



Memorial

University of Newfoundland

Office of the President and Vice-Chancellor

July 29, 2003

Mr. Phil du Toit
Managing Director, Voisey's Bay Nickel Company Limited
Suite 700, Baine Johnston Centre
10 Fort William Place
St. John's, NF A1C 1K4

Dear Phil:

RE: Inco Innovation Centre (IIC), Memorial University

It was a pleasure to speak with you earlier today and I look forward to meeting you in person before too long.

I wanted to confirm the key points that we addressed in our telephone conversation.

1. Capital Funding for the IIC

We have agreed to set aside a total of M\$13 for capital construction from Inco's contribution of M\$20. Prospects are very good to secure an additional M\$4.4 from the Atlantic Innovation Fund (AIF). I am expecting an official announcement to that effect by the end of the summer.

To complete the building project in its entirety, requires just under M\$20. The lack of full funding led to the decision not to complete the third floor of the building. This will not impact Voisey's Bay – related work.

2. Securing Additional Funds for the IIC.

I would like to try and raise the additional M\$2.6 to complete all floors of the building as soon as possible. In order to do so, I would like to approach some companies with an interest in the Voisey's Bay project. It would be very helpful if you could give me a list of suppliers to the Voisey's Bay project, including contact names and the magnitude of their involvement.

I want to assure you that my approach to these potential donors will be thoughtful and constructive. I would keep you, of course, informed.

3. *IIC Construction Start*

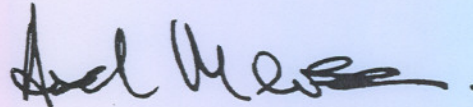
Although some of the demolition work has already begun, it would be good to mark the official start of construction. I will be in touch with Government about its wishes in this respect.

4. *Architectural Features of the IIC*

I would like the IIC to have fine architectural features and to include some materials and art from Labrador. I would welcome someone from your Company to participate in identifying these features. Unless I hear from you otherwise, I will assume that your designate is Mr. Rick Gill.

I believe that the IIC is an exceptionally important project and I look forward to working with you and your staff on its implementation. Thank you for your support and I look forward to meeting you soon in person.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Axel Meisen". The signature is fluid and cursive, with a period at the end.

Axel Meisen, Ph.D., P.Eng.
President and Vice-Chancellor

Ref: U/AM/TOIT0729.DOC (2003)



Memorial

University of Newfoundland

Office of the President and Vice-Chancellor

June 24, 2003

Dr. S. Gendron, President
Voisey's Bay Nickel Company Limited
Suite 700, Baine Johnston Centre
10 Fort William Place
St. John's, NF A1C 1K4

Dear Dr. Gendron:

Steward

Re: Agreement

I am delighted that we now have a fully executed Agreement, which has Government's approval. I wish to thank you for your outstanding contributions in conceptualizing and creating the Agreement. As a result, we are in the position to press ahead with the design and physical work to create the Inco Innovation Centre.

I would like us to have a meeting where we could discuss the following:

- An official start of the construction;
- Publicising the work;
- The means of recognizing individuals who were crucial to the project;
- The status of the AIF application.

There may be other matters that you wish to see included. I will ask my office to find a suitable time for us.

Once again, many thanks for your outstanding work.

Yours sincerely,

Axel Meisen, Ph.D., P.Eng.
President and Vice-Chancellor

Ref: U/AM/GEND0624.DOC (2003)

bcc: Dr. C. Loomis, Vice-President (Research)
Dr. E. Simpson, Vice-President (Academic)
Mr. G. Collins, Acting Vice-President (Administration and Finance)



Memorial

University of Newfoundland

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June 24, 2003

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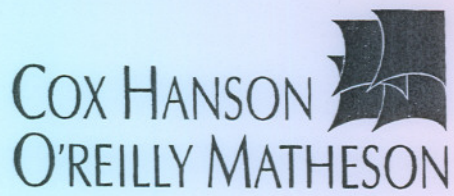
Once again, many thanks for your outstanding work.

