

MEMORANDUM



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A total of 24 sampling sites are monitored upstream and downstream of MRM within Barney Creek, Surprise Creek, the Glyde River and McArthur River to check surface water and sediment quality.

2009 a year of achievement for MRM

The 2009 calendar year was a significant one for McArthur River Mine, reporting record levels of production and at the same time, achieving improvements in safety performance, the diversity of environmental management programs and the delivery of community benefits.

The *Xstrata Zinc Australia Sustainability Report 2009* reports on these achievements. It is the first time a report has been prepared for the Australian portfolio replacing the previous site-specific reports for MRM and Xstrata Zinc North Queensland. It provides information on how the business balances economic, environmental and social considerations across all Xstrata Zinc sites in Australia.

MRM General Manager Etienne Moller said the report demonstrates that the mine is upholding high standards of sustainable development.

In 2009, total ore milled increased by 3% to 2.1 million tonnes and due to higher average head grades, this resulted in a 17% increase in the production of zinc metal. This was achieved despite the mine being operational for only 10 months of 2009 due to an enforced but ultimately temporary closure.

"In achieving this outstanding result, we have also had a strong improvement in health and safety performance, which is our highest priority," Etienne said.

The lost time injury frequency rate (number of lost time injuries per million man hours worked) fell from 5.0 to 2.5 reflecting a steady trend of continuous improvement over the past three years.

In the environmental area, around \$2.4 million was invested in protection and management programs to ensure MRM complies with all regulatory conditions and obligations.

Important outcomes of these programs included a 31% decrease in water consumption, 6.5% reduction in energy consumption, and

greater understanding and awareness of the habitats for fish and riparian birds.

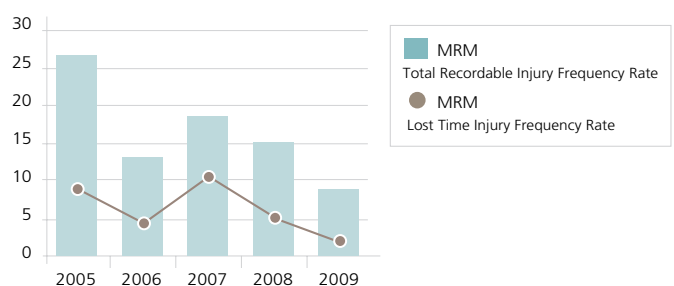
"These regular monitoring programs and surveys are continuing in 2010 with a specific focus on rehabilitation of the McArthur River channel and the completion of the first migratory bird survey in the first half of the year."

From the community's perspective, MRM has continued to support corporate social involvement programs investing more than \$1.4 million in both the MRM Community Benefits Trust and the mine's sponsorships and donations. This includes support for a number of cultural activities such as the annual NAIDOC Week, the Waralungku Aboriginal Arts Centre, and a documentary which is cataloguing local stories.

The local economy also benefitted from a 13% increase in local procurement to \$7.8 million.

The *Xstrata Zinc Australia Sustainability Report 2009* is available in hard copy form at the MRM Administration Office or can be accessed online at: <http://www.xstratazinc.com/EN/Publications/Pages/SustainableDevelopment.aspx> and www.mcarthurrivermine.com.au/publications.

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A message from the General Manager

Ettienne Moller

General Manager
McArthur River
Mining



This edition of MemoRanduM provides a snapshot of how we are working towards our goal of managing and growing the business in a safe, environmentally and socially-responsible way. It is also a celebration of our achievements in these areas.

Xstrata's Sustainable Development Framework commits us to maximise the benefits to society of our activities while minimising the negative impacts.

There are 17 standards within this framework that are integral to our business at MRM.

These shape and guide the way we act and think about health and safety, how we manage and invest in our people, the focus of community partnerships and our protection of the natural environment in which we operate.

The release this month of the *Xstrata Zinc Australia Sustainability Report 2009* has revealed some noteworthy achievements at MRM.

