

Date: 13 June 2023
File ref.: CPB-1005-LET-00153



Worley Services Pty Ltd
Craig Ramm
Engineer Representative
Level 1, 93-95 William Street
Perth WA 6000

Attention: Mr Craig Ramm

Dear Sir,

CONTRACT NO. WR/C/CC/1005
WESTERN RANGE PROJECT – MAIN INFRASTRUCTURE BULK EARTHWORKS
Clause 56.2(c) Extension of Time Claim
RE: EOT-001: Delays to Clearing Works (VAR-0018/NOD-0018)

In ongoing discussions with the Engineer and Company, it has been agreed in principal that a “re-sequence” of the Programme be carried out in order to address and resolve several delays associated with the Project (refer to Worley / CPB Construction Alignment Session Meeting Minutes dated 1 May 2023) To date the Contractor has been prevented from submitting an extension of time claim for entitlement to additional time under the Contract, in accordance with Clause 56.1(f)

The Engineer within Letter Ref. Ref. 1005-0075 has requested the Contractor for delay impact by 15 June 2023. The Contractor confirms that they are still experiencing delays associated with the clearing works and the ongoing impact thereof, and that any delays incurred beyond this “line in the sand” date are not included within this assessment the Contractor hereby provides its extension of time Claim up to and including the 31 May 2023 for NOD-0018.

In accordance with the General Conditions of the Contract, with reference to Clause 56.2, the Contractor hereby issues the Engineer its extension of time Claim resulting from the delayed Clearing Works for the Project.

The Contractor refers to the following documents and correspondence:

1. Letter CPB-1005-LET-0027, from the Contractor dated 23 February 2023, issued via Aconex correspondence CPB Con-PRCO-000014 on 25 February 2023.
2. Letter CPB-1005-LET-0033, from the Contractor issued 03 March 2023 via Aconex correspondence CPB Con-PRCO-000023.
3. Letter CPB-1005-LET-0043, from the Contractor issued 31 March 2023 via Aconex correspondence CPB Con-PRCO-000035.
4. Letter CPB-1005-LET-0073, from the Contractor issued 28 April 2023 via Aconex correspondence CPB Con-PRCO-000061.
5. Worley / CPB Construction Alignment Session Meeting Minutes, held 1 May 2023, issued through via Aconex correspondence WR-GCOR-007818.
6. Letter 1005-0059, from the Engineer issued 25 May 2023 via Aconex correspondence WR-LETTER-000146.

7. Letter CPB-1005-LET-0143, from the Contractor dated 9 June 2023, issued 10 June 2023 via Aconex CPB Con-GCOR-000322.
8. Letter 1005-0075, from the Engineer issued 09 June 2023 via Aconex correspondence WR-LETTER-0075
9. Programme Revision 04, issued from the Contractor on the 26 May 2023 via Aconex correspondence CPB Con-DOCSUB-000086

Basis for Claim

As detailed in the initial notification letter, (refer *CPB-1005-LET-0027*), the Contractor raised concerns with the process for approval of clearing permits and that delays were being experienced because of the extended approval process.

The Contractor allowed for a 7-day response time for Clearance and Disturbance Permit Request Forms (completed up to Section 3) from the date of issue to the Engineer, as detailed for in its Programme and as captured within the Contract documents as follows:

1. Scope of Works, Document No: WR-SOW-Y-0003:
 - a. Section 7.3.1 notes that:
 - i. *The Contractor must implement and comply with RTIO-HSE-0043075 Land Clearing and Disturbance Procedure.*
 - ii. *No ground disturbance can occur without the Engineer's written approval via an approved clearing permit request form RTIO-HSE-0043306 Iron Ore Disturbance Permit Request Form.*
2. Contract Document RTIO-HSE-0043075: Land and Clearing Disturbance Procedure (v4.11):
 - a. Sets out the flow chart Process for the Disturbance Permit Process, as summarised:
 - i. AR Permit Obtained (by the Contractor)
 - ii. Section 1 Disturbance Permit Request (issued by the Contractor)
 - iii. Section 2 Disturbance Permit Review (undertaken by the Engineer)
 - iv. Section 3a Survey Verification (responsibility on both parties)
 - v. Section 3b Authorisation to Clear (responsibility on both parties)
 - vi. Section 4 Permit Close out (responsibility on both parties)
 - b. In section 4.5.2 Review (Section 2 of the Disturbance Permit):
 - i. *"If no modifications are required, the Disturbance Permit form (completed up to Section 3) is to be returned to the Contractor within 7 days of receiving the permit."*
3. Schedule M: Contractor's Methodology:
 - a. Section 4.6.3, notes that:
 - i. *CPB will obtain Clearing & Disturbance and Excavation permits, providing 7 days' notice, prior to undertaking any clearing or excavation works.*
4. Schedule E: Programme:
 - a. The Programme allows for a 7 day period from the issuance of the Clearance and Disturbance Permit to the commencement of clearing. It is acknowledged that this period is not expressly shown in Programme Baseline.

The process duration in Contract Document RTIO-HSE-0043075 section 4.5.2, has not been followed to date by Engineer.

Instead, the process for completion of Section 2 of Clearance and Disturbance Permits has taken 4 to 10 times more than the above allowance. This extended period has disrupted and impacted the Contractor's Work and as set out below within this letter.

