

## TERRITORY BENEFIT PLAN

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## 1.0 INTRODUCTION

### 1.1 Purpose

The Northern Territory Government has clear objectives for maximising the local benefit of private sector investment by:

- Boosting local workforce development and employment opportunities.
- Facilitating regional and Indigenous economic and community development.
- Encouraging local business participation and small to medium enterprise capability development.
- Enabling economic, industry and social infrastructure investment.

Through the Australian Industry Participation National Framework, the Australian Federal Government also encourages Australian industry participation to be maximised by new private sector investment projects.

This document sets out Arafura's Territory Benefit Plan (Plan) for the Nolans Rare Earths Project (Project) and focuses on how these objectives will be achieved for the planning and construction phases of the Project. A high-level assessment of the operations phase is included which will be refined and further detailed towards the end of the construction phase.

**2.0 REFERENCES**

**2.1 Arafura Resources Limited Documents**

Title	Document Number

**2.2 International Codes and Standards**

Reason for Hold	Section(s)

### 3.0 ABBREVIATIONS AND DEFINITIONS

#### 3.1 Abbreviations

Abbreviation	Meaning
BIBO	Bus-in/bus-out
CCNT	Chamber of Commerce Northern Territory
CLC	Central Land Council
DFS	Definitive feasibility study
EIS	Environmental impact statement
EMP	Environmental management plan
EOI	Expression of interest
EPBC Act	Environment Protection Biodiversity Conservation Act
EPC	Engineering, procurement, construction
FIFO	Fly-in/fly-out
ICN-NT	Industry Capability Network, Northern Territory
IES	Indigenous engagement strategy
IMS	Integrated management system
IPMT	Integrated project management team
MMP	Mine management plan
NdPr	Neodymium-Praseodymium
NT	Northern Territory
NTA	Native Title Agreement
NT EPA	Northern Territory Environmental Protection Agency
NTIBN	Northern Territory Indigenous Business Network
QMS	Quality management system
RFT	Request for tender
VETiS	Vocational Education and Training in Schools

#### 3.2 Definitions

Term	Definition
Arafura / ARU	Arafura Resources Limited
Plan	The Project's Territory Benefit Plan
Project	Arafura's Nolans Rare Earths Project



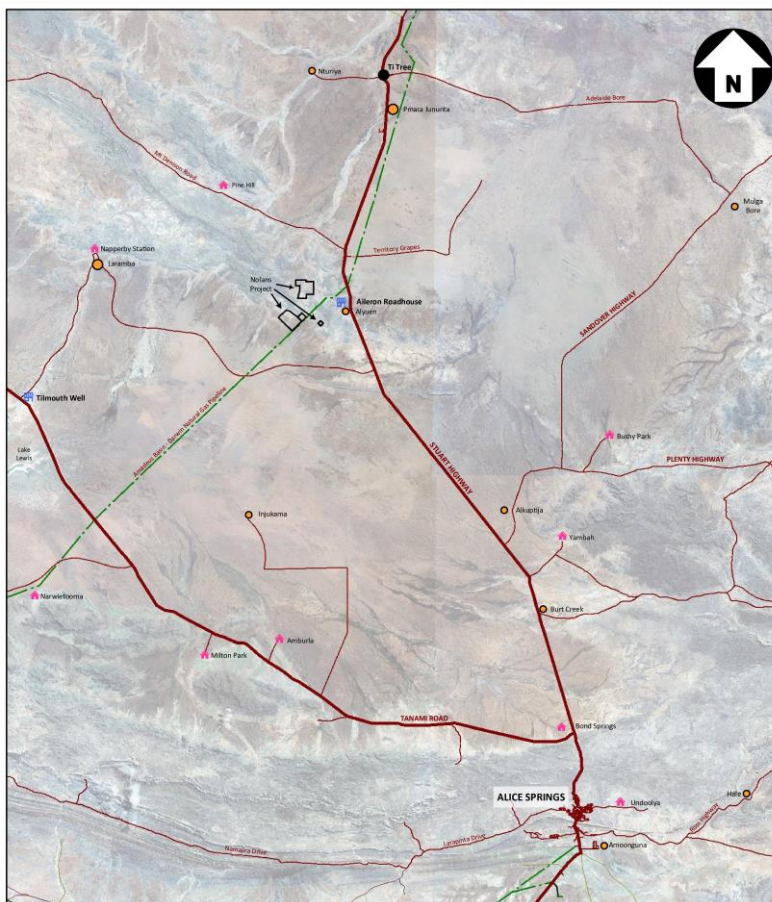
## 4.0 PROJECT OVERVIEW

Arafura Resources Limited (Arafura) is a publicly listed company on the Australian Securities Exchange and is developing its Nolans Rare Earths Project (Project). The Project is planning to produce three rare earth products and a phosphoric acid by-product over its 39-year mine life. The Project’s flagship product will be neodymium-praseodymium (NdPr) oxide which is a key constituent of permanent magnets utilised in the burgeoning electric vehicle and clean energy industries. When at full production, the Project will have the capacity to provide up to 10 per cent of the world’s demand for NdPr oxide.

The Project will encompass a mine, process plant and related infrastructure constructed and located at the Nolans site in the Northern Territory, approximately 135 kilometres to the north of Alice Springs. The mineral resource that supports the development of the Project lies in a flat plain at the south-western end of the Reynolds Range, at latitude 22.58° south and longitude 133.24° east and can be seen in the centre of

Figure 4—1. The locations identified as Nolans Project (Nolans site) are the mine to the north, the process plant and infrastructure to the south and the accommodation village to the east of natural gas pipeline.

Figure 4—1 Project Location



Nearly all the Project's development footprint is located on Aileron Station with the nearest areas of occupation being the Aileron Roadhouse and adjacent station homestead and the Alyuen Aboriginal family outstation approximately 15 kilometres from the site.

The proposed mine lies approximately 10 kilometres west of the all-weather, sealed transnational Stuart Highway which links the coastal cities of Darwin to the north, and Adelaide to the south. The mine also lies 65 kilometres west of the standard gauge Adelaide-Darwin railway.

Alice Springs will be used as the logistics hub for both the construction and operational phases of the Project utilising all available support facilities especially the existing rail terminal and logistical facilities. During operations, in excess of 215,000 tonnes of chemical reagents will be railed annually to Alice Springs from either Adelaide or Darwin and 145,000 tonnes of product will be railed from Alice Springs to Darwin Port for export. Road haulage will be utilised to link the operational site with Alice Springs.

A definitive feasibility study (DFS) completed in Q1 2019 provided a capital cost estimate of A\$1,006M which includes a contingency component.

Since the completion of the DFS, Arafura has undertaken execution readiness activities including the formation of an integrated project management team (IPMT) with Arafura, KBR and Wave International personnel. This IPMT will manage the Project and in effect act as the owner's team.

The contracting strategy for the Project will include several engineering, procurement, construction (EPC) style contracts for distinct plant sections:

- Beneficiation plant
- Hydrometallurgical plant
- Sulphuric acid plant

Many smaller packages directly managed by the IPMT are planned, including:

- Non-process infrastructure, including,
- Power Station
- Roads
- Construction Camp / Permanent Village
- Operations Infrastructure
- Mining

Mining operations for the Project are to be managed by a contractor under the direction and with the assistance of Arafura. The majority of other positions, including those in administration, health and safety, processing and commercial departments are to be employed directly by Arafura. It is proposed that the camp services responsibility will be outsourced to a contractor.

The Project is expected to employ the equivalent of 605 full time employees over the three years of the primary construction period. During this time, it is expected that Northern Territory personnel will be employed directly by Arafura and its contractors where possible.

During steady state operations, the Project will employ an average of 278 full time equivalent workers in each year over the 39 years of operation. This includes the workforce required to operate the Project and the workforce required for ongoing capital works that are scheduled to continue throughout the Project's life. In operation, it is currently expected that in each year a proportion of workers will be based in the Northern Territory, the remainder expected to come from the rest of Australia. It is Arafura's goal however that the percentage of NT based employees will be increased significantly over time through relocation to Alice Springs.

It is not proposed that any specialised workforce will be required from overseas.

The Territory Benefit Plan that follows covers the construction, commissioning and operations phases in the detail that is available currently. It is the intention of Arafura to enhance the detail of the employment and training aspects, in particular, for the commissioning and operations phases as project certainty and funding allows.

