

# Prominent Hill Progress

## Special Edition - 1 Year On

### From the GM

I constantly receive feedback from people who visit our site about how good it looks and feels. It is hard not to be impressed. It is well organised, professional, exudes great camaraderie, and has a positive can-do culture. It is a clear demonstration of our Oxiana values (Respect, Action, Performance, Openness) in action for all to see.

We uncovered the top of the orebody on the 21st October, two months ahead of schedule. This is a remarkable achievement, having only started mining just over 12 months ago. It is a major milestone and a testament to the exploration, mining and operations support teams's hard work and dedication.

On 30th October Oxiana made an announcement providing an update on the project following a comprehensive review of costs and schedule. Due to scope changes, tight construction market conditions and cost increases in materials, labour and equipment the capital expenditure estimate has increased by around 30% to \$1.08 billion. However, first production is still expected to occur in the third quarter of 2008.

We have now past the half way point for Prominent Hill and things are really starting to take shape. Engineering is in the home straight, concrete is sprouting out of the ground, the process plant is taking shape and the powerline towers are marching off into the distance towards Olympic Dam.

We have terrific people, a terrific orebody, and a terrific chance to make a difference, not only for the ongoing success of Oxiana but for the region and the State of South Australia.

Thank you to all our stakeholders for our continued support for the Prominent Hill Project.

Mick Wilkes  
General Manager -  
Prominent Hill



### Prominent Hill gets bigger & bigger

It is just over one year since the first sod was turned in the Prominent Hill pit. Halfway through construction and only a year away from transporting first copper concentrates to customers in Asia, Prominent Hill has transformed from an empty landscape to a hive of activity that will be Australia's next major copper-gold mine.

Even with the mine not yet in production Oxiana is already thinking about extending the life of the mine beyond the initial 10 year plan. Studies are now looking into the possibility of what's known as an underground stoping operation beneath the open-pit - this is an underground mine where tunnels are used to access the ore.

Plans after this are plans for a much larger bulk mining operation, where big volumes are mined much like an open-pit underground!

Studies already indicate that mine life could be extended to 2030, so watch this space!

(For more information on this announcement please visit the Oxiana website: [www.oxiana.com.au](http://www.oxiana.com.au))

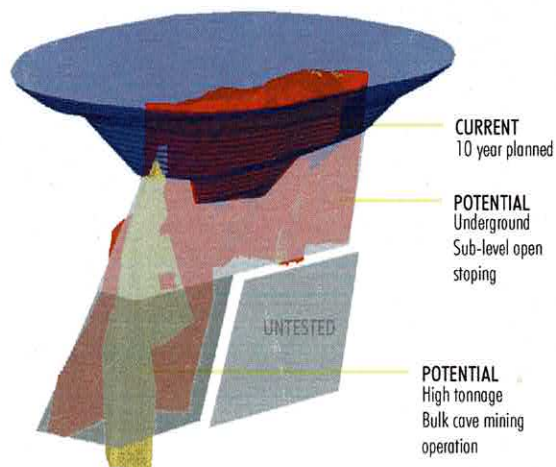
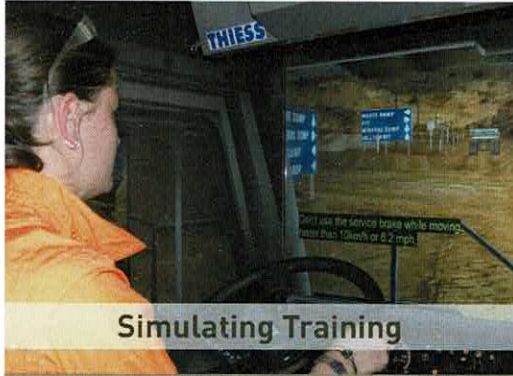


Diagram of the Prominent Hill open-pit showing plans for current and potential mining operations.



Oct 2007

**Simulating Training**

Training in the video game-like mining simulator at Prominent Hill.

Oxiana's mining contractor Thies is now using the latest video game-like mining technology to simulate real mining conditions for trainee miners.

