

# Building the Future Together

'Building the Future Together' in the Pacific Northwest region of the province of British Columbia, Canada, the Kitimat Modernisation Project is a key strategic Brownfield initiative for Rio Tinto Alcan Primary Metal - North America.

The Kitimat Modernisation Project teams will construct state of the art infrastructure and deliver cutting-edge AP technology extending and sustaining the future of the Kitimat aluminium smelter for decades to come. BC Operations will be Rio Tinto's largest wholly-owned smelter and one of three largest smelters in North America.

## KMP construction begins on Anode Pallet storage building

First concrete poured May 31, 2010



Kitimat Modernization Project - June 1, 2010  
Anode Pallet Storage Building - Foundation preparation work

## Table of Contents

- 1 Construction begins on Anode Pallet storage building
- 2 Update on HSEQ with Operations director Daniel Allaire
- 3 Regional economic development
- 4 Updates from Project director Michel Lamarre and Construction & engineering project director Richard Blais

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### HSE Summary (Bechtel and Contractors) as of May 28, 2010

Health & Safety	Quarter	YTD
LTI/LWD	0	0
Recordable	0	0
First Aid	0	0
Near Hit/Near Miss	2	2
<b>Environmental</b>		
Level I - Significant incident	0	0
Level II - Manageable on site	0	0
Level III - Minor incident	2	2

## HSEQ management system update from Daniel Allaire

We are proactive to prevent incidents on the ground. We must ensure we have proper systems and procedures in place, which are well aligned with our vision of an injury free workplace with a zero harm culture.

This is why we are implementing the Rio Tinto Health, safety, environment and quality (HSEQ) management system and performance standards within the Kitimat Modernisation Project (KMP). As this is already the reality within our current operations, KMP must also comply with the HSEQ management system by the end of this year, 2011.

Each phase of the project has to be reviewed:

1. We must ensure that all procedures concerning **design and engineering** take into account 17 elements and 28 performance standards. The maximum number considered during

the design phase, the better we will be from an operation's perspective.

2. All procedures concerning **construction on site** must incorporate our new stand-



ards. The way we manage contractors' performance, training, competencies, interactions, reporting, etc. must be well defined, so every individual can be actively involved in all areas of HSE management.

3. During the third phase, we will ensure all activities covering **commissioning** reflect the same approach in order to manage and minimise risks in the workplace.

We have deployed a team of champions to facilitate the implementation of the elements. So far, we have completed close to 20 per cent of our activities and we are maximising synergy with the current operations and other projects in order to succeed together and avoid reinventing the wheel.

Bottom line, we are implementing HSEQ for one primary reason – we must prevent incidents in the workplace so that everyone goes home safe. We have a tremendous, genuine leadership commitment and we should not forget, a world class system drives excellent leadership!

## Kitimat Modernisation Project News

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## Update on regional economic development from Kevin Dobbin

Rio Tinto Alcan's Regional Economic Development (RED) groups' mandate is to contribute to strengthen the regional economy and to help sustain long-term regional development and job creation through business-led initiatives. Our focus is on sectors in the region who demonstrate a sustainable competitive advantage. Our mission is to enable economic development in regions where we operate.

A part of this mandate and mission is supporting the work of KMP, as a major component and large part our contribution to the local economy during construction, and helping to prepare regional businesses to service a modernised smelter. With the support of KMP, we have assisted with maximising the construction contracts to reach 78 per cent of local construction work in 2009 by

local and regional businesses.

In 2010, we will maximise construction project contracts with local businesses. Civil work will continue to be the main focus but foundation work, building erection and

structure and capabilities and supporting relationship development with KMP and its EPCM representative Bechtel's teams.

In the past few months we have supported KMP and



electrical work will start to be executed. We support KMP in this process by working with local contractors to prepare for bids, promoting their infra-

structure to host a 2010 construction scope introduction session and an information workshop. The first session in January outlined the scope of

work for KMP construction in 2010 and the various packages that would be involved. The KMP team has worked hard to develop the contract packages in a way that provides improved opportunity for local and regional businesses. In addition KMP and Bechtel have built good relationships with local businesses and have supported them in preparing for work during construction. This has included the workshop in February 2010 that was a "turn page" session. For two days local construction workers walked through the bid process, contract language, reporting requirements, process to change the scope and other support for project work.

