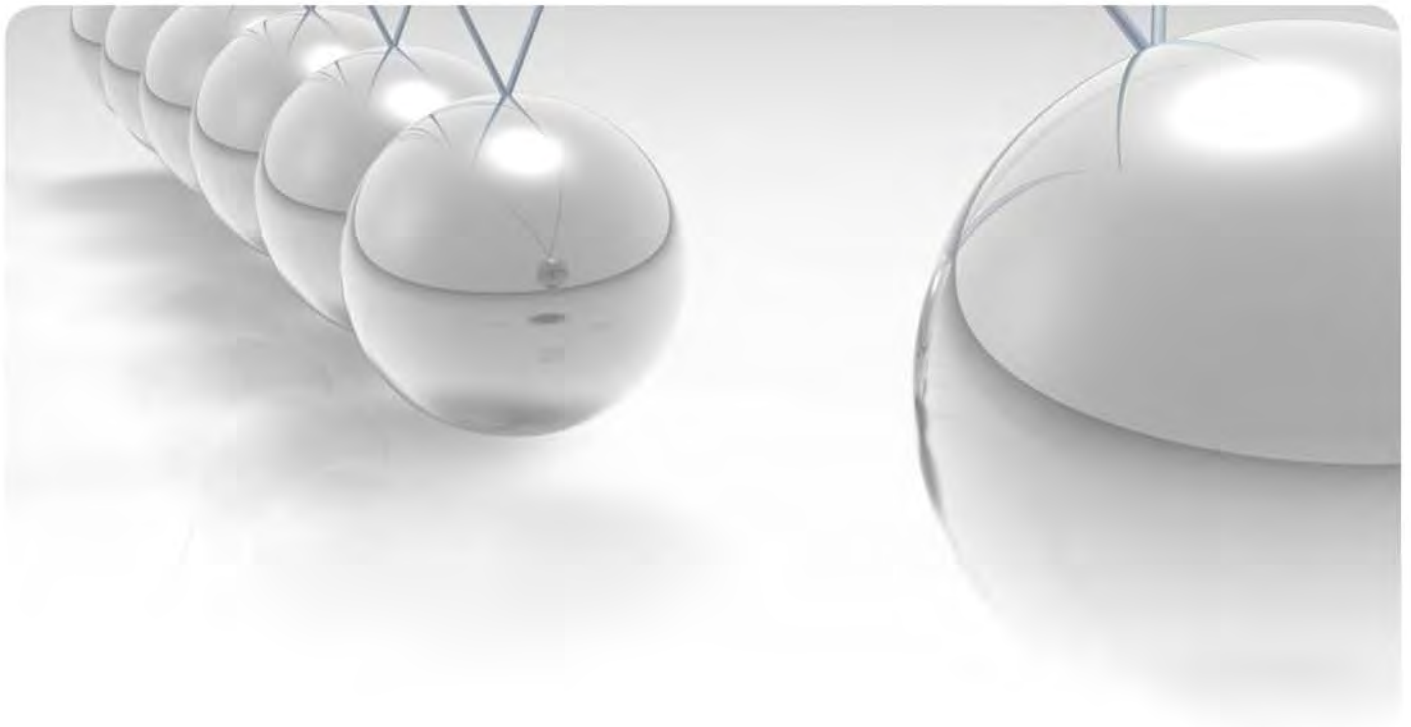




Rowland.

McArthur River Mining

Phase 3 Development Project

SIA Consultation Report

SEPTEMBER 2011



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Executive summary

Almost 300 people have been reached through 130 points of contact in a comprehensive consultation program conducted as an input to the Social Impact Assessment for the McArthur River Mine (MRM) Phase 3 Development Project (Project).

The consultation found genuine interest in and support for the Project and support for the methodology undertaken to equitably involve a large number of stakeholders representing a diverse range of local, regional and cultural interests.

This report provides a detailed overview of results collected during consultation and summarises all areas of interest to stakeholders based on their perceived potential positive or negative impacts or opportunities as well as the threats or barriers to their success.

Consultation was undertaken in accordance with requirements and objectives stated in the Northern Territory (NT) Government's Department of Natural Resources, Environment, the Arts and Sport (NRETAS) Draft EIS Guidelines released on 23 July 2011 and complies with the final guidelines released in late August 2011.

The purpose of consultation was to provide information to regulatory agencies, to inform the public of the scope, impacts and mitigation measures of the Project, and to facilitate genuine feedback from communities and stakeholders potentially impacted or benefited by the Project.

The goal of the community and stakeholder consultation conducted during this period was to share information in an open, equitable, all-inclusive and comprehensive way and to encourage community feedback and input into the process.

Methodology

Three stages of consultation were conducted.

Table 1: Stages of consultation

Milestone	Commencement date
Stage 1 Inform – community and stakeholders informed about proposed project and upcoming EIS process	March 2011
Stage 2 Consult – community and stakeholders consulted about proposed project through EIS drafting process	July 2011
Stage 3 Involve and collaborate – community and stakeholders provided feedback and opportunity to become involved in mitigation steps moving forward	September 2011

Stage 3 (Involve and collaborate) commenced in September 2011 and is continuing, with this report capturing all consultation up to and including 14 September 2011. An overview of consultation activities undertaken through these stages is provided below:

- A total of 293 individuals were consulted on a one-to-one basis, with a number consulted more than once throughout the process.

- The majority of consultation took place via private meetings, set up via outgoing phone calls, indicating consultation was individualised, took into account cultural requirements and allowed for privacy.
- Around 56 people attended site tours of the mine site, which took into consideration a preference held by many Traditional Owners to be provided an opportunity to view the site first-hand.

Key findings

There is a clear and determined sense of empowerment in the community – that they can drive and play a key role in their future and the future of their town. This attitude contributed to the success of this consultation program in engaging with a large number of stakeholders and community members as they wanted to be part of the consultation process. Their feedback reflected a future-focussed town looking to capitalise on opportunities.

Consultation involved an intensive period of one-on-one and focus group-style sessions with community and stakeholders to gain an understanding of their thoughts and feelings towards the proposed project. These meetings were supported by reference tools including maps, diagrams and factsheets to facilitate discussion which was oriented around a line of questioning designed to comply with the requirements of Social Impact Assessments and the specific Project Terms of Reference.

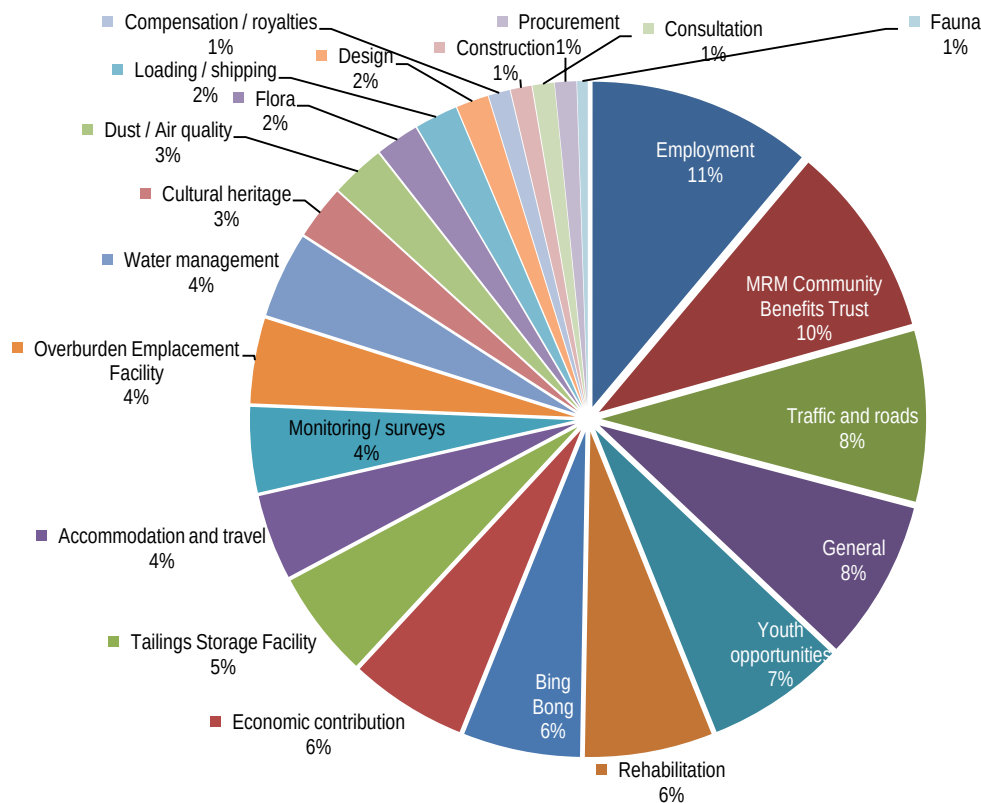
Following is a summary of the outcomes of discussions on the key topics tested through consultation and in order of priority as determined by the frequency of comments received.

- **Job Opportunities:** Employment and associated matters was the most frequently discussed area of focus of interest to all stakeholders. There was strong support for the proposed Project based on its potential to provide increased local employment opportunities which delivered benefits for the worker as well as the wider community. Opportunities for youth employment and the chance to provide the next generation with a more rewarding future was particularly raised.
- **Community Benefits:** There is clear support in the community for the MRM Community Benefits Trust and the benefits it provides in the community, particularly through programs targeting youth. Community members also expressed curiosity about the decision making process, the types of programs the Trust will support and the level of support available through the Project Officer, demonstrating an interest in greater communication and participation. The most consistent question raised however, was whether the amount invested in the Trust annually by MRM would increase and the life of the Trust extended in line with the Project.
- **Traffic:** There were no concerns about the increase in traffic on the highway. Stakeholders were more concerned about the current state of maintenance of roads and the influence on road safety.
- **Rehabilitation:** There was a high level of interest expressed by the Gurdanji community about being involved in the rehabilitation of the rivers and site.
- **Bing Bong Loading Facility:** There was no concern raised regarding the increase in ship movements in the Gulf of Carpentaria and loading via the Aburri barge at sea, only interest in environmental monitoring along the Bing Bong coast and nearby Sir Edward Pellew Islands.
- **Economic Contribution:** The potential for increased requirements of goods and services from suppliers as a result of the Project was recognised positively by the stakeholders consulted.
- **Tailings Storage Facility:** There was a high level of satisfaction with how the Tailings Storage Facility (TSF) performed in the last wet season although there is a level of concern about the

TSF, its design, impact on Surprise Creek and its function. However this topic ranked low in the priorities reflected by the frequency with which stakeholders were keen to discuss them.

- **Accommodation and Travel:** There was recognition that housing accommodation for workers, humbugging, drugs and alcohol were key factors in the success of either retaining employees in the community and retaining local jobs. Significant feedback was also raised regarding the difficulties created by patients seeking more advanced levels of medical care than is available within Borrooloola and the inhibitors to long distance travel to obtain it,
- **Environmental Monitoring:** There was a desire for greater frequency, scope and transparency of information on environmental monitoring results at the mine and Bing Bong loading facility.
- **Overburden Emplacement Facility:** There were no concerns about the proposed increase in height of the overburden emplacement facility, only interest in how it would be ultimately rehabilitated at completion.
- **Cultural Heritage Management:** The work MRM has done to protect cultural heritage management to date was acknowledged. Questions were raised around the potential impact of the Project on sites of cultural significance, particularly Barramundi Dreaming. There was also a lot of interest in conducting caring for country initiatives on the MRM site by Traditional Owners.

Figure: Frequency of topics of focus for consulted stakeholders (% of times raised in consultation meetings)



Consultation was conducted by MRM General Manager, Etienne Moller supported by Northern Territory based consultant and Indigenous woman, Vicky Nangala. Their overall observation of the outcomes of the meetings conducted was that there was a genuine interest and support for the Project and support for the consultation process undertaken. A strong theme that came through the consultation feedback was a desire for better opportunities for the future of the community and more particularly, the next generation of young people.

In summary, it was assessed the objectives of the consultation expressed in the following table were effectively achieved.

Table: Stakeholder engagement objectives

Objective	Result
• Ensure consultation was comprehensive, all inclusive, equitable and thorough	• 293 people were involved in the consultation process, many on more than one occasion due to many leaders having multiple roles. • This group included a wide cross section of stakeholders in the community. • While some constraints were experienced within the community, alternative arrangements were able to be scheduled on most occasions. • A variety of consultation tools were offered to ensure cultural sensitivity. • The average length of consultation meeting was three (3) hours reflecting the comprehensive nature of the subject matter discussed.
• Help inform decision making on the project to mitigate risk and maximise opportunity	• Project managers from the consultation team were involved in a preliminary risk assessment as part of the planning for the EIS and community-based interests were raised and factored in. • Results from the consultation program have been regularly communicated to the EIS Project team for consideration within further technical studies. •
• Further develop relationships with stakeholders to help inform strategies to develop effective future engagement and sustainable development initiatives.	• Feedback during consultation was favourable regarding the extent of engagement conducted, the availability of information and the involvement of the MRM General Manager. • The outcomes of the consultation program will also inform forward planning for MRM's annual stakeholder engagement strategy developed and implemented in line with Xstrata's Sustainable Development Framework. • Ideas generated regarding local procurement and community programs will also inform future planning for the supply team and MRM Community Benefits Trust.

Letter from the General Manager



31 August 2011

An open letter to the men and women of Borroloola and surrounding areas

I am writing this letter to sincerely thank you for your valuable time and honest feedback to the proposed Phase 3 Development Project for MRM.

Over the course of several months, I have met with 293 people who live, work and care for this region. I have been struck once again by the sense of community here and your enthusiasm to protect the future of your people, your local economy and your land.

Your generosity with your time and feedback is particularly appreciated when I understand your involvement has been sought for other consultation programs in the region.

We have been overwhelmed by your words of support for the mine operation and your practical ideas to ensure Phase 3 provides further benefit to the region.

It's particularly pleasing the MRM Community Benefits Trust and our Indigenous employment strategy have been so positively received by the community.

I share your passion for the region and through the environmental assessment process for the development, I will ensure your views are represented and the mine endeavours to meet your expectations. We value our relationship with our community.

With many thanks

A handwritten signature in black ink, appearing to read "Etienne".

Etienne Moller
General Manager - MRM



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Introduction

In March 2011, Rowland was engaged to independently manage the community consultation and engagement program for the Phase 3 Development Project on behalf of McArthur River Mining (MRM).

Rowland is an Australian corporate communication consultancy headquartered in Brisbane. The firm has had a consulting relationship to MRM since 2005 when it was first engaged to support the communication of the Draft EIS (August 2005) for the conversion from underground to open pit mining and subsequently on ongoing community relations activities.

Rowland was supported to conduct this consultation by Darwin-based consultant, Vicky Nangala, associated with Creative Options Pty Limited. Vicky is a Northern Territory Indigenous woman with significant experience in journalism, government and community relations.

All consultation meetings were managed and attended by Vicky with MRM General Manager, Etienne Moller. Etienne's presence at all points of information provision and consultation was important to demonstrating to our stakeholders the seriousness with which their feedback was taken and the value that MRM places on its relationships.

This consultation team provided a mix of culturally sensitive support, executive leadership and objective third party analysis of the findings.

This report provides a detailed overview of the results collected during consultation with community and key stakeholders undertaken as part of SIA for the EIS for the MRM Phase 3 Development Project. Consultation captured in this report was undertaken between March 2011 and September 2011, and this report describes the approach and process, activities undertaken, consultation areas of interest, outcomes and next steps.

Consultation guidelines and principles applied

Stakeholder consultation is recognised as an essential element in the EIS process. From the Project perspective, it ensures an open, all-inclusive, equitable and comprehensive approach to information sharing and feedback gathering, with results contributing (as appropriate) to the design of the project. It also provides communities and key stakeholders with ownership over proposed projects that will impact them in some way.

As part of the EIS process, EIS guidelines were developed by the NT Government's Department of Natural Resources, Environment, The Arts and Sport. The consultation guidelines (objectives) for the EIS included:

- Acknowledge and discuss the full range of risks presented by the proposed action including those of special concern to the public.
- Demonstrate that consultation between MRM and stakeholders, which should include acknowledging and responding to stakeholders' concerns, has taken place on the closure and rehabilitation of the site.
- Demonstrate that stakeholders have been consulted about the locations, size and visual impacts associated with the proposed expansion
- Community liaison and consultation is to include identification of, and ongoing consultation with, stakeholder groups to ensure the full range of community viewpoints are sought and considered. MRM is to outline its current and proposed methods for community consultation, including how it will respond to community feedback, questions and concerns in a formal, publicly accessible communication plan for the project.
- The EIS has an important role in informing the public about this proposal. It is essential that the proponent demonstrates how any public concerns were identified, and will influence the design and delivery of the proposal. Public involvement and the role of government organisations should be clearly identified. The outcome of any surveys, public meetings and liaison with interested groups should be discussed including any changes made to the proposal as a result of consultation. Details of any ongoing liaison should also be discussed.
- An outline of negotiations and discussions with local government and the NT Government should be provided.
- Consultation with local communities affected by transport impacts
- Provide details of planned community engagement activities including expected benefits to the local and wider Territory community.

Xstrata Zinc Worldwide Guidelines for Stakeholder Engagement

The Xstrata *Sustainable Development Framework*, specifically Standard 12 – Stakeholder Engagement Guidelines and its associated policy and procedures at Xstrata Zinc commodity business and MRM site levels, was referenced during this consultation period, and will continue to be a key set of documents influencing the ongoing delivery of community and stakeholder engagement. They outline Xstrata Zinc's approach to best practice consultation and engagement, and provide a solid foundation for baseline requirements.

Xstrata believes stakeholder engagement provides a framework to successfully manage challenges, find innovative solutions and to preserve the social license to operate.

Overarching objectives of effective stakeholder engagement include:

- Support lasting improvement in the quality of life of the communities in the mining areas and operations.
- Facilitate community empowerment through participatory development processes build local capacities and development resources.
- Foster constructive working relationships among Xstrata Zinc, communities and governments.

The main principles guiding Xstrata Zinc's stakeholder engagement conduct include:

- Uphold and promote human rights.
- Respect culture and heritage of communities as defined within local, national and international laws.
- Adopt a strategic approach of social impacts and risks of Xstrata Zinc's activities and concerns and needs of existing and future communities through overall stages of projects.
- Develop engagement with all communities within an operation's area, prioritising vulnerable groups.
- Enhance the social and economic competence and well-being of the communities involved with Xstrata Zinc's operations, avoiding dependency and promoting the sustainable development of business.

Industry best practice approach

The International Association for Public Participation (IAP2) is an internationally recognised organisation that seeks to promote and improve the practice of public participation in relation to individuals, governments, institutions, and other entities that affect the public interest.

The IAP2 approach to consultation, informed by their core values (see Appendix 2), is considered best practice consultation.

The IAP2 has developed a public participation spectrum to demonstrate the levels of public participation available as part of a project's stakeholder engagement approach. The spectrum demonstrates that the differing levels of participation are legitimate depending on the goals, timeframes, resources and level of concern in the decision to be made.

The model shows increasing levels of participation as stakeholder engagement activities move from *inform* to *consult*, *involve*, *collaborate* and finally *empower*.

A copy of the spectrum is available in Appendix 3.

The IAP2 model was used to influence MRM's stakeholder engagement activities during consultation about the Phase 3 Development Project. Consultation activities occurred at the '*inform, consult and involve*' levels, with some aspects of '*collaboration*' and '*empowerment*' used where appropriate.

Consultation team principles

The policies and guidelines established through the EIS Terms of Reference, the Xstrata Sustainable Development Framework and the IAP2 model have been interpreted into a set of principles which were considered particularly critical for the Project. These are summarised in Table 3 and outlined in further detail in the Project's Consultation Plan (Appendix 1).

Table 3: Consultation team principles

Principle	Description
Comprehensive	Thorough in subject matter, covering all generic areas of study expected under an SIA as well as all specific matters relevant to the design, planning and potential execution of the Phase 3 Development Project.
All-inclusive	Recognising the diversity of interests within the Gulf Region: Indigenous and non-Indigenous, residents and businesses, local, Territory and Australian Government and a range of organisations with an influence and interest in the future growth of the region. It also ensured that two-way communication was encouraged with both those who take a high profile and have prominent positions and community members with traditionally quiet voices.
Equitable	Providing a range of methods for engaging with the diverse range of stakeholders to ensure all had equitable access and opportunity to be heard. This included ensuring stakeholders had ample opportunities to be informed about the Project and EIS, and to ask questions and receive answers.
Thorough	Disciplined approach to conducting meetings, capturing feedback and reporting the outcomes within an effective management system to ensure all responses are accurately reported. This was important to ensuring the trusted relationship with MRM as a primary source of information and the feedback conduit in the EIS was maintained.

Our approach

General operational consultation and communication activities

MRM currently undertakes robust communication and community relations activities to maintain strong, positive relationships with key stakeholders and the community. Current activities include one-on-one and group meetings, site tours, briefings to schools, MRM Community Reference Group meetings, quarterly release of the MRM newsletter, *Memorandum*, maintenance of a website, information line and email address and informal discussions with a wide range of stakeholders both internal and external.

The mine's community relations staff have regular interactions with community groups. To assist this process MRM maintains an office in Borroloola where community members can come to seek information, provide feedback or raise concerns. Members of MRM's management team and community relations team are in regular contact with the community through their long-standing active participation in a number of local community organisations. This includes serving on the Roper Gulf Shire Council Board.. MRM'S Indigenous Employment Coordinator has ongoing involvement with ISAustralia (the local Job Services Australia provider), Mabunji Aboriginal Resource Association Inc. (local provider of the Community Development and Employment Program) and the Borroloola School to provide and support local people looking at gaining employment at MRM. In addition to this, members of MRM's environmental management team work with community groups such as the Li-Anthawirriyarra Sea Rangers and Traditional Owners throughout the year.

MRM also has a significant level of involvement with the community through the work of the MRM Community Benefits Trust. With the support of a Project Officer, the Trust has a high level of engagement with the community through consultation supporting the development of its Annual Plan and ongoing communication to test and reveal community needs and vision.

Methodology

Stakeholder identification and analysis

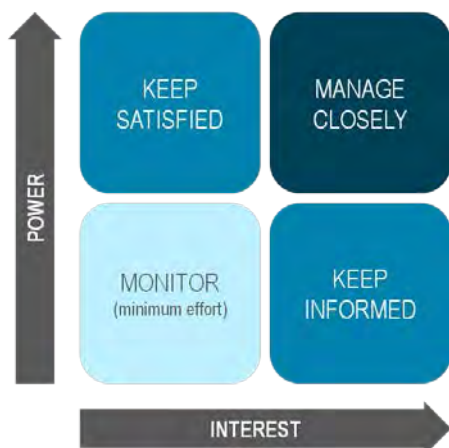
Stakeholders were identified and classified according to their interest in and influence on the proposed project.

The identification criteria used to collate the targeted list of stakeholder to be consulted were based on:

- Responsibility: The people for which the operation is responsible
- Influence: Stakeholders with influence or decision-making power Proximity: Stakeholders who interact most with the operation
- Dependency: Stakeholders directly or indirectly dependent on Xstrata Zinc or dependent on Xstrata Zinc for other issues
- Representation: Stakeholders that can claim to represent a constituency
- Strategy intent: Stakeholders addressed directly or indirectly through Xstrata Zinc policies or value statements or provision of early warning on emerging issues.

Once identified, every stakeholder was assessed by rating their power over and influence on the proposed project utilising the Minerals Council of Australia's model shown in Figure 1.

Figure 1: MCA Power vs Interest table



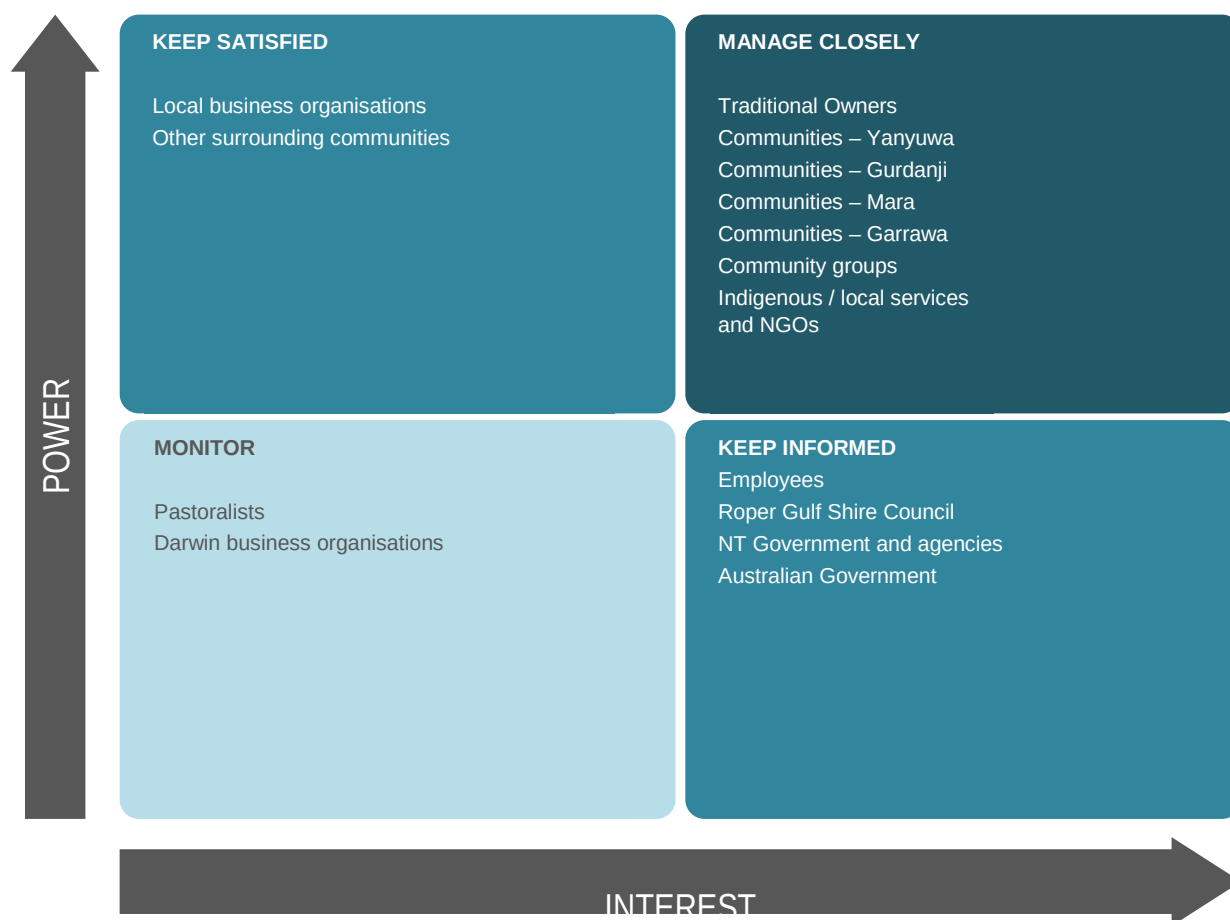
Source: Socioeconomic Benefits and Impacts: an assessment and planning toolkit

As a result of the assessment, the stakeholder groups were ranked in terms of engagement levels required. Stakeholders perceived to have the highest level of power and interest were managed more closely than those perceived to have comparatively lower influence. In practice, this means that while all stakeholders had an equitable opportunity to participate, priority was placed on those with high levels of influence. Any stakeholder has the potential to move from one classification to the other, therefore, flexibility and constant review of stakeholder classifications is essential.

The constraints of every stakeholder were identified – this may be due to capacity (e.g. time, money, access to IT) or to competency (e.g. language, expertise). These constraints were taken into consideration when developing the consultation tactics.

The following figure (Figure 2: Stakeholder classifications) provides detail on the classification of each stakeholder identified relevant to the Project. Appendix 5 provides further detail on the stakeholder analysis.

Figure 2: Stakeholder classifications



Goal

The goal of the consultation plan was to achieve open, equitable, all-inclusive and comprehensive engagement and consultation with the community and key stakeholders.

Objectives

At a high level, the EIS communication and stakeholder consultation objectives were to:

- Involve as many people as possible in the engagement and consultation process
- Help inform decision making on the project to clearly address concerns
- Collaborate with the community to look at ways to reduce identified project risks and enhance benefits and opportunities
- Inform strategies to develop effective partnerships with local business to achieve economic outcomes for the region.

Location of consultation

Consultation opportunities were available to all stakeholders within the Gulf Region including the township of Borroloola, King Ash Bay and Robinson River.

Information provision components of the engagement program were also implemented in Darwin. At all times, information on the Project was available through the MRM website.

Consultation timeframe

The milestones for consultation are summarised in Table 4.

Table 4: Milestones for consultation

Milestone	Timing
Stage 1 Inform – community and stakeholders informed about proposed project and upcoming EIS process	March – July 2011
Stage 2 Consult – community and stakeholders consulted about proposed project through EIS drafting process	July – September 2011
Stage 3 Involve and collaborate – community and stakeholders provided feedback and opportunity to become involved in mitigation steps moving forward	September 2011

Further detail on the specific activities undertaken as part of each of these stages is provided in Table 5 with communication tool examples demonstrated in Appendix 4.

Table 5: Consultation program

Stage	Stakeholder groups	Activities	Tools or references
Stage 1 Inform Provide an overview of the planned project and EIS phase, ensuring stakeholders and community are aware/understand their feedback and input is important.	All stakeholders were targeted through various touch points.	Media announcement Briefings with: - Australian Government Department of Resources, Energy and Tourism - NT Ministers and advisers - AFANT - ECNT - MAWA Board - MRM CRG - Roper Gulf Shire Council - NLC (invited) - Traditional Owners Community meetings in Borroloola and Robinson River Information collateral distribution Information stand at Borroloola Show Various phone calls and emails to key stakeholders	• Fact sheet 1 – Project introduction • Project presentation • MRM Newsletter <i>Memorandum</i>
Stage 2 Consult Provide in-depth information about proposed project Consult and obtain feedback about proposed project, impacts, benefits, issues Share this information with the EIS project team, with feedback fed into the design process.	All stakeholders were targeted through various touch points.	One-on-one consultation sessions with groups and individuals Group meetings (focus group style) Site tours Information collateral distribution	• Fact sheet 1 – Project introduction • Fact sheet 2 – Tailings Storage Facility • Fact sheet 3 – Overburden • Other general MRM fact sheets on Cultural Heritage Management, Regional Development, Rehabilitation of McArthur River and Barney Creek, Marine Monitoring, Pathways to Employment • Meeting guidelines

Stage	Stakeholder groups	Activities	Tools or references
Stage 3 Involve and collaborate September 2011 Provide feedback on the outcomes of the consultation process. Work with key stakeholders to gain input into proposed risk mitigation and opportunity maximisation strategies.	Roper Gulf Shire Council (Borrooloola) Communities – Yanyuwa Communities – Gurdanji MAWA Communities – Mara Communities – Garrawa Communities – General MRM CRG Mabunji Aboriginal Resource Association	Meetings with key groups Community meetings – Borrooloola, Robinson River	• All fact sheets • Presentations • Meeting guidelines with consultation report notes

Communication tools and activities

Copies of the fact sheets and project newsletters are available at Appendix 4 and a general description of each is summarised in Table 6.

Table 6: Communication tools and activities

Type	Communication tool / activity	Detail
Project	Fact sheets	• Used as a means of providing general information and proactively communicating about anticipated areas of interest, or issues which repeatedly arise through consultation • Phase 3 Fact sheet 1 – Project introduction • Phase 3 Fact sheet 2 – Tailings storage facility • Phase 3 Fact sheet 3 – Overburden • Other MRM fact sheets available – Cultural Heritage Management, Regional Development, Rehabilitation of McArthur River and Barney Creek, Marine Monitoring, Pathways to Employment.
	Presentations	• Master presentation used at community meetings / information sessions.
	Hotline / email	• Information line number - 1800 211 573 • Project email – mrmprojeng@xstrata.com.au • Both managed by Rowland.
	Website	• General MRM website contained a section on the Phase 3 Development Project, including fact sheets and general project information.
	Site visits	• Site visits were a key tool for targeting stakeholders in the 'Manage Closely' category, showing mining operations first hand, and using physical references to explain the Project.
	Newsletter	• <i>Memorandum</i> is MRM's quarterly newsletter and provided information updates on the project in the April and October editions.

Type	Communication tool / activity	Detail
	Positioning strategy	• Key messages – see Section 7 • Questions & Answers (Q&As) – see Section 8 • Important tools for general project communication and issues mitigation.
Community Relations	Community meetings	• Minutes or notes recorded and entered into CMS*.
	MRM Community Reference Group	• Regular March meeting was used as an opportunity to provide information about the Project. • June meeting was used as a focus group to consult on the Project. • September meeting was used as part of the involve and collaborate stage 3 of consultation.
Consultation	One-on-one meetings	• Main activity undertaken during consultation process • Notes taken during / immediately after discussions captured.
	Meeting guides	• Standard line of questioning to prompt consultation with stakeholders to ensure each meeting or focus group comprehensively covered all subjects required generally for a social impact assessment and specifically for the Terms of Reference and perceived issues and opportunities relevant to the Project.
	Images, diagrams, maps	• Visual communication tool used during meetings / presentations / informal discussions to provide information about project.

*CMS (Consultation Manager System) is an online stakeholder data management software program that captures and stores all contact with identified stakeholders, allowing easy access to information for analytical and informative purposes.

Special considerations

Cultural awareness

When conducting consultation with Indigenous communities, the Project team acknowledged various considerations to ensure the consultation process was culturally sensitive and appropriate. The team recognised that Indigenous culture is unique, with its own history, beliefs and values, and when engaging in consultation, these cultural and historical factors were recognised and respected.

Consultation was delivered in line with local Indigenous customs. This demonstrated respect for the Indigenous people, their customs and their country – the consultation team were guests in their community, and our approach reflected this appreciation.

In the region where consultation was conducted, there were four language groups to engage, so the approach was tailored to ensure each group was consulted in the most appropriate way to meet the needs of the individuals and language groups. A 'one size fits all' approach to consultation simply would not have worked, and would have been regarded as a disrespectful approach to consultation.

Respect was of the utmost importance – respect for elders, the land, animals and ancestors are fundamental aspects of the Indigenous culture, and the consultation team acknowledged this in various ways during consultation:

- The consultation team requested permission to meet with the Traditional Owners of each language group, and meetings were established on days and at locations that were convenient to them
- The consultation team did not go into language group communities unless invited by the Traditional Owners.
- Women's business and men's business were respected, with some consultation occurring in gender specific groups.
- Consultation was founded in oral communication, with some written materials/diagrams/maps to support discussion. This ensured the consultation was clear and easy to understand, which promoted and encouraged involvement and feedback.
- Consultation also involved site tours to give the Indigenous community a visual understanding of the areas the consultation would focus on. For example, while on site at MRM, visitors were taken to see the tailings storage facility, the overburden emplacement facility and the rehabilitation works at McArthur River.
- All people involved in consultation were asked permission for the sessions to be recorded so accurate documentation of the consultation could be developed.
- On the unfortunate occasions that deaths in the community occurred, the Project team sombrely respected cultural commitments which needed to be undertaken as part of 'sorry business'.

To further demonstrate respect for the Indigenous community, consultation was undertaken by Etienne Moller, the General Manager of MRM, together with Vicki Nangala, a qualified communications professional and Indigenous woman from the NT. Having the General Manager involved in the consultation process was MRM's way of demonstrating the significance of meeting with the Indigenous community, and the importance of receiving their comments and feedback. Vicky's connection with the community was important to ensuring cultural considerations were respected.

Constraints to consultation

There were four key constraints to consultation:

1. Sorry business

The consultation team respects the level of involvement and cultural commitment required by family members following the passing of another family member (sorry business). Unfortunately, there were a number of occasions where community members were unable to be involved in the consultation process due to sorry business. The team has utmost respect for this cultural practice, and consultation activities were rescheduled wherever possible.

2. Consultation fatigue

During the period of March through to August 2011, there were a number of other project consultation activities occurring in the region which contributed to a level of consultation fatigue within the community. These consultation activities were being conducted by organisations including the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the MRM Community Benefits Trust. Wherever possible and appropriate, consultation on the Project was held at the same location and directly pre or post the above other consultation activities to provide an efficient and effective use of community member time/availability.

Even with these other commitments, we were pleased to have been able to reach a large number of community stakeholders which was a measure of the level of interest in the Project.

3. Accessibility

Due to a number of other events and cultural activities occurring in the region, accessibility to community members and stakeholders was sometimes difficult. For example, the Mount Isa Rodeo (13-15 August 2011) attracted a number of visitors from the target region, and the NAIDOC festival (3– 10 July) was an important celebration which also reduced accessibility to key community members and stakeholders due to involvement.

4. Availability

Due to a number of community members and key stakeholders having employment responsibilities and other commitments, availability became another constraint to consultation. Again, wherever possible and appropriate, consultation was structured around this constraint to ensure as many people as possible were given the opportunity to be involved in the process. This meant, for example, some meetings were held before and after normal working hours or during employee break periods (such as morning/afternoon tea and lunch).

