

# A message from the General Manager

You cannot help but notice the escalating numbers of people that are now working at MRM either in operations or capital projects. There is a lot going on, lots of vehicles moving around and lots of challenges every day.

In this context, I'd like to remind everyone—whether employee or contractor—that we all share responsibility to:

- ensure the health and safety of all those around us
- protect our natural environment in and around the site (particularly the waterways)
- properly and respectfully manage the cultural heritage of the country on which we are located as represented by 17 registered sites of significance.

All of these areas of focus are covered by legislation at an industry level, regulation at a site-based level and our own sustainable development standards and procedures.

You would have been informed of these subjects and your obligations to comply as part of your induction to MRM.

We've established an excellent track record in relation to the environment and cultural heritage. In the past year, we have also done a lot more work on our safety systems and processes which have helped our safety performance remain at or better than industry averages.

We are determined to continue to ensure our people are safe from harm, our environment shows no adverse impacts from our operations and the cultural heritage of the local people is protected. To achieve this, we appreciate everyone's contribution and commitment.

Ettienne Moller

General Manager—McArthur River Mining

### **RIP Jane Lawton**

On Sunday 17 February our dear friend and former Project Officer of the MRM Community Benefits Trust Jane Lawton lost her battle with cancer.

MRM management and staff are deeply saddened by her passing.

Jane's ability to visualise an idea, motivate people, move a project from possibility to viability, and to warmly and enthusiastically engage with everyone she met leaves us bereft of a good friend, a remarkable intelligence and a warm heart.

Knowing that the wonderful programs she started and supported are continuing as a small part of her legacy provides some comfort to those who knew her.



### Independent Monitor observes improvements of MRM

The NT Government-appointed Independent Monitor has complimented MRM on evidence of improved environmental management and procedural compliance in its annual report for the 2011 operational year.

"Significant improvements in the 2011 Operational Period included increased vegetation cover along the McArthur River and Barney Creek diversion channels.

(Page 85, Independent Monitor Audit Report of the McArthur River Mine for the 2011 Operational Period).

In the fifth annual assessment of MRM's environmental monitoring and management programs, the Independent

"The Independent Monitor is of the opinion that the general environmental performance of the McArthur River Mine has

Notable improvements had been made on some areas of IEM concern from the previous year, including the level and detail of reporting within the Mine Management Plan and Water Management Plan, dust mitigation and monitoring and the

McArthur River Mine General Manager Ettienne Moller

The Independent Monitor raises two matters—the diesel —as areas for attention.

downgraded from the previous year's assessment.

have been able to provide them with further evidence of the action taken to ensure the integrity of the TSF," Ettienne said.

greater than 1 in 200 year flood levels and based on national guidelines for large dams. Emergency spillways have also been developed for additional protection. Safety audits are

"We're about 70% complete in lifting the dam wall for Cell Two which will greatly reduce any perceived risk of embankment

MRM invested close to \$6 million in 2012 in environmental

### **Independent Monitor Community Report** 2011 Operational Period

- er Consulting who specialise in river





- delineation of seepage at the TSF, and its impact on Surprise Creek:
- progress of additication of the tailings and identification of the tailings and identification of the teatment options, identification and management of Potentially Acid Forming (PAF) nock waste at the Overburden Emplacement Facility (OEF).
- progress of revegets diversion; and
- further dust migration at PAC RIM.
   Additional areas of monitoring are discussed within the body of the technical report.

# Recruitment strategies build new tech services team

A mixture of traditional and creative recruitment strategies has helped MRM build a team of professionals in hard to recruit categories.





### The Technical Services Team:

Scott Cameron, Karissa Grenfell, Daniel Paterson, Rafli Rafli, Lindsay Lawler, Ed Harris, Chris Hastings, Pyramo Marianelli, Aaron Pearson, Matthew Roach, Jennifer Hopkins, Kris Masterman, Rituraj Verma, Tom Cain and James Karua. MRM Mine Manager Karissa Grenfell said it had always been difficult to recruit the mix of skills and experience required for this highly focussed team.

"This team is responsible for designing, scheduling and planning the mine, so it's great to finally have a full team on board," she said.

"Their skills are highly sought in the industry and difficult to recruit.

"We've used a mix of strategies over a period of time, including graduate programs, growing our own and recruiting both locally and further abroad. Now we have a team of people with quite a mix of nationalities, skills and backgrounds."

Karissa said developing the talents of the existing team members was critical to the success.

