

# SMC News

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SMC's Wayne Ennor with Dr Lucy Commander and Dr Jason Stevens of Kings Park Botanic Gardens & Parks Authority Science Directorate discuss the Green Rewind Program

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**Tony Cheng with Australian  
Ambassador to China  
Mrs Frances Adamson**



**Tony Cheng**  
Managing Director

*Photo courtesy of ACBC*

Welcome to the third edition of SMC news, and the first one for 2012 in the Western Calendar and the Chinese Year of the Dragon. 2011 was a year that saw significant changes in the SMC organisation. From an early positive start to the year as we looked forward to the ramp up of our major Weld Range project, to the subsequent parking of the project in June 2011, we have seen SMC expand and contract in a relatively short period of time.

However it is very important to not lose sight of the longer term picture for SMC. We have a very significant resource that will get its way to the iron ore market. Although our timing may have been pushed out due to external factors, I have no doubt that the Weld Range project will happen. A positive step in this has been the recent purchase of the Murchison OPR & Jack Hills projects by Mitsubishi.

On the world stage, the importance of China's economy to Western Australia is much talked about and there is no doubt that the fortunes of our industry are closely linked with both Chinese demand and its appetite for capital investment. This progressive relationship was even formalised late last year with the signing of a Memorandum of Understanding between the WA Government and The National Development and Reform Commission of The People's Republic of China.

It was my honour to present a gift to the new Australian Ambassador to China, Mrs Frances Adamson, at the recent Australia China Business Council New Year Dinner. Mrs Adamson's speech was positive on the Chinese growth outlook as well as informative on the leadership changes within government and the strategic directions in the current 5 Year Plan. All of which point to more opportunity for even stronger ties with Western Australia.

SMC is proud to be at the forefront of Sino-Australian relations as we play our part in the developing iron ore industry in the Mid West of Western Australia, and I look forward to updating you of our progress.

Gong Xi Fa Cai (Happy New Year)!

## GREEN REWIND!

SMC has partnered with the Kings Park Botanic Gardens & Parks Authority (KPGPA) Science Directorate to conduct a ground breaking environmental research program aimed at ensuring effective restoration of the areas surrounding its projects at Koolanooka, Blue Hills and Weld Range.

The 'Green Rewind' program represents an SMC investment of \$1.5 million dollars over a five year period.

"It's been dubbed the 'Green Rewind' Program, simply because we want to rewind the clock to ensure the environment is as original – if not better, than it was before mining occurred," said SMC Environment & Approvals Manager Wayne Ennor.

"It's a real win-win for both us and KPGPA. Not only do we support this important research – but we also end up with the best in rehabilitation techniques which will ensure in essence a rejuvenation of the areas post mining.

"Not only that but the research being undertaken can be shared with the wider Mid West community in order to improve areas that have been environmentally impacted."

A Restoration Research Plan has been developed, encompassing leading research techniques and technologies, to provide a solid foundation for rehabilitation strategies and meeting the SMC mine closure requirements.

"This study will be of regional significance to land managers and conservation agencies with an interest in the conservation and rehabilitation of the Mid West and Pilbara bioregions. It will lead to long term conservation benefits of international significance and ultimately enable significant biodiversity conservation and rehabilitation in the post mined landscape of SMC's operations," said Dr Jason Stevens, Project Manager.

Post doctoral research scientist Dr Lucy Commander (Seed Enabling Technologist) joined the team in February 2012 bringing more than five years of research experience at Kings Park in native seed biology and germination technology that has previously focussed on mine rehabilitation in the Pilbara and Shark Bay regions of Western Australia.

"A glasshouse trial was conducted to determine the capacity of the topsoil. A sample of Koolanooka topsoil was delivered to Kings Park, sieved to remove rock fragments and were watered twice daily to encourage seedling growth over 8 weeks. We found that the majority of species are likely to be annuals, and that there is thankfully a low risk of weed invasion in restored sites," said Lucy.

Apart from Glasshouse trials, extensive mapping of the vegetation communities at our Blue Hills is being undertaken by an Honours student from UWA under direction from Kings Park staff. Trial sites of shape landforms will also be established this year to evaluate optimal closure parameters.

"This project is multifaceted and we look forward to working closely with the Kings Park team in order to leave the Mid West environment in great shape for the future," said Wayne.



