



NICKEL PROJECTS IN NEW CALEDONIA



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New-Caledonia**

SITUATION





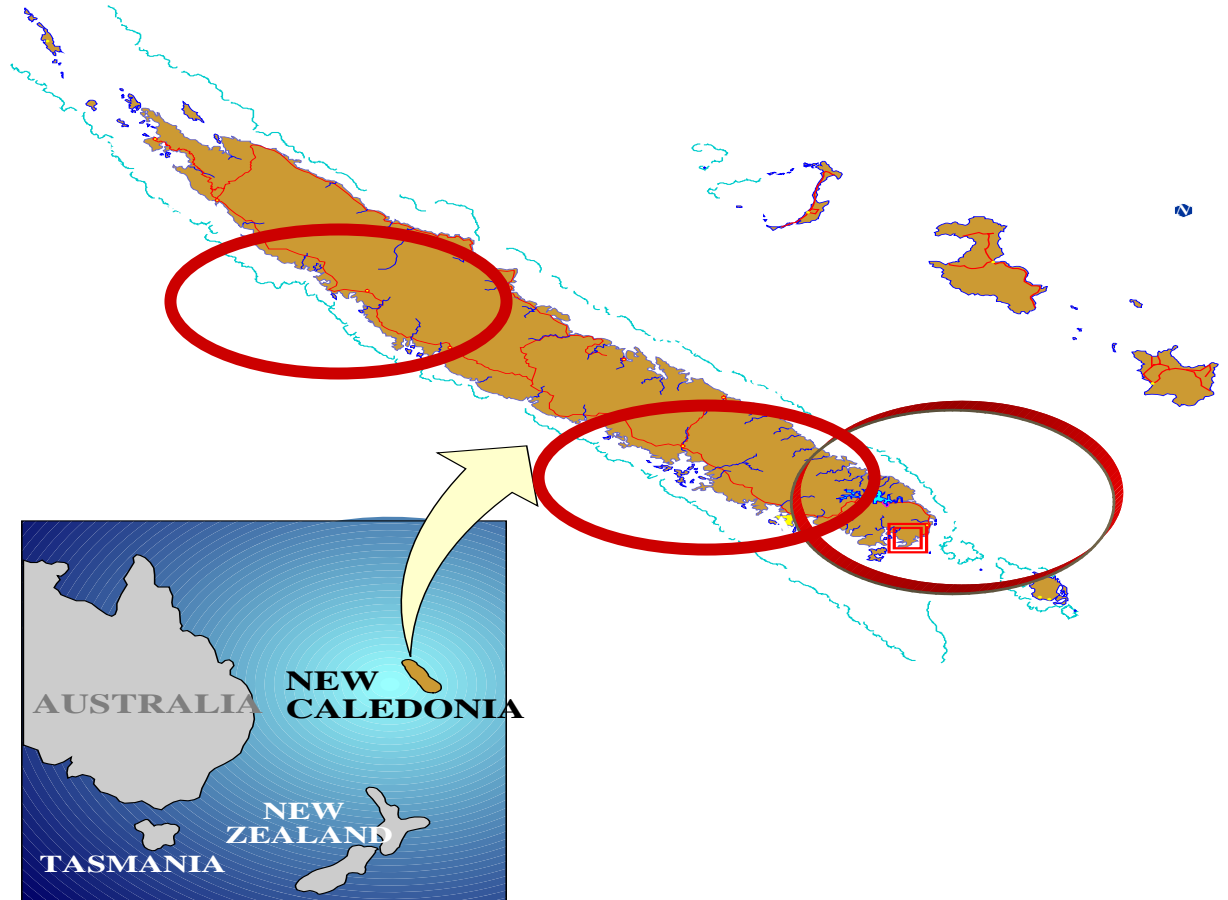


Nickel in New Caledonia : Major Players

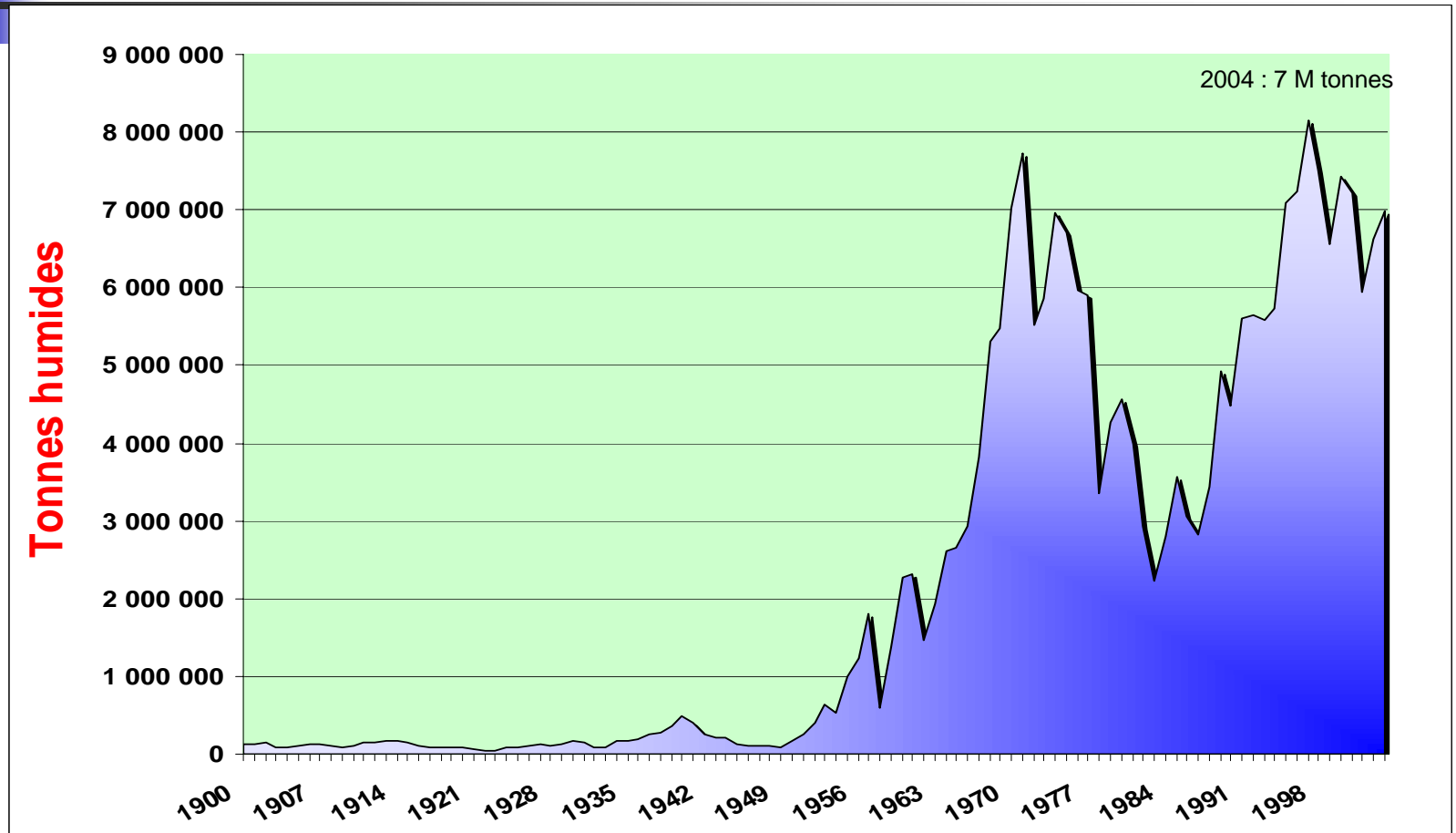
**INCO: Goro
Greenfield
project in the
South**

**FALCONBRIDGE
Koniambo
greenfield
project in the
North**

**SLN ERAMET
Operating a
smelting plant
& 4 mines**



Mineral production In New Caledonia



Source ISEE



Goro Nickel Project - Project Summary



- Process plant production capacity : 60 000 tons of Nickel & 5 000 tons of Cobalt / year
- Mining production : 4 million tons / year
- Investment around US \$1.8 billion
- Approximately 2 500 created jobs (including 800 direct)



