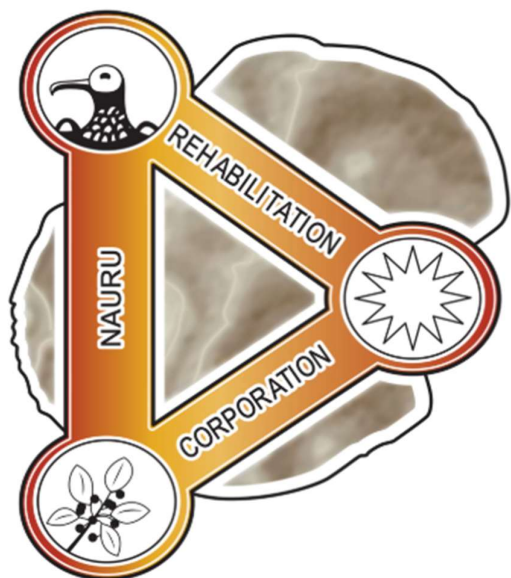


July 2025



NAURU REHABILITATION CORPORATION

STATEMENT OF CORPORATION INTENT FINANCIAL YEAR 2025-26



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FOREWORD FROM MINISTER

Hon. Reagan Winson Aliklik MP
Minister for Nauru Rehabilitation
Corporation

On behalf of the Nauru Rehabilitation Corporation, an essential institution for the restoration and sustainable development of our cherished island nation. As we strive toward the objectives outlined in our National Sustainable Development Strategy (NSDS) 2019-2030, our efforts are further enhanced by aligning these objectives with the Global Sustainable Development Goals (SDGs).

The NSDS highlights our dedication to rehabilitating degraded lands, a priority that strongly aligns with the SDG framework. In partnership with RONPHOS Corporation, we aim to restore our lands in a way that not only addresses the impacts of previous industrial practices but also fosters a nurturing environment for future generations.

We are collaborating closely with all our stakeholders to ensure that national infrastructure development initiatives reflect sustainability principles. This is by merging rehabilitation with economic development, that will create pathways to a sustainable Nauru. Projects like the Airport Runway Resurfacing and the National Sports Stadium demonstrate our commitment to building resilient infrastructure, enhancing operational efficiency, and promoting socio-economic development.

Our mission and partnerships emphasize the socio-economic aspects of sustainability that are central to our livelihood. Our initiatives aim to enforce our effort and aspiration to stimulate economic growth, that directly contribute to both our NSDS and the SDGs. We believe that sustainable rehabilitation can only thrive through our ambition for the future.

Therefore, in this fiscal year 2025-26, we reaffirm our commitment to creating a legacy of environmental stewardship and socio-economic prosperity. Together, we will protect and build a sustainable future for Nauru



MESSAGE FROM THE CHAIRMAN

Mr. Bert Brechtefeld
Chairman of the Board
Nauru Rehabilitation Corporation

It is with great pride and a sense of shared purpose that I present this message on behalf of the Nauru Rehabilitation Corporation. As we navigate the path toward sustainable development and environmental restoration, our mission is strengthened through meaningful collaborations and strategic partnerships.

One of our key commitments is working in collaboration with RONPHOS Corporation to align economic growth with sustainable rehabilitation practices. This partnership underscores our collective responsibility to restore degraded lands while fostering economic opportunities that will benefit both present and future generations. Together, we strive to integrate environmental stewardship into our strategies, ensuring a brighter and more sustainable future for Nauru.

Additionally, the Nauru Rehabilitation Corporation is proud to partner with the Government to align national infrastructure development activities with our sustainability goals. By embedding these efforts into our operations, we are enhancing the efficiency and impact of our projects. This alignment plays a pivotal role in achieving the Key Performance Indicators (KPIs) outlined in the National Sustainable Development Strategy, bridging infrastructure advancement with our environmental and economic objectives.

As we look to the future, these partnerships embody our unwavering commitment to building a sustainable Nauru. By uniting our efforts, we can restore the beauty of our lands, foster economic growth, and create a legacy of sustainability that will inspire generations to come.

About Nauru Rehabilitation Corporation & Shareholder Expectation

The Corporation's purpose is to manage and execute the development treaty between the Governments of Nauru and Australia, which was signed in Bridgetown, Barbados, on May 5th, 1994. This agreement is known as the NACOS agreement, originally made on August 10th, 1993.

Fast forward to 2025, the NACOS fund has been depleted, leaving the Corporation reliant on government funding through capital project injections to sustain its annual operations and ensure its survival.

