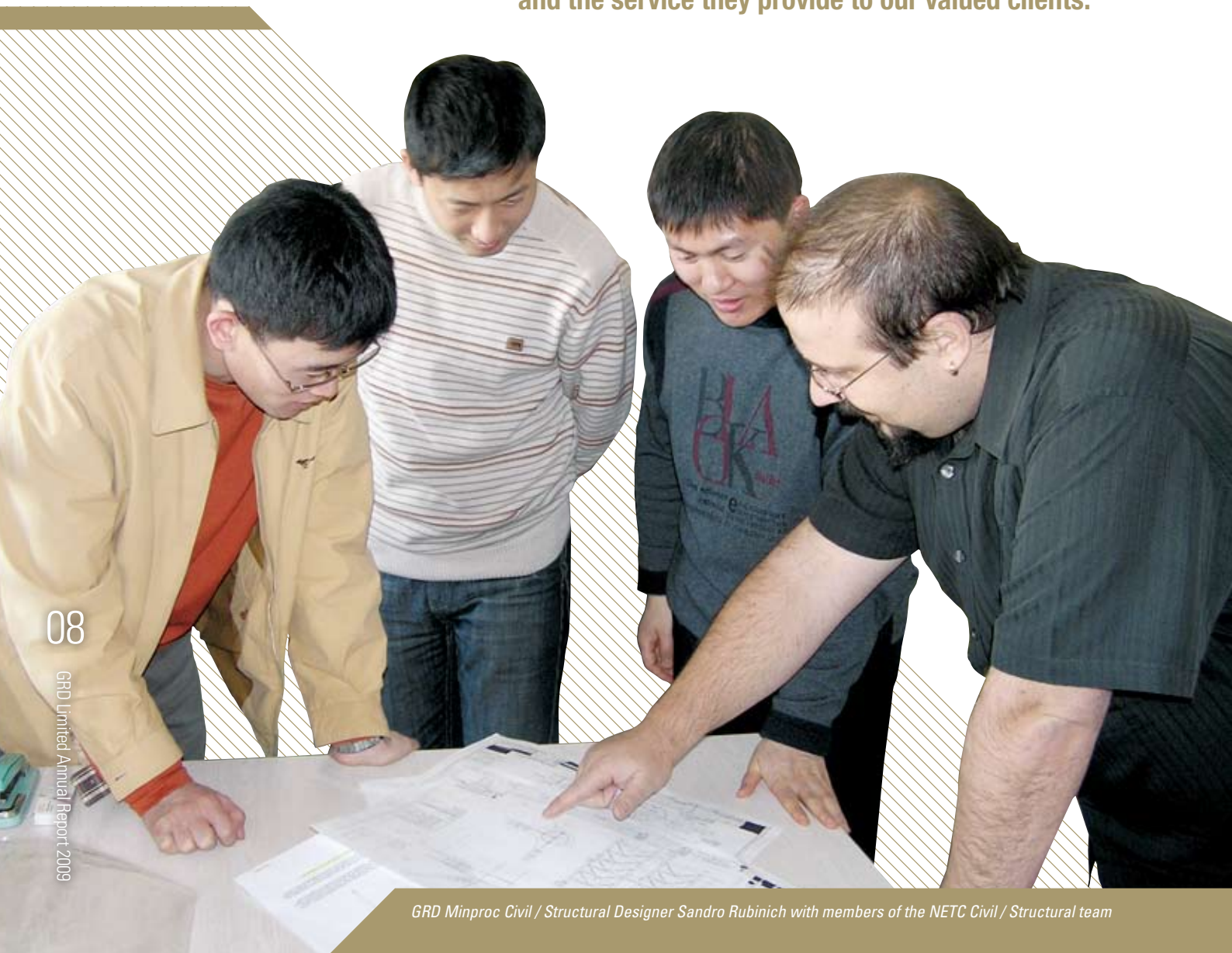


Engine

The GRD Minproc evolution is a story that mirrors the resources industry; there have been highs and lows, rapid growth, and an ongoing quest to adapt and innovate. Through all of this there has been one constant - the quality of the GRD Minproc people and the service they provide to our valued clients.



erining



Strength Through Experience

2008 was a tumultuous year in the resources industry, with a dramatic downward shift in the global economy in the second half. The fall in commodity prices and the credit squeeze had an immediate impact on both the viability and development schedules of projects throughout the world. Companies re-evaluated their investment decisions and in some cases shelved or postponed projects and feasibility studies; as a service provider, this flowed through to GRD Minproc. While the company was required to adjust to the changed circumstances and streamline some operations, a measure of its underlying strength can be seen in GRD Minproc's earnings growth with revenue of \$247 million and a full year profit before tax of \$32.8 million. GRD Minproc also maintains strong relationships with the clients involved in any deferrals and is confident of playing a role in those projects that proceed at a later date.