**Dr Lucy Commander**

# SNAPPED!

Daniel Lomax is one of our SMC photographers who has captured some amazing shots of our Koolanooka operation, and with mate Saf has also kindly taken some photos at SMC social events including the Great Bike rode and the recent Christmas Parties.

"I thoroughly enjoyed my experience at Koolanooka, the staff at site were very welcoming and happy to take me around so I could get some good shots, although a few were a bit camera shy. I soon got the Geology girls smiling though with my bad jokes, but as for baby Geo James, well he is well destined for the cat walk!

"I was surprised at how beautiful it was there, all the wildflowers were coming out. It was interesting seeing what goes on at an operating mine site and I hope I get the chance to visit again someday."

In fact one of Daniel's fabulous photos was so beautiful we turned into one of our SMC Christmas Cards. Daniels' latest shoot included the Green Rewind project.

As Daniel also has the double role as our Office Manager Emma's husband, we're sure we know how to get hold of him for future shoots!



**Daniel Lomax**  
Photographer



## FOODBANK RESET PROGRAM

An eager team of SMC Volunteers rolled up their sleeves and pitched in to help Foodbank assemble care packs for Midwest youth as part of the Operation Reset program.

SMC contributed \$5,000 through its Resourcing the Region sponsorship program to Foodbank's partnership with Operation Reset, a joint initiative between the WA Police and the Department of Child Protection (DCP).

"It was great to be able to experience a little of what our sponsorship funds are doing first hand," said Regional Operations Manager Scott Whitehead at the Foodbank Geraldton depot.

According to Foodbank Partnerships and Communications Manager David Warren, the packs proved pivotal in building positive relationships between children and representatives of the Police and DCP.

"SMC's sponsorship allows us to purchase and assemble more packs to allow the Reset team to continue building relationships to support the health of young vulnerable people in communities in the Midwest," David said.

Operation Reset is focused on reducing abuse in Midwest and Gascoyne communities by building trust with residents to encourage the reporting of offences. The care packages which are distributed in remote communities are designed to assist in the reporting of child sex abuse. The deployments to Mt Magnet and Meekatharra to hand out the care packs were fantastic as Donna Ward, the District Operation RESET Officer with WA Police let us know.

"The schools were very excited - I was able to have a talk to the children about the role of Police in their community, remind them about protective behaviours and what to do if they are feeling unsafe. When we handed out the RESET Care Packs, the kids loved them. I expected the girls to be pouring over everything in their packs and they were but the boys were exactly the same! It was lovely to see."

"They were a huge success – to think every child that attended school in Mt Magnet and in Meekatharra went home with a care pack is wonderful!

Donna was able to donate some remaining packs to the local family domestic violence refuge and the remote Pia Wadjari community.

"At Pia there were about 10 children and they were thrilled – there's no shop in their community – the nearest being 4 hours away" said Donna.

"The children LOVE Reset, and the teachers and I are always working on new strategies to get the message across to the children on how to keep themselves safe and to speak up if they are feeling unsafe."



# SMC 6 SNIPPETS



1

A BIG congratulations to the members of the Sinosteel Midwest Speed Demons Team that took part in the Great Bike Ride in November 2011. A great effort was put in particularly given the heat. The 53km race that kicked off at 7.30 am and out of around 2,000 riders our very own Peter Jones was the 100th to cross the finish line in just over 1.5 hours! Amazing job Pete, well done!



Morawa Primary were so impressed with their visit to the Koolanooka operations that they made their own scaled Koolanooka mine at school. The talented model makers put in some fantastic detail, including a miniature office, plants and wildflowers and a range of individual people - just check out Eloise and Chris!



2

3



Bowlers will be sitting pretty at the popular Morawa Bowling Club thanks to new bar stools provided by the Community Development Fund set by SMC for Morawa. Taking the stools for their first road test are local members, including Mrs Scott Whitehead!

4



Congratulations to Yao (Kevin) Su who was recently married in Shanghai to the gorgeous Keyi (Lillian) Li. We were blown away by the amazing photos of their film star wedding, naturally enough shot in an massive film studio complex. In fact we were so impressed with all the different and equally stunning looks of the happy couple at the mammoth shoot we have HAD to put more than one photo in....!



5



At the recent ACBC Dinner there were a small number of fantastic door prizes to win, and despite the 800 strong crowd, SMC were able to snare one of them. The lucky Tony Muir was lucky enough to win a non-surgical beauty treatment.... our ever youthful Financial Controller may not be considering botox or a chemical peel, but was happy enough to shake hands with the very funny host of the evening Peter Rowsthorn.