The high-tech simulator is a lot more than just computer games in the outback. Training staff on a simulator rather than using real trucks has many benefits including saving time and money and increasing safety and training efficiency all while not upsetting mining activities on site. The simulator has the ability to recreate real life situations such as rain, tyre blow-outs and other obstacles - which are impossible to incorporate into regular training.

With mining equipment costing \$3 million per truck and a damaged tyre costing up to \$50,000 the training simulator is a cost effective way to train people without slowing down mining activities.

Thies' WA and SA manager mining, Andy Haslam claims the whole training process is a lot quicker than traditional training methods, taking two weeks off the typical four-week training cycle for new operators.

At least 150 people will go through simulator training programs in the first year of simulator use at Prominent Hill.



**Copper customers visit Prominent Hill**

Copper customers visit the new port facilities in Darwin with Oxiana.

L to R: Zhou Guo Qing Manager of Copper & Precious Metals Jinlong Copper, Hiroyuki Numao Assistant to GM Non-Ferrous Metals Sumitomo Corporation, Robert Ritchie CEO Darwin Port Corporation, Liu Shu Feng Director of Commercial Dept Jinlong Copper, Garry Scanlon Trade Development Manager Darwin Port Corporation and Oxiana's Russell Griffin GM Marketing.

In September Oxiana Prominent Hill had its first visit by a copper customer. After visiting the Melbourne office and Prominent Hill site the group flew to Darwin to see first hand the new shiploading and infrastructure at the port, where the copper concentrate will be exported from.

Our visitors were impressed with the new Port facilities where \$270 million has been spent in the last few years extending the berth area and constructing the new state of the art bulk loader. FreightLink, in conjunction with the Northern Territory Government, are extending the rail line to the bulk loader where Oxiana's new storage shed will be constructed. This will enable copper concentrate produced at Prominent Hill to be moved from the mine site to the ship loader with a process that will deliver product to our customers quickly and in a fully protected manner. FreightLink call it a "Freight Velocity" outcome which we think is a very apt title.



**Boarding for Prominent Hill**

If the growing open-pit mine or the frenzy of construction on site isn't proof enough of the large scale of the Prominent Hill project then the addition of direct flights to Prominent Hill from Adelaide airport might just confirm it's growing presence in South Australia. In July Oxiana appointed Alliance Aircraft to provide a high quality flight service to fly people from Adelaide and Port Augusta to site. With more than 400-450 people now working on site at any one time, Alliance has scheduled 10 flights a week to fly contractors and employees to and from site in its Alliance Fokker 50 aircrafts.





### Prominent Hill Project Update

On 30th October Oxiana made an announcement updating the status of the Prominent Hill Project. The full announcement is available on the Oxiana website but below is a summary of the Project to date.

#### Project execution and schedule

**Open-pit mining pre-strip:** This is two months ahead of schedule and under budget. The orebody has been exposed around 90 metres below surface and ore mining and stockpiling will now commence.

**Engineering:** 78% complete. While this is presently two months behind schedule a mitigation plan has been developed using the off shore engineering resources of Fluor to expedite completion of the design.

**Site construction:** Progressing well and overall is 36% complete. Delays have been experienced in some major equipment items including the Semi-Autogenous Grinding (SAG) Mill. As a result some activities have had to be rescheduled and additional costs incurred.

**Production:** Commissioning and first production is still expected to occur in the third quarter of 2008.

**Future developments:** In 2007 and 2008 Oxiana will commence feasibility and pre-feasibility studies to access the full potential of Prominent Hill mine which could see it extend beyond its current 10 year mine life to 2030.

#### Prominent Hill Timeline - Construction to Production

	2007		2008		2009
	H1	H2	H1	H2	H1
<b>Pre-strip mining</b> - removing the barren rock to expose the orebody.	→				
<b>Top of orebody reached at around 100 metres deep</b>		→			
<b>Construction</b> - building the processing plant, tailings storage and supporting infrastructure.	→				
<b>First ore to the mills</b> - treating initial ore to produce the first copper-gold concentrate.			↔		
<b>Ore commissioning</b> - gradual ramp-up of the mill to 8mtpa planned capacity.				→	
<b>Production</b> - first concentrates transported to customers in Asia.				→	



#### Raising the Flag

A flag marks the place where the orebody at Prominent Hill was first exposed - two months ahead of schedule.