While GRD Minproc was not immune from the global economic crash, the company realised many and varied achievements throughout the year.

In line with the company's stated aim of building its presence in iron ore, GRD Minproc was awarded a contract by MCC Mining (Western Australia) Pty Ltd for work on the \$5.2 billion Sino Iron Ore Project being developed by CITIC Pacific Mining with equity participation by China Metallurgical Corporation Group (MCC).

To work in partnership with clients in the resources, environmental and infrastructure sectors to develop and optimise their assets by applying exceptional people, technology and systems.

GRD Minproc Mission Statement

Further iron ore related work has followed in 2009.

In another development that underlined the company's core technical strengths and its ability to win repeat work with a client, GRD Minproc was awarded a second contract for BHP Billiton's Olympic Dam Expansion Project, specifically to provide engineering services for various ore processing technology development projects that aim to improve the Olympic Dam flowsheet.

The company's process engineering expertise is a differentiator in the current market and will continue to create opportunities in the coming year.

This technical strength, combined with an unwavering commitment to safety, has been a hallmark of the company since its foundation. While the company name has changed from Mining and Process Engineering Services, to Minproc Engineers, to Minproc Limited and most

recently to GRD Minproc, the essence of the business remains the same.

Established on the 16th October 1978, GRD Minproc made a name for itself delivering more gold projects in Australia than any other engineering provider. Since then, the company has harnessed the talents of its people to diversify its order book through a range of commodities and processes.

Today, GRD Minproc is recognised for its expertise in designing and constructing large concentrators; has the world's leading nickel laterite development team; significant uranium capability – evidenced by the company's work on several existing uranium operations; is a recognised leader in mineral processing engineering, regularly reviewing work of other engineering providers; and has expanded into the iron ore arena, with a focus on the processing of more complex magnetite ore bodies.

Tenke Fungurume Project

- 40,000m³ of concrete
- 5,100 tonnes of structural steel
- 600km of cable
- 130km of pipe



In the current resources market, with the services sector competing for a share of a smaller pool of work, it is also critical that companies can demonstrate their project delivery capabilities - not only in the commodity space but also geographically. For GRD Minproc, one need look no further than the Tenke Fungurume Copper/Cobalt Project in the Democratic Republic of Congo. At its construction peak more than 5,000 workers were on site, with over 3,000 of them Congolese.

GRD Minproc's ability to adapt and innovate is what sets it apart from other engineering and project delivery providers, all the while continuing to safely achieve a maximum rate of project return for clients.

The challenges of the second half of 2008 and those that continue into 2009 are not new; the cyclical nature of the mining industry means GRD Minproc has worked through difficult times in the past and will continue to work through them going forward. To do so, the company stays true to its core capabilities but has also demonstrated an ability to embrace new markets "ahead of the play". Our people look outside the square – such as in the late 1990's when the mining industry was at the bottom of a cycle, GRD Minproc sought opportunities to utilise its skills, technology and experience in the waste sector. As a result, the company developed the world leading Urban Resource – Reduction, Recovery and Recycling (UR-3R) Process[®], with the second generation now being implemented on the Lancashire Waste PFI

Project in the United Kingdom. In 2003, GRD Minproc had the foresight to expand into Africa before many of its competitors - a decision which sees the company firmly tied to a continent that remains highly prospective and continues to provide project and study opportunities.

In 2008, GRD Minproc further expanded its services through its Sustaining Capital Solutions business unit, which is successfully offering operational enhancements for existing facilities through plant modifications, upgrades and de-bottlenecking. This work remains in demand as companies defer new projects and seek to maximise the performance of operating assets. The establishment of an Iron Ore business unit is also in line with GRD Minproc's increasing involvement in the Western Australian iron ore sector, with services being provided to CITIC Pacific Mining's Sino Iron Project, Crosslands Resources Jack Hills Expansion (study phase) and Fortescue Metals Group's Pilbara Project.