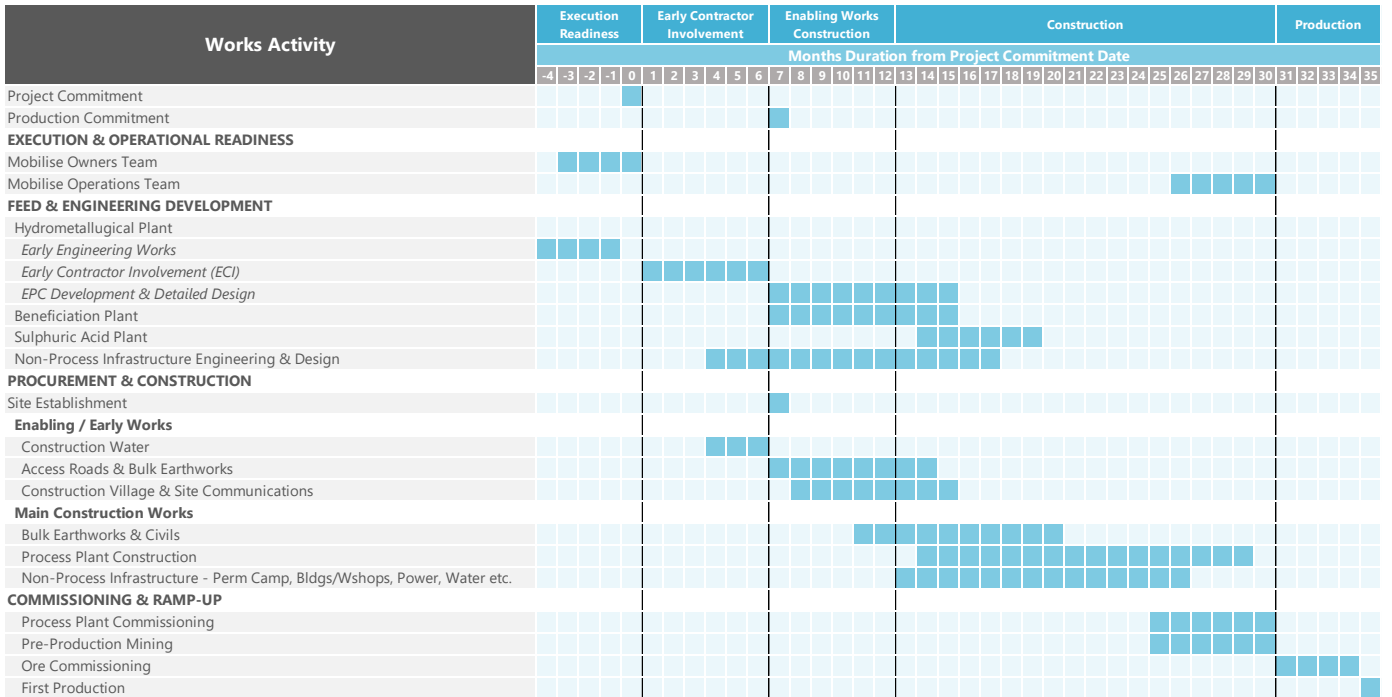
The following milestones have already been completed by Arafura in the development of the Project in preparation for the proceeding phases.

- Environmental approvals.
- Pilot plant campaign.
- Definitive feasibility study.
- Native Title Agreement signed.
- Mineral leases granted.

Additionally, the Australian Government renewed the Project's Major Project Status in July 2020.

The proposed timeline for the remainder of the Project's phases is as follows:

# TERRITORY BENEFIT PLAN



## 4.1 Key Contacts and Project Website

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### 5.0 SCOPE

This Territory Benefit Plan (Plan) addresses in detail the methodology which will be used by Arafura during the planning and construction phases of the Project to maximise public benefit to the local community, the Northern Territory and the wider Australian economy. The Plan will be revised towards the end of the construction phase when it will be adapted for commissioning and operations. This Plan will also cover the detail required for the Australian Industry Participation Plan and therefore demonstrate Arafura's commitment to engaging the local, Indigenous and wider Australian business community.

The initial phases of work are heavily weighted towards utilising contractors and subcontractors to carry out engineering, procurement and construction activities. For this reason, the Plan is directed towards ensuring local, Indigenous and wider Australian content requirements are addressed by contractors and their subcontractors. It is also more relevant during this phase that training and employment initiatives for local, Indigenous and the wider population are carried out by contractors and so more emphasis is placed on contracting activities than Arafura's own training and employment plans.

Towards the end of the construction phase Arafura will revise the Plan to address in detail the contracting and procurement initiatives to maximise the involvement of local, Indigenous and wider Australian businesses. Operations contracts and procurement activities will differ significantly from the commercial activities during project planning and construction. Therefore, the separation of these phases within the context of the Plan and the preparation of the updated Plan closer to operations will ensure a successful transition and implementation.

During the construction phase the training and employment plans for commissioning and operations will be detailed as more granularity becomes available regarding timelines, outcomes of skills audits, and the availability of training programs amongst other factors.

The Plan draws on information from the following Company documents.

- Indigenous Engagement Strategy
- Definitive Feasibility Study
- Local and Indigenous Business Participation Plan
- Economic Impact Assessment 2020
- Social Impact Assessment 2016

Additionally, the following agencies have provided assistance with which the Plan was constructed:

- Northern Territory Government's Regional Workforce Team
- Industry Capability Network – Northern Territory

### 6.0 REGULATORY FRAMEWORK

#### 6.1 Governance Framework for the Territory Benefit Plan

##### 6.1.1 Business Participation

Arafura has developed a Local and Indigenous Business Participation Plan which provides the mechanism for integrating its supply chain within the local, Indigenous and wider Australian business landscape. It is a requirement of this plan that any business tendering for Arafura's contract packages include a Local and Indigenous Business Participation Plan of their own detailing how the tenderer shall ensure the Project commitments are met and delivered to the Project stakeholders.

The commitments made by Arafura and its contractors will be measured and reported upon regularly to the Northern Territory Government, the CLC, ICN-NT, the Chamber of Commerce (CCNT) and other necessary internal and external reporting. The contents of the report will include:

- The number and value of contracts awarded.
- The number and value of contracts awarded to local and Indigenous businesses.
- Scope of Works description for each contract.
- Anticipated length of each contract.
- Qualitative data relating to local and Indigenous engagement process.

##### 6.1.2 Training and Employment

Arafura has also developed a Local and Indigenous Training and Employment Plan with the aim of providing as many employment and training opportunities as possible to the local, Indigenous community and wider Australian communities. The success of Arafura's Local and Indigenous Training and Employment Plan will be measured and reported according to the following key performance indicators:

- The number of local people interviewed for roles on the Project.
- The number of Indigenous people interviewed for roles on the Project.
- The number of local people employed with both contractors and subcontractors on the Project (both current and to-date figures).
- The number of Indigenous people employed with both contractors and subcontractors on the Project (both current and to-date figures).
- The number of Indigenous people enrolled in a training program.
- The number of Indigenous people reaching a completed status of a training program (both current and to-date figures).
- The number of local people enrolled in a training program.
- The number of local people reaching a completed status of a training program (both current and to-date figures).
- Indigenous employment and training targets achieved across the Project.

## 6.2 Policies and Regulations

### 6.2.1 Corporate Policy

Arafura has a range of policies that outline corporate governance commitments and management procedures that dictate how the Company operates. These include a Code of Conduct, Diversity Policy, Appointment of Directors, Trading Policy, ASX Compliance, Communication, Whistle-blower and Auditor Appointment. Arafura has also developed a Northern Territory, Indigenous and Australian Business Benefits Policy which guides this Territory Benefits Plan.

Arafura also has a key commitment to ensure that its social licence to operate maintained and enhanced. This goal is supported by policies in environment, health and safety, communities and cultural awareness. Additional policies will be developed as Arafura progresses from being a project developer to a mine operator with the aim of positioning Arafura as the operator and supplier of choice.

### 6.2.2 Integrated Management System

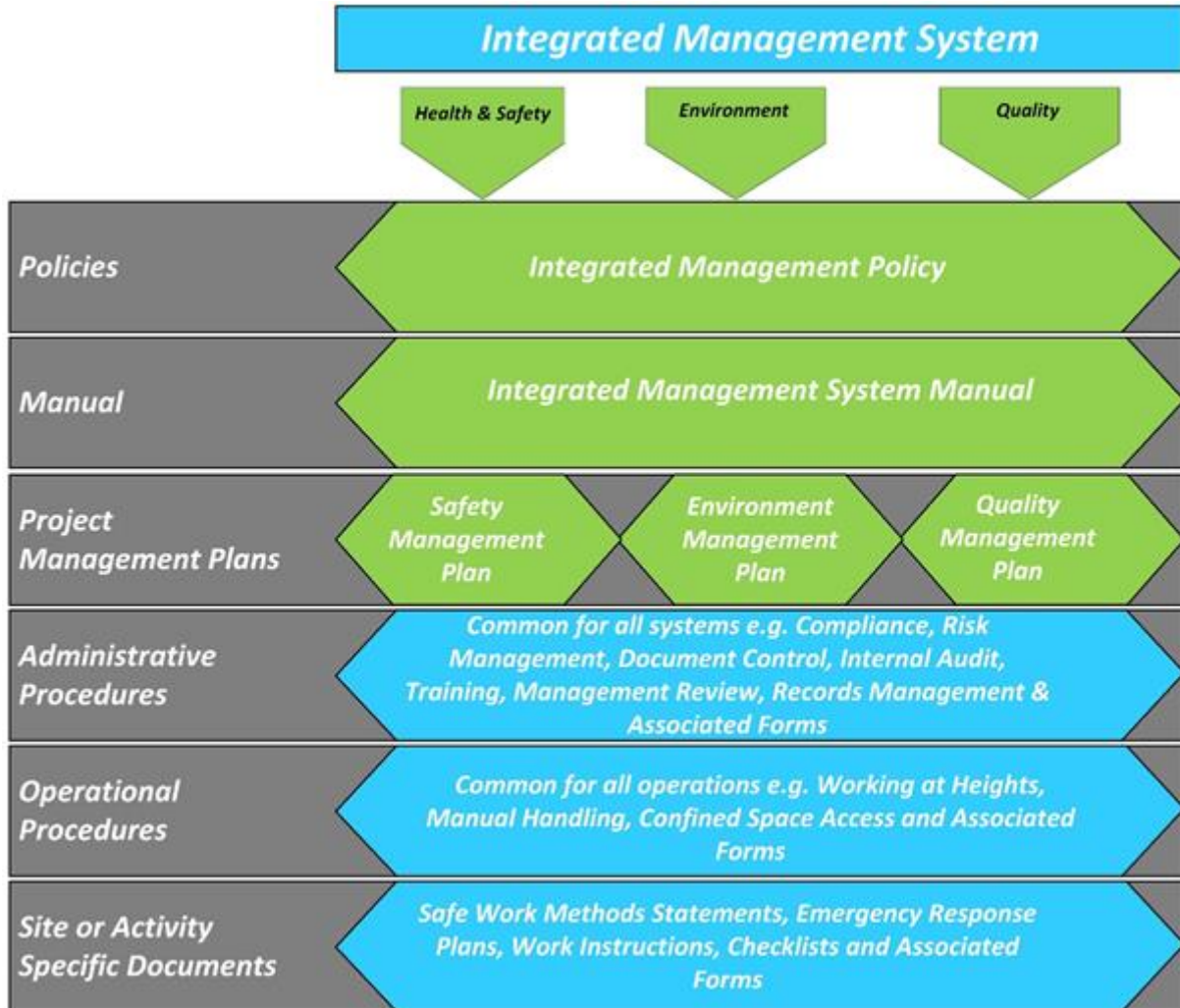
Arafura is developing an Integrated Management System (IMS) to provide a clear understanding of the expected standards and requirements for managing its integrated management processes. The indicative IMS structure is shown in Figure 6—1 and will include all relevant requirements associated with:

- Quality
- Environment
- Health
- Safety
- Community

The IMS is being developed in compliance with the following accepted and widely used international management system standards:

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 45001:2018 – Occupational Health and Safety Management System

Figure 6—1 Integrated Management System Structure



**6.2.2.1 Quality Management Plan**

The IMS is being developed in compliance with ISO 9001:2015 – Quality Management System (QMS). It is a requirement that the Project be carried out in accordance with this standard. Contractors will be included in this obligation in the following ways:

- Tier 1 / major contractors will be required to have in place an accredited Quality System to ISO 9001 (year) and shall clearly demonstrate their accreditation and procedures used on similar projects. They will be required to develop a Quality Management Plan that complies with the requirements of the Project.
- Tier 2 / medium contractors will be required to have in place a Quality System (which may or not be accredited) that is designed along similar lines to the ISO 9001 requirements. They will be required to develop a Quality Management Plan that complies with the requirements of the Project.
- Tier 3 / small contractors will be required to demonstrate competent work practices that will ensure that the final product or service meets acceptable standards. These contractors will



work under the Project's QMS. Arafura will work with these contractors to ensure that they can meet these requirements.

Given the complexity of the Project's process plant, a wide range of technical standards and specifications will govern the Work requirements. Contractors will be selected on their ability to meet the requirements of these standards and specifications. Where it is desirable to utilise a local or Indigenous contractor then Arafura will work with these contractors on meeting the requirements of the standards and specifications.

The Quality Management Plan will be updated further during the construction phase to detail how this will be implemented for the operations phase.

### 6.2.2.2 Environmental Management Plan

A conceptual Environmental Management Plan (EMP) was prepared for the Project as part of the Environmental Impact Statement (EIS) submission. The EMP was developed in unison with EIS technical studies to demonstrate to regulators that Arafura had a clear understanding of the project risks and how to manage those risks. It provided a potential environmental management system and a range of aspect specific management plans for the site to operate within and assigned responsibilities to proposed site personnel roles.

Currently a detailed Mine Management Plan (MMP) is being written that will cover the Project's construction period and an initial operational period of between one and two years. Following this initial approval period, the MMP will be reviewed and resubmitted to Northern Territory Department of Industry, Trade and Tourism (NT DITT) for assessment and authorisation. This approach is designed to support and encourage continual improvement of the MMP and management practices to reduce or better manage the Project and its environmental risks. It also enables the Company to demonstrate compliance with regulation, approval conditions and proposed and agreed management outcomes.

The MMP includes a number of specific subplans which address the key environmental aspects of the Project to demonstrate how these will be managed and how the Project will comply with the approval conditions of the NT and Commonwealth Governments. These will be developed to ensure the Project addresses these matters during the construction and operation phases. The sub-management plans will include:

- Air and Dust Management Plan
- Biodiversity Management Plan
- Cultural Heritage Management Plan
- Emergency Response Plan
- Fire Management Plan
- Hazardous Substances Management Plan
- Mine Closure Plan
- Non-mineralised Waste Management Plan

- Water Management Plan
- Erosion and Sediment Control Plan
- Weed Management Plan
- Waste Rock Management (including acid mine drainage)
- Radiation Management

The MMP will be developed in general accordance with the following documents:

- NT EPA Guideline for the Preparation of an Environmental Management Plan, May 2015.
- NT DPIR Guideline/Template for the Preparation of a Mine Management Plan.
- Australian Government: Department of Environment, Environmental Management Plan Guidelines.

The MMP will also meet the approval conditions of both the Northern Territory Environment Protection Agency (NT EPA) and the Environment Protection Biodiversity Conservation (EPBC) Act.

### 6.2.2.3 Safety Management Plan

The SMP will be compliant with International Standard 45001:2018 Occupational Health and Safety Management Systems and meet the regulatory requirements of the NT Work Health and Safety (National Uniform Legislation) Act. The aim of the plan is to clearly manage the safety and wellbeing of the workforce with a clear focus on prevention of workplace injuries. It will be based on proven risk management processes through the identification and where practicable, the elimination of workplace hazards.

The plan will address several key factors including:

- Management's leadership, commitment, responsibilities and accountability.
- Promotion of a positive culture in the organisation that focusses on the desired outcomes of safety management.
- Effective and open communication.
- Consultation with, and participation of, the workforce in safety.
- Ensuring adequate resources are available.
- Ensuring supporting policies are in place with stated objectives of the organisation.
- Ensuring robust and effective hazard identification and control processes are in place.
- Ensuring continuous improvement processes are established.
- Ensuring the plan is aligned with Arafura's business processes.
- To ensure the plan is compliant with Arafura's legal obligations.

The SMP will seek to establish and maintain an effective health and safety management system to demonstrate to all stakeholders that Arafura is committed to achieving a consistently high standard of safety performance.

### 6.2.3 Statutory Regulations and Approvals

The Project is potentially subject to a raft of legislation from both the Australian and Northern Territory governments. At the Australian level there are eight pieces of legislation that have potential to impact the Project but the most significant of these are the EPBC Act and the Native Title Act. The Project has received approval under the EPBC Act. An agreement has been signed with the three native title holder groups over the Project through the Central Land Council (CLC).

At the NT level there are 22 pieces of legislation that have application on the Project but of these, the most significant are the following:

- Minerals Titles Act.
- Mining Management Act.
- Environmental Assessment Act.
- Heritage Act.
- Royalty Act.
- NT Sacred Sites Act.
- Work Health and Safety (National Uniform Legislation) Act.
- Water Act.

All legislation is well understood, and systems are or will be in place to ensure the Project will be in full compliance with all legislative requirements prior to on ground activities commencing.

**7.0 ECONOMIC IMPACT**

An economic impact analysis was prepared for the Project in April 2020 by a consultant utilising data from the DFS. This analysis details the benefits of the Project to the local, Territory and national economies. The mine life at the time of the DFS was 23 years, giving a total 26-year period for the construction and operations phases. The following economic participation data has been extracted from this report. A follow up economic impact analysis has not been performed on the current 39-year mine life, but it would be expected that the economic outcomes would be greater than those stated below for the current mine life.

The construction and operation of the Project will create an economic impact on the surrounding Alice Springs region, the Northern Territory and Australia as a direct result of the spending on goods, services and wages associated with the Project. This spending will also create an indirect impact and a subsequent indirect impact as a result of the additional spending along the supply chain. In order to estimate and quantify the Project’s potential benefits, Computable General Equilibrium modelling was used. This has enabled the total economic impact of the construction and operations phases on the Australian and Northern Territory economies, and on the economy of the local Alice Springs region to be quantified.

**7.1 Economic Impact Assessment**

**7.1.1 Gross Product**

Expenditure in the construction and operations phases of the Project generates a stimulus to the economy in the form of the direct expenditure required to construct, operate, and maintain the project, and the further indirect stimulus to labour income and the profits of companies in the wider economy. The resulting increase in the value of production in the Australian economy as a result of the Project is referred to as the contribution to Gross Product.

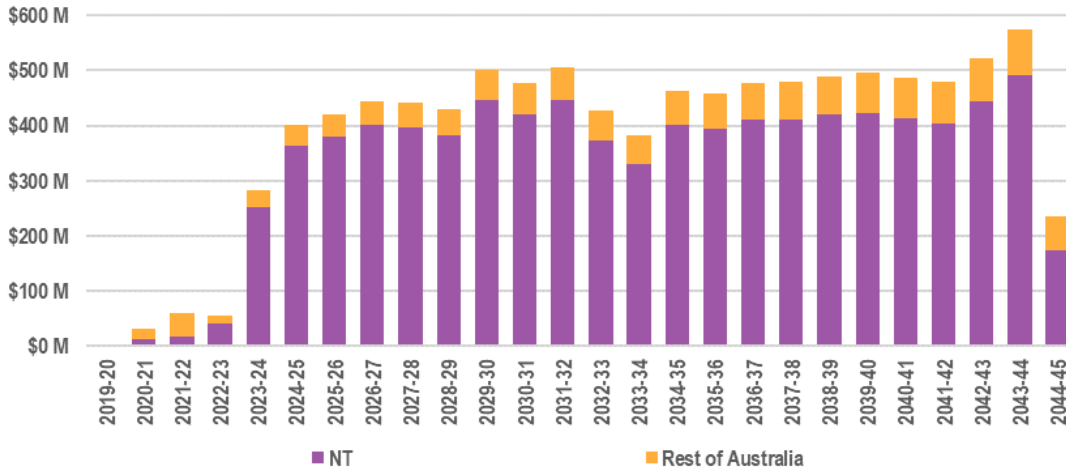
**Table 7—1 Average Annual Contribution to Gross Product**

Location	Average annual contribution A\$ million
Australia	385
Northern Territory	332
Alice Springs SA3	328

Figure 7—1 shows the contribution to Gross Territory Product over time. Contribution to Gross Product measures the increase in value add in the economy and as such, the Project makes most of its contribution to the value add of the Northern Territory during the operations phase when it is earning revenue.