Although the wildflower season may be well and truly gone, we could not help but remind everyone of this magic time of year in the Mid West. Robert Buys managed to capture some magnificent shots of the bumper crop.



6



Photo courtesy of ACBC

## YEAR OF THE DRAGON

In accordance with the Chinese horoscope 2012 is the year of the Water Dragon which only happens every 60 years for those not good with numbers this was last in 1952. And what a year that was! The Big Bang Theory of the creation of the Universe was first propounded, Britain developed the Atomic Bomb (and promptly tested it in Australia on the Monte Bello Islands) and the first passenger jet. In the States patents for the first Roll on Deodorant and Bar codes were issued and the first Kentucky Fried Chicken Franchise opened (oh and the first successful use of a mechanical heart was achieved).

And in downtown Western Australia, a little know Lang Hancock discovered the world's largest deposit of iron ore in the Hamersley Range of Western Australia's Pilbara region...

Apparently the water works in calming the fiery dragon which means that the powerful Dragon energy can be more easily harnessed for mere mortal use, so what does this auspicious year potentially hold for us?

2012 is expected to be marked with excitement, exhilaration, intensity and unpredictability. The drama and spirit of the dragon is expected to inject vitality, energy and unbridled enthusiasm which could easily lead individuals to throwing caution to the wind. However, if you are looking to start a business or begin a new project, the Year of the Dragon is the time to do it because money is apparently more accessible for everyone. The caveat is not to overspend and to make sure you can pay it back!

The Year of the Dragon can trace its origins to more than 4,000 years ago. During this time, China was formed by two very large tribes and many smaller tribes. An animal represented each one of these tribes. When the two larger tribes decided to unite, they took their emblem of the dragon as a symbol of power. Today, Han Chinese still call themselves descendants of the dragon and account for more than 1.2 billion people, the largest cultural group in the world.

At SMC we wish everyone a prosperous and healthy New Year!

## FAMOUS DRAGONS

If you are born in the Year of the Dragon you share it with Al Pacino, John Lennon, Matt Dillon, Marlene Dietrich and Ringo Starr, Florence Nightingale, Sigmund Freud, Mae West, Bruce Lee, Keanu Reeves, Orlando Bloom, Colin Farrell, Nicholas Cage and Russell Crowe and SMC's own action men Peter McAuliffe, Phil Jefferies and John (Ti) Wang!



## MORAWA PRIMARY RULES!

The crew at Koolanooka have played host to a swag of potential new mining recruits in Year One and Two at nearby Morawa Primary. In fact the children were so impressed they even created a recreation of the mine and invited the team down to an Opening at the School.

SMC's Eloise Broad, Barry Read, Moses Kusunia Sei and Laurie Newburn were the stars of the site visit, and organiser Eloise kept the little miners busy with a packed agenda.

"Visiting the MACA area was a thrill as a Loader and Mining Truck was parked up so they could explore what it was like inside and how high it was. The digger that was being serviced at the time, and we talked about how much the machines could hold and how fast the digger could go and what was the main difference between them," said Eloise.

"We had samples of the different rocks that we have here on site which they were able to take away with them. Moses came out and showed the kids the chip samples that we get from the exploration drill rig and told them they were not chips you could eat!"

"They also visited the Detrital Pit and we had a little test to see if they knew what the Pit above was called (Southfold). We also looked at the map from the look out and we had a little test to see who could point out where the Turkey Dam is - we had to let them know that there were no Turkeys on the dam only Ducks!"

As if this was not enough, Moses and Barry gave some geology lessons with the rock chips at the office, while Laurie was dealing with some more inquisitive observations.

"They were interested in the burnt out car sitting on the pit wall and I told them the story of the naughty young fellas who pushed it over the edge - not aware that it would catch fire - and took off when it did. When it was spotted from town the emergency and police crews came out and thought there may have been someone in it and had to scale the wall to make sure the car was empty. I told them that the police and rescue crews were not at all happy to find it was just a bad prank," said Laurie.

"Thankfully I don't think they will be considering a re-enactment any time soon."

As anyone can see from the photos the Morawa kids had an absolute ball, and will no doubt be planning their foray into the resources sector.