To enhance its cost competitiveness GRD Minproc has also established relationships with several companies in India for the provision of quality, low cost engineering.

GRD Minproc's systems, including its project delivery system *alto*, continued to perform throughout the year with numerous projects utilising the *alto* suite of applications with optimum results.

GRD Minproc also has a demonstrated commitment to quality assurance in

systems and procedures, with the company's Perth operations certified to AS/NZS ISO 9001. All GRD Minproc offices and related subcontractors operate within the framework of this effective management system, enabling the business to provide excellence in project delivery across the globe.

GRD Minproc Business Units Established in 2008



GRD Minproc

Sustaining Capital Solutions

In 2008, GRD Minproc established a Sustaining Capital Solutions business unit to focus on assisting clients with the design and implementation of engineering enhancements to existing operations.

The Sustaining Capital Solutions business unit has been structured to offer a delivery model suited to the specific needs of clients' smaller capital works in operating environments. The group has been established as a business unit of GRD Minproc and has been branded accordingly to distinguish it from the greater GRD Minproc capability.

The business unit comprises a core team of multi-disciplinary engineering and project resources that allows integrated project delivery from study phases through to execution, with continuity of personnel across the project lifecycle.

To date, Sustaining Capital Solutions has focused on repeat business from blue-chip clients to facilitate closer, longer term working relationships. The team ensures their alignment to clients' health, safety, environment and community (HSEC) management standards, project management frameworks and site protocols across the delivery process. A key attribute of the Sustaining Capital Solutions team is the ability to successfully leverage off the wider GRD Minproc group, with access to knowledge associated with particular facilities that have been designed and/or constructed by GRD Minproc.

The recent changes to the global credit and commodity outlook have resulted in a reduced focus by clients on greenfield developments and large expansion projects. At the same time, there is evidence of increased attention to defensive expenditure to maintain production cashflows and offensive expenditure to improve margins. Accordingly, the demand for services provided by the Sustaining Capital Solutions business unit is expected to remain strong in 2009.

Recent work undertaken by GRD Minproc's Sustaining Capital Solutions team includes:

Leinster Nickel Operations, Australia
Client: BHP Billiton Nickel West

The team conducted a study to review the future sustaining capital expenditure requirements to extend the concentrator plant life for BHP Billiton's Leinster Nickel Operations. Further studies were carried out to examine the expenditure implications associated with managing the impact of forecast ground displacements arising from future mining activities.

Mesa J Operations, Australia
Client: Rio Tinto

The Sustaining Capital Solutions team developed innovative solutions to reduce ore lost to the tailings streams at Mesa J Operations, which offer the potential to increase ore recovery and significantly reduce tailings storage costs.

Ravensthorpe Nickel Operation, Australia
Client: BHP Billiton Limited

The team provided engineering design services and operations technical support on-site during the ramp up to nameplate performance. This included development of an innovative, integrated system to provide a bagged product delivery option for the Ravensthorpe Nickel Operation at low capital cost. The system was trialled successfully.

Orebody 25 Substation Replacement Project, Australia
Client: BHP Billiton Iron Ore

Sustaining Capital Solutions is providing EPCM services for the Orebody 25 Substation Replacement Project for BHP Billiton Iron Ore.

Port Hedland Port and Rail Facility, Australia
Client: BHP Billiton Iron Ore

Engineering design and installation support services are currently being provided for an extensive switchgear replacement project at BHP Billiton Iron Ore's Port Hedland Port and Rail Facility. At the close of the year, BHP Billiton awarded GRD Minproc's Sustaining Capital Solutions team an identification/selection study covering a wide range of performance improvement and debottlenecking initiatives associated with its ore export facilities.



GRD Minproc established a dedicated coal engineering and project management group during the year, which is operating out of the company's Brisbane office.

The Coal Group provides specialist expertise in all aspects of coal handling, processing and associated infrastructure. The team is comprised of a core group of personnel all of whom have extensive study, engineering, detailed design, project delivery and operations support experience in the coal industry.