Yours sincerely,

Axel Meisen, Ph.D., P.Eng.
President and Vice-Chancellor

Ref: U/AM/GEND0624.DOC (2003)

bcc: Dr. C. Loomis, Vice -President (Research)
Dr. E. Simpson, Vice- President (Academic)
Mr. G. Collins, Acting Vice- President (Administration and Finance)



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235 Water Street
St. John's, NF
Canada A1C 1B6

Phone (709) 726-3321
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JUN 18 2003

ROBERT P. STACK
Barrister and Solicitor

Direct Line (709) 570-5327
rstack@coxhanson.ca


PRESIDENT'S OFFICE

JUN 19 2003

(VIA COURIER)

June 18, 2003

① Mr. Glen Collins, Acting Vice-President
(Administration and Finance)
Memorial University of Newfoundland
Prince Phillip Drive
St. John's, NL A1C 5S7

② Dr. Weisen, 
for your records.

Glen W. Collins

*cc Darrell Miles
Bryan Colbourne*

and:

Ms. Julie A. Lee Harrs
Associate General Counsel and
Assistant Secretary
Inco Limited
145 King Street West, Suite 1500
Toronto, ON M5H 4B7

*Dr. Gendron
is retiring on
June 30th
[his last
official
day]*

and:

Mr. Mark Sheppard, Counsel
Voisey's Bay Nickel Company Limited
Suite 700, Baine Johnston Centre
10 Fort William Place
St. John's, NL A1C 1K4

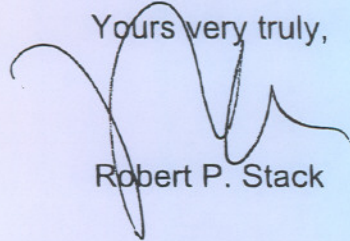
Dear Messrs. Collins and Sheppard and Ms. Harrs:

**RE: Memorial University of Newfoundland
Memorandum of Understanding
Our File Number – 3964-01**

Please find enclosed for your records one (1) original executed (in counterparts) copy of the Memorandum of Understanding.

We trust that this is satisfactory for your purposes.

Yours very truly,

A handwritten signature in black ink, appearing to be 'R. P. Stack', written over the typed name.

Robert P. Stack

RPS:dr
Encl.

THIS MEMORANDUM OF UNDERSTANDING made as of 31 March 2003

- AMONG:** **MEMORIAL UNIVERSITY OF NEWFOUNDLAND**, a body corporate, continued pursuant to the *Memorial University Act*, RSNL 1990, c. M-7
- AND:** **INCO LIMITED**, a corporation organized under the laws of Canada
- AND:** **VOISEY'S BAY NICKEL COMPANY LIMITED**, a corporation organized under the laws of the Province

RECITALS

1. The University desires to construct and to operate a research facility dedicated to education and research in mineral exploration, mining and metallurgical processing, and the Donor desires to make monetary gifts to the University for its construction and operation as expressed in a development agreement made between Her Majesty the Queen in Right of Newfoundland and Labrador, Inco and VBNC dated 30 September 2002.
2. The Government has approved the form and content of this Memorandum.

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSES that the parties hereto mutually understand the following:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

- 1.1 **Definitions.** When used in this Memorandum, including the recitals hereto, unless the context otherwise requires, the following terms shall have the meanings ascribed thereto:
- "Capital Gift"** means the \$10,000,000 to be donated by the Donor to the University as described in Article 2 hereof;
- "Construction Design and Budget"** means the scope of work, engineering and architectural design and budget for the construction, retrofit, fit-up and supply of fixtures, equipment and other capital requirements necessary for the completion and operation of the IIC as prepared by or on behalf of the University, and will include confirmation of the availability of such funding as will be required, in addition to the Capital Gift, in connection therewith;

