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Argentia Recoils

Press Release - January 19, 2006

The Argentia Management Authority Inc. (AMA) expressed severe disappointment that Voisey's Bay Nickel Company Limited (VBNC), a wholly owned subsidiary of Inco Limited, found it necessary to announce that they would be unable to construct their Processing Plant in Argentia for reasons expressed in the VBNC news release dated January 17, 2006. VBNC originally announced on November 29, 1996 that Argentia was the preferred site for their nickel processing operation of the ore mined at Voisey's Bay Labrador. This commitment was re-affirmed in the agreement signed between VBNC and the Province of Newfoundland and Labrador in September 2002. Argentia contained all the amenities the company sought at the time including being on an unencumbered, ice free, tidewater location.

Harvey Mercer, Chairperson of AMA said, "this is a significant shock and surprise to Argentia and we as an organization feel betrayed by VBNC in that they have obviously worked on the information that led to the announcement for a considerable period of time without sharing it with the AMA especially considering Scott Hand's positive comments at the opening of the Demonstration Plant just 3 months ago that the event heralded nothing but positive information for Argentia's future. It is very unfortunate that the AMA and local area residents received news on the VBNC move from a "leaked source" in the Evening Telegram." The AMA held Argentia lands in abeyance awaiting VBNC construction and has endured numerous restrictions on the type of land development because certain activities would supposedly conflict with VBNC processing plant operations.

Mercer continued that, "having just received a briefing on the VBNC position we cannot at this time comment on the rationale used by the company for their Processing Plant move, pending further investigation. We are pleased that VBNC is supportive of the area's ongoing economic development and that the Managing Director of VBNC believes the Argentia site could be home to other commercial operations. We will continue to investigate other alternate operations with VBNC that could locate in the Placentia/ Argentia area. We are also pleased that Long Harbour is the alternate site and that Placentia will have the opportunity to avail of jobs and other economic spin off opportunities."

The announcement is certainly an economic blow to the Placentia area, and will have a significant negative impact on business and personal investment decisions for quite some time. However, the AMA will continue work to diversify Placentia's economy through re-development of Argentia and adding to the several successes already in evidence. In addition the AMA will continue to maintain a true partnership with VBNC and work closely with the company to maximize benefits for the Placentia/Argentia area.

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