The contributions during the construction phase are smaller than during the operations phase. During construction there is no new capital stock or resource base in the Northern Territory until construction is complete and the operations phase commences.

Figure 7—1 Contribution to Gross Domestic and Territory Product



Note regarding Figure 7—1:

The years depicted were accurate at the time of the economic impact analysis. It is intended that years 2020-21 to 2022-23 represent the planning and construction phases and that 2023-2024 onwards represent the operations phase.

**7.1.2 Taxation and Royalties**

It is estimated that over the construction and operations phases, almost \$2.4 billion will be paid in taxation and royalties, the majority of which is in the form of income taxation payments. In addition to these payments, flow on taxation is also generated which will be paid by the businesses and employees along the supply chain that the Project supports.

Economic modelling estimates that the total taxation payable in the economy over the 26-year period as a result of the Project will be \$4.5 billion. Approximately 53 per cent of this value is a result of the taxation paid directly by the Project.

**7.1.3 Other Economic Impacts**

As well as the quantifiable economic impacts, there are other economic impacts that are more difficult to quantify but nevertheless represent an important economic contribution to the Northern Territory and particularly to the people in the surrounding local region. They are also important because they contribute to the Northern Territory Government’s outcomes and activities associated with the strategic directions of the Department of Industry, Trade and Tourism. Those to which the Project will directly contribute include fostering more private investment; creating more jobs; a more skilled workforce; more Aboriginal Territorians in jobs and running businesses; increased number and size of businesses; average of five per cent growth rate in Gross Territory Product; and increased trade.

**7.2 Australian Business Participation Opportunities**

The contracting packages for the planning and construction of the Project have been assessed for participation opportunities within Australia and are shown in Table 7—2. The evaluation of the local industry’s capacity to contribute to the supply chain will be undertaken in partnership with ICN-NT.

**Table 7—2 Australian Business Participation Opportunities**

Anticipated Contract Packages	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Process Plant		
Hydrometallurgical Plant EPC	Yes	Yes
Beneficiation Plant EPC	Yes	Yes
Sulphuric Acid Plant	Yes	Yes
Solvent Extraction Equipment Supply	Yes	Yes
Process Control System	Yes	Yes
Consultant - Metallurgy	Yes	No
Consultant - Design Review	Yes	No
Non-Process Infrastructure		
Accommodation Village - Temporary Construction Camp & Permanent Village	Yes	No
Overhead Powerline	Yes	No
Borefield Drilling and Development	Yes	No
Borefield Headworks	Yes	No
Borefield Pipeline Installation	Yes	No
Residue Storage Facility Design	Yes	Yes
Residue Storage Facility Construction	Yes	No
HDPE Pipe Supply & Install	Yes	No
Bulk Earthworks, Roads & Construction Materials	Yes	No
Civils/Steel Mechanical Piping and Electrical & Instrumentation	Yes	No
Steel Frame Buildings	Yes	No
Modular Buildings	Yes	Yes
Site Fencing	Yes	No
Temporary Facilities - Misc	Yes	No
Weighbridge Supply	Yes	Yes

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Anticipated Contract Packages	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Light Vehicle/Heavy Vehicle Washdown Bay Supply	Yes	No
Concrete Batch Plant	Yes	No
Miscellaneous Minor Earthworks	Yes	No
Mine Diesel / Fuel Storage and Distribution	Yes	No
ICT (Communications)	Yes	No
Consultant - Hydrogeology	Yes	No
Consultant - Geotechnical	Yes	No
Consultant - Environment & OHS	Yes	No
RSF Independent Design Review	Yes	No
Mine Fire Water Pump Package	Yes	No
Wastewater System	Yes	No
Signage	Yes	No
Services		
Construction Camp and Village Operations	Yes	No
Vehicle Maintenance	Yes	No
Project Logistics	Yes	No
Project Insurances	Yes	No
Flights (Domestic)	Yes	No
Accommodation (Domestic)	Yes	No
Security Services	Yes	No
Temporary Water	Yes	No
Waste Management - Rubbish & Sewerage	Yes	No
Communication Services, Radio & Telecom, ICT Hardware	Yes	No
IT Support	Yes	No
Genset Rental - Temporary Power	Yes	No
Vehicle Hire - Domestic	Yes	No
Office / Warehouse Rental	Yes	No
Alice Springs Office Relocation	Yes	No
Site Inductions / HSEC Training Materials	Yes	No
Drug & Alcohol Testing	Yes	No
Nurse/Paramedic/Fire Fighter	Yes	No

Anticipated Contract Packages	Opportunities for Australian suppliers*	Opportunities for overseas suppliers
Surveying	Yes	No
Mining Contract	Yes	No
Consultant - Detailed Mine Planning	Yes	No
Operations		
Gas Transport	Yes	No
Phosphoric Acid Storage Facility	Yes	No
Gas Supply	Yes	No
Logistics - Operations	Yes	No
Operational Readiness & Hardware	Yes	No
Pre-Production Labour	Yes	No
Power Station	Yes	Yes
APA Gas Connection and Let Down	Yes	No
Recruitment Consultants	Yes	No

\*An Australian supplier means an entity that has an ABN or an ACN.

### **7.3 Workforce Requirements**

#### **7.3.1 Construction Phase**

The Project’s construction phase is expected to span a two-year period and involve a coordinated approach by several contractors. The workforce required to complete the entire Project will be a combination of white-collar and blue-collar workers and include professions such as:

- Construction managers
- Construction superintendents
- Construction supervisors
- Administrators
- Project engineers
- Commissioning managers
- Commissioning engineers
- Contracts advisors
- Contracts administrators
- Safety advisors
- Environmental advisors



- Quality managers
- Quality control inspectors
- Planners
- Document controllers
- Mechanical fitters
- Electricians
- Boilermakers
- Concreters
- Painters
- Plumbers
- Carpenters
- Mechanics
- Truck drivers
- Surveyors
- Scaffolders
- Warehouse/logistics personnel
- Trades assistants
- Cooks
- Cleaners

It is forecast that the total onsite workforce will peak at approximately 600 personnel during the construction phase and average over 350 people for the majority of the construction period. It is anticipated that due to documented shortages in all labour categories in the region, the majority of the construction workforce will be sourced from outside the Northern Territory on a fly-in/fly-out (FIFO) basis. Where possible, local labour will be utilised.

### 7.3.2 Operations Phase

A high-level view of the workforce requirements and associated recruitment strategies is presented here to provide an understanding of how Arafura intends to fulfil its operations workforce requirements.

Arafura's operations phase is expected to last at least 39 years and will consist of a mine and processing site located close to Alice Springs and will provide the opportunity to attract and retain a skilled and motivated workforce to the region. Arafura will aim for a culture where employees are proud to be associated with the uniqueness of the project and the ability to support Alice Springs and the local community.

The anticipated operational workforce will be approximately 278 personnel comprising: 18 offsite, predominantly in the Alice Springs support office and 260 onsite. Of the 260 onsite, 146 will be contractors. Initially the workforce will be comprised of existing qualified candidates in the industry and new employees to the industry who have appropriate skills and training.

The workforce will be a combination of residential (Alice Springs) and FIFO employees. Planning will rely more heavily on FIFO initially, with longer term plans aimed at maximising the residential workforce. It is Arafura's preference to have a larger portion of the workforce residing in Alice Springs and working bus-in/bus-out (BIBO) rosters. However, the initial limitations of housing in Alice Springs, and the ability to attract workers to live in Alice Springs, will result in a number of FIFO positions being required. It is anticipated that an increasing number of employees residing in Alice Springs will occur over time, hence resulting in a gradual decrease from the initial reliance on FIFO arrangements. A number of key roles, and roles that can be sourced locally, have however been identified as residing in Alice Springs from operations commencement.

### 7.3.2.1 Alice Springs Residential/BIBO Workforce

It is planned that the majority of personnel in the administration, commercial and human resources departments will be situated in Arafura's Alice Springs office and operate on a residential basis. This will include roles such as:

- General Manager
- Administration/Commercial Manager
  - Supply Superintendent
  - Purchasing Officer
  - Logistics Officers
  - Accountants
  - Accounts Officers
  - Travel Administrator
  - IT Supervisors and Officers
  - HR Superintendent
  - Payroll Officer
  - Administration Officer

Roles that are not considered necessary to be undertaken in a continuous manner and allow for weekend breaks will be in the first instance offered on a short BIBO roster from Alice Springs. It is anticipated that this roster will include the following roles:

- Mining Manager
  - Technical Services Superintendent
  - Geologists
  - Mining Engineers

- Processing Manager
  - Technical Superintendent
  - Process Engineers
  - Process Superintendent
  - Maintenance Superintendent
  - Maintenance Planner
  - Maintenance Engineers
- Health, Safety, Environment and Community Manager
  - Environmental Engineers
  - Safety Officers

### 7.3.2.2 Recruitment Attractiveness Strategy

In order to attract a competent workforce to the operations team, Arafura has developed a high-level strategy designed to recruit and retain personnel.

