

Let The Good Times Roll

Ontario Operations president bullish on future prospects for Vale Inco

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Good times for Greater Sudbury, for its business community and for its residents, are going to keep on rolling, said Fred Stanford, president of Vale Inco Ontario Operations last Thursday.

He addressed a packed crowd at the Chamber of Commerce President's Series Luncheon at the Holiday Inn.

"The world simply can't get enough nickel... we are the second largest nickel producer in the world, and well on our way to becoming number one," said Stanford.

Currently the company has the best contained nickel reserve in the world at 11.6 million tonnes, almost double that of its nearest competitor, Norilsk Nickel, which has 6 million tonnes.

Despite a faltering U.S. economy, Stanford was bullish on the prospects for his company.

"Global nickel demand growth is currently forecast at five percent per year, driven primarily by the unprecedented impact of China, which is now the world's largest stainless steel producer. That is wonderful for our industry," said Stanford.

"India is following behind too so it sure looks good."

Vale Inco increased exploration in the Sudbury Basin to \$50 million in 2007, up 50 percent from 2006.

The company plans on ramping up production to 298 million pounds from 250 million pounds pro-

duced last year) by spending up to \$600 million in capital expenditures.

These numbers mean a lot to the mining service sector, said Dick DeStefano, executive director of Sudbury Area Mining Supply Services Association.

"I just did a survey two weeks ago. The growth in our mining cluster, which employs up to 17,000 people, is up 20 percent in one year in terms of sales and employees," said DeStefano.

That growth will continue if Vale Inco continues to source from the local mining cluster first and from Brazil last, he said.

DeStefano also sensed that Vale Inco was putting additional effort into community relations.

"I think Vale Inco is emphasizing its corporate responsibility so people do not get angry with the newly named company. That is a positive sign."

The good times in mining are spilling over into the community, said Stanford.

"Just check out our real estate market, second hottest behind Fort McMurray Alberta."

In addition, he noted the remarkable environmental improvements locally, from the recent \$4.5 million greening of Gatchell's slag heaps to the billion dollar investment in pollution reduction since 1986.

"We had a fellow who had not been here in 20 years. He was flabbergasted at the positive improvements in the landscape."

(Stanford's speech is available in full on the web site www.republicofnickel.com.)



Fred Stanford, president of Vale Inco Ontario Operations, spoke to a packed crowd at the Chamber of Commerce President's Series at a luncheon held last week.

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Corporate Performance

Highlights of Vale Inco's corporate performance from a recent speech by Fred Stanford, president of Vale Inco Ontario Operations.

- Nickel prices went as high as \$24.50 per pound in May 2007 and currently rests in the range of \$12-\$13 per pound.

- About \$50 million has been spent in exploration in 2007 — almost 50 percent more than 2006.

- About \$400 million has been spent to open Totten Mine, the first new Vale Inco mine to be opened in 35 years. The move will create 150 jobs by 2011. The mine is expected to have a life span of 20 years.

- About \$45 million has been spent on "feasibility work and

- early execution" at the Copper Cliff Deep Project. This project could be in production in 2013 and include a workforce of 450 people.

- Exploration drilling at Creighton Deep Project confirms significant high-grade mineralization between 7,000 and 10,500 foot depths, with the potential to increase proven and probable reserves from 17 million tonnes to 32 million tonnes. This project could have a lifespan of 29 years.

- The company has made a \$132 million

- investment to develop the 170 orebody at Coleman Mine near Levack. Startup is expected to occur by 2012, creating 76 full time jobs.

- The company is expecting to hire 500 people in 2008, the highest number of new recruits in decades.

Corporate Responsibility

Highlights of Vale Inco's corporate responsibility from a recent speech by Fred Stanford, president of Vale Inco Ontario Operations.

- Donation of \$375,000 to the Sudbury Food Bank Feb. 2008.

- Donation of \$2 million for new Innovation and Commercialization Park being developed by Northern Centre of Advanced Technology (NORCAT).

- Donation of \$5 million towards the establishment of the Centre for Excellence in Mining Innovation (CEMI).

- A partnership with employees in Local 6500 and Local 2020 raising over \$1 to United Way in 2007.

- Donation of \$4.5 million to Vale Inco Living with Lakes Centre at Laurentian University

- Almost \$1 billion to reduce sulphur dioxide emissions since 1986. Further 63 percent reduction planned for 2015.

- Roughly \$5- to \$10 million is spent per year on re-vegetation programs, including the planting of 75,000 seedlings.

- An investment of \$4.5 million in slag re-greening on Big Nickel Road near Gatchell last summer.

- A partnership with Cambrian College on Skytech apprentice program, which includes 100 student placements per year.