Consolidation of results

The results of all consultation were consolidated into regular reports and relayed to the EIS project team for consideration into the project design and decision making process. Mitigation and enhancement plans were developed to manage impacts and improve the benefits of the project for the community.

Consultation outcomes

Community and stakeholder participation

Table 7 below provides a summary of stakeholder participation in consultation activities undertaken during the EIS consultation period (March to August 2011). It includes details of participation in public and private meetings, site visits, phone calls and emails.

Table 7: Community and stakeholder participation

Stakeholder group	Number of stakeholders consulted*	Site visit	Meeting	Community meeting	Phone – outgoing	Phone – incoming	Email – outgoing	Email – incoming
Australian Government	4	0	3	0	0	0	0	0
NT Government, agencies and services	21	1	7	0	7	0	1	0
Roper Gulf Shire Council (Borroloola)	14	0	7	1	17	0	1	1
Traditional owners (of area)	39	3	16	1	20	1	1	1
Communities – Gurdanji	19	3	7	0	7	0	1	0
Communities – Yanyuwa	22	2	10	1	12	1	1	0
Communities – Garrawa	27	3	13	1	12	0	1	1
Communities – Mara	16	2	7	0	2	0	0	0
Local business organisations	19	1	8	0	17	0	1	0
Community groups	35	3	19	1	30	1	2	1
Indigenous / local services and non-government organisations	41	3	19	1	23	0	1	0
Other surrounding communities	18	1	10	0	9	0	1	1

* Stakeholders that are part of two or more stakeholder groups are counted in each group.

It is important to note, many of the private meetings were held with Traditional Owners and Elders within the four Indigenous language groups reflecting their high level of priority. It is understood that Indigenous customs require meetings to be held with Elders initially, and it is then their role to pass information on to other group members.

While this approach is acknowledged and respected, it is impossible to gain an accurate measure on the wide ranging reach of consultation during this period as many more Indigenous community members would have been informed about the proposed project (by their Elders) than consultation records indicate.

Likewise, members of community groups like the MRM Community Reference Group have a responsibility to act as a conduit to the broader community to ensure applicable information is shared with the broader community.

In addition, it is important to note there was an additional meeting set up with Katherine-based representatives of the Roper Gulf Shire Council in early July 2011, however this meeting was cancelled (at the request of RGSC representatives) but not rescheduled.

Summary - areas of interest identified during consultation

While all consultation meetings utilised the same line of questioning, the stakeholders involved naturally chose to concentrate on certain topics of most interest to them. A diversity of subjects were raised through consultation phase as demonstrated in Table 8.

The table outlines the number of times a topic of interest was raised by each stakeholder group. For example, for community organisations, the most frequently raised area of interest was employment, followed by the MRM Community Benefits Trust and Bing Bong loading facility.

It is clear from these statistics that overall, employment was the primary area of interest for all stakeholder groups within the Borroloola region. The topic of youth opportunities was closely linked to the topic of employment, particularly among Traditional Owners, who were focussed on discussing employment opportunities for their children.

Between March and September 2011 MRM conducted a total of 130 points of community and stakeholder engagements .

In 11% or 21 of these engagements, employment was raised as a specific matter of interest. The MRM Community Benefits Trust was raised 18 times and Traffic and roads 16 times. This analysis also shows:

- Government (Federal and NT) are more interested in Bing Bong loading facility than community-based stakeholders
- Gurdanji and Mara community members are most interested in mine rehabilitation.

Key for Table 8:



Most-raised area of interest for the stakeholder group

Second-most raised area of interest for the stakeholder group

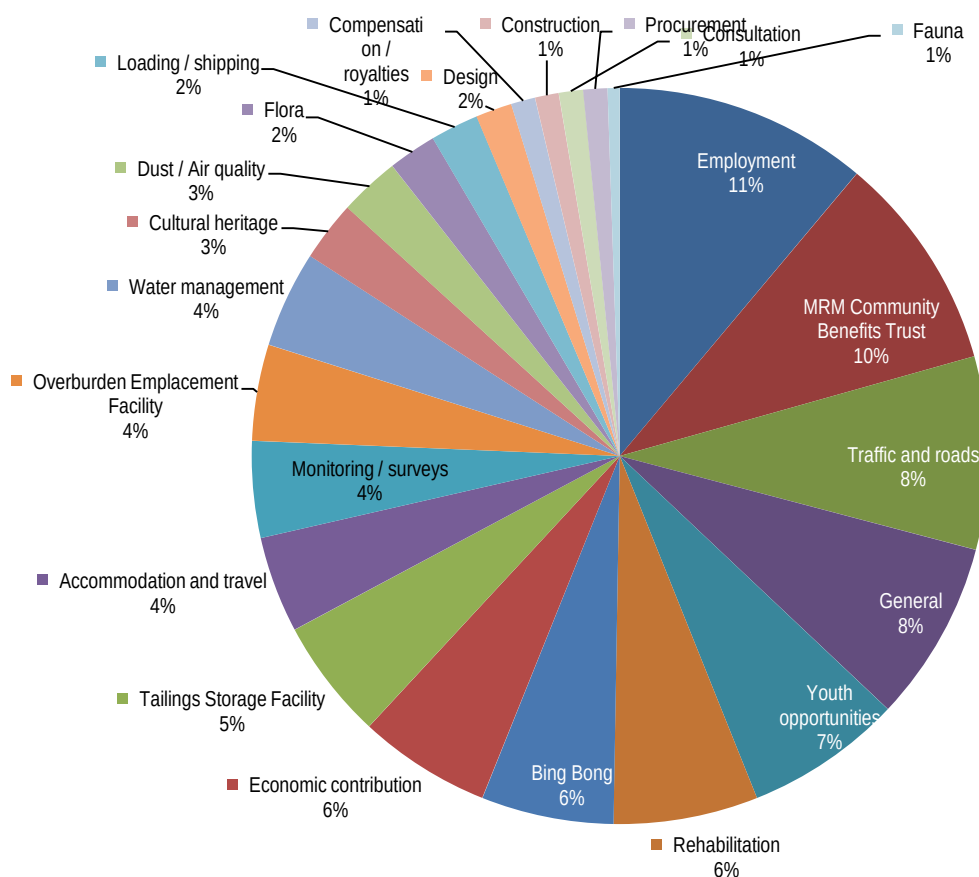
Third-most raised area of interest for the stakeholder group

Table 8: Areas of interest raised by stakeholder groups

Stakeholder group	Accommodation and travel	Bing Bong	MRM Community Benefits Trust	Compensation / royalties	Construction	Consultation	Cultural Heritage	Design	Dust / air quality	Economic contribution	Employment	Fauna	Flora	General	Loading / shipping	Monitoring / surveys	OEF	Procurement	Rehabilitation	TSF	Traffic and roads	Water management	Youth opportunities
Australian Government	0	3	1	0	1	0	0	0	1	0	2	0	0	1	1	2	2	0	1	2	2	1	2
NT Government / agencies	2	5	3	0	2	0	0	2	2	1	5	0	1	1	3	2	3	0	4	4	3	1	4
Roper Gulf Shire Council (Borroloola)	0	3	4	1	1	0	2	0	1	2	7	0	1	0	2	2	2	0	4	2	3	3	5
Traditional owners of area	6	7	11	1	1	0	4	0	4	7	12	1	4	2	3	5	4	0	9	6	10	5	11
Language group – Gurdanji	4	6	6	1	1	0	3	0	4	2	7	0	2	0	3	3	3	0	7	5	6	2	5
Language group – Yanyuwa	5	5	6	0	1	0	2	0	2	6	7	1	4	2	2	3	3	0	6	4	7	2	7
Language group – Garrawa	5	7	9	0	1	1	3	0	4	5	10	1	3	3	3	5	4	1	7	6	9	4	8
Language group – Mara	4	5	5	1	1	0	2	0	3	2	6	0	2	0	2	3	2	1	6	4	6	2	4
Businesses	1	2	6	0	1	0	1	0	2	2	7	0	0	7	3	2	3	1	3	2	5	3	3
MRM community groups	7	9	13	1	1	0	4	1	5	6	15	0	2	0	3	3	3	1	7	5	6	2	5
Indigenous / local services / NGOs	7	7	12	1	1	1	3	1	4	6	12	0	3	6	3	4	4	6	6	5	10	3	8
Other surrounding communities	2	4	7	0	1	0	0	1	3	3	6	1	1	3	2	4	3	1	4	5	5	3	3

In summary, the areas of interest and their relative level of importance to all stakeholders is reflected in Figure 3. As previously indicated, the most frequent topics raised were in relation to employment, the Trust, traffic and roads.

Figure 3: Frequency of topics of focus for consulted stakeholders (% of times raised in consultation meetings)



Employment

Employment matters were raised by every stakeholder group and mostly focused on the positive opportunities presented through the Phase 3 Development Project. The increase in Indigenous employment over recent years was also noted as a positive contribution by MRM.

The Traditional Owners, language groups and Indigenous / local services and non-government organisation stakeholder groups also commented on the associated positive impacts of increased local employment and said they would like to see more opportunities made available for their young people.

"For those members of our town who work at MRM, there is a real sense of pride, both for the individual worker and the township as a whole."

"MRM workers get off the bus – the miners bus – and they are really happy. They walk with their heads held high, their family waiting for them, with smiles. They are really happy."

Taken from Safe House meeting held on 20 July 2011.

Some concerns raised with employment were associated with housing, as employees' income puts them outside the eligibility criteria for housing in Borroloola and with no private housing available, workers choose to move to Darwin and fly-in and fly-out.

Other associated concerns include the increased affordability of alcohol leading to social problems in town once workers are on days off.

Despite these negatives, all stakeholders agreed the increased employment opportunities were a good thing for the people, the town of Borroloola and other surrounding communities.

MRM Community Benefits Trust

The MRM Community Benefits Trust was raised by most stakeholder groups as a matter of interest with stakeholders interested to know if MRM contributions to the Trust would increase as a result of the expansion.

"If the mine is expanding, then the slice that goes to the Trust should go up too."

Taken from Sea Rangers meeting held on 4 August 2011.

The Trust was well regarded by most stakeholders; however there was some uncertainty about how it was separate to MRM and how grants were approved.

Some stakeholders/stakeholder groups, including the Borroloola Clinic, Cairns Industries, Traditional Owners (Gurdanji and Yanyuwa), and the Sea Rangers had suggestions for how Trust funds could be allocated however, as this is a matter for the MRM Community Benefits Trust Board, enquiries were redirected as appropriate.

Traffic and roads

Most stakeholder groups enquired about the additional traffic movements likely to be generated by the Project. No concerns were raised when told the proposed project would double truck movements. Stakeholders consistently raised concern about the condition of the main roads connecting the mine with Borroloola, Bing Bong and King Ash Bay. A majority of stakeholders specifically raised concerns about the condition of the roads during the wet season.

"The roads and road conditions are a concern."

Taken from Mabunji Board meeting held on 3 August 2011.

Most stakeholders acknowledged that the condition of the roads was the responsibility of the government, however some stakeholders would like to see MRM involved in lobbying the NT Government to draw attention to this issue.

Areas of interest – detailed analysis

Employment

Employment was the most significant area of discussion during the consultation phase. It was an area of specific focus in 11% of all consultation. The topic of employment was covered by discussing four key areas:

1. Local employment
2. Youth employment
3. Employment communication/advertising
4. Impacts of employment.

Local employment

Consultation revealed strong support for the Project based on its potential to provide increased local employment opportunities which delivered benefits to the sole worker and also the wider community.

“More employment is a positive, and it provides more structure to the lives of the locals.”

Taken from Borrooloola Police meeting held on 19 July 2011.

The consultation captured input from people who had family members working at the mine, and there was an obvious sense of achievement in their comments and responses.

“For those locals who work at MRM, there is a real sense of pride, both for the individual worker and the township as a whole.”

Taken from Safe House meeting held on 20 July 2011.

It was clear through the feedback received that local employment linked very closely with regional development (below) as stakeholders and community members drew correlations between the experience and knowledge gained through employment at MRM and the future development and sustainability of their town. Employment was also closely linked to housing and accommodation, which was highlighted as a key issue for the town. It was raised that if you have gainful employment, you are no longer eligible to rent public housing, yet can't purchase your own home due to lack of housing availability and land.

“The main issue is that those employed at the mine can't use that income to buy their own house.

There is a lack of houses, a lack of available land.”

Taken from Borrooloola Clinic meeting held 28 July 2011.

Youth employment

Consultation revealed youth employment was the key priority for a number of community members, and one of the driving factors behind their support for the Project.

“The most important thing to come out of this project is employment for our children.”

Taken from Traditional Owner - Yanyuwa Group meeting held on 29 July 2011.

A significant number of community members raised their concerns for the youth of the community, specifically, the current lack of employment opportunities that would provide a rewarding future. MRM and

the Phase 3 Development Project were seen as an option for youth and a way to grow and develop the next generation.

Employment communication/advertising

The need for more information, communication and advertising of MRM employment opportunities was highlighted as an action by community representatives. These comments are directly linked to the topics of local and youth employment – community members want to ensure employment opportunities are offered (as appropriate) to locals initially through heavy promotion at the school and other key areas around town.

“There needs to be more promotion of the type of jobs you can get when working on the mine to promote understanding and interest...”

Taken from general community and local services meeting held on 21 July 2011.

Community members also raised the importance of ensuring locals were aware and understood that employment at MRM could be different and varied – for example, consultation revealed a number of community members saw truck driving as the only work available to locals at MRM.

“There are other job opportunities at MRM – IT as well as truck driving.”

Taken from Traditional Owner - Yanyuwa Group meeting held on 16 August 2011.

Impacts of employment

While the positives of employment were clearly highlighted, the perceived negatives or impacts on the community were also discussed. These impacts can be captured under two broad headings:

1. Humbugging
2. Alcohol management.

Humbugging

Humbugging is a term applied to various forms of begging – the term refers primarily to the practice of demanding money from relatives on a regular basis. It was learned through the consultation process that humbugging is a common and serious issue faced by the employed Indigenous community in Borroloola, and particularly those employees of MRM.

“...there are sometimes issues when employees return to town with crowding and humbugging from family members to give them money.”

Taken from Savannah Way Motel meeting held on 19 July 2011.

While humbugging is not directly related to the Project, it can be classified as an associated potential impact, as well as an identified concern within the community.

Alcohol management

Stakeholders raised alcohol as a general issue for the community, and this issue is further enhanced by community members with a disposable income.

"Employees need assistance to manage their wages, particularly relating to spending money on alcohol."

Taken from Borrooloola Police meeting held on 19 July 2011.

"We are concerned about alcoholism in town. There needs to be more education around alcohol – a lot of MRM workers blow their money on beer."

Taken from Safe House meeting held on 20 July 2011.

Impacts and opportunities — Employment

Impact – Positive • Local employment • Youth employment •	Opportunity • Alcohol management education • Less school drop-outs and more gainful employment • Benefits to both employees and the wider community.
Impact – Negative • Humbugging • Alcoholism/drug use in town • Accommodation / housing availability. •	Threats • Insufficient awareness of job opportunities • Lack of land availability for new housing development • Lack of private house availability for rent or acquisition

Regional development

The topic of regional development was covered by discussing five key areas:

1. MRM Community Benefits Trust
2. Youth opportunities
3. Traffic and roads
4. Accommodation and travel
5. Other.

A broad number of topics of interest and issues were raised relating to regional development and sustainability, with the outstanding area of interest being the MRM Community Benefits Trust. Other issues raised included extensive discussion about road conditions in the area, opportunities for young people as the future of the region, and housing and accommodation concerns.

MRM Community Benefits Trust

A number of stakeholders in the community were interested in discussing potential opportunities for the Trust, understanding how grant applications could be made, and recognising the contributions the Trust had already made toward the sustainability of the local area. In relation to the proposed Project,

stakeholders wished to know whether there would be additional funding allocations to the Trust in line with additional outputs from the mine.

'With the mine expansion, will there be an additional offload to the Trust? Is the life of the Trust to be extended?'

Taken from MRM CRG meeting held on 11 July 2011 .

'What about the CBT? Will that increase? Is there going to a percentage of the mine profit to go to the Trust?'

Taken from Borroloola Clinic meeting held on 28 July 2011.

'If this goes ahead, is there any other money that's going to come out of that expansion to go on to the Trust?'

Taken from Mabunji Board meeting held on 3 August 2011.

The project team advised the life of the Trust would be extended in line with the life of the mine, however were unable to provide an answer about whether yearly funding allocations would increase. The community were advised that under the Agreement for the establishment of the Trust, the funding commitments are scheduled to be reviewed in 2015 to consider any appropriate change in the amount invested subject to a number of considerations.

Questions were asked regarding how funding was allocated and how grant applications could be made, which indicated a low level of general understanding and awareness about the Trust funding process. Many were also unaware that an MRM Community Benefits Trust Project Officer visited the region on a regular basis to provide support and assistance in making grant applications.

'If people could talk with us about the Community Benefits Trust to help us to fill applications out properly and make sure we do things the right way... lots of people don't know the mine and the Trust are separate. Who do we go through at the mine? We don't know how much we can get.'

Taken from Safe House meeting held on 20 July 2011.

'It would be good to get the guidelines to access the Community Benefits Trust. It would be good to have these protocols available.'

Taken from Borroloola Clinic meeting held on 28 July 2011.

The opportunity to increase the promotion of the Trust's function and the role and availability of the Project Officer will be a key consideration for MRM as a result of this consultation period.

There was also uncertainty raised about the type of projects or initiatives the Trust could fund, with questions raised as to why the Trust could not fund improved sewerage in the town of Borroloola, and whether the Trust could fund a Gurdanji Traditional Owner to undertake caring for country duties at and around the mine. The project team explained the Trust was unable to fund infrastructure which was otherwise the responsibility of government authorities, but encouraged enquiries to be made to the MRM Community Benefits Trust Project Officer as to whether initiatives (such as the caring for country initiative) may be supported.

Overall, the community indicated clear support for the Trust and the benefits it provides to the community.

'People might be expecting more in the Community Benefits Trust, but they are quite happy to have it.'

Taken from Borroloola Police meeting held on 19 July 2011.

'The impact of the Project will be positive - more jobs, the Community Benefits Trust... the Trust helps the kids out. It's good.'

Taken from Cairns Industries meeting held on 29 July 2011

Impacts and opportunities — Regional development (MRM Community Benefits Trust)

Impact – Positive - Extended life of the MRM Community Benefits Trust, taking the amount of allocated funding to the order of \$40 million over the life of the mine - Recognition of the benefits the Trust has provided the local area to date.	Opportunity - Review to be conducted of Trust funding allocation in 2015 - High level of interest in how the Trust works and how it can be accessed means an education campaign / increased promotion will be well-received by the community, leading to an increase in suitable grants - Positive potential opportunities for Trust funding were identified during consultation, to be followed up by the Trust Project Officer.
Impact – Negative	Threats - Local capacity to prepare submissions and manage potential Trust funding opportunities may not be available - Low level of awareness or understanding about the how the Trust works, the types of projects it funds and how to access grants.

Youth opportunities

A significant amount of concern and interest in the future of youth in the region was shown by stakeholders and the community during consultation. General sentiments held that the proposed Project would build on opportunities for young people, particularly relating to employment, but also linking with provision of more services and social infrastructure for youth through the MRM Community Benefits Trust. There was a high level of positivity about support for youth across the four language group leaders.

'There are a lot of things we want for our young people.'

Taken from Safe House meeting held on 20 July 2011.

'The (Borrooloola Swimming Pool) was a good thing; we would like more things for our young ones. If the mine could bring things for the children, it would be good. ... We would like a drop-in centre for teenagers. If we have our own hostel, another softball oval... At the moment we have basketball and netball together, what we need is our own basketball court. What we need is things like that for our young people in Borrooloola.'

Taken from Safe House meeting held on 20 July 2011.

'We want to set up a kids' camp out on the (Sir Edward Pellew Islands). The young fellas need somewhere for the old people to teach them, to get out of town. We'll get together and work out which Island – for troubled kids.'

Taken from Traditional Owner - Yanyuwa Group meeting held on 16 August 2011.

Such comments indicated a strong sense of concern and a vision for the types of additions to the area needed to create a stronger future for the youth. Some stakeholders also saw the MRM Community Benefits Trust as being a vehicle with which to create these outcomes, with encouragement provided by the project team for stakeholders to approach the Trust for funding if applications were not already underway.

Interest was shown by Roper Gulf Shire Council (Borroloola) in working with MRM on possible programs for diversion of youth away from succumbing to social issues, such as drug and alcohol abuse, into obtaining meaningful employment.

Concern was also shown by stakeholders regarding education of young people about money management, particularly relating to avoidance of spending large sums of money on drugs and alcohol. The project team discussed that money management is part of the MRM induction process and pre-employment training for new apprentices and trainees. This includes assisting Indigenous people to set up bank accounts.

Stakeholders commented that young people needed encouragement to attend schooling for their long-term security.

'If only we could get some more young people who don't go to school – get them motivated to get training, to get their school work done. You know – something for them. I spoke with the school about getting someone from the mine to talk with them.'

Taken from general community and local services meeting held on 20 July 2011.

'You should be looking at getting kids interested in the mining industry, letting them know about the different jobs available.'

Taken from general community and local services meeting held on 21 July 2011.

While clear support was shown for the employment opportunities the mine presented for local youth, stakeholder comments indicated there was a lack of awareness about programs and initiatives in place or under discussion to address this issue, including a Vocational Education Training program aimed at attracting youth, and the MRM Community Benefits Trust-funded NT Government *Bright Start, Strong Future* program (launched post consultation on 29 August 2011).

Across the board, many felt the mine presented positive opportunities for young people.

'It's an opportunity for young people. They get home after high school, just fighting and getting on the grog. They need some motivation; they need something to do...'

Taken from Traditional Owner - Yanyuwa Group meeting held on 29 July 2011.

'The young people ask us elders, 'you get anything from the mine?' We tell them if you want a house or a motor car, well, there is work at the mine for them to get those things for themselves. We, as leaders, have to encourage our young people to work. (The mine) is going to be there for awhile, so they have got to take that opportunity.'

Taken from Traditional Owner - Gurdanji Group meeting held on 16 August 2011.

Impacts and opportunities — Regional development (Youth opportunities)

Impact – Positive • Increase in youth opportunities relating to employment and training • Potential for increase in services and facilities for youth through MRM Community Benefits Trust • Strong level of support and drive shown by community leaders in encouraging youth involvement in employment and other opportunities.	Opportunity • High level of community support for mine initiatives relating to youth opportunities • Invitation to work with Roper Gulf Shire Council on youth diversion strategy • Numerous ideas identified with community members about facilities to improve way of life for youth, leading to opportunity for Trust Project Officer to proactively engage with appropriate stakeholders • Promotion about MRM's involvement in educational programs and initiatives may help raise awareness.
Impact – Negative • Education on money management required on an ongoing basis to assist youth employed at the mine to overcome social issues • Low level of awareness about programs with MRM involvement relating to vocational education training and other school-based initiatives.	Threats • Need to motivate young people - Social issues such as drug and alcohol abuse, humbugging, overcrowding mean youth may be disengaged and uninterested in opportunities available to them.

Traffic and roads

The EIS Guidelines requested particular consultation with stakeholders and the community about potential impacts of additional trucks travelling between the mine site and the Bing Bong loading facility, together with additional trucks servicing the mine.

Consultation revealed that while there were no concerns relating to the proposed increase in truck activities, concerns were prevalent across the region relating to poor road conditions resulting from general traffic, truck traffic, the wet season and a low level of maintenance. There was a level of understanding indicated that road maintenance was the responsibility of the NT Government, however stakeholders still questioned whether the mine could offer any improvements to roads.

'At the end of the day, the drivers are tested, they are licensed and the trucks are roadworthy. I don't have any problems with extra trucks on the road. The only thing that worries me – but I know it's not your responsibility – is the roads and allocation from Main Roads for maintenance. The wet season impact.'

Taken from Safe House meeting held on 20 July 2011.

'The roads need to be fixed, the highway.'

Taken from Safe House meeting held on 20 July 2011.

Specific queries related to particular roads stakeholders wished to have improved, and MRM's capacity to undertake this work.

'Can the Mine improve the road to Bing Bong?'

Taken from Borroloola Clinic meeting held on 28 July 2011.

'What about Mule Creek Road? I like to go out there to fish, but the road is very rough. Can you help out with that?'

Taken from Savannah Way Motel meeting held on 19 July 2011.

The community were advised discussions had commenced with the NT Government regarding the issue of road maintenance, and this will form part of ongoing investigations and discussions, and the community would be advised of the outcomes. This is a priority for the MRM management team as a result of this consultation. MRM were also able to commit to continuing maintenance of Mule Creek Road for ongoing safe access in the area.

Road safety was broached by stakeholders as being a minor issue, particularly relating to people drink driving or laying drunk on the road, and increased signage.

'We worry about people drunk on the road.'

'Drive carefully, more signage.'

Both quotes taken from Women's site tour held on 10 August 2011.

Impacts and opportunities — Regional development (Traffic and roads)

Impact – Positive MRM has made an ongoing commitment to maintaining Mule Creek Road on request of the community.	Opportunity - Engagement with NT Government about potential road impacts may result in improved maintenance of the roads in the area - Engagement with local community and NT Government regarding road safety programs and initiatives may bring wider-spread benefits to ensure community safety outside of MRM truck operations.
Impact – Negative Increased truck movements may further damage roads which are already in poor condition.	Threats - No action to improve current status of the roads prior to potential Project commencement - Safety of all drivers using the roads.

Accommodation and travel

The severe housing shortage in Borroloola, together with concern about local MRM employees obtaining reliable transport to and from work, were raised as issues through consultation.

While overcrowding and associated health and social problems were raised as general ongoing issues in the local area, there were particular areas of concern relating to accommodation for local people who work at the mine. Many spoke about local workers facing eviction or disproportionate rental increases from their public houses as a result of increased income levels; they indicated that with no other rental options available in the community, people faced issues with obtaining alternative accommodation or

being no longer eligible to receive public housing. Some also discussed that local workers experienced transport issues travelling to work each day, in that the daily bus currently in operation is designated only for trainees.

'Housing, overcrowding is a problem. Do you reckon you can build houses? We have to wait for another two years to get new houses here... can you build them faster than these other mob (the NT Government)?'

Taken from Traditional Owner - Yanyuwa Group meeting held on 16 August 2011.

'A key issue, a main issue, is that people employed at the mine can't use that income to buy their own house.'

Taken from Borroloola Clinic meeting held on 28 July 2011.

'There is a bus...but that's only for trainees. When they come off that they seem to be on their own.'

Taken from Centrelink / ISA meeting held on 26 August 2011.

Stakeholders and community members further discussed that local workers faced social issues when having to return home to live in overcrowded houses, including being persuaded to take part in drug and alcohol abuse, and being 'humbugged' for money or work.

'You know, there's overcrowding and sometimes problems when local employees come back to town - maybe give them somewhere (to live) at the mine. You can see that some of them are trying hard to keep their jobs, but they get humbug from family with the extra money they bring back.'

Taken from Savannah Way meeting held on 19 July 2011.

'There are people who get humbugged for the extra money.'

Taken from Centrelink / ISA meeting held on 26 July 2011.

Many expressed concern with a trend that young local MRM workers were relocating away from their local community to Darwin and taking up FIFO roles with MRM, which they felt removed them from their families and decreased the potential for long-term sustainability of future generations in the area.

'Then there's the housing issue, when they get a job at the mine, they lose their house, and there's nowhere to rent here, there's no support for child care, no housing to rent, the incentives... it's hard. That's probably why they go to Darwin.'

'Land is an issue...land is tied up...it's a merry go round, those people go away they spend their money in other places...can this place really get ahead?'

Both quotes taken from Centrelink / ISA meeting held on 26 July 2011.

Stakeholders and the community accepted that MRM was unable to directly undertake work to address the housing shortage in terms of constructing houses, and appreciated the challenges associated with land tenure issues currently being experienced in the area. However, community members indicated they would like to see MRM take a role in lobbying the government for assistance in resolving this issue. Others suggested MRM and its local employees may benefit from constructing a 'single workers' quarters' in the township, providing a safe, clean and local place to live.

'When miners come to town, they should have their own little units, and most of them are single.'

Taken from Safe House meeting held on 20 July 2011.

'Is there any way that we could have a plan where employees of the mine, especially Indigenous ones, have facilities for them in Borrooloola that are like work camps? Facilities for them to come back to so they can be comfortable in their own environment.'

Taken from Mabunji Board meeting held on 3 August 2011.

Impacts and opportunities — Regional development (Accommodation and travel)

Impact – Positive Local employees on FIFO arrangements are avoiding the social issues of town, saving money and growing independence.	Opportunity - Continue to address the housing issue with the NT Government and Local Government in developing a collaborative solution. - Consider provision of a daily bus service to Borrooloola to assist local workers in ensuring safe transport to and from the work site.
Impact – Negative - Potential for increasing local employment is compromised by issues associated with losing housing benefits, housing availability, overcrowding, humbugging, drug and alcohol abuse. - Allowing local workers to FIFO to Darwin potentially leading to broken family connections and connections to culture.	Threats - Australian and NT Government Strategic Indigenous Housing and Infrastructure Program is not due to provide any benefit to Borrooloola and surrounds until at least 2014 - Land tenure issues need to be resolved before land is released for private housing development. - Cost of building houses due to remote location makes development economically challenging.

Other

There were several other topics raised or issues discussed relating to regional development, particularly regarding health, accessibility and economic contribution.

An issue facing health providers in the local area relates to providing flights for elderly patients from Borrooloola to Darwin for treatment. Currently, the NT Government provides a private chartered flight, which must land at Katherine, thus requiring patients to make a further 5-hour bus trip to Darwin. This results in elderly patients suffering from tiredness and potentially increases the risk for further health complications. MRM identified an opportunity to work with the NT Government regarding assisting patients to fly directly from the MRM mine site to Darwin – a 1-hour flight which would provide increased comfort for patients.

Many community members also expressed interest in the potential for further flights to be made available to locals from the MRM site, which was noted by MRM.

In terms of economic contribution, local people were most interested in identifying business opportunities to be involved with the mine. This particularly related to supplying seeds and labour for rehabilitation works. The project team indicated being strongly open to looking at all opportunities to provide support to local businesses, and that the MRM Community Benefits Trust was well-placed to provide grants to suitable applicants interested in providing such services. MRM is nominating this as a key area of development focus post the EIS period.

Many recognised that with the CDEP program due to end in 2012, there would be a requirement to ensure other businesses could grow in the area to ensure employment was sustained.

'The CDEP is going to close next year and we need something to go on. Like a business, so we can create work, jobs.'

Taken from Robinson River meeting held on 10 August 2011.

Impacts and opportunities — Regional Development (Other)

Impact – Positive - Increased requirement for goods and services, meaning local enterprise opportunities for suppliers may increase - Local business development may lessen the impact of CDEP cessation in 2012 - Increased flights in and out of mine may mean somewhat increased accessibility for locals.	Opportunity - Engagement with NT Government regarding flights for elderly patients may lead to an improved experience for patients - Identified enterprise creation opportunities provide potential for proactive consultation by Trust Project Officer and MRM administration team - Supporting local suppliers to partner with other businesses to deliver MRM requirements. - MRM support is able to be provided for local businesses seeking to supply the mine, particularly helping them to meet Xstrata plc supply requirements.
Impact – Negative	Threats - Local capacity for developing competitive small businesses to supply the quality required to meet mine requirements may be limited. - Flights into MRM are generally full with employers and contractors so flight accessibility may be limited.

Environment and rehabilitation

Environment and rehabilitation were two areas of interest that received comment throughout the consultation process, however did not receive as much interest as other topics such as employment, road condition and the MRM Community Benefits Trust.

The topic of environment raised two key areas of interest for stakeholders and community members:

1. Frequency and scope of monitoring
2. Accessibility to monitoring results.

Frequency and scope of monitoring

During consultation, community members suggested that should the proposed Project go ahead, the frequency and scope of the current monitoring process needs to increase, specifically in relation to water testing at identified locations. Surprise Creek was highlighted as a key location where monitoring needs to

be increased to ensure any impacts from the Phase 3 Development Project are captured early and addressed.

"If the expansion continued, would there be an option to expand the water testing regime?"

Taken from MRM CRG meeting held on 11 July 2011.

Accessibility to monitoring results

MRM's current process for communicating monitoring results with stakeholders and community members was raised, with consultation revealing stakeholders and the community want more information, on a more regular basis. The topic of more transparency and greater access to monitoring results was common to a number of stakeholder groups, particularly the Traditional Owners as they felt information was not as readily available to them.

"We request more transparency with monitoring results."

Taken from MRM CRG meeting held on 11th July 2011

There was acknowledgment of the auditing that was being undertaken by the independent environmental monitor and the monitoring undertaken by the Australian Institute of Marine Science, and consultation revealed that community members were happy with this process as it demonstrated MRM's ongoing commitment to effective environmental management.

"I see people out doing the testing in the waters and that's good. I come across every morning for work and I see them. That's really good."

Taken from Safe House meeting held on 20 July 2011.

Consultation also generated commentary regarding the rehabilitation of the McArthur River, with the majority of comments coming from the Elder Women who attended a site tour on 10 August 2011. Their comments were emotive as they saw the results of rehabilitation works along the banks of the river, and suggested ways to be involved in continuing to plant up the river banks. Signs of marine life (e.g. fish) also generated positive comments from the Elder Women.

Further to this, the topic of rehabilitation generated three other key areas of interest, including:

1. Future amenity of the OEF
2. Involvement in rehabilitation (e.g. local procurement)
3. Mine closure.

Future amenity of the OEF

The topic of the OEF will be discussed later in this section, however with regards to the rehabilitation of the facility and future amenity, this was raised as an area of concern as community members wanted to ensure the design was conducive to future planting. While there were very few issues raised regarding the current visual amenity of the OEF, consultation revealed community concern resided with the future amenity (or future *look* of the OEF) together with the future use of the facility.

Involvement in rehabilitation

Community involvement in the rehabilitation process was an area of interest for a number of stakeholders. Cultural connection to the land and local enterprise generation opportunities were key drivers for this interest.

"Are there any nursery opportunities for the future?"

Taken from general community meeting held 18 April 2011.

"The Sea Rangers could be involved in the patrols, looking at the river systems, looking after the country. Could be an ongoing thing – gives pride and joy looking after this."

Taken from Traditional Owner - Yanyuwa Group meeting held 29 July 2011.

This discussion was closely linked to the topics of employment, youth opportunities and cultural heritage, with involvement in the mine remaining a significant theme for many community members and stakeholders. MRM is nominating this as a key area of development focus post the EIS period.

Mine closure

The topic of mine closure was also raised in relation to rehabilitation works. More specifically, community members were interested to learn what responsibilities MRM has to rehabilitate the area after the closure of the mine. The consultation process encouraged community members to highlight their own thoughts on the future use of the site following the mine closure, with some community members confirming their preference for the site to ultimately return to cattle country.

In terms of rehabilitation, it was unanimous that stakeholders and community members believed it was MRM's responsibility to rehabilitate the country once the mine was closed.

"It is the responsibility of the mining companies to rehabilitate country."

Taken from Mabunji Board meeting held on 3 August 2011.

Impacts and opportunities — Environment and rehabilitation

Impact – Positive	Opportunity
•	• Greater understanding of monitoring results by community and key stakeholders. • Increase Traditional Owner (Gurdanji) involvement in the rehabilitation process • Involve local businesses in the rehabilitation and monitoring process e.g. Sea Rangers • Improve relationships with community through more information giving and sharing. • Desire for greater water monitoring and for these results to be shared

Impact – Negative	Threats • Technical expertise required to undertake some monitoring processes/procedures.
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Tailings Storage Facility

Consultation regarding the TSF was a specific area of discussion in line with the Terms of Reference for the EIS. However, results indicate that this topic, while important and thoroughly discussed, was not as widely raised as other areas of interest, such as local youth employment and the condition of the roads in the region.

The key areas of discussion regarding the TSF were in relation to the management and mitigation of seepage into Surprise Creek, the monitoring of Surprise Creek, and the potential increase in size to the TSF.

There were some comments received that indicated a level of community interest/concern regarding the TSF, its design, and current/future impacts on the surrounding environment, specifically Surprise Creek. These comments were in relation to seepage and water testing and monitoring.

“When you do the mining, does anything go back into the river?”

Taken from King Ash Bay meeting held on 26 July 2011.

“Will the expansion increase the number of tailings? If yes, there needs to be more testing done.”

Taken from MRM CRG meeting held on 11 July 2011.

These comments indicated to the consultation team that community members still did not fully understand the role of the TSF. Where this was the case, to ensure clarity for the community, the team took the time to go through the TSF factsheet and answer questions with as much detail as possible to increase their knowledge and understanding.

There were other comments made in relation to the TSF which suggested a degree of contentment with the current facility, together with comments made in relation to the project as a whole.

“The TSF had no issues during the substantial 2010/2011 wet season and we feel pretty safe with it.”