"Some of the team started out as technical services officers and are now working as geologists," she said.

"We have been able to recruit people who are studying in a required field and provide them with work skills while they complete their study.

"Many of the people have come from Darwin but we've also had success in attracting people from overseas for hard to recruit positions."

The team members agree the work environment at MRM has been supportive to the development of their own careers.

Tom Cain started in MRM's graduate program in 2010 and worked in various roles before being promoted to his present role as Mine Production Engineer.

"Coming straight from university into the working environment of MRM was a great way to learn as a graduate," Tom said.

"With help from my colleagues, only a few weeks after starting work, the responsibilities were piling up! All the guys and girls in the Tech Services Department are an absolute blast to work with, and we are always there to help each other."

Rituraj Verma moved to MRM in September to work as a Mine Production Engineer. It is his first job in Australia, having previously worked in mines in India.

He says it was not an easy decision to move to Australia but it has been worth it.

"I have got really good mates to work with. They are technically competent and supporting. I am enjoying working here," he said.



Amy Schilling from Leila Creek Station joined the mine tour along with her sister. Jess. and parents. Chris and Crista.



# Swapping cattle for excavators

Pastoral families from stations in the Gulf region took the opportunity to visit MRM in November to look over mining operations.

The group sampled the full range of mine life, inspecting the pit and mine operations as well as life in the village.

Young Amy and Jess Schilling from Leila Creek Station even tried out the gym equipment before meeting Mining Manager Karissa Grenfell and declaring that "girls can do anything." Senior Community Relations Advisor and field day organiser Chrissy Joll said working at a fly-infly-out mine was more than just a job—it is a complete lifestyle.

"It can be an attractive career for kids from cattle stations who already understand the rigours of remote living, hard work and long days," Chrissy said.

"For those who don't want to get into the pastoral industry, mining can be a good alternative."

# Dredging begins at Bing Bong

Dredging is underway in the Bing Bong swing basin and channel as part of a program to keep the channel safe and accessible for shipping.

Hall Contracting began pumping silt from the channel in late January and expects to take around four months to complete the job.

Supervisor Nick Albers said 175,000 cubic metres of mud and silt would be removed during the process.

"Normal tidal movements and abnormal weather conditions such as storms and cyclones combine to silt up the channel," Nick said.

"Over time it becomes too shallow for the MV Aburri to navigate, which means it can carry less product and travel only at high tide."

Last undertaken three years ago, the dredging process is relatively simple but carefully monitored to ensure no impact on the environment.

Silt is vacuumed up with water through pipes to dredging spoils on site. The mud and silt then settle to the bottom of a series of ponds until the water is pumped clean back into the ocean.

Before dredging could commence, MRM was required to include the activities under a discharge licence and submit a Dredge Management Plan to the Northern Territory Government.

Additional monitoring required outside of the normal environmental management for the channel includes turbidity readings taken around the dredge, and flow and water samples being taken around the dredge ponds. Water samples are taken in various locations around and in the ponds and compared to marine water guidelines. Turbidity readings are

Nick Albers from Hall Contracting.
The dredge in the background will work through the Bing Bong swing Basin and along the 15km channel.

also taken between ponds to ensure adequate settling is occurring.

For Nick and his company, a culture of concern for people and the environment is welcome.

Hall Contracting works on a range of dredging projects around Australia, and has just finished a two-year stint in Western Australia where they achieved zero worker injuries.

"It's something we're really proud of as a team," he said.

"To complete a two-year job with zero harm to people or the environment is a great achievement.

"That's our aim for this job as well."



The abundant fish species close to the Bing Bong loading facility provided the greatest drawcard when women from Borroloola visited the site for an inspection tour in December.

# Fishing off Bing Bong

Twelve women joined the tour of the facility, looking at how concentrate from MRM is stored and loaded onto the MV Aburri barge for transhipment out to ocean-going vessels offshore.

Concentrate from MRM is completely covered from the time it leaves the mine site until it reaches smelters in Europe and Asia. Additional layers of protection exist on site, including the collection of run-off water, dust suppression systems and rigorous environmental monitoring.

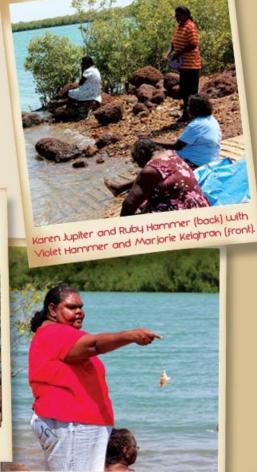
The visitors were particularly interested in local bush tucker as well as water quality at nearby fishing grounds, putting the latter to the test with a fishing trip to nearby Mule Creek.