#### 7.3.2.2.1 The Employment Value Proposition

It will be important for Arafura to differentiate itself from its competitors and attract suitably experienced and qualified candidates to the Project. Arafura will commence the development of an 'employment value proposition (EVP)' during the construction phase that can be presented to the labour candidate market and provide information about why they should consider Arafura as an employer. It is anticipated that the factors that will be important to attract candidates will be the location in the centre of Australia (easy access) and proximity to Alice Springs, the roster, stability and long-term nature of the project and competitive salary and benefits. The EVP will be integrated into any advertising, branding or promotional activity.

#### 7.3.2.2.2 Central Location

The primary focus of the recruitment campaign will be on the central location of the Project. Most mines target one or two cities. For example, Olympic Dam does FIFO from Adelaide and Port Augusta.

Arafura will have easy access to FIFO workers from all of the mainland state capitals and Cairns. Similarly, for relocated residential workers, they will only be a single flight from their extended family.

#### 7.3.2.2.3 Alice Springs as a Place to Live

In addition, there is scope to leverage Alice Springs as an interesting location to live with potential job opportunities for spouses/partners in healthcare, education, hospitality and social services. Areas of attraction include:

- Alice Springs hospital is a teaching hospital and is supported by a range of health services including GP, chiropractic, hearing, aged care, cancer support, drug and alcohol, mental health, maternity and dental.

- In terms of education, Alice Springs has 19 public and private schools (six of these are secondary schools), seven pre-schools and specialist indigenous schools. The Alice Springs campus of Charles Darwin University offers TAFE and other secondary courses.
- For leisure, there is the aquatic centre with waterslides, heated pools and a café, Lasseters Hotel and Casino and a number of unique events such as the Camel Cup.
- Alice Springs also has a large number of sporting activities including some of the best mountain bike and hiking trails in Australia.

Arafura will have a number of additional benefits available for employees who reside in Alice Springs including relocation assistance, yearly living allowances and yearly airfare support for employees and their families. Arafura will monitor the availability and pricing of housing in Alice Springs to ensure that these additional allowances are adequate to assist with attracting labour.

Arafura will target residential mining environments such as Mt Isa in Queensland. Potential workers living in these residential communities may be attracted to the benefits of Alice Springs as a location for long term and sustainable employment.

### 8.0 TERRITORY BENEFIT COMMITMENTS AND STRATEGIES

#### 8.1 Local and Indigenous Training and Employment

Arafura will employ strategies during all phases of the Project and into operations to maximise the training and employment opportunities for local and Indigenous people. The project planning and construction phases are expected to take approximately 3 years to execute. This time frame combined with the minimum 39-year life of mine offers a unique opportunity to provide local and indigenous, long term and intergenerational opportunities outlined below.

##### 8.1.1 Planning and Construction Phases

The initial phases of work are heavily weighted towards utilising contractors and subcontractors to carry out engineering, procurement and construction activities. The majority of work will occur during the construction phase and it is also more relevant during this phase that training and employment initiatives for local, Indigenous and the wider population are carried out by contractors and so emphasis is placed on contracting activities.

Arafura will require contractors to include in their tender submission:

- A commitment to providing employment opportunities to Australians.
- Nomination of employment targets for local and Indigenous workforce participation.
- Strategies to maximise the training, recruitment and retention of local Indigenous people.
- Their own Local and Indigenous Training and Employment Plan.
- Justification for international recruitment.

This element will be a key evaluation criterion for all tenders and will carry forward into all contracts to become commitments against which contractors will be measured. The key performance indicators are listed in 6.1.2 Training and Employment.

Contractors will be required to demonstrate that their subcontractors are aware of the contractor's commitments and that they in turn undertake to comply with these requirements.

Arafura's Owner's Team will also target a minimum local and Indigenous employment level at the site offices. These candidates will be selected through either local recruitment agencies or through engaging with organisations that specialise in work ready training and development for local and Indigenous people.

##### 8.1.2 Operations Phase

During the latter stages of the construction phase, Arafura's Local and Indigenous Training and Employment Plan, and this Territory Benefit Plan itself will be revised for the inclusion of a more detailed approach to the employment and development of operations personnel.

To date, Arafura, with the assistance of a number of stakeholders in Central Australia, has developed an Indigenous Engagement Strategy (IES). Many of the aspirations within the strategy are reflected within the Native Title Agreement (NTA) terms recently approved and signed by the Native Title

Holders. The strategies within the IES form the basis of the Territory Benefit Plan's training and employment elements.

Arafura has committed, through the IES to building social and economic wellbeing by:

- Creating culturally appropriate training and development pathways for local and Indigenous people to take up employment opportunities in the Project.
- Maximising long-term career opportunities for local and Indigenous people, across generations and over the full life of the Project.

By far the greatest impact the Project will have on the surrounding community will be through employment that will occur during the operations phase. The following sections outline commitments that will be developed into detailed plans during the construction phase in preparation for operations.

### 8.1.2.1 Develop Local and Indigenous Workforce

The following commitments are made with the intention of aiding in the development of local and Indigenous people in the Central Australia region to participate in the Project.

#### 8.1.2.1.1 Graduate Development Program

Arafura will explore the viability of establishing a Sponsorship Program or partner with an existing program to provide financial assistance to local and Indigenous people in this region to successfully complete tertiary qualifications and join the Nolans Project in a job that aligns with their qualification.

To facilitate these job pathways, Arafura will establish a Graduate Development Program. This program will offer employment in the Project's operational workforce to university graduates coming through the Sponsorship Program, providing them with hands-on experience and additional on-the-job training as part of their transition into full-time work.

#### 8.1.2.1.2 School Based Traineeships and Apprenticeships

To support non-tertiary job pathways, Arafura will investigate offering school-based traineeships or apprenticeships to local and Indigenous young people, 15 years and over, who are still at school. As part of this program, young people will receive paid work on the Project site while completing their school education, conditional on meeting occupational health and safety requirements and age restrictions for working on a mine and processing site.

#### 8.1.2.1.3 Vocational Education and Training in Schools

Arafura will work with the Director Industry Training Programs, NT Department of Education and other registered training providers, to investigate the establishment of a specially tailored Vocational Education and Training in Schools (VETiS) program. Targeting local and Indigenous students from participating schools across Central Australia, this program will start with a Certificate 1 Foundation Skills course to introduce students to working in mining-related fields. Over time students will progress along this learning pathway to develop their literacy/numeracy and employability skills, to

eventually take up a school-based apprenticeship or traineeship. These will be offered either at an entry level (Certificate II) or trade level (Certificate III).

The design of the VETiS program will occur during the Project's construction phase. Implementation of the school-based apprenticeships/traineeships, and the eventual transition of students to a full-time apprenticeship or job, will support the development of the Project's long-term operational workforce. This program will also be promoted to prospective contractors to take up as part of the local and Indigenous workforce strategies being developed through their tender proposals.

### 8.1.2.2 Increase and Retain Local and Indigenous Employment

The following commitments will enable Arafura to be best placed to increase and retain local and Indigenous employment.

#### 8.1.2.2.1 Complete Skills Audit

Ahead of the Project's operations phase, Arafura will support the completion of a skills audit throughout the local community using local providers. This audit will gauge the level of employment readiness of unemployed local and Indigenous people to compete for and secure a job in the Nolans Project, and potentially other mines who are expected to come online in the region. Arafura will consult with the Regional Manager, National Indigenous Australians Agency and the Manager Economic Development, Department of Industry, Trade and Tourism to assess the readiness of unemployed local and Indigenous people.

#### 8.1.2.2.2 Develop Local and Indigenous Training and Recruitment Calendar

Using the findings of the skills audit and with information from the outcomes of ICN's Five Mines Capability Mapping Project, Arafura will seek seed-funding to develop a coordinated Local and Indigenous training and recruitment calendar. This calendar will identify a rolling schedule of job training and recruitment activities, to meet the immediate and long-term workforce needs of the operation. Implementation of this calendar will draw on the resources available through the region's Employment Services Providers, Registered Training Organisations and the Aboriginal Employment grants program of the Department of Industry, Trade and Tourism.

This calendar will provide tailored pre- and post-employment mentoring support and structured training pathways linked to offers of employment. Employment service providers from Alice Springs and across Central Australia will be invited to register their interest to deliver activities through this calendar, targeting both disengaged and work-ready jobseekers. The calendar will give particular focus, in the first instance, to supporting employment pathways for people from the Anmatjere communities. Appropriate gender specific strategies will also be incorporated, to deliver sustainable local and Indigenous female employment outcomes across all phases of the Nolans Project. Implementation of the calendar will be subject to Arafura receiving its final investment decision and meeting all regulatory requirements to commence the Nolans Project.

#### 8.1.2.2.3 Contractor Obligations for Local and Indigenous Employment

Arafura will leverage local and Indigenous employment opportunities through all contracts awarded by the Nolans Project. It will be a requirement of all contracts that they set a local and Indigenous

employment target and outline the methodology for attracting, recruiting and retaining local and Indigenous employees. This will form a key element of the tender adjudication criteria and become a metric against which contractors will be measured.

Information on grants available through the NT Department of Industry, Trade and Tourism’s Aboriginal Employment Program will be provided to encourage and help contractors and suppliers retain their Indigenous employees and enable them to provide career development opportunities through apprenticeships and traineeships.