Taken from Government site tour on 2 August 2011.

“If the size of the project doesn’t impact o the environment, it is fine.”

Taken from MRM CRG meeting held on 11 July 2011.

It was clear from these comments that although the community was still concerned about the existence of the TSF and its impact on their country, there was acknowledgment of the current management and monitoring strategies in place to address their concerns. It was also clear through the consultation process that community members wanted to be kept informed of monitoring results throughout the life of the mine.

The consultation team did raise other potential areas of interest in relation to the TSF, including visual amenity and the impact this currently has (and may potentially have) on community members, however consultation results indicate these were not areas of particular concern.

Impacts and opportunities — Tailings Storage Facility

Impact – Positive • Acknowledgment of the current management strategies to mitigate TSF seepage into Surprise Creek • Acknowledgment of the design of the TSF to withstand the wet season.	Opportunity • Increase communication regarding water testing and monitoring • Review the rehabilitation process and involve community members where possible and appropriate.
Impact – Negative • Seepage into Surprise Creek • Flow on effects the seepage has downstream • Impact seepage into Surprise Creek has had on flora and fauna.	Threats • Misunderstanding of the role and function of the TSF.

Overburden Emplacement Facility

As with the TSF, the OEF was a particular topic requiring consultation with the community through the EIS drafting period, particularly relating to its visual amenity (as required by the NT Government in its EIS Guidelines).

Advice was provided by the project team that the OEF may be built higher than its current height of 40 m (though not higher than the pre-approved height of 80 m), and direct questioning occurred about the community's thoughts and concerns on this. The majority of those who took part in consultation did not raise any concerns or issues about the OEF.

Several questions were asked relating to how the OEF worked, what it would look like during the mine life and treatments intended to be applied following mine closure. This signalled there was a level of interest in the OEF generally, and indicated there had not previously been a high level of awareness about this aspect of the mine's operation.

While there were very few issues raised regarding the visual amenity of the site, a small number (1 – 2) commented the current OEF and potential for extra overburden would be unattractive to look at.

'The expectation is that it'll be an eyesore, not necessarily a good thing for the area.'

Taken from Borroloola Health Clinic meeting held on 28 July 2011 .

'You can see (the OEF) a little now, but there's nothing you can do about it. It's a sight for sore eyes.'

Taken from Traditional Owner - Yanyuwa Group meeting held on 28 July 2011.

There was, however, an indication that stakeholders understood the OEF was a requirement of the mining process.

There was also further interest shown regarding the preferred design for the OEF, specifically relating to the project decision to construct the OEF higher rather than wider. The project team took the opportunity to discuss that it was preferable to take the OEF higher than wider so as to reduce the footprint and environmental impact. The design choice struck a balance between minimising environmental impact, while minimising impacts to visual amenity at the location. The community were assured the OEF would not be taken higher than the previously approved height of 80 metres, in line with the height of 'Barramundi Dreaming' (a site of cultural significance), and did not indicate any issues relating to this design decision.

The project team also discussed the long-term plans for the OEF, advising that the mine closure and rehabilitation plans were designed to ensure the OEF would eventually blend in with the surrounding environment post-life of mine. Stakeholders indicated they understood the mine closure plans in relation to the OEF. In line with other comments relating to rehabilitation, there was interest in ongoing community involvement in this work.

Impacts and opportunities — Overburden Emplacement Facility

Impact – Positive • Understanding of the role of the OEF in mine operations • Recognising the mine would work within approvals to ensure the OEF would be not be constructed higher than a site of cultural significance.	Opportunity • Involve community in ongoing and mine closure rehabilitation of the OEF where possible • Conduct site tours to show community progress of the OEF construction and rehabilitation • Educate the community about how the OEF works, its design and rehabilitation.
Impact – Negative • Visual amenity of the OEF during mine operations.	Threats

Cultural Heritage

Cultural heritage was an area of interest across a number of stakeholder groups, in particular, the process of how MRM would identify and preserve sacred sites (or sites of cultural significance) throughout the EIS process and beyond. Specific reference was made to Barramundi Dreaming as a place of cultural significance and a sacred area that needed to be protected from any impact. There was also discussion surrounding the TSF and OEF and their potential impact on sacred sites, with questions raised on how the design of these facilities would be developed to mitigate any impacts (discussed in TSF and OEF sections above).

Community members acknowledged the work MRM had done to date in terms of sacred site identification and protection, however they expressed their concerns regarding the size of the Project and the potential impact it could have on these sites. There was a strong need for the project team to clearly demonstrate and articulate their cultural heritage management processes to confirm sacred sites would not be impacted.

“How will MRM protect and identify sacred sites on the mine throughout the Phase 3 Development Project?”

Taken from general community meeting held on 23 March 2011.

“You need to look out for Barramundi Dreaming. There is a spring there – you have to look after it.”

Taken from Traditional Owner - Gurdanji Group meeting held on 16 August 2011.

In response to these comments, MRM provided stakeholders information on the 17 sites of cultural significance which have been previously identified by Traditional Owners, archaeologists and the Aboriginal Area Protection Authority. These sites are protected by MRM.

In moving forward, there was acknowledgement from community members that any new sites of cultural significance would be protected under MRM's Cultural Heritage Management Plan, which followed MRM's *Cultural Recognition Policy*.

Involvement in cultural heritage or *caring for country* was another topic discussed in detail during the consultation phase. Community members expressed their keen interest in being involved in cultural heritage management activities, and saw the Phase 3 Development Project as an opportunity to action this involvement.

“We are fine with cultural heritage and sacred sites, so long as Traditional Owners are working with MRM.”

Taken from Traditional Owner - Yanyuwa Group meeting held on 29 July 2011.

It was clear from the consultation that caring for country was very important – both culturally and spiritually – for community members as it provided an opportunity to be ‘hands on’ with their country and share stories with the younger generation. Consultation revealed that ongoing involvement in cultural heritage management was very important to the community.

“It will have a positive impact – it will support Traditional Owners to look after country, maintain cultural ties, and it will be a step in the right direction moving forward.”

Taken from Government site tour held on 2 August 2011.

Impacts and opportunities — Cultural Heritage

Impact – Positive • Sacred sites/sites of cultural significance are identified and protected • Phase 3 Development Project does not impact on any sacred sites or sites of cultural significance. • Community members given access to sacred sites/sites of cultural significance.	Opportunity • Community members to become more involved in cultural heritage management activities • The Phase 3 Development Project provides an opportunity to increase cultural heritage knowledge among MRM staff through a continuation of Cultural Awareness Training.
Impact – Negative • Potential impact on sacred site or site of cultural significance around the TSF or OEF raised by the community.	Threats • Proximity of Project infrastructure to sites of cultural significance.

Bing Bong

Consultation was undertaken across all stakeholders and members of the community to ascertain potential concerns about an increase in barge movements in the Bing Bong area, and understand other issues associated with loading and shipping activities.

While many stakeholders were interested in environmental management and results within the area, there were no concerns raised about proposed additional barge movements, indicating this was an area of low interest for stakeholders. Of environmental management, stakeholders were generally interested to know about monitoring results, with specific concern raised regarding the dredging spoils area, oyster and mangrove health.

'What about the black stinking mud at Bing Bong – it seems to be spreading, the weeds look like they're spreading as well, but it may have something to do with less cattle being there these days. I lived there 30-odd years ago, and it seems to be coming across further. I've noticed the changes, but it may be less cattle, the stopping of dog baiting.'

Taken from general community and local services meeting held on 21 July 2011.

'Do you do any testing of them mangroves? Need more tests on the oysters.'

Taken from Women's site tour held on 10 August 2011.

'I reckon the mine should do heavy metal testing on turtles and look at the health of sea animals.'

Taken from Borroloola Clinic meeting held on 28 July 2011

The project team provided stakeholders with detail about annual marine monitoring conducted by the Australian Institute of Marine Science, however, it was identified that further proactive steps could be taken to educate the community and stakeholders about environmental management outcomes.

Stakeholders raised concern about the condition of the road leading to Bing Bong (discussed in 'traffic and roads' section above), and were interested to know whether employment opportunities existed in the barge area. The project team advised the Aburri barge and transhipment services are managed by Carpentaria Shipping Services, and queries about employment should be directed to MAWA, one of the shareholders in the company.

The majority of stakeholders expressed they had no concerns about proposed additional barge movements.

'(Ship loading) is a far way out.... No local people go out that far anyway.'

Taken from Women's site tour held on 10 August 2011.

Impacts and opportunities — Bing Bong

Impact – Positive	Opportunity Proactive communication about environmental management outcomes in the Bing Bong area will help to increase awareness and understanding about health of marine life.
Impact – Negative - Concern about management of dredge spoils - Concern about environmental impact of loading on marine animals and mangroves.	Threats Lack of awareness about monitoring programs and results in the Bing Bong area.

Project – General

The consultation process for the proposed project encouraged stakeholders and community members to raise their questions, concerns, benefits and opportunities to be official captured and documented. The majority of the discussions centred around the topics of interest including the TSF, OEF, environment and rehabilitation, regional development, cultural heritage, Bing Bong and employment, however there was some feedback and discussion that did not fit under these topics – these have been captured in this section.

Broadly, there was genuine interest in and support for the Project, MRM currently, and the consultation process being undertaken.

“The impact of the project would be positive for the town. There would be more jobs, the Trust, there would be more work. The Trust helps kids out. The mine is generally good for the area.”

Taken from Cairns Industries meeting held on 29 July 2011.

“I have attended the previous community consultations and the level of information being provided has been good. I've only heard positive feedback and comments with regard to the expansion...the feeling is that there is something for everybody and that everyone will be better off.”

“Am I happy with the mine? My son is doing very well at MRM. He left school and is now doing an apprenticeship. You can't get better than that!”

Both quotes taken from general community and local services meeting held on 21 July 2011.

There were lots of other opportunities, suggestions and ideas put forward by stakeholders and community members on what they perceived was needed to ensure the Project delivered benefits to them and their family/community:

“What about a crèche to ensure children are looked after?”

“It would be positive to have improved liaison with the mine, to manage people's expectations and help get people job ready.”

Both quotes taken from Centrelink / ISA meeting held on 26 July 2011.

There was also a general theme which became apparent as the consultation progressed, and that was the community members' desire to have more contact with MRM representatives. There was positive

feedback on the role of the Senior Community Relations Advisor and their work/contact in Borrooloola. Having access to mine representatives to talk to/ask questions is important.

“Community engagement with us locals at Borrooloola is important for MRM, and it would be good to have a full-time local MRM representative in the Borrooloola MRM office to assist providing information...”

Taken from Savannah Way Motel meeting held on 19 July 2011.

“It is good Ettienne is talking with us now. Jane [Trust Project Officer] also comes around and talks with us.”

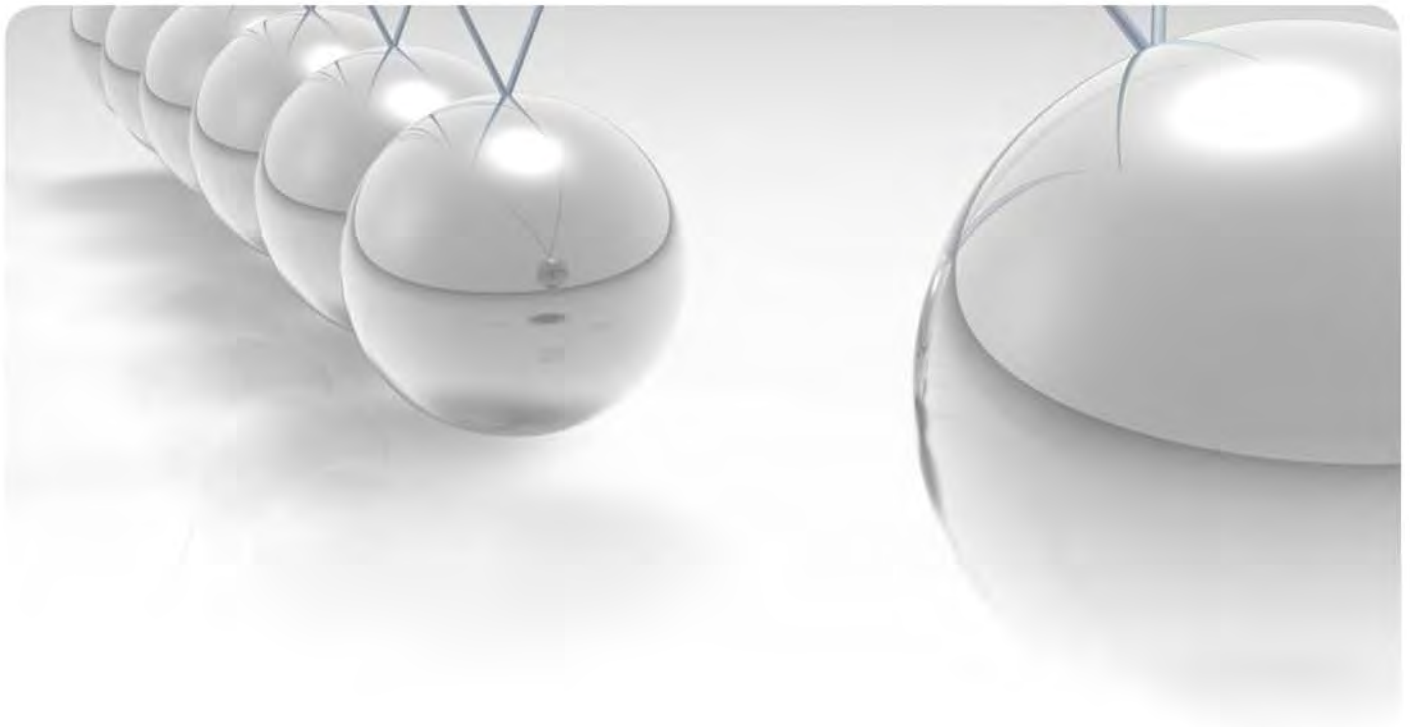
Taken from Traditional Owner - Garrawa Group meeting held on 18 August 2011.

Impacts and opportunities — Project – General

Impact – Positive • Local employment opportunities. • Local business / enterprise opportunities.	Opportunity • Increase face-to-face contact with community members. • Guidance to small businesses on partnering with others to become MRM suppliers. • Consider the current contract arrangements and opportunities that could be provided as the community of Borrooloola expands through the NT Growth Towns Strategy
Impact – Negative	Threats •

Appendix 1

Appendix 1: Consultation plan



Rowland.

McArthur River Mine

Phase 3 Development Project

Environmental Impact Assessment

Stakeholder Engagement Plan

March – September 2011



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Term	Definition
EIS	Environmental Impact Statement
FIFO	Fly-in fly-out
IAP2	International Association for Public Participation
MRM	McArthur River Mining
NT	Northern Territory
OEF	Overburden Emplacement Facility
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
The Project	The proposed MRM Phase 3 Development Project
TO	Traditional Owner
TSF	Tailings Storage Facility

1 Introduction

1.1 Project overview

Xstrata Zinc is completing an Environmental Impact Statement (EIS) for the proposed McArthur River Mine, which will involve increasing bulk concentrate production using ore extracted from an expanded open pit mining operation.

Development of the mine builds on works completed in 2009 to convert the McArthur River Mine (MRM) from underground to open pit operations.

During 2010, a scoping study was conducted to assess the potential expansion which would increase the mine's production rate to approximately 5 million tonnes per annum, expanding the life of mine from 2027 to 2033.

The EIS phase of the project is now underway to determine options and explore mitigation of potential environmental aspects associated with the following operational requirements:

- Expanded open pit mining
- Overburden Emplacement Facilities (OEF)
- Water management
- Tailing Storage Facility (TSF) upgrade
- Processing plant
- Power supply
- Building a temporary construction camp and extension to the existing accommodation facility.

1.2 Project and communication context

MRM, wholly owned by Xstrata Zinc, is one of the world's largest providers of zinc in 'bulk concentrate' form, containing zinc and lead. In 2010, the mine produced 2.2 million tonnes of ore and 384,000 dry metric tonnes of bulk zinc / lead concentrate.

Communication and consultation activities will be carried out taking into account the mine's well-established and functional communication channels which are benchmarked by the Xstrata Zinc *Guidelines for Stakeholder Engagement* under the Xstrata Zinc Sustainable Development framework.

Further development of the mine is now imperative due to two drivers:

1. Changes in the smelter market, requiring Xstrata Zinc to seek a new market for their bulk concentrate product.
2. A newly identified opportunity to develop MRM as part of an integrated plan involving Xstrata Zinc's European Smelters and the Canadian Lead Smelter.

The project has now reached EIS phase. The Notice of Intent (NOI) was lodged on 11 March 2011. This will be followed by a thorough consultation and community engagement process, with the EIS expected to be submitted late 2011.

The NT Government EIS Guidelines have provided detailed information about expectations and requirements for the consultation aspect of EIS preparation. This consultation plan has been prepared to ensure the Guideline requirements are met.

1.3 Project scope

Current information and testing indicates that the ore body can support and achieve better resource utilisation through a large-scale project. It is envisaged that the expanded pit will be developed in stages with the current open pit mine being expanded to a total annual capacity of approximately 5 million tonnes (Mt) of ore mined and 800,000 tonnes (t) of bulk zinc / silver / lead concentrate produced.

The estimated project development cost is AU\$270 million.

Key project features include:

- Expanding the existing open pit mining operation within the bund through an expanded fleet of conventional shovels / excavators and large haul trucks
- Increasing the capacity of the existing Tailings Storage Facility (TSF)
- Generating approximately 500 million tonnes of additional waste rock to be sent to overburden emplacement facilities (OEF)
- Upgrading the processing plant
- Expanding the power station requirements at the mine site
- Building a temporary construction camp and expanding the existing accommodation facilities
- Increasing MRM's mineable reserves from 53 million tonnes to 115 million tonnes, extending the life of mine to 2033 at the proposed higher rate of production.

A scoping study conducted in 2010 has confirmed the development project would not expand the open pit beyond the current boundary of the bund wall and there is no requirement for further diversions to the McArthur River or Barney Creek channels.

1.4 Location

MRM is located in the Northern Territory (NT), approximately half-way between Darwin and Mount Isa. The mine is around 60km south-west of the township of Borroloola, 120km south of the Bing Bong loading facility on the Gulf of Carpentaria and 900 km south-east of Darwin in the Gulf Region of the NT.

Figure 1 shows the location of MRM and associated facilities:



2 Purpose, Goal and Objectives

2.1 Purpose of Stakeholder Engagement Plan

The Phase 3 Development Project Stakeholder Engagement Plan (the Plan or SEP) provides an overview of communication and consultation activities to be undertaken during the drafting of the EIS for McArthur River Mining (MRM) .

Stakeholder consultation is essential for the successful development of the Project, and will be a key element in assessing the Project's potential impacts on and benefit to the community. This will take into consideration opportunities for socio-economic development based on the needs and aspirations of the people within the Gulf region.

The Plan will outline how EIS stakeholder engagement objectives will be approached and met, including:

- identifying stakeholders and members of the public who must be informed of the proposed project and the EIS process
- communication methods and tactics
- recording and analysis of stakeholder interactions
- reporting of stakeholder interaction outcomes
- evaluation of stakeholder consultation effectiveness.

As a result of implementing this Plan:

- The EIS chapter including the Social Impact Assessment (SIA) and the Consultation Report will be developed and produced, along with an adapted Stakeholder Engagement Plan which draws on learnings during consultation.

2.2 Goal

The goal of the consultation plan is to achieve open, equitable, all-inclusive and comprehensive engagement and consultation with the community and key stakeholders.

2.3 Objectives

At a high level, the EIS communication and stakeholder consultation objectives are to:

- Involve as many people as possible in the engagement and consultation process
- Help inform decision making on the project to clearly address concerns
- Collaborate with the community to look at ways to reduce identified project risks and enhance benefits and opportunities
- Inform strategies to develop effective partnerships with local business to achieve economic outcomes for the region.

During the EIS phase, communication and stakeholder consultation objectives will ensure:

- Stakeholders are aware and accurately informed about:
 - the proposed project – what to expect during construction and long-term operation
 - why the project is required
 - potential benefits and impacts of the project to the community
 - Monitoring and environmental issue mitigation strategies
 - The EIS period – how to contribute
 - The consultation process through MRM's submitted EIS.
- Stakeholders are proactively provided with opportunities to ask questions, provide input and receive answers throughout the EIS process
- Stakeholders and MRM work together to identify and address issues in a timely manner
- All questions are answered and feedback is considered in EIS submission
- MRM fosters positive relationships conducive to open, two-way communication with stakeholders
- MRM develops sustainable communities.

3 Roles and responsibilities

Xstrata Zinc has engaged MetServe to conduct the EIA and produce the EIS, and Rowland to produce the appropriate outcomes for the EIS relating to the Social Impact Assessment (SIA) and stakeholder consultation.

Figure 2 details roles and responsibilities of key project communication staff:

Name	Role on project	Responsibilities
Drew Herbert Xstrata Zinc	Project Manager	- Project manager - Manage EIS process
Joanne Pafumi Fran Rossberg Xstrata Zinc	Advisors – SIA & Consultation	- Oversee development of SIA - Oversee communication and consultation activities - Review and approve key consultation strategies and materials - Provide direction for 'on-the-ground' MRM consultation team
Ettienne Moller MRM	General Manager	- Attend and speak one-on-one consultation meetings - Project spokesperson - Provide assistance in obtaining responses to consultation issues
Vicky Nangala Creative Options	'On-the-ground' Community Liaison Officer	- Manage and conduct 'on-the-ground' consultation - Provide accurate notes and records of stakeholder contact for Rowland - Provide timely response to communication queries - Provide input for drafting of Consultation Plan - Inform Rowland team of progress and issues - Support analysis of consultation results - Provide assistance in obtaining responses to consultation issues
Amanda Wild Director – Stakeholder Engagement Rowland	SIA and Consultation Plan Director	- Oversee, draft and manage SIA and Consultation Plan strategy and implementation - Develop and produce consultation materials, e.g. fact sheets - Manage and analyse consultation results - Coordinate responses to consultation issues - Input consultation notes to Consultation Manager (CMS) - Coordinate consultation activities during delivery of plan
Holly Williamson Manager – Stakeholder Engagement Rowland	SIA and Consultation Plan Manager	
Jessica Bogaart	SIA and Consultation Plan	

Name	Role on project	Responsibilities
Coordinator Rowland	Consultant	

4 Communication principles

Stakeholder consultation is an essential element in the EIS process. From the Project perspective, it ensures an open, all-inclusive, equitable and comprehensive approach to information sharing and feedback gathering, with results contributing (as appropriate) to the design of the project. It also provides communities and key stakeholders with ownership over proposed projects that will impact them in some way.

The goal of the community and stakeholder consultation conducted during this period is to facilitate the sharing of information and encouragement of community feedback with a view to engaging and collaborating with identified community members and key stakeholders during the EIS process.

As part of the EIS process, EIS guidelines have been developed by the NT Government's Department of Natural Resources, Environment, The Arts and Sport. Rowland will ensure specific consultation requirements are addressed in our methodology.

The Guidelines require the following in regard to consultation:

- Demonstrate that stakeholders have been consulted on the size, location and visual impacts associated with the proposed project
- Describe the broader social impacts the project is expected to have to the local community, including positive and negative impacts that may arise from the project and additional time to the life of mine
- Provide information about impacts that additional road and sea transport may have on the community and consult with local communities potentially affected by these impacts
- Detail to the community local employment programs currently in place, and whether programs will be expanded in line with the proposed project
- Community liaison and consultation is to include identification of, and ongoing consultation with, stakeholder groups to ensure the full range of community viewpoints are sought and considered. MRM is to outline its current and proposed methods for community consultation, including how it will respond to community feedback, questions and concerns in a formal, publicly accessible communication plan for the project
- Consultation must identify and discuss expected regional, Territory or national benefits and costs associated with the proposed project, including those that cannot be adequately described in monetary or physical terms, such as effects on cultural and aesthetic amenity in the short and long term
- Public concerns with the proposed project must be identified, and the EIS must show how concerns will influence the design and delivery of the proposal.

Xstrata Zinc Worldwide Guidelines for Stakeholder Engagement

Xstrata Zinc's *Sustainable Development Framework*, specifically Section 12 – Stakeholder Engagement Guidelines, will be referenced during this consultation period, and will continue to be a key document influencing the ongoing delivery of community and stakeholder engagement. This document outlines Xstrata Zinc's approach to best practice consultation and engagement, and provides a solid foundation for baseline requirements.

Xstrata believes stakeholder engagement provides a framework to successfully manage challenges, find innovative solutions and to preserve the social license to operate.

Overarching objectives of effective stakeholder engagement include:

- Support lasting improvement in the quality of life of the communities in the mining areas and operations.
- Facilitate community empowerment through participatory development processes build local capacities and development resources.
- Foster constructive working relationships among Xstrata Zinc, communities and governments.

The main principles guiding Xstrata Zinc's stakeholder engagement conduct include:

- Uphold and promote human rights.
- Respect culture and heritage of communities as defined within local, national and international laws.
- Adopt a strategic approach of social impacts and risks of Xstrata Zinc's activities and concerns and needs of existing and future communities through overall stages of projects.
- Develop engagement with all communities within operation's area, prioritising vulnerable groups.
- Enhance the social and economic competence and well-being of the communities involved with Xstrata Zinc's operations, avoiding dependency and promoting the sustainable development of business.

4.1 Industry best practice approach

The International Association for Public Participation (IAP2) is an internationally recognised organisation that seeks to promote and improve the practice of public participation in relation to individuals, governments, institutions, and other entities that affect the public interest.

The IAP2 approach to consultation, informed by their core values, is considered best practice consultation.

The IAP2 has developed a public participation spectrum to demonstrate the levels of public participation available as part of a project's stakeholder engagement approach. The spectrum demonstrates that the differing levels of participation are legitimate depending on the goals, timeframes, resources and level of concern in the decision to be made.

The model shows increasing levels of participation as stakeholder engagement activities move from *inform* to *consult*, *involve*, *collaborate* and finally *empower*.

The IAP2 model will be used to influence MRM's stakeholder engagement activities during consultation about the Phase 3 Development Project. Consultation activities will primarily focus on the '*inform*, *consult* and *involve*' levels, with some aspects of '*collaboration*' and '*empowerment*' to be used where appropriate later in the consultation period.

Table 3: Consultation team principles

Principle	Description
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Principle	Description
Comprehensive	Thorough in subject matter, covering all generic areas of study expected under an SIA as well as all specific matters relevant to the design, planning and potential execution of the Phase 3 Development Project.
All-inclusive	Recognising the diversity of interests within the Gulf Region: Indigenous and non-Indigenous, residents and businesses, local, Territory and Australian Government and a range of organisations with an influence and interest in the future growth of the region. It also ensures that two-way communication is encouraged with both those who take a high profile and have prominent positions and community members with traditionally quiet voices.
Equitable	Providing a range of methods for engaging with the diverse range of stakeholders to ensure all have equitable access and opportunity to be heard. This included ensuring stakeholders have ample opportunities to be informed about the Project and EIS, and to ask questions and receive answers.
Thorough	Disciplined approach to conducting meetings, capturing feedback and reporting the outcomes within an effective management system to ensure all responses are accurately reported. This will be important to ensuring the trusted relationship with MRM as a primary source of information and the feedback conduit in the EIS is maintained.

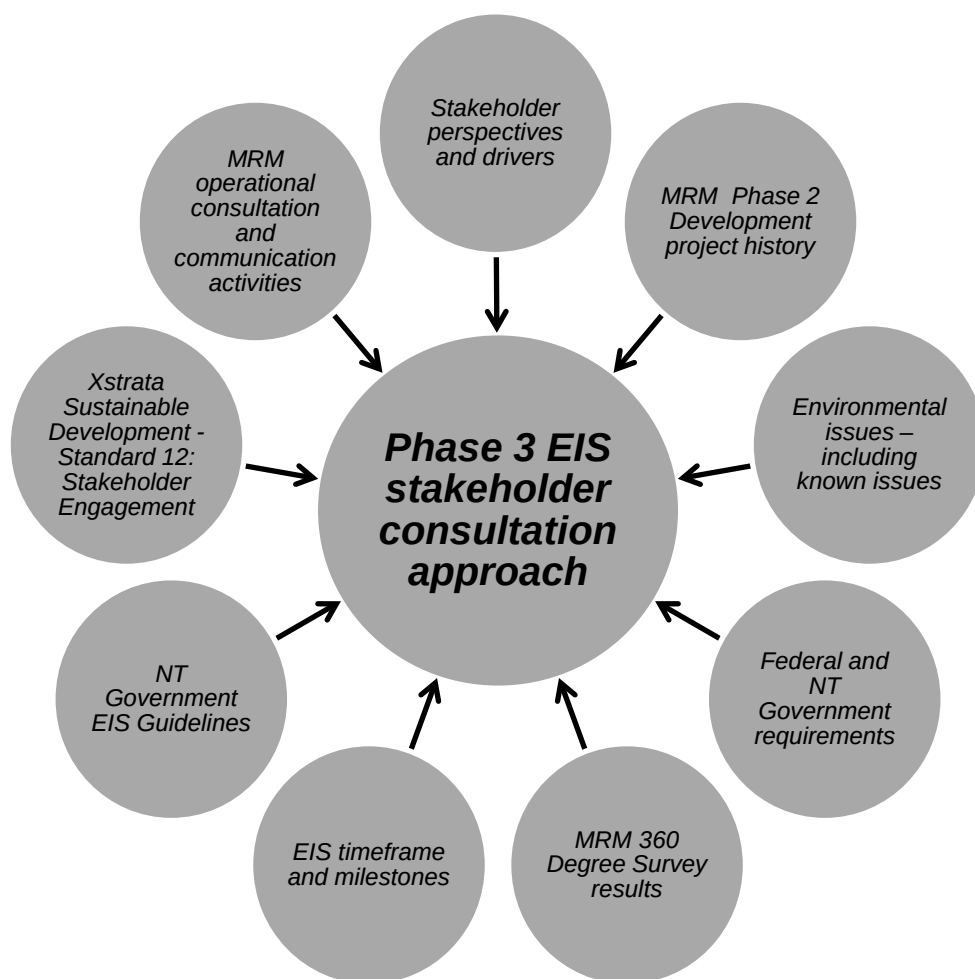
The Minerals Council of Australia (MCA) Socioeconomic Benefits and Impacts: an assessment and planning toolkit will also be used to collate the consultation findings into the SIA.

Increasing level of Community Impact 				
INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Community engagement goal To provide the community with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	Community engagement goal To obtain feedback on analysis, alternatives and/or decisions.	Community engagement goal To work directly with the community throughout the process to ensure that community concerns and aspirations are consistently understood and considered.	Community engagement goal To partner with the community in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	Community engagement goal To place final decision-making in the hands of the community.
Promises to the community We will keep you informed.	Promises to the community We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how community input influenced the decision.	Promises to the community We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how community input influenced the decision.	Promises to the community We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	Promises to the community We will implement what you decide.

5 Approach

5.1 Planning Considerations

The following diagram represents various inputs considered in planning stakeholder engagement and communication activities for the Phase 3 Development Project EIS. **Figure 5** shows variables that may have an impact on the communication objectives and strategy:



5.1.1 Stakeholder perspectives and drivers

A stakeholder and issues matrix is included as part of this document at Section 9.3. This section describes some of the stakeholder perspectives and drivers that will inform the way consultation is undertaken during the EIS phase.

Traditional Owners

Early, proactive and ongoing contact with Traditional Owners (TOs), including the jungai (caretakers), is critical in ensuring accurate information is communicated, and two-way consultation is adequately

undertaken. It is vitally important to maintain and build on the positive relationships that already exist between MRM and individual TOs so as to maintain trust and minimise the possibility of profligate misinformation. There are four major language groups located in the region: Gurdanji, Yanyuwa, Mara and Garawa. All groups will receive the same level of consultation, which will continuously occur throughout the EIS phase. Equity of information and consultation among the TOs is critical.

Borroloola township

MRM is located in a remote part of Australia with the close-knit, sensitive and influential township of Borroloola close by. As the overall level of literacy in the township is relatively low, communication with the township will be mostly verbal. Information (and misinformation) traditionally spreads quickly throughout the community. Proactive and accurate two-way communication of information and consultation is imperative with project stakeholders.

Concerns were raised in the 2010 MRM 360 degree survey (see Section 6.1.2) suggesting Borroloola has been declared a town rather than an Aboriginal community, but does not get access to some of the funding that it should as a 'recognised town'. Many residents, businesses and community members in the Borroloola town ship believe the town does not receive the growth benefits it should, which is hindering growth and tourism.

During consultation, a high priority will be placed on communication that shows how the mine already contributes to and supports Borroloola and the local region, and opportunities associated with the Phase 3 Development Project.

Government

Strong relationships with all levels of government will be important for successful project delivery. Regular meetings with the Roper Gulf Council, and the NT and Australian Governments will establish clear objectives, ensuring issues are openly discussed and managed.

Individual advocates and opponents

Many influential individuals are part of groups such as the MRM Community Reference Group, which assist in ensuring the community is informed and consulted as a priority, and then involved in helping make decisions.

5.1.2 MRM 360 Degree Survey results

In 2010, MRM carried out a *360 Degree Survey*, providing a snapshot view of MRM's performance, covering:

- the most important issues facing MRM
- performance on environment and safety
- performance on working with communities and stakeholders
- awareness of MRM's Sustainable Development policy
- reputation
- communication.

Fifty percent or more of stakeholders rated MRM's performance as good or very good on nine of ten measures to track sustainable development performance. The survey showed improvements could be

made to transparency on environmental performance, more regular meetings with the community, greater transparency and information about the Community Benefits Trust and increased economic and employment benefits to the community.

Figure 6 shows how consultation for the Phase 3 Development Project EIS phase has been planned with findings from the MRM 360 degree stakeholder survey taken into consideration:

Aspect	360 Degree Survey findings	Consultation considerations
Environment	58.6% agreed MRM minimises impacts on the environment	Key messages and materials developed about project environmental management Early, targeted information and consultation about environmental management.
Safety	51.7% agreed and 41.4% could not comment on MRM's commitment to safety and safety performance	All consultation / site tours will be conducted in accordance with safety requirements.
Community	69% agree MRM is committed to development in the NT.	Lift profile and reputation using key messages relating to how the Phase 3 Development Project will further boost development in the local region and NT.
	65.5% agree that MRM makes a positive contribution to the local region	Fact sheets and key messages contained within meeting guidelines about economic and employment benefits to local area.
	51.7% agree MRM communicates openly on issues that affect the local community.	Early, targeted consultation with key stakeholders and community, which occurs promptly to ensure two-way communication and information-sharing takes place.
Performance	79.3% agree MRM has fair and considerate business practices	Relevant to suppliers Build on strong performance reputation by making this a focal point of key messages relating to economic benefits of project.
	58.6% agree MRM is proactive rather than reactive in dealing with important issues	Reinforce MRM's proactivity through implementing the strategy in a timely manner.
	58.6% agree MRM has a positive reputation in the area	Enhance reputation through proactively addressing potential and current issues openly and honestly.
Communication	27.6% agree MRM has communicated with the community on important issues	Improve this statistic through a) communicating openly and proactively about Phase 3 Development Project EIS phase, and b) implementing a robust evaluation and feedback strategy to measure perceptions about the communication process.

Aspect	360 Degree Survey findings	Consultation considerations
	55.2% agree MRM has communicated with their particular organisation on important issues	The Plan will be all-inclusive through providing all stakeholders and community members with the information they need to fully understand the proposed project, and proactive opportunities to provide feedback and input.
	44.8% rate MRM publications as 'good to very good' to read	MRM publications, including <i>Memorandum</i> and website, to include information about the project. Additional specific information will be provided via communication materials during the consultation phase.
	27.6% agreed the MRM publications keep the community informed of key information	MRM publications will play a supporting role in providing key information, but primary communication will be through one-on-one and group meetings, site visits and project-specific publications.
	10.3% agree MRM keeps the community informed of key information through providing information to the media	Local radio has been identified as the local media player with the highest impact, so community radio announcements will form an important aspect of the plan.
	58.6% agreed MRM meets their organisations' communication and information needs.	The EIS phase is a two-way communication process designed to meet the communication and information needs of the community, township and key stakeholders.

5.1.3 Phase 2 Development – expansion history

Section 2.2 of this Plan provides detail regarding the context of the Phase 3 Development Project in relation to the mine's development history and communication context.

5.1.4 Environmental issues – including known issues

- General ongoing consultation through normal MRM operations has revealed there are ongoing community concerns likely to be raised during the consultation phase for the Project, including: results of ongoing rehabilitation efforts for the McArthur River and Barney Creek re-channelling works
- managing seepage at the TSF
- managing the OEF
- marine monitoring at the Bing Bong and Sir Edward Pellew Islands areas
- cultural heritage management.

The 2010 *360 Degree Survey* showed the most important issues facing MRM included addressing environmental concerns of the community and maintaining a high level of performance on environmental aspects.

