TORONTO, Feb. 23, 2017 /CNW/ - Iron Ore Company of Canada ("IOC") issued a media statement today stating that it will proceed with the development of the Wabush 3 pit at its mine near Labrador City, Newfoundland and Labrador. Labrador Iron Ore Royalty Corp. (LIORC") is fully supportive of the IOC decision to develop Wabush 3 due to the favourable project economics. The LIORC royalty applies to the Wabush 3 deposit. The IOC media statement follows.

Media Statement

IOC will proceed with the Wabush 3 project following the approval of a CAD$79 million investment.

Wabush 3 is a new pit that will be developed within IOC's existing mine operations to extend the life of the mine, reduce operating costs and increase production of quality grade iron ore concentrate and pellets.

IOC Chief Executive Officer and President Clayton Walker said "This value-driven investment will deliver significant benefits for our business, employees and surrounding communities in Labrador West and Sept Iles for many years to come, by increasing the life of the mine and allowing us to offer continued employment opportunities.

"The Wabush 3 pit is IOC's best option to access low-cost, quality ore and provides a compelling opportunity to make our business more competitive by reducing operating costs during a period of increasing iron ore price volatility.

"I would like to thank IOC employees, Unions, Union leadership and members of the community for the ongoing support they have demonstrated, which helps to build trust in our ability to create a viable business for future generations."

The Wabush 3 pit will be developed adjacent to Luce pit. The Government of Newfoundland and Labrador has released the Wabush 3 Open Pit Mine Project from the Environmental Assessment process and construction is expected to start in the second quarter of 2017.

First ore from production mining is expected in the second half of 2018, helping IOC ramp up annual capacity from 18 million tonnes towards 23 million tonnes.

Wabush 3 will be fully integrated into IOC's overall Labrador City Operations, and will utilize its existing maintenance, ore delivery, processing and tailings management facilities as well as other aspects of IOC's current infrastructure and activities in the region.

IOC is committed to modernizing its assets and operating model to achieve safer and more stable production, with the objective of being a lower cost producer of quality grade iron ore concentrate and pellets for the steel industry, and make IOC the premier mining organization in North America.

SOURCE Labrador Iron Ore Royalty Corp.

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