"Construction Completion Date" means the date, to be certified by the University, upon which the construction of the IIC has been completed and the IIC has commenced operations in accordance with the University's plans and specifications therefor;

"Development Agreement" has the meaning ascribed to it in the first recital to this Agreement;

"Donor" means Inco, VBNC and/or such other Person as Inco and VBNC may designate;

"Government" means the Government of the Province;

"IIC" means the research and teaching facility to be constructed or retrofitted and operated by the University in accordance with the terms of this Memorandum;

"Inco" means Inco Limited, a corporation organized under the laws of Canada;

"Memorandum" means this Memorandum of Understanding as amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Memorandum and, unless otherwise indicated, references to Articles and Sections are to Articles and Sections in this Memorandum;

"Operating Gift" means the \$10,000,000 to be donated by the Donor to the University for the operation of the IIC as described in Article 3 hereof;

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or government entity however designated or constituted;

"Progress Reports" means those reports referred to in Section 2.4 hereof;

"Province" means the Province of Newfoundland and Labrador, Canada;

"University" means Memorial University of Newfoundland;

"VBNC" means Voisey's Bay Nickel Company Limited, a corporation incorporated under the laws of the Province.

- 1.3 **Subdivisions.** Unless otherwise stated, a reference herein by numerical or alphabetical designation to an Article, Section, Subsection, Paragraph or Subparagraph shall refer to the Article, Section, Subsection, Paragraph or Subparagraph bearing that designation in this Memorandum.
- 1.4 **Headings.** The division of this Memorandum into Articles, Sections, Subsections, Paragraphs, and Subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Memorandum.

- 1.5 **Number and Gender.** Words importing the singular shall include the plural and *vice versa* and words importing a particular gender shall include all genders. The use of the neuter singular pronoun to refer to a party is deemed a proper reference. The necessary grammatical changes required to make the provisions of this Memorandum apply shall in all instances be assumed as though in each case fully expressed.
- 1.6 **Governing Law.** In the event of uncertainty, it is intended that this Memorandum be interpreted in accordance with the laws in force in the Province, subject to any applicable federal laws.
- 1.7 **Inconsistency or Conflict.** Except where otherwise provided either expressly or by necessary implication in this Memorandum, in the event of any inconsistency or conflict between any schedule and any provision contained in this Memorandum, the provision of this Memorandum shall prevail to the extent of the inconsistency or conflict.
- 1.8 **Severability.** If any provision of this Memorandum, or the application thereof to any Person or circumstance, is, to any extent, held or rendered invalid, void, illegal or unenforceable for any reason, then it is the intent of the parties, that the particular provision:
- 1.8.1 shall be deemed to be independent of and severed from the remainder of this Memorandum and that all the other provisions of this Memorandum shall nevertheless continue in a manner consistent with the understanding as among the parties; and
- 1.8.2 shall continue to be applicable to the fullest extent permitted by law.
- If a severance occurs under this Section 1.8, the parties shall use their respective best efforts to negotiate in good faith a replacement provision that, to the greatest extent possible, reflects the intent and understanding or serves the purpose of the severed provision.
- 1.9 **Currency.** All references in this Memorandum to currency are to Canadian dollars.

ARTICLE 2 **CAPITAL GIFT**

- 2.1 **Capital Gift.** The Donor will make the Capital Gift to the University in twenty (20) equal monthly payments of \$500,000 commencing on May 1, 2003 or upon completion of the Construction Design and Budget, whichever is later, and which Capital Gift will be applied by the University, in furtherance of its objectives, towards the construction, retrofit, equipment and furnishing of the IIC, as understood by the parties and reflected in this Memorandum.
- 2.2 **Construction of the IIC.** The University, in furtherance of its objectives, will apply the Capital Gift towards the construction, retrofit, furnishing of, and equipment for, the IIC. The University intends to locate the IIC in the building located on the University's St. John's campus formerly known as the Thompson Student Centre.