The survey revealed provision of clear, easily understandable information about environmental management is constrained by the barriers of distance and site access.

Additional environmental concerns raised by the community via the survey include:

- reports that revegetation is behind schedule
- dead wallabies and dingoes reportedly found at Bing Bong – raising concerns about contamination of wastewater
- concern about contaminants and the impact of the mine's operations on the environment
- concern about environmental impact due to diversion of McArthur River and other waterways
- concern about lead and zinc dust and floods which may spread the dust onto the flood plain
- concern regarding welfare of dugongs and sea turtles at Bing Bong.

In addition, there was a general comment that more information needed to be shared with the community on the overall environmental performance of the mine.

Traditional Owners in particular reported feeling not enough validation is given to their knowledge of the land, which means MRM may benefit from consulting with TOs about environmental management.

Phase 3 Development Project consultation and communication tools will have a specific focus on environmental management to address the above concerns.

EIS timeframe and milestones

The EIS is expected to be submitted in late 2011. Milestones for consultation are outlined in **Figure 7** below:

Milestone	Commencement date
Stage 1 Inform – community and stakeholders informed about proposed project and upcoming EIS process	March 2011
Stage 2 Consult – community and stakeholders consulted about proposed project through EIS drafting process	July 2011
Stage 3 Involve and collaborate – community and stakeholders provided feedback and opportunity to become involved in mitigation steps moving forward	September 2011
EIS submitted	Late 2011
Inform / consult / involve / collaborate – following EIS submission, MRM to continue working closely with community and stakeholders for the life of mine	Ongoing

5.2 Consultation Method

Consultation will be carried out throughout the drafting phase of the EIS, and will continue after EIS lodgement and beyond, in line with Xstrata's Sustainable Development Standard 12: Stakeholder Engagement.

Leading up to EIS lodgement, consultation will roughly follow the method shown in **Figure 8**, below:

Stakeholder groups	Consultation approach	General program overview	Communication tool
All	Presentations Community meetings (Borrooloola and Robinson River) Group meetings (focus groups style) Information collateral distribution (including newsletters, <i>Memorandum</i> , and factsheets) One-on-one meetings Information stand at community event Phone calls and emails to key stakeholders	Stage 1 Inform March 2011 Provide an overview of the planned project and EIS phase, ensuring stakeholders and community are aware/understand their feedback and input is important.	• CRG meeting • Fact sheet #1 – Project introduction • Project presentation • MRM Newsletter <i>Memorandum</i>

Stakeholder groups	Consultation approach	General program overview	Communication tool
All	One-on-one consultation sessions with groups and individuals Group meetings (focus group style) Site tours Information collateral distribution (factsheets)	Stage 2 Consult July – August 2011 and ongoing Provide in-depth information about proposed project Consult and obtain feedback about proposed project, impacts, benefits, issues Share this information with the EIS project team, with feedback fed into the design process.	• Fact sheet #1 – Project introduction • Fact sheet #2 – Tailings Storage Facility • Fact sheet #3 – Overburden • Other general MRM fact sheets including (Cultural Heritage Management, Regional Development, Rehabilitation of McArthur River and Barney Creek, Marine Monitoring, Pathways to Employment) • Meeting guidelines
NT Government Roper Gulf Shire Council (Borrooloola) Communities – Yanyuwa Communities – Gurdanji Communities – MAWA Communities – Mara Communities – Garrawa Communities – General MRM CRG Mabunji Aboriginal Resource Association	Meetings with key groups Community meetings – Borrooloola, King Ash Bay and Robinson River	Stage 3 Involve and collaborate September 2011 Provide feedback on the outcomes of the consultation process. Work with key stakeholders to gain input into proposed risk mitigation and opportunity maximisation strategies.	• All fact sheets • Presentations • Meeting guidelines with consultation report notes

5.3 Communication Tools and Activities

Figure 9 shows communication tools and activities to be used throughout the project:

Type	Communication tool / activity	Detail
Project	Fact sheets	• Use as a means of providing general information and proactively communicating about anticipated areas of interest, or issues which repeatedly arise through consultation • Phase 3 Fact sheet 1 – Project introduction • Phase 3 Fact sheet 2 – Tailings storage facility • Phase 3 Fact sheet 3 – Overburden • Other MRM fact sheets available – Cultural Heritage Management, Regional Development, Rehabilitation of McArthur River and Barney Creek, Marine Monitoring, Pathways to Employment.
	Presentations	• Master presentation used at community meetings / information sessions.
	Hotline / email	• Information line number - 1800 211 573 • Project email – mrmprojeng@xstrata.com.au • Both managed by Rowland.
	Website	• General MRM website contained a section on the Phase 3 Development Project, including fact sheets and general project information.
	Site visits	• Site visits were a key tool for targeting stakeholders in the 'Manage Closely' category, showing mining operations first hand, and using physical references to explain the Project.
	Newsletter	• <i>Memorandum</i> is MRM's quarterly newsletter and provided information updates on the project in the April and October editions.
	Positioning strategy	• Key messages – see Section 7 • Questions & Answers (Q&As) – see Section 8 • Important tools for general project communication and issues mitigation.
Community	Community meetings	• Minutes or notes recorded and entered into CMS*.
	MRM Community Reference Group	• Regular March meeting was used as an opportunity to provide information about the Project. • June meeting was used as a focus group to consult on the Project. • September meeting was used as part of the involve and collaborate phase 3 of consultation.
Consultation	One-on-one meetings	• Main activity undertaken during consultation process • Notes taken during / immediately after discussions captured.

Type	Communication tool / activity	Detail
	Meeting guides	Scripts / guides in place to prompt consultation with stakeholders to ensure it comprehensively covered all subjects required.
	Images, diagrams, maps	Visual communication tool used during meetings / presentations / informal discussions to provide information about project.

**CMS (Consultation Manager System) is an online stakeholder data management software program that captures and stores all contact with identified stakeholders, allowing easy access to information for analytical and informative purposes.*

5.4 Stakeholder Engagement Strategy Overview

What is our end outcome?

GOAL

To achieve open, equitable, all-inclusive and comprehensive engagement and consultation with the community and key stakeholders.

What do we want to achieve?

OBJECTIVES

- Involve as many people as possible in the engagement and consultation process
- Help inform decision making on the project to clearly address concerns
- Collaborate with the community to look at ways to reduce identified project risks and enhance benefits and opportunities

How will we communicate and manage relationships with stakeholders and the community to achieve our objectives?

OUR APPROACH

1. Develop and produce a best-practice Social Impact Assessment in line with national and international industry guidelines
2. Implement a transparent and comprehensive communication program, appropriate for a variety of audiences
3. Use every point of contact to proactively address issues.

Stakeholders, communication tools and materials

METHODOLOGY

1. SIA

- Desktop research – gather facts and baseline data
- Consultation – conduct consultation to test points of Project impact and explore issues, concerns and opportunities
- Drafting – Includes SIA chapter and Consultation Report compliant with MRM Stakeholder Engagement Plan (Standard 12)

2. COMMUNICATIONS PLAN

- Project – fact sheets, presentations, hotline / email, website, site visits, positioning (Q&As and key messages)
- Community – community meetings, radio, CRG
- Consultation – one-on-one meetings, meeting guides, photos and plans.

3. MEDIA AND ISSUES MANAGEMENT STRATEGY

- Media relations
 - Launch of NOI
 -
 - Lodgment of EIS
 - Reactive as required
- Issues
 - Position on anticipated issues (Q&As form foundation)
 - Issues register
 - Monitoring / tracking emerging issues
 - Workshop outcomes with MetServe
- Mitigation.

How will we measure success?

EVALUATION

Success will be measured in line with objectives through a range of methods including:

- Project approval
- Public reaction to EIS and submissions received
- Enquiries closed out in agreed timeframes
- High level of awareness and satisfaction about the company and Project
- Formal and informal feedback received through advertised channels / Project team members
- Recognition of Project positioning
- Effective development of stakeholder database and data capture to support future Stakeholder Engagement Strategies.

6 Key Messages

1. This development builds on the success of the conversion to open pit mining.

Supporting facts:

- MRM received approval to convert to open pit operations and mine 43 million tonnes establishing an estimated life of mine to 2027.
- During 2009, the mine produced 2.1 million tonnes of ore and 358,000 dry metric tonnes of bulk zinc/lead concentrate.
- Current estimates for 2010 calendar year results indicate around 9% growth in mine production.
- The full capacity of the processing facility is 2.5 million tonnes.
- Open pit mining has enabled MRM to meet targeted objectives on employment, environment and socio-economic benefits.
- MRM has maintained the mine's good record for environmental management, invested over \$7 million in community benefits and increased Indigenous employment from 9% of the workforce to 20%.
- The proposed expansion of the mine offers significant strategic benefits:
 - It enables us to maximise the value of the MRM zinc resources which are ranked as the third largest in the world.
 - It provides a new market for MRM bulk concentrate in addition to existing customers in Asia and Europe and which importantly, would take the expanded volume produced.
 - It has the potential to result in a 20% reduction in unit costs through greater efficiencies of production.
 - This cost reduction supports the conversion of a large share of resources into reserves and extends the life of mine.
- In mid 2009, MRM's mineable reserves were measured at 45 million tonnes. Based on preliminary planning we expect reserves to increase to 115 million tonnes supporting a life of mine of 23 years until 2033 at the increased production rate.
- Other opportunities are created through:
 - increasing employment within all aspects of the mine's operations
 - increasing exports of zinc concentrate
 - continuing support for a wide range of NT based suppliers
 - continuing support for the social and economic development of the Gulf region.

2. This development secures a new market for MRM bulk concentrate and the future of the mine.

Supporting facts:

- A USD900 million integrated development plan within Xstrata Zinc's global business involves:
 - The expansion of MRM to increase the production rate from 2.5 million tonnes to approximately 5.0 million tonnes per annum in a development currently estimated to cost USD270 million. This would result in an increase in MRM bulk concentrate volume from 358,000 dry metric tonnes per annum to 800,000 tonnes per annum.
 - The installation of Xstrata's proprietary hydrometallurgy technology within the European smelters to take the expanded volume of MRM bulk concentrate.
 - The potential to supply lead by-products from the hydrometallurgy technology smelters as a feedstock to the Brunswick Lead Smelter in Canada.
- There is now a genuine urgency to implement Xstrata Zinc's strategic plan.
- A demonstration plant was commissioned in July 2010 at the San Juan de Nieva Smelter in Spain and another will be commissioned in Nordenham, Germany in early 2011. These developments are still undergoing feasibility analysis.
- The two demonstration plants represent an investment of USD19 million. The full cost to expand the two smelters using the new technology is estimated at USD650 million.
- The decision to proceed with the MRM expansion requires the successful conclusion of feasibility studies and technology trials in Europe as well as positive outcomes from the MRM feasibility study and environmental impact assessment.
- MRM produces a mixed zinc and lead concentrate known as "bulk concentrate". Due to its high content of lead, this product cannot be processed regularly in conventional electrolytic zinc plants which are the most common type of zinc process.
- Over 90% of zinc produced globally is produced by electrolytic smelters.
- The only smelters that can treat bulk concentrates are the ones with Imperial Smelting Furnaces (ISF). Unfortunately, during the last decade the ISF process became less competitive than electrolytic smelters mainly due to its high labour intensity and escalating metallurgical coke prices.
- A number of ISF's were forced to close down in the past years mainly in Europe reducing the share of zinc produced by this process to less than 6% of primary global zinc. The recent closure of the Shaoguan ISF by Chinese authorities for environmental reasons only worsens this trend of growing difficulties to sell the output of MRM bulk concentrates.
- This shrinking market situation together with a still high operating cost at MRM poses a serious risk for the future viability of MRM. In order to solve this problem Xstrata Zinc intends to implement a strategic plan involving the expansion of MRM to reduce its unit operating cost to make it competitive with other zinc mines and at the same time expand its European smelters with a direct leaching stage developed in-house which can process the bulk concentrates produced at MRM.
- Previous efforts to install this new technology in Gladstone were unsuccessful due to the elevated cost of capital involved in a Greenfield site.

3. There would be no change to the McArthur River channel.

Supporting facts:

- Planning for the open pit operation took into consideration the significant potential reserves within the ore body and consequently civil works were carried out in such a way to facilitate the mine's future expansion subject to approvals.
- This expansion would see MRM maximising mining operations within the bund area.
- There is no intention of further diversions to the McArthur River or Barney Creek channels.
- The EIS will investigate all environmental, infrastructure and operational requirements associated with the expansion.

7 Project Q&As

Stakeholder engagement

Q. What discussions have you had with the NTG regarding the proposed development?

We have spoken with government regarding this opportunity to build on the success of the conversion to open pit mining.

Q. What was their reaction?

There is recognition in government that the open pit operation has been successful. It has achieved production targets, maintained the mine's good record for environmental management and invested over \$7 million in community benefits. Importantly, Indigenous employment has also increased from 9% of the workforce to 20%. The proposed expansion is an opportunity to build on this success.

Q. Has the local community been consulted about the expansion plan?

We will be conducting a thorough community consultation program as part of the EIS process.

Q. Do you anticipate significant opposition to the plan given the difficulties in getting the open pit conversion approved?

Everyone is entitled to their own opinion and we will be conducting a thorough community consultation program to ensure all views are heard.

The key difference with this development is that it will not require any change to the McArthur River or Barney Creek channels which have now been established as the permanent water courses for these sections of the river system.

Q. After the issues with the last development, you must expect though that there will still be opposition to anything MRM does?

Everyone is entitled to their own opinion and we will be conducting a thorough community consultation program to ensure all views are heard.

It is also important to acknowledge there are many community members who see the open pit operation as successful, particularly due to our work through the MRM Community Benefits Trust and with Indigenous employment.

Planning

Q. Why is this development necessary so quickly after the open pit development was completed?

This is mainly due to two drivers. One is the change in the smelter market. Over 90% of zinc produced globally is produced by electrolytic smelters. The market MRM supplies – the Imperial Smelting Furnaces – is less cost competitive and now produces less than 6% of the world's primary zinc and is in decline. We need to find a new market for our bulk concentrate as it cannot be used by electrolytic smelters.

We now have an opportunity to develop MRM as part of an integrated plan involving Xstrata Zinc's European Smelters and the Canadian Lead Smelter. Xstrata's proprietary hydrometallurgy technology

smelters are able to use MRM bulk concentrate as a feedstock. This creates a new market for MRM's expanded production in addition to the current customers in Europe and Asia.

Q. Did you know when you were getting the open pit approved that this development would be possible?

It was always understood that there are significant potential reserves within the orebody mined by MRM. The civil works for the open pit conversion were done in such a way to facilitate the mine's future expansion subject to approvals. This proposed development builds on the success of the open pit conversion.

Q. Why are the feasibility study and EIS being conducted at the same time?

There is a real urgency to progress with this plan and find a solution for MRM markets. The timing is also linked to ongoing feasibility studies and technology trials in Europe at the smelters.

Q. When do you plan to start mining at the higher rate?

All the developments within the integrated plan are aiming for a 2013 indicative start up. This is subject to the successful conclusion of all the feasibility studies, technology trials and environmental impact assessment.

Q. How much ore would be left in the deposit after mining the 115 million tonnes?

The ore body at MRM is a large deposit, and at this early stage, it is hard to provide an exact answer as further studies will be required.

Q. Can the mine be expanded any more after this?

We are continuing to expand our reserves but any further development plans would again, be subject to approval.

Q. Are you mining the open pit faster than initially planned?

We have approval to mine 43 million tonnes. This opportunity is to build on the success of the open pit operation to date and increase production.

Q. You initially had approval for a production rate of 1.8 million tonnes. You are already doing more than that. How is that possible?

MRM operates with regulatory approval for our annual mine management plans. The open pit operation has to date, achieved all production targets. The development opportunity is to now build on that success.

Q. Will you be releasing the Mine Management Plan for the expanded operation as part of the EIS process?

The MMP is not relevant to the environmental impact assessment. This is a regulatory document the details our operational plan.

Q. Did you consider building your own smelter in Australia?

Yes we investigated a site in Gladstone however it proved to be unviable to develop a Greenfield site compared to brownfield expansions to our European smelters.

Issues

Q. How much bigger will the tailings dam need to be and how can you be sure it will not leak?

The planning for the tailings dam and other infrastructure will be conducted as part of the EIS and feasibility study. It is important to recognise that MRM has to date, maintained a record of no adverse impact on the environment since mining commenced in 1995.

Q. How many additional jobs will be created by this development?

The workforce planning will be conducted as part of the EIS and feasibility study.

Q. Will you need to expand Bing Bong and/or dredge a second channel for ships or another barge?

There is no requirement to expand the Bing Bong facilities or dredge a second channel as there is currently adequate capacity to manage the increased production levels.

Q. Your Mine Management Plan is approved for a production rate of 2.1 million tonnes per year, however in 2010, you produced 100,000 tonnes more. Why?

There is a timing difference between when production results are calculated. The Mine Management Plan period records production achieved from October through to September, whereas our production rates are based on results achieved during a calendar year.

Q. What rehabilitation has been done of the McArthur River in the past year?

Since the 2007/08 wet season, MRM has planted more than 40,000 seedlings and direct-seeded more than 18 different tree, shrub and grass species across more than 120.4 hectares of land surrounding the Barney Creek and McArthur River channels.

8 Stakeholder and Issues Identification

8.1 Issues classification

Figure 10 shows categories and details of issues anticipated to be raised during the project:

Grouping	Issue	Potential concerns
Environment	Bing Bong	• Extra barge movements and potential impacts on surrounding coast environment / Sir Edward Pellew Islands area • Impact of more ships on the Gulf • Safety of boating • Impact of increased barge and ship movements • Levels of metals / dust in swing basin
	Cultural heritage	• Ongoing preservation of cultural heritage • Identification and protection of sites of cultural significance and sacred sites
	Dust / air quality	• Concern about dust from site / tailings / overburden / loading and barge movements at Bing Bong
	Flora	• Protection of local species • Propagation of local species in rehabilitation works
	Fauna	• Marine, freshwater, land – concern about endangered and threatened species • Contamination of traditional food sources
	Monitoring / surveys	• Querying results of Independent Environmental Monitor's report and Australian Institute of Marine Science reports • Ongoing monitoring throughout mine life and after mine life
	Rehabilitation – general	• Relating to mine closure, tailings storage facility, overburden facility, open pit
	Rehabilitation – McArthur River / Barney Creek	• Concern about whether further re-channelling will be required for project • Ongoing rehabilitation results • Local assistance / employment in area of rehabilitation • Any potential impacts on local water courses.
	Water monitoring	• Metal content in water – McArthur River and Barney Creek • Ensuring water quality is not compromised • Monitoring changes in waterway systems.
Project	Construction	• Length of time for construction • Number of workers required on site • Expense of construction • Break-down for where project funding will be allocated (i.e. plant upgrades, power station upgrades)

Grouping	Issue	Potential concerns
	Design	Design of various facilities – pit, overburden emplacement facility, tailings storage facility
	General	Issues unable to be classified in other areas
	Loading / shipping	- Whether extra dredging or development will be required at Bing Bong - Potential dust impacts on the coastal area
	OEF	- Whether any additional OEFs are required and where they will be located - Changes to be made to current OEF - Concern about potential environmental impacts - Visual amenity
	TSF	- Will TSF be made higher / wider - How is seepage being managed - Concern about potential environmental impacts - Visual amenity
	Traffic and transport	- Impact of double the truck movements between the mine and Bing Bong - Impact of more freight trucks required to service mine - Road maintenance.
Social	Community Benefits Trust	- Will the MRM allocation of funding for the CBT increase with increased production - How can organisations access the fund - How are grants approved?
	Compensation / royalties	Will TOs and Indigenous groups receive compensation as a result of increased production
	Economic contribution	Potential for extra economic contribution to local area
	Employment	- Opportunities for increased employment as a result of the proposed project - Issues with retention - Local issues such as humbugging, alcohol and drug management, low literacy / numeracy, housing shortages – how will MRM manage these to ensure there are good incentives for employment?
	Procurement	Increased opportunities for local suppliers
	Youth opportunities	Opportunities for youth to be involved in employment and other mine initiatives e.g. sponsorship
	Consultation	Community and stakeholders wish to be consulted more during mine operations and be involved in decision-making

8.2 Stakeholders

A broad list of stakeholder groups is contained below. All require consultation. The list will be developed further as a consequence of consultation.

Broad stakeholder groups

- Federal Government
 - Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- NT Government
 - Department of National Resources, Environment, the Arts and Sport (NRETAS)
 - Department of Land and Planning
 - Department of Housing, Local Government and Regional Services
 - Centrelink
 - Parks and Wildlife Borroloola (Gulf District)
- Roper Gulf Shire Council
- Traditional Owners – Gurdanji, Yanyuwa, Garawa, Mara
- Communities of Borroloola, Robinson River, King Ash Bay
- Community organisations and interest groups
 - MRM Community Reference Group
 - Community Men's and Women's Groups (Community Benefits Trust)
 - Northern Land Council (NLC) - Borroloola
 - Environment Centre Northern Territory (ECNT)
 - Li-Anthawirriyarra Sea Rangers
 - Mungoorbada Aboriginal Corporation (Robinson River)
 - Mabunji Aboriginal Resource Association Inc. (Borroloola)
 - Borroloola Health Clinic
 - Borroloola NAIDOC Committee
 - Boonu Boonu Festival organisers
 - Aboriginal Areas Protection Authority
 - NT Chamber of Commerce
 - Economic Development Committee
 - Mawurli and Wirriwangkuma Aboriginal Association (MAWA)
 - Industry Services Australia (ISA)
- Borroloola residents and business owners
- Borroloola school and other services
- Regional community members
- Individual opponents
- Individual advocates
- Pastoralists (e.g. McArthur River Station)
- Local radio station
- Employees and suppliers.

9 Issues Management

Management of issues is imperative through all communication activities.

All issues or potential issues relating to key stakeholder or community members must be reported to the communications team immediately. The project team will then assess the issue, determine the potential impact and mitigation measures, and act appropriately.

Issues will be managed as shown in **Figure 11** below:

Activity	Detail	Responsibility
Clear positioning	All project team members will have an understanding of MRM's positioning on anticipated issues. MRM's position is based on responses provided in Q&A.	Drafting positioning – Rowland Communicating positioning – Ettienne Moller & Vicky Nangala
Points of contact	Every point of contact with stakeholders and the community will be used as a means of proactively addressing anticipated issues using positioning messages. Every opportunity will be taken to obtain feedback on anticipated issues.	Ettienne Moller Vicky Nangala Joanne Pafumi Brian Hearne
Issues register	A register will be maintained outlining all issues raised by stakeholders and within the media. Updates on progress of resolution / feedback sent to project team members.	Rowland
Monitoring / tracking issues	CMS will be used to monitor progress of issues resolution, and track emerging issues.	Rowland
Workshop outcomes	Issues and outcomes will be workshopped with MetServe for inclusion as appropriate within EIS draft.	MetServe MRM / Xstrata Zinc Rowland
Mitigation	Issues will be mitigated as much as possible as they arise Mitigation techniques will be communicated to stakeholders as appropriate.	Ettienne Moller Vicky Nangala

10 Media Management

The media holds a large amount of influence over public opinion, particularly in the NT. Maintaining awareness of and anticipating potential coverage and issues raised in the media will allow the project team to be able to respond appropriately and proactively where possible.

Media will be managed as shown in **Figure 12** below:

Activity	Detail	Responsibility
Media relations	Media statements will be issued at the following project milestones: • Launch of Notice of Intent • Lodgement of Environmental Impact Statement and commencement of public review period Media relations will also occur as an issues management strategy when required.	Joanne Pafumi Rowland
Media monitoring	Media coverage will be monitored through Xstrata Zinc's media monitoring processes. Negative media / issues will be responded to where it is deemed appropriate. Monitoring of coverage will also be used to evaluate effectiveness of communication and consultation activities, and public awareness of the project.	Joanne Pafumi Fran Rossberg
Local radio	Local radio in Borroloola is a primary means of communicating broadly with community and township members. Community announcements will be broadcast via this medium. Where necessary, interviews will be broadcast with the project team members to provide information.	Ettienne Moller Vicky Nangala

10.1 Media policy

No MRM / Xstrata Zinc or MetServe employee or contractor should communicate with any representative of the media about any aspect of the project. All media enquiries should be referred to the communication team, and Joanne Pafume (Xstrata Zinc) will respond.

10.2 Standard script for media enquiries

The following script should be used by all project team members when approached by representatives of the media:

"I'm the not the best person to answer your query, but I will take down your details and arrange for someone from Xstrata Zinc to contact you."

The Project team member should ask the following questions to ensure they can respond to the journalist's questions in a timely, appropriate manner, and then provide this information to the communications team immediately:

Rowland.

- What is your name?
- Where are you (calling) from?
- What is the best number to contact you on?
- What information do you require?
- What is your deadline?

11 Project Controls

11.1 Recording consultation and community feedback

All interactions with community and township members and key stakeholders will be recorded in the Consultation Manager (CMS) database by Rowland to ensure details of all stakeholders and their issues regarding the project are included in the EIS, and that feedback is provided to stakeholders as to how their input has been considered. Recording in CMS provides the following benefits:

- Recording of issues and resolutions
- Opportunities for issues tracking and analysis
- Identification of appropriate communication methods and materials
- Various reporting functions to provide a wide range of data able to be analysed.

11.2 Reporting consultation findings

During implementation of the Plan, summary reports will be provided on a weekly basis to MetServe and Xstrata Zinc. The report, generated from CMS and analysed by the Rowland EIS team, will include a summary of all stakeholder and community member contact during the week, together with issues raised.

A draft technical report will detail preliminary findings based on results of consultation activities, and will be provided immediately following completion of the second round of consultation.

Reports, including all figures and appendices, will be provided in electronic format (draft and final reports in both MS Word and Adobe Acrobat format).

12 Evaluation

Evaluation will allow the project communication team to track the effectiveness of the Stakeholder Engagement Plan in meeting objectives, and if necessary, inform modification of the strategy to ensure the Plan continues to meet objectives.

Figure 13 shows objectives, measurable outcomes and measurement tools:

Objective	Measurable outcome	Measurement tool
Stakeholders are aware and accurately informed about: - the proposed project – what to expect during construction and long-term operation - why the project is required - potential benefits and impacts of the project to the community - Monitoring and environmental issue mitigation strategies - The EIS period – how to contribute - The consultation process through MRM's submitted EIS.	- All identified stakeholders are provided information about the project - Feedback received from stakeholders demonstrates an understanding of the project / benefits / EIS / consultation process - Unsolicited project queries and feedback is high and comes via advertised channels, e.g. MRM hotline or email address.	- CMS – cross-check records against the Plan to ensure all identified stakeholders have been contacted / met with and provided with written documentation - CMS – analysis shows feedback provided demonstrates understanding - Media coverage – minimal clippings with stakeholders claiming to be a) unaware of the project, b) not given opportunity to provide feedback.
Stakeholders are proactively provided with opportunities to ask questions, provide input and receive answers throughout the EIS process	- Minimal reports of stakeholders feeling they were not proactively provided opportunities to comment / provide feedback - High level of clear, constructive feedback received - Feedback received within advertised consultation period in a timely fashion.	- CMS – analysis shows minimal complaints about consultation process - CMS shows stakeholders have provided feedback - Positive anecdotal feedback is received about the consultation process.
Stakeholders trust and refer to MRM as their primary source of project information	- Low level of misinformation in circulation - High level of MRM project materials in circulation - Unsolicited project queries and	- CMS – analysis shows high level of stakeholder understanding about project - CMS – meeting records show type of materials provided to track circulation - CMS – analysis shows feedback comes

Objective	Measurable outcome	Measurement tool
	feedback comes via advertised channels Media coverage with stakeholders claiming limited to no project knowledge is minimal.	via in person, telephone, email or community meeting - CMS – number of Project enquiries - Media analysis – number of media clips with stakeholders and community members claiming limited or no Project knowledge are minimal.
Stakeholders and MRM work together to identify and address issues in a timely manner	Stakeholders work with MRM through consultation process to identify and address issues	- Community Reference Group (CRG) - used as an issues management and resolution tool - Anecdotal feedback from the CRG regarding the engagement and consultation process - CMS – analysis shows stakeholders provide feedback and work constructively with MRM through consultation process - Project reporting highlights potential issues raised by stakeholders, and management/mitigation strategies
MRM fosters positive relationships conducive to open, two-way communication with stakeholders	Relationships are strengthened and enhanced through the consultation process	- Implementation of the Stakeholder Engagement Plan results in feedback for SIA and Consultation Report. - Anecdotal feedback from stakeholders and the CRG regarding the timeliness of communications resources and satisfaction with the information provided - The next <i>360 Degree Survey</i> to be undertaken shows improved results in effectiveness and performance.
MRM's reputation is protected and enhanced	- MRM's portrayal in the media is predominantly balanced, neutral or positive - Stakeholder and community sentiment towards MRM is predominately balanced, neutral or positive.	- Analysis of media clips show balanced, neutral or positive reporting about MRM and the project is high - Anecdotal feedback from the CRG regarding how MRM is viewed in the community is positive / neutral - The next <i>360 Degree Survey</i> to be undertaken shows improved results in perceptions about MRM.
MRM develops sustainable communities	- A high level of community respect and trust in MRM is in place - The local community reaches growth objectives.	The next <i>360 Degree Survey</i> to be undertaken shows improved results in community sustainability.
Negative sentiment is minimised	Questions and feedback provided	CMS – detail of feedback / input shows

Objective	Measurable outcome	Measurement tool
and all feedback is considered in EIS submission	in first round of consultation are answered adequately in second round of consultation • High level of support and endorsement.	stakeholders feel queries have been adequately answered.

Appendix 2: IAP2 Core Values

As an international leader in public participation, IAP2 has developed the "IAP2 Core Values for Public Participation" for use in the development and implementation of public participation processes.

These core values were developed over a two year period with broad international input to identify those aspects of public participation which cross national, cultural, and religious boundaries.

The purpose of these core values is to help organisations, decision makers and practitioners make better decisions which reflect the interests and concerns of potentially affected people and entities.

1. The public should have a say in decisions about actions that could affect their lives.
2. Public participation includes the promise that the public's contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

Appendix 3

Appendix 3: IAP2 Spectrum

IAP2's Public Participation Spectrum is designed to assist with the selection of the level of participation that defines the public's role. The Spectrum show that differing level of participation are legitimate depending on the goals, time frames, resources and levels of concern in the decision to be made. However, and most importantly, the Spectrum sets out the promise being made to the public at each participation level.

International Association
for Public Participation
Australasia

INCREASING LEVEL OF PUBLIC IMPACT

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:	Public Participation Goal:
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:	Promise to the Public:
We will keep You informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.
Example Techniques to Consider:	Example Techniques to Consider:	Example Techniques to Consider:	Example Techniques to Consider:	Example Techniques to Consider:
• Fact sheets • Web Sites • Open houses	• Public comment • Focus groups • Surveys • Public meetings	• Workshops • Deliberate polling	• Citizen Advisory Committees • Consensus building • Participatory decision-making	• Citizen juries • Ballots • Delegated decisions

Appendix 4: Communication tools



McArthur River Mine Phase 3 Development Project

Factsheet 1. Project Introduction

11 March 2011

McArthur River Mine Phase 3 Development Project

Xstrata Zinc is conducting studies into the third phase of development at McArthur River Mine (MRM) following its commencement as an underground mine in 1995 and later conversion to open pit mining in a project completed in 2009.

The proposal involves increasing MRM mine production to approximately 5 million tonnes per year resulting in an increase in bulk zinc/lead concentrate volume to 800,000 tonnes per annum. Concentrate would continue to be trucked to the Bing Bong loading facility, with product loaded via the existing offshore barge facility.

The indicative cost of the project is \$270 million. Subject to the completion of studies and internal Xstrata and government approval, works on the project would commence in 2012.

A notice of intent for an environmental assessment of the project was lodged with the Northern Territory Government on 11 March 2011 (www.nt.gov.au/nreta/environment/assessment/index.html).

The key features of the proposed development comprise:

- expanding the existing open pit mining operation within the bund through an expanded fleet of conventional shovels/excavators and large haul trucks
- increasing the capacity of the existing Tailings Storage Facility (TSF)
- generating approximately 500 million tonnes of additional waste rock to be sent to overburden emplacement facilities (OEF)
- upgrading the processing plant
- expanding the power station requirements at the mine site
- building a temporary construction camp and expanding the existing accommodation facilities
- increasing MRM's mineable reserves from 53 million tonnes to 115 million tonnes, extending the life of mine to 2033 at the proposed higher rate of production.

A scoping study conducted in 2010 has confirmed the development project would not expand the open pit beyond the current boundary of the bund wall and there is no intention of further diversions to the McArthur River or Barney Creek channels. The map below provides the baseline concept for the development project.

Map of current MRM operations and base case for assessment for MRM Phase 3 Development Project



The proposed Phase 3 Development Project follows the conversion to open pit mining which has enabled MRM to meet all targeted objectives on production, employment, environmental management and socio-economic benefits for the region.

In the years since initial open pit mining approvals were received in October 2006, MRM has maintained its record of good environmental performance, committed over \$7 million to support the development of the Gulf region through the MRM Community Benefits Trust and increased indigenous workforce participation in the operation from 9% to 21%.

MRM achieved a 7% increase in ore mined from 2.1 million tonnes in 2009 to 2.2 million tonnes of ore in 2010 and a 10% increase in zinc in concentrate from 166,467 to 183,517 tonnes. The volume of bulk concentrate produced was 384,000 dry metric tonnes.

Development project features

Item	Current Approved Project	Proposed McArthur River Mine Phase 3 Development Project
Resource	53 million tonnes measured indicated and inferred	Likely mining reserve of 115 million tonnes total
Mine Life	Estimated 21 years from 2006 approvals (2027)	Additional 6 Years to 2033
Mining method	Open pit mine using conventional drilling, blasting, loading and haulage methods	No Change
Open Pit Dimensions	Length – 1500 metres Width – 800 metres Depth – 210 metres Overall footprint – 103 hectares	Length – 1500 metres Width – 1500 metres Depth – 410 metres Overall footprint – 203 hectares
Mining Rate Capacity	2.5 million tonnes of ore per annum	Approximately 5 million tonnes of ore per annum
Tailings	Tailings discharged to Tailings Storage Facility (TSF)	Extension to existing TSF or increase height of existing TSF to create additional capacity.
Overburden Emplacement Facility	185 million tonnes overburden emplacement facility	Extra 500 million tonnes of overburden to be emplaced in additional sites to be investigated against a range of criteria.
Processing	Grinding and flotation to produce zinc concentrate	No Change
Power	20 Mw from a gas fired power station	Estimated extra 20 Mw required
Product/year	Zinc concentrate – 360,000 dry metric tonnes (166,000 tonnes of zinc in concentrate)	Zinc concentrate – 800,000 dry metric tonnes (368,000 tonnes of zinc in concentrate)
Transport	Concentrate trucked to Bing Bong Loading Facility and barged offshore for transfer and shipment	No change in method. Approximate doubling of concentrate volume trucked to Bing Bong for shipment
Water Management	Bore fields supply (if required) Mine water collected and utilised in the process Emergency discharge licence in place	To continue. Existing water management structures to be upgraded.
Workforce	440 employees and contractors	Construction – peak 900 personnel Operation – approximately 550 personnel



Integrated plan

The MRM Phase 3 Development Project is part of a \$900 million (USD900 million) integrated plan involving MRM and Xstrata Zinc's European and Canadian smelters. The plan aims to secure the long-term future of MRM in the face of a decline in the traditional international markets for the bulk zinc-lead concentrate it produces.

The plan involves the increase in mine production at MRM, the installation of proprietary hydrometallurgy technology in Xstrata Zinc's San Juan de Nieva smelter in Spain and Nordenham smelter in Germany, and potentially, further improvements in the Brunswick Lead Smelter in Canada.

It is by increasing production at MRM and reducing unit costs that the overall project is financially viable.

The Imperial Smelting Furnaces which currently consume MRM bulk concentrate now produce less than 6% of the world's primary zinc and this market is declining. Over 90% of zinc produced globally is produced by electrolytic smelters which cannot use bulk concentrate.

Xstrata's proprietary hydrometallurgy technology smelters are able to use MRM bulk concentrate as a feedstock. The integrated plan therefore creates a new market for MRM's expanded production in addition to the current customers in Europe and Asia.

The decision to proceed with the proposed development is subject to the outcomes of ongoing feasibility studies and associated technology trials in Europe as well as the environmental assessment for MRM.

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Cell One is undergoing rehabilitation work, which has included installation of a 500mm clay cap.

MRM has invested more than \$10 million since 2006 to continuously improve the performance and management of the Tailings Storage Facility (TSF).

Tailings are water-based waste products generated through MRM's open pit mining operations. Waste water and solids from the MRM processing plant are currently taken by pipeline to the TSF on the west side of the Carpentaria Highway, south of Surprise Creek.

Divided into parts, Cell One of the TSF, which is closest to Surprise Creek, has been decommissioned and is now undergoing rehabilitation. The successful rehabilitation of Cell One serves to inform MRM's future seepage management and development plans.