In 2019, the Nauru Parliament passed the Public Enterprise Act, which stipulates in Part 5, Division 1, Section 27 that all public enterprises must submit a Statement of Corporate Intent (SCI) to the Government. This document is intended for operational transparency and outlines the Corporation's business operations, goals, and primary objectives.

For the Nauru Rehabilitation Corporation, the primary objectives align with those stated in the National Sustainable Development Strategy (NSDS) 2019- 2030, which include:

Collaborating effectively and efficiently with RONPHOS Corporation in the mining and quarrying of resources for economic and rehabilitation purposes.

Establishing a comprehensive waste management system to minimize pollution's negative impacts.

With these goals established by the Government, the Corporation's Board and Management are committed to ensuring that their annual operations align with the NSDS Key Performance Indicators (KPIs) and provide regular updates on progress against these KPIs.

Nauru Rehabilitation Corporation Management Team

This is the current NRC Executive and Management Team



Mr. Creedence Halstead
A/Chief Executive Officer



Mr. Ligairi Jiuwa
Finance Manager



Mr. Avco Bill
A/Operations Manager



Mrs. Janet Eoaao
Human Resources Manager



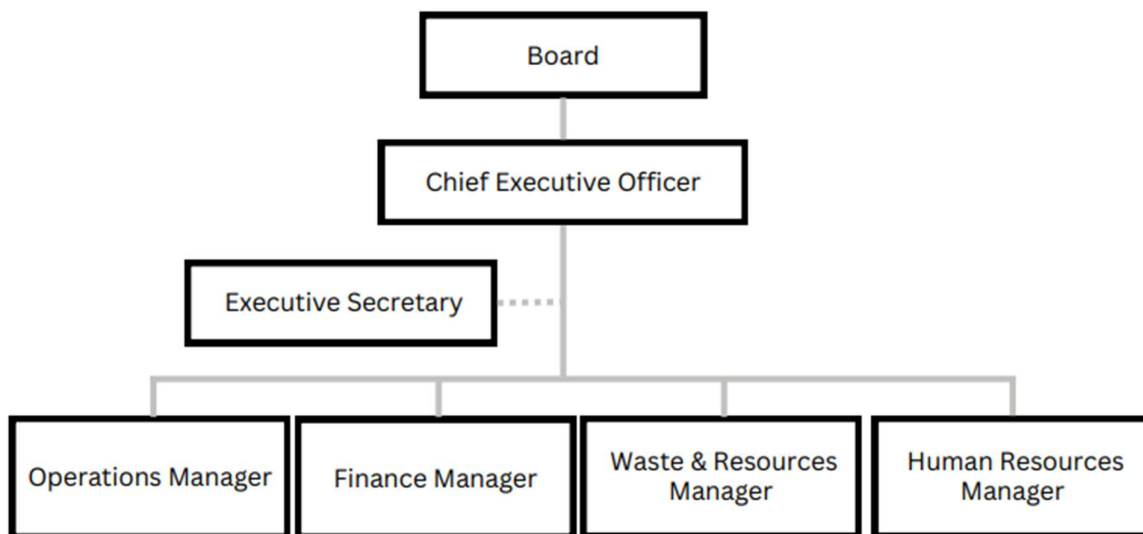
Mr. Doubug Adire
Waste & Resources Manager

Nauru Rehabilitation Corporation

Organizational Structure

The Nauru Rehabilitation Corporation Act of 1997 established the Nauru Rehabilitation Corporation (NRC) as a state-owned enterprise. Its organizational structure includes

Executive Department



Board of Directors: Responsible for overseeing the corporation's activities and ensuring alignment with its objectives.

Chief Executive Officer: Manages the day-to-day operations of the corporation.

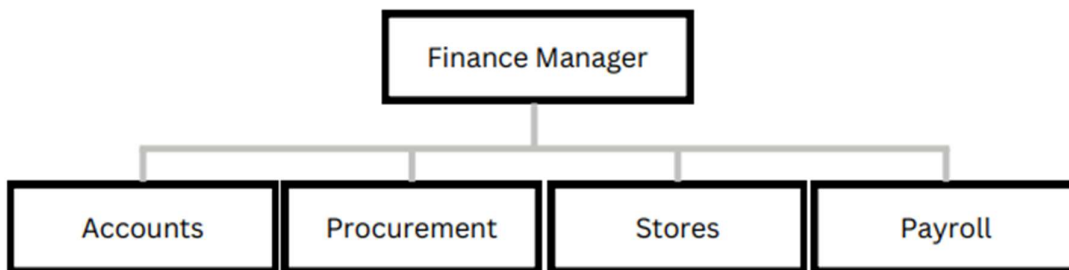
Departmental Managers: Role is to assist the CEO in overseeing and implementing the rehabilitation projects through project coordination, policy implementation, stakeholder collaboration and resource management.