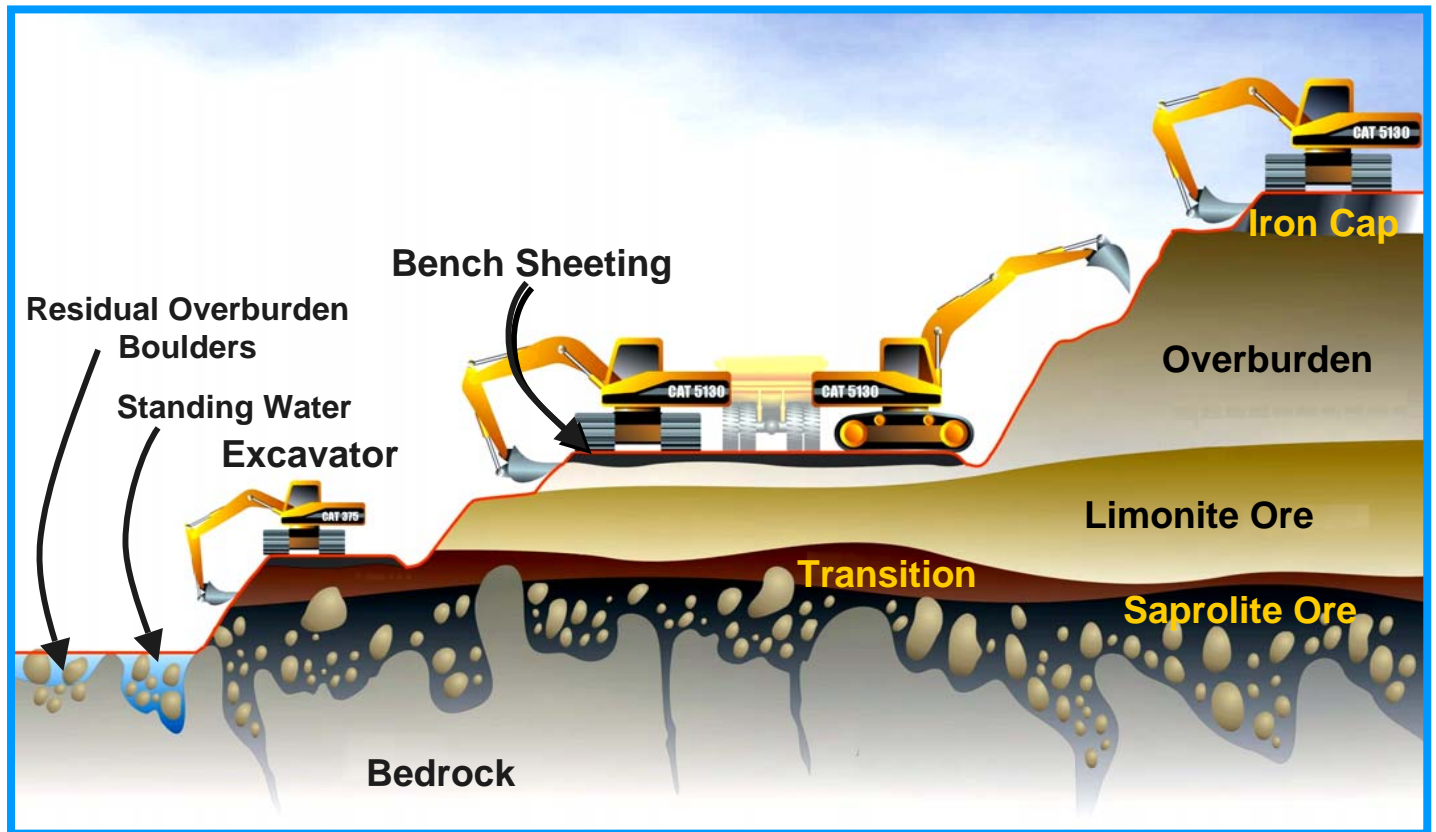
Goro Nickel Project - The elements of the project



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- An open pit mine
- An ore preparation
- A process plant
- A power station
- A port
- A camp