Over just an hour, more than a dozen fish were caught with species including bream, whiting and stripeys.

Those that weren't released or used for bait made the trip back to Borroloola for dinner that night.



Karen Jupiter and Linda McDinny, who caught the biggest fish of the day.



Susan Charlie was the master of



# MRM joins new group to care for country in the Gulf

MRM has become part of a new group to help care for country in the Gulf region.

MRM Health, Safety, Environment and Community Manager Gary Taylor has been elected Vice-Chairman of the Gulf Rivers Landcare Group, the first landcare group for the region.

The formation of the group followed a Land Management Field Day organised by Territory Natural Resource Management and the NT Landcare facilitator in November. It brings together pastoralists, conservationists and others involved with caring for country throughout the region.

They will work together on issues such as weed control, soil erosion and feral animal control and will be looking to source funds to undertake proactive programs in the region from a range of organisations including governments and Territory Natural Resource Management.

Landcare is a national network of locally based community groups who care for natural resources. Australia boasts more than 4,000 Landcare groups, 2,000 Coastcare groups and many thousands of volunteers across the country.

Judy MacFarlane from Tanumbirini Station was elected Chair of the group and told ABC Radio she was not surprised that the vote to form a group was unanimous.

"You get a lot further in life if you work as a group and along with your neighbours," Judy said.

### Bowerbird safe from village upgrade

He may be only small but a local bowerbird rules the roost as village upgrades continue at MRM.

The feathered creature's bower stands in the middle of an area marked for development. But rather than risk moving him, the village layout was redesigned to protect the bower. A 9m square buffer has been set around the nest as a buffer.





This stand of trees hides a bowerbird nest and playground.

# Local green thumbs contribute to rehabilitation



# Borroloola School students have joined MRM's rehabilitation program by propagating and supplying tube stock for the mine.

The partnership involves students propagating locally collected seeds and growing them into young trees for planting in rehabilitation areas.

MRM planted 39,000 trees in 2012 and is always looking for new stock to keep its program running. Only local native plants are used and these need to be grown from seed.

MRM Health, Safety, Environment and Community Manager Gary Taylor said he had been working with both the Borroloola School and the Aged Care Facility to develop new sources of tube stock.

MRM provides seeds and biodegradable tube pots while the hard work of bringing the seeds to life is undertaken in the community. Once the trees reach an appropriate size, MRM purchases them back.

"We have been focussing our efforts on biodiversity in the rehab area and the successful propagation of a variety of species has been critical to that success," Gary said.

Teacher Phil Mayberry said the school program had multiple benefits for the students.

"It has helped them think about the possibility of jobs out there for them in horticulture and mining," he said

"They've also been amazed by the fact that a little seed from a eucalypt can grow into a tree 20m high."

Two species are grown— Eucalyptus camaldulensis (River Red Gum) and Terminalia platyphylla (Wild Plum)—and different methods are used for getting each to germinate. "We did a bit of experimentation. The Terminalia is much harder to get started, so we ended up soaking the seeds for a week to get them going," Phil said.

"It has been a real learning curve for the kids. Each class has chipped in and done everything including putting up, propagating seeds, fertilising and watering. They've enjoyed it."

The school is using money earned from MRM to expand the nursery and intends to widen the program this year.



Phil Mayberry checks the tubestock

### Students get hands on Work experience



Three Borroloola School students are a step closer to realising their dreams of full employment after a week of hands-on experience at MRM.

Bryce Rory, Joel Bradford and Tiarnie Dixon are part of the Strong Start, Bright Future program, an initiative supported with a \$1 million grant from the MRM Community Benefits Trust.

The program gives students the opportunity to work through a phased learning program providing they also show strong commitment to school attendance and academic achievement. MRM Indigenous Employment Coordinator Glenn Castillon said the trio had now progressed through three stages of the program and were well on track to achieving their dreams.

"This program is about getting students ready to become valued members of our workforce," he said.