Nauru Rehabilitation Corporation

Organizational Structure

Operations Support Departments established by the Board to support the CEO in delivering administrative service to support the corporation operations

Finance Department



Human Resources Department



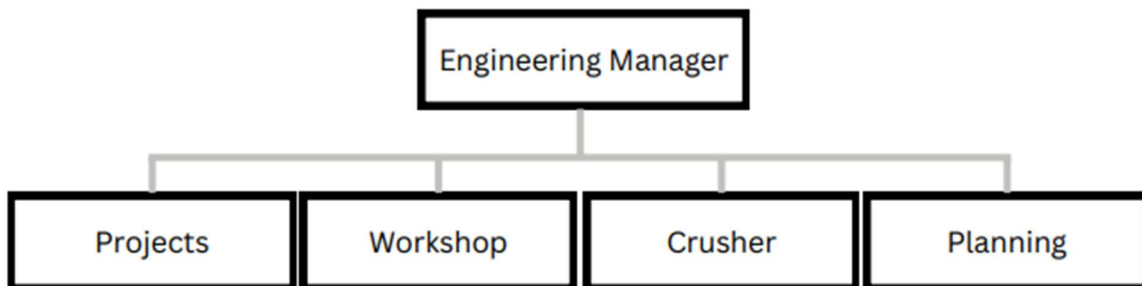
Their role is to provide administrative, logistical, and technical support to the main operational teams. They monitor adherence to policies, regulations, and standards. They coordinate resources to ensure optimal utilization and smooth operations. They manage challenges that arise during day-to-day activities to minimize disruptions.

Nauru Rehabilitation Corporation

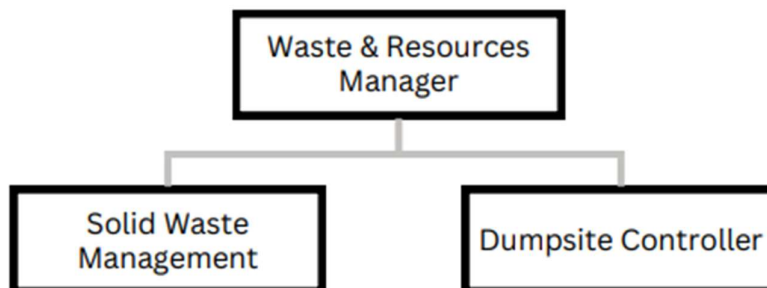
Organizational Structure

Operation Departments established by the Board to support the CEO for the effective and efficient implementation of projects

Engineering Department



Waste & Resources Management Department



The Operation Departments primary responsibility is to convert the corporation's legislative mandate into practical projects. It aims to align economic operations with sustainable land rehabilitation and development efforts. Additionally, it involves assessing and evaluating project progress to ensure compliance with both legislative and sustainability objectives.

Vision and Mission

Our Vision and Mission is aligned with those set out under the National Sustainable Development Strategy 2019-2030

Vision

To rehabilitate the mined-out phosphate lands at the interior plateau of the island and establish an effective waste management system that can reduce, reuse and recycle the increasing volume of waste on the island by 2030.

Mission

Our mission is to:

- Reclaim and rehabilitate the mined-out phosphate land at topside to facilitate the relevant sustainable development activities to improve the livelihood of the people of Nauru.
- Establish an effective and efficient waste management system that can address waste related activities on the island through composting and recycling

Business Goals

Business Goals, Business Activities & Business Strategies are aligned with the National Sustainable Development Strategy 2019-2030

Goal No. 1

To rehabilitate more than 45ha of mined-out phosphate land at topside by 2030, for the implementation of the High Ground Initiative Project for housing, agricultural and road development.

Goal No. 2.

To develop a viable waste management and recycling system that is capable of reusing, reduce, recycling and repurposing all the waste on the island.

Business Activities

Activities No. 1

Collaborate with RONPHOS Corporation in aligning and linking their mining operations to sustainable economic activities for rehabilitation purposes.

Activities No.2

Identify potential buyers for the limestone product overseas and establish a strong business partnership with interested buyers for long-term profitability and investment in the land rehabilitation program.

Activities No. 3

Collaborate with the Department of Environmental Management & Agriculture (DEMA) in preparing, organizing, and maintaining the landfill site to ensure the smooth inception and implementation of the Nauru Sustainable Urban Development Project (NSUDP) funded by the Asian Development Bank (ADB).