I'd like to congratulate staff and acknowledge their efforts in this regard – we should all be very pleased with what was achieved in 2009.

Our results were achieved despite numerous challenges, the most critical being the temporary closure of the mine against the backdrop of a volatile global economy.

This is an exceptional effort and I wholeheartedly congratulate all staff for their hard work and contribution.

Importantly, the Sustainability Report confirms targets we will work towards, and measure our performance with in the year ahead.

I am optimistic about 2010 and what we can deliver in terms of new safety initiatives, environmental management programs, community partnerships and career opportunities.

I am also positive that we have the people, strategy and resources to continue to deliver exceptional operational results.

Wet season report



Aerial view of the McArthur River channel during the 2009/2010 wet season.

MRM was well prepared for the 2009/10 wet season following a substantial investment in the automation of our early warning flood system and four gauging stations.

MRM Health, Safety and Environment Manager Gary Taylor said staff can now access up-to-date data on weather patterns and environment conditions via MRM's intranet, instead of dialling in via satellite phone and downloading information on a weekly basis.

“This new system gives our staff important information regarding live flow rates and depth, which is vital for both safety and environmental operations during the wet season,” Gary said.

During the 2009/10 wet season the McArthur River peaked at just over 20 metres at the downstream gauging station, located below the Glyde River system.

As at the beginning of April, approximately 811 mm of rain has fallen on McArthur River Mine since the start of the year, exceeding the average annual rainfall of 760 mm.

Aerial monitoring gives a bird's-eye view of migratory patterns

All eyes were to the sky in February when the first of the migratory bird surveys were carried out in the Port McArthur area.

The monitoring of listed migratory waders and other bird species is a condition of the Commonwealth approval for the expansion of the McArthur River Mine. The first surveys were conducted by Ecological Management Services Pty Ltd, led by Paul Barden and Dr Jonathon Coleman.

MRM Health, Safety and Environment Manager Gary Taylor said sampling was conducted between Bing Bong and the mouth of the Wearyan River, focusing on the lower McArthur River and Port McArthur areas.

"Our surveys of these areas monitor the migratory shorebirds and other bird numbers, as well as the species composition," he said.

"The best way to achieve this is by helicopter, both for the aerial counts and to gain access to remote roost sites for ground counts."

During the survey a number of Curlew Sandpipers were observed carrying leg flags, indicating they have previously been captured and banded in Victoria.

"These small birds migrate 12,500 kilometres to breed on the northern Siberian coast, with important stopover locations on the Chinese coastline and Yellow Sea coasts on northward migration," Gary said.

"It's likely that these birds have switched their summer feeding sites from southern Australia to the Gulf of Carpentaria."

Sightings of banded birds are reported to the Australian Wader Studies Group/Australian Bird and Bat Banding Scheme and can provide valuable data on the migration routes of shorebirds.

Gary said 3,055 migratory shorebirds, resident shorebirds and other wetland birds from 45 different species were recorded during ground counts at 15 sites.

"A total of 7,742 migratory shore birds and other wetland birds from 56 species were recorded during the aerial surveys," he said.



A number of Curlew Sandpipers were observed during recent bird surveys in the Port McArthur area.



A Stone Curlew identified during the migratory bird survey.

"The numbers of shorebirds recorded during February are lower than those encountered during previous wet seasons, however this is likely to have been influenced by the extensive flooding of saline flats during the survey period, which allowed shore birds to forage in small groups over a larger area of habitat."

Sawfish tagged in latest survey

Fishing is a popular pastime in Borroloola and it's no wonder, with an abundance of fish species inhabiting the waterways of the McArthur River.

Monitoring these fish populations, and ensuring their protection, is an important part of MRM's commitment to sustainable development and its regulatory requirements.

More than 524 fish across 31 different sites along the McArthur River were surveyed in 2009, including Freshwater Sawfish and 22 species of bony fish.

