

# MEMORANDUM



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## MRM releases 2008 Sustainability Report



MRM has released its 2008 Sustainability Report summarising the mine's action in balancing the economics of the business with its environmental responsibility and commitments to the MRM workforce and the community.

MRM General Manager, Ettienne Moller, said the mine was pleased to report the MRM team had achieved greater than anticipated results in many areas.

"Our Indigenous trainee numbers, sponsorship and donations investment and our spend with local Northern Territory (NT) suppliers had all increased," Ettienne said.

"Importantly, environmental monitoring is showing MRM's significant investment in getting the design for the McArthur River Channel and rehabilitation plans right has been extremely successful.

"Data shows fish numbers are high and new plants are flourishing, with good survival rates among the more than 23,000 plants used in rehabilitation.

"Our work relating to community investment in the Borroloola region was also significant. We have established Borroloola's first renal dialysis unit, significantly progressed the construction of the Borroloola swimming pool and continued to invest in projects that positively benefit the community through the MRM Community Benefits Trust.

"This was in addition to sponsorships and donations of other projects in the areas of community development, art and culture, sport, employment and training, education and health," Ettienne said.

For a copy of MRM's 2008 Sustainability Report:

- Visit MRM's office in Borroloola
- Go to [www.mcarthurrivermine.com.au](http://www.mcarthurrivermine.com.au)
- Phone: 08 8975 8216 (MRM Community Relations Department).

### MRM'S SUSTAINABILITY HIGHLIGHTS FOR THE 2008 CALENDAR YEAR

#### Our environment

- \$2.6 million spent on environmental programs, an increase of 62.5% from 2007
- Energy consumption reduced by 13%
- The NT Government-appointed independent environmental monitor found MRM demonstrated a high level of environmental management.

#### Our people

- Increased investment in training and education to \$1.07 million and improved safety performance
- Indigenous workforce participation reached the 20% target at the workforce's peak
- Accepted 21 trainees into MRM's Indigenous Trainee Program.

#### Our community investment

- \$2.7 million committed to the MRM Community Benefits Trust
- \$314,620 invested in sponsorships and donations in the areas of community development, art and culture, sport, employment and training, education and health
- 23% increase in economic benefits to the NT with \$138.4 million spent on wages, goods and services and community partnerships.

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## A message from the General Manager



**Etienne Moller**  
General Manager  
McArthur River Mining

This edition of MemoRanduM provides a snapshot of the significant work we are doing in the areas of developing our people, community investment and environmental management as one of the largest employers in the Northern Territory.

For the team at MRM, the focus for the year-to-date has been to build on the solid progress we have made in all these areas since the mine re-opened in February 2009, following approval by the Commonwealth Environment Minister.

I am pleased to say we are getting it right in terms of building and maintaining a sustainable business for the future.

Our total recordable injuries, lost time injuries and disabling injuries all fell from 2007 and we have continued to invest

a significant amount of money in training and education programs for our people.

Our broad and regular engagement with the Borroloola community continues. This has included regular meetings with our Community Reference Group and community research to help us understand their key priorities.

A meeting held in June provided valuable information which has helped develop the funding priorities for the MRM Community Benefits Trust. This information is included in the Trust's 2009/10 Annual Plan.

In the area of environmental management, our program of works has been expanded to ensure we continue to operate in a manner that preserves the long-term health, function and viability of the natural environment in and around our operations.

Importantly, clear evidence has been obtained, through independent monitoring results, that our work in this area has been successful.

Looking forward, we will continue to focus on the economics of our operation, the role we play in enhancing the quality of life of our local community and being a leader in environmental performance.

In doing this, we will ensure our resources are carefully targeted at managing the issues which most affect our long-term success.

## Trainee success continues

MRM's nationally-accredited Indigenous Training Program has continued to build on recent successes, with eight new people joining the program.

Recruited from the local Borroloola community, the new trainees wasted no time adjusting to 'mine-life' and have completed mandatory programs including:

- Site General Induction
- Cross Cultural Awareness
- Assessment for the on-the-job Workplace English Language and Literature (WELL) program.