Business Strategies

Business Strategy No.1 – RONPHOS Collaboration

To collaborate with RONPHOS Corporation in their mining operation to increase phosphate production for export.



To sign the MOU with RONPHOS and allocate resources to assist them in boosting their mining operations to increase phosphate production level to achieve a stable monthly supply for their shipment.

During the initial meeting between NRC and RONPHOS, NRC has proposed that the payment schedule for this arrangement will be set at \$20 USD per ton. RONPHOS advised NRC that the daily production target they are aiming to get is 1500 ton per day. That will equate to around \$7.8million USD a year excluding the weekends.

Total trucks delivery based on NRC's current capacity of (22mT), that will be equivalent to 68 truck deliveries per day from the mining site to the rompad. According to RONPHOS, they will provide NRC the land portions they already leased for mining.

Anticipate Outcome

NRC will be assigning two teams to carry out this operation. The first team will be doing the mining, and the second team will be doing the rehabilitation program in sequence. (Implementing Business Goal 1, Business Activity 1 and Business Activity 2.)

Nauru Ports Redevelopment Project

Business Strategy No.2 – Collaboration with the Nauru Ports Authority & CHEC

Continuing supply for aggregate materials to the China Harbour Engineering Company (CHEC) for the ongoing construction of the Nauru Port Redevelopment Project.

			Aggregate Supply Schedule(Mar-2025-Jun-2025)					
Free Issue Material			Demand Schedule					
No	ITEM	TYPE	Total(m ³)	Total(t)	Mar-2025	Apr-2025	May-2025	Jun-2025
1	Concrete structure	Sand(5mm)	788	1222	400	400	300	122
		5-14mm	326	420	150	250	20	0
		14-20mm	285	396	100	200	96	0
2	Breakwater(rock protection)	50-200mm (4t rock bag)	1881	4890	1600	2650	640	0
		Rock fill material (>75mm)	7012	18231	7700	7700	2831	0
3	Trench and Interlocking blockbackfill	Sand(5mm)	235	364	91	91	91	91
4	Base course of the NCY	Base	3990	6184	1554	3108	1000	522
5	Interlocking blocks 4.75mm sandmaterial	Sand(4.75mm)	344	751	188	188	188	187
Total			14861	32458	11783	14587	5166	922

The supply challenges for the Nauru Port Redevelopment Project have notably decreased, and surplus materials accumulating at the NRC quarry to support their ongoing work. This reliable supply guarantees steady progress in moving the project forward.

In a recent follow-up meeting, NRC and CHEC agrees to continue working together in producing the materials needed for the project, until it is completed at the end of this year 2025.

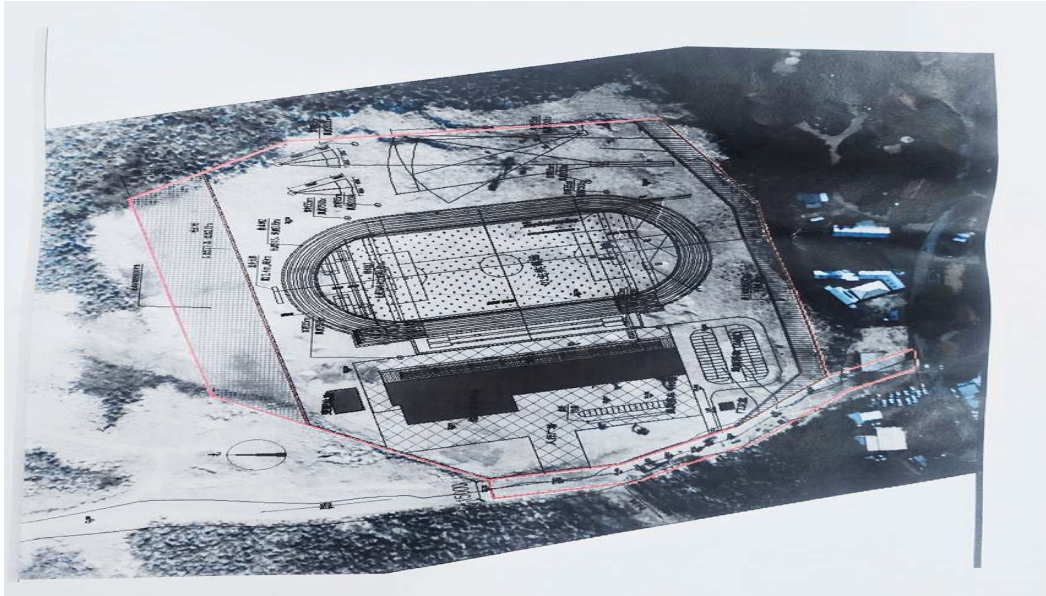
National Stadium Project

Business Strategy No.3 – Collaboration with the Department of Sports & China Embassy

NRC is working in collaboration with the Department of Sports and the Chinese Embassy in the ongoing development of the Sports Stadium

The land clearing work for the stadium project has been completed, marking a significant milestone in its development.