The Oxiana Board of Directors and senior management celebrate reaching the orebody.



#### FAST FACTS

**Concrete poured:** 14,000 cubic metres (as of 30 October 2007)

**BCM mined:** 3.3 million (bank cubic metres) (September 2007)

**Number of man hour worked:** 886,228 (September 2007)

**Meals served:** approx 1,500 meals a day, 40,000 over September.

**Depth of open-pit:** 90 metres (October 2007)



# Prominent Hill - Building Aus

## LAYOUT OF THE SITE



**1 Open-pit mine**  
Ore will be mined from the open pit 24 hours a day, seven days a week. Trucks will carry the mined ore to the run of mine (ROM) pad where it will be stored before making its way to the processing plant.



**2 Processing plant**  
The processing plant is where the mined ore will go through a process of crushing and grinding and treatment to produce concentrates containing copper, gold and silver.  
  
The process from mining to production will take less than a week.



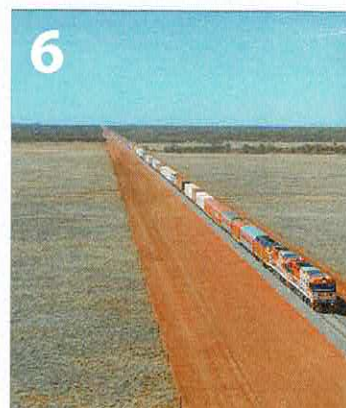
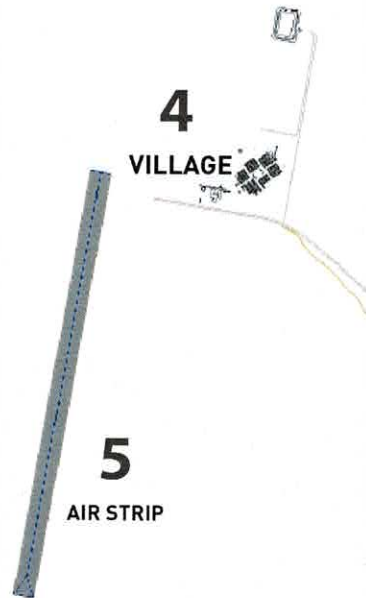
**3 Tailings storage facility**  
The tailings storage facility will contain the residual processed material not extracted as copper concentrate.



**4 Site village**  
The village will contain accommodation for 1,200 people and includes a wet mess, laundry and recreational facilities.