The new trainees' arrival coincided with the elevation of existing program members. Gareth Madsen and Russell Thompson are now completing their Certificate II: Entry into Mining program as active members of an operational mining crew.

Gareth and Russell will be joined by three more trainees who are about to complete training on MRM's innovative, \$1 million heavy machinery simulator.

MRM's Certificate II training is a nationally accredited program, offering local Indigenous residents an opportunity to secure long-term employment at the mine.

It is a base-level qualification that makes trainees eligible for promotion to other roles within the mining industry and is an essential stepping stone to further skills development, bearing in mind that many positions within the mine's workforce require considerable training and years of experience.



Gareth Madsen (top), and Russell Thompson learn how to operate heavy machinery as part of their traineeship with MRM

There are several successful cases of trainees undertaking the MRM traineeship program in previous years and who are employed in real jobs and ongoing career development programs. These include a 4th year Apprentice Boilermaker, 4th year Apprentice Carpenter, a fully qualified Carpenter, Processing Operator and Maintainer, two Mining Machinery Operators, and two who are working within the traineeship program itself.

### Outcomes achieved in 2009 financial year

- 26 trainees employed
- Two joined operational crews
- 15 are continuing to undertake the Certificate II in Entry into Mining program
- 14.7% Indigenous workforce, up from 9.2% in 2006.

# Managing a sustainable milling operation

While MRM's mill consumes the majority of power at the mine to grind ore and unlock its valuable zinc and lead minerals, the science behind the process ensures MRM delivers a world-leading product in an efficient and sustainable way.

Run of Mine ore is trucked from the open pit to the mill where it goes through three stages (Primary, Secondary and Tertiary) of crushing and screening, grinding, flotation and dewatering.

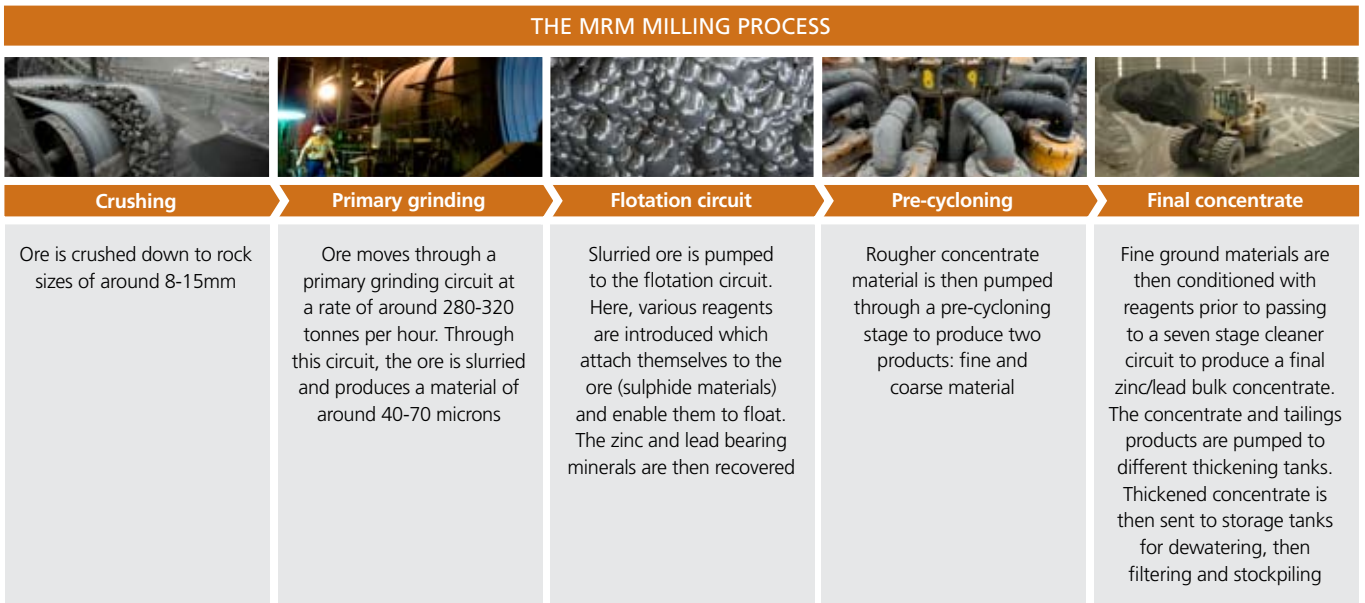
In a world first, cutting-edge milling technology developed by Xstrata and installed in the early stages of MRM's milling process has significantly improved the mill's energy efficiency as part of a \$50 million dollar upgrade project completed in 2008.