The bidding process for 2010 contracts started in February and continued for the next few months.

## Rio Tinto Alcan and Haisla ratify historic agreement in BC

Rio Tinto Alcan's landmark agreement in principle with the Haisla Nation in support of BC Operations and the Kitimat Modernisation Project was officially ratified by the Haisla Nation on March 1, 2010.

The Haisla Nation-Rio Tinto Alcan Legacy Agreement

establishes a formal framework for the two organisations to work together for the next 30 years to maximise the opportunities and benefits of aluminium operations in Kitimat.

The agreement, announced in January, was subject to a six-week Haisla Nation

ratification process. "This agreement establishes a collaborative working arrangement between our two groups, and a new way forward for the Haisla Nation and Rio Tinto Alcan," said Paul Henning, Vice President, BC Operations and Strategic Projects, Western

Canada. "This pathway could only be made possible by supporting each other and actively working together over many years."

## Update on construction work from Allen Veasey

Construction season has started on the following projects:

- Ground services preparation south of Anderson Creek
- Document storage contract started on March 29, 2010

### Work Scope for 2010

- Utility walkdowns of underground services in existing plant;
- Hill Tank Valve chamber completed;
- Smeltersite Road modifications starts in early July;
- North of Anderson Creek stormwater management and earthworks;
- Anode Pallet storage building south of Anderson Creek

Various work packages include:

- ✓ Ground Works - Magnum Roadbuilders
- ✓ Concrete Works - Western Industrial Contractors (WIC)
- ✓ Erection of Building
- ✓ Electrical, etc

### First concrete poured May 31, 2010



Architectural rendition of the Anode Pallet storage building, which is the first new permanent building constructed on the Greenfield site of the Kitimat Modernisation Project. The Anode Pallet storage building is slated to be completed by December 2010.

# Message from Project director Michel Lamarre



**Michel Lamarre**  
KMP Project Director

Welcome to our spring issue. The Olympics are over and I must admit that I had the Olympic blues for a while. What a success story – for our athletes, for British Columbia, for Canada and for our guests from around the world – a global humanitarian achievement that we can all be proud of.

We are also proud of establishing the Haisla Nation – Rio Tinto Alcan Legacy Agreement which affirms the company's commitment to collabora-

tive engagement with the communities in where we operate. The agreement is a positive step towards building more enduring, long-lasting relationships with our First Nations neighbours. The legacy agreement fully demonstrates Rio Tinto Alcan's commitment to the Kitimat Modernisation Project and the future of the region.

We have made good progress during the first quarter with the continuation of scope development and preparation of tender packages for execution on our 2010 site construction activities.

### Our goal - zero harm

As mentioned in Daniel Allaire's article, we are implementing an HSEQ Management System to enhance our HSE performance. Last year we implemented the safety interaction process, which focused on prevention and achieving our HSE objectives.

Safety interactions provide management and supervisors of all organisations to engage workers in a positive conversation about site safety and to reinforce desirable behaviours that conform to our safety standards and procedures.

Our safety systems, our global awareness and our practices on site will enable us to work towards our ultimate goal of zero injuries. Thanks to leadership in safety, the dedicated efforts of teams, and the willing collaboration of contractors, we achieved zero harm – people and environment. Our journey to zero harm must be our first priority.

### Strengthening finances

As mentioned in the previous edition, we implemented a value improvement process, which allows us to develop a better business case for final board approval. We are still on track and expect to complete this exercise by the end of the second quarter 2010.

### Site activities

We are very pleased to have successfully secured funding for site construction activities for 2010, to progress laying the ground work required now to ensure a quick start later when full funding becomes available.

I want to reassure our stakeholders that Rio Tinto remains fully committed to the project. We will

continue to work closely with our local contractors and suppliers throughout 2010. And, of course, we will continue to promote regional and community economic diversification with our stakeholders and interested businesses.

Construction on the site includes the Anode Pallet storage building, a requirement for the AP39 technology, as well as road work to enhance safety and preparatory work for the construction site village.

