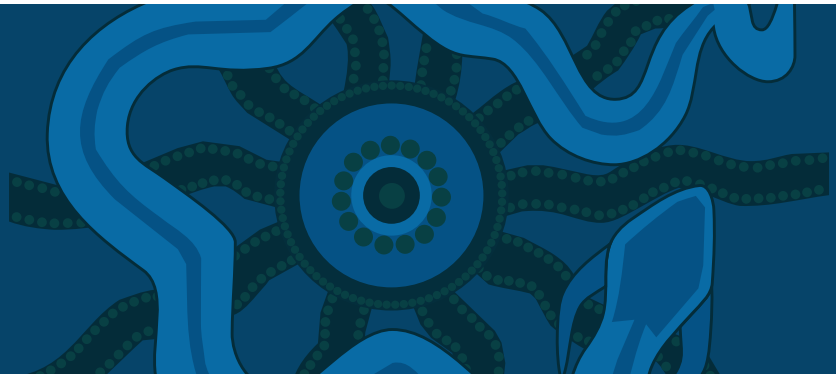




NPC

Northern Project
Contracting



CAPABILITY STATEMENT





WELCOME TO NORTHERN PROJECT CONTRACTING

OUR VISION

STRIVING TO BE AUSTRALIA'S MOST SIGNIFICANT AND DIVERSE INDIGENOUS EMPLOYER.

OUR MISSION

TO ACHIEVE BUSINESS GROWTH WITH STRONG COMMERCIAL OUTCOMES, ENSURING SUSTAINABLE INDIGENOUS COMMUNITIES AND CAREER OPPORTUNITIES ACROSS ALL LEVELS OF BUSINESS FOR INDIGENOUS PEOPLE.

Northern Project Contracting (NPC) is one of Australia's most progressive companies providing contract services to the mining and civil construction industry, while offering local indigenous communities the opportunity to take part in wealth-generating activities on traditional lands.

We employ local Aboriginal people where possible, and our workforce is currently 80 per cent Indigenous at all levels. We also run highly successful Indigenous labour hire contracts,

which benefit both local communities and employers. Meanwhile, we are breaking new ground in finding ways to deliver advantages from mining and civil contracts to the broader community. We know that having a successful business ensures we can support our community and social goals.

We specialise in:

- Contract crushing and screening
- Contract mining
- Concrete batching and plant hire
- Revegetation, rehabilitation and regeneration of disturbed environs
- Road building
- Site preparation and rehabilitation
- Landscaping
- Supply and delivery of road construction materials
- Earth moving and medium-scale earthworks
- Certified training in mining and civil construction

NPC had its origins in the Gulf Communities Agreement, signed by the Queensland State Government, Zinifex

Century Mine (now Minmetals - MMG Century) and the traditional owners of the land, as well as other Indigenous groups with a stake in the mining operation.

The agreement aimed to give local Indigenous communities due benefits from mining on their traditional lands, and to reconcile the interests of government, industry and Indigenous communities.

NPC is a local response to ensure local Waanyi and other Indigenous people secure benefits from the wealth created by mining on their traditional lands, and to guarantee some of this wealth and experience stays in the local community.

In 2003, the Waanyi people established Waanyi Mining Services (WMS) and joined with an experienced mainstream mining contractor to form NPC as a joint venture company. Three-and-a-half years later, it became clear that WMS had the cash and the management skills to take control of the business.

Today, NPC continues to grow and strive to be a leader in the civil and mining industry - the first of its kind in the country.

CAPABILITY INFORMATION

MAIN BUSINESS ACTIVITIES AND INDUSTRIES SERVED

We are a multi-site operation, providing contracting and training services to various clients throughout Australia. Specialising in Indigenous labour hire, crushing and screening services, machinery hire, rehabilitation services, and civil earthworks, our vision is to be Australia's most significant and diverse Indigenous employer.

PRODUCTS AND SERVICES AND INDUSTRIES SERVED

INDIGENOUS LABOUR HIRE

Through our indigenous labour hire division, we aim to transition Indigenous people from the communities in which we operate into our workforce. We train and employ Indigenous people as plant operators and our current labour hire pool works throughout Australia, including operating a range of machinery, such as dozer, excavators and haul trucks, for MMG Century mine.

CRUSHING AND SCREENING SERVICES

Our major crushing and stemming contracts include crushing more than 400,000 tonne of overburden and waste rocks from MMG Century Mine, and stemming blast material for both the mine and the Queensland Department of Roads. On top of this, we provide other crushing and screening services for mines, state and local governments.