## Occupational Health and Safety Policy

In all aspects of its exploration, project development and mining activities Sinosteel Midwest Corporation Limited (SMC) is committed to providing a safe work environment where no injury of harm to health is considered acceptable and all activities are undertaken without compromising safety and health.

SMC believes that all injuries, industry related diseases and property losses are preventable and that working continuously to improve the occupational health and safety of all workers and third parties who are impacted by our activities is fundamental to the success of our business.

- Our overall policy objectives are to:**
- Implement effective systems to identify, assess, control and monitor risks and health risks which include:
    - Health and safety management systems
    - Risk assessment and control
    - Incident investigation and reporting
    - Training and competence management
    - Performance monitoring and reporting
    - Consultation with workers and the community
    - Emergency preparedness and response
    - Environmental management
    - Occupational health and safety
    - Safety culture
    - Safety leadership
    - Safety communication
    - Safety performance measurement
    - Safety improvement
    - Safety innovation
    - Safety research and development
    - Safety technology
    - Safety equipment
    - Safety infrastructure
    - Safety facilities
    - Safety services
    - Safety products
    - Safety materials
    - Safety tools
    - Safety equipment
    - Safety infrastructure
    - Safety facilities
    - Safety services
    - Safety products
    - Safety materials
    - Safety tools
  - Promote a safety culture where all workers and contractors are responsible for their own safety and the safety of others
  - Provide a safe and sound working environment for all workers and contractors
  - Comply with applicable legal and regulatory requirements
  - Set measurable occupational health and safety performance objectives
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**To assist in achieving these objectives we will:**

- Provide a safe and sound working environment for all workers and contractors
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# JULIE'S SAFETY RAP

SMC recently updated our Occupational Health & Safety Policy and the new versions have been rolled and are now displayed at all of our sites, including a new safety section on the SMC website. The purpose of the review was to ensure that our policy clearly states our commitment and expresses our objectives with respect to health and safety. The updated policy continues to reflect a belief that all injuries, industry related diseases and property losses are preventable and provides the foundation for updating our current systems and processes.

Thanks must go to our new Safety Poster model Pit Technician Andrew Denham at Koolanooka who not only looks the part, but by all accounts is also a safety champion for SMC.

A great example of prevention through engineering control was recently demonstrated by the guys at the Geraldton Port when a risk during unloading of the trucks was identified. Operators were required to walk on large rectangle grid mesh while the truck was unloading to spear blockages, remove over size product and sweep off trailers. The previous practice was for the operators to awkwardly move diagonally across the grid in an effort to reduce trip and fall hazards.

A meeting was held with the operators on how we could minimise the risk of trip and fall hazards and they engineered a solution that involved an additional bar being welded into the holes to halve the size of the aperture. This meant there was a safe walk way across the grid without creating additional blockages during unloading. Brilliantly simple and very effective!

On yet another positive note the SMC Geraldton Port Shed maintenance contractors, Reliance, have just achieved an extremely positive milestone. The team of nine headed up by Ryan Davidson has achieved 2 years Lost Time Injury Free. Congratulations guys – this was an excellent job, keep up the good work!

In the coming months our sites will see a greater emphasis on hazard identification. We are busily working on new Hazard Observation Forms, new Hazard Incident Reporting Forms and new Job Safety Environment Analysis forms which will all be rolled out in the next month... there is always something happening in the safety area so stay tuned!

Julie Budrey  
SMC OHS Manager

# MEET STUART GRIFFITHS

Stuart Griffiths is the fast talking Commercial Manager for SMC who joined us in January 2011 making the significant trek across from his original cosmopolitan home of AFL, Melbourne, via a two year stint in Cologne, Germany.

“My wife is West Australian, and when we decided that it was time to come back to Australia she suggested we try her home town on the sunny WA coast. I took one look outside at the -5 degree snow in Cologne and said ‘let’s go’,” said Stuart.

As proud Dad to Dash (1) And Marli (3) with wife Natalie already working on the third addition and a backyard house renovation in Fremantle underway, Stuart is keeping his hands full both at work and home!

Although juggling does seem to be a part of Stuart’s DNA. While carrying the number 52 jumper in the AFL for the Richmond Football Club (which some may consider a career in itself) he was completing his Bachelor of Business majoring in international trade and economics at Melbourne University (where he later added an MBA from the Melbourne Business School).

“What has stayed with me most from footy is that strategy and preparation are critical to one’s performance and perseverance,” said Stuart.