**8.1.2.2.4 Cultural Awareness Training**

Arafura will ensure its workplace is culturally inclusive and responsive to Indigenous people’s career needs and aspirations. Arafura will engage local providers and traditional owners to explore opportunities to deliver appropriate cultural awareness and heritage training.

**8.1.2.2.5 Assess and Address Skills Gaps**

Arafura will consult with relevant government and industry stakeholders to support the development of a regional workforce strategy, that can help address potential skills gaps created by the movement of people in paid work to the Nolans Project and other mines in the region.

**8.1.3 Local and Indigenous Training and Employment Commitments**

Arafura takes pride in becoming a major employer of the region and will commit to providing training and employment opportunities to local and Indigenous people. An identified challenge is the tight labour market in the region and many occupations which are currently in demand before the introduction of a new major project. For this reason, the construction phase commitments reflect the current availability.

**8.1.3.1 Construction Phase Training and Employment Commitments**

With the assistance of third parties, Arafura has developed the following commitments (Table 8—1, Table 8—2) to the training and employment of local and Indigenous people during the Project’s construction phase.

**Table 8—1 Construction Phase Employment Commitments**

<b>Classification</b>	<b>Employment Commitment</b>
Indigenous	4%
Central Australia region	10%
Other Northern Territory	3%

It is envisaged that there will be trainees employed specifically for the Project by contractors. Where possible these personnel will be recruited locally. Apprentices may be sourced from Group Training Organisations and rotated through contractors on site.



**Table 8—2 Construction Phase Training Commitments**

Classification	Trainees	Apprentices
Indigenous	2	2
Central Australia region	10	10

**8.1.3.2 Operations Phase Training and Employment Commitments**

Commitments for the Project’s operations phase will be detailed when the Territory Benefit Plan is updated during the construction phase.

**8.2 Local and Indigenous Business Participation**

A Local and Indigenous Business Participation Plan has been written by Arafura in preparation for tendering activities in the Project’s planning and construction phases. Arafura will utilise this document during the initial phases of the Project and review and update it prior to the completion of the construction phase to ensure its suitability for commissioning and the ongoing nature of operations. This plan aims to prepare the local and Indigenous business community for participation in the Project, but not at the detriment of businesses in other parts of Australia. Key sections of the Local and Indigenous Business Participation Plan are replicated below.

**8.2.1 Business Engagement Process**

Arafura will utilise the services of ICN-NT to assist in the engagement, support and development of Northern Territory local, Indigenous and non-Indigenous businesses throughout all phases of the Project. While ICN-NT can facilitate the engagement of all contractors and suppliers, ICN-NT’s primary service offering is its ability to identify businesses in the local area with suitable capability to deliver against a scope of work, including businesses operated by local and Indigenous people. ICN-NT also provides an online platform (ICN Gateway) and networking capabilities which will aid Arafura and contractors in attracting businesses to pursue opportunities within the Project.

**8.2.1.1 Major Contract Packages**

Arafura will publish a list of expected major work packages for the Project on ICN Gateway as early as practicable, ahead of the development and issuing of tender documentation. This list will be maintained for the duration of the Project and updated as required to reflect the available package details and relevant commercial timelines. This will enable businesses to gain an understanding of the range, size and complexity of packages as well as pre-qualification requirements.

Each package listing will be appended by an expression of interest (EOI) form which will provide:

- Project description
- Package description
- Key information requirements

Businesses will be invited to express an interest in specific packages by registering on the ICN Gateway platform. There will be the opportunity for businesses to register interest in full or partial scopes.

A full pre-qualification process will be a prerequisite for businesses tendering for major contract packages.

Any businesses that have previously expressed interest through ICN Gateway will be transitioned to the Project Package List EOI process via invitation by ICN-NT.

### 8.2.1.1.1 Gap Analysis

The EOI process will allow businesses to understand the range of packages available and the required level of business systems and capability expected by Arafura. It will allow businesses to identify if they are immediately capable of participation or if they will require assistance to be able to contribute.

For businesses that are unlikely to meet site standards, consideration can be given for offsite support roles where the complexity of site systems, processes, administration, such as reporting and payroll, will be less demanding. These businesses may also be eligible for subcontracting opportunities through contractors that are able to meet the business capability requirement of the Project.

After consideration of the EOIs, the Company will develop and publish the package tenderer list or Request for Tender (RFT) list on ICN Gateway.

### 8.2.1.1.2 Published Request for Tender Lists

Arafura will develop an RFT list from the package specific EOI listings. Tender documentation will be issued to these businesses which will commence the competitive tendering process.

Businesses not included on the RFT list that are seeking participation at a subcontracting level can approach the tendering businesses independently of the Company for opportunities within their submission. Each package will have local and Indigenous business participation content requirements so this proactive step will assist tendering businesses meet this element efficiently.

### 8.2.1.2 Minor Contract Packages

A secondary process for minor packages will run in conjunction with the publicly listed major package EOI process. Packages included in this category include those that are either minor or considered likely to be fulfilled by local and or Indigenous businesses.

The contracting of these packages will be managed by ICN-NT through a private enquiry mechanism whereby service or supply opportunity scopes are reviewed against the existing ICN-NT database. ICN-NT will provide a list of businesses that meet key capability requirements and are local and or Indigenous which will be reviewed by Arafura and be refined to form the RFT list.

In order for local and Indigenous businesses and the wider community to take maximum advantage of these opportunities, Arafura will ensure that businesses selected are provided every reasonable

chance to succeed. For this reason, an amended pre-qualification process will be established. The minor contract packages will have a package specific pre-qualification process which may include the option of utilising Arafura's management systems and procedures.

### 8.2.2 Preparation of Local and Indigenous Businesses

Arafura has acknowledged to the local and Indigenous community that opportunities will exist within the Project which may allow local and Indigenous businesses to be engaged on the Project and not only support the successful execution of the Project but also provide the businesses with valuable experience and development opportunities.

To further assist local and Indigenous businesses participate in the Project and to contribute to growing the region's economy, the following programs, tools and considerations will be made available when feasible to do so.

#### 8.2.2.1 ICN Gateway

Arafura will ensure that the local and Indigenous community is well informed about the Project and its status through community consultation at events such as Mining Services Expo, October Business Month, and industry forums. Arafura will also use ICN Gateway as a portal to communicate the pipeline of upcoming work packages within the Project. All interested businesses will be encouraged to create a company profile within ICN Gateway in order to benefit from this communication channel.

#### 8.2.2.2 Business Hub

Arafura will consult with the Regional Manager, National Indigenous Australians Agency and the Manager Economic Development, NT Department of Industry, Trade and Tourism, with regards to the options of establishing a business hub and single contact point in Central Australia for local and Indigenous businesses to access advice and mainstream and Indigenous specific support services. This centralized one-stop-shop should enable local and Indigenous businesses to use the programs and services available through the Australian Government's *Indigenous Business Sector Strategy (2018-2028)* and the Northern Territory's Aboriginal Business Development and Start.Run.Grow programs.

This proposed regional approach should complement government programs and provide ease of access for businesses, to help build their capability in developing a larger local and Indigenous business sector for Central Australia. The approach should also strengthen business networks, information and data sharing arrangements, to ensure local and Indigenous businesses are best positioned to benefit from the commercial opportunities expected to come from the Project, as well as other potential major mining projects being considered for this region.

#### 8.2.2.3 Industry Forums

Arafura will, through its community relations capacity, work with and utilise both the Northern Territory and Australian government programs to assist local and Indigenous businesses build their capacity to participate in the Project. With ICN, NTIBN, and the Northern Territory and Australian governments' assistance, Arafura will host Industry forums that specifically target local and

Indigenous businesses in the Central Australia region. Arafura will also, where possible, participate in government initiatives such as October Business Month.

These forums will promote upcoming work packages for which local and Indigenous businesses may wish to register an expression of interest. Details such as scopes of works, timing, delivery expectations and pre-qualification requirements will be provided at industry forums.

Working with the Business Hub, the industry forums will also assist local and Indigenous businesses to access the expertise, business advice and support services available through these programs to increase their competitiveness to tender for work in the Project. To help these businesses determine their capability to undertake this work, structured sessions will be run through these forums providing information and advice on:

- The Project's contracting environment and characteristics.
- The capability requirements for organisations to tender for specific work packages in the Project.
- Subcontractor opportunities available through different work packages and the options to bid for partial or full scope of delivery.
- The benefits, risks and assistance available to help local and Indigenous businesses to negotiate and enter into joint venture or subcontracting arrangements with partner organisations.

#### **8.2.2.4 Communication with Contractors**

In addition to the preparation and education of the local and Indigenous businesses in relation to the site requirements, Arafura will ensure that contractors are clearly advised and educated on the Project's requirements and commitments in relation to local and Indigenous business engagement.

This education will include but not be limited to the following:

- Introduction of the Local and Indigenous Business Participation Plan's intentions during pre-bid briefings and tendering sessions.
- Revisit Arafura's intentions and requirements during contract clarification sessions.
- Clear communication of the local and Indigenous business participation initiatives within the contract conditions.
- Agenda item included in contract kick off meetings to ensure full understanding of contract requirements inclusive of required reporting frequency and format.

#### **8.2.2.5 Central Land Council**

Arafura will provide written notice to the CLC of significant contracting opportunities including any intention to call for expressions of interest for any contract.