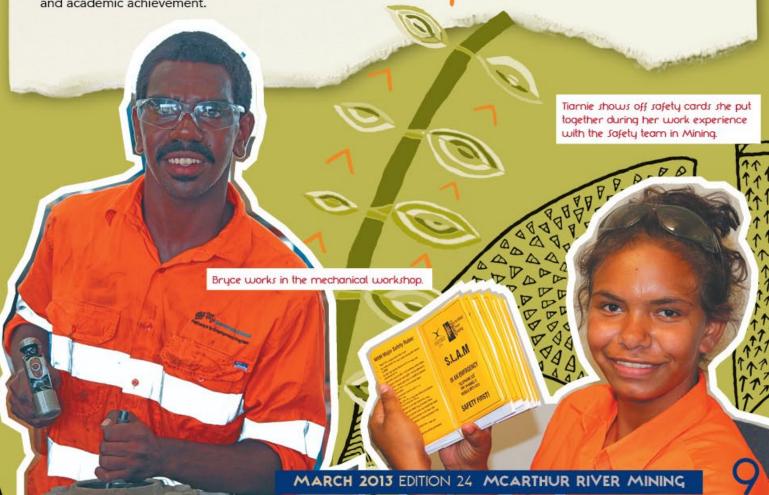
"They have to show commitment to both school and their future jobs. If they do, this is about giving them a helping hand along the way."

Bryce, Joel and Tiarnie worked in the mining and metallurgy departments during their one-week stay and were supported by their teachers and mentors.

Tiarnie's work involved a focus on safety while Bryce and Joel took on the "dirty jobs" in mechanical workshops.

"It's been good to try out different things," Joel said.

"I've got a much better idea of what it would like to actually work here now."





# Supplier forum celebrates strong local contracting

The annual supplier forum is the opportunity for MRM to thank local suppliers for the contribution they make to the mine's operations.

MRM General Manager Ettienne Moller said the mine relies heavily on Territory businesses for both goods and services and contracting work on site.

He made note of the commitment suppliers and contractors had been making to meeting Xstrata's Sustainable Development requirements.

"All our suppliers and contractors must demonstrate high occupational health and safety standards, a commitment to the environment, respect for human rights, appropriate insurance and fit for purpose products," Ettienne said.

"We know this is a considerable commitment and thank you for achieving such high standards.

"We are committed to supporting local industry wherever possible and Territory businesses have proven they are up to the challenge."

Xstrata Zinc Australia Chief
Operating Officer Brian Hearne
outlined the status of plans for
the Phase 3 Development Project,
which, subject to approval, would
provide an \$8.4 billion boost to
NT economy over construction,
operation and decommissioning.

Around 150 new contracts were let at MRM in 2012, the majority of them associated with capital projects including the Heavy Medium Plant and Vertical Shaft Impactor completed during the year.

More than 50 suppliers from the Top End gathered in Darwin in late December to receive an update on MRM activities in 2012.



Lawrence & Hanson Electrical services.



MRM General Manager Ettlenne Moller (centre) with Vicky povey and Indrek Urvet from Fresh Produce.



MRM Stores Superintendent Phil Hollway. Dale Goldworthy and Ken Hyde.



Boyd Roberts from Maw Pumps, Adam Thacker from Flow serve and Vanessa Tan from Total Steel Australia.



Manager Mike Williams.



David Page from Worksense and Ian Bennets from Hitachi.



# Community benefits from the Trust



Almost \$9 million has been committed to programs throughout the Gulf Region by the MRM Community Benefits Trust in its first five years of operation.

The figures have been outlined in the Trust's latest annual report released in December.

The \$8.9 million in grants from the Trust has also proven to be a major catalyst for other investment. With funding from other project partners, the Trust has supported programs with a total value of more than \$32.5 million.

The Annual Report says outcomes generated by Trust investments to date included:

- substantial increase in vocational education and training infrastructure within the Borroloola School to help increase school attendance rates and education results
- · refurbishment of the Borroloola Rodeo grounds
- · improved self sustainability of the Robinson River community

- greater knowledge of fish stocks and recreational fishing patterns within the waters of the McArthur River and Gulf
- · improved facilities for the Wunala Creche and National Trust building in Borroloola
- · various grants supporting art and culture including the award winning Song People Sessions, and an international exhibition held by local artists
- improved environmental monitoring resources and support for the local Sea Rangers as well as support for ecotourism and development initiatives for the Indigenous Protected Area within the Sea Country
- 66 more jobs generated for local Indigenous employees at MRM.