MACHINERY HIRE

We hire out a range of machinery - including a Caterpillar 993K wheel loader, Caterpillar 992G wheel loader and Caterpillar D10 crawler tractor - to MMG Century mine; and we have the capacity to quickly acquire additional machinery in times of high demand.

REHABILITATION SERVICES

Our environmental strategies are a key business focus, which is why we provide mine rehabilitation and revegetation services. These contracts ensure a sustainable economy for Indigenous communities and provide work beyond the life of the mine. Currently, we are working with MMG Century mine to assess options for capping waste dumps and the tailings dam.

CIVIL EARTHWORKS

We work with project partners to undertake a variety of civil projects including road building and civil construction earthworks.

PREFERRED BUSINESS

We prefer work that provides opportunity for local Indigenous employment and development. For example, at MMG Century mine, we have long-term contracts that enable an investment in capital and human resource development. Such investment is critical to developing our Indigenous workforce – and aligns with our preferred clients' corporate social responsibility strategies.

OUR FIRM'S APPROACH

NPC's vision is to be Australia's most significant and diverse Indigenous employer. To achieve this, we aim for business growth with strong commercial outcomes, contributing to sustainable Indigenous communities and providing career opportunities for Indigenous people across all levels of business. The values that we embrace have been embedded through our workforce and include:

- Total commitment to safety
- Creating opportunity for career advancement
- Reliability, honesty and integrity
- Treating everyone with respect and dignity
- Taking responsibility for actions
- Achieving our targets

COMPETITIVE SKILLS

NPC is a community-owned Indigenous business specialising in Indigenous engagement and providing clients with a channel to increase the level of Indigenous participation in projects.

EQUIPMENT

We have the following equipment:

- Caterpillar 993K wheel loader
- Caterpillar D10 crawler tractor
- Caterpillar 992 G wheel loader
- Caterpillar 330C L hydraulic excavator
- Caterpillar 12H motor grader
- Caterpillar TH62 US telescopic forklift
- Caterpillar 972G wheel loader
- Terex Finlay C-1540 cone crusher
- Screening plant
- Jaw crusher

Additionally, we have the capacity to invest in further machinery to support customer demands. For example, we are currently assessing the viability of a \$10-\$15 million investment for the resources industry in North West Qld.



SPECIALISED CAPABILITIES

Most major resources companies aspire to increase the level of Indigenous employment and contracting businesses in their projects. As a community-owned Indigenous business, NPC has matured and grown over the past eight years into a niche mining services contractor that is successfully competing with mainstream business.

We set the bar high and continually accept the challenge of forging positive change – through economic and business development - in the lives of people living in remote Indigenous communities. When you do business with NPC, you are not only engaging with a professional business, you are also assisting to “close the gap” on Indigenous disadvantage through your investment in Indigenous communities and the future of their people.

PROPRIETARY PRODUCTS

We have recently established the Community Business Partnership model, strengthening our capacity to service larger projects. This model sees us expanding through by partnering with Indigenous communities throughout Australia and overseas.

This unique and revolutionary business model provides Indigenous communities with the opportunity to participate in a range of diversified economic activities in their own region through a partnership with NPC - an Indigenous business that shares the same cultural values.

Our role is to provide key business services that many Indigenous communities have difficulty in securing, such as:

- A diversified board providing governance stability and proven business success



- Quality management and operating systems tested through internal and external audit
- Excellent banking relationships and credit history enabling access to finance
- Proven skills and experience that demonstrate capability rather than aspiration

Critically – and most importantly - we provide Indigenous communities with the ability to get started.

CERTIFICATIONS HELD

We are prequalified with MMG Century mine to deliver our existing contracts, and we participate in regular and stringent audits to test our health, environment, safety and quality systems (HESQ). Our Site Co-ordinator (HESQ Management) ensures compliance, continuous improvement and the embedding of our systems throughout our operations.

We are currently working through the process that provides certification in ISO9001, ISO14001 and AS4801, expected to be completed during 2013.

Prequalification with various companies occur on an “as required” basis and we are in the process of preparing for prequalification with Rio Tinto.

EXPORT CAPABILITIES

NPC does not currently export services. We are in discussion, however, with community groups in South America and Papua New Guinea about the Community Business Partnerships model and the establishment of joint ventures in mining services contracts.



SOFTWARE USED

As we currently provide services to a small number of clients, our technology systems employ basic software solutions.

Through our Community Business Partnerships model, however, we will be operating in an increasing amount of locations and expect an increase in the level of complexity. With that in mind, we have begun to look into options for a new Enterprise Resource Planning (ERP) system to integrate our financial management systems across multiple sites, as well as incorporate stronger internal control systems in supply chain, human resource and project management.