On May 11, 2010 we achieved a significant milestone – BC Operation's management team turned over a section of B-area as Brownfield to KMP, which is now declared as a construction zone under our control and referred to as Greenfield. We are now completely responsible for this area and therefore it is fenced off from the BC Operation's areas, and, inside the fence, KMP procedures apply.

## Paul Henning hands over Brownfield to KMP's Richard Blais

I was extremely pleased to accept the north end of the plant site, as it was handed over to the Kitimat Modernisation Project by Vice-President BC Operations Paul Henning and BC Operations Director Tino Pereira on May 11, 2010.

The significance of the hand over is two-fold. Firstly, the Brownfield area becomes Greenfield and is now completely under the jurisdiction of the KMP team and Bechtel as our Engineering Procurement Construction Management team (EPCM) and various contractors who will be working in this construction area.

Secondly, we have achieved another very important KMP milestone, as we are preparing the area to execute construction on the first KMP



building – the Anode Pallet storage building. This building, pictured on page 3 will be 50 meters wide and 250 meters long. To put that into a visual perspective – the building will be the size of two and one half football fields.

The Anode Pallet storage building will eventually carry an inventory of about 850 anode pallets for

use in the new pre-bake technology, but during construction the building will also be used for inventory / storage of KMP



construction materials. Magnum Road Builders Inc. was awarded the earth works to prepare the site, while footings, piers and walls were awarded to Bear Creek. The concrete pour will be done by Western Industrial Contractors (WIC).

Close to 2,000 cubic meters of concrete will be poured for the



building, about 1,200 tonnes of various electrical circuitries installed and close to 18,000 square meters of cladding, roofing and siding to be erected. Target date to complete the Anode Pallet storage building is December 2010.

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**Caption:** Paul Henning is pictured in top photos on right and left. Tino Pereira is pictured centre photo, right. KMP's Richard Blais is pictured top photo, right and centre photo left. Patrick Casey is pictured in top left photo, left.

# KMP: Building the Future Together Getting the site ready

Contributed: Simon Desjardins and Allen Veasey

As most of you know, the new aluminium smelter will be located where lines 7 & 8 are currently. There are three complex technical issues that must be addressed prior to building KMP.

First, buildings like the steam plant, the warehouse, the bath crushing facility, the anode repair shop and furnaces must be relocated to keep servicing lines 1 to 5 while KMP is being built. Building relocations will be carefully planned, scheduled and executed in a safe manner to minimise upsets to actual operations, and as they are planned, more information will be communicated to employees.

Second, on the footprint of lines 7 & 8 three main utility corridors must be re-routed to keep feeding the cast house, the cathode lining facility, the administration buildings and several other functions located north of Anderson Creek. The new utility corridors must be designed to provide power, gas, compressed air, sewers and telecommunications to keep lines 1 to 5 alive, and to feed the KMP contractors, the camp and eventually, to feed KMP. Building the new utility corridors will be a challenge as some of the construction will occur very close to actual operations. Every aspect of the utility re-routing will be subjected to a risk and HSE review to

create a safe environment during the works.

Third, lines 7 & 8 and 80 associated buildings north of Anderson Creek will have to be cleaned up to WorkSafe BC, BC and Canadian remediation standards. Following clean up, the structures will be demolished. Structural steel, old pots, old wiring, transformers and siding will be hauled to a smelter to be recycled.

Once these three tasks are completed, bulldozers will level the ground. Soon after, concrete trucks will swarm around the site and the first foundations for the new potline will be poured.

As part of the Kitimat project team, our jobs consist of taking all the necessary steps to ensure that lines 1 to 5 continue being serviced during construction and to provide a clean footprint for KMP. Every day, these tasks are accomplished with the close collaboration of BC Operations, Bechtel and our KMP colleagues.



BC Ops, KMP, Bechtel and local contractors gather after the hand over ceremony for a photo.

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# Côté and Simon's visit



Paul Henning, left, addresses stakeholders as he welcomes Jacynthe Côté and Jean Simon, right, to Kitimat for a business update/site visit.



Michel Lamarre, left, supported by Paul Henning presents the new layout of Kitimat's modernised smelter to local stakeholders.



Jacynthe Côté, left, congratulates Mayor Joanne Monaghan, after Jean Simon turned over Greenbelt land to the District of Kitimat.

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