Cell Two is now used for tailings deposition, with water re-drawn to the processing plant and recycled for use. In 2010, MRM increased its recycled water usage by 17% on the previous year to more than 95% of all water used onsite.

Cell Three is not currently in use for tailings purposes. It is used as a water management dam for fresh water and as an overflow point for Cell Two.

For the proposed Phase 3 Development Project, the design of the expanded TSF will be a key priority of the environmental assessment.

Phase 3 Development Project Factsheet 2: Tailings Storage Facility

July 2011

Ongoing investments in TSF management

MRM's dedication to ensuring the mine causes no adverse impact on the river or Gulf environments has seen significant investments made in managing the TSF since 2006.

MRM has invested more than \$10 million in the TSF to protect the environment, including:

- decommissioning and commencement of rehabilitation of Cell One to minimise risk of seepage into the waterway, including geochemical assessment of tailings
- installation of a sump to intercept surface leachate draining toward Surprise Creek
- installation of a geo-polymer fill as a physical barrier to prevent further seepage
- installation of an additional five piezometers within the TSF embankments for monitoring
- ongoing monitoring of Surprise Creek, ensuring average zinc, lead, copper and cadmium concentrations at monitoring locations remain within stipulated guidelines
- undertaking electromagnetic surveys to locate and manage potential seepage points
- developing additional protection with emergency spillways
- continuing the monitoring program to assess tailings content, seepage, and integrity of the embankment walls, pipe and infrastructure.



Surprise Creek is monitored weekly.

MRM – PHASE 3 DEVELOPMENT PROJECT

TSF considerations for the Phase 3 Development Project

MRM will undertake a thorough environmental assessment as part of the proposed Phase 3 Development Project Environmental Impact Statement (EIS).

This will include studies into the best methods to manage and contain tailings for the expanded operations.

MRM will investigate all options to determine the most sustainable tailings management design and operational strategy, taking into account all environmental factors.

MRM's Tailings Storage Facility

REHABILITATION OF CELL 1

Work is underway to rehabilitate Cell 1 in line with the natural surroundings. This involves placing layers of clay, rock and other materials on the cell closest to Surprise Creek (as shown below). On completion, the rehabilitation layers will be as shown:

GRASS SEED

TOP SOIL – 100mm

CLEAN ROCK – 1500mm

CLAY CAP – 500mm

TAILINGS

CELL 1

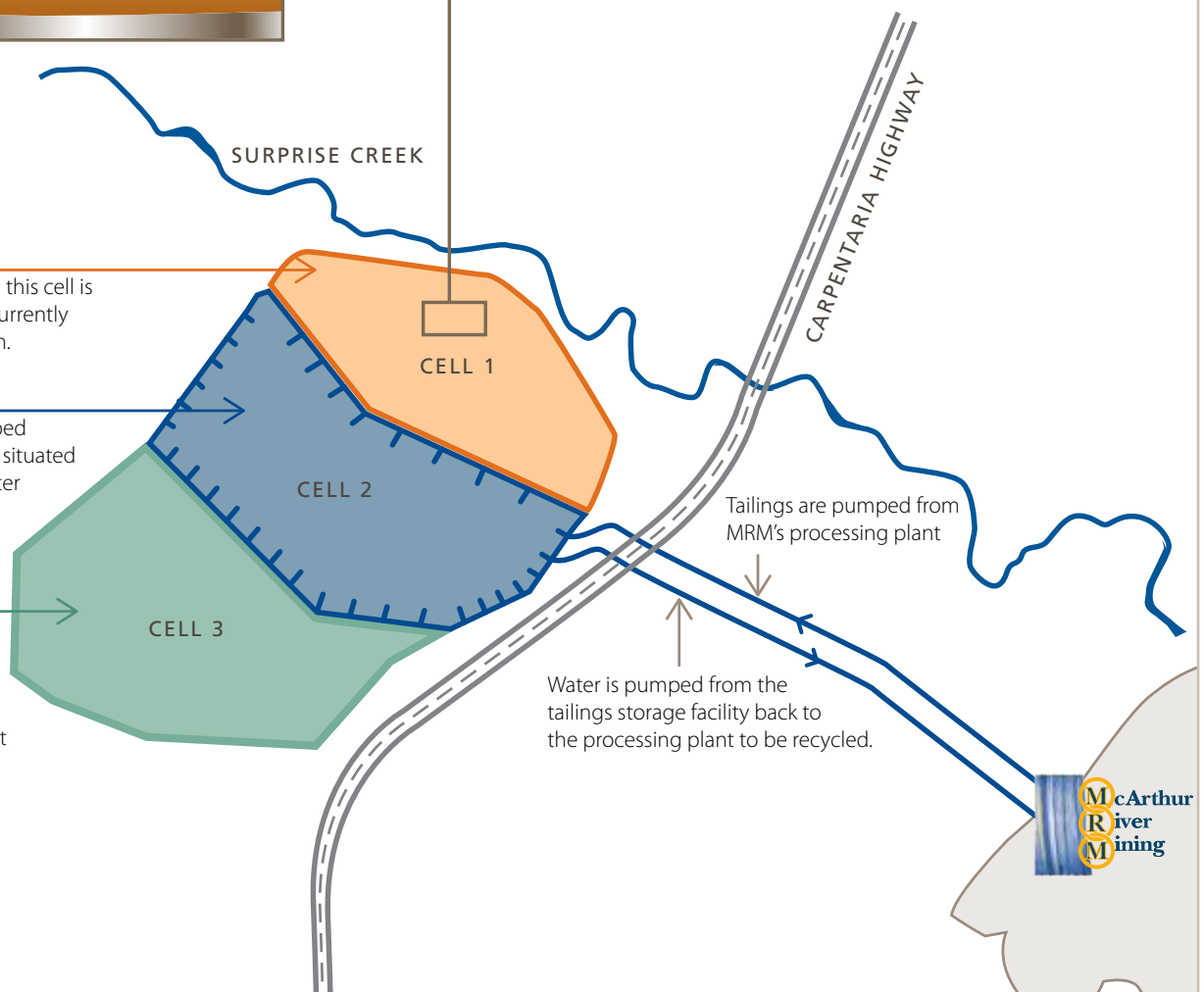
Closest to Surprise Creek, this cell is no longer in use, and is currently undergoing rehabilitation.

CELL 2

Active. Tailings are pumped into Cell 2 through pipes situated around the edges, so water is situated in the middle away from walls.

CELL 3

Not currently in use for tailings purposes. Used as a water management dam for fresh water catchment and as an overflow point for Cell 2.



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Phase 3 Development Project Factsheet 3: Overburden

July 2011

Overburden is the term used to describe the waste material surrounding the zinc-lead ore. The overburden includes some topsoil, clay and a variety of rocks. For every tonne of ore mined at MRM, there are five tonnes of overburden mined.

Overburden is not subject to any mineral processing at the mine. The different types of overburden have different uses at the site: clay may be used for building pads and dams; small rocks used for building roads; large rocks used for armouring against erosion; and topsoil used for rehabilitation. Some materials are temporarily stored in stockpiles. Unsuitable or excess overburden is permanently stored within areas called Overburden Emplacement Facilities (OEFs).

The proposed Phase 3 Development Project is expected to generate an extra 500 million tonnes of overburden. A number of options for its storage, including an expansion of the existing North OEF, are under review as part of the environmental planning.

Storing of overburden

OEFs are designed to protect against any environmental impact. To do this, they must be physically stable in the long term. The position, height and slope of the OEFs are important factors in their physical stability.

The most important chemical property of the overburden is linked to what happens when it oxidises through contact with air and water. Oxidation of rocks may produce a liquid called leachate. The nature of this leachate determines which category of overburden the rock belongs to:

1. Non-acid forming (NAF) materials – about 80% of the rocks – are chemically stable. When wet with rain, they will not generate any by-products that could impact on the environment. Only NAF material is used on the external faces of all mine structures such as the bund wall.

2. Potentially acid forming (PAF) materials – are the types of rock that, when exposed to air and water, can generate an acidic water, soluble metals or salts that could impact the environment.



Rocks are classified

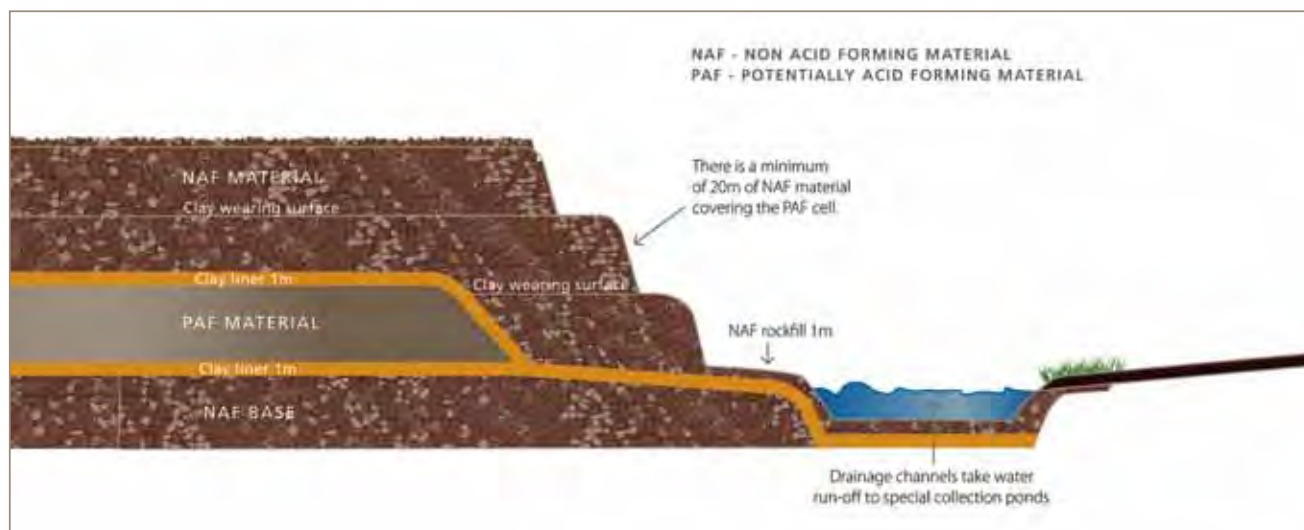
Identifying the ore, overburden and the different types of rock is important for both the mining operation and environmental protection.

Geologists check each stage of mining using extensive studies, geochemical testing, maps, surveys and samples. They physically walk the face to be mined and mark it up with coloured paint and tape to differentiate between the ore and types of overburden.

Separated while digging

Each section of ore and the different types of rock are scooped up separately by the diggers, and placed into the back of large trucks. The trucks also identify whether they carry PAF, NAF or ore material. The type of rock determines where their load is deposited.

MRM – PHASE 3 DEVELOPMENT PROJECT



Most goes to the North OEF

The North OEF is where most of the overburden is currently stored. This area has the capacity to store 185 million tonnes of waste rock over a 255 hectare footprint to a previously approved height of 80 metres.

Options are under review to increase the total OEF capacity, which will examine expansions to the North OEF as well as additional OEF locations.

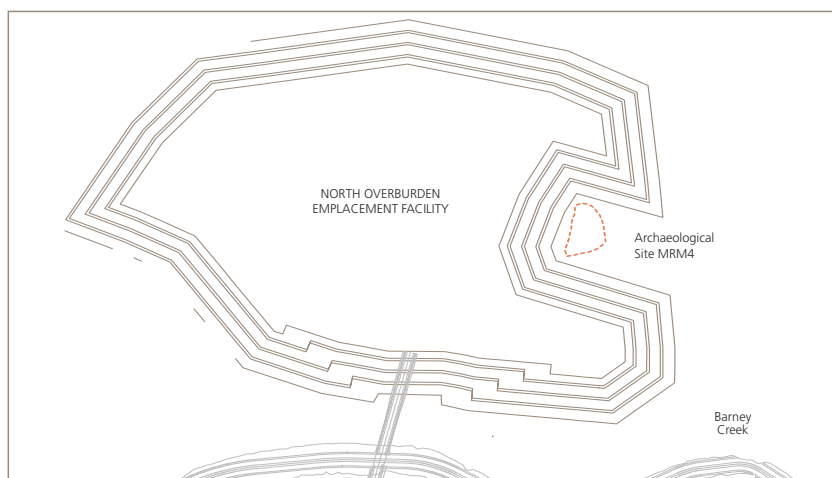
The PAF rock is placed in specially constructed cells inside the core of the North OEF. The cells are completely surrounded by layers of clay that minimises the amount of air and water contacting the PAF rock. A layer of NAF material then further protects the cell from oxidation and erosion. The PAF cells are located above the 1-in-100 year flood level to ensure they don't get wet from floodwaters. The multiple layers of protection isolate the PAF rocks from the weather and protect the environment.

The OEFs are extensively monitored

MRM's environmental monitoring program has demonstrated the mine has had no adverse impact on the McArthur River or Gulf environments. The performance of the overburden facilities is monitored to check:

- water quality and sediments in the North OEF run-off ponds to make sure rocks are being categorised correctly and the management strategies are working
- groundwater quality through monitoring bores installed around the mine site
- physical stability against wind and water erosion.

Specialist testing is also underway to help future management of overburden. Called a 'Kinetic Column Leach Test', this process simulates the natural weathering of rocks. From this, MRM can better plan strategies to keep improving the performance of the overburden facilities.



Cultural heritage is protected

The shape of the North OEF has been designed to ensure an archaeological site is protected. This is the site of a stone artefact quarry. Custodial elders and Traditional Owners of the Gurdanji people and an archaeologist inspected this site before the North OEF was developed. It is now protected as a site of archaeological significance.

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McArthur River Mine (MRM) is situated on the traditional lands of the Gurdanji, Binbinga and Yanyuwa people. Today, these lands continue to be important to these and other local traditional language groups including Garawa, Mara and Alyawa people.

MRM is an active member of the community and works closely with Traditional Owners to preserve the cultural heritage of the local Aboriginal people. We respect local customs and values and safeguard sacred sites within the footprint of our operations.

MRM's commitment to cultural heritage management is guided by Xstrata plc's Business Principles, which uphold and promote human rights within our areas of influence and respect the cultural heritage, customs and rights of communities.

The way in which we deliver on this commitment is articulated in our Cultural Recognition Policy. This policy provides a mandate for cross-cultural respect and awareness through which MRM has established valued relationships with local Aboriginal people and Traditional Owners. It also ensures our workforce understands the traditional rights and culture of Indigenous people and oversees a number of systems and processes to ensure sites of cultural significance, and matters of cultural interest, are identified and preserved.

MRM's policy to contribute to the social and economic development of the communities in which we operate also defines our commitment to working openly, closely and transparently with our stakeholders throughout the lifecycle of our operations.

Cultural Heritage Management

August 2011

17 sites of cultural significance

Extensive studies, including archaeological and ethnographic surveys, have been undertaken to identify and protect culturally significant sites within MRM's lease area. These studies have identified 17 sites of cultural significance that either have a direct link to dreamtime stories or are important to the history and culture of the local Aboriginal people.

These sites are registered with the Aboriginal Area Protection Authority. This statutory authority of the Northern Territory Government was established under complementary NT legislation in accordance with the *Commonwealth Land Rights Act 1976*. The AAPA has issued authority certificates for all of the mine's operational areas in accordance with the *Northern Territory Aboriginal Sacred Sites Act 1989*.



MRM takes its responsibility seriously for the care and protection of sacred sites or sites of significance located within its operations. These areas are fenced and sign posted, as shown in the image above.

CULTURAL HERITAGE MANAGEMENT

Management initiatives

MRM preserves and manages the identified sites in line with AAPA conditions. These call for:

- Entry to sacred sites to be prevented
- No works that will disturb the ground at sacred sites
- Prevention of damage to any vegetation at sacred sites other than for specified purposes
- No material to be stored or machinery parked near the sacred sites
- Protective fences and signage to be erected around sacred sites
- Aboriginal custodians of the sacred sites to be notified and provided with the opportunity to supervise any restoration works carried out on the site
- Access to the sites to be permitted for cultural purposes.

Clearing permits are required by any employee or contractor undertaking works which may disturb the ground or vegetation.

This requires workers to complete an 'Application and Authorisation for Proposed Land Clearance' form, which then requires approval from MRM's Community Relations, Environment and Survey Departments. As a further safeguard, sacred and significant sites are clearly signposted throughout the lease area.

Cultural awareness training

All staff at MRM have an important role to play in cultural heritage management. Cross Cultural Awareness Training is mandatory for all employees and contractors.

This specially designed course developed by the mine, in consultation with Gurdanji Traditional Owners, provides information on the history, beliefs, traditions, music and sacred sites, in addition providing cultural awareness of the other three language groups within the region. To ensure we provide the best possible training our course is delivered by a local Indigenous person from Borroloola. It also clearly outlines the expectations and responsibilities of all employees and contractors in managing cultural heritage, respecting and understanding cultural norms of their Indigenous workmates and their relationships within the local community.

As part of this program, MRM commissioned a DVD production which recorded three senior Gurdanji Traditional Owners telling stories of the 'Kudjiga' – the Dreamtime – for their country. This DVD is an integral part within the training program.

Site access for cultural purposes

MRM understands that access to these sites is an important part of preserving the cultural heritage of the local Aboriginal people and we work closely with Traditional Owners to organise regular site visits.

As an operational mine, the health and safety of all employees and visitors is our highest priority. Therefore, anyone seeking access to the mine site for cultural purposes is asked to provide at least 48 hours notice of the visit to the MRM Community Relations department. That way, we can make sure it is safe to enter the area nominated or can make arrangements when necessary.

Cultural heritage management initiative	2010 results
Number of employees undertaking Cross Cultural Awareness Training	38
Number of incidents of disturbance of cultural heritage sites	0
Number of meetings with mine executive and Traditional Owners including site visits	8
Requests (and approvals) for access for cultural purposes	0
Sponsorships and donations supporting cultural heritage activities: • NAIDOC Week celebrations • Boonu Boonu Cultural Festival • Women's Business trip.	

BARRAMUNDI DREAMING

Barramundi Dreaming is one of the sacred sites located on the mine site. Its story is shared with all staff and contractors through our Cross Cultural Awareness Training so they better understand, and respect, the cultural and historical significance of the area to the local language groups.

This dreaming story about the Barramundi begins in a location known by its bush name as Kamkamka. In the story, the Barramundi travelled down to Damalani, Bibibi and Iligidini, before arriving at the place where he now rests.

The Barramundi held a ceremony on the site, and afterwards he said; "I've got a ceremony here, and I will stay here to protect it." So the Barramundi stayed, as did the ceremony.

When people visit the location they must sing and dance the Barramundi ceremony - they must follow that dreamtime story for the Barramundi.

Extract of the story told by Traditional Owner, Billy Coolibah, on Gurdanji cultural heritage DVD.

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Website

www.xstrata.com
www.mcarthurrivermine.com.au

For further information contact MRM on:

mrmprojeng@xstratazinc.com.au
Telephone: 1800 211 573



As one of the largest mining operations in the Northern Territory, McArthur River Mine (MRM) has been a catalyst for economic and social development in the region.

We are committed to the social and economic development of sustainable communities associated with our operations. This commitment is founded in Xstrata's Business Principles and guided by the group's Sustainable Development Policy. Through this policy we balance the social, environmental and economic considerations in how we manage our business.

In relation to regional development, we specifically aim to ensure our activities contribute to the sustainable growth of our local communities so they may flourish independently even after mining operations cease. We achieve this through sourcing goods and services from local companies, providing training and employment opportunities for local people, investing in community programs and promoting local business development.

Benefits

With MRM's support, the targeted economic benefits for the region include:

- increased local employment including traineeships for Indigenous people
- an expanded economic base to include new viable local enterprises.

At a social level, the advantages targeted include:

- improved health outcomes through higher-quality local medical facilities
- improved quality of life through a safer, healthier community environment
- higher education attendance and completion rates
- effective management and where desired, preservation, of the natural environment
- the maintenance and protection of traditional culture.

Regional Development

August 2011

Local procurement

It is our policy to use local businesses where they are technically capable and commercially competitive. We also prefer to work with companies who share our values to work ethically, responsibly, openly and to work together and with others.

All suppliers need to be accredited by MRM before contracts are issued. Accreditation is a form of agreement between MRM and the supplier and ensures we are partnering with organisations who:

- enforce high standards of occupational health and safety for their employees and contractors
- have regard to environmental considerations when manufacturing, packing or transporting their goods
- respect human rights
- are appropriately insured
- are providing products or services that are fit for purpose.

Our procurement procedures are typical of business practice and generally involve a tendering and negotiation process, and contract management.

There are already good examples of how MRM's operations have encouraged organisations to establish operations in the Northern Territory and, in turn, create employment and career opportunities for local people. MRM has also enabled local businesses to expand their service offerings to supply specific services such as transport and freight logistics, labour hire and specialist maintenance services.



Grant funding from the MRM Community Benefits Trust is supporting the commercial development of local art.

Corporate Social Involvement programs

MRM's longstanding community partnerships have been a catalyst for positive regional growth, linking MRM activities to the long-term social development objectives of the Borroloola community. These range from sponsoring sporting and cultural events, to the development of new community infrastructure. The purpose of these partnerships is to strengthen the capacity of the local community through action in the areas of enterprise development and job creation, education, arts and culture, health, environment and social and community issues. Our primary vehicle for achieving these outcomes is the MRM Community Benefits Trust, which aims to address the issues and needs to build the long-term sustainability of the Borroloola region. MRM also provides annually a range of other sponsorship and community donations which address short-term needs and opportunities.

For more information, please see the MRM Community Benefits Trust Project Funding Guidelines available online.

Employment and education

MRM is focused on building capacity within the region by training and sourcing employees from Borroloola and other communities in the Northern Territory. Our involvement in building a job-ready base of local employees commences while young people are still in the school system, partnering with government and community organisations to deliver work experience programs, school-based apprenticeships and a tertiary scholarship program. MRM has developed an Indigenous employment and training strategy to help people gain real jobs with the mine. For more information, please see MRM's Pathways to Employment and Indigenous Traineeship brochures available online.



Borroloola local Marlene Karkadoo has established a new business to provide cultural awareness training at MRM.

LOCAL PARTNERSHIPS: MARLENE KARKADOO AND MRM

MRM engaged Borroloola local Marlene Karkadoo to undertake Cross Cultural Awareness Training at the mine.

The training program supports the mine's Indigenous Employment Strategy by creating a working environment in which there is greater understanding of local culture.

Marlene is now delivering this program as an external contractor, demonstrating one of the ways MRM supports the development of new small business enterprises in the Gulf Region.

MRM General Manager Etienne Moller said Marlene's input into the training sessions had supported the continued improvement of the program.

"We have a strong, dedicated base of Indigenous workers at the mine and these sorts of training programs help us all to understand each other."

Marlene said she was enjoying the opportunity to work with MRM in this area.

"It's a good chance to put my studies into practice and to share knowledge of local customs and beliefs with the employees and contractors from MRM. The opportunity to continue to develop my career is invaluable."

2010 Outcomes

Regional development initiatives	2010 results
Local procurement: Borroloola	\$7 million
Local procurement: Northern Territory	\$60 million
Local training and education	13 apprenticeships 20 trainees (Certificate II in Entry into Mining)
% of Indigenous workforce participation	21%
Direct benefit to the Australian economy	\$138 million
Corporate Social Involvement programs	\$1.4 million
Government taxes and charges	\$4.2 million

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Pathways to Employment

August 2011



MRM has developed an Indigenous employment and training strategy that helps people to gain real jobs with the mine.

This strategy details a pathway that begins with programs to get ready for work and moves on to entry-level or formal training and career development. It also reflects opportunities for skilled workers to seek employment with MRM.

The strategy is founded on Xstrata's global Sustainable Development Standards, and research into best practice at both a national and international level. It has been developed in association with the Traditional Owners, Borroloola School, Northern Territory and Australian Governments, training providers and recruitment services.

Our goal is to sustain and grow Indigenous workforce participation at MRM above 20 percent of the total permanent employee base.

MRM is committed to developing relationships of mutual understanding and respect with the Indigenous people of the Gulf region. We recognise the desire of Indigenous people to participate in the regional economy and will actively facilitate employment and training opportunities.

We acknowledge a responsibility, as the major employer in the region, to increase Indigenous workforce participation and in so doing, provide benefits both to the community and to the mine.

Our strategy targets Indigenous residents of the region including the Gurdanji, Mara, Garawa and Yanyuwa people, as well as Indigenous residents of other regions on a fly-in, fly-out basis.

There are two key ways to obtain work at MRM:

1. Trainee program
2. Direct recruitment for job vacancies.

Once employed, there are numerous pathways to interesting jobs and careers within a global mining company.

Trainee program

MRM's trainee program offers entry-level opportunities and training that qualifies people with the skills and experience needed for jobs within the national mining industry. We look for men and women who are:

- Unskilled or semi-skilled workers
- School leavers
- Currently unemployed
- Interested in furthering their literacy and numeracy skills
- Interested in and determined to work.

The program opens up nine alternative career paths within MRM in mining, environmental management, administration and services such as catering. For trainees and their community, involvement brings better education, lifestyle and health improvements, confidence and pride in achievement.



MRM's Heavy Machinery Simulator in use in the trainee program.

PATHWAYS TO EMPLOYMENT

The program involves:

- **Pre-employment:** Getting people work-ready with the skills, experience and confidence needed to move into a full time job. This includes work experience, work-ready induction training and cultural awareness programs.
- **Entry-level training:** Paid, on-the-job training with MRM that provide trainees with experience in a range of roles on site from which they can then decide the direction they would like to pursue in a permanent position. This includes time on the popular heavy machinery simulator to see if operating big vehicles and equipment is what interests them most.
- **Career development:** Mentoring and support programs to help retain Indigenous employees at MRM and build careers.

At the end of the trainee program, trainees are offered permanent positions in the areas for which they are both best suited and have an interest in. For some, this has included moving into apprenticeships to gain formal trade qualifications.

Direct recruitment for job vacancies

These positions suit skilled and experienced workers including professionals, trades apprentices, certificate or skill-based ticket holders and operators, or men and women with work experience in mining or related industries.

Positions available within MRM are advertised online (www.xstrata.com/careers) and in newspapers. They are also available through selected recruitment consultancies.

Locally, opportunities are posted on community noticeboards. In addition, MRM's participation in local events such as the Borroloola Show and relationships with local organisations also aims to raise awareness of the growth occurring at MRM, the job opportunities arising and the process to apply.

Recruitment processes have been designed to be culturally appropriate. Our recruitment assistance package helps Indigenous applicants through the process and MRM's Indigenous Employment Coordinator works both directly with applicants and external recruitment consultancies to offer additional support.

Once employed, MRM is committed to helping Indigenous employees stay with the mine by ensuring policies reflect the cultural diversity and needs of the workforce, providing cultural awareness training for all employees and contractors and coaching supervisors on effective leadership techniques.

Long term, MRM takes into account individual interests, strengths and needs to support career development for all employees. This includes:

- preparing individual career development plans that are reviewed each year
- participating in industry, Northern Territory and Australian Government development programs
- encouraging tertiary or certificate studies where possible or further professional development.

For more information or to submit an application please contact: 08 8975 8882 or go to www.mcarthurrivermine.com.au/employment_overview.cfm



MRM's Indigenous recruitment strategy provides up to nine career paths, including environmental management.

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Each year, the seawater, seagrass, sediments and various molluscs from around the Bing Bong coast and Sir Edward Pellew Islands are tested to see if MRM's operations have impacted in any way.

The results from the latest round of studies in November 2010 show their quality is high and safe when compared with national health and food standards.

This is consistent with previous years' results from the monitoring which has been undertaken annually since 1998, with early monitoring occurring in 1992 and 1993, before the mine began operations. These early results set background benchmark levels that samples are now compared against. Copper, zinc, cadmium, lead, nickel and arsenic are all naturally occurring substances within this region.

Independent scientists from the Australian Institute of Marine Science (AIMS) collected samples from 14 sites around the Gulf, including seven around the Islands as recommended by local Traditional Owners. Their report also acknowledges the cooperation of representatives of the Lianthawirriyarra Sea Rangers.

Overall, the study found there was no measurable impact on seawater, surface sediments, oysters or seagrass along the Bing Bong coast, Sir Edward Pellew Islands and the eastern beach area adjacent to the swing basin.

The marine monitoring program is one of a number of programs conducted each year by MRM to ensure the health of the Gulf environment. Others include the annual migratory bird survey, a more detailed seagrass study, and site based dust and water management programs.

Marine monitoring

August 2011

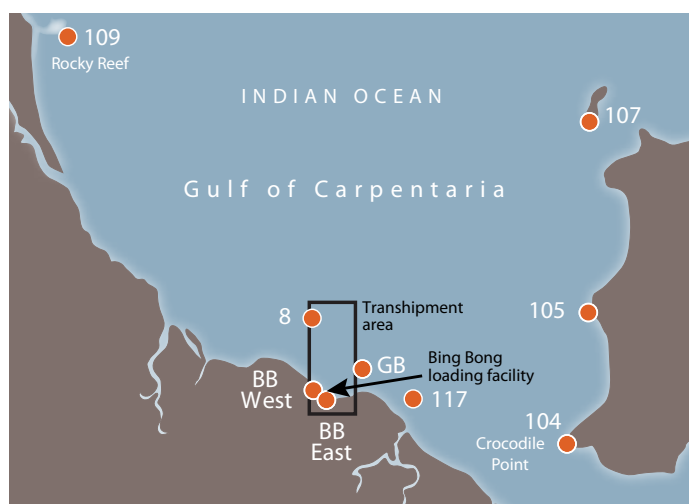


Figure 1: Sites along the Bing Bong coast and Sir Edward Pellew Islands where samples are annually collected for testing.



Figure 2: Sites in the Sir Edward Pellew Islands where samples are annually collected for testing.

Seawater

Unfiltered and filtered seawater is collected from a depth of around 50 centimetres. The samples show the quality of the water was the same as natural background levels and typical for inshore marine waters and estuaries in the late dry season. Importantly, this included the concentration of metals in the water (nickel, zinc, cadmium and lead) which was well under the Australian and New Zealand Environment Conservation Council (ANZECC) (2000) default trigger values for 99% protection – the highest level of ecosystem protection. The trend results show that these concentrations have remained below this protection level since 1998.

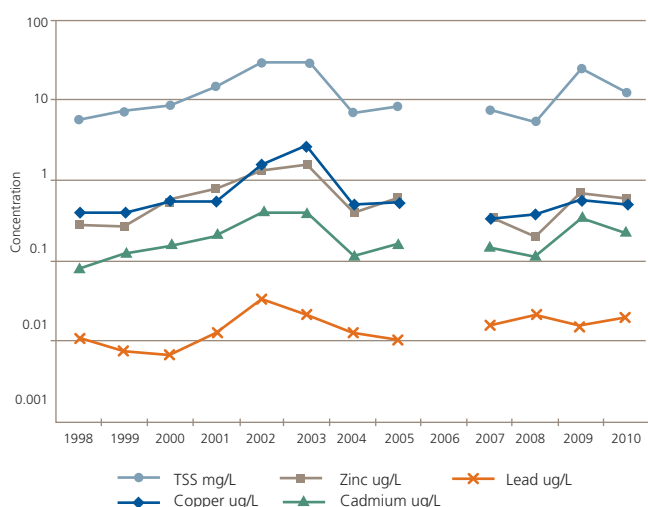


Figure 3: Annual average total metal concentrations and total suspended solids (TSS) in unfiltered seawater samples from Bing Bong coastal sites 1998 to 2010. No studies were conducted in 2006 due to access issues.



Sediment

Seafloor and beach sediments showed metal, arsenic and lead isotope ratios are the same as natural levels and well below the ANZECC (2000) Interim Sediment Quality Guideline – Low values.

The concentrations of copper, zinc, cadmium and lead in sediment from the beach east of the Bing Bong loading facility were the lowest since annual marine monitoring began in 1998.

The beach immediately to the west of the man-made swing basin had higher levels of these metals but they are still lower than the ANZECC quality guideline. Improvements in dust monitoring and management at Bing Bong loading facility, the replacement of the roof of the Aburri barge in 2010 and planned improvements to the storage shed in 2011 are expected to help reduce levels of metals within this western beach area in the future.

Similarly, lead isotope ratios from the western beach sediments show they contain lead and zinc derived from the MRM bulk concentrate. However, the levels are still lower than the quality guideline.

Lead isotopes in other Bing Bong and all Sir Edward Pellew Island sediments were at natural background values meaning lead found in these areas is not sourced from the MRM deposit upstream or bulk concentrate.

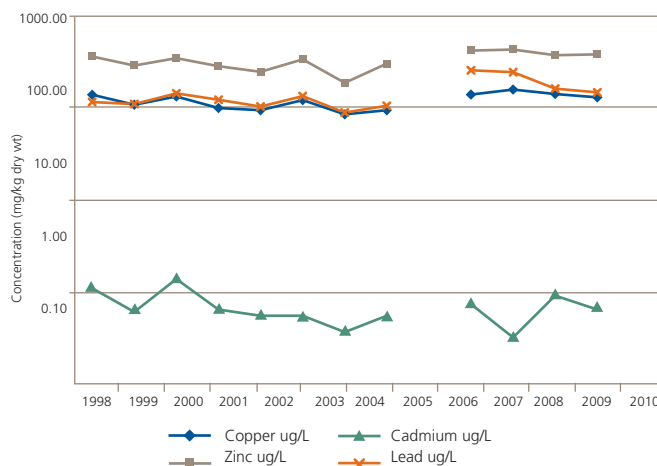


Figure 4: Annual average metal concentrations in surface sediments (<63µm grainsize fraction) 1998 – 2010. No studies were conducted in 2006 due to access issues.



Oysters

Oysters are collected from rocks using a hammer and chisel at sites where local people regularly gather them for food. The metal concentrations in the two types of oysters tested were in line with previous monitoring programs. The cadmium, lead and inorganic arsenic concentrations from all sites were below the ANZ Food Standards (2009) Maximum Levels for molluscs.

The annual average concentrations of copper, zinc, cadmium and lead in oysters from Bing Bong have remained constant since they were first identified and tested in 2007 and less than those levels first recorded in 1998.

There were no differences in the range of metal concentrations between oysters from the Bing Bong and Sir Edward Pellew Islands sites except for higher copper and zinc concentrations on the islands.

The concentrations of cadmium and lead in both species of oysters at all sites were below the ANZ Food Standards Code (2009) Maximum Levels. The lead concentrations at all sites were too low to determine isotope ratios and therefore their source.

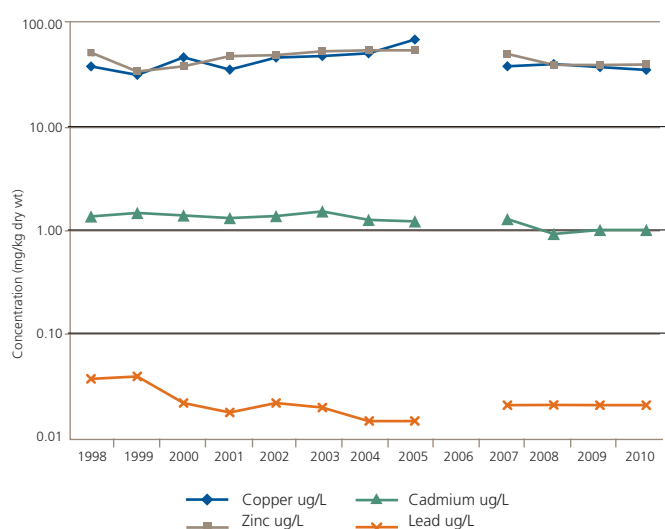


Figure 5: Annual average metal concentrations in Bing Bong oysters 1998 – 2010. No studies were conducted in 2006 due to access issues.





Molluscs

Two types of molluscs are tested and both are shell bound sea snails: *Terebralia semistriata*, which is also known as a 'mud creeper', and *Telescopium telescopium*, or 'telescope snail'. They are taken from the mangroves on the beach west of the Bing Bong loading facility. Interestingly, these molluscs are not found on the beach east of the loading facility.

This year's results showed the molluscs had elevated levels of lead and zinc which tests show comes from the MRM bulk concentrate. The cadmium, lead and inorganic arsenic concentrations in molluscs were, however, below the ANZ Food Standards (2009) Maximum Levels for molluscs.