Xstrata's Isamill technology has double the efficiency of conventional grinding methods and generates up to 10% higher yield, enabling additional production from existing power generators.

Through the introduction of two M10,000 Isamills, MRM is well on the way to achieving its target to reduce its base-load electricity demand by 10%.

As well as grinding, water also plays a key role in the flotation separation process at the mill, so MRM has continued to focus on water efficiency as part of the milling operation.

A significant amount of water is required to dilute the flotation pulps to the ideal density which ensures unwanted minerals, such as silica, are removed from the concentrates. MRM has maintained its recycled water rate of approximately 95%.



## Profile

In 1992, Jason Eecen relocated to the NT from Cairns, spending a few years in Tennant Creek, before moving to Darwin and joining MRM in 1997.

Like most newcomers to the milling process, Jason started in the reagents shed.

During his 12-years with MRM, Jason progressed through what he likes to call 'the production circuits', occupying a position as Shift-Supervisor for four years.

Today, Jason can be found heavily involved in a Safety and Training role with MRM's mill personnel – it's a role he enjoys.

According to Jason, it's the diversity he likes most about his working day.

"There is always something new," Jason said. "The process is technically challenging and you get to work with a group of people who are prepared to help each other to make everyone's role easier."



Jason Eecen at work

## Borroloola kids close to taking a much anticipated dip

Work on the Borroloola swimming complex has hit the home straight with the pool about to be filled with water.

At the start of 2009, all that existed were two concrete shells and the foundations of the service buildings.

Now, thanks to the efforts of all those involved from MRM, the transformation of the complex has been significant.

Construction in recent weeks has focused on finalising fittings for the filtration system, tiling both the wading and large pools and completing the administration and amenities buildings.

With these tasks now complete, MRM as Project Manager is focused on securing the facility and landscaping the complex.

Completion time is estimated to be around late-September 2009 and MRM is working hard to ensure this target date is met.

For the children of Borroloola, the anticipation is beginning to grow.



Children from Borroloola inspect the new pool

## Renal Unit handed over

The Borroloola Renal Unit is now officially the property of NT Renal Services.

The facility was handed over by MRM General Manager, Etienne Moller, at a ceremony held in Borroloola.

MRM constructed, installed, and specially fitted out the facility to the specifications provided by NT Renal Services.

Etienne said the facility allows local residents requiring ongoing dialysis treatment to be able to access services in their home community.

"The impact of dialysis dependence currently has serious implications not just for patients but also their families and communities in this area," Etienne said.

"Previously, patients requiring dialysis had no option but to leave their homes to receive treatment in Darwin or Katherine.

"Fortunately, those who require treatment now, and into the future, will be able to dialyse at the Borroloola facility, rather than relocating to another centre," he said.

With statistics revealing the high incident rate of kidney disease amongst Aboriginal and Torres Strait Islander people, the construction of a self-administering dialysis facility in Borroloola is a positive move forward for the community.