This is obviously holding him in good stead as he continues to wheel and deal over a myriad of issues and negotiations involved with the iron ore industry in the Mid West, and in keeping SMC’s profile still very active even while the major Weld Range project is on hold.

“I am enjoying the diversity of working at SMC which is covering many areas that that I have previously being involved with including commodities trading, logistics, commercial property and construction, supply-chain logistics, farming and of course, China,” said Stuart.

“There is never a dull moment, and plenty of laughs to be had with both the team at SMC and our major contractors and suppliers.”



**Stuart Griffiths**  
Commercial Manager



# FOWL PLAY

SMC has recently announced a \$20,000 sponsorship investment of the hard working Malleefowl Preservation Group.

“The Malleefowl Preservation Group operates on a 95% volunteer basis, which is very impressive given the scope of work that they do,” said GM Phil Allsopp.

“When they approached us to assist in making their organisation more sustainable, we were more than happy to help out.”

Local concern for the decline of the Gnowangerup Shire fauna emblem, the “gnow” (South West Australian Aboriginal name for Malleefowl) led to the formation of the Malleefowl Preservation Group (MPG) in 1992. Based in Ongerup, a farming township of 120 residents situated approximately 400 km south east of Perth the “hands on” group activities are focused on working with farmers and pastoralists, and providing agency and similar interest organisations with a direct link to rural community conservation programs.

“SMC’s support to the Malleefowl Preservation Group is invaluable in assisting the group to implement strategies to achieve its main goal: to preserve and if possible, re-establish sustainable and secure populations of malleefowl in their natural habitat in Western Australia,” said Claudine Deering, Office Manager for the Group.

The farming landscape in the region today is very different from the mallee bushland which dominated the area 100 years ago prior to the wide scale clearing for agriculture (cereal grain and sheep). Once common and widespread across semi-arid southern Australia, Malleefowl have severely declined in the last century due to habitat destruction and are currently classified as “rare or likely to become extinct” under the Western Australian Wildlife Conservation Act 1950 and as Vulnerable under the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999.

Malleefowl occur within SMC’s Koolanooka and Blue Hills Project areas it is no surprise that they are a protected species under both State and Commonwealth legislation.

Leipoa ocellata (yes the Latin Name) are large ground-dwelling birds, well known for constructing large mounds of soil and vegetation that utilise heat from the sun and composting vegetation to incubate eggs. The adult Malleefowl is about the size of a small turkey (55 to 61 cm) and weighs approximately 1.5 kg. They live in semi-arid to arid shrublands and low woodlands dominated by mallee, broombush and scrub pine. In Western Australia, they are also found in eucalypt woodlands and acacia shrublands. They feed on insects, seeds (particularly acacia species), native herbs and flowers. Interestingly they drink readily in captivity, but can actually survive without surface water in the wild.

A faithful bird with feminist tendencies, the Malleefowl pair for life and both sexes help to build the mound. However, once built it is the male that maintains the mound at a constant temperature for its clutches of 15-25 eggs. Continuing the Malleefowl’s dream life, the chicks are independent from their parents once they emerge from the mound and are able to run and feed within an hour of leaving the nest. The actual lifespan of the Malleefowl is unknown but birds have been known to breed for at least 25 years.

SMC are proud to assist in helping such a progressive yet elusive bird! You can find more about our feathered friends directly at [www.malleefowl.com.au](http://www.malleefowl.com.au)

## Fast Facts about Stuart

LIKES BOATING, FISHING, SCUBA DIVING, GOLF & HORSE RIDING (IN FACT STUART COMES COMPLETE WITH A MELBOURNE RACING FAMILY PEDIGREE)