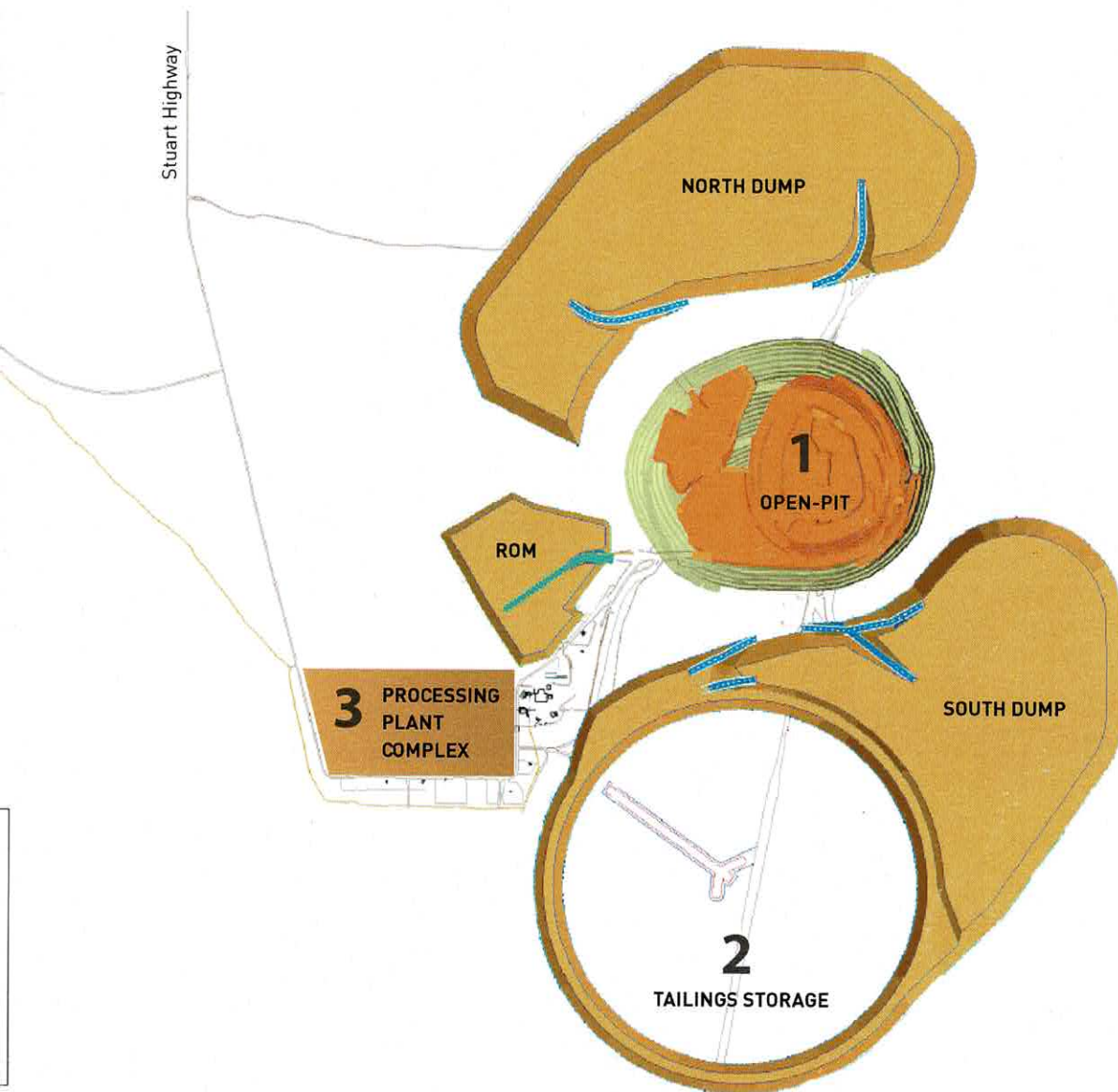


**5 Air strip**  
Alliance has 10 scheduled flights a week to transport Oxiana employees and contractors to site from Adelaide and Port Augusta.





# Australia's next major copper-gold mine



## Transporting concentrates to customers

Prominent Hill copper concentrate will be transported to the Port of Darwin for export by truck (Giacci Bros) and rail (FreightLink).

The trip is expected to take 48 hours and the sea journey will average 10 days, making it a very competitive delivery to our waiting customers in the Asian region.





PROFILE

**Oxiana is proud to be working with some of South Australia's best contractors to construct Prominent Hill.**



**Who is CATCON?** CATCON is an Adelaide based civil contracting company. CATCON provides civil construction expertise and undertakes associated works in the mechanical, electrical and building areas.

**What is CATCON responsible for at Prominent Hill?** CATCON is providing the concrete structures for the Prominent Hill mine. The contract involves approximately 14,000 cubic metres of reinforced concrete, 2000 tonnes of reinforcing steel, design and construction of a ventilation tunnel, construction of a reinforced earth wall and earthworks associated with all structures.

**How long have CATCON been on site?** CATCON mobilised on site in May 2007.

**How long is the contract for?** 9 months.

**What does CATCON consider will be their biggest challenge with this project?** The biggest challenge is the remote location and the program requirements. The project is currently on program and budget.

**How many staff do CATCON have working at Prominent Hill?** 80 employees. Our employees come from Adelaide/ Mt Gambier, Coober Pedy and New South Wales (Wollongong), 64 of our employees are from South Australia including 4 locally from Coober Pedy.

**Who can people contact if they are interested in working for CATCON?** Site Manager – Luke Taylor (0423 022 257), email: [Catcon@catcon.com.au](mailto:Catcon@catcon.com.au) or visit our website: [www.catcon.com.au](http://www.catcon.com.au)



**OXIANA - SUPPORTING THE COMMUNITY**



**Mini-gems Spring Clean**

On Saturday 22nd September representatives from Oxiana Prominent Hill and Oxiana's contractor Fluor in conjunction with the Coober Pedy Council visited Mini-gems child care centre and kindergarten in Coober Pedy to provide some equipment and to give the yard and shed a spring clean.

