



Northern Land Council

Address all correspondence to:
CHAIRMAN
GPO Box 1222
DARWIN NT 0801

FAXED
28/8/07

45 Mitchell Street, Darwin NT 0800
Phone: (08) 8920 5100
Fax: (08) 8945 2633
Freecall: 1800 645 299

28 August 2007

LO1:

Hon Shane L. Stone AC QC
Executive Chairman
APAC Group
GPO Box 559
Darwin NT 0810

Fax: (08) 8941 4088

Shane
Dear Sir

ALCAN GOVE BAUXITE MINE AND REFINERY & DHUPUMA RESOURCES PTY LTD

I refer to our discussions regarding the proposed acquisition of Alcan by Rio Tinto, and the commitment of traditional owners to negotiate commercial outcomes in relation to the Alcan bauxite mine, refinery and related leases which operate on Aboriginal land at Gove in the Northern Territory.

I also refer to the joint venture (Dhupuma Resources Pty Ltd) that has been established between the Gumatj as represented by senior Gumatj elder, Galarrwuy Yunupingu AM and interests associated with you and the APAC Group of companies.

Both matters are related.

In your personal capacity the Northern Land Council (NLC) seeks to formally retain you to lead negotiations with Rio Tinto in relation to the existing and future bauxite and mining operations at Gove. As you are aware the underlying rationale of entering into negotiations is to identify and secure outcomes whereby traditional owners become stakeholders on commercial terms in the Gove and Dhupuma projects (subject to market forces) and so enhance the skills base, employment capacity and revenue streams of the Aboriginal stakeholders.

To that end the NLC will ensure that future enquiries from Alcan, Rio Tinto and related entities on these matters will be referred to you and coordinated by your office. The NLC has a statutory responsibility under the *Aboriginal Land Rights (Northern Territory) Act 1976* to oversight and remain informed of such important negotiations and discussions, and to that end I require that you liaise closely with me and my designated officers as matters progress. Specifically I note that other Aboriginal groups, particularly the Rirratjingu, are traditional owners or have interests in land subject to the Alcan leases, and it is necessary that the NLC ensure that these groups are properly consulted and included in the negotiations.

In relation to this matter I note and welcome your recent discussions with senior Gumatj elder, Galarrwuy Yunupingu AM, and your letter dated 13 July 2007 to the Chief Executive Officer of Rio Tinto, Tom Albanese.

BORROLOOLA
PO Box 453
Borroloola NT 0854
Ph: (08) 8975 8848
Fax: (08) 8975 8745

JABIRU
PO Box 18
Jabiru NT 0886
Ph: (08) 8979 2410
Fax: (08) 8979 2650

KATHERINE
PO Box 396
Katherine NT 0851
Ph: (08) 8971 9899
Fax: (08) 8972 2190

NGUKURR
PMB 85
via Katherine NT 0851
Ph: (08) 8975 4755
Fax: (08) 8975 4601

NHULUNBUY
PO Box 820
Nhulunbuy NT 0881
Ph: (08) 8987 2602
Fax: (08) 8987 1334

PALMERSTON
PO Box 1249
Palmerston NT 0831
Ph: (08) 8931 1910
Fax: (08) 8931 1875

TENNANT CREEK
PO Box 55
Tennant Creek NT 0861
Ph: (08) 8962 3729
Fax: (08) 8962 1636

TIMBER CREEK
43 Wilson Street
via Katherine NT 0852
Ph: (08) 8975 0789
Fax: (08) 8975 0664

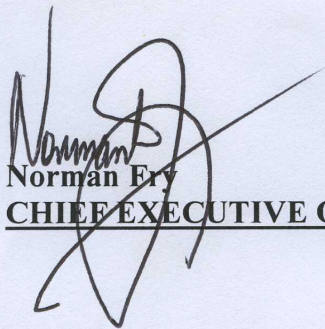
To formalise this engagement the NLC endorses the Gumatj Association entering into a consultancy agreement with you on commercial terms to be negotiated. The respective solicitors acting for the Association and the NLC will liaise to carry this arrangement into effect.

The NLC also welcomes your involvement with Mr Yunupingu as a director and shareholder of Dhupuma Resources Pty Ltd, which has applied for an authorisation under the *Mining Act* (NT) to explore for bauxite on the Dhupuma plateau. The plateau is located on Aboriginal land which adjoins the southern boundary of the Alcan mining lease, and has known bauxite deposits.

The NLC is most supportive of this new venture and the opportunity to create one of the first major Aboriginal mining and contracting companies in Australia.

The NLC looks forward to working with you to progress this important project, with a view to obtaining a pragmatic and positive outcome which furthers the interests of traditional owners and promotes commercial partnerships with Rio Tinto and other stakeholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Norman Ery', is written over the typed name and title. The signature is stylized and somewhat abstract.

Norman Ery
CHIEF EXECUTIVE OFFICER