Goro Nickel Project – An open pit mine



Goro Nickel Project - A process plant



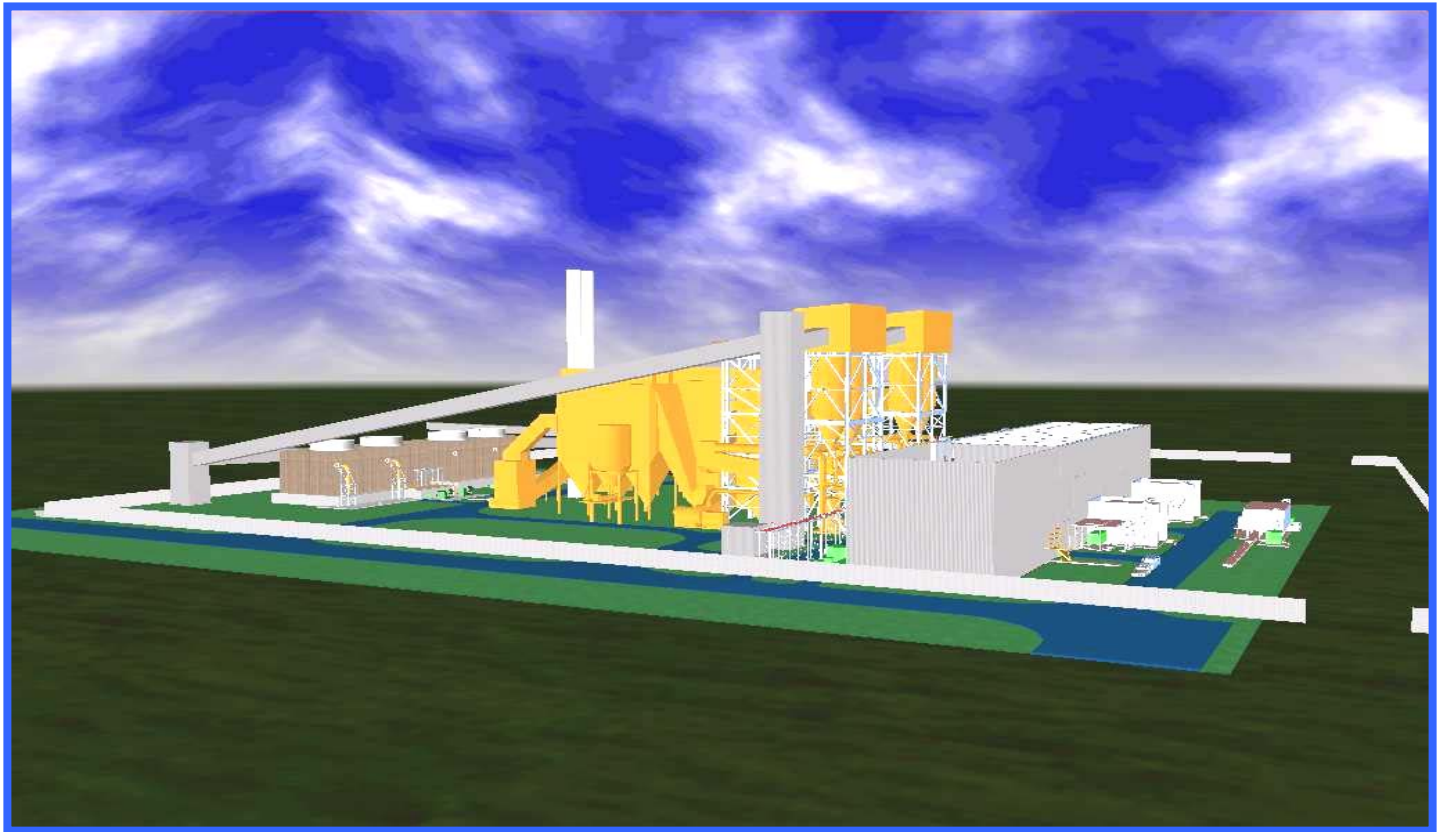
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Goro Nickel Project – A power station