Over the past financial year, the Trust approved \$1,365,395 in grants to six projects with a total value of \$2,604,309. The approved projects were:

- \$150,000 to Borroloola School Council for the Breakfast Program over three years
- \$58,500 to Mabunji Aboriginal Resource Association for the Barni-Wadimantha Awarra consultancy for a Plan of Management
- \$116,600 to Infofish for the Barramundi Phase 2 project at King Ash Bay
- \$316,000 to James Cook University for a Dugong project over three years
- \$593,195 for the MRM Indigenous Training and Employment program
- \$131,100 to Borroloola Amateur Race Club for major renovations of the area and backyard facility.

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# Julie Crawford's story



"Xstrata has given me access to a huge range of environmental management programs. This is what attracted me here."

MRM's Julie Crawford has joined an elite group of environmental scientists, becoming the Northern Territory's first mining employee to become a Certified Environmental Practitioner with the Environment Institute of Australia and New Zealand. As Environmental Superintendent, Julie has demonstrated her commitment to sustainable development at MRM.

"The roots of my environmental passion go back to my childhood spent on a dairy farm in Northern NSW. My parents were very conscious of the benefit of looking after the land to ensure it provided a stable income for the family in the long term. In today's terms that would be described as environmental sustainability.

I like the why, not just the how. I guess that's what led me to a career in science. Scientific reason needs to be mindful of practical considerations when we make environmental decisions in the field. I hope my work helps to keeps things in balance.

I was working as a consultant on ecological surveys and land rehabilitation for the mining and gas industries in northern Queensland and the Northern Territory when the offer came up to come to MRM. What I find most rewarding is the broad scope of environmental management implemented at MRM and the depth of knowledge and experience that surrounds me.

You're never too old to learn and there are plenty of people around to learn from. Gaining my certification allowed me to demonstrate my commitment to responsible environmental management and to affirm that my environmental skills and knowledge meet national standards.

At the same time, the community is demanding greater environmental accountability from industry and government, so my certification is also a demonstration of MRM's acceptance of staff having a personal commitment to high standards."

## Seagrass study shows little change

The annual check-up of seagrasses offshore at the Bing Bong loading facility has shown little change from the previous year.



Brad records survey data while colleague. Marcus Gregson locates the next site for sampling.



Brad Hiles examines samples to identify seagrass species.

Much of the seagrass in the area was destroyed by a cyclone in 2002 but MRM's surveys have shown the grasses are slowly recovering.

Consistent with past surveys, last year's survey showed seagrass at the Loading Facility was growing in patches separated by sand. The overall composition is consistent with post-cyclonic surveys with species such as *Halodule ovalis* dominating the area.

Brisbane-based company BMT WBM has been monitoring seagrasses offshore from Bing Bong since 2003 as part of our regular marine monitoring program.

Marcus Gregson and Brad Hiles spent a week on the water late last year carrying out surveys using an underwater camera and seabed sampling devices.

The survey covers 5km² within the navigation channel between Bing Bong and the Sir Edward Pellew Islands. An underwater camera captures images just above the ocean floor. The video is saved to a computer and plotted against GPS coordinates.

Seafloor samples are then taken from each site, photographed and examined to determine the varieties and abundance of grasses.

Brad said a physical examination of the grass was important as the underwater camera showed only a two-dimensional view.

"You can't tell from the video whether the grass is flat or round, so without looking at the actual samples we don't get a full picture of what's there," he said.

The grasses range from very small flat varieties to around 30cm long.

Sites adjacent to the channel are sampled, along with control sites. The data collected is then analysed to determine changes over time.

## Ready for the wet season

Being ready for the wet season is a key management strategy for all mines situated in tropical zones. At MRM, the combination of good planning and low rainfall means the mine is well prepared this wet season.

Health, Safety, Environment and Community Manager Gary Taylor said MRM is in a good position to handle extreme rainfall events should they occur.

"Rainfall so far this season has been sparse," Gary said.

"We employed a number of techniques through the last dry season to reduce water inventories, including the increased utilisation of underground void water in the mill instead of bore water, increased solids within the tailings and increased evaporation.

"We've also improved on-site infrastructure including additional storage areas."

Cell Two is in the process of being raised by 4m and is expected to be complete in the coming months.

Cell Two's wall is being made from compacted clay and will be finished with rock on the external batters. Project Manager Sam Strohmayr said he was happy with progress to date and the minimal down time due to weather.

The additional height in the dam will increase freeboard and enable MRM to continue depositing tailings for several more years in this facility.

"It all adds up to better protection of the environment as the risk of water escaping is reduced," Gary said.

# MRM hosts Ministerial Visit



Minister Shorten meets with MRM staff and community members at the MRM mess.