NRC is now waiting for the Department of Sports and the People's Republic of China Embassy to coordinate the next phase of the project, which is the construction of the main stadium structure.



To ensure that the project avoids any further delays and gets completed on time, NRC has made clear that given the condition of the crushing plant equipment, the company will need extra assistance in this work to ensure adequate and steady supply of materials for the project.



NRC will require support from the construction company in providing the second set of crushing plants to maintain a reliable supply of materials throughout the construction phase. This collaboration will be instrumental in driving progress and overcoming logistical challenges associated with such a major initiative.

This issue had been raised with the Chinese Engineers during their visit sometime last November 2024, and NRC is confident that with China providing the expertise and assistance, the execution phase should proceed smoothly. Hence, with the strong backing from all relevant stakeholders, this ambitious project can be achieved.

Road Maintenance Service

Business Strategy No.4 – Continue to Collaborate with the Government through the Department of Multicultural Affairs

Road grading and compaction operations for the road at topside to be maintained every month and other days required to keep usable



The road maintenance service remains a vital source of income for the Nauru Rehabilitation Corporation, serving as a key revenue stream that enables the corporation to function every month. Since the beginning of the FY2024-25, funding for this service has provided a big change in the corporation's financial position.

Upon inception of the new Government and the new Board and Management of NRC, the corporation was forced to operate at a very strict financial control. Making sure every penny is worth spending, while at the same time, cost cutting measures had been enforced.

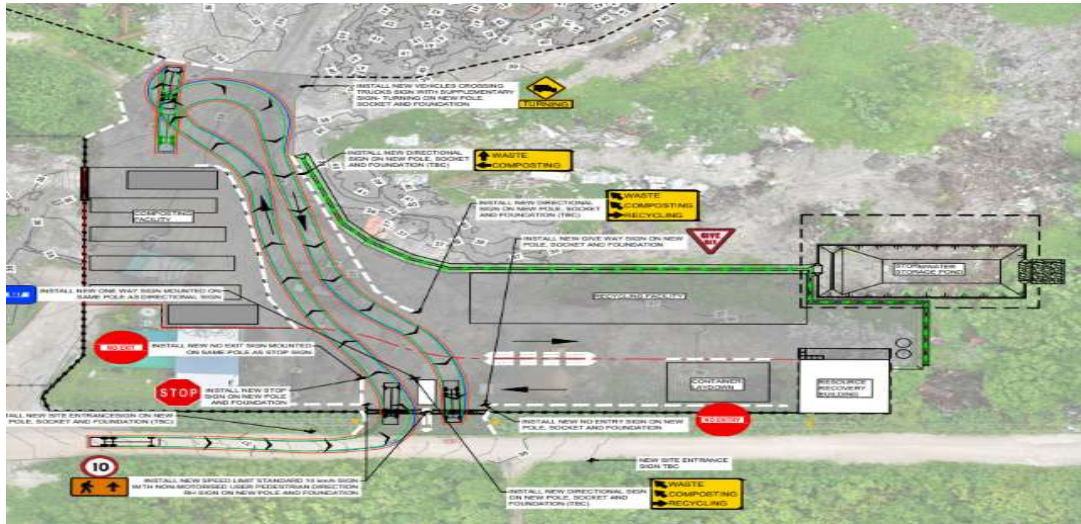
Fortunately, the Government of Nauru through the Department of Multicultural Affairs (DMA) intervened and bailed the company out with this \$300,000 per month revenue, making it the cornerstone of the corporation's financial stability.

NRC thank the Government of Nauru for their generous support in this program through the Department of Multicultural Affairs (DMA). Without such crucial backing, the corporation would have faced a significant financial downturn.

Nauru Sustainable Resilience Urban Development Project

Business Strategy No.5 – Collaborate with NCCNR, DEMA and BECA for the Waste Segregation Project

Work closely with the BECA Consultant from Token & Taylor in finalizing all the documents required to kick-start this project under ADB



In the financial year 2025-26, NRC will continue to work in collaboration with NCCNR, DEMA and BECA for their ongoing work on the project policies and strategies for the segregation facility and landfill operations.