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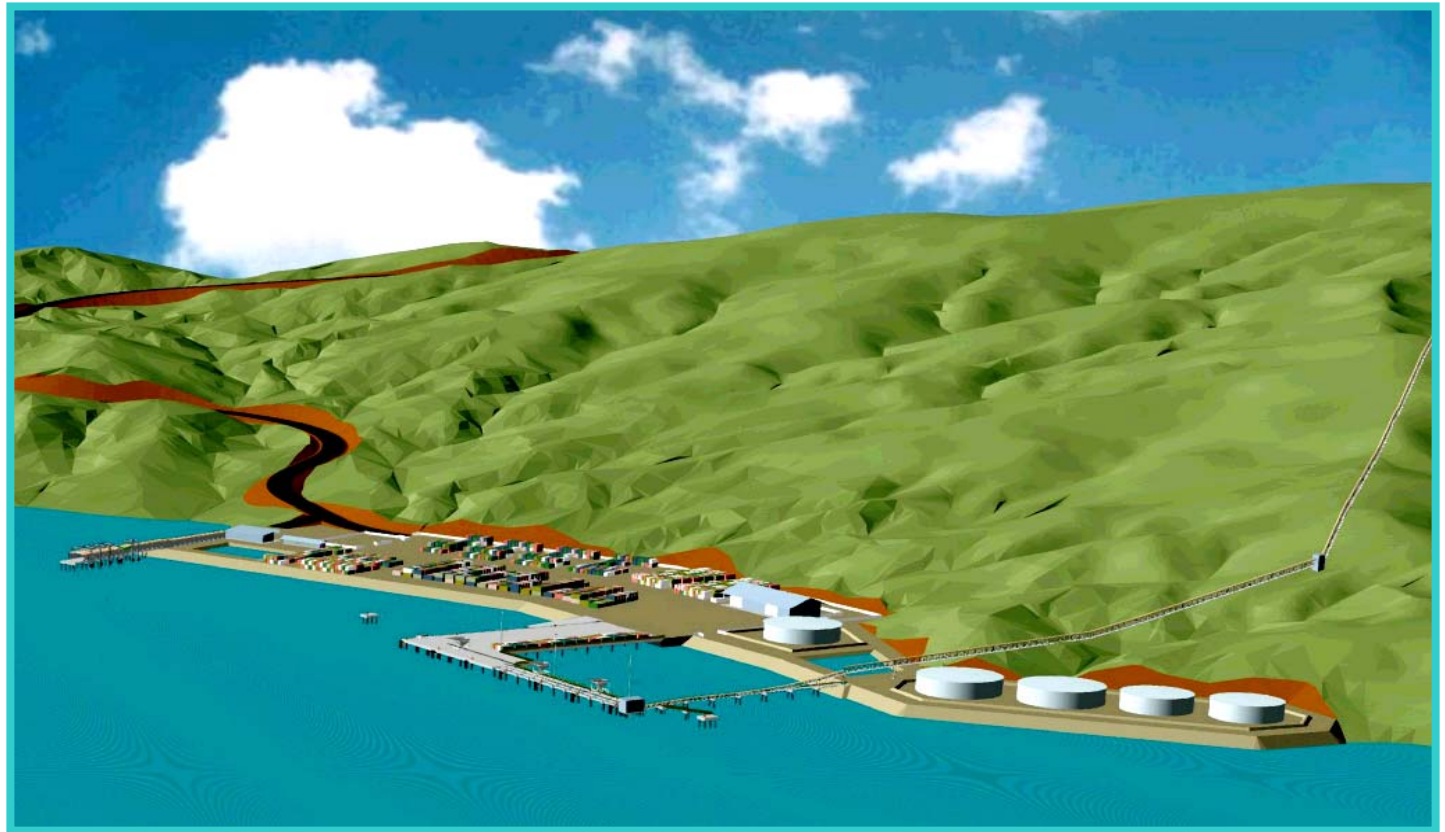