CAPACITY LEVELS

GOVERNANCE

Our board of five directors comes from both professional and Indigenous appointments. Two of the roles are executive positions. The board has adopted and follows strict governance guidelines, which are enshrined in our governance charter.

The board is supported by a number of committees:

Monitoring Committee:

Comprised of 3 independent members with relevant expertise, and with a general governance role in the relationship between Waanyi Nation Aboriginal Corporation (the community corporation that owns NPC) and its owned entities, this committee ensures that the risks of community-based issues unnecessarily interfering with the commercial operations of NPC is minimised. It currently consists of a Barrister, a Chartered Accountant and an experienced mining industry representative.

Audit and Risk Committee:

Established to assist the Board to effectively discharge its responsibilities for financial reporting, internal control structures, internal and external audit functions and risk management systems.

Investment Committee:

Established to assist the Board to effectively discharge its investment responsibilities. An independent group tests all investments over a certain threshold to ensure they meet approved due diligence criteria.

MANAGEMENT

Two executive directors support Chief Executive Shaun Clark in the management of the business.

The other key roles supporting Mr Clark include:

Evan Parrish	Finance Manager
Rachel Li	Assistant Accountant
Jack Bulman	Community Development Manager
Argent Group	HR Support
Charlene Cressbrook	Administration

OPERATIONS

We have about 35 people working in our operations at MMG Century mine and providing our core services.

Key management positions in the on-site operations include:

Brian Arnett	Site Manager
Mark Donohue	Site Co-ordinator

Recently, we have increased our site management capacity to allocate technical support for our emerging businesses in the Bowen Basin and Western Australia.

We are in a strong financial position and are able to significantly expand our operations. We have a close working relationship with our financiers, Westpac Banking Corporation, and have substantial funds pre-approved for investment.

PREFERRED MAXIMUM VALUE OF WORK PER JOB

We currently generating sales in excess of \$20 million a year, and we are working towards a pipeline to generate sales of \$50 million a year within the next three years. Through existing earning and the strength of our balance sheet, we have the financial capacity to achieve this target.

AREA OF OPERATION OF SUPPLY

While we currently service North West Queensland, we have recently established partnerships in both the Bowen Basin region in Central Queensland and the Kimberley region of Western Australia.

We intend to locate managers in each of the regions in which we operate, and we expect to appoint State Managers in Queensland, Northern Territory and Western Australia in 2014.

Our local content policy ensures that we establish agreements for maintenance and supply of business services with local suppliers where possible.



TRAINING AND SKILLS

Our culture encourages employee development, morale and performance because we know that strong team and individual performance have a critical impact on the quality of all our work. Thus, small and incremental change in the capability and performance of our employees can translate to significant gains in productivity and an increasing return on investment.

Since effective management and planning for employee performance is crucial for us to achieve our goals, our management team strives for a culture that allows us to work with employees to strengthen their capacity. We believe in giving our people the understanding that they can make a difference - because if they do, they surely will.

We have developed a robust Employee Development Framework (EDF), which sets out clear key areas of responsibility within the business, and provides performance standards to assist our managers continually develop staff capability for the benefit of both the individuals and the company.

The EDF supports our mission of creating career opportunities across all levels of the business for Indigenous people from communities in which we operate.

Meanwhile, we have established relationships with universities and registered training organisations to ensure any training provided to our employees is nationally-accredited and delivered within the framework of the EDF.

We are introducing an Enterprise Resource Planning system, which will include a register of potential employees by both skill set and region. Subcontractors and consultants will also be identified in the system to allow quick response times to critical events or emerging opportunities.

Many mine sites are located in regions close to Indigenous communities, representing a significant opportunity for resources companies to meet future skill shortages. As an Indigenous community-owned company, we understand the complex issues of employing people from these, often remote, communities. But we take the view that these issues create an opportunity to address them in a different and positive way.

We have introduced a community-based social enterprise program aimed at transitioning people from Indigenous communities into both our workforce and the workforce of resource companies operating in the region. This innovative program is based on commercial criteria to create ongoing sustainability and remove any reliance on grants.