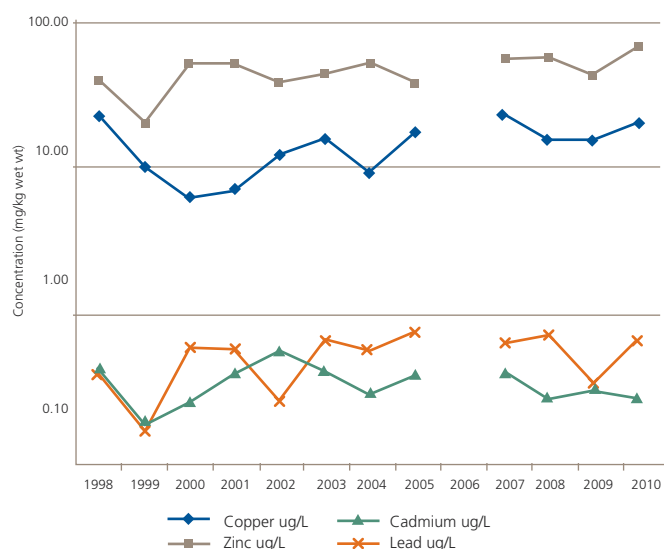


Figure 6: Metal concentrations in *Terebralia semistriata* from mangroves west of loading facility, 1998 – 2010. No studies were conducted in 2006 due to access issues.

Seagrass

Seagrass collected from three sites along the Bing Bong coast found that metal, arsenic and lead isotope ratios in leaves and roots were within the ranges reported since 2002 for this and two other species. The lead isotope ratios were in line with background seawater in the Bing Bong area.

Since the loss of the seagrass beds in the 2001 cyclones, the seagrass community structure has been re-establishing at these sites which has meant it has not always been possible to collect an appropriate amount of the same species for sampling each year.



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Two years after completion of the project to convert from underground to open pit mining operations, McArthur River Mine has undertaken all initial rehabilitation of the McArthur River and Barney Creek channels as part of a long-term rehabilitation strategy.

In an effort to further assist rapid re-establishment of the riverine habitats, we are continuing to plant more seedlings and conduct more direct seeding of the channels.

While the Phase 3 Development Project will not require further rechannelling of McArthur River or Barney Creek, our commitment to return the environment to the form and function of its original state is best demonstrated with rehabilitation works done to date.

MRM's intensive rehabilitation program continues to show positive results.

Key facts

- 80,000 tube-stock plants have been planted along the diverted McArthur River and Barney Creek, more than double the 35,000 originally planned.
- More than 15,000 fish representing 46 species have been captured and tagged since 2006 and there is evidence that migration is occurring in the channels.
- The rechannelling has been effective in establishing a habitat supportive of the endangered Freshwater Sawfish and a wide variety of other species.
- More than 48,380 riparian bird observations have been made since 2006 involving 138 bird species, including the purple-crowned fairy wren and the buff sided robin.

The rehabilitation of McArthur River and Barney Creek remains a high priority for MRM, with the following key activities already completed to re-establish the ecosystems:

Rehabilitation of McArthur River and Barney Creek

August 2011

- Large woody debris was placed along the channel bed in an additional 35 locations in 2010 to provide micro-habitats for fish. Improved diversity, size and composition of fish species were found as a result.
- The river banks were revegetated using seeds and seedlings from local species already growing along the banks such as Melaleucas, Eucalyptuses and Casuarinas.
- Appropriate soils and fine sediments were used on the channel banks to promote root development.
- Rocky crevices and banks were recreated.
- Plants and weeds were maintained, monitored and replaced as necessary.

10 steps in rehabilitation strategy

1. Site surveys
2. Site clearing
3. Topsoil and vegetation recovery
4. Topsoil infilling of the rock lined batter slopes
5. Placement of large woody debris
6. Planting of seeds and tube-stock from a selection of local species
7. Fertiliser application
8. Maintenance activities
9. Monitoring

Two years on from the successful diversion of the McArthur River, MRM's intensive rehabilitation program is continuing to show positive results.

Since 2008, direct seeding of the McArthur River channel has occurred twice and approximately 80,000 tube-stock planted. This figure is more than double the 35,000 tube-stock originally committed as part of the project's Public Environmental Report for the open pit project.

In the Barney Creek area alone, MRM has planted approximately 27,000 trees since 2007, with some plants now up to nine metres in height after having the benefit of one more growing year than the McArthur River rehabilitation.

MRM – PHASE 3 DEVELOPMENT PROJECT

Monitoring to check progress

The re-alignment of the McArthur River channel was constructed to imitate the form and function of the existing river as closely as possible, and annual monitoring results confirm the area is improving each year with MRM's rehabilitation efforts.

MRM is starting to see a positive trend of animal and plant life returning, which is now populating the beds and banks of the new river alignment. Importantly, fish monitoring has shown that Freshwater Sawfish and other species are travelling through the new channel.

1. Rehabilitation is successfully underway at the McArthur River and Barney Creek channels.



Barney Creek early 2008



Barney Creek early 2011



McArthur River early 2008



McArthur River early 2011

2. More than 80,000 tube-stock plants and trees have been planted along the McArthur River and Barney Creek banks, which is double the 35,000 originally planned.

3. Monitoring results show the areas being rehabilitated are improving each year.



The river banks are planted using seeds and seedlings grown in MRM's nursery. MRM plants local species that already grow along the banks.



MRM now uses special 'irrigation sleds' to water tube-stock which allows planting in the dry season and gives rehabilitation the best possible start.



Water quality and sediment monitoring is undertaken regularly. More than 15,000 fish from 45 species have been tagged and monitoring shows the fish are migrating along the waterways.

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COMMUNITY MEETING

Ettienne Moller, General Manager of McArthur River Mine, extends an invitation to members of the Borroloola community to attend a meeting to hear about the latest developments at the mine including:

- Phase 3 development project
- environmental monitoring
- community benefits
- Indigenous employment

Where: Breezeway, Roper Gulf Shire Offices

When: Tuesday, 22 March 2011

Time: 9:30 am

For further information visit www.mcarthurrivermine.com.au or phone Senior Community Relations Advisor, Kirsty Hogarth on (08) 8975 8179.

MRM is committed to working in partnership with employees, suppliers, customers, the community of the local Borroloola region, the Northern Territory and Australian Governments and all other stakeholders based on integrity, cooperation, transparency and mutual value creation.





Phase 3 Development Project: securing MRM's future

In March, Xstrata Zinc announced it is investigating an integrated development plan involving its European and Canadian smelters to increase capacity at McArthur River Mine (MRM) in the Northern Territory, Australia. The plan aims to secure the long-term future of the operation in the face of a decline in the traditional international markets for the bulk zinc/lead concentrate produced by the mine.

The \$900 million plan involves an increase in mine production at MRM, the installation of proprietary hydrometallurgy technology in Xstrata Zinc's San Juan de Nieva smelter in Spain and Nordenham smelter in Germany, and potentially, further improvements in the Brunswick Lead Smelter in Canada.

Xstrata Zinc Australia Chief Operating Officer Mr Brian Hearne said the feasibility of this integrated plan is dependent on the development of MRM.

"It is only by increasing production at MRM and reducing unit costs that the overall project is financially viable," Brian said.

"We are prepared to increase smelter capacity and invest in this plan in order to create a new, guaranteed market for MRM bulk concentrate and extend the life of mine by six years to 2033."

The proposal involves increasing MRM mine production to approximately 5 million tonnes per year resulting in an increase in bulk zinc/lead concentrate volume to 800,000 tonnes per annum.

(continued on page 3)

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MRM's 15 year club joined by Robert James and Greg Bateson

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Migratory bird and seagrass surveys complete

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Careful planning results in strong mill performance

Community

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\$1.6 million in new grants committed by MRM Community Benefits Trust

A message from the General Manager

In March, Xstrata Zinc announced its plans to investigate the further development of MRM.

Various options have been canvassed over the years for establishing a refinery to process MRM bulk concentrate. In 2001, a range of studies were conducted into the possibility of a refinery on site at MRM which would have also necessitated a power station and a weir on the Glyde River.

Ettienne Moller
General Manager
McArthur River Mining



This plan was developed by previous MRM owners, MIM, in joint venture with ANT Minerals, and was subsequently reviewed and rejected by Xstrata when it acquired MIM in 2003.

By 2008, we were investigating an alternative to establish a greenfield refinery in Gladstone in Queensland and a brownfield project in Germany. A site was selected and studied in Gladstone and discussions were held with the Queensland and Australian Governments regarding potential economic support, but again, this proposal did not stack up from a feasibility perspective.

The result was, however, the beginning of the idea to develop an integrated plan involving the Xstrata Zinc smelters in Spain and Germany, and potentially, Canada.

I think it is highly significant that Xstrata Zinc is prepared to invest such a substantial figure in order to secure the future of MRM, which is now ranked as the world's second largest zinc resource.

The announcement in March was just the start of a process of environmental assessment and feasibility studies. As part of this, a comprehensive community consultation plan will be conducted to ensure all members of the region have an opportunity to provide feedback on the proposal.

I look forward to providing you with further updates as the proposal progresses through the next phase of planning.

Production ahead for the year

Despite the weather and the wet conditions, the mining team has achieved above targeted levels of production for the first two months of this year.

An extra million tonnes of waste has been moved during the period to take the planned production rate to 3.8Mt above the budget of 2.9Mt.

"This is a great start to the year and the crews need to be commended for their efforts, especially considering the conditions they have been working in," said Mining Manager Karissa Grenfell.

Other exciting news for the mining department is the successful completion of the Certificate IV in Training and Assessing by Stephen Pond and Paul Fletcher.

Karissa Grenfell said both Stephen and Paul are congratulated on the successful completion of their studies and what they have implemented within the Mining Department since then.

"These guys are experienced operators, who were put through this training as part of our ongoing commitment to providing career opportunities for personnel on site," she said.

"We now have two experienced operators, who are able to provide on-site training to new and existing personnel. Based on the success of having our new trainers on-site and in the field with our operators, we are moving to put four additional personnel through the same course this year. This will include a shot firer to improve training for the blast crews."



Phase 3 Development Project: securing MRM's future (continued)

The indicative cost of this part of the integrated plan is \$270 million. During 2010, MRM produced 2.2 million tonnes of ore and 384,000 dry metric tonnes of bulk concentrate.

Brian said the Imperial Smelting Furnaces, which currently consume MRM bulk concentrate, now produce less than 6% of the world's primary zinc and that this market is declining.

"Over 90% of zinc produced globally is produced by electrolytic smelters which cannot use bulk concentrate," he said.

"This is why the opportunity to supply Xstrata Zinc smelters using new technology that can consume MRM's bulk concentrate is essential."

Brian said this is the third phase of development at MRM after commencing as an underground mine in 1995 and converting to open pit mining in a project completed in 2009.

"The open pit operation has already enabled MRM to meet all targeted objectives on production, employment, environmental management and socio-economic benefits for the region," he said.

A notice of intent for an environmental assessment of the proposed MRM development has been lodged with the Northern Territory Government.

This assessment and a concurrent economic feasibility study, will investigate the environmental, infrastructure and operational requirements associated with the proposed development at MRM. Brian said a scoping study conducted in 2010 has already confirmed the proposed development would not expand the open pit beyond the current boundary of the bund wall and there is no intention of further diversions to the McArthur River or Barney Creek channels.

"It has always been understood that MRM held significant potential reserves so the civil works were planned in such a way to enable the mine's future expansion subject to approvals," he said.

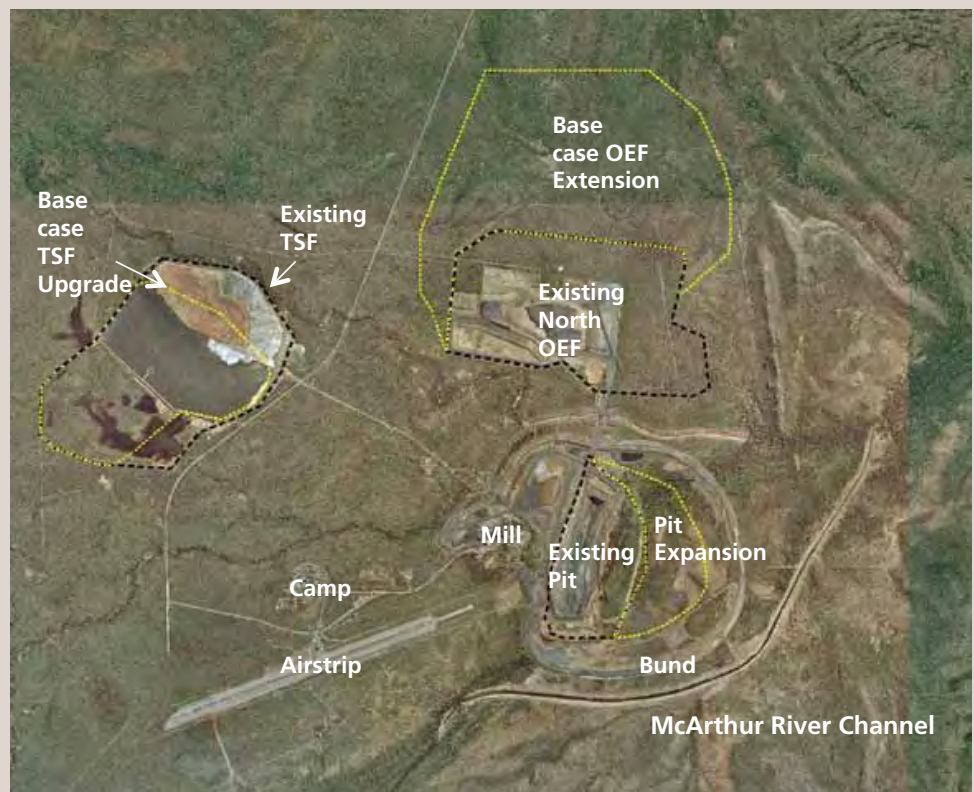
Brian said the decision to proceed with the proposed development is subject to the outcomes of ongoing feasibility studies and associated technology trials in Europe, as well as the environmental assessment for MRM.

Since MRM commenced its transition to open pit mining in 2006, it has maintained its record of good environmental performance, committed over \$7 million to support the development of the Gulf region through the MRM Community Benefits Trust, and increased Indigenous workforce participation from 9% to 21%.

For more information visit <http://www.mcarthurriverrivermine.com.au/userfiles/file/MRM-Phase3-ProjectIntroduction.pdf>

Key features of proposed MRM Phase 3 Development Project:

- Expanding the open pit mining operation within the bund through an expanded fleet of conventional shovels/excavators and large haul trucks
- Increasing the capacity of the existing Tailings Storage Facility
- Generating approximately 500 million tonnes of additional waste rock to be sent to overburden emplacement facilities
- Upgrading the processing plant
- Expanding the power station requirements at the mine site
- Building a temporary construction camp and expanding the existing accommodation facilities
- Increasing MRM's mineable reserves from 53 million tonnes to 115 million tonnes, extending the life of the mine to 2033 at the proposed higher rate of production.



Map of current MRM operations and base case for assessment for MRM Phase 3 Development Project

Two more inductees for 15 year club

Two staff have been recognised for achieving 15 years service to MRM: Robert James and Greg Bateson. They join the five inaugural inductees to the 15 year club, established in 2010.

Rob started at the mine as an underground machinery operator for seven years and reached the position of Jumbo driller.

He then moved into an underground training role as a mine production officer. He remained in this position during the switch from underground to open cut and has since performed various roles with a strong focus on safety and training. He is currently the Mining Department's Sustainable Development Mining Coordinator.

Rob's first impressions of MRM came when he flew in from Mount Isa for his interview to be met at the Airport by the four "huge" guys who were going to interview him.

"Back then you were interviewed by the team you would work with. The first question they asked me was, "What brings you to McArthur River?", and I replied, "The week off". Back then not many mines offered lifestyle rosters like that," Rob said.

"When I first started here I had a five year plan to stay, but MRM changed that. What keeps me here is the career progress. I have been able to get new challenges and changes in roles and positions. The other key element to this is my current role in Mining – we all share information and I have open and honest communication between my peers."

Robert James



Greg is a fitter who joined MRM as an operator maintainer for the Larox filters that filter and de-water concentrate prior to it being trucked.

Greg's current role is Mechanical Electrical Planner for the Metallurgy Department.

Greg's first impressions were of a small close knit workforce.

"When we started we were a self-managed workgroup. This meant we had to organise our own crews to get all the jobs done. It was good way to learn your way around the plant and understand how the equipment operated and how to repair it," Greg said.

Greg became a supervisor of a maintenance crew and in this role, experienced one of the jobs he is most proud of when removing all the underground equipment as part of the conversion to open pit mining.

"The safety culture of the crew, which included contractors I was in charge of during this time, allowed for the safe removal of equipment from the underground mine to be incident-free. Considering the large volume of equipment like roof beams, crushers, conveyor belts (in fact we removed 2kms of CB3), this was a big achievement," Greg said.

"The workforce is still fairly close in the mill, and this helps with retaining knowledge, which is valuable."

"Watching the improvements and the changes from when we were underground to open pit has been interesting. The face has changed from a little plant on the top of a hill to a big open pit, with haul roads, large equipment and big piles of dirt. There is so much more visible activity compared to the underground days."

Greg Bateson



Environment Update

Migratory Birds and Seagrass Surveys

In line with the Commonwealth Government's requirements and MRM's commitment to environmental performance, the first of the 2011 migratory bird surveys has been conducted for this year, and the annual seagrass survey is complete.

Migratory Birds

The survey is made up of aerial and ground counts between Rosie Creek and Robinson River in the Gulf. This assists in assessing the shorebirds utilising habitats on the northern Australian coastline during the Austral summer period.

The study area has been recognised as an important area for migratory shorebirds and other birds, including a number of species that are listed as migratory species under the EPBC Act.

A total of 6,702 migratory shorebirds, resident shorebirds and other wetland birds from 46 species were counted during ground counts at the 19 study sites. In comparison, a total of 14,204 migratory shorebirds, resident shorebirds and other wetland birds from 49 species were recorded during the aerial surveys.

In general, numbers of shorebirds observed during the summer of 2011 were higher than those observed during the summer 2010 count. In addition, some changes were also noted in species composition. There are a variety of factors that may have influenced changes in the proportions and abundances of the shorebirds observed during the surveys. These may include northern hemisphere habitat conditions and breeding success, local and regional habitat condition, and seasonal/climatic characteristics that may alter the local distribution, foraging and roosting behaviour of shorebirds.

The surveys indicate that the location of important foraging areas for shorebirds within the Port McArthur area vary significantly depending on the distribution of available foraging substrates.



A Stone Curlew was identified as part of MRM's 2011 migratory bird surveys.

Annual Seagrass Survey

Since 2003, MRM has undertaken annual seagrass surveys at its Bing Bong loading facility. These studies are part of MRM's commitment to sustaining positive environmental performance, and are also a Northern Territory Government requirement to assess potential effects operations may have on seagrass communities.

"Seagrasses are important feeding grounds for dugong and provide habitat for many marine organisms, so continual monitoring of these sea grass species is important to the mine" said Gary Taylor, MRM's Health, Safety and Environment Manager.

Initially, monitoring focused on potential effects of dredging operations, however, the current focus is on broad scale distribution of seagrass species within the mineral lease area.

In November and December 2010, MRM undertook its annual seagrass survey at the mine's Bing Bong loading facility.

The report was received in the first quarter of this year and shows an increase in the number of seagrass species since the 2009 survey.

Similar to the previous year's findings, the survey highlighted that seagrass cover is more dominant in shallow waters than in deep water.

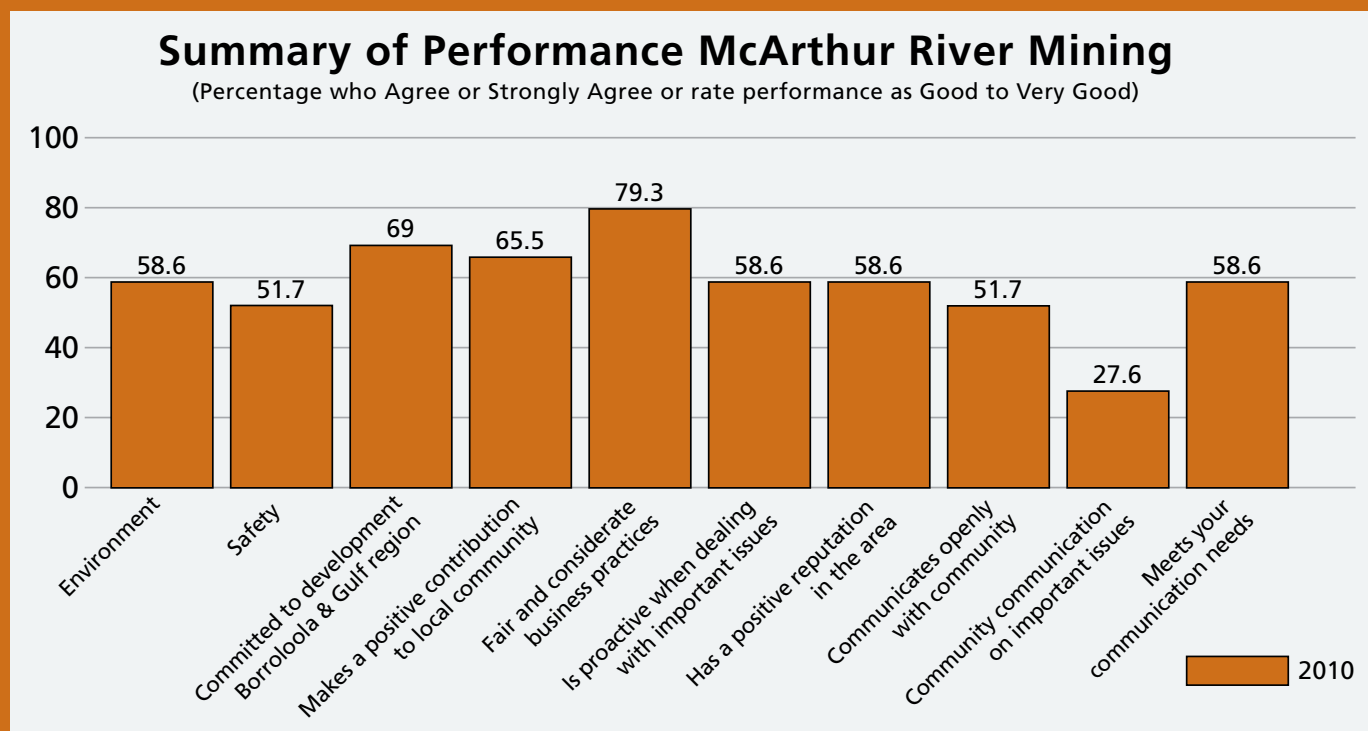
The results were also consistent with all post cyclonic surveys. Pioneer species *H. uninervis* and *H. ovalis* had the greatest distribution and cover density within the study area.



Aburri barge in the swing basin at Bing Bong loading facility where samples of seagrass have been collected and tested.

360 degrees of feedback

MRM recently completed its first formal survey of stakeholder perceptions, which revealed that the majority involved saw the mine as a company committed to the development of Borroloola and the Gulf region, and which operates with fair and considerate business practices.



The *360 Degree Stakeholder Survey* conducted in late 2010 involved 29 stakeholders representing the community, government and suppliers. The results provided a snapshot of our performance in some key areas, including environment and safety, working with communities and stakeholders, Sustainable Development policy, reputation, and communication.

The survey also gave participants an opportunity to outline what they saw as the most important issues facing MRM, and the challenges facing the community.

A key finding was that 65% perceive that MRM makes a positive contribution to the local community and that almost 60% believe MRM has a positive reputation in the area.

A key area for improvement identified by the survey was that while generally, MRM is meeting the communication needs of almost 60% of participants, less than 30% thought communication on important issues was effective.

The findings of this study have been taken into consideration in planning Community Relations activities for 2011 and in particular, will be reflected in the stakeholder engagement plans supporting the Phase 3 Development Project.

Thank you to everyone who participated in the *360 Degree Stakeholder Survey*. For further information contact MRM Senior Community Relations Advisor, Kirsty Hogarth, on (08) 8975 8216 or khogarth@xstratazinc.com.au

Community challenges identified by the stakeholder survey:

- Education
- Equity for Indigenous and non-Indigenous
- Health issues
- Isolation and flow-on issues such as affordable travel
- Funding for infrastructure
- Drug and alcohol abuse
- Lack of housing or overcrowding in Borroloola
- Lack of freehold land for development
- Activities and resources for young people
- Thriving town of Borroloola
- Economic and tourism growth.

7 Emu's Team Assisting Rehabilitation Activities



The 7 Emu's team and MRM are working together to rehabilitate the McArthur River (top right) and Barney Creek (bottom left) channels

Over the last two months, MRM has been working closely with a team of local sub-contractors from 7 Emu's Station who have been contracted to provide assistance to the Environment Department with rehabilitation activities on site and at Bing Bong.

The team from 7 Emu's consists of Damien O'Keefe, Ian Mawson, Angus Kidd, Alfred Anderson, Hayden Ward and Marissa Shadforth.

Initially, they were employed in the nursery to propagate native plants such as River Red Gums, River She-Oak, Cane Grass, Australian Vetiver Grass and Silver-Leaved Paperbark, which are all common to the McArthur River area. While in the nursery they were assisted by McArthur River's expert environmentalist in plant revegetation, Jason Desmond.

Gary Taylor, MRM Heath, Safety and Environment Manager said, as part of MRM's commitment to working with local contractors and businesses, we were able to provide practical on-site training to the 7 Emu's team from the nursery to the field, which has been a win-win situation for both.

"They provide local knowledge and labour and we apply best practice scientific knowledge," Gary said.

From the greenhouse, the 7 Emu's crew moved to work on MRM's key rehabilitation areas: the McArthur River and Barney Creek channels. Here the crew direct seeded native grass species by hand and planted native tube stock from MRM's on-site nursery.

Gary said working closely with locals has provided benefits to our environment team.

"Jason has appreciated the local knowledge he has gained of the area and its associated vegetation communities as well as local fauna identification," he said.

As part of the mine's progressive rehabilitation program, the 7 Emu's team also worked with Jason on the Bing Bong dredge spoils. MRM is conducting specific trials on coastal grasses, in an effort to identify which native species will flourish in the coastal region. The crew also provided weed management services in the area to remove the identified weed, Parkinsonia.

So far this year, approximately 1000 plants have been planted along Barney Creek and the McArthur River channels, with an additional 8000 plants ready for planting in the site nursery. Planting will increase at the end of the wet season when access is easier and tracks are re-established.

Currently, additional tube stock is being grown in MRM's site nursery with more plants to be ordered.

Direct seeding has also occurred on approximately 14 hectares at Bing Bong on the dredge spoils, and 30 hectares on cell one of the Tailings Storage Facility following the completion of clay capping.

Weed management to date has mostly focused on Parkinsonia and Devils Claw, with large areas around the dredge spoil at Bing Bong being treated. Inspections have noted that the current management techniques applied at both Bing Bong and MRM have been highly effective.

Safety Report

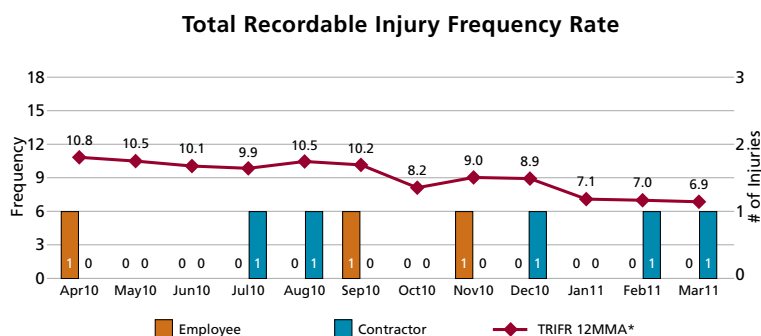
MRM continues to reduce the Total Recordable Injury Frequency Rate (TRIFR), and is now undertaking assessments to further reduce instances of medically treated injuries (MTIs).

Recent analysis of MTIs during 2010 and 2011 indicates that a majority of cases resulted in stitches to the hands or fingers. As a direct result of this, MRM is undertaking an assessment of knives used on site, with new safety rules being put in place for the mandatory use of cut resistant gloves.

During March, a new Injury Management Advisor was also employed at MRM. Jessica Rush, who previously worked with Xstrata's Oaky Creek Coal operations, will primarily be focused on preventing injuries on site. Jessica is a treating physio and will work with the development of injury prevention projects, injured worker rehabilitation, return-to-work planning and ergonomic projects. She will provide this through education and awareness training and advice on fitness programs and physical education on site.

Risk management has also played a major role in the first quarter of 2011 with risk assessments being conducted for main departmental areas.

In addition, assessment was undertaken with the annual catastrophic risk review conducted by managers, superintendents and operational and safety personnel. All updated risks from this process are updated into CURA, the site's database for the management of risks. As part of this risk process, verifications are also conducted by risk and control owners, and information fed back into the CURA system, with the ultimate aim of improving risk management on site.



* Total Recordable Injury Frequency Rate 12 monthly rolling average for the past 12 months

MRM associates supporting sustainable business practices

MRM is working closely with suppliers, partners and contractors to achieve its objective of sustainable development in all day-to-day business practices.

Administration Manager Mike Williams, said we are working cooperatively to ensure we understand each other's needs in order to meet this objective.

"Xstrata works to a set of business principles that define how we work ethically, responsibly, openly and together with others," Mike said.

"Each operation also works under a Sustainable Development Framework which balances economic, environmental and social considerations. It is important for our associates to understand these corporate requirements, as complying with these requirements is an essential part of our accreditation of service providers."

As an example, suppliers are expected to meet standards to ensure goods are:

- Manufactured, stored and distributed having regard for the health and safety of employees, contractors and customers
- Manufactured, packed and transported having regard for the environment

- Manufactured in and supplied from countries where human rights are recognised
- Fit for purpose.

During the last couple of months, the Administration Team has been working diligently with suppliers, contractors and partners, renewing agreements to ensure that sustainable development policies and standards are in place.

An accreditation survey is conducted of new suppliers, contractors and partners to evaluate the organisations' sustainable development practices.

Where a supplier cannot demonstrate a robust process and is unable to meet minimum standards, MRM works with them to develop a program providing policies and standards to interpret and adapt to suit their particular businesses needs. The same process applies to MRM should an organisation have more in-depth procedures and policies.

"There is continual evaluation and modification to improve existing standards. By working together we continue to raise the bar in sustainable business practices," Mike said.

"In accrediting our suppliers in Sustainable Development, we engage in open and honest dialogue based on ethical business practices in an effort to strengthen our current business partnerships."



Mill Report

The mill continues to meet and exceed milestones in relation to production, performance and safety according to Metallurgy Manager, Sam Strohmayer.

Three scheduled shutdowns during February were completed safely and on time even though nature tried its best to stop work with Cyclone Yasi.

Sam said he was particularly pleased with the efforts that went into the job planning activities.

"It provided an opportunity for improved identification and management of hazards to ensure we are working safely," he said.

"Congratulations to all involved in the refit work and particularly to Cory Spicer and Garry Solly for their involvement in the planning and supervision of the job."

The rebuild of Filter 2 surpassed expectations and the filter is now producing dry cake (concentrate or product) on a new filter cloth at 8.5 minute cycles, at roughly 10 tonnes per drop, which is a fantastic result.

Before the refit the filter process produced wet-cake (concentrate) with average moisture content above the preferred band of 12%

to 13%. The production cycle was also slower at 11 to 12 minutes each cycle, so the refit has enabled a saving of two to three minutes per cycle.

On 20 February the mill achieved a throughput record of 7717 tonnes per hour for a 24 hour shift. This is a significant achievement and much of this is a direct result of the design work the metallurgists undertook in the re-design of the lifter profile for the SAG mill liners. It has produced a more efficient grind with an immediate impact on mill throughput.

"Past experience had shown that there is usually two to three months of milling hardship before the liners bed in," Sam said.

"But with the recent shutdown for maintenance, the lifter angle was spot on and the mill is now producing at record rates. The impacts of a steady milling circuit and properly operating filter are already being evidenced in the clean-up and housekeeping improvements being achieved in the milling and filter areas in particular."

Safety records show that in February, the Metallurgy Department reached its lowest Total Recordable Injury Frequency Rate (TRIFR) in four years. Hand injuries remain the main cause of incidents and as a result, gloves are now mandatory PPE for all processing personnel.

"I encourage everyone to remember to wear their gloves, as these will prevent or reduce the injury severity, should something go wrong," he said.

The Old Girl retires

Since 1998, Lindsay Pilgram has worked for Hamptons as one of their drivers, transporting MRM bulk concentrate to the Bing Bong loading facility. He is affectionately known as "Father" to Hampton's team here at MRM, and his J80 truck is commonly known as 'the old girl'.

During that time, Lindsay has come to know the Bing Bong route extremely well, having now clocked up 3 million kilometres or about 12,500 round trips. Having reached that milestone, Hamptons are now retiring J80 as an old and reliable friend.

J80 and Lindsay have played an important role in safety here at the mine. During the wet season, J80 has always been the first truck off-site of a morning as Lindsay provides the mine with the earliest road condition and flooding reports.

Leon McMillan, Hampton's MRM Manager said "we appreciate the effort and the commitment that Lindsay has provided Hamptons and to have reached 3 million kilometres in the same truck is a big effort."

"Lindsay has mixed emotions about his new truck but we are positive he will make another 3 million kilometres."

Lindsay farewelled J80 ensuring 'the old girl' was washed, polished and shining when she left the mine site for the last time.



Lindsay Pilgram and 'the old girl', J80, have safely clocked up 3 million kilometres together for MRM.

MRM salutes an NT young achiever



MRM salutes NT Young Achiever Rebecca Healy on her outstanding work for the youth community in the Barkly Region.

This year's winner of the NT Young Achiever McArthur River Mining Regional and Rural Initiative Award was Rebecca Healy from Tennant Creek. Rebecca received her award at a gala presentation dinner on Saturday 2 April at the Holiday Inn Esplanade, Darwin.

Growing up in a remote part of the Territory, Rebecca completed her schooling through the Katherine School of the Air and purchased her first house at age 19. At 25, Rebecca has become a respected supporter of the Barkly Region youth community. Her past experiences guide other young people, teaching them about the importance of independence and planning to secure a rewarding future.

Rebecca's passion for the community has seen her become an influential spokesperson and representative for disadvantaged youth in the Region. Rebecca has been involved in a variety of forums, including the Chief Ministers Round Tables of Young Territorians, the Youth Justice Advisory Community, the Northern Territory Youth Affairs Network, the Youth Justice Advisory Committee, and the Barkly Shire Councils Local Advisory Board – all of which have helped shape Rebecca into the person she is today.

Rebecca is in the process of establishing a virtual assistance business, focusing specifically on regional and rural business development.

MRM is proud to sponsor the NT Young Achiever Awards which, in recognising people like Rebecca, are encouraging the qualities of initiative, commitment, teamwork and success that are important for business and the Territory.

Congratulations Rebecca!

Trees and training through Trust grants

A fresher, brighter Borroloola is in store, while the local community will receive more education, training and employment opportunities with grants valued at over \$1.6 million approved by the MRM Community Benefits Trust in February.



After a four-year apprenticeship with MRM, Damien Baker now has an Engineering Fabrication Certificate

Grant recipient: Mabunji Aboriginal Resource Assn.

The Beautifying Borroloola Project being undertaken by Mabunji Aboriginal Resource Association will receive \$26,000 to cover landscape design costs for the town. Borroloola's entrance will be the focus, aiming to make the town welcoming to tourists, and to build a sense of pride amongst town members.

The landscaping design grant supports the Trust's environment objective to preserve and celebrate the local environment. It also contributes to a positive, highly visible project as a way to showcase the kinds of things that can be achieved through applying for funding from the Trust.

Grant recipient: Department of Education and Training

A significant grant has also been awarded to the Department of Education and Training's *Bright Start, Strong Future* program, with over \$1 million to be provided over three years. This will contribute to the cost of a \$4.5 million series of initiatives to be delivered in partnership between the department, Borroloola School and MRM.

The program has been proven in other NT communities to help provide a pathway toward education and training from birth, to school, through to employment and involves:

- Frequent attender program and incentives for students
- Provision of 5 computers to the Year 7 class
- New vocational education and training opportunities involving work placements for students from the age of 14 years and up to 10 school based apprenticeships per year
- Improved quality of VET facilities and engagement of a trainer with a background in engineering and construction.

General Manager of NT Department of Education and Training's Participation and Pathways Division, Tony Considine, said research shows attendance at school is at the heart of effective learning.

"This program sits squarely with the aims of the department in getting more students to attend school, and to stay at school longer.

To ensure students are properly equipped to make the most of future job opportunities, research shows we've got to get them there," said Tony.

The program will work towards increasing school attendance to 90% of all eligible students; to increase the amount of time they spend at school to 90% and above; and to equip students with skills necessary to sustain employment at MRM or an associated industry.

Grant recipient: MRM

A \$600,000 grant was awarded to support the extension of MRM's Indigenous Employment and Training Strategy and help meet an important objective of the Trust.

The focus of the program is to facilitate an effective recruitment process, increase retention rates of Indigenous trainees and improve career development for existing Indigenous employees.

MRM General Manager, Ettienne Moller, said MRM's commitment to increase Indigenous employment to 20% is a specific objective of the Trust.

"Without the support of the Trust's funding, we would not have been able to achieve the increase in Indigenous employment from 9% to 21% in four years," he said.

"Having achieved our target of 20%, we are now focusing on at least maintaining and preferably increasing this percentage by both retaining and developing the Indigenous employees we have and continuing to bring in new entry level personnel.