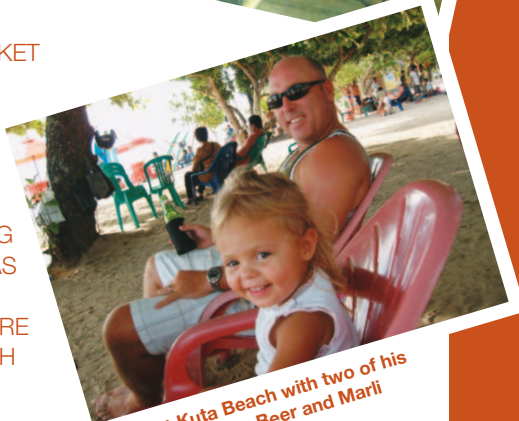
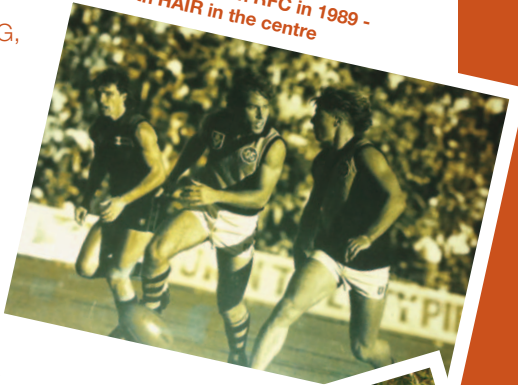
IS BACK PLAYING CRICKET (BUT IS NO LONGER A FAST BOWLER WHICH ALSO EXPLAINS HIS A GRADE RATING AS A TEST CRICKET MATCH ATTENDEE!)

LOVES LISTENING TO HIS KIDS LAUGH

TWENTY PLUS YEARS OF LIVING AND WORKING ACROSS THE GLOBE HAS TAUGHT HIM THAT THE WORLD REALLY IS A MORE COLOURFUL PLACE WITH DIVERSITY

PERTH IS THE BEST PLACE IN THE WORLD TO BRING UP A YOUNG FAMILY

Stuart playing with RFC in 1989 - yes with HAIR in the centre



Stuart at Kuta Beach with two of his favourite things – Beer and Mari

# GM WRAP

As you can see from the content in SMC news, despite the Christmas break we are still very much on the go with a range of activities that keep the good folk at SMC focussed on our vision to be the major iron ore producer in the Mid West through responsible development.

Firstly, it would be remiss of me not to mention the departure of SMC's COO Julian Mizera in December. Julian was a key champion of SMC and led the organisation through a period of significant ramp up through to the difficult decision to park Weld Range. His passion, leadership and humour was a source of inspiration for many at SMC and we wish him well on his new endeavours.

However, the reality is that SMC is no longer an exploration company. Nor are we a project development company preparing to launch into massive construction and commissioning. At the moment, SMC is a small-scale iron ore producer, albeit with considerable land tenure and project potential.

We do have our work cut out for us in finding the balance between the two, and more importantly keeping our excellent team together in order to react to any significant change in the project environment, and we all know that this can be rapid!

When I accepted this leadership role at SMC one of my initial goals was to bring back a focus on our Core Principles which should guide the way we do business and therefore reflect us as an organisation. It's important that our corporate culture is based on activities to 'Enable People', 'Seek Excellence', 'Act with Integrity' and 'Be Socially Responsible'.

These goals are all quite straightforward, however the challenge is to ensure that these principles are an accepted part of our everyday decision making, which means that we need to keep them front of mind and discuss frankly whether we are meeting the expectations set. I encourage everyone to let us know how we are doing on these fronts – both the good and the bad. So far on my forays with key stakeholders, I'm pleased that the feedback on our reputation has been very positive, we need to ensure we don't lose the momentum created.

SMC, as a Gold Sponsor of the Australia China Business Council, was in full force at the fantastic Chinese New Year celebrations - it was an impressive turnout. In fact one would think that the only industry represented by ACBC was iron ore, or those that do business with iron ore. The buzz around the Iron Ore players was very positive, and it should be. Iron ore now accounts for 51% of Western Australia's exports in 2010-11, valued at \$57 billion and China was Western Australia's largest export market in 2010-11 (\$47 billion or 42%).

Keeping out and about, I was fortunate to be a guest of SRK as sponsors of the Australia China Business Council's Business Breakfast featuring Department of State Development's Director General Steve Woods and ACBC's representative in Beijing, Paul Glasson. Both Paul and Steve spoke frankly about the cultural differences with doing business in China, and meeting expectations on both sides of the fence. It was a great insight into the way the WA Government is viewing its relationship with China.

At SMC we have a close working relationship with our Chinese owners and management who have expressed their confidence in the SMC team to 'get the job done.' The visit by Sinosteel Vice President Jiang this month gave us even more reason to feel proud of the work that our small team is doing to keep our very positive long term vision in sight.

Famous Chinese Philosopher Lao Tzu said, "Anticipate the difficult by managing the easy", I take from these wise words that we should be focusing on our smaller successes and doing it well in line with our principles.

I look forward, and in anticipation, to this fiery Year of the Dragon.



**Phil Allsopp**  
General Manager