TRACK RECORD

LEADING PROJECTS COMPLETED AND MAJOR CLIENTS

NPC has two major clients, with smaller projects undertaken on an as-required basis. Projects include:

Client: MMG Century Mine
Work description: Rock crushing and screening
Value: \$1.2 million per annum

Client: MMG Century Mine
Work description: Machinery hire
Value: \$3 million per annum

Client: MMG Century Mine
Work description: Labour hire
Value: \$3.3 million per annum

Client: Queensland Department of Main Roads
Work description: Production of road base to specification and haulage
Value: \$16 million

Client: Burke Shire Council
Work description: Rock crushing and screening
Value: Periodical average \$750,000 per job

We have the financial and management resources to diversify into other geographical areas through our Community Business Partnerships model, with partnerships approved in both the Bowen Basin region of Central Queensland and the Kimberley region in Western Australia. And we have others on the drawing board.

DELIVERY PERFORMANCE AND RELIABILITY

Our track record proves with can deliver high-quality projects on time and on budget. Over the past years:

- We maintained our capital equipment on schedule, which means utilisation rates higher than budgeted;
- Our crushing programs met all targets and incurred no penalty;
- We have achieved a zero injury rate, with no reportable incidents for the year to date;
- Hazards and job safety observations continue have met monthly targets.

As we crush overburden from mine operations, our strong quality control measures must ensure road-base product meets the Department of Main Roads' stringent testing. The fact that we achieve high pass levels of product that our own drill and blast process cannot control, demonstrates our ability to perform in difficult situations.





MANAGEMENT SYSTEMS AND RISK MANAGEMENT

SAFETY MANAGEMENT SYSTEM

Responsible health and safety management, and superior health and safety performance, equals an efficient and successful company. We achieve this through strong leadership and robust systems.

Each of our operations meets health and safety objectives through:

- Identifying opportunities for improvement, and setting high standards consistent with the values and expectations of employees and the broader community
- Implementing and maintaining a rigorous, simplified and actionable health and safety management system that identifies, assesses and effectively controls health and safety risk to employees, contractors and the broader community.
- Integrating health and safety into all aspects of the company's activities, including project development, contract crushing and civil works.
- Designing, building, operating and decommissioning all facilities and infrastructure to create and maintain a safe workplace and promote employee well-being.
- Selecting qualified and capable people who demonstrate a high level of awareness and commitment towards proactive safety management.
- Providing training to enable employees, contractors and suppliers to work in a safe and responsible manner and to comply with this policy.
- Conducting regular audit and assessment programs and ensuring prompt follow-up of any recommendations for improvement.
- Consulting employees and the community on concerns, aspirations and values for the health and safety of projects.
- Communicating openly about workplace hazards, risks or incidents and ideas for improvement.
- Demonstrating commitment to reporting of health and safety performance
- Complying with all applicable legal and regulatory requirements as a minimum standard.

At MMC Century Mine, we have adopted a safety management plan, regularly audited for compliance. The plan, and all associated contracts, legislation, codes of practice, guidelines, standards, procedures and references, outlines behaviours and safe work practices expected of all NPC Group, subcontractors and other contracted personnel at the mine. Our Site Co-ordinator is responsible for the implementation of our safety policies and plan.

We are committed to strengthening our processes through implementing AS 4801 and we expect to be certified during 2013.

We track and report all safety statistics to the board of directors and MMG Century mine.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our Environmental Management Plan (EMP) guides our environmental management at MMC Century Mine. It links potential environmental impacts with the minimum commitments and measures to safeguard the environment, and is a practical guide to provide the framework for environmental management and to prevent or minimise environmental impacts.

It's a ready-reference tool with a number of self-contained sections such as Environmental Impact Identification and Assessment, Environmental Management Strategies, Reference Files, Monitoring Records, Incident Protocols, Complaint Setting Protocols and Record Sheets.

Because environmental management needs to respond to new technologies and scientific advances, our EMP has been designed to be flexible in order to meet changing circumstances, legislation, operational experiences, design trials and community expectation.

The EMP addresses environmental management commitments through:

- identifying aspects of the project that need environmental management;
- establishing practical and achievable measures to

contain environmental impacts;

- identifying authority and responsibility for implementing management measures during all project;
- nominating acceptable performance criteria to measure impact levels, and referencing sources including legislative requirements and government policies;
- describing necessary actions (and responsibilities) for responding to non-compliance and possible emergency events; and
- establishing procedures for monitoring and reporting.

Environmental Management Strategies set out the:

- environmental policy that provided the framework for the preparation of the EMP;
- organisational and management structure; and
- environmental objectives and that provide the basis for environmental management measures.

The EMP takes into account identified elements that pose a potential risk to the environment in relation to the site and its activities:

- stormwater, erosion and sediment control;
- handling and storing of hazardous fluids;
- air quality (dust);
- noise;
- waste management;
- weed management;



- landcare and rehabilitation;
- cultural and heritage; and
- emergency and incident management.