"A key change in the strategy is to recruit new Indigenous employees for specific job opportunities, rather than just a general trainee intake. That way, we can get our entry level personnel into real jobs faster."

Ettienne said the grant represented only a proportion of the total cost of the Indigenous employment program.

"In 2011, MRM plans to invest \$1.4 million in Indigenous employment and training which is a significant investment within the business," he said.

Staff survey to improve on-site communication

MRM will be looking at new and improved ways of communicating with our staff, contractors and suppliers in 2011 to ensure we are providing information in an interesting, accessible and convenient way.

These improvements are being driven by the results of the internal communication survey conducted in 2010, which captured feedback and ideas on how we communicate, and what we communicate about.

What you said

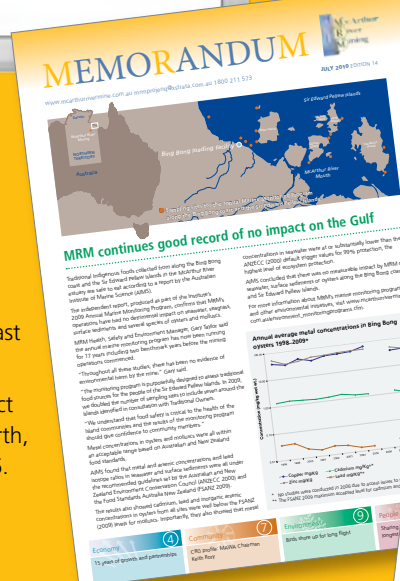
	Performance	Areas for improvement
MemoRandum	The survey found the newsletter is well regarded, with staff rating its performance as good or very good in regards to look and layout (70.9%), content (60.6%) and ease of reading (70.7%).	Staff are interested in receiving more information on innovation, performance, staff updates, environment and community.
MRM website	According to the survey feedback, staff rated the website's performance as good or very good in the areas of content (56%), ease of reading (54.9%) and ease of use (54%).	The main improvements staff said they would like to see include updating the user interface and the provision of on-site web navigation training.
Intranet	The MRM intranet is also valued by staff as an important communication tool. Survey results show that 44.7% of staff enjoy the content and 43.8% find it easy to read. These lower results also reflect the more complex material located on the intranet compared with the website.	The survey found only 38.3% of staff found the intranet content easy to use and this will be reviewed in the year ahead. Other suggestions included providing current information such as general notices/bulletins and news stories from each department.



Thank you to everyone who participated in the survey last year – we value your feedback.

If you have a story idea for *MemoRandum*, please contact MRM Senior Community Relations Advisor, Kirsty Hogarth, on khogarth@xstratazinc.com or phone (08) 8975 8216.

A key finding of the survey was that staff at MRM prefer to receive information through face-to-face communication such as Tool Box talks, supported by communication tools such as the *MemoRandum* newsletter and the 'State of the Nation' addresses by the General Manager. The survey also found that while the intranet and website are important sources of information, improvements can be made to content, ease of use and ease of reading.





MRM trainee, Tommy-Lee Jack, has been a competitor in the Annual Borrooloola Rodeo and Camp Draft, which is a community event sponsored by MRM.

More than \$138 million generated in economic benefits

The release of Xstrata Zinc Australia's annual Sustainability Report highlights MRM's good performance in 2010, which included generation of \$138 million in direct economic contribution, a 37% increase in permanent employees and substantial improvements in safety performance.

Covering 1 January 2010 to 31 December 2010, the Sustainability Report provides an overview of how Xstrata Zinc Australia's operations

have performed against the sustainable development strategy and framework. In particular, it reports on how the company manages its most important issues for stakeholders and its businesses.

A full copy of the 2010 Xstrata Zinc Australia Sustainability Report is available online at <http://www.xstratazinc.com/EN/Publications/Pages/SustainableDevelopment.aspx>.

A snapshot of MRM's performance in 2010 showed:

Sustainability strategy and governance

- There were no fines or sanctions for non-compliance with laws and regulations.
- There were no legal actions taken for anti-competitive behaviour, anti-trust or monopoly practices.
- There were no incidences of corruption or fraud.

Health and safety

- Lost Time Injury Frequency Rate (LTIFR) was 0.9 as at December 2010, declining by more than 50% since 2009.
- Total Recordable Injury Frequency Rate (TRIFR) was steady at 8.9.
- Disabling Injury Severity Rate (DISR) was 85 in 2010, decreased from 189 in 2009, showing a 55% improvement.

Our people

- The number of permanent employees increased by 37% from 2009 to 282.
- Indigenous workforce participation target of 20% was surpassed, increasing from 9% in 2006.
- An 82% Indigenous workforce retention level was achieved, on par with the non-Indigenous workforce.
- 18.5% of employees were from the local Borrooloola area.
- 13 apprentices were employed at MRM in fields including carpentry, electrical, plumbing, fitting and boiler-making.

Environment

- No adverse impact was caused by mining operations to the surrounding environment.
- There were no environmental breaches, fines, penalties or prosecutions.
- Rehabilitated land area was four times greater than in 2009, including significant rehabilitation work on McArthur River and Barney Creek channels.
- 40,000 native species were planted, more than double the amount planted in 2008 and 2009 together.
- The first of three stages to rehabilitate Cell One of the tailings storage facility was completed, with a 500mm clay cap now covering the surface.
- Local fauna continued to be well-supported, as shown through a range of biodiversity monitoring programs.

Our communities

- A direct economic contribution of \$138 million was generated by MRM, an increase of 4% from 2009.
- Local procurement within the Gulf region was valued at \$7.2 million.
- Procurement in the Northern Territory was valued at \$60 million, an increase of 23% from \$49 million in 2009.
- The MRM Community Benefits Trust continues to commit \$1.35 million annually to support programs which benefit environment, health, enterprise and job creation and cultural objectives.

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Local focus for cultural awareness training

Yanyuwa/Garawa local Marlene Karkadoo has been engaged as MRM's Cross Cultural Awareness Trainer to help all mine staff understand local beliefs and customs.



MRM's new Cross Cultural Awareness Trainer Marlene Karkadoo undertakes training sessions at the mine site every month.

The training program, which used to be delivered by in-house personnel, supports the mine's Indigenous Employment Strategy by creating a working environment in which there is greater understanding of local culture. Now delivered by an external contractor, the initiative has become an example for the way MRM can support the development of new small business enterprises in the Gulf region.

Marlene, who is also the radio broadcaster for *Voice of the Gulf Radio 102.9FM*, is contracted to help all MRM employees gain a stronger understanding about customs and beliefs of Indigenous people in the Gulf Region. Day-to-day examples are used in the

training to show how a cultural belief can change the way people behave in different situations.

Marlene said she was enjoying the opportunity to work with MRM in this area.

"It's a good chance to put my studies into practice and to share knowledge of local customs and beliefs with the employees and contractors from MRM," Marlene said.

"The opportunity to work close to home and to continue to develop my career is invaluable," she said.

MRM General Manager Ettienne Moller said Marlene's input into the training sessions had supported the continued improvement of the program and had received positive feedback from people who had taken part.

"Our employees and staff are talking about how much they are learning from Marlene," Ettienne said.

"We have a strong, dedicated base of Indigenous workers at the mine and these sorts of training programs help us all to understand each other."

Training is compulsory for all employees and contractors. Marlene comes to the mine on the last Thursday of every month to provide the training.

The program has been developed in consultation and with the support of Gurdanji Traditional Owners Billy Coolibah, Ronnie Raggett and Bruce Joy, together with other Traditional Owners in the Gulf Region.

A message from the General Manager

Ettienne Moller

General Manager
McArthur River Mining



Xstrata Zinc Australia's recently released 2010 Sustainability Report demonstrates the commitments delivered to the communities where we operate.

For MRM, the report showed our contribution to the economy last year was more than \$138 million, while procurement in the Northern Territory was valued at \$60 million.

We are appreciative of the top quality suppliers available to us in the Territory. If we can play our part in helping them grow into more sustainable businesses themselves, it's a ripple effect to other communities and businesses – the returns are felt for generations to come.

Closer to home, our local Borroloola employment figure is tracking at 18.5%, demonstrating that our *Pathways to Employment* program continues to work well, bringing real local benefits. We continue to see outstanding performers drawn from our local community and again, I'm grateful for the opportunity to work alongside our locals.

As we continue investigations into the proposed Phase 3 Development Project, spending time in the local community and talking face-to-face with people will be important. In July and August 2011, I will continue to be on the road with my team, consulting with the community about the proposed project.

So far, the most common questions fielded have been about employment and training opportunities at the mine, management of MRM's Tailings Storage Facility, and other benefits the Phase 3 Development Project would bring.

I would like to thank the communities for the great level of involvement at local information sessions and meetings.

As we further our studies, we will continue to meet and consult with local communities and individuals. This is an important part of ensuring stakeholders are provided an opportunity to have their voices heard and for us to present the facts.

Community Reference Group update

MRM's proposed Phase 3 Development Project was the number one discussion topic at the Community Reference Group (CRG) meetings in March and July 2011, held at the Savannah Way Motel in Borroloola.

Chaired by Syd Rusca, the meetings are designed to keep the local community updated with information about MRM's activities and for the community to provide feedback to the mine on local interests and issues.

At the meetings, CRG members asked whether the proposed Phase 3 Development Project would provide more jobs for the region. Attendees were also interested in how MRM was managing water at the mine during the wet season.

The group was advised the Phase 3 Development Project would provide an estimated 110 new jobs at the mine on construction completion, with many more available throughout the construction period.



May Raggett, Ronnie Raggett and Chairman of the MRM CRG, Syd Rusca, attended the meeting in March 2011.

MRM General Manager Ettienne Moller also confirmed the McArthur River habitat was re-establishing quickly.

Since the meeting in March occurred, the Northern Territory Government confirmed the expansion requires an Environmental Impact Statement which will invite public comment.

Other CRG discussion points were:

- the Glyde River Biodiversity Offset proposal, which MRM feels would be a positive opportunity to work closely with Traditional Owners in managing the offset zone
- the employment of local contractor Marlene Karkadoo to provide Cross Cultural Awareness Training at the mine
- updates to MRM's *Pathways to Employment* program.

At the March meeting, the CRG was invited to attend a site tour, which took place in mid-April 2011 with a high level of attendance.

CRG members are encouraged by MRM to provide information and feedback from meetings to respective community groups and organisations and members of the community.



The MRM CRG site tour in April 2011 was well attended, with Ettienne Moller hosting the group. Stan Allen, shown, is both a CRG member and a Director of the MRM Community Benefits Trust.

Community Benefits Trust – grants discussed in June 2011

Grants for NAIDOC Week celebrations and Boonu Boonu Cultural Festival were among several applications discussed at the most recent MRM Community Benefits Trust Board meeting held in June 2011.

Grant recipient: Mabunji – NAIDOC Week Celebrations and Boonu Boonu Cultural Festival

A \$25,000 grant was approved, making the Trust the largest financial contributor to the Festival in 2011. The funding, which supports the Trust's culture and art objectives, will help build the event as the only traditional Indigenous dance festival in the Northern Territory. Future funding opportunities are also being considered.

Grant recipient: Barkly Regional Arts Inc – Borroloola and McArthur River Song People Sessions

A grant of more than \$73,000 was approved for development and recording of traditional songs and stories in a music CD. *The Song People Sessions*, a project aimed at preserving and maintaining the

Indigenous language of the Gurdanji, Garawa, Mara and Yanyuwa people, is being undertaken in partnership between Barkly Regional Arts, the Winanjikari Music Centre from Tennant Creek, the Waralungku Arts Centre and Li-Kurlurluwa Language Centre.

Grant application: Borroloola Business Hub

Identified as a priority in the MRM Community Benefits Trust Annual Plan 2011, the Trust Project Officers continue to work with stakeholders in relation to establishment of a business hub in Borroloola. To date, the Trust has established a joint working relationship with the Northern Territory and Federal Governments, worked with the Northern Territory Governments to identify land options, tenancy arrangements, infrastructure requirements and a 100-year flood survey, and held meetings with Northern Land Council, Traditional Owners, Mabunji and MAWA to discuss preferred sites.

MRM employees get fitter, healthier and more active

Prevention is the key to maintaining a safe and healthy working environment, with MRM Injury Prevention Advisor Jessica Rash taking up the challenge to help employees achieve better health.

Jessica's appointment at MRM has brought a renewed focus to improving the health and wellbeing of employees.

A qualified physiotherapist, Jessica is reviewing the MRM work environment, ultimately aiming to vastly improve the physical and mental health of employees.

Some of the initiatives which MRM has recently adopted or is about to introduce include:

- Continued safety surveillance to identify, monitor and control potential health hazards in the workplace.
- Completion of the latest Occupational Noise Survey, a study carried out every five years under the Northern Territory Government's *Workplace Health and Safety Act*.
- Undertaking baseline assessment of cadmium levels on site. MRM is committed to meeting Australian Standards for cadmium, which is a heavy metal detectable in mineral deposits containing zinc. It is primarily taken into the body via the lungs and by the digestive system. The assessment involved volunteers providing urine samples, which have been sent to a lab for analysis.

- Undertaking work organisation, safe work practice and fatigue management assessment, which helps ensure all employees continue to present as 'fit for work'.
- Providing on-site physiotherapy treatment to rehabilitate injured or ill workers, with the aim of assisting workers return to their normal duties as quickly as possible.
- Tailoring exercise programs to assist individual employees to reach specific goals. Programs take into account existing injuries and, in the case of injured workers, current injuries.
- Providing core strength and stability classes through the gym, which take place every Wednesday evening at 6.45pm and 7.30pm.

Jessica said classes at the gym had so far proven popular with MRM employees.

"The number of people attending classes each week continues to increase. Participants report having improved their abdominal, back, buttock and leg strength, as well as their posture and balance," she said.

"Improved core strength reduces the passive strain on joints by improving muscular control. The bottom line is, a stronger core reduces injury risk. It even helps employees stand and sit up straighter!"

For more information about MRM's health and mobility initiatives, contact Jessica on 8975 8141 or email jrash@xstratazinc.com.au.

New Starter – Jessica Rash

Injury Prevention Advisor



What experience and skills do you bring to MRM?

I am a qualified physiotherapist and have worked in the coal mining industry for the past 2.5 years. This has involved helping rehabilitate employees back to work and working with other health advisors and occupational therapists on site-based injury prevention projects. My role will enable MRM to shift some focus to the 'occupational health' side of OH&S.

What brought you to MRM?

MRM provided an opportunity to progress from a 'practitioner' level role into an advisor role. The opportunity to work with a progressive company will enable me to gain more knowledge and increase practical skills.

What would you like to achieve in your role during your time at MRM?

I hope to have a big impact on health and wellness at MRM. I'd like to see regular training for topics relating to occupational health, particularly intervention strategies to reduce injury and illness. I'd like to see an increased focus on 'fitness for work' in terms of fatigue management, physical fitness and exercise. Ultimately, I'd love to see our recordable injuries and injury frequency rates reach zero!

Of course, as a physiotherapist, I'm also enjoying providing physio treatment when injuries happen so our workers can sustainably return to work.

What is something you enjoy doing on weekends?

I love going to my aerobics classes on the weekend. It's an opportunity to take the back seat with exercise, while having so much fun. After living in small mining towns for the past 2.5 years, I have missed this activity so much.

If you found \$100, how would you spend it?

I would take my fiancé out for a nice night.

What are you currently reading?

Wedding magazines and property investment magazines.

Award-winning MRM Emergency Response Team back in training



McArthur River Mine's ERT undertaking a mock rescue in the Roadside Accident Training.

Last year's success at the North Australian Emergency Rescue Competition has seen MRM's Emergency Response Team (ERT) return to training harder than ever in preparation for the 2011 competition.

In 2010, the MRM team won four of the six events and took home the Best Overall Team prize in the competition. These achievements demonstrate the team's readiness and ability to swing into action using best practice emergency response methods if the need arises.

MRM Health, Safety and Environment Manager Gary Taylor said the team worked closely with local authorities to ensure their response strategies were fully coordinated.

"The Borroloola police play an important role in our planning and training, ensuring our region has the best emergency response possible. We feel this provides a great benefit not only for MRM, but for the wider Gulf Region," he said.

Occupational First Aid training was conducted in April 2011, followed by Road Accident Rescue training, which involved David D'Antoine from the Borroloola police station.

Further training with Hazardous Material and Vertical Rope Rescue is also underway, helping ensure the ERT is fully skilled in all areas.

The ERT members participating in these courses were: Ed Doerr, Paul Fletcher, Josh Dean, Graham Howard, Steven Hogarth, Aaron Homan, Anthony Koursaris, Julie McGinnigle and David D'Antoine (Borroloola local police).



Environment update

An additional 3,000 plants are now growing successfully along the McArthur River, following a concentrated rehabilitation focus by the MRM environmental team.

MRM Health, Safety and Environment Manager Gary Taylor said more plants were on their way from Darwin nurseries and more seedlings were being propagated in the site nursery.

"The rehabilitation efforts have been successful so far. We're seeing grass and tree species growing to more than two metres high out by the river and nine metres by the creek," he said.



MRM Health Safety and Environment Manager Gary Taylor inspects the successful replanting of native grasses along McArthur River in May 2011.

Last year, MRM used an irrigation sled with sprinklers, which was purpose-built and designed by the Mining Infrastructure team to plant tube stock.

"This meant tube stock could be planted in the dry season and remain unaffected by access problems associated with the wet season," Gary said.

This approach will be used again in 2011, with a second sled under construction.

In addition to the priority focus on rehabilitation, weed management activities have continued successfully.

Large areas have been sprayed by a helicopter to manage Devil's Claw on the southern side of the river.

Traditional Owner Billy Coolibah worked with MRM's Environment Department to ensure the program of work did not have any impact on local cultural sites of significance.



New trees and plants along the Barney Creek channel are well established.

Mine report

In an historic first for MRM, the first drill rig ever purchased by the mine arrived on site in May 2011, removing the need for MRM to work with contracted machines.

Drill rigs, used in the open cut mine as part of everyday operations, allow essential quality testing work to be carried out on the ore body.

By drilling into the ground, a core sample can be taken. This allows MRM's mining engineers to assess the lay of the ore, thereby helping them in planning ongoing mining operations.

MRM Mine Manager Karissa Grenfell said the purchase of the MRM's first drill rig represented a commitment by MRM to up-skill employees, together with an opportunity to reduce costs and increase control over drilling operations.

"MRM is on its way to owning and operating its own drill fleet. It means our own employees have exposure to learning skills in production drilling and represents new employment and training opportunities," Karissa said.

"It also means MRM's mining operations can be carried out more efficiently."

Three more drill rigs are due to arrive on site by the end of 2011.

Outside of drilling work, water management continues to remain a big focus for the Mining Department. The Mining Infrastructure team has designed and built a new water evaporation facility to aid in evaporating water from the open cut pit during the critical drier months prior to the wet season. Works to construct the pump and pipe, which will deliver pit water to the facility, are now underway.

MRM's Mining Department continues to be on track for production targets in 2011 and has maintained a high level of safety throughout this time.





Annual Marine Program

MRM's environmental management at Bing Bong and the Sir Edward Pellew Islands continues to meet the Australian and New Zealand Environment Conservation Council Interim Sediment Quality Guidelines (ANZECC ISQG) as well as Australian and New Zealand (ANZ) Food Standard Guidelines.

Each year, independent scientists from the Australian Institute of Marine Science (AIMS) monitor the Bing Bong and Sir Edward Pellew Islands areas to test if MRM's operations have impacted the environment.

The annual program assesses the quality of the seawater, seafloor sediments, and the health and population of seagrass and molluscs, with data collected from 14 sample collection sites around the islands and the beach.

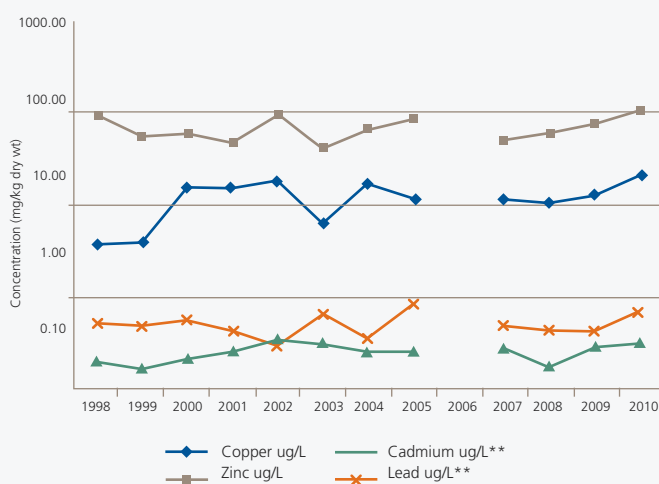
Results of the 2010 monitoring and survey work conducted by AIMS provide evidence that mining and related operations at MRM are not measurably impacting on seawater, surface sediments, oysters or seagrass along the Bing Bong Coast, Sir Edward Pellew Islands and the eastern beach area adjacent to the swing basin.

Results confirm zinc and lead concentrations in the Bing Bong swing basin are within set Australian Guidelines and lead concentrations in the marine food chain have not exceeded food standard guidelines.

Results of metal concentrations in sediment at the Bing Bong western beach site continue to show elevated levels of lead and zinc, however, concentrations remain lower than the ANZECC (2000) ISQG guidelines.

The AIMS report highlights the efforts MRM has put into improvements for dust management during loading and unloading operations and control measures put in place, which include the new roof built for the Aburri barge – a measure intended to bring the elevated levels of lead and zinc in sediment at the Bing Bong site down for the 2011 AIMS report.

Annual average metal concentrations in Bing Bong molluscs 1998 – 2010*



* No studies were conducted in 2006 due to access issues to the islands.

**The FSANZ 2009 maximum accepted level for cadmium and lead is 2 mg/Kg.



Marine scientists tested oysters in the Sir Edward Pellew Islands area and found zinc/lead concentrations were within Australian and New Zealand Food Standard guidelines.

Mill report

The Mill team has achieved great results over the past few months to install a more efficient filter completed earlier than planned.

Metallurgy Manager Sam Strohmayer said MRM's processing mill requires two major filters, which are an important step in processing the ore body to produce zinc/lead bulk concentrate.

The recent installation of a new Filter 1 complements work to rebuild Filter 2 earlier this year. Both filters are now more efficient.

"In particular, the new Filter 1 has a greater capacity than its predecessor and has a reduced need for maintenance. This makes the mine production process more efficient and helps to minimise costs," he said.

Sam said installation of the new Larox filter ahead of schedule was a result of a great team effort.

"The fantastic work to get the new filter operational as quickly as possible, without any safety incidents, was a credit to all involved. Thanks must go to the team for this achievement," he said.

The project to install and commission the new Filter 1 involved a number of complex tasks.

It took the crew 24 days to remove the old filter, modify the structural steel and concrete supports, construct a new hydraulic room and install the filter, bringing the project in four days ahead of schedule.

The filter is a new version of the Larox pressure filter technology. It has 20 plates and 65mm chambers, which means the filter provides 15% more capacity than its predecessor. Additionally, the filter has four fewer plates, which means maintenance requirements are reduced.

The new filter is raised from the floor, which streamlines the cleaning process.

It also has an upgraded hydraulic system, which further reduces the cycle time and increases production.

While works were underway to install and commission Filter 1, Sam said Filter 2, which had been recently rebuilt, performed well and had filtered the majority of bulk concentrate production in May 2011.

"This was a record for a single filter in a month and further demonstrates that the work we put into the filter area in the past months is starting to pay dividends," Sam said.

In the background, works are advancing with the Heavy Medium Plant (HMP) project. The design work is well advanced and tenders have been let for longer lead-time items, such as vibrating screens, thickener and magnetic separators.

Overall, production for the last quarter was in line with expectations, with better-than-expected performance in the second half of April and all of May 2011, having offset a slow start to the quarter.

A new record was achieved in May 2011, with milled tonnage reaching 216,718 tonnes, eclipsing the previous record in December 2009.

A tidier plant and a strong focus on lead hygiene in the last quarter is showing results, with decreases in blood-lead levels achieved across the concentrator teams.

"The first-class efforts of the safety team to educate staff through safety briefs and presentations have had a real effect on improving our hygiene habits," Sam said.

"This, along with project initiatives such as installation of the second air scrubber for the filter area, will have a lasting impact on further improving the environment we work in."



The new Larox Filter 1 is now installed and operational at the Mill.



Filter cloth is installed on the new Filter 1 by Jim Rego from Outotec and Scott Walter from Blue Sea Cranes.

Innova suggestions bring innovative improvements to MRM

The Xstrata Zinc Innova Suggestion System has proven successful, with around one in every three employees at MRM contributing to improved business operations.

Innova was launched in June 2010 and encourages employees to submit ideas that could help save time and costs, prevent injuries or help our operations succeed, not only on-site, but across the Xstrata Zinc group worldwide.

MRM General Manager Etienne Moller said the aim was to build a continuous improvement culture in Xstrata Zinc.

"Our employees know best what needs to be done to help us continuously improve," Etienne said.

"The number of suggestions generated by employees is fantastic, but more importantly, I'd like to highlight that a large percentage of suggestions have either been adopted, or are in the process of being adopted," he said.

More than 100 suggestions have been received, with 34 implemented and 34 budgeted for next year. Some suggestions are still being reviewed and a small number declined.

Suggestions, big and small, have included:

- ways to improve living arrangements and health and fitness facilities at Bing Bong such as the expansion of the gym
- increasing storage space around the mine site
- adding resources such as the installation of a water heater in the laboratory
- improving safety with better signage and comfort with aluminised heat protection tape for Cobra helmet visor carriers
- reducing energy consumption across the board.

In the operational area, Technical Superintendent Dan Smith made a suggestion relating to the ore processing and grinding procedure, which has already led to a 30% reduction in power usage for this section of the mine.

The suggestion was to allow the trialling of ceramic media in the regrind mills. Grinding, which involves breaking coarse ore material into finer particles, is part of the process of recovering the valuable zinc/lead bulk concentrate from ore mined in everyday operations.

Inside the grinding mills, silica sand has previously been used as a 'grinding media', which helps to break the ore into much smaller pieces. Dan's suggestion was to introduce ceramic beads as media instead, which had been proven effective in other mills.

"Not only were ceramic beads more affordable, but they may also offer 'wear-life' improvements, which means they may last for longer. Importantly, this step has already seen impressive reductions in power use, leading to lower production costs," Etienne said.

"It was a great suggestion and has helped improve efficiency of our processes at the mine."

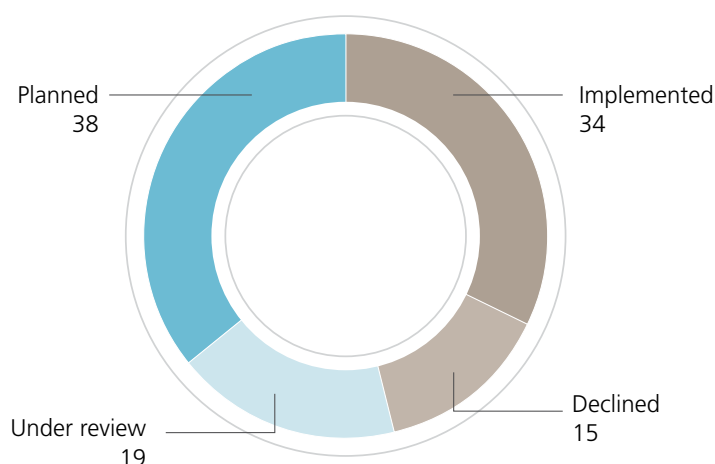
A sustainable development target at MRM is to generate one suggestion per employee per year. For every idea, Xstrata Zinc donates 2 Euros to the United Nations Children's Fund whether the suggestion is adopted or not.

"We are interested in everyone's suggestions," Etienne said.

"Everyone plays a part in the success of production and operations at MRM. We encourage every MRM employee to come forward with their suggestions – it might make a real difference to the way we do things."

So what's your idea? To put forward a suggestion, contact Julie Savage on 08 8975 8149 for an application form, or simply go to the Innova link on the MRM intranet.

Innova suggestions received



Note: Total Number of suggestions 106



New starters



Max MacRae

*Management Accountant
working in MRM's Finance
team.*

What experience and skills do you bring to MRM?

I am a qualified accountant.

What brought you to MRM?

MRM presented an opportunity to move from the Graduate Program with Xstrata in Mount Isa into my current role.

What would you like to achieve in your role during your time at MRM?

I would like to gain a strong understanding of MRM's business fundamentals and focus on improvements to the finance function.

What is something you enjoy doing on weekends?

I like breakfast at the Parap Markets.

If you found \$100, how would you spend it?

I'd buy lotto tickets and see if my luck continued.

What are you currently reading?

Paul Carter's *This is Not a Drill: Just another glorious day in the oilfield* and Loren C. Steffy's *Drowning in Oil: BP & the reckless pursuit of profit*.



Nici Scotton

*Accounts payable
clerk working in
MRM's Finance team.*

What experience and skills do you bring to MRM?

I have been working in accounts for about 7 years now, having started from the basics and worked my way up. Prior to MRM, I worked for Xstrata Coal in its Brisbane head office.

What brought you to MRM?

Having moved from Brisbane to Darwin in August 2010, this job happened to open up just at the right time. As I'd worked for Xstrata Coal in Brisbane previously, it was easy to jump straight into my new role at MRM.

What would you like to achieve in your role during your time at MRM?

The thing I enjoy most about my job is that it's so diverse. It keeps me busy and on my toes every day, with each day bringing different duties and more problems to solve. I like to treat this as a challenge, which is always fun. I'm happy in my current role and look forward to staying in accounts payable.

What is something you enjoy doing on weekends?

I enjoy getting out and about in Darwin, socialising and sightseeing. Cooking, gambling and motorbike riding are some hobbies I have fun doing. I also love to travel and am currently saving up for a trip to Canada and New York.

If you found \$100, how would you spend it?

I'd take a trip to the casino. Obviously, I'd need to triple that \$100!

What are you currently reading?

I'm not a huge fan of reading. I'd prefer to watch movies. I recently watched *Source Code*, which was pretty good.



Kree Turner

*Administrative Officer
and Travel Coordinator
for MRM.*

What experience and skills do you bring to MRM?

I have more than 20 years experience in Executive Secretarial and Personal Assistant roles in Australia and overseas. My most enjoyable role was as the PA to the General Manager of Banyan Tree Hotels in the Maldives and Indonesia. My most frantic role was as Executive Secretary to the Structural Division of Connell Wagner in Adelaide. My most settled role was four years as PA to the Director of Information Management, Queensland Police Service.

What brought you to MRM?

It's been a long-term goal of mine to get into the mining industry. In two years, I've fallen in love with the Northern Territory, so a site close to 'home' was definitely high on my priority list. The hippy in me was drawn to the idea of a 'green camp'.

What would you like to achieve in your role during your time at MRM?

I'd really like to develop the travel role as the operation grows and becomes busier. I'd like to streamline and integrate some of our systems and I constantly strive to make sure that the 'movement' of our employees and contractors makes them want to come back.

What is something you enjoy doing on weekends?

I'm happiest in a pair of overalls and Blundies, knocking stuff down (read: renovating!). I should definitely have shares in Bunnings, given the amount of time I spend there. Unfortunately, I can't do much more on my current home, an '81 Denning coach, but am always looking for the next project.

If you found \$100, how would you spend it?

Right now, I'd 'de-mine' myself with a manicure, pedicure and massage. Better make it \$500!

What are you currently reading?

The Tao of Poo and the Te of Piglet... again.

Safety report



The emphasis on safety at MRM has produced good results, with recent figures showing the Total Recordable Injury Frequency Rate (TRIFR) continues to decline.

At the end of June 2011, the Lost Time Injury Frequency Rate (LTIFR) was 0.8 and the TRIFR fell from 6.9 in March 2011 to 6.7 at the end of June 2011.

Both outcomes are in line with MRM's targets for 2011, which are 0.9 for LTIFR and 8.9 for TRIFR.

MRM Health, Safety and Environment Manager Gary Taylor said improved communication on site had contributed to these results. "Good work and open communication from the safety team has led to increased awareness among MRM employees and contractors about working safely on site," he said.

In the past months, MRM has undertaken a review of its catastrophic hazards. As part of increasing safety awareness about these hazards, new posters have been developed and displayed in prominent areas around site.

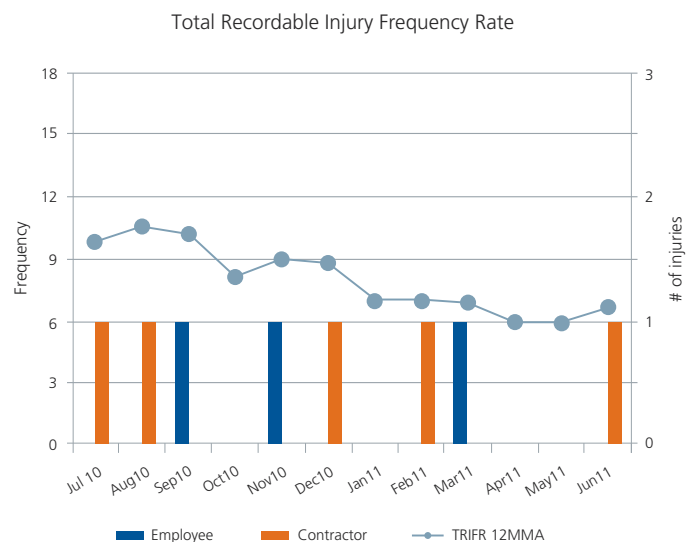
In addition, reviews of risk and risk verifications across the departments were undertaken through use of Xstrata Zinc's corporate risk management database, CURA.

Continued analysis of injuries show the main types were cuts to hands. "MRM is taking a proactive approach to managing this type of injury through trialling different types of cutting implements used on site. This aim is to ultimately provide a set list of approved items for site, hopefully reducing cut injuries," Gary said.

Gary said it was now mandatory for employees and contractors to wear gloves when in any operational working environment, such as the open cut pit area and the processing mill.

"This proactive approach makes gloves a standard part of site Personal Protective Equipment (PPE)," he said.

"The uptake on this is great to see."



Borrooloola Golden Heart Awards Night

MRM was a sponsor for the inaugural Borrooloola Golden Heart Award Night, recognising the work volunteers undertake in the community.

The event was held at the Savannah Way Motel in Borrooloola on 1 May 2011.

The Golden Heart Award was presented to Glenn Thompson, long time coach of the Borrooloola Cyclones and supporter of the healthy development of local children.



Member for Barkly and Northern Territory Government Minister the Hon Gerry McCarthy, with Val Sieb who received a certificate of recognition for services to the community at the Golden Heart Awards. Val is the mother of Samantha Sieb, Maintenance Service Team Supervisor at MRM.

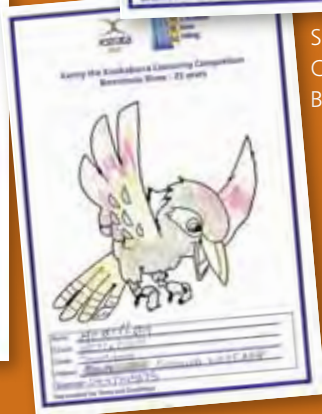


Roz Kerr of MRM's Maintenance Service Team won a certificate of recognition for services to the community. The award was accepted by her mother, Mavis Kerr (shown).

25th Annual Borrooloola Show

MRM held a display at the 25th annual Borrooloola Show on 24 – 25 June 2011 at the Borrooloola Showgrounds. The display provided information about employment opportunities, environmental management, the proposed Phase 3 Development Project and more.

Borrooloola School Grade 4-5 student Kayla Gallar won first prize in the MRM Kenny the Kookaburra Colouring Competition, which received more than 150 entries from local Borrooloola children.



MRM Community Relations Advisor Kirsty Hogarth, second prize winner Blake Coolwell and local artist Alan Baker.

Second prize – Blake Coolwell, Grade 4-5 Borrooloola School.

Third prize – Braithan Baker, Transition, Borrooloola School.



Kirsty Hogarth, first prize winner Kayla Gallar, local artist Alan Baker, third prize winner Braithan Baker and Show President Val Sieb.



Miners turn Pro Golfers.

MRM's Polarised Supply Team having a smurfing good time – Harrison Rowe, Kane Hartell, Lance Duncan and Jason Carr won Best Dressed on Day 2.

Sam Wilkinson, Matt Miller, Mike Braun and Trent Lopez from CBC having fun at MRM Golf Day fundraiser.

Tee time for local charities

In golf, as in life, it's the follow through that makes the difference and NT children's charities couldn't agree more.

MRM's annual charity golf tournament has smashed all records by raising \$43,686 for NT children's charities – a 59% increase on the previous year, and a staggering five times more than 2 years ago.

The 15-year-old event has gathered enough momentum to attract players from every State in Australia, making it an annual drawcard for friends of MRM.

More than 320 MRM staff, suppliers and volunteers gathered for the two-day event, split over two weeks, to play a nine-hole, four-person, Ambrose event.