The Prominent Hill social club often donates money from their fundraising activities to Mini-gems in Coober Pedy. Mini-gems aims to provide affordable child care service to the community to children aged 6 weeks to 5 years.



**Oxiana Brand Power**

On Saturday 14th July Oxiana sponsored the National Bronco Branding Championships in Oodnadatta. Oodnadatta is a small community about four hours from Prominent Hill, and it is the hometown to several of our trainees at Prominent Hill. Teams from all over Australia participated including teams from NSW, Queensland, Northern Territory and South Australia. A local team from Macumba Station, just North of the Prominent Hill mine took out this year's National Championship. Oxiana's Ian Lennie (a graduate from the first Pre-employment Program and now working at Prominent Hill, pictured above) was a member of the team which narrowly ran second.

In the evening the crowd feasted on pork and lamb roasted on the spit and were entertained by a band who travelled up from Adelaide.

A contingent of Oxiana and other employees from Prominent Hill attended the event.





## Working and Living at Prominent Hill

Oxiana and its contractors currently employ over 660 people at Prominent Hill, with more than 400-450 people working on site at any one time. Oxiana is committed to employing locally with 33% of staff currently from the Coober Pedy and Upper Spencer Gulf region, and over 80% from South Australia.

Two of Oxiana's employees share their experiences of working and living at Prominent Hill.



**Sheelagh Hounslow**  
Administration Assistant

**Sheelagh has worked for Oxiana Prominent Hill for the last 14 months. When she is not on site Sheelagh lives in nearby Coober Pedy.**

**How do you travel to work?** I travel by vehicle - drive in / drive out.

**What is your roster?** 10 days on / 4 days off; 4 days on / 3 days off.

**What is a typical day on site for you?** My main role is within Administration, many and varied tasks each day, as well as co-ordinating tours and meetings on site. I work closely with Brian Kilgariff, Oxiana Prominent Hill Operations Manager and the Operations Management Team, working to specific timeframes.

**Why do you work at Prominent Hill?** I first heard of the mine on the radio in 2006, and I felt from that moment that I wanted to be a part of this "new beginning". My journey with Oxiana has been exciting, challenging and rewarding in so many ways. The knowledge I have gained and the people I have met has been wonderful.

**Favourite thing about working for Oxiana/Prominent Hill?** The challenge of being involved with a new mine from exploration stage into construction and soon, production and of course the beautiful sunrises and sunsets.



**Wedya Pratyaksa**  
Mine planning engineer

**Wedya has worked at Prominent Hill for the past 10 months. Originally from Jakarta, Indonesia he now calls Adelaide home when he isn't on site at Prominent Hill.**

**How do you travel to work?** Fly-in and fly-out with the company chartered flight from Adelaide to Prominent Hill.

**What is your roster?** Two weeks on, and one week off back to Adelaide.

**What is a typical day on site for you?** My job is to assist Thiess operation with planning and direction on a daily, weekly and monthly basis. I spend 70% of my time behind my desk planning and 30% of my time in the field to get feedback on my plan, finding out how it is going to work and how I can improve the plan to get a better result.

**Why do you work at Prominent Hill?** The opportunity to work at a new mine. It is a very rare opportunity to be part of building a new mine.

**Favourite thing about working for Oxiana/Prominent Hill?** The job, the people and being proud to be part of the Oxiana Prominent Hill Team.



## Home Away from Home

In order to cater for the growing workforce Oxiana has invested in first class facilities to ensure employees and contractors have all they require while living on site at Prominent Hill.

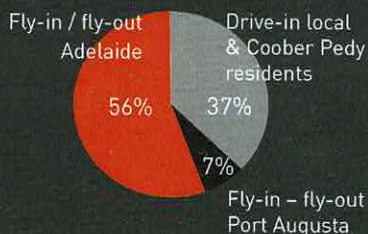
On site facilities, when completed, will include a 1200 person village (with a mixture of single en-suite and non-en-suite rooms), shared laundry facilities, a dining room and wet mess, outdoor bbq facilities and recreational rooms including pool tables and a fully equipped gymnasium. A swimming pool is currently in construction as well as courts for tennis, cricket and indoor soccer.

