourt, System Administrator, and Cindy Fournier, IT Analyst.*

### More Savings to Come...

Cindy Fournier and Michel Valcourt are currently finalizing a new fleet that will be installed in the upcoming weeks and will allow another \$300,000 of savings!



## Noticeable Demolition...

From November 14, 2005, to January 30, 2006, all of the Sept-Iles employees were able to see the gradual demolition of the “mix bin” and conveyors 3A and 3B located between docks #1 and #2. The mix bin, through which the ore from Schefferville was transferred for loading at dock #1, had been out of use for over 20 years. Its demolition was part of an action plan aimed at refurbishing the Sept-Iles site.



# Guess 2005 Production and Win !

Congratulations to the winners of the Production Contest which was held in December 2005.

1. <b>Primary Ore</b>	Rick Sooley	winning estimate of	51 920 977 mT
2. <b>Concentrator</b>	Darren Dawe	winning estimate of	16 199 992 mT
3. <b>Pellet Plant</b>	Trevor Hynes	winning estimate of	13 327 000 mT
4. <b>Haulage</b>	Trevor Hynes	winning estimate of	15 412 000 mT

Thanks to all those who participated.



Damian Power, Planner; Darren Dawe, Operator Maintainer; Roasind Hedd, Process Technologist; Trevor Hynes, Team Leader; Matt Simpson, General Manager – Operations Planning and Continuous Improvement. Absentee : Rick Souley, Maintainer Operator.

**GUESS 2005 PRODUCTION AND WIN!!!**

Provide your estimate for ending 2005 production for each of the following areas:

- Primary Ore Total Movement (Ore from Pits + Waste)
- Concentrator Production
- Pellet Plant Production
- Product Storage (Piters + CS + Chaps)

**The contest:**  
All employees (except those listed below) are invited to submit their guess for the ending production (in mT) for each area by the end of the week listed above. There will be a prize (\$1 for each area).

**The rules:**

- Only one entry per employee... the first entry will be accepted and subsequent entries will be discarded, one entry = 1 guess = 1 for each area in 1000 of tonnes.
- Only entries submitted by email... the internet will be accepted... no telephone calls or in person submissions.
- Submissions must be given in metric tonnes (mT).
- Employees who work solely in the following departments are eligible for this contest:
  - Primary Ore Technical Services
  - Operations Planning
  - Finance
  - IS/DS
  - Business Evaluation
  - Support Services and IT
- Employees who work solely in the following departments are eligible for this contest:
  - Primary Ore
  - Concentrator
  - Pellet Plant
  - Product Storage
  - Primary Ore Maintenance
  - Concentrator Maintenance
  - Pellet Plant Maintenance
  - Product Storage Maintenance
  - Primary Ore Maintenance
  - Concentrator Maintenance
  - Pellet Plant Maintenance
  - Product Storage Maintenance

**How to enter:**

- Send your guess via email / fax or interoffice mail to one of the following addresses:
  - Roasind Hedd (rhedd@ironore.ca)
  - Damian Power (dpower@ironore.ca)
  - Trevor Hynes (thynes@ironore.ca)
  - Roasind Hedd / Damian Power (RH/DP)
- Include in your response should be:
  - Your name
  - Your work location (department and area)
  - Contact telephone number
  - Name of area you are providing each estimate for = your guess in metric tonnes

**ENTRIES WILL BE ACCEPTED UNTIL 4 PM ON DEC 15<sup>th</sup>, 2005**

Too many of our fellow workers have been hurt this year, but we still may reach our target and make 2005 the lowest number of lost time injuries on record.

Committed to safe production:  
-If it can't be done safely, it won't be done at IOC-

**IOC**

**Request a delivery and read receipt**  
When creating a message, click on the **OPTIONS** button on the standard tool bar. Select **REQUEST A DELIVERY RECEIPT** for this message and **REQUEST A READ RECEIPT** for this message. Then click on **CLOSE** and **SEND**.

## More Winners !

As part of the winter 2006 season at the Salle de spectacle de Sept-Iles, IOC is presenting two shows, Les Ballets Jazz de Montréal and storyteller Fred Pellerin. The Company had purchased 10 pairs of tickets for these two shows to organize a draw for employees who participated in the United Way Campaign, whether by making a one-time donation or by setting up a bank withdrawal or deduction at source.

### The winners are:

**Les Ballets Jazz de Montréal**  
Performance date: February 3, 2006

Marc-André Lamontagne, Marc Lévesque, Denis Loiselle, Jacques Otis, Gaétan Côté, Adam Pagé, Luc Bouffard, Rodrigue Fortin, Denis Foster, Jean Guérault

**Fred Pellerin**  
Performance date: April 24, 2006

Bruno Leblanc, André Arthur, Gilles Lévesque, Ken Lindstrom, Francis Ouellet, Alain Vaillancourt, Robin Dupuis, Christian Gauthier, Éric Tremblay, Line Chambers

Your Mine-to-Port is now issued on recyclable glossy paper containing at least 10% of post-consumer fibre and colour photos at no additional cost. We hope it will be to your liking.

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