During the most recent consultation between BECA and NRC, the Consultant Mr. Chris Purchas is working on the Service Level Agreement (SLA) between the Department of Environmental Management & Agriculture (DEMA) and Nauru Rehabilitation Corporation (NRC).

The purpose of the SLA is to define and establish a clear guideline on the functions and responsibilities of the two organizations to prevent future conflicts. In the SLA, the Department of Environmental Management & Agriculture (DEMA) is the owner of the Waste Management Operations on the Island and NRC is the service provider.

NOTE: This is something that have been discussed for a very longtime and now finally coming to fruition soon.

Rock Production & Aggregate Sales

Business Strategy No.6 – Continue to produce Aggregate Materials for Local Business and Customers

Maintain the sufficient supply of aggregate stockpile of 5mm to dust, 10mm, 14mm, 20mm, road base, and boulders



In this financial year, the corporation is committed to keeping sufficient stocks of aggregate available at the quarry to cater for the local demand on the island. One of the most highly demanded products on the list is the 5mm-dust.

At one stage, this product is very scarce due to high quantity demand for the Port Project and Housing Scheme. Recently, demand has dropped significantly after NRC is able to reproduce big quantity of this product last year April 2024.

Now the focus for NRC is to ensure that this product is always available on the island in case needed. Other products that are requested is the 10mm, 14mm, 20mm, road base, and boulders.

Plus, with the upcoming infrastructure project for the stadium, the marina and the ring main road, demand for the 5mm to dust will soon pick up.

Hence, NRC is really in need of a second set of these crushing plants, to prevent total shut-down of operations in-case of a breakdown. The current equipment we have now include: The METSO Jaw Crusher, Terex Power screen, Terex Cone Crusher, Terex Impactor and some stackers. In the case of a major breakdown, then the entire production line will stop.

Note: Current equipment onsite includes the METSO Jaw Crusher, Terex Power screen, Cone Crusher 1450, Cone Crusher 1550 and the Impact Crusher (belong to Port)

Projects Revenue Estimates for Fiscal Year 2025-2026

In this Financial Year 2025-2026 Budget, these are the Corporation's main revenue and income generating projects.

Project Initiatives	Value	Percentage
Airport Runway Resurfacing	1,957,500	13.37%
Aggregate Sales	1,547,975	10.87%
RONPHOS Collaboration	5,400,000	37.91%
UXO Assistance	60,000	0.42%
Rock Export with Central Pacific Solution	700,000	4.91%
Road Maintenance	3,600,000	25.27%
Plant Hire	195,514	1.37%
Waste Management Services	785,200	5.51%

NRC's plans for fiscal year 2025-26 include projects to support development, improve infrastructure, and promote sustainability. These initiatives underscore NRC's dedication to executing significant projects and progressing its strategic objectives in the coming budget year.

Business Key Performance Indicators

Key Performance Indicators – Land Rehabilitation Program

Under the National Sustainable Development Strategy 2019-2030, NRC is required to work with RONPHOS Corporation in – effectively and efficiently use mining and quarrying resources for economic and rehabilitation purpose

NSDS 2030 Goals	
To rehabilitate more than 45ha of land	
FY 2024-25	Result
To rehabilitate 4ha for the National Stadium	6.4ha has been rehabilitated
Comment: NRC is wait for new land redevelopment project from the Government and other stakeholders.	

Unfortunately, the work chemistry between NRC and RONPHOS Corporation has always been competitive and opposing against each other. One of the reasons these two corporations had been operating this way, is because of their shared operational capacities and capabilities.

Both the corporation owns similar equipment and could do each other's job and while one could benefit from both activities, the Government has mandated them to their own unique responsibilities and are allowed to support each other whenever possible.

One of the most common problems that always led to the downfall of these two corporations is the change in Government priorities. Whenever, the two corporations have the same Minister, they always seem to be successful, and whenever they have different Ministers, they tried to work each out or find ways bring each other down.

Note: This problem needs to be resolved and eradicated.

Key Performance Indicators – Waste Management

Under the National Sustainable Development Strategy 2019-2030, NRC is required to work with Department of Environmental Management & Agriculture (DEMA) – In managing waste and pollution effectively to minimises the negative impact on public health and environment.

NSDS 2030 Goals	
Appropriate waste disposal management system in place	
FY 2024-25	Result
Landfill maintenance program in place to minimise odour and fire onsite.	Maintenance program for the dumpsite is ongoing
Comment: NRC is preparing the dumpsite for the NSUDP segregation project	

Despite the efforts of NRC trying to control and prevent fire at the landfill site, the risk of fire onsite is still very high. The best solution to resolve all the issue of waste and fire on the site is to get an incinerator. This request had been raised with many donors and still nothing has been done.