A medical clinic providing full medical facilities and a visiting doctor has also been set up on site. Oxiana is committed to ensuring the health of their staff and has appointed a full time lifestyle coordinator to assist employees and contractors with gym programs, providing advice on nutrition and maximising their health while living on site.

On a social basis regular activities are organised such as quiz nights, movie nights and the camp's kitchen hold regular food theme nights focussing on certain cuisines as well as a seafood night once a month.

If you are interested in working for Oxiana, please visit [www.oxiana.com.au](http://www.oxiana.com.au) for current job vacancies.

## Employing locally



**Oxiana is committed to providing preferential employment locally.**

Over 80% of Prominent Hill's workforce is from South Australia.

- Total Employees approx 660
- Employees on site 400 - 450 at any one time.





### Prominent Hill Pre-employment Training Program # 3

New trainees pictured with Pre-employment Training Program Trainer, Tony Wickens (right).

Prominent Hill's 3rd Pre-employment Training Program commenced in Coober Pedy on Monday 17th September.

Ten students have been chosen to participate in the program from 150 applicants. The students, eight male and two female, are from the local towns of Coober Pedy, Oodnadatta and Port Augusta.

The training program will run over 60 days including 3 weeks of work experience on site at Prominent Hill.

Successful graduates will receive a nationally accredited Certificate II in Metalliferous mining and permanent employment at Prominent Hill.



### Prominent Hill Pre-employment Training Program wins Australian Mining Prospect Award

Mick Wilkes accepts the Community Partnership Award on behalf of Oxiana at the Mining Prospect Awards.

In September Oxiana received the 2007 Community Partnership Award at the Australian Prospect Awards for the Prominent Hill Pre-employment Training Program.

The success of the program is credit to the hard work of Debbie Alexander, Graham Gundry and Fred Murray from Oxiana, first class trainer Tony Wickens and consultant Gail Reynolds-Adamson. Their involvement from running information sessions to selecting candidates and supporting students throughout the program have ensured its success. The generous support of Oxiana's contractors Thiess and National Hire in providing their time and equipment has also contributed to this program's success.

This award recognises that Oxiana is at the leading edge of mining companies in its community development work.

The Pre-employment Training Program is a joint Oxiana initiative in conjunction with TAFE SA, Bungala, DEWR, Antakarinja Land Management Aboriginal Corporation and the Northern Regional Development Board.



### Seniors Visit

In July a group of ex-miners from Coober Pedy visited the Prominent Hill mine site to see first hand the construction of South Australia's next major copper-gold mine. The experienced ex-miners were very impressed. Apparently they all want jobs and are keen to start straight away!



Date	Event
9th Dec 07	Completion of Pre-employment Training Program #3.
Mar 08	Release of Oxiana's Annual and Sustainability Reports

### About Prominent Hill Progress

Prominent Hill Progress is a quarterly publication designed to keep our stakeholders updated on the development of the Prominent Hill project. If you are not currently on our mailing list and wish to receive future editions please contact Debbie Alexander at our Prominent Hill office. (Details on the right)

Prominent Hill Progress is printed on environmentally friendly paper.

### Contact Details

For more information on the Prominent Hill project please contact our offices:

**Oxiana Limited**  
Level 9, 31 Queen Street, Melbourne VIC 3000  
Tel: +61 3 8623 2200  
Fax: +61 3 8623 2222  
Email: admin@oxiana.com.au  
Website: www.oxiana.com.au

**Prominent Hill**  
Ground Floor, 170 Greenhill Rd,  
Parkside SA 5063  
Telephone: +61 8 8229 6600  
Facsimile: +61 8 8229 6601  
Email: admin@oxiana.com.au

Disclaimer:  
The information contained in this publication is for information purposes only and is intended only to provide a summary of the subject matters covered. While all reasonable care has been taken in producing this publication, Oxiana shall not be responsible for any loss or damage (whether foreseeable or not) suffered by any person using, disclosing or acting on any information contained in the publication. You may not reproduce or modify the information without Oxiana's express written permission.