### 8.2.2.6 Costs of Supporting Local and Indigenous Business Engagement

The objective of the Local and Indigenous Business Participation Plan is to give local and Indigenous businesses an opportunity to be engaged during the construction phase of the Project and to gain enough experience to either transition into Arafura's operations or to be commercially viable within the Central Australia region at the conclusion of their contract.

The key to reaching these outcomes is to provide the local and Indigenous businesses with the support mechanisms that will set them up to be successful. It is likely that a contractor or subcontractor may be unable to engage some local or Indigenous businesses, in particular, directly into its day to day construction works without having to support the business in one or more ways.

Arafura recognises that the contractor will bear costs involved in supporting local and Indigenous business engagement. Therefore, during the tender stage, the tenderer shall identify costs in the following way:

- For the purpose of Lump Sum Contracts, the tenderer shall be required to identify the commitments they are making towards local and Indigenous business engagement in a line by line item of costs, which may be audited for compliance.
- For the purpose of Cost Reimbursable Contracts, the tenderer shall identify and fully detail all costs, staff, resources or facilities directly attributable to the engagement of local and Indigenous businesses in their bid.

Where a contract package has been awarded and no pre-award commitment to local or Indigenous businesses have been identified, the contractor shall identify any appropriate scope of work and suitable local or Indigenous business capable of undertaking the work as a subcontractor. In the case where there are additional costs associated with engagement of these businesses, then the contractor shall provide justification for these costs to the Company and shall be considered for approval by Arafura.

### 8.2.3 Responsibilities

For Arafura to meet and exceed its goals for the Project's local and Indigenous business participation, all parties will be required to contribute in the following ways.

#### 8.2.3.1 Contractors

Contractors will be required to implement their own Local and Indigenous Business Participation Plan that at a minimum, achieves the following:

- Align with, support and take responsibility for the commitments outlined in Arafura's Northern Territory, Indigenous and Australian Business Benefits Policy and ensure they are met and where possible, surpassed.
- Identify local and Indigenous businesses capable of complying with the Project requirements such as safety, insurances and employee relations by utilising Arafura's standing project facilitation agreement with ICN-NT. The Company will make this service available to all contractors.

- The creation of a Local and Indigenous Business Engagement Team dedicated to monitor and support local and Indigenous businesses and employees while engaged on the Project, and for working with contractor and subcontractor supervision with the day to day management of local and Indigenous businesses and employees.
- Provision of qualitative and quantitative statistics related to this procedure and specifically those required by the Company for reporting to the Northern Territory Government as part of the Territory Benefit Plan.

### 8.2.3.1.1 Local and Indigenous Business Engagement Team

The contractor's Local and Indigenous Business Engagement Team will be dedicated to monitoring and supporting local and Indigenous businesses and employees while engaged on the Project, and to working with contractor and subcontractor supervision with the day to day management of local and Indigenous businesses and employees. More specifically, the Team will be responsible for:

- Identifying gaps within potential local and Indigenous business capabilities and establish a plan, in conjunction with ICN-NT to assist with meeting Project pre-qualification criteria.
- Reviewing subcontractor tender proposals for local and Indigenous business engagement.
- Working with contractor and subcontractor management to ensure local and Indigenous businesses engaged on the Project are meeting identified contract outcomes.
- Reviewing overall scope of work, inclusive of indirect services supporting direct contract works, to identify opportunities to provide appropriately sized packages of work to local and Indigenous businesses.
- Working with subcontractors to identify opportunities within each major contract package scope of work, inclusive of indirect services supporting direct contract Works, to identify opportunities to provide appropriately sized packages of work to local and Indigenous businesses.
- Providing prior written notice to the CLC on behalf of Arafura of all subcontracting opportunities under its control including any intention to call for tenders for any contract arising in relation to the Project's activities.
- Providing feedback to any Indigenous businesses if they are unsuccessful in a subcontracting tendering process. The feedback will give reasonable details of why the tender was unsuccessful, but the Team will not, as has been agreed in the Native Title Agreement, disclose information related to a tender received from a third party which is confidential or commercially sensitive.

### 8.2.3.2 Arafura

With the support of the contractors, Arafura will be responsible for managing the regular government reporting. Reporting templates are in Appendix B.

Communications between the Project and the local and Indigenous business communities will also be managed by Arafura with the assistance of contractors and include avenues such as ICN-NT and the CLC for notification of upcoming tender opportunities.

The Company will provide feedback to any Indigenous businesses if they are unsuccessful in a tendering process. The feedback will give reasonable details on why the tender was unsuccessful, but Arafura will not, as has been agreed in the Native Title Agreement, disclose information related to a tender received from a third party which is confidential or commercially sensitive.

### 8.2.4 Reporting and Communication

Due to the high public profile of the commitments made by the Company to the local and Indigenous business community, it is essential that all activities undertaken by the Project in this area are accurately recorded and where appropriate, reported back to the community.

#### 8.2.4.1 Reporting

Reporting templates will be used to collect data relating to local and Indigenous business participation from contractors. The data from these reports will be compiled and aggregated by the Company for required reporting to the Northern Territory Government, the CLC, ICN-NT, the Chamber of Commerce (CCNT) and internal and external company reporting.

The contents of the report will include:

- The number and value of contracts awarded.
- The number and value of contracts awarded to local and Indigenous businesses.
- Scope of works description for each contract.
- Anticipated length of each contract.
- Qualitative data relating to local and Indigenous engagement process.

#### 8.2.4.2 Communication and Feedback to the Community

The overall investment of time and resources into the Local and Indigenous Business Participation Plan is aimed at building the Company's reputation with the local Central Australian community, and especially within the Indigenous community, from the commencement of construction through to operations.

The Company shall be responsible for feeding information back into the community, with particular focus on the Indigenous community, whether it is through the media or through community forums.

The contractors will be required to assist the Company in these communications by:

- Providing the necessary information relating to local and Indigenous business commitments made on the Project.
- Making a member of their Indigenous Business Engagement Team available for community engagement events.
- Recognising significant achievement by local and Indigenous businesses within the Project, inviting Company representative participation in such recognition and providing photo opportunities of such recognition for Company use.

Feedback from tendering processes in relation to local and Indigenous businesses will be given to ICN-NT to aid in the development of their workshops targeted at building business capability in the region.

### 8.2.5 Local and Indigenous Business Participation Commitments

#### 8.2.5.1 Planning and Construction Phases

Arafura has examined the contracting opportunities which will be made available during the planning and construction phases of the Project and, with the assistance of limited Northern Territory business data supplied by the Workforce Team, identified realistic targets for local and Indigenous business participation. While every effort will be taken by Arafura to realise these targets, as detailed within this Territory Benefit Plan, the actual take-up of these opportunities will depend on the capacity and capability of local and Indigenous businesses to participate in a competitive tender process.

##### 8.2.5.1.1 Direct Local and Indigenous Contracting

Direct contracting opportunities for local and Indigenous businesses have been identified predominantly as minor construction contracting packages. These are packages of the type and value that fall within the identified capability of local and Indigenous businesses. These packages will be treated in accordance with 8.2.1.2 Minor Contract Packages. In addition to this, the construction of the temporary and permanent accommodation village is likely to be fulfilled by a local business.

##### 8.2.5.1.2 Indirect Local and Indigenous Contracting

Indirect contracting opportunities will arise through the subcontracting activities associated with major contract packages and many of these opportunities will exist for local and Indigenous businesses. The major contract packages have been identified and analysed for subcontracting opportunities, particularly within the non-process infrastructure category which encompasses earthworks, civil, electrical, mechanical and piping works. With reference to the capacity and capability of local and Indigenous businesses and the experience of similar projects, indirect contracting targets for local and Indigenous businesses have been captured.

##### 8.2.5.1.3 Commitments

The following commitments are presented in Table 8—3 for the planning and construction phases of the Project. It is Arafura's goal to meet and then exceed these commitments through employing local and Indigenous business participation strategies directly and indirectly through contractor engagement. At this point in time the market has not been robustly tested for willingness and capacity to participate in the Project so the firm commitments that are presented are realistic in their quantum. It is, however, Arafura's aspiration that during the construction phase, 20% of project capital is spent with businesses within the Northern Territory, and implementing the aforementioned business participation plan in its entirety will ensure a mutually beneficial outcome for the community and the Project.



**Table 8—3 Local and Indigenous Business Participation Commitments**

Classification	Direct Contracting Commitment		Indirect Contracting Commitment	
	% of project capital		% of project capital	
Indigenous	0.2	A\$1,788,000	0.4	A\$3,859,000
Central Australia region	4.8	A\$43,345,500	1.6	A\$14,095,000
Other Northern Territory	1.2	A\$10,654,000	1.0	A\$9,182,000
Australia	87	A\$771,521,000		

Notes regarding Table 8—3:

1. The balance of expenditure is expected to occur with international suppliers or contractors where goods and services are not available within Australia.
2. The indirect contracting commitments will be achieved through subcontracting activities of Australian contractors and is therefore a subset of direct Australian expenditure.
3. It is assumed that engagement of Indigenous businesses will occur in the Central Australia region.
4. Engagement of international businesses is not quantified as a commitment, but it is expected approximately 80% of mechanical equipment (valued at A\$200,000,000) will be manufactured internationally due to inability to procure domestically.

**8.2.5.2 Operations Phase**

The contracting strategy and breadth of opportunities for local and Indigenous businesses will be developed for the operations phase when the operation readiness activities commence during the construction phase.

**8.3 Local Investment in and Contribution to the Shared Value in the Local Community**

To further assist local and Indigenous businesses participate in the Project and to contribute to growing the region’s economy, Arafura will make the following programs available when feasible to do so.