MRM Health, Safety and Environment Manager Gary Taylor said the surveys were important to monitor the passage of fish through the diversion channel.

"This is achieved by tagging key species, assessing temporal migration patterns and sampling key sites both upstream and downstream of the channel," Gary said.

"In the most recent survey in September, 84 bony fish were tagged for monitoring. Four Freshwater Sawfish were also captured during the study, two from upstream of the channel and two from downstream."

Gary said rehabilitation activities, including the addition of further large woody debris, ongoing tree planting and direct seeding are being continued in 2010 to mimic conditions in the natural portions of the McArthur River within the channel.

Approximately 57 fish species have been recorded during MRM's surveys in the McArthur River in both marine and freshwater locations since monitoring commenced in 2006.

Rehabilitation continues on McArthur River and Barney Creek channels



Since the 2007/08 wet season, MRM has planted more than 40,000 seedlings across more than 120.4 hectares of land surrounding the Barney Creek and McArthur River Channels.

More than 10,500 seedlings have been planted along the new channels of the McArthur River and Barney Creek during the 2009/10 wet season as part of MRM's intensive revegetation program.

Native tree and shrub seed collected from the local area and stored in air-conditioned units, have also been planted in the area following good rainfall in February. These include local species of *Acacia*, *Eucalyptus* and other varieties including *Casuarina Cunninghamii* and *Melaleuca Leucadendra*.

MRM Health, Safety and Environment Manager Gary Taylor said the revegetation aimed to recreate the natural environment by using plants native to each area and environment type.

"Several hundred plants were placed on Barney Creek between the existing vegetation and the rehabilitated Barney Creek to augment fauna movement from natural areas to Barney Creek itself," Gary said.

"Establishing these environments will take time, but they are a priority for two reasons: the early establishment of the ecosystem in both the waterways and surrounding areas, and to ensure the stability of the new channels to prevent erosion."

"Unfortunately, we lost one whole growing season during the 2008/09 wet season when all rehabilitation efforts were suspended as a result of court action led by the Northern Land Council.

"Since our rehabilitation efforts recommenced, we have continued with a program of planting and direct seeding in line with the environmental planning for the open pit development."

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. Successful tenders have been awarded for an additional 30,000 native trees to be delivered in the coming months.

In late 2009, MRM constructed a sled mounted tank, with sprinkler systems mounted on each side, to be used up and down the channel for watering tube stock. Gary said monitoring of this area has found a good success rate amongst the new vegetation.

Profile – CRG Chair Sid Rusca

The name Sid Rusca is well known throughout the Territory, as much for his work in the family earthmoving business as for his time spent encouraging Indigenous employment in the local community.

Taken from his family at the age of four as part of the stolen generation, Sid has made it his life's work to support and promote initiatives which keep Indigenous people employed in their own country, and living healthy lives.

In December 2009, Sid was appointed the new Chairman of MRM's Community Reference Group (CRG) and says he is keen to see Indigenous employment numbers, and training opportunities, continue to grow in the region.

His own business, S&J Earthmoving, is one of the largest of its kind in northern Australia and has been committed to Indigenous training and employment since he founded the company with his wife more than 30 years ago. The business, based in Darwin, is now run by his two sons Robbie and Shannon and known as CDE Capital Pty Ltd, which is the largest Indigenous owned and managed mining and civil construction company in Northern Territory.

Sid says he enjoys his new role on the CRG and the level of detail provided to members on the extent, and progress, of community partnerships underway in the region.

"The meetings are very good. You know where the MRM Community Benefits Trust money goes to and how it's helping the community," he said.

"Indigenous training and employment is also very good at MRM. They give people a chance to go and get work, local people especially.

"They are the leaders of this, all over the country. I'd like to see this go further.

"I would like to make a special mention of the efforts of Brian Hearne, Ettiennne Moller and Chris McCleave, who have been able to provide the opportunities and ongoing support and encouragement to the local community."