The launch of a Coal Group business unit is a result of the strategic development and targeted recruitment undertaken by GRD Minproc during 2008 to provide a solid base of coal experienced personnel out of its Brisbane office in Australia. GRD Minproc has appointed Brian Kennedy as Manager of the Coal Group, to oversee all aspects of the diversification from the company's core metalliferous base into the coal sector.

Global Footprint



General Manager Africa, Ben Zikmundovsky; Business Development and Proposals Manager, Ed Aylmer; and Technical Director, Colin Kubank

Australia

During 2008 GRD Minproc began implementing structural changes relating to its corporate and Perth operations. As a result, Malcolm Brown (formerly Chief Operating Officer and a GRD Minproc veteran of 20 years) was promoted to Chief Executive of the company and Gavin Nunes appointed to the position of General Manager Perth. These changes allow a global focus on growth, systems development, strategy and co-ordination of major projects. This better positions the Perth regional team to build on business development strategies which will maximise GRD Minproc's participation in the Western Australian resources market.

The Perth team continued to build on its expertise during the year with the award and execution of significant contracts including the Sino Iron Project and Olympic Dam Expansion Project.

The strategic initiative of opening a Brisbane office in late 2007 to promote the growth and expansion of the GRD Minproc global network proved an early success.

The Brisbane office secured and delivered a range of studies throughout the year from order of magnitude and scoping studies through to definitive feasibility studies for clients such as Norsemont Mining, PanAust Limited, and Rio Tinto.

Brisbane's first engineering and procurement project was secured in the second quarter and a dedicated taskforce was rapidly mobilised to deliver a copper/ gold expansion project in Laos. While this project was subsequently deferred, the strong relationship with the client leaves the Brisbane office well placed when the project work recommences.

The office also signed an agreement with United Group Resources - Asset Management Division during the year to provide a "one stop shop" for clients in the coal and base metal sectors. The GRD Minproc - United Group Resources relationship offers clients a combined engineering and full site delivery capability.

Building Strong Relationships

GRD Minproc has developed strong relationships with key clients across the iron ore, copper, gold, uranium, and nickel sectors. The company can further develop and manage these relationships from across the globe with our offices able to combine their skill sets and expertise to achieve the best results for clients.

Engineering Construction Projects

Geology

Mining

Feasibility
Studies

Process
Design

Key projects undertaken in 2008 include:

Sino Iron Project, Australia
Client: CITIC Pacific Mining / MCC

In 2008, GRD Minproc was awarded an engineering contract for the Sino Iron Project in Western Australia.

The \$5.2 billion project at Cape Preston in the State's Pilbara is being developed by CITIC Pacific Mining with equity participation by China Metallurgical Corporation Group (MCC). MCC Mining (Western Australia) Pty Ltd is the engineering, procurement and construction contractor and has engaged GRD Minproc to manage, in conjunction with Chinese design institute NETC, the engineering services for the processing facility for the magnetite operation. Total annual production for the project is estimated at 27 million tonnes per annum.

GRD Minproc and NETC have established a project office in Anshan, China, to better support MCC with the project.

**Tenke Fungurume
Copper/Cobalt Project,
Democratic Republic of Congo**
**Client: Freeport-McMoRan
Copper & Gold Inc.**

GRD Minproc's EPCM capabilities have reached new heights with the upcoming completion of its largest African mining project to date, the Tenke Fungurume Copper/Cobalt Project in the Democratic Republic of Congo.

Having completed the feasibility study on the project, GRD Minproc commenced the full EPCM contract in 2007. Project costs, including GRD Minproc's scope, were valued at US\$1.75 billion.

In line with GRD Minproc's successful model of global office integration, work on the Tenke Fungurume Project initially commenced out of the Perth office and was smoothly transitioned to its South African hub in Johannesburg during 2008. This has ensured there were no time and distance barriers between office management and on-site work development.

Commissioning commenced in the first half of 2009. During the peak construction phase on the project, there were more than 5,000 construction people working on site, of which 3,000 were located in the temporary village situated 17km from site.

**Lancashire Waste Partnership
Private Finance Initiative (PFI) Project,
United Kingdom**
Client: Global Renewables

Construction of the Lancashire Waste Project, being undertaken by the Waste 2 Resources – Project Lancashire Limited Liability Partnership (W2R), progressed significantly during 2008 with the overall project now more than 50 per cent complete. The construction of the infrastructure is nearing completion with the installation of the process equipment being the major construction activity for 2009.