Hence, NRC Chairman, A/CEO and Advisor had been to Brisbane and met with Wildfire Energy to see the gasification prototype and it seems like that prototype is going take a long time to be up and running.

Though promising, still the parts required are not manufactured in Australia, but from Asia. Thus, NRC will be looking into this matter in this financial year and see if the company will have to acquire one itself.

In the meantime, the maintenance process used at the landfill today is basically compacting and it will need more than that to reduce the increasing volume of waste on the island.

NRC Waste & Resources Management team is working closely with BECA Consultants in trying to finalize all the paperwork for the enabling environment, and once that is completed Nauru should be expecting to see the first ever segregation facility developed on the island.

Plus, the introduction of the Advance Recovery Fee Program that will help promote and improve waste collection and recycling on the island.

Financials

Based on the data and information currently available at NRC, this is the financial forecast for the corporation in the next 3 years

PARTICULARS	Estimate Budget 2025-26	Estimate Budget 2026-27	Estimate Budget 2027-28
Operating Revenue	14,362,274.00	17,575,274.00	18,749,774.00
Operating Expenditure	7,964,978.87	7,964,978.87	7,964,978.87
Net Operating profit:	6,397,295.13	9,610,295.13	10,784,795.13
Capital Expenditure	3,555,700.00	3,555,700.00	3,555,700.00
Net Cash Flow after Capex:	2,841,595	6,054,595.13	7,229,095.13
Receivables	4,947,040.35		
NET CASH BALANCE	7,788,635.48	7,554,595.13	8,729,095.13

The anticipated increase in the corporation revenue on (YoY) is the collaboration with RONPHOS Corporation. The first year per ton deal will begin at \$20, the second year will be \$22 and the third year at \$25. (1500-ton x 261 days = 391,500-ton x Price)

Revenue Subheads

Executive Revenue	Estimate Budget 2025-26	Estimate Budget 2026-27	Estimate Budget 2027-28
43-103 - Income on Sale of Assets	25,500.00	25,000.00	25,000.00
43-113 - Donor Funds	-	-	-
43-114 - Interest Income	46,085.00	46,085.00	46,085.00
43-122 - Fund 4 Royalty Payment	-	-	-
43-150 - Miscellaneous Income - Executive	-	-	-
Total	71,085.00	71,085.00	71,085.00
Engineering Revenue			
44-146 - Plant Hire	195,514.00	195,514.00	195,514.00
44-147 - Sale of Aggregates	3,505,475.00	3,505,475.00	3,505,475.00
44-148 - Sub-Contract Mining Charges	5,400,000.00	8,613,000.00	9,787,500.00
44-149 - Rehabilitation Residuals Extraction	-	-	-
44-150 - Miscellaneous Income - Engineering	60,000.00	60,000.00	60,000.00
44-206 - Armour Rock Export	700,000.00	700,000.00	700,000.00
44-207 - Seawall Construction Project	-	-	-
44-208 - Road Maintenance	3,600,000.00	3,600,000.00	3,600,000.00
44-209 - Land Clearing	-	-	-
Total	13,460,989.00	16,673,989.00	17,848,489.00
Waste & Resources Management Revenue			
45-144 - Waste Management Services	785,200.00	785,200.00	785,200.00
45-150 - Miscellaneous Income - Services	45,000.00	45,000.00	45,000.00
Engineering Revenue			
Miscellaneous Income			
Total	830,200.00	830,200.00	830,200.00
Total Trading Income	14,362,274.00	17,575,274.00	18,749,774.00