Goro Nickel Project - A port



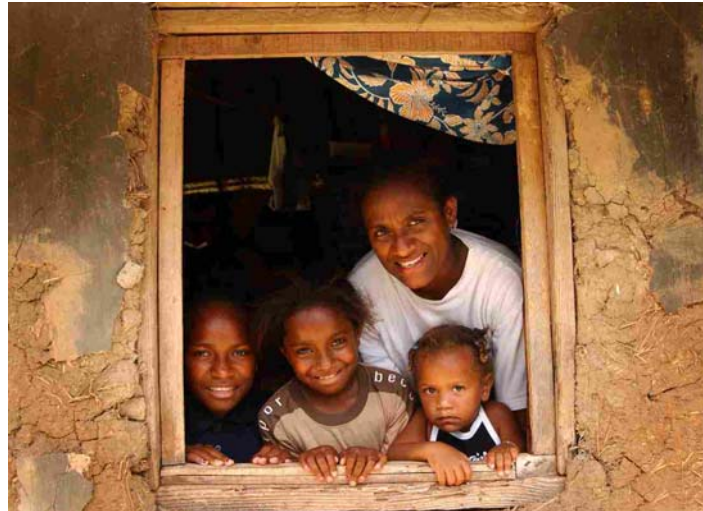
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Koniambo Project



Koniambo Project – Partner Profiles



- ✓ 51 % SMSP –largest exporter of nickel laterite from New Caledonia;
- ✓ 49 % Falconbridge – world's 3rd largest nickel producer;



Koniambo Project - Project Summary

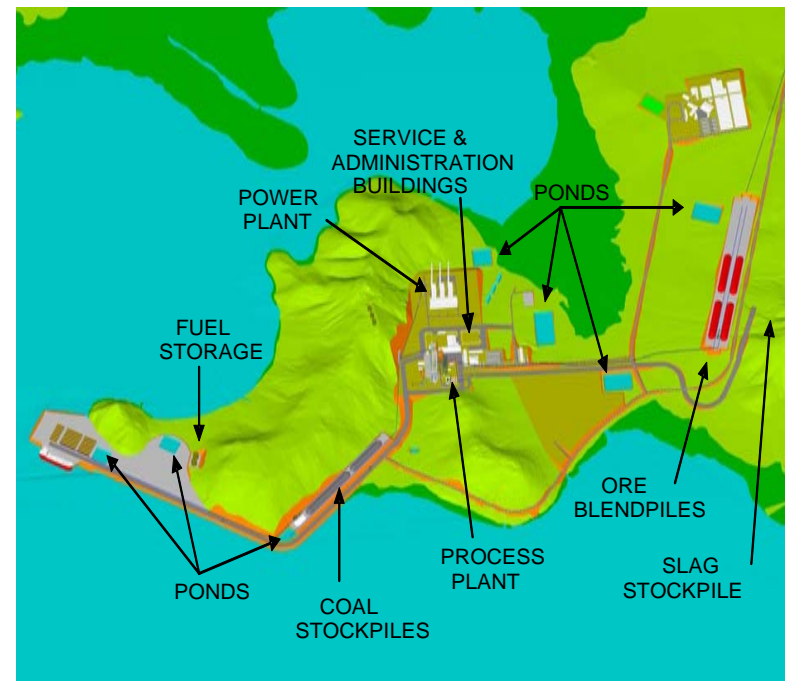


- ✓ One of the largest and highest grade undeveloped sources of nickel in the world
- ✓ Ore mined by open pit methods and processed in a modern pyro plant to produce 60 ktpy nickel in ferronickel
- ✓ US\$150 million approximate annual operating cost
- ✓ US\$1,500 million approximate total capital cost
- ✓ 36 month construction period from project approval
- ✓ Scheduled construction start mid 2005
- ✓ Production start mid 2008.

Koniambo Project – Infrastructure



- ✓ a conveyor, a mine access road and utility corridor
- ✓ Process plant : 60 000 TNi
- ✓ a 250 MW coal fired CFB power plant plus two 40 MW diesel fired combustion turbines
- ✓ a port and a dredged channel dedicated for 50 ktons vessels
- ✓ Site utilities, services and support buildings
- ✓ Surface water and waste, slag and ash disposal facilities



Koniambo Project – Human Resources



- ✓ Approximately 870 permanent positions in the operating phase (2008 and after)
- ✓ Up to 1500 temporary positions in the construction phase (2005 to 2008)
- ✓ Approximately 2000 indirect and spin-off jobs.