While healthy competition was alive and well for the event, participants had one common goal; to raise as much money for charity as possible.

So popular was the event this year that MRM Contracts Advisor and event organiser Peter Patsalou had to move it from the nine-hole Garden Park Golf Links at Mindil Beach to the 18-hole Palmerston Golf Course outside of Darwin.

"It's become the social event of the year. Our contractors and suppliers were responsible for the sponsorships and the prize donations so our special thanks must go to them for their generosity and their support in raising funds for charity," Peter said.

Fourteen major sponsors came on board this year, nine more than last year, with others also donating cash and premium gifts for auctions and prizes including return flights to the Gold Coast, scenic helicopter flights, big screen televisions, Darwin Harbour boat cruises and full day fishing charters to name a few.

Suppliers proved to be the champion golfers this year with BOC Australia and KSB teams each taking out first place prizes over the two-day event. Not to be outshone, suppliers CBC won the 'Best Dressed Team' on Day 1 of the competition, sharing the mantle with MRM's own Polarised Supply Team who won the prize on Day 2 for their Smurf homage.

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MRM congratulates NT Trainee of the Year

A message from the General Manager

Ettienne Moller
General Manager
McArthur River Mining



I sincerely thank the community members for their valuable time and honest feedback to the proposed Phase 3 Development Project for MRM.

Over the course of several months, I have met with 293 people who live, work and care for this region. I have been struck once again by the sense of community here and your enthusiasm to protect the future of your people, your local economy and your land.

Your generosity with your time and feedback is particularly appreciated when I understand your involvement has been sought for other consultation programs in the region.

We have been overwhelmed by your words of support for the mine operation and your practical ideas to ensure Phase 3 provides further benefit to the region.

It's particularly pleasing the MRM Community Benefits Trust and our Indigenous employment strategy have been so positively received by the community.

I share your passion for the region and through the environmental assessment process for the development, I will ensure your views are represented and the mine endeavours to meet your expectations.

We value our relationship with our community.

Mine Report

Taking a dig at production targets

The latest and largest addition to the mining fleet, the monster EX3600 digger (pictured), is helping to meet production targets for 2011.

Digging at a rate of 24,000 tonnes a day, up from the 10,000 tonnes/day of the machine it replaces, the digger is the jewel of the fleet.

With a bucket size of 22 cubic metres, versus the standard 14 cubic metres, the 360 tonne EX3600 is the subject of operator envy.

"The digger will be joined by other bigger trucks and diggers when we change our equipment next year but the new machine is giving our operators a chance to hone their skills for when they come on line," Mining Manager Karissa Grenfell said.

Smooth operator

A shy driver who would prefer to remain anonymous has been highly commended by an independent monitor. This driver went through her shift unaware that all her actions were being carefully watched, her gear changes, the way she drove to the conditions and how she looked after her machine. This driver was described as being a standout.

Karissa Grenfell commended the driver by saying she was a great endorsement of the training undertaken by MRM and the success of the heavy vehicle simulator, particularly with local Indigenous employees new to the mining industry.



\$1 million partnership confirmed for Borroloola skills and jobs



Minister Chris Burns (far right) at the launch of the Strong Start, Bright Future Program.

Xstrata Zinc Chief Operating Officer and MRM Community Benefits Trust Chair Brian Hearne and Minister for Education and Training Chris Burns have signed a three-year, landmark \$1 million partnership agreement to boost education and training in the Borroloola region.

The *Strong Start Bright Future* Borroloola Employment Pathways agreement will provide a trainer for the Borroloola School and accredited training for students, computers and resourcing for a Frequent Attendee Rewards Program.

Commencing in Semester 2 of this schooling year, the program aims to increase school attendance to 90% of all eligible students, and help equip students with skills necessary to sustain employment, whether at MRM or in another local industry.

Brian Hearne said the partnership was a direct response to community feedback - inspire young people to stay in school, show them the way early, and they'll be set for life.

"As Chair of the Trust, I can say we were interested to support the Strong Start, Bright Future program for two main reasons. First, it builds on the earlier work we supported with The Smith Family to help encourage greater school attendance through mentoring, nutrition and work experience programs. This was in fact the first grant ever offered by the Trust and did a lot of good work over three years to get children and their families engaged," Brian said.

"Second, it makes sense for education to be tailored and targeted to ensure graduates have the skills needed to gain jobs within the local community.

"We want the current and future generations of our communities to have the advantages and opportunities equal to people in other parts of Australia and the Strong Start, Bright Future program is a sensible approach to achieving great life-long outcomes for these students."

By the end of June 2011, the MRM Community Benefits Trust had reached a tally of \$6.7 million invested into the community - 25% of which has been for education programs.

"What we're trying to do is address some of the barriers to employment we've found to be common - the low literacy and numeracy rates, family support issues and a low level of work 'readiness'. The program is part of our primary platform for attracting and retaining solid, local future employees," Brian said.

MRM has seen a significant increase in Indigenous employment at the mine from 4% in December 2006 to more than 22% in 2011 which in reality, is a lift from 6 people to 59.

Minister Chris Burns said the pathway from school into a rewarding job was clear through the program.

"We know that students get a great education in the Territory if they go to school every day and this program is focused on the key outcomes of attendance, retention, and local jobs," Dr Burns said.

"Students at Borroloola School will be exposed to the employment opportunities at the mine from its actual operations through to the vast support network that supports its operations.

"They will be given the opportunity to learn the skills necessary to get them jobs. It will provide them with a clear line of sight through school to a job, instilling a desire to learn and get ready for their future."

The Trust has also become a partner in the Government's Frequent Attender Program contributing \$75,000 per year under the partnership agreement to reward students who attend 80% or more of their schooling with sport, recreation and computing rewards.

"Ultimately we want to provide meaningful, ongoing career prospects for the people of Borroloola, even after MRM reaches its mine life. In some ways, this is the best legacy we can leave," Brian said.

MRM EIS Studies Continuing

Studies for the Environmental Impact Statement (EIS) for the Phase 3 Development Project are continuing.

The EIS is a comprehensive analysis of any potential impact or benefit the project may bring to the environment, the community, traffic and roads, cultural heritage and local economy of Borroloola and surrounds.

The Phase 3 Development Project proposes increasing MRM mine production to approximately 5 million tonnes per year resulting in an increase in bulk zinc/lead concentrate volume up to 800,000 tonnes per annum.

The indicative cost of the project is \$270 million and, subject to approval, works on the project would commence in 2012.

In the past six months, intensive consultation has been conducted by MRM, with close to 300 people including government departments and agencies, community groups, businesses, Traditional Owners and other community members involved.

The consultation allowed MRM to develop plans with the community to manage the impacts and pass on the benefits of the expansion.

Through its EIS, MRM has identified housing, road maintenance, tailings and waste as areas requiring impact management plans, with the MRM Community Benefits Trust, local employment and suppliers and rehabilitation as areas of potential community benefit. See the MRM Community Reference Group story below for more information.

MRM will continue to seek feedback and involvement about these plans as the EIS is finalised for submission to the NT Government.



General Manager – MRM Ettienne Moller discussing community impacts and benefits of the proposed project at the Women's Safe House meeting.



Borroloola local Marjorie Kieghran visits her granddaughter MRM's MST trainee Patricia Pluto on site before starting a tour of the mine.

MRM Community Reference Group update

The Phase 3 Development Project was the main topic of discussion when the MRM Community Reference Group met at the Savannah Way Motel in Borroloola in September.

There was considerable interest shown in what MRM General Manager Ettienne Moller had to say about the results of the 130 individual and group meetings and three mine site tours held during consultation.

Ettienne provided the CRG with a response to the common themes raised during consultation (listed below). CRG members are encouraged to provide information and feedback from meetings to other community groups and members of the community.

Employment

Employing more locals, especially young people, was seen as a great opportunity for Borroloola as a result of the Phase 3 Development. There was strong support for the proposed Project based on its potential to provide increased local employment opportunities which delivered benefits for the worker as well as the wider community.

MRM will require an increased operational workforce of approximately 25% if this development proceeds. This represents 110 additional new jobs. Currently about 18.5% of the workforce is sourced from the local community, however there is potential for this to increase if the baseline skills and work readiness of local residents improves.

Accommodation and Travel

There was recognition that housing accommodation for workers, humpbugging, drugs and alcohol were key factors in the success of both retaining employees in the community and retaining local jobs.

Significant feedback was also raised regarding the difficulties created by medical patients seeking more advanced levels of medical care than is available within Borroloola and the inhibitors to long distance travel to obtain it.

MRM Community Benefits Trust

There is clear support in the community for the MRM Community Benefits Trust and the benefits it provides in the community, particularly through programs targeting youth. Community members also expressed curiosity about the decision making process, the types of programs the Trust will support and the level of support available through the Project Officer, demonstrating an interest in greater communication and participation. The most consistent question raised however, was whether the amount invested in the Trust annually by MRM would increase and whether the life of the Trust extended in line with the Project. The Trust agreement is currently scheduled for review in late 2015.

Road Maintenance

There were no concerns about the increase in traffic on the highway. Stakeholders were more concerned about the current state of maintenance of roads and road safety.

MRM will work with the NT Government to highlight the importance of undertaking an upgrade to the existing road, whether the project proceeds or not.

Environment, Rehabilitation and Mine Closure Plans

Increasing water testing at several locations at the mine and Bing Bong loading facility, as well as more transparency with monitoring results, were important to the community during consultation. There was a high level of interest expressed by the Gurdanji community about being involved in the rehabilitation of the rivers and site.

MRM will consider providing the community and key stakeholders with increased access to and more detailed information on the monitoring results achieved, together with increased access to MRM environmental representatives to discuss the results.

MRM will explore opportunities to engage a ranger group to be actively involved in environmental management and care for country around the mine in conjunction with MRM environmental personnel.

Economic Contribution

The potential for increased requirements of goods and services from suppliers as a result of the Project was recognised positively by the stakeholders consulted.

Tailings and Waste

There was a high level of satisfaction with how the Tailings Storage Facility (TSF) performed in the last wet season although there is a level of concern about the TSF, its design, impact on Surprise Creek and its function. However this topic ranked low in the priorities reflected by the frequency with which stakeholders were keen to discuss them.

There were no concerns about the proposed increase in height of the Overburden Emplacement Facility (OEF), only interest in how it would be ultimately rehabilitated at completion.

MRM is investigating a range of strategies to offset the visual impact of the higher OEF.

Bing Bong Loading Facility

There was no concern raised regarding the increase in ship movements in the Gulf of Carpentaria and loading via the Aburri barge at sea, only interest in environmental monitoring along the Bing Bong coast and nearby Sir Edward Pellew Islands.

Cultural Heritage Management

The work MRM has done to protect cultural heritage management to date was acknowledged. Questions were raised around the potential impact of the Project on sites of cultural significance, particularly Barramundi Dreaming. There was also a lot of interest in conducting caring for country initiatives on the MRM site by Traditional Owners.



Cell One of the Tailings Storage Facility is now capped with 500mm of clay and undergoing rehabilitation.



Health, Safety, Environment and Community Manager Gary Taylor takes Borroloola locals through rehabilitation to date on one of three mine site tours conducted for the Phase 3 consultation process.



Contracts Manager for Borroloola-based Cairns Industries Allen Cairns (left) at work on the heavy medium upgrade with MRM's Metallurgical Manager Sam Strohmayer.

NT businesses benefit from MRM infrastructure upgrade

Local industry stands to benefit most from a \$46 million MRM processing upgrade, with 55 local Northern Territory and Borroloola-based suppliers chosen to deliver at least a quarter of the project's value.

Construction has commenced on a new heavy medium plant, a facility designed to separate ore from waste rock using gravity, to support market needs for zinc and lead ore.

Chief Operating Officer for Xstrata Zinc Australia Brian Hearne said the investment demonstrated a commitment to the long-term viability of the zinc-lead business in the NT, and to local businesses.

"The growth of MRM has been limited by our existing infrastructure on site. The heavy medium plant will help us meet current market demand more cost effectively," Mr Hearne said.

"Our policy is to prefer local suppliers where they can competitively offer quality goods and services. I'm pleased our NT suppliers are doing well out of this investment decision."

In 2010, MRM's procurement within the NT economy grew by 23% from \$49 million in 2009 to \$60 million.

For the heavy medium plant construction, Borroloola local business Cairns Industries won contracts totalling more than \$2 million to supply mobile concrete batching plants, 2000 cubic metres of concrete and excavators for the project, bringing the value of their current contracts with MRM up to \$2.7 million.

Contracts Manager Allen Cairns said the resources industry in the Roper Gulf Shire was driving the business's growth.

"We've been working with MRM for a number of years now. Right now this contract is our biggest single contract on the books. That money will be invested back in the business," Allen said.

Cairns Industries was established six years ago in the 780-strong population of Borroloola with four staff and a focus on constructing government housing. Now the business employs 28 people, all living in Borroloola, and supplies excavating and earthmoving machinery, mobile concrete batching and camp construction for several mines and government agencies across the Territory.

Other local suppliers winning major contracts include two Darwin-based businesses; EC&E which won the \$1.5 million primary fabrication contract; and Integrated Switchgear and Systems which won the \$1.2 million switchboard, variable speed drive, motor control centre and switchroom contracts.

EC&E has been supplying manufactured, fabricated and assembled plant and equipment to MRM since 1993 with an estimated 50% of the mine's original infrastructure a result of their work.

For the heavy medium plant, they will be trucking in pre-assembled modules close to 1,000km from Darwin.

The new facility was chosen over an upgrade to the existing concentrator due to the heavy medium plant's better construction time, lower electricity requirements and improved metallurgical performance.

On completion, the plant will improve the quality of zinc-lead grade passed to the mill, improving operating costs.

Construction of the heavy medium plant will continue until February 2012 with commissioning commencing in March 2012.



Borroloola local, Richard Baker, received his license and secured employment as a commercial helicopter pilot at Airborne Solutions with funding help from an MRM Community Benefits Trust grant.

MRM a finalist in national mining awards

MRM was a finalist in the community relations category of the prestigious national *Australian Mining Prospect Awards* in September for its work in achieving positive change in the community of Borroloola.

Of chief interest to the judges was MRM's success in increasing Indigenous employment both directly through the mine and indirectly through the work of the MRM Community Benefits Trust.

MRM General Manager Ettienne Moller said while MRM missed out on winning the top award, to reach the finals was a significant achievement given the competition.

"Our business at MRM is mining zinc – pure and simple. We have a responsibility to mine ethically and with the highest regard to safety, our people, our shareholders and our environment. What sets us apart, I believe, is the difference we are making in the community of Borroloola," Ettienne said.

"We're proud the resources industry has recognised those achievements and we were pleased to celebrate the night with our guests Tony Jack and Graham Friday."

MRM's Indigenous employment strategy and the establishment of the MRM Community Benefits Trust have prioritised employment, training and enterprise development initiatives both through MRM's mining operations and in the wider Borroloola economy. They have fulfilled:

- MRM's target to achieve 20% workforce participation by Indigenous people at the mine within a total workforce of 282 people representing an increase of around 35 Indigenous employees to 60 in permanent full-time roles.
- A commitment to support local enterprise, employment and training initiatives within the community which has generated employment for an additional estimated 25 local people, work experience for 38 school students and training positions within the school's new and expanding Vocational Education and Training facilities.
- Planning for the establishment of a Borroloola-based business hub to support the development of sustainable enterprises within the community and create employment opportunities.

Xstrata Zinc won the Minerals Processing Plant of the Year category for its Mount Isa operations. The award recognised the increase in the Mount Isa throughput from 3.5 million tonnes in 2003 to 8.6 million tonnes in 2010 and the results of investments in training, innovation, workplace conditions and technology to achieve significant improvements in safety, productivity, cost efficiency and environmental performance.

Code of Conduct updated

Xstrata plc has released an updated Code of Conduct which applies to all permanent and temporary employees, directors and officers of every Xstrata managed operation.

It also applies to any person who is engaged as a contractor, consultant, agent or advisor to the business.

"It is important for us all to be aware of the Code of Conduct and where it has relevance to our roles," MRM General Manager Ettienne Moller said.

The Code of Conduct sets expectations for all employees. Concerns about safety practices or health issues, bullying, fraud, unfair treatment, theft, dishonest business activities, conflicts of interest, misappropriation of company resources, bribery or any other unethical behaviour in the workplace should be reported to an immediate supervisor or manager, or with a more senior officer or executive at the operation.

In instances where it is not possible to speak to an Xstrata manager, a toll-free Ethics Line is available on 1800 987 310 and is independently run by an external service provider. People can choose to report anonymously.

The Code of Conduct is available on the Xstrata and MRM intranets.





A Rainbow Bee Eater recorded in the recent monitoring survey.



A male Purple Crowned Fairy-Wren spotted during the recent survey.



Using 'irrigation sleds' to water tube-stock allows planting in the dry season and gives rehabilitation the best possible start.

Environment update

MRM is gearing up to plant approximately 17,000 tube-stock along the McArthur River and Barney Creek channels in advance of the upcoming wet season.

Since 2008, direct seeding of the McArthur River channel has occurred twice and approximately 40,000 tube-stock planted. Together with this year's planned planting, this far exceeds the 35,000 tube-stock originally committed as part of the project's Public Environmental Report for the open pit project.

In the Barney Creek area alone, MRM has planted approximately 27,000 trees since 2007, with some plants now up to 11 metres in height after having the benefit of two more growing years than the McArthur River rehabilitation.

Designed by the mining infrastructure team, an irrigation sled (pictured) will be used to give rehabilitation the best possible start.

Return of the birds

For the first time, a number of forest and woodland birds were recorded in the regenerating vegetation and grass cover.

As part of regular riparian bird monitoring, external consultants Ecological Management Services tag species and record data on their abundance.

Health, Safety, Environment and Community Manager Gary Taylor said the return of the birds, particularly in the Barney Creek channel area, was a significant development.

"Recording these birds highlights the importance of intensive management in the early stages of the rehabilitation program. It means all the hard work we've been doing is slowly but surely paying off," Gary said.

The Barney Creek channel, where re-plantings have been established the longest, is also supporting increasing numbers of woodland bird species such as the Bower Bird. Importantly, one key riparian bird indicator species, the Purple Crowned Fairy-Wren, was observed using the area for short periods of time during May of this year.

The wren was noted within the cattle exclusion fence between the diversion inlet and the southern bund, particularly in higher bank riparian woodland habitat. This suggests that while cattle are still present in this area, the fencing undertaken by MRM is reducing the overall impact of grazing in the riparian woodland, and may also limit damage to plants in rehabilitation areas.

Vegetation monitoring

During August 2011, Eco Science conducted a terrestrial flora survey as an update to the previously comprehensive survey conducted in 2003. The aim of the study was to assess the environmental values of terrestrial flora communities within the project area by reviewing literature and species of conservation significance, verifying field data from existing vegetation mapping and noting any important ecological changes that might be expected with the proposed Phase 3 Development, with a particular interest on the presence or absence of threatened species or habitats.

The survey will become part of the submission to the NT Government within the Environmental Impact Statement for the proposed Phase 3 Development.

Fish surveys

Sampling for fish and other aquatic fauna was undertaken in May and June in 2011 from 47 separate sample sites.

A total of 3,180 individual fish were counted from waters of the McArthur River during the current study from 34 different species. Three species of crustacean and three species of aquatic reptile were also captured and released. In total, four Freshwater Sawfish were recorded from above and below the mine site with a separate one sighted within the channel during the study. Since the commencement of fish surveys in 2006, a total of 28 records have been documented for the Freshwater Sawfish.

The large woody debris placed in the channel during 2010 was shown to be a successful strategy in improving the diversity and abundance of fish species.

Fish counts have improved since 2009 and 2010 to move closer to the levels recorded in the river prior to 2008.



Topsy Green and Isa McDinny from the Yanyuwa Singers, Mr Tom Calma (previous Aboriginal Social Justice Commissioner for the Human Rights and Equal Opportunity Commission), actors Jack Thompson and Luke Carrol at the Deadly Awards.

Photo courtesy of Ben Symonds and Vibe Australia.

MRM Community Benefits Trust

Caring for the rich fishing and turtle nesting grounds of the Gulf Region are the focus for the latest round of grants from the MRM Community Benefit Trust.

Barni-Wardimantha Awara

Following the recent declaration of all country under Yanyuwa tenure as an Indigenous Protected Area, a \$58,500 Trust grant has been made for the Barni-Wardimantha Awara project (translation: Don't spoil the country) to help the Yanyuwa people action their Plan of Management.

One of the priorities in the Plan was the need to develop small scale economic enterprises to provide an income stream and employment opportunities around environmental management activities.

In conjunction with Traditional owners, the Sea Rangers and community members, the Plan includes trialling an ecotourism turtle camp on Mabaayny (West Island), preparing submissions for funding proposals and developing partnerships for infrastructure such as Black Rock Landing. It also includes strategic land and sea management planning and the development of a business plan.

The Barni-Wardimantha Awara project forms the first stage of a program that is expected to run for up to three years.

Extension of fish monitoring project by King Ash Bay Fishing Club

The Trust has agreed to ongoing funding of the Barramundi Monitoring project. This important survey has been supported by the Trust since 2009, with the approval of a further \$116,600 grant in August this year.

The study involves collecting detailed information on fish stocks and the impact of recreational fishing in a broad region covering the McArthur River, downstream of Borroloola, the McArthur River delta, coastal streams from Bing Bong to the Wearyan River and the Sir Edward Pellew Islands.

King Ash Bay has become a magnet for interstate visitors determined to get off the beaten track, so they too will be included in the count.

In a bid to promote better management of precious fisheries, Golden Snapper stocks will also be monitored, supporting the work of NT Fisheries and the Amateur Fishermen's Association of the Northern Territory.

Song People Sessions a success

The Trust Board was delighted to hear of the success of the Barkly Regional Arts project – *Song People Sessions*, a recipient of a \$73,900 Trust grant in June 2011. The funding allowed the team to develop and record traditional songs and stories on a music CD. Involving Borroloola's own 'Songbird' the nationally recognised Yanyuwa woman Shellie Morris, the project captured the Gulf Region's traditional songs of the Gurdanji, Garawa, Mara and Yanyuwa people.

The singers wowed audiences in Darwin at the NT Indigenous Music Awards in August prompting an invitation to perform at the Deadly Awards, (which recognises excellence in music, sport, entertainment and community service), at the Sydney Opera House in September.

The fusion of contemporary music with traditional sounds has inspired Brazil's Gilberto Gil to invite Shellie Morris and the Borroloola women singers on a 10-concert tour of Europe next year to celebrate Indigenous music of the southern hemisphere.

The *Song People Sessions* CD will be launched in Borroloola soon – we'll keep you posted!

Mill report



Production Supervisor Brenton Borlace hosing down the facility.

The mill team has been achieving record-breaking production figures this quarter, alongside the dual priority of constructing the new \$46 million heavy medium plant.

The positive production figures follow the release of Xstrata's Half-Yearly Report for 2011, showing MRM's ore mining and milling activities have increased by 5% compared with the first half of 2010, resulting in an increase of 3% in zinc metal in concentrate, despite difficulties caused by wet weather.

The mill recorded its highest ever production results in July 2011, keeping the mill at capacity with 222,669 tonnes processed.

Metallurgy Manager Sam Strohmayer said the unprecedented activity called for an ever-increasing focus on safety.

"The messages from our safety team is getting through to our whole workforce. We haven't recorded any incidents for Lost Time Injury (LTI) for 205 days straight," Sam said.

"We're working hard on maintaining our safe work practices."

Priority work completed and underway in the lead up to the wet season includes:

- fire protection upgrades are close to completion around the mill area
- corrosion control is continuing within the plant
- the flotation gland water tank replacement is complete
- concrete works at the M10,000 area and concentrate pad are complete
- the SAG mill to M10,000 walkway is complete
- the Vertimill discharge line upgrades are complete
- process water line upgrades are continuing.

The Vertimill discharge line upgrade has already made a significant impact on keeping the grinding circuit stable and increasing plant performance.

"The Mill Team is performing solidly and has achieved outstanding results during the past few months. This is all thanks to the team working hard together," Sam said.

During the third quarter, some of the highest ever monthly concentrate production totals were seen.

MRM's historical records show that July, August and September 2011 are now in the top four months ever recorded for concentrate production.

Monthly concentrate production

Place	Month	Concentrate in tonnes
1st	Dec-09	39,224
2nd	Sep-11	38,847
3rd	Jul-11	38,784
4th	Aug-11	37,644



Mill Operator Reinaldo Da Cunha checking metallurgical shift samples.

New Starters



Tyson Lavender

Environmental Officer

The environment has always fascinated Tyson, he says his father worked as a Ranger and that's probably the reason why he entered the same field. He studied at the University of Queensland and later at the University of New South Wales.

He says he's looking forward to the mix of indoor and outdoor work here at MRM.

What experience and skills do you bring to MRM?

I am an Environmental Engineer with a water engineering and civil urban development background.

What would you like to achieve in your role during your time here?

I would like to gain a broad experience in environmental management of mine sites.

If you found \$100 what would you do with it?

Go spend it in an Asian restaurant – I really like Asian food!

What are you currently reading?

Fyodor Dostoevsky's *The Idiot*.



Glen Castillon

Indigenous Employment Coordinator

Glen is a proud Darwin born Territorian. He brings a wealth of experience to MRM after working for 36 years in government and non-government roles and has a First Class Honours degree in Indigenous Development and Management from Curtin University.

What experience or skills do you bring to MRM?

I have spent many years implementing government policies with community people.

At MRM, I would like to see an increase in the number of Indigenous people, including locals working at the mine. To see them move from traineeships to full-time employment through all sectors of the mine's operations.

What brought you to MRM?

I joined to gain new skills and a new focus on working with Indigenous people outside of the confines of government.

What is something you enjoy doing on the weekend?

When I'm at home I enjoy spending time with my family, playing golf, I love fishing and enjoy painting on canvas, not walls!

If you found \$100, how would you spend it?

I'd try to find who owned it or donate it to charity

What are you currently reading?

One of those self help books, *20 Must-Ask Questions for Every Property Investor* by Margaret Lomas. I'll let you know if it works...



MRM congratulates NT Trainee of the Year

This year's winner of the MRM-sponsored NT Trainee of the Year was Melissa Agnew from Darwin.

The NT Training Awards are the Department of Education and Training's (DET) annual premier event recognising training excellence and achievements by Territory businesses, training organisations, apprentices, trainees, trainers and students.

The awards are an official recognition of excellence and achievements in gaining the highest standards of knowledge and skills, in contributing to high standards of training, and for personal achievement in the vocational education and training (VET) sector.

Melissa completed her year 12 Certificate before taking up a school based apprenticeship at

Crocodylus Park, a large animal-based tourist attraction on the outskirts of Darwin. Melissa said she enjoyed the challenge of working with wild animals and had gained an insight into the importance of the role zoos and wildlife play in public education about habitats and ongoing conservation. She has recently completed a Certificate II in Animal Studies and has recently been promoted to a leadership role supervising young volunteers at Crocodylus Park. Melissa is currently undertaking her Cert III in Animal Studies while considering whether she will pursue a university degree.

MRM congratulates Melissa for her outstanding work in wild animal studies, her commitment to learning more about our environment and the importance of conservation values in a unique work place.

Safety report

The continuing emphasis on safety on site by all employees, contractors and visitors is producing standout results.

At the end of August 2011, MRM's safety performance continued to improve with the Total Recordable Frequency Rate (all injuries except first-aid treatments) for a 12-month rolling average, declining to 4.9 from 10.5 in August 2010.

The 12-month rolling Lost Time Injury (LTI) Frequency Rate (which measures the number of LTIs per million hours worked) decreased down from 2 to zero after an LTI-free year.

Health, Safety, Environment and Community Manager Gary Taylor congratulated the workforce.

"The importance of safety at MRM is everyone's business and will remain paramount as we construct the heavy medium plant," Gary said.

"I'm asking everyone to keep working safely on site so we can maintain our safety record and be an exemplar Xstrata site."

Monitoring results

Ongoing dust monitoring is being completed across site for respirable dust, inhalable dust silica, lead, arsenic and cadmium dust.

The main findings show that lead dust in the mill filter shed continues to be high and further monitoring is required. Additional controls such as the installation of a new filter should have a positive effect on these results. Personnel must continue to wear personal protection equipment at all times in this area, and further monitoring will continue.

During mid September 2011, MRM completed a baseline Whole Body Vibration (WBV) Survey.

Operators, drivers and passengers of machines and vehicles in mining workplaces can be exposed to harmful levels of WBV. Reducing exposure reduces the risk of musculoskeletal disorders such as lower back pain.

The survey measured WBV exposure in a sample of surface mobile equipment from the site, with a major emphasis on mining equipment. There was also an assessment of the flotation decks in the mill, and other operational areas within Metallurgy.

Initial raw data results indicated that the mill was in relatively good condition and data for mobile plant shows WBV appears related to the methods or modes of use – most notably the terrain covered during measurement. There was no clear pattern found that the vibration which the operator is exposed to is being increased from the engine to the seat.



Mill Operator Jason Eecen protecting his ears at work.

Now hear this

Wearing the right gear is the main safety message coming from a recently completed occupational noise survey conducted by an external consultant across the mine site. Gary said Noise Induced Hearing Loss was the most common and preventable occupational injury.

"By performing simple prevention techniques, the risk of developing hearing loss can be dramatically reduced," Gary said.

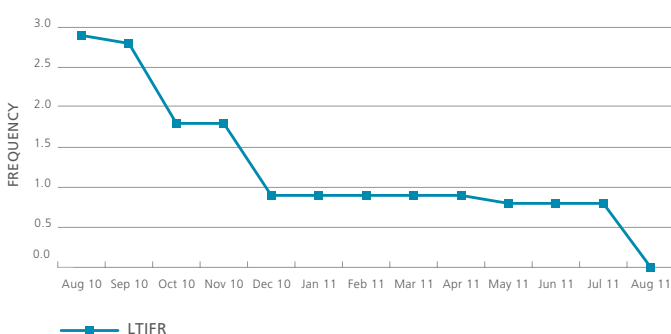
"Our workers participate in a hearing conservation program, which consists of an assessment of hearing-related risks within the workplace, hearing protection, training, and ongoing health monitoring."

Gary said the message needed to be sent home too.

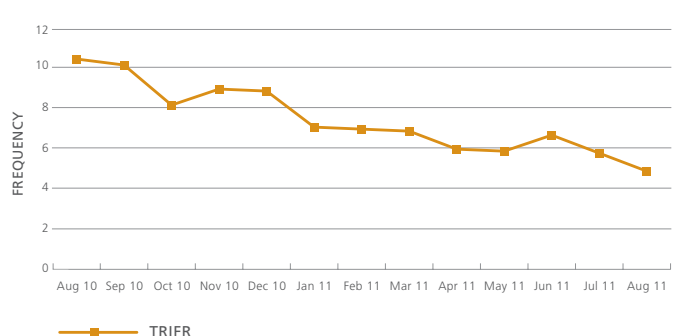
"Simple things such as wearing the appropriate protection when operating lawn mowers, brush cutters, and power tools in the home can make a real difference to a person's auditory health," he said.

A noise control plan is being developed for MRM which includes training for workers in the correct selection and use of hearing protection, and a schedule is now in place for personal noise dosimetry (a small device or instrument used to measure noise).

Lost Time Injury Frequency Rate



Total Recordable Injury Frequency Rate



Appendix 5: Stakeholder Analysis

Engagement level	Stakeholder group	Stakeholders consulted
Manage closely	Communities – Yanyuwa	Traditional Owners • Samuel Evans • Ross Friday • Marlene Karkadoo • Wyilo McKinnon • Chloe Mulholand • Dinah Norman • Leonard Norman • Mavis Timothy • Adrianne Friday • Amy Friday Community members • Anthony Johnston • Joanne Miller • Maria Pyro
	Communities – Gurdanji	Traditional Owners • Billy Coolibah • Johnny Davey • Harry Lansen • Timothy Lansen • Peggy Mawson • May Raggett • Ronnie Raggett • Katy Baker Community members • Jonex Finlay • Jason Green • Deon Lansen • Judy Lansen • Robert O’Keefe Jr • Hayden Ward
	Communities – Mara	Traditional Owners • Rhoda Hammer

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		• Violet Hammer • Jacob Riley • Phillip Riley • Norma Timothy Community members • Stewart Dirdi • Clem Goodman • Roslyn Hammer • Bruce Hansen • Katrana McKinnon • Vera McKinnon • Shauna Mumbin • Shaunette Mumbin • Lynette Simons
	Communities - Garawa	Traditional Owners • Thelma (Junior) Dixon • Vera Dixon • Jack Green • Marjorie Keighran • Freddy Rory • Shirley Simons • Maureen Timothy Community members • Leah Bob • Aggie Charlie • Carol Charlie • Colleen Charlie • Roderick Charlie • Topsy Green • David Marshall • Jocelyn Mawson • Jimmy Morrison • Teresa Rory
	Community groups	MRM Community Reference Group • Syd Rusca • Stan Allen

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		David Harvey (note other members have been named elsewhere in this list including from the Indigenous/local services group below.)
	Indigenous / local services and Non Government Organisations	Mabunji Aboriginal Resource Corporation - Alison Doyle - Robert Arthur - Allan Charlie - Selma Hoosan - Amanda Johnson - Johnny Johnston - Desmond Lansen - Annie Roberts - Timothy Simons - Jodie Stacey - Lavina Woodroffe MAWA - Brian Kimmings - Keith Rory Mungoorbada Aboriginal Corporation - Bill South Li-Anthawirriyarra Sea Rangers - Chris Francis - Graham Friday - Stephen Johnson - Damien Pracy Environment Centre Northern Territory - Stuart Blanch Borroloola Women's Shelter & Safe house - Sophia Fairhead - Lizzy Hogan - Valerie O'Keefe - Samantha Pluto Northern Land Council - Daniel Mulholland - Donald Shadforth

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		Australian Aboriginal Protection Authority • Stefan Jurkijevic • Walter Zukowksi Waralungku Arts Centre • Miriam Charlie • Kathy Jupiter
Keep satisfied	Local businesses, organisations and suppliers	Borrooloola Hotel • Toya Davis • Andrew Davis Savannah Way Motel • Trish Elmy • Sue Morgan • Charlie Radovic Gulf Mini Mart • Don Garner TJ's One Stop • Megan Sauer Power Projects • Ryan Walker Borrooloola Amateur Race Club • Rona Robertson Cairns Industries • Allen Cairns • Kym Cairns Stations • Spring Creek Station • Balbarini Station • Mallapunyah Station • Seven Emus Station Heartbreak Hotel • Kerry Ralph Industry Services Association • Emma Branigan • Sarah Coombes

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		Peter Rheinberger
	Surrounding communities	King Ash Bay community - Fay Campbell - John Dickson - Dennis Dixon - Keith Hallett - Mick Hong - Barry Stillman - Barry Wood Robinson River community - Bill Dixon - Dicky Dixon - Ronny Whitehead
Keep informed	Roper Gulf Shire Council	- Tony Jack, Mayor - Michael Berto, CEO - Stephen Anderson, Councillor - Sharon Hillen, Manager Governance and Corporate Planning - Thomas Michel, Senior Officer - Neil Pickett, Shire Services manager - Val Sieb, Library Manager - Nathan Willes, Youth Diversion Coordinator
	NT Government and agencies	NT Government - Department of Natural Resources, Environment, the Arts and Sport - Department of Land and Planning, Road Network Division - Department of Housing, Local Government and Regional Services - Remote Engagement Officer - NT Worksafe - Land Development Corporation Borrooloola Health Clinic - CJ Byrne - Marie Forbies - Andrew Geale - Wendy Kerr - Sue McMullen (Menzies School of Health)

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		- Debra Moloney - Anthony O'Neill - Asman Rory - Kathy Ryan - Debra Young Borroloola Police - David D'Antoine - Gert Johannson - Melissa Sanderson - Ian Young Borroloola School - Graeme Matthews, Principal Centrelink - Peter England - Jodie Evans - Agnes Keighran Parks and Wildlife Borroloola - Michelle Foaet - Ben Senge
	Australian Government	Department of Resources, Energy & Tourism - John Eldred, Resources Division - Jill Grant, Resources Division - Mark Hough - Susan Penfold, Minerals and Energy - Frances Perrett - Chris Stamford, Resources Division Department of Families, Housing, Community Services and Indigenous Affairs - Robert Sitlington
	Employees	All
Monitor	Pastoralists	- Megan Beach, Spring Creek Station - Bill Darcy, Balbarini Station - Jan Darcy, Mallapunyah Station - David Milroy, Kiana Station - Kerry Ralph, Heartbreak

Appendix 5

Engagement level	Stakeholder group	Stakeholders consulted
		• Frank Shadforth, Seven Emus Station
	Darwin Business organisations	Minerals Council of Australia – NT Division • Peter Stewart
	Tourists	• Bill Ashworth • Yvonne Ashworth • Desirae Grainer • Helen Johnston • Robert Johnston • George Kidner • Lucie Kidner • Frances Schultz • Malcolm Schultz

Rowland.