Our Site Co-ordinator is responsible for the implementation of our environmental policies and procedures. As part of our expansion to other regions, we expect to implement ISO14001 in the second half of 2013.

QUALITY MANAGEMENT SYSTEM

NPC effectively provides services to our clients within management systems that are managed by the Chief Executive. The board of directors requires and annual independent audit to test the effectiveness of those systems and we continually report strong audit results.

We are committed, however, to further strengthening our processes through implementing ISO 9001, and we expect to be certified during 2013.

INSURANCE

- Public and Products Liability - \$20 million
- Mobile Machinery and Plant - \$20 million
- Workers' Compensation - Policy WHA041295064
- Contract Works – As required

RISK MANAGEMENT APPROACH

Our risk management identifies activities likely to significantly affect our business. We measure exposure using the following categories:

- **Headline risks:** Those relating to community expectations, our reputation and consequences of a crisis.
- **Strategic risks:** Those that may affect a continuing market and ongoing compliance with regulatory requirements.
- **Financial risks:** Those that may affect our cash flow to meet known future demands; and those relating to robust financial systems, to prevent fraud and deliver accurate reporting.
- **Operational risks:** Such as health and safety, environmental management and human resource systems.

Our audit and risk committee assists the Board in the effective discharge of its responsibilities for financial reporting, internal control structures, internal and external audit functions and risk management systems.



CUSTOMER SERVICE AND MARKET RESPONSE

RELATIONSHIPS AND COMMUNICATIONS

As part of our contractual obligations to MMG Century mine, and our own desire for strong communication, we provide written and verbal quarterly reports to MMG management, and take a similar approach with other clients.

We meet with the Queensland Department of Main Roads on a monthly basis to review the project and identify ways to address issues that arise.

As we work in remote regions it is fair to say that issues arise - such as wet seasons, road standards, theft of important unmanned recording devices - that require quick and shrewd responses to ensure projects do not unnecessarily go over time or budget.

It is through strong communication that our clients are confident that we will strive to overcome difficulties as quickly as possible.

CONTINUOUS IMPROVEMENT AND INNOVATION

As an Indigenous company that strives to successfully employ more Indigenous people from local communities, it is essential that we continually test new ideas to increase participation.

Years of significant effort by both Commonwealth and State Governments to increase the level of Indigenous employment in remote communities has had varying results. As an Indigenous community-owned company we have eagerly accepted the challenge to forge positive change in the lives of people living in remote Indigenous communities through economic and business development.

Our social enterprise program in the Gulf region, for example, engages local residents in a commercial activity whereby they can enjoy and prosper from their individual efforts, while giving them increased confidence and hope.

As part of continuous improvement, we are very willing to assist clients in assessing alternate views in project design. For example, we are currently working with MMG to identify options for successfully capping waste dumps as part of their mine rehabilitation program. We believe that by helping our clients succeed, we are likely to benefit through stronger relationships and work opportunities.

RESPONSIVENESS

NPC have developed and promoted a "can do" culture, despite a historical difficulty in the sustainable success of Indigenous businesses. We have a business model that works and consistently delivers solutions tailored to our clients' needs. Recently, we helped a client in the Kimberley region with a solution to reprocess waste materials, potentially recovering valuable product and extending the life of the mine for a further 10 years, which in turn provided the local Indigenous community with ongoing employment and small business development.

WORKING WITH INDUSTRY AND OTHERS

NETWORKS

We have a history of collaboration to maximise opportunities for success for all parties.

NPC is currently working with GHD on a number of projects, in which GHD provides design and management services and NPC provides contract delivery. We also facilitate negotiations with traditional owner groups to strength local and regional benefit.

Meanwhile, we are collaborating with SKM to design new approaches to mine rehabilitation that integrate Indigenous traditional owners more fully in the mine closure process; and with the Sustainable Minerals Institute and Centre for Social Responsibility in Mining, at the University of Queensland, to assess ground-breaking ways to address the issue of abandoned mines.

We also work closely with universities and training organisations to ensure a consistent approach to employee development at all levels.

INDUSTRY ASSOCIATION MEMBERSHIPS

We are Associate Regional members of the Minerals Council of Australia and actively participate in networking events and conference programs to keep abreast of new developments and opportunities.

Some of the events that we have recently attended include:

- Sustainable Development conference, Minerals Council of Australia
- Annual Aboriginal Enterprises in Mining Exploration and Energy conference
- Indigenous Business, Enterprise and Corporations Conference, University of WA
- World Indigenous Business Forum, Indigenous Leadership Development Institute



Northern Project
Contracting

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2004

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