Accordingly, the Contractor considers the change in clearance approval process carried by the Engineer a Variation to the Contract, in the absence of a Direction from the Engineer (Clause 9.2), and a Delay Event with reference to Clause 56.1(f).

Background Details and Facts

The Contractor acknowledges the extended length taken to resolve the impact of the Clearing delays but again confirms that there is still impact on site past the date of this submission. The Contractor, as agreed, intends to raise additional notices of delay for all events past the 31 May 2023.

As detailed in the Contractor's original notification (refer *CPB-1005-LET-0027*) the Contractor has experienced multiple and extended delays due to the following issues and concerns outside of its control. These include:

Delayed approval of clearing permits in multiple areas across the project.

For Example, but not limited to

- Laydowns 22,25,29
- Turkeys Nest 1
- Primary Crusher facility
- HV02A
- HV01 all sections
- LV16 + associated entities
- LV44 LV45
- Borrow pits (10W, 10E, 04, 06, 19)
- CV702 / CV701

Examples of some of the implications are detailed below. Please note this is not an exhaustive list of the delays

- Establishment of laydown areas and facilities
- Earthworks activities at CV702 – CV701 – NPI – HV01 – HV02 – HV03
- Earthworks activities at Primary Crusher Area – ROM Pad – maintenance facility – TF702
- Testing and Conditioning borrow pit material
- Construction water infrastructure work (Piping and Construction water storage area-Turkey's nest)

Additional to the delay in approvals, the size of the clearing lots are significantly smaller than allowed for, the reduced size has had the additional impact of uneconomical working. The contractor intends to collate this information under the submission of Var 0018

Impacts to Programme

Accordingly, the multiple delays have resulted in a Delay Event with reference to Clause 56.1(f), which has resulted in the delay to the Completion of the Works and Milestones, as set out in the table below.

MS	Description	Finish	Baseline Finish	Estimated EOT
1	Primary Crusher Pad	24-Aug-23	17-May-23	99d
2	HV01 Section 3A	13-Sep-23	28-Jun-23	77d
3	HV01 (Section 1): 4W Bypass Haul Road	8-Oct-23	27-Jul-23	73d
4	COS Works - Stockpiling of Material, LV38 CH425 - CH800, NPI Hub (excluding HV Maintenance Area), LV46 - LV50, OLC Corridor Conveyor CV704 from approx. CH1050 to end (approx. CH1130)	28-Oct-23	7-Aug-23	82d
5	LV34, Transfer Station Area TF702	15-Aug-23	15-Aug-23	0d
6	OLC Corridor Conveyor CV704 from approx. CH630 to approx. CH1050	2-Nov-23	21-Aug-23	73d
7	Overland Conveyor CV701, Belt Flaking Pad	26-Nov-23	13-Sep-23	74d
8	Transfer Station Area TF701, OLC CV702 from CH2000 to CH10000	6-Jan-24	18-Sep-23	110d
9	OLC CV704 from Start to CH630, HV Maintenance Area, WR Refuelling Facility, LV38 CH800 - End	8-Jan-24	30-Sep-23	100d
10	Landfarm, HV 01 Section 3B, 27W Transfer Station Stockpiles, HV Tiedown, HV Park-up (2 bays), Transfer Station Pad TF703, Water Tanks Pad; LV45, HV01 Overpass (Tunnel 02)	7-Feb-24	31-Oct-23	99d
11	OLC CV702 from Start to CH2000 and from CH10000 to CH12000	3-Feb-24	7-Nov-23	88d
12	HV04	23-Jan-24	12-Nov-23	72d
13	HV03	23-Feb-24	28-Nov-23	87d
14	Overland Conveyor CV702 from CH12000 to start of TF702 (approx. CH13130), HV01 Section 2	25-Mar-24	7-Dec-23	109d
15	HV01 Section 1 Floodways (Pirrabordu and Seven Mile Creek)	29-Mar-24	15-Dec-23	105d
16	Overland Conveyor CV703 and Sedimentation Ponds	14-Apr-24	6-Jan-24	99d
17	HV Water Stand Area	16-May-24	11-Feb-24	95d
18	HV Park-up Area (9 Bays), HV05, HV01 Section 1, HV01 Section 4	13-Jul-24	4-Apr-24	100d
19	PC Shutdown Facility Area, LV16, LV28A, LV29, LV31, LV35, LV36, LV37, LV38 CH0 – CH425, LV39, LV40 Overpass (Tunnel 01), LV43, LV44, LV52, LV53, LV54, HV02A	23-Jun-24	7-Apr-24	77d
20	Completion of all other Works	12-Sep-24	10-Jun-24	94d

Please refer to the attached Impacted As Planned delay analysis based for each impacted Milestone on the latest submitted Programme (refer **Attachment 1**), which demonstrates the direct effect of the Delay Event on the abovementioned Completion Dates. The Impacted As Planned delay analysis has been applied to Programme Revision 04, this programme revision is still under review/Approval by Engineer.

The Contractor advises that the attached Programme excludes impacts associated with the following:

- Ongoing Delays after 31 May 2023;
- Inefficiencies as a result of reduced areas for clearing lots

Impact to Contract Price

The costs associated with this variation will be submitted separately.

The Contractor reserves all its rights under the Contract and at law.

Yours sincerely

CPB Contractors Pty Ltd



Richard Walford

Contractor's Representative

Attachment 1 – Native file Impacted As Planned Programme

Attachment 2 – PDF Unmitigated overall Impacted As Planned Programme