Sid says making a future for young people in the region is all about training – and respect.



CRG Chairman Sid Rusca.

"You've got to have respect, and respect for other people," he said.

"Education and training are key to this. I look forward to the opportunity to assist and work with MRM when we open the Sid Rusca Training Academy at Noonamah this year, developed for Indigenous people to learn and achieve Certificates II, III and IV in Civil and Mining Operations

"We are also working towards establishing Indigenous civil construction businesses in communities across the Northern Territory and Borroloola is one of those where this will be worthwhile."

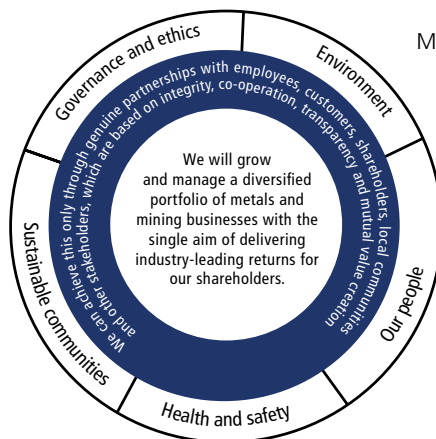
Sid said these initiatives form part of the Indigenous program with CDE Capital, Department of Education Employment and Workplace Relations, NT Department of Business and Employment and Department of Lands and Planning, and that MRM will play a part in this in the surrounding communities.

The MRM CRG was established in 2006 to encourage the sharing of information and ideas between the mine and nearby communities. The group regularly meets with MRM's General Manager Ettiennne Moller and representatives of the senior management team for an update on the mine and its activities.

Sustainability training

MRM's management team further strengthened their understanding of sustainable development (SD) following a one-week course in March, designed to provide an overview of the Xstrata Sustainable Development Assurance Program, Business Principles and Sustainable Development Standards.

Twenty-three staff from across the business, including mining, metallurgy, administration, health, safety and environment participated in the training, alongside representatives from the mine's major contractors, including Emeco, Pacrim, Carpentaria Shipping and Hamptons.



Our approach to Sustainable Development.

MRM General Manager Ettiennne Moller said the training was undertaken to provide key leaders in the workforce with a clear understanding of the intent, requirements and expectations of the company's SD standards.

"Sustainable development is everyone's responsibility and this training further empowers the leaders of our business groups to identify and evaluate risks and opportunities and meet our performance targets," he said.

TRUST ANNOUNCES 2010 COMMUNITY CONSULTATION DATES

The MRM Community Benefits Trust has announced its 2010 community consultation dates, which will assist the Board of the Trust to identify community priorities for the 2010/11 financial year.

The consultation sessions, led by Trust Project Officers Jane Lawton and Dan Tillman, will be divided into four core focus areas – women, youth, business and organisations, and community.

“The consultations will provide important information to attendees of the outcomes of approved projects for the current financial year, as well as identify opportunities for new projects and activities in 2010/11,” Jane said.

The following sessions will be held at the MRM Office in Borroloola:

Women	10.30am, Tuesday 25 May 2010
Youth	3.30pm, Tuesday 25 May 2010
Business and Organisations	10.30am, Wednesday 26 May 2010
Community	3.30pm Wednesday 26 May 2010.

For those unable to attend at these times, individual appointments can be arranged for Thursday 27 May by contacting Dan Tillman on 0427 571 628.



Participants at the recent CRG meeting from (left to right: back row) John Lansen, Ettienne Moller, Bruce Joy and Billy Coolibah, (left to right: front row) Sid Rusca, Ronnie Raggett, Frazer Baker, and Neil Pickett.

SNAPSHOT: CRG GROUP MEETING

The MRM Community Reference Group (CRG) met in February to receive an update on current activities, share ideas and undertake a tour of the mining operations.

Led by Chairman Sid Rusca, topics covered during the meeting included an update from the General Manager on the record performance of the mine in 2009 and ongoing improvements in on-site safety.