The project consists of two sites - Leyland, near Preston, and Thornton, near Blackpool – with a UR-3R™ process and treatment plant to be built at each site.

Construction activities for the project are scheduled for completion in 2010. Both facilities will then go into commissioning and ramp-up, and are expected to be fully operational in 2011.

**Chelopech Copper/Gold Project,
Bulgaria**
Client: Dundee Precious Metals Inc.

GRD Minproc's Perth office is currently finalising the detailed design and procurement of major equipment for this leading edge project for Dundee Precious Metals in Bulgaria. The \$235 million expansion includes a process facility to treat the copper/gold concentrate, copper cathode and gold dore, and is based on a mill feed rate of 2 million tonnes per annum.

Dundee Precious Metals received environmental approval by Bulgarian authorities and construction activities are anticipated to commence on site in 2009 for the concentrator upgrade (first phase of the project) and in 2010 for the metals production facility (second phase).

**Smokey Hills PGM Project,
South Africa**
Client: Platinum Australia Limited

GRD Minproc has successfully launched itself into the platinum sector having commissioned Platinum Australia's Smokey Hills PGM Project.

The Smokey Hills Project, located in the Limpopo Province north of Johannesburg, incorporates a concentrator designed to accommodate 60,000 tonnes per month (ROM) over a seven year life of mine. The plant design has innovative features that have been translated from GRD Minproc's design experience with many mid-sized gold plants for use with PGM.

Detailed
Engineering

Project
Execution

Sustaining
Capital Solutions



Munali Nickel Project, Zambia

Munali Nickel Project, Zambia

Client: Albidon Limited

GRD Minproc completed commissioning in the third quarter of 2008 for Albidon Limited's Munali Nickel Project in Zambia.

The project is a 900,000 tonne per annum operation, producing 8,000 tonne of nickel in concentrate per year. Munali is the first nickel sulphide development project to come on stream in Zambia.

Essakane Gold Project, Burkino Faso

Client: Orezone Resources Inc.

Orezone Resources engaged the services of GRD Minproc during 2007 to design, construct and commission its Essakane Gold plant in Africa. The capital cost of the plant is currently estimated at \$155 million.

Phu Kham Copper/Gold Expansion Project, Laos

Client: PanAust Limited via Phu Bia Mining Limited

In June 2008, GRD Minproc was awarded the engineering and procurement portion of work on the Phu Kham 16 million tonne per annum Expansion Project.

The project is split into two stages with the first being project definition and conceptual engineering, which was completed in September 2008, and the second being detailed engineering and procurement.

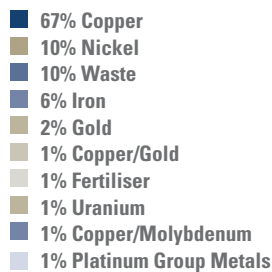
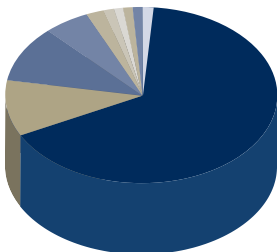
This project was well progressed before being postponed in quarter four due to the instability of the commodity market. It is anticipated the project will recommence before quarter one 2010 for completion early in 2011.

Niquel do Vermelho Nickel Project, Brazil

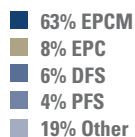
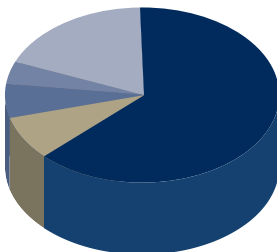
Client: Vale

GRD Minproc has been associated with the Niquel do Vermelho Project since 2002 when it was appointed to conduct studies to determine the optimum flow sheets for the project. Following completion of the feasibility studies, the company was awarded the EPCM contract for this US\$1.9 billion nickel laterite project in Brazil. Vale has since reviewed the development schedule and GRD Minproc completed its component of the revised work in November 2008.

Revenue by Commodity



Revenue by Scope of Work



Studies

Key studies in 2008 include:

Olympic Dam Expansion Project, Australia Client: BHP Billiton Olympic Dam

GRD Minproc was engaged by BHP Billiton to provide engineering services for various ore processing technology development projects as part of the Olympic Dam Expansion Project.