MRM General Manager, Etienne Moller, hands over the Renal Unit key to NT Minister The Hon Gerald McCarthy, former Principal of Borroloola School

## MRM Community Benefits Trust 2010 Grants (as at July 2009)

Grant recipient	Project	Benefits	Status
King Ash Bay Fishing Club	Fish Monitoring Project	Business development and environment	Approved
National Trust	Update facilities at the Borroloola Museum	Culture and art	Approved
Malandari Partnership (MAWA and Mabunji)	Acquisition of the Borroloola Bulk Discounts Store	Business development, job creation and health	Approved
The Smith Family	Youth mentoring program	Education	Approved
McArthur River Mine	Indigenous employment and training strategy	Job creation	Approved

### Clear priorities for MRM Community Benefits Trust

The Board of the MRM Community Benefits Trust has approved its Annual Plan for 2009/2010 which focuses on four priorities revealed through consultation with the Borroloola community.

A community meeting held in June, and ongoing discussions between the Trust's Project Officer and community representatives, highlighted the need for action in the following areas:

- Attracting and retaining Indigenous employees to MRM
- Establishing a family and health support program to address social issues within the region which create barriers to long-term employment and school attendance
- Conducting an audit of potential opportunities for enterprise development and identifying people within the region who have an interest in business
- Building an indoor sport/community centre and associated infrastructure such as a tourist information centre, internet facility, and rooms for the delivery of life skills training.

The Trust's officers will now work with community members, Northern Territory Government and the private sector to develop projects that address these areas.

This is in addition to grants with a total value of more than \$2 million already approved to be funded during the 2010 financial year, and expected to deliver a broad range of benefits.

Trust Chairman, Brian Hearne, said the commitment to an Annual Plan ensures the Trust remains focussed on helping the community achieve its vision for the future.

"The community has told us of their vision for a vibrant, thriving, healthy region," Mr Hearne said.

"Each year, it is our responsibility to make sure the Trust is helping the community to take steps towards achieving that long-term vision."

The vision was identified through community engagement activities supporting the development of the Trust's inaugural Annual Plan for 2008/2009.

MRM is committed to investing in the order of \$32 million over the life of mine (expected to be until 2027) to support the sustainable development of the community and the region. The charitable Trust supports projects in the areas of education, business and job creation, health, culture and art, environment and community.

To find out more about the Trust and how to can get involved visit: [www.mcarthurrivermine.com.au/community\\_benefitstrust](http://www.mcarthurrivermine.com.au/community_benefitstrust).

### Shooters aim 'Down the Line'

The MRM sponsored 'Down the Line' team from the NT Clay Target Association, recently achieved one of its best results at the National Clay Target Championships held in Roma, Queensland.



The 'Down the Line' team

Held over eight days, the national competition attracted more than 600 competitors, with the NT Open Team placing sixth and the Women's Team achieving fifth place overall.

Undoubtedly, the most outstanding achievement was by Paul Drennan, who won two of the eight national championships: the National Double Rise and the National High Gun. Paul also made the All Australian Team (top ten in Australia) and the Australian MacIntosh Team.

The 'Down the Line' team consisted of shooters from all regions of the NT, including:

- Dave Howe and Rachael Fox from Darwin
- Steve Morris and Tanya Laker from Alice Springs
- Rob Yeo, Espen Filskov and Narelle Cook from Nhulunbuy
- Paul Drennan from Katherine.

As a proud sponsor, MRM would like to congratulate the 'Down the Line' team members on their hard work and success against such tough competition.

## Daly Waters Rodeo hits town

It's rodeo season in the NT and Daly Waters was the place to be in May. Cowboys young and old gathered to test their skills against some of the roughest stock of the region.

The small township of Daly Waters came alive during the annual rodeo which attracted competitors and visitors alike. MRM has been a proud sponsor of the rodeo for the past three-years, and the organisers declared the 2009 event a great success.

For the more serious competitors, it was the lure of the prize money that made them travel hundreds of kilometres to compete. But for many, the social gathering and the opportunity to simply participate and do the best they can was the biggest attraction.

The blue ribbon event of the rodeo was the Open Camp Draft. This year the successful riders (and their horses) were:

- 1st place – Gary Faulks on 'Casey's Cadet'
- 2nd place – Ronnie Wall on 'Ono'
- 3rd place – Gary Faulks on 'Policy'
- 4th place – Gary Faulks on 'Buster'
- 5th place – Tony Moran on 'Charlie'
- 6th place – Jodie Hart on 'Mags'

## Fish numbers high in McArthur River

During the early dry season in April 2009, MRM undertook the first fish survey since the McArthur River Channel was completed and following a successful wet season, with some very encouraging data recorded.