Also included in the presentation was the official opening of the Borroloola Swimming Pool Complex in November last year and information on opening the MRM Traineeship Program to trainees from other parts of the NT. Other matters of discussion included an overview of the MRM Community Benefits Trust, the work of its new Project Officers and current grant recipients as well as ongoing community sponsorships and donations supported by the mine.

One of the Trust grant recipients, The Smith Family also delivered a presentation to the Group about its various school-based programs within the Borroloola, King Ash Bay and Robinson River communities.

Discussion points raised by the CRG members during the meeting included opportunities for MRM to seek assistance from the community to collect seed for the ongoing rehabilitation program and investigating workplace mentoring opportunities for local school students. The Group also raised the opportunity for an updated Memorandum of Understanding to be entered between MRM and the Borroloola School to support broad employment outcomes within the community.

The next CRG meeting is scheduled for May.

Nathan Roach profile



MRM's newest Engineering/Metal Fabrication Welder, Nathan Roach.

Diversity in the work place; a healthy learning environment; and, the opportunity to work with a great bunch of blokes, equals a recipe for success according to MRM's newest tradesperson, Nathan Roach.

Now a fully qualified Engineering/Metal Fabrication Welder, Nathan enjoys all aspects of his work, especially the opportunity to see a job through to conclusion.

"I like seeing a job through from start to finish," Nathan said.

"Steve (supervisor), will give me a job and say; go and measure that; make that, and fit it! And, I'd go away for three or four days, work everything out, make it, and go and fit it, and, when it's fitted, it gives you a sense of achievement."

Completing a task is confirmation to Nathan that the education he's received during his time as an apprentice at MRM has been beneficial.

"When you've completed a job, you look at it and think that everything you've been taught is working. You're taking things in, you're learning stuff. Once you see that the education you've received is working, it gives you a bit more confidence," Nathan said.

Achieving, it appears, is something that seems to come natural to Nathan, who completed his trade school training at Charles Darwin University with straight eight scores. When you consider that the scale ranges from one to nine - with nine being excellent - Nathan's scores of eights is quite an achievement.

But, he's not content to stop there. Having completed the theory component some months ago, Nathan is now poised to tackle one of the toughest certificates an Engineering/Metal Fabrication Welder can acquire – Pressure Vessel Welding.

"It's the highest welding certificate you can get!" Nathan said.

For now, Nathan has every intention of remaining at MRM, though, when he next presents for work, it won't be as an apprentice, but as a tradesman.

New Indigenous trainees commence at MRM

The arrival of 2010 has brought with it 10 new Indigenous trainees at MRM including, for the first time, three fly-in fly-out trainees from Darwin.

The inclusion of fly-in fly-out trainees is a new initiative to broaden the potential base of Indigenous employees and help the mine achieve its 20% Indigenous workforce participation target.

While the entry-level traineeship program for unskilled employees is only available to residents of the Borroloola region (including members of the Gurdanji, Mara, Garawa and Yanyuwa people), advanced traineeship programs are also now available.

These advanced programs are for job seekers who have higher levels of education, skills and experience. Borroloola residents may also qualify for the advanced traineeships as well as Indigenous residents of other regions on a fly-in, fly-out basis.

MRM General Manager Etienne Moller said the new arrivals complement the mine's 12 existing trainees, many of whom have already moved into new roles within MRM's operations, including administration, open pit mining, mining infrastructure and metallurgy.

"Working with the community to deliver workforce training, and real job opportunities, is integral to our long-term employment strategy and an important part of our commitment to the communities in which we operate," Etienne said.

Over the past four years MRM has been steadily increasing the Indigenous participation rate, from 9.2% in 2006, to 17.4% in 2009.

"This is all part of our commitment to sustainable communities, and a sustainable and skilled workforce," Etienne said.