Olympic Dam is the world's largest uranium deposit and a world scale copper and gold resource.

The three year services contract involves GRD Minproc engineers applying their expertise to a range of process flow sheet options and alternative technology developments to maximise safety, recovery and efficiency. GRD Minproc has a dedicated team based in Adelaide to support this project going forward and are currently working on several packages issued as part of the contract.

Sorowako and Pomalaa Nickel Laterite Projects, Indonesia Client: PT Inco

During 2008 GRD Minproc undertook prefeasibility studies (Front End Loading 2 level studies) for the Sorowako and Pomalaa Nickel Laterite Projects in Sulawesi, Indonesia. Other than some previous mining activities in Pomalaa, both sites are greenfields projects.

A number of processing alternatives were evaluated in this study phase, with one option to be selected for the feasibility study (Front End Loading 3 level study).

Yandera Copper/Molybdenum Project, Papua New Guinea Client: Marengo Mining Limited

GRD Minproc continued work on the definitive feasibility study for the Yandera Project throughout 2008.

The first phase of the study was completed in April 2008 and involved a review of work to date and the selection of process and infrastructure options.

Deziwa Copper Project, Democratic Republic of Congo Client: Copperbelt Minerals

In January 2008, GRD Minproc commenced work on a definitive feasibility study for the Deziwa Copper Project. The study was completed in January 2009.

Sulawesi Nickel Project, Indonesia Client: Rio Tinto

In 2008, GRD Minproc was engaged by Rio Tinto to carry out an order of magnitude study on the Sulawesi Nickel Project in Indonesia. The resource comprises two nickel laterite ore bodies on the east coast of the Indonesian island of Sulawesi. The study was completed late in 2008, with further optimisation work expected to be undertaken in 2009.

**Constancia Copper/Molybdenum/
Silver Project, Peru**

Client: Norsemont Mining

In January 2008, GRD Minproc was awarded the definitive feasibility study for the 60,000 tonne per day Constancia Project in Southern Peru. The study, which includes involvement by the Brisbane and Santiago offices, addresses the processing plant and associated infrastructure and is expected to be completed in the second quarter of 2009.

Valencia Uranium Project, Namibia

Client: Forsys Metals Corp

GRD Minproc completed a definitive feasibility study on the Valencia Uranium Project in the third quarter of 2008 for Forsys Metals. Subsequently, the company has provided supervision of testwork to evaluate SAG milling as an option to simplify the comminution circuit.

Niquel do Piaui Study, Brazil

Client: Vale

GRD Minproc was awarded a contract for a Front End Loading 3 study for a nickel laterite heap leach project in the northern state of Piaui. The work done comprised development of the Front End Loading 2 flow sheet, engineering for crushing, infrastructure and nickel bearing solution metallurgy, and also capital and operating cost estimate.

Boseto Copper Study, Botswana

Client: Discovery Metals Limited

In September 2008, GRD Minproc was awarded the engineering package of the definitive feasibility study for Discovery Metals Limited's Boseto Copper Project in Botswana.

GRD Minproc's Johannesburg office, which has strong copper experience, is currently undertaking work on the process aspects of the study and it is expected that engineering work will recommence in the second quarter of 2009.

Kirfield

Kirfield Limited is a construction and maintenance company committed to delivering a high value service built on innovation and efficiency.

Kirfield's Perth operations contracted significantly during the year as the management team re-evaluated the current Kirfield business model. The company's focus has been centred on its activities in Muswellbrook, New South Wales.

Since establishing in Muswellbrook early in 2007, Kirfield has continued to build relationships with key clients in the region, resulting in the team's successful tendering for work.

During 2008, Kirfield provided a range of asset management services to sites in the Hunter Valley including BHP Billiton's Mount Arthur North Coal Mine, Anglo Coal's Drayton operation, Xstrata's Liddell operation, Macquarie Generation's Antiene Unloading Terminal, and the Eastern Creek UR-3R™ operations for then client Global Renewables. Toward the end of the year, Kirfield incorporated its resources into GRD Minproc's Coal Group as a contributing profit centre and to provide a sustaining capital resource capability in the Hunter Valley.



Mount Arthur Coal, New South Wales