**8.3.1 Business Hub**

Arafura will consult with the Regional Manager, National Indigenous Australians Agency and the Manager Economic Development, NT Department of Industry, Trade and Tourism, with regards to the options of establishing a business hub and single contact point in Central Australia for local and Indigenous businesses to access advice and mainstream and Indigenous specific support services. This centralized one-stop-shop should enable local and Indigenous businesses to use the programs and services available through the Australian Government’s *Indigenous Business Sector Strategy (2018-2028)* and the Northern Territory’s Aboriginal Business Development and Start.Run.Grow programs

This proposed regional approach should complement government programs and provide ease of access for businesses, to help build their capability in developing a larger local and Indigenous business sector for Central Australia. The approach should also strengthen business networks,

information and data sharing arrangements, to ensure local and Indigenous businesses are best positioned to benefit from the commercial opportunities expected to come from the Project, as well as other potential major mining projects being considered for this region.

### 8.3.2 Industry Forums

Arafura will, through its community relations capacity, work with and utilise both the Northern Territory and Australian government programs to assist local and Indigenous businesses build their capacity to participate in the Project. With ICN, NTIBN, the Northern Territory and Australian governments' assistance, Arafura will host Industry forums that specifically target local and Indigenous businesses in the Central Australia region.

These forums will promote upcoming tenders for which local and Indigenous businesses may wish to register an expression of interest. The forums will outline the work packages linked to these tenders, detailing their scope of works, timing, delivery expectations and pre-qualification requirements.

Working with the Business Hub, these forums will also assist local and Indigenous businesses to access the expertise, business advice and support services available through these programs to increase their competitiveness to tender for work in the Project. To help these businesses determine their capability to undertake this work, structured sessions will be run through these forums providing information and advice on:

- The Project's buyer environment and characteristics.
- The capability requirements for organisations to tender for specific work packages in the Project.
- Subcontractor opportunities available through different work packages and the options to bid for partial or full scope of delivery.
- The benefits, risks and assistance available to help local and Indigenous businesses to negotiate and enter into joint venture or subcontracting arrangements with partner organisations.

### 8.3.3 Build Capacity of Local Communities

In line with Arafura's Indigenous Engagement Strategy, Arafura will apply community development practices, and work with local Indigenous people and the Anmatjere traditional owners, to develop projects that deliver community benefits and enhance social and emotional wellbeing. This will be achieved by:

- Working with groups like the National Indigenous Australians Agency, the Australian, Northern Territory and Local governments and the Central Land Council, to identify funding opportunities for community projects over and above Arafura's financial contributions already committed through its negotiation of the Native Title Agreement.
- Assisting organisations to build the capacity of local communities through literacy, numeracy and health education projects, environmental benefits through the improved management of feral animals and weeds and prescribed burning, leadership and cultural strengthening activities by accessing funds through the Commonwealth's Indigenous Advancement Strategy and relevant Northern Territory Government programs.

### 8.3.4 Alice Springs Office

Arafura will establish an office in Alice Springs to be the administration hub for the Project. All roles that are not required to be on site will be in the Alice Springs office. This will create a local presence for Arafura to engage with the community and also to offer residential employment to local residents.

## 9.0 COMMUNICATIONS AND REPORTING STRATEGY

### 9.1 Key Stakeholders

Arafura has identified the key stakeholders with which it plans to keep informed, involved and in communication to ensure the greatest positive impact on the Northern Territory and Australian communities and economies and to ensure the Plan's success. The list of key stakeholders will be refined with contractors and suppliers identified when project financing is secured, and the tender process can commence.

- Northern Territory Government
- Australian Government
- ICN-NT
- NTIBN
- Central Land Council
- Chamber of Commerce NT
- Potential head contractors for the Project
- Potential suppliers (local and national)
- Alyuen Aboriginal outstation
- Aileron Station
- Aileron Roadhouse
- Central Desert Regional Council
- Local business community
- Alice Springs community
- Ti Tree community
- Laramba community

### 9.2 Public Communication

Key commitments made in the Plan will be available for public viewing on Arafura's website and on the ICN Gateway. The utilisation of publications such as Arafura's Community Update which was dispersed to the Alice Springs community in July 2020, will also be utilised as a method of disseminating information regarding the Project.

### 9.3 Communication to Stakeholders

Arafura has identified methods to communicate with stakeholders on Project opportunities which will allow suitable suppliers in the Northern Territory and nationally to register interest and be considered for these project opportunities. This will be achieved by utilising the following:

- The Project will engage with the ICN-NT and the greater ICN network as well as the Mining and Energy Services Council of Australia with a view to promoting the Project and

identifying capable, competitive Australian industry suitable to supply goods or services in respect of the future procurement opportunities.

- Arafura, with the assistance of contractors will provide ICN-NT with a list of future goods and services in respect of the future procurement opportunities and request that these be listed on the ICN Gateway website.
- Arafura's website will continue to be a contact point for Australian suppliers and industry representatives and the Project will disclose these contact details in all relevant Project information. The website will also be used to direct suppliers to the ICN Gateway in respect of Project opportunities available to Australian industry and how suppliers can respond to these opportunities.
- Arafura will establish a Project Community Reference Group with the assistance of the CLC and the local community. This reference group will meet on a regular basis and it will be used to discuss progress on meeting Project commitments, and any material Project changes. This group will also be used to disseminate information to the community about the ongoing performance of the Project with respect to the environment, health and safety and social issues.
- The Project will directly contact Australian industry via letters, emails or phone calls to invite tender responses or to inform Australian industry about Project opportunities.
- The Project will continue to use mainstream media to promote the Project and to highlight opportunities for Australian industry.
- During operations, industry forums and the future Business Hub will be focal points for Arafura to communicate commercial opportunities with local businesses.
- Throughout all phases of the Project, Arafura, with the assistance of contractors, will report to the CLC on upcoming employment, training and contracting opportunities for local Indigenous people.

### 9.3.1 Feedback

Arafura will provide feedback to any Indigenous businesses if they are unsuccessful in a tendering process. The feedback will give reasonable details of why the tender was unsuccessful, but the Company will not, as has been agreed in the Native Title Agreement, disclose information related to a tender received from a third party which is confidential or commercially sensitive.

### 9.4 Reporting to Stakeholders

Reports will be compiled by Arafura with the assistance of contractors on a monthly basis for communicating key data to the Australian Government, the Northern Territory Government, the CLC, the CCNT and for internal and external company reporting purposes. If an exemption from the Australian Jobs Act is gained there will be no further reporting to the AIP Authority.

Data relating to business participation will be drawn from reporting templates included in all contracts and Arafura's internal record keeping. Reporting templates are in Appendix A.

The contents of these reports will include:

- The number and value of contracts awarded.
- The number and value of contracts awarded to local and Indigenous businesses.
- Scope of works description for each contract.
- Anticipated length of each contract.
- Qualitative data relating to local and Indigenous engagement process.

Monthly progress reporting on the implementation of training and employment initiatives will be made in accordance with key performance indicators. Templates of these reports are in Appendix B and contain the following information:

- The number of local people interviewed for roles on the Project.
- The number of Indigenous people interviewed for roles on the Project.
- The number of local people employed with both contractors and subcontractors on the Project (both current and to-date figures).
- The number of Indigenous people employed with both contractors and subcontractors on the Project (both current and to-date figures).
- The number of Indigenous people enrolled in a training program.
- The number of local people enrolled in a training program.
- The number of Indigenous people reaching a completed status of a training program (both current and to-date figures).
- The number of local people reaching a completed status of a training program (both current and to-date figures).
- Local and Indigenous employment and training targets achieved across the Project.



**APPENDIX A-1 CONTRACTOR TRAINING & EMPLOYMENT REPORTING**

Month/Year

Contract Title			Number of Full Time Equivalent Personnel					% Indigenous	
			Indigenous	Alice Springs Region	Other NT	Other Australia	International		Total
	Personnel	Forecast							
		Actual							
	Traineeships/ Apprenticeships	Forecast							
		Actual							
	Personnel	Forecast							
		Actual							
	Traineeships/ Apprenticeships	Forecast							
		Actual							



**APPENDIX A-2 INTERVIEW PROCESS – NEW POSITIONS – CURRENT PERIOD**

Month/Year

Position Title	Employment Type	Total Number of Candidates	Number of Interviews				
			Total	Indigenous Candidate	Alice Springs Region Candidate	Other NT Candidate	Other Australia Candidate





**APPENDIX A-3 EMPLOYMENT REGISTER**

Date/Year

Department	FTE Roles	Local Employees	Indigenous Employees	Local Contractors	Indigenous Contractors
	No.	No.	No.	No.	No.



**APPENDIX B-1 EXPRESSION OF INTEREST AND TENDER PROCESS – LOCAL & INDIGENOUS BUSINESS PARTICIPATION**

Month/Year

Package Title	Expressions of Interest			Tender Process			Reasons if Unsuccessful	
	Total No.	Indigenous	Local	Total No.	Indigenous	Local	Indigenous	Local



**APPENDIX B-2 EXECUTED CONTRACTS – FORECAST & ACTUAL EXPENDITURE**

Month/Year

Direct/ Indirect	Contract Title	Contract Sum		Indigenous Content	Alice Springs SA3	Other NT	Other Australia	International	Total for Month	Total to Date
		A\$M		A\$M	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M
			Forecast							
			Actual							
			Forecast							
			Actual							
			Forecast							
			Actual							
			Forecast							
			Actual							
TOTAL										