Expenditure Subheads

Subheads	Estimate Budget 2025-26	Estimate Budget 2026-27	Estimate Budget 2027-28
Less Operating Expenses			
202 - Salaries Local Staff	2,520,777.06	2,520,777.06	2,520,777.06
203 - Salaries - Expatriate	112,384.62	112,384.62	112,384.62
212 - Overtime - Local Staff	140,666.62	140,666.62	140,666.62
220 - Superannuation	242,429.45	242,429.45	242,429.45
230 - Staff Meals & Benefits	40,560.00	40,560.00	40,560.00
231 - Board Directors Remuneration & Sitting fee	40,300.00	40,300.00	40,300.00
232 - Board Meeting Expenses	20,000.00	20,000.00	20,000.00
251 - Travel and Transfer - Staff	10,000.00	10,000.00	10,000.00
255 - Travel and Transfer - Business	129,725.00	129,725.00	129,725.00
270 - Entertainment	76,000.00	76,000.00	76,000.00
280 - Recruitment Expenses	2,000.00	2,000.00	2,000.00
301 - Printing & Stationery	21,840.00	21,840.00	21,840.00
303 - Land/Lease Rental Payment	719,974.12	719,974.12	719,974.12
304 - Rock Royalty Rental	400,000.00	400,000.00	400,000.00
305 - Telephone & Internet	47,640.00	47,640.00	47,640.00
306 - Postage	600.00	600.00	600.00
307 - Internet Rate	28,200.00	28,200.00	28,200.00
308 - Reference Library and Periodicals	11,400.00	11,400.00	11,400.00
309 - Memberships & Subscriptions	12,160.00	12,160.00	12,160.00
310 - Advertising	4,000.00	4,000.00	4,000.00
311 - R&M - Office Equipment	12,640.00	12,640.00	12,640.00
312 - R&M - Office Building	36,000.00	36,000.00	36,000.00
313 - Office Expenses	20,640.00	20,640.00	20,640.00
315 - Issuance	55,040.00	55,040.00	55,040.00
316 - Rent - Office & Buildings	-	-	-
317 - Rent - Staff Accommodation	7,280.00	7,280.00	7,280.00
318 - Bank Fees	11,100.00	11,100.00	11,100.00
324 - External Audit	50,000.00	50,000.00	50,000.00
325 - Consultant and Contractors	369,212.00	369,212.00	369,212.00
329 - Rehabilitation	100,000.00	100,000.00	100,000.00
353 - R&M - Plant & Equipment	156,500.00	156,500.00	156,500.00
354 - Repairs & Maintenance - Building	80,000.00	80,000.00	80,000.00
355 - Fuel and Oil	1,410,410.00	1,410,410.00	1,410,410.00
359 - Electricity & Water	288,000.00	288,000.00	288,000.00
360 - Plant Equip/Vehicle Hire	298,800.00	298,800.00	298,800.00
391 - Freight & Courier	180,000.00	180,000.00	180,000.00
392 - Custom Tariff	60,000.00	60,000.00	60,000.00
406 - Public Education & Awareness	4,000.00	4,000.00	4,000.00
456 - Subsidy and Donations	43,500.00	43,500.00	43,500.00
528 - Staff Specialist Training	150,000.00	150,000.00	150,000.00
532 - Corporate Uniform	48,200.00	48,200.00	48,200.00
540 - Foreign Tax on Interest	2,000.00	2,000.00	2,000.00
545 - Resident Withholding Tax Expense	1,000.00	1,000.00	1,000.00
700 - Depreciation Expense	-	-	-
Total Operating Expenses	7,964,978.87	7,964,978.87	7,964,978.87
Less Capital Expenditure			
15-100 Land & Buildings	386,000.00	386,000.00	386,000.00
15-200 Plant & Equipment	2,500,000.00	2,500,000.00	2,500,000.00
15-300 Office Equipment	15,000.00	15,000.00	15,000.00
15-400 Furniture and Fixtures	4,700.00	4,700.00	4,700.00
15-500 Motor Vehicle	500,000.00	100,000	100,000
15-600 Special Projects	-	-	-
15-700 Tools & Safety Gears	100,000.00	100,000.00	100,000.00
15-800 Land Lease Advance	50,000.00	50,000.00	50,000.00
Total Capex:	3,555,700	3,555,700	3,555,700
Total Expenditure (Include Capex):	11,520,678.87	11,120,678.87	11,120,678.87

Capex

In this financial year, the NRC Board and Management has allocated \$3.5 million in Capital Expenditure. (Noting that the figures in this investment program are subject to change)

As part of the ongoing reform and reinvestment activities in the Nauru Rehabilitation Corporation, the company will be allocating \$386k every financial year towards building upgrades to improve operational effectiveness and efficiency. Another \$2.5m towards purchasing new equipment, \$15k towards office equipment, (*new computers and printers*), \$4,700 towards furniture and fixtures, \$100k towards tools and safety gears and \$50k standby fund in case the company would like to lease land for operational expansion.

The most essential investment under this activity will be the investment in the corporation heavy equipment, such as:

List of Equipment

Projects

Excavator Zx490

Excavator Zx210

Bell DT 30E

One hundred ton - Prime Mover with Low loader Tray (Capacity)

Crushing Plant

Jaw Crusher

Power screen

Cone Crusher

Stackers

Workshop

Service Truck

Forklift

Community Service Obligations

The Corporation's community service obligation aligns with those listed on the SPREP website: [Nauru Environment Data Portal](https://nauru-data.sprep.