- 2.3 **Construction Design and Budget.** The University will complete the Construction Design and Budget and will provide a copy to the Donor for information purposes.
- 2.4 **Progress Reports.** The University will provide to the Donor monthly written progress reports (the "**Progress Reports**") during the construction phase of the IIC detailing the status of the construction of the IIC, including monies spent to date, forecasted costs to complete and equip the IIC, and such other information as may be reasonably requested by Inco.
- 2.5 **Overage.** In the event that any Progress Report identifies that the forecasted cost to complete and equip the IIC exceeds the Construction Design and Budget (with the difference between the budgeted cost and the forecasted cost being referred to herein as the "**Overage**"), the University will secure such additional funds necessary to cover the Overage, or the University will amend the Construction Design and Budget so as to bring the forecasted cost to complete the construction and equipping of the IIC within the Construction Design and Budget in order to fulfill the University's stated intention to complete the construction of the IIC.
- 2.6 **Construction Completion.** The University has stated its intention and will use its best efforts to complete construction and to begin operation of the IIC by December 31, 2004.
- 2.7 **Name of IIC.** In recognition of the Capital Gift and the Operating Gift, the IIC will be named the "Inco Innovation Centre" in accordance with the University's naming policy.
- 2.8 **Inco License.** Inco grants to the University a non-exclusive, royalty-free, limited license to use the "Inco" trade name and trade-marks in connection with the name of the IIC, and not for any other use or purpose. The University shall have no right to sub-license the trade name or trade mark.

ARTICLE 3 **OPERATING GIFT**

- 3.1 **Operating Gift.** The Donor will make the Operating Gift to the University in ten (10) equal annual payments of \$1,000,000 commencing on the Construction Completion Date and annually on that date thereafter while the IIC is in continual operation at or substantially at its intended capacity, which Operating Gift will be used by the University for the operation of the IIC, as understood by the parties and reflected in this Memorandum.
- 3.2 **Use of IIC.** It is understood by the parties that the IIC will be used by the University to support and encourage innovation in general, and specifically to provide education and research in mineral exploration, mining and metallurgical processing and in particular, in earth science (mineral deposit evaluation and characterization), hydrometallurgical process chemistry and engineering. It is the University's hope and intention that the IIC provide world-class education, research and training related to the mining industry for 50 to 60 students per year engaged in bachelors, masters and doctorate level programs. It is the Donor's hope and desire that the education, research and training opportunities of the IIC

be made broadly available, including to students, faculty and staff of the University, students, faculty and staff of other educational institutions, including, but not limited to, the College of the North Atlantic, and to governmental entities, private corporations and non-governmental organizations and associations.

- 3.3 **Operating Costs.** The University will apply the Operating Gift towards the operation of the IIC. The University will secure such additional funds (in addition to the Operating Gift) as necessary to meet the operating costs of the IIC. The Donor acknowledges that the University may choose to apply up to a maximum of \$3,000,000 of the Operating Gift towards the repayment of borrowings by the University in connection with the Construction and Design Budget, and that in the event that it does, the University intends to use its best efforts to source other funds for the operation of the IIC.

ARTICLE 4 **INTELLECUAL PROPERTY**

- 4.1 It is the desire and intention of the parties that the policies of the University relating to intellectual property will apply to research, teaching and other activities carried out at the IIC.

ARTICLE 5 **STEERING COMMITTEE**

- 5.1 The University desires to establish a steering committee for the IIC, the size, composition and mandate of which will be determined by the University.
- 5.2 Members of the steering committee shall be appointed by the University with the exception of two expert members who the University wish to be appointed by the Donor.
- 5.3 The nominees of the Donor on the steering committee will refrain from voting on any matters relating to either Inco or VBNC so as to avoid any conflict of interest.

ARTICLE 6 **CHARITABLE RECEIPTS**

- 6.1 The University will provide the Donor with charitable receipts on an annual basis for the Capital Gift and the Operating Gift, as applicable.