During the early part of 2012, many of our incidents resulted in cuts and lacerations and, as a result, several work procedures were reviewed and PPE selection was targeted.

Towards the end of the year, incidents were more related to slips and trips and not following procedures.

Health, Safety, Environment and Community Manager Gary Taylor said while the number of lost time injuries and reportable injuries increased in the last quarter of 2012, so too did the effort in decreasing them.

"Several high risk audits were conducted in the work areas on aspects of isolation and access and lifting operations, along with additional HSEC inspections," he said.

Total Recordable Injury Fequency Rate

TRIFR 12MMA



Federal Minister for Employment and Workplace Relations Bill Shorten, accompanied by advisors and departmental leaders, visited MRM in February with two objectives: to help inform the government's policies towards fly-in fly-out workers and the communities involved in the resources sectors and to learn more about the issues affecting the Gulf regional community and options to encourage sustainable development.

The Minister toured mine operations and met with workers and local community members as part of his visit to the Gulf country and Darwin.

The visit gave the Minister the opportunity to hear from the community about training and employment in the region as well as how economic development can be supported and encouraged.

# Safety results

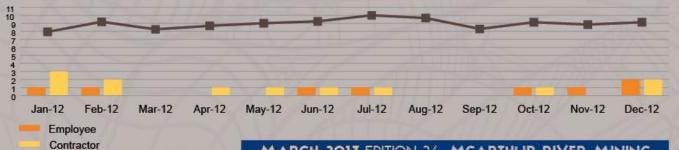
"Additional safety and training positions were also filled, increasing the ongoing presence of safety on site."

A big effort has been made in the review of the isolation and permit system again at MRM which will involve rolling out new locks, awareness sessions and video presentations and the use of authorisers for individual permits.

"The overall aim of this is to ensure the safety of our personnel when undertaking their tasks for work," Gary said.

In 2013, MRM will focus on contractor management and the continuation of high risk audits and general inspections.

"The commencement of the Xceed Leadership Series in March this year should also bring some positive results to safety at MRM," Gary said.



# New Starters

# Krista Brindal

Perth-born Krista Brindal began her career as a radio announcer before entering the world of construction. Since then her job has taken her all over Australia, including Gove, Port Hedland, Karratha, Onslow, Cape Preston, Leonora and Cue. She is currently under contract to MRM as a safety officer.

### What experience and skills do you bring to MRM?

I have more than six years experience in a safety and training capacity in greenfields projects. I have the ability to listen to what is being said or asked of me; the capacity to admit when I am not sure of the answer and the people skills to make work safe, fulfilling and enjoyable.

### What brought you to MRM?

Apparently I fitted the ideal of what MRM was looking for in a Safety Advisor.

### What does your job involve?

Helping others as others help me.

### What do you do for relaxation?

I love to sleep, read books, walk along the river, play with my nephews, watch a movie, and get a massage.

### What is your favourite book and movie?

Books that I love, I love to share. So every now and again friends will receive a book in the mail I hope they enjoy as much as I did.

me on this one.

interesting; and 50 Shades of

Grey-phwoar! Mum wasn't with

Films include Tuesdays with Morrie; Eat, Pray, Love... the Pray part, not so

# Weif Yee

Born in Gippsland in country Victoria, Weif Yee trained as a physiotherapist. Most her career has been spent working with critically ill patients in intensive care units. Last year she finished her Masters of Public Health and moved to work with the Heart Foundation. Now she has left the corporate world and wardrobe behind to help prevent injuries at MRM.

### What experience and skills do you bring to MRM?

As a clinical physiotherapist for seven years, I developed skills and knowledge in assessing, managing and planning treatments for patients with a broad range of conditions. Being able to treat holistically requires a thorough knowledge of the human body, medications and medical conditions.

### What brought you to MRM?

With no commitments in Melbourne once I'd finished my masters, I started looking for work that would enable me to use my knowledge of public health, project management and physiotherapy. I also wanted to try something new that would challenge me to explore my boundaries and enable me to see more of the country.

### What does your job involve?

I am available on site for MRM employees who have work-related injuries, or whose work may be limited by pre-existing conditions that physiotherapy can address.

### What do you do for relaxation?

Good wine with great food always perks me up, along with fabulous company. Sports and exercise are the other activities that keep me sane, and I look forward to indulging both of these past times. Hopefully they will balance each other out.

### What is your favourite book and movie?

I'm just getting back into reading for pleasure after being limited to uni readings, so I am taking recommendations!