Environmental monitoring has shown the significant investment made in the design of the channel and rehabilitation plans has been highly successful in supporting habitat growth, with fish numbers at high levels.

MRM Health, Safety and Environment Manager, Gary Taylor, said monitoring fish numbers, and in particular protecting the Freshwater Sawfish population, has always been a key part of MRM's environment management program.

"Three years of sampling has provided strong evidence that population numbers, are stable and strong at the many sites sampled up and down stream of the mine," Gary said.

"In April, we placed a greater focus on survey locations within the channel to determine whether it has provided a suitable passage for fish."

## Monitoring work continues

Paul Barden from Ecological Management Services recently undertook dry season riparian bird monitoring as well as a second round of aquatic macro invertebrate sampling.

MRM's bird monitoring program checks for changes in the population of birds in the area surrounding the mine. Data collected is compared with other local sites which have not been disturbed by mining activities. Monitoring includes banding of birds on indicator species like the purple crowned fairy wren.

In the rodeo events, Brad Murphy completed the double by winning the Open Bronc Ride and Best All-Round Cowboy, and Stephen Bethel ensured the livestock didn't have it all their own way by going the distance and winning the Open Bull ride.



Thrills and spills at the 2009 Daly Waters Rodeo



The new Barney Creek channel during the wet season

In all, 30 sites were sampled around the mine during the April survey and 565 fish were caught. Of those, 151 fish were tagged and three previously tagged fish were re-caught.

"Importantly, during this study, two Freshwater Sawfish were caught upstream from the new channel.

"Due to their small size and fading umbilical scars, it was evident they were first year juveniles and had travelled through the channel in the most recent wet season floods.

"Juveniles of a further six species of estuarine species were also recorded above the channel. These included; Milkfish, Common Silver Belly, Barramundi, Tarpon and the Spotted Scat," Gary said.



A purple crowned fairy wren

## MRM sends revised monitoring plans to the Commonwealth Government

MRM has submitted a revised Sawfish Monitoring Plan, a new Migratory Bird Monitoring Plan and a Commonwealth Environmental Monitoring Plan to the Commonwealth Environment, Heritage and the Arts Minister, The Hon Peter Garrett.

These plans were submitted in response to new conditions set out as part of Minister Garrett's decision to approve the open-pit development in February 2009.

The Commonwealth Environmental Monitoring Plan required MRM to produce a schedule for monitoring marine water, surface water, groundwater, fluvial sediment, dust, soil and erosion.

Minister Garrett's department has accepted these plans and requested some additional information about the mine's methodology for assessing data. MRM is currently providing this information.



McArthur River Station undertook its first round of mustering for the season, with a second to be completed once all perimeter fences have been repaired following damage caused by the wet season

## HSEC Initiative Award

MRM's first Health, Safety, Environment and Community Initiative Award for 2009 has been presented to Glen Rasmussen from Nedrill for his innovative emulsion extractor.

Glen designed and implemented the extractor which removes emulsion from overfilled holes in a way that is ergonomically friendly. The device was developed using several pieces of PVC pipe and a valve which uses suction to remove the unwanted liquid.

For the blast crew, the benefit of using the inventive tool is that it prevents them from potentially coming into contact with the emulsion. Previously, the crew would have to place PVC pipe into the hole, and using a flat object, create a suction or vacuum to remove the emulsion.

Along with making the process safer, the emulsion extractor speeds up the removal process and is lightweight, cheap to produce and easy to use.

A Leatherman Wave tool was presented to Glen in recognition of his innovative solution at the Mining Crib Hut as part of a Mining Safety Toolbox meeting.



Glen Rasmussen with his emulsion extractor

## Mining Department achieves great safety results

A total of 700-days free from Lost Time Injuries, over 100-days without a Recordable Injury, plus an expansion of the mining operation, have MRM's Mining Department excited about the future.