ARTICLE 7
GENERAL MATTERS

- 7.1 **Counterparts.** This Memorandum and the other documents referred to herein and/or otherwise required to fulfill the understandings contemplated herein may be executed in two or more counterparts, including by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
- 7.2 **Notices.** All notices and other communications hereunder shall be deemed to have been duly given if in writing and either delivered personally, sent by facsimile transmission or by courier service, to the addresses designated below or such other addresses as may be designated in writing by notice given hereunder, and shall be effective upon personal delivery or facsimile transmission thereof with proof of transmission receipt or upon delivery by courier service:

If to VBNC: Voisey's Bay Nickel Company Limited
Suite 700, Baine Johnston Centre
10 Fort William Place
St. John's, NL
A1C 1K4

Attention: President
Facsimile: (709) 758-8820

If to Inco: Inco Limited
145 King Street West
Suite 1500
Toronto, ON
M5H 4B7

Attention: Chairman and Chief Executive Officer
Facsimile: (416) 361-7734

If to the University: Memorial University of Newfoundland
Elizabeth Avenue
St. John's, NL
A1C 5S7

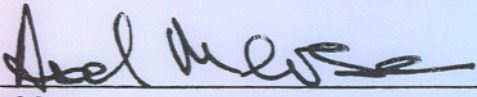
Attention: President
Facsimile: (709) 737-2059

- 7.3 **Payment of Fees and Expenses.** Each party hereto will pay its own fees, expenses and disbursements incurred in connection with this Memorandum and the matters contemplated in this Memorandum.
- 7.4 **Further Assurances.** Each of the parties will promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may reasonably require from time to time for the purpose of giving effect to this Memorandum and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the matters contemplated hereof and thereof.
- 7.5 **Public Notices.** No press release or other announcement concerning the understandings contemplated in this Memorandum will be made either by Inco, VBNC or the University without the prior approval of the others (such approval not to be unreasonably withheld) provided, however, that the Donor may, without such approval, make such disclosure if the same is required by law or any stock exchange on which any of the securities of Inco or any of its affiliates are listed or by any securities commission or other similar regulatory authority having jurisdiction over Inco or any of its affiliates, and if such disclosure is required, the Person making the disclosure will use best efforts to give prior oral or written notice to the University, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure.
- 7.6 **Entire Memorandum.** This Memorandum sets forth the entire understanding as among the parties concerning the subject matter hereof.
- 7.7 **No Partnership, Joint Venture or Agency.** The University, Inco and VBNC expressly disclaim any intention to create a partnership, joint venture or joint enterprise. It is understood, acknowledged and agreed that nothing contained in this Memorandum nor any acts of the parties will constitute or be deemed to constitute the University, Inco and VBNC as partners, joint venturers or principal and agent in any way or for any purpose.

EXECUTION PAGE FOLLOWS

EXECUTED AS A MEMORANDUM OF UNDERSTANDING as of and with effect from the date first before appearing

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

By: 
President

INCO LIMITED

By: _____
Chairman and Chief Executive Officer

VOISEY'S BAY NICKEL COMPANY LIMITED

By: _____
President

EXECUTED AS A MEMORANDUM OF UNDERSTANDING as of and with effect from the date first before appearing

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

By: _____
President

INCO LIMITED

By: Scott M. Hall
Chairman and Chief Executive Officer

VOISEY'S BAY NICKEL COMPANY LIMITED

By: _____
President

EXECUTED AS A MEMORANDUM OF UNDERSTANDING as of and with effect from the date first before appearing

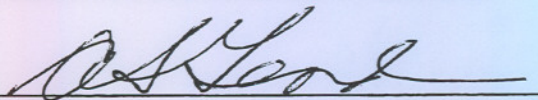
MEMORIAL UNIVERSITY OF NEWFOUNDLAND

By: _____
President

INCO LIMITED

By: _____
Chairman and Chief Executive Officer

VOISEY'S BAY NICKEL COMPANY LIMITED

By: 
President