Le Nickel – SLN – The ERAMET Group



LE NICKEL-SLN

- ERAMET is a French Group with Head Office in Paris
Major shareholders are : SODRAME + CEIR (37,4%), Public (29,9%), AREVA + BRGM (27,6%), STCPI (5,1%)
- ERAMET is a fully integrated mining and metallurgical Company, it is a producer of non ferrous-metals and of non-ferrous metal chemicals and by-products, of special high quality steel, of nickel alloys and superalloys, and heavy duty components for industry.
- Turnover : 2 100 millions euros
- Staff : 14.545
- Internet site : [//www.eramet.fr](http://www.eramet.fr)





Le Nickel – SLN – ERAMET – 3 Areas of Business

ERAMET Alloys

Turnover : 720 M (Euros)

Staff: 5 128

Special high quality steel making, nickel alloys and superalloys, and metal products from these and also from aluminium and titanium, including: Bar, sheet, wire, strip, coil and profiles. Castings and die casts...

ERAMET Nickel

Turnover :501 M (Euros)

Staff : 2 357

Production of ferro-nickels and of high purity nickel.

Nickel and Cobalt Salts

Tungsten and cobalt powder making

ERAMET Manganese

Turnover : 879 M (Euros)

Staff: 7 060

Production of manganese alloys (ferro-manganese and silicomanganese) and refined alloys and chemical by-products including their Oxides, Sulphates and Chlorides

Industrial Services : recovery and recycling of metals contained in catalyst used in the petroleum industry, batteries and acids from the electronic industry

A producer of high quality carbon black



LE NICKEL-SLN



Le Nickel – SLN – Summary

World Position :

- First producer of ferro nickel in the world
- One of three only high grade nickel metal producer in the world



LE NICKEL-SLN

Markets :

- Stainless Steel Industries (ferro nickel)
- Aviation Industry, power production, electronics, surface treatment, coinage (high purity nickel)
- Chemical Industry (nickel chloride)

Production :

- From 4 mines (THIO, NEPOUI, KOUAOUA and TIEBAGHI) and the smelter in NOUMEA
- 59 000 tonnes of contained Nickel (2002) as ferronickel and nickel matte
- Increase in production to 75 000 tonnes in 2006

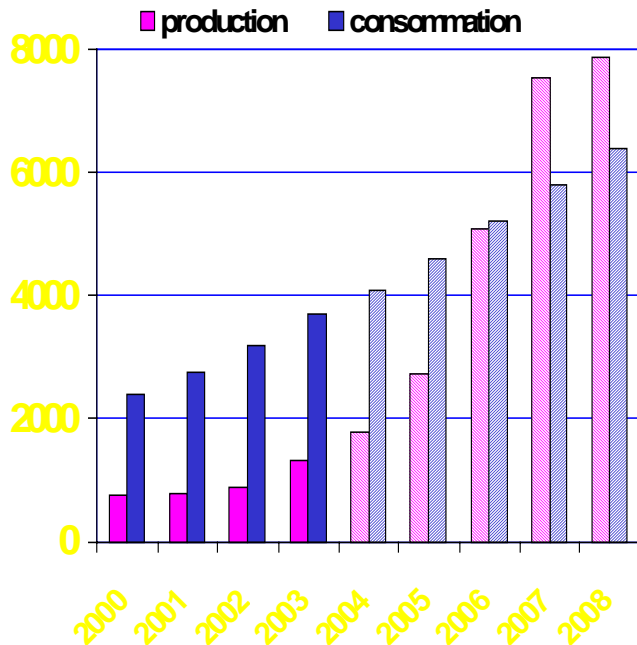


Le Nickel – SLN – Nickel Market – China's market growth



LE NICKEL-SLN

Production Stainless Steel in China (kt)



Strong growth in 2003 in all sectors:

- Apparent consumption : + 24 % in 2003 / 2002.
- Stainless Imports : + 18 % from January to September 2003 compared to the same period in 2002.
- Domestic Production : + 58 % in 2nd half 2003 compared to the 1st half 2003.
- Prediction of production growth capacities in the coming years...



Conclusion

How will China's extraordinary economic growth contribute to regional sustainable development?