Already ahead of their production schedule, this year MRM's Mining Department has moved 1,046kt of ore for processing while a further 3,842kt was removed as overburden.

The figures are already ahead of MRM's yearly forecast, with a significant increase in tonnage still to be moved during the remainder of the year.

MRM has increased its annual ore production targets from 2.0 million tonnes to 2.2 million tonnes for the next three years.

This increase in production will require an additional 7.5 million tonnes of waste material moved this year from a new pit stage adjacent to current pit operations.

To accommodate this increase in production rate, MRM is recruiting an extra 40 full-time positions in the Mining Department.

And, in keeping with the anticipated expansion works, Airnorth's flight schedule has been expanded to four-days per week on the Darwin to MRM route.

Along with work in the new pit stage, an associated capital project has commenced, with a water storage dam and a water management bund to be constructed to ensure water does not enter the working areas during the wet season.



Open-pit operations at MRM

## New MRM website goes live

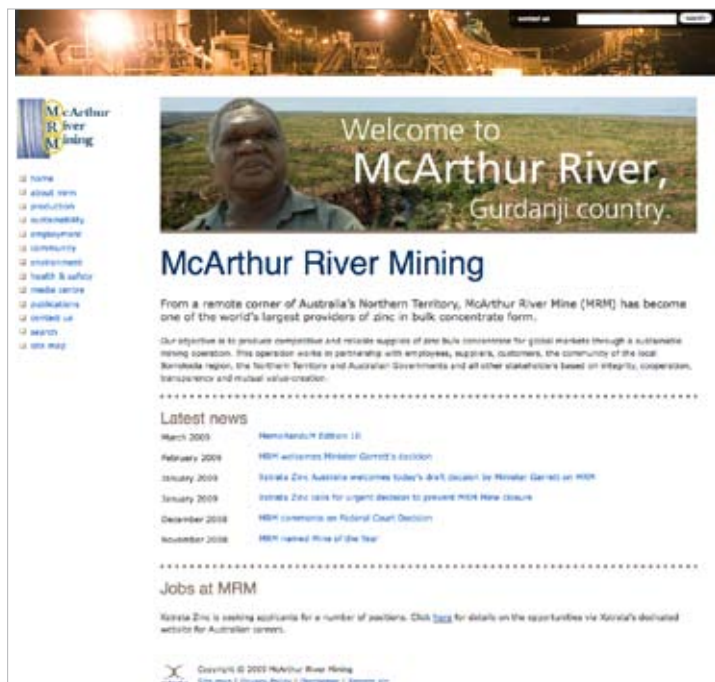
MRM is pleased to announce its new website is now live. Along with a new address [www.mcarthurrivermine.com.au](http://www.mcarthurrivermine.com.au), the website has undergone a complete revamp and includes plenty of information on all aspects of the business.

Structured in a format that is simple to navigate, the site offers easy access to information about MRM's operations including details of its Sustainable Development Framework. It now showcases the mine's commitment to Indigenous employment, the health and safety of all employees and environmental protection.

The site is also a point of reference for all the latest mine news. The homepage includes quick links to the most recent MRM media statements and publications including the 2008 Sustainability Report.

A new feature of the website is the ability to subscribe to receive copies of MRM media announcements and other publications immediately as they are released.

To subscribe please go to [www.mcarthurrivermine.com.au/contact\\_mailinglist.cfm](http://www.mcarthurrivermine.com.au/contact_mailinglist.cfm) and to provide any feedback about the website, please click onto the Contact Us page.



## ESSENTIAL MRM FACTS

<p>1 \$2.6 million spent on environmental monitoring programs in 2008.</p>	<p>2 21 trainees accepted into MRM's Indigenous Trainee Program in 2008.</p>	<p>3 More than \$2 million committed to 2009–2010 grants by the MRM Community Benefits Trust.</p>	<p>4 565 fish counted in April 2009 as part of MRM's environmental monitoring program.</p>
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