"Although MRM is predominantly a fly-in fly-out operation due to its remote location, we will continue to focus our efforts and resources on sourcing local employment and traineeship opportunities whenever possible."

Upon completion of their course, the trainees receive a nationally accredited Certificate II in Entry into Mining which is an essential stepping stone to jobs within the mining industry and further career development. At MRM, trainees are offered nine potential career paths.

For more information, download the Pathways to Employment and Traineeship Program brochures from www.mcarthurrivermine.com.au/publications.

Sky high ambitions for young pastoralist



Roley James is the 2010 winner of the MRM sponsored Regional and Rural Initiative Award.

The winner of this year's McArthur River Mining Regional and Rural Initiative Award, Roley James, does not shy away from life's challenges.

At the age of 16, Roley was given the enormous task of managing his family's isolated cattle property more than 200 kilometres south of Katherine for three months, taking charge of seven employees and more than 13,000 cattle while his father was gravely ill in hospital.

The huge responsibility of the experience motivated Roley to increase his knowledge and skill base by taking on extra work experience roles, study and completing a first aid course.

It also opened his eyes to the possibilities of improving the farm's efficiency and productivity – from the sky.

With his father now home and well, Roley has turned his attention to obtaining his Fixed Wing Plane license so he can invest in a Drifter aircraft to assist in monitoring and mustering cattle.

Roley said the experience has taught him that, with a bit of hard work and determination, anything is possible.

"When Dad fell ill, we could have shut down the farm – it was the toughest cattle year in 15 years. But I grew up with Dad telling me stories of kids running stock farms at the age of 16, so I gave it a go," he said.

"At the time, we didn't have a lot of time to think about what was happening, we were pulling very long hours. We'd finish work each day at about 10.30pm and stumble off to bed. I had to fully devote my mind to the farm, or it would be very easy for the cattle to perish.

"We worked 11,600 head of cattle in that three months and processed 3,000 head of weaners."

Roley was announced the winner of the MRM Regional and Rural Initiative Award at the NT Young Achievers Awards gala presentation dinner in Darwin on 10 April 2010 and received \$2,000 from TIO and a trophy.

Roley has been saving for three years to pay for his pilot's license training and these savings, together with the prize money, means he now has enough to take to the sky and start his course.

"Making sure the cattle have access to water is the difference between life and death out here. Once I have my pilot's license, I will be able to monitor all of the bores on the property in about 2.5 hours," Roley said.

"At the moment, it takes about one and a half days of driving to reach all 20 bores."

Roley's sister Bronte won the award in 2009.

"She's pretty happy for me," he said.

MRM is proud to sponsor the NT Young Achiever Awards which, in recognising people like Roley, are encouraging the qualities of initiative, commitment, teamwork and success that are important for business and the Territory. Our congratulations also go to the two other finalists in the category, Sky McFarlane and Nathan Frick, for their outstanding efforts.

NEW FUNDING PROTOCOLS ANNOUNCED

The MRM Community Benefits Trust has released new funding protocols to streamline the way organisations apply for, and navigate, the application process.

Trust Project Officer Jane Lawton said the new protocols provided more comprehensive detail on the what is needed for a successful application.

“To further enhance the process, the Trust has also increased the frequency of the review process and set clear dates and assessment timeframes for applications,” she said.

“These changes are intended to add a more vigorous framework around both the application and review phases of the process to ensure funding is delivered in a timely manner.”

Application closing dates for the three funding rounds in 2010 are 1 May, 1 August and 1 November.

Trust Project Officers Jane Lawton and Dan Tillman will be visiting Borroloola regularly on the following nominated dates:

- 25-27 May
- 22-24 June
- 27-29 July
- 24-26 August
- 21-23 September
- 26-28 October
- 23-25 November

For more information or copies of the new application forms:

Visit: www.mcarthurriverrivermine.com.au/community_benefitstrust.cfm

Email: CBT@creativeoptions.com.au

Phone: Trust Project Officer, Dan Tillman on 0427 571 628.



The Smith Family goes ‘back to school’ with new education programs

Plans are underway for The Smith Family to deliver four new programs funded by the MRM Community Benefits Trust and delivered in partnership with the Borroloola School with a view to supporting education outcomes.

The Trust has approved the allocation of \$192,268 over 2010 to support Experiential Mentoring, a Playgroup Program, the annual Celebrate School in Borroloola event and an expansion of the Breakfast with a Mentor program. This funding is part of a total grant valued at \$618,000 over three years which commenced in 2009. It brings the total amount invested in The Smith Family programs to date to \$255,605.

The first new activity, Experiential Mentoring, aims to help secondary students increase their skill sets and develop pathways to achieve their aspirations when they finish school.

As part of the initiative, students from grades 10, 11 and 12 will travel to Darwin, accompanied by a teacher, and accommodated in pairs with a host family for one week.

While in Darwin, the students will be placed in different workplaces depending on their interests and participate in a range of cross-cultural activities.

Bianca Jurd, a Senior Program Coordinator with The Smith Family, said the work experience and mentoring organised during the trip were focused on helping students to learn basic skills within the workplace and develop aspirations for the future.

“Up to 10 students from Borroloola will fly to Darwin in May in the first of two trips being organised for this year,” she said.

“Their placements will be selected with an eye to job opportunities in the local Borroloola community. These could include hospitality, construction, health, multimedia and tourism.

“During their stay, students will meet various mentors who will share their own study, work and life experiences and in doing so, encourage students to reach their full potential.”

The Smith Family has already organised similar trips to Darwin and Melbourne for 100 students from Ramingining and Alice Springs.

The second activity to receive funding support from the Trust is designed to support parents and carers of young children between zero and five to support their child's development skills.

“The Mobile Play Group is a fun and interactive way to engage parents, and their children, into early years activities, while preparing for school,” Bianca said.

“It will give parents in areas surrounding Borroloola greater opportunity to access early years resources that assist the basic child development.”

The Smith Family has also expanded the ‘Breakfast with a Mentor’ program to the Primary School campus and will support the school to host the second annual “Celebrate School” community event, which showcases students work and highlights career opportunities in the region.

Trust Chairman, Brian Hearne, said the Board was pleased to be able to help The Smith Family continue its work in the community.

“All programs support the Trust's objectives to help improve education outcomes in the region and encourage employment,” Brian said.

Trust pools funds for ongoing support



Funding from the MRM Community Benefits Trust will assist the Roper Gulf Shire Council with maintaining the Borroloola Swimming Pool Complex.

A grant announced by the MRM Community Benefits Trust will ensure the new Borroloola Community Swimming Pool complex will remain in top condition.

In March, the Trust approved \$60,000 to help maintain the pool for the next three years.

Trust Project Officer Dan Tillman said the Roper Gulf Shire Council would use the funds to cover the cost of consumable materials and utilities, such as power and water.

“This latest funding supports the operation of the pool complex as it develops its sustainability as a business enterprise,” Dan said.

“It also supports job creation through employees working at the complex and provides health and leisure opportunities to the community.”

Innova Suggestion System launched at MRM

When Xstrata Zinc concluded a global Employee Survey in 2008, the results revealed a desire by employees to share their ideas on how to improve the business.

To encourage a culture of employee empowerment, the Innova Suggestion System was developed and this year launched to all Xstrata Zinc staff worldwide. Xstrata Zinc will donate two Euros per suggestion to the United National Children’s Fund, UNICEF, regardless of whether the suggestion is adopted or not.

Xstrata Zinc Australia Chief Operating Officer, Brian Hearne, said the new program encourages employees to participate in good management by sharing their ideas on improving the company’s productivity and reducing expenditure.

“You know best what needs to be done in your workplace to help us continuously improve,” Brian said.

“We are interested in your ideas: big or small.”

To qualify for consideration, a suggestion must show and achieve improvement, not merely mention a problem or issue. It must provide a constructive solution. The idea must be practical, efficient, and provide benefits to Xstrata Zinc.

“One has to assume first, that the individual human being at work knows better than anyone else what makes him or her more productive...even in routine work the only true expert is the person who does the job.” Peter Drucker

“Our goal for 2010 is to receive one suggestion from each employee,” Brian said.

You can submit ideas on behalf of either yourself or a team by filling in an Innova suggestion system form available from the Human Resources team or online by logging onto the Xstrata Zinc intranet and following the Innova links. Your suggestion will be reviewed locally by the appropriate managers and in most cases, you will get a response within 30 days.

All ideas will be posted to the Xstrata Zinc intranet.

There are guidelines for ideas that do not qualify so see your manager or HR for more information.

Mill report shows productive 2010 first quarter at MRM



MRM has achieved record concentrate grades in February and March 2010.

The first quarter of 2010 has been very productive from an operational perspective, delivering an increase in the zinc grade in the final concentrate in response to the constrained market for bulk concentrate.

MRM Metallurgy Manager Sam Strohmayer said the shift has resulted in the achievement of record concentrate grades of 50.1% zinc and 50.5% zinc in February and March respectively.

“An additional bonus has been a substantial increase in the production of zinc concentrates, with a record 6200 dry metric tonnes produced in February,” he said.

In other initiatives, the mine’s new Outotec Courier on-stream analyser (OSA) is nearing completion, with early calibration results and comparisons with laboratory data proving very promising.

“The Courier OSA will provide greatly improved online zinc, lead and iron assay data for the flotation process streams, providing improved control and ultimately, improved grade and recovery performance,” Sam said.

The Ammtec pilot plant has been installed and is ready for trials to produce alternative concentrates, particularly improved zinc concentrates.

This pilot plant study follows on from extensive laboratory tests conducted by Steve Riley, Manager Metallurgical Support, and will look at providing viable alternative concentrate products to diversify MRM’s market.

“A new Larox pressure filter is also on its way and will provide an additional 15% production capacity as a result of its larger chambers,” Sam said.

“The new filter also has significant design improvements on the current filters, which will provide greatly improved operational and maintenance conditions.”

IMPROVED TRENDS IN INCIDENT REPORTING

While the occurrence of incidents that affect occupational health and safety is never good, the reporting of them is, as lessons can be learned and shared with both local employees and contractors.

MRM has a good culture of reporting incidents and during the first quarter of 2010 the mine recorded an increase in medically treated injuries, mostly relating to small lacerations to fingers.

To help prevent similar incidents occurring in the future, information has been shared with employees during inductions and in general discussion in toolbox meetings.

Mining operations exceed Q1 production targets



MRM open pit has had a very productive start to the year.

Mining in the MRM open pit has had a very productive start to the year, exceeding production targets and achieving good water management results during the wet season.

MRM Mining Manager Chris McCleave said actual production reached 5.5 million tonnes – well above the planned extraction target of 4.7 million tonnes.

“With the wet season coming to an end, we have been able to evaluate the success of the strategies we put in place to manage water in the operating areas,” Chris said.

“We’ve received a lot of rain and we are very pleased with the overall performance and minimal loss of production during this time.

“This was achieved through the construction of drainage systems on and around the Western Overburden Emplacement Facility and continued work at the Northern Overburden Emplacement Facility to ensure all drainage water made its way into the designated dams.”

MRM also continued to focus on wall stability in the open pit during the wet season, with working areas routinely checked for loose material.

ESSENTIAL MRM FACTS

1 13 apprentices in training at MRM in 2009.

2 17,000 head of cattle range freely across the 8,000km² McArthur River Station Pastoral Lease the mine is situated within.

3 More than 700 fish tagged since the introduction of fish surveys in 2006.

4 9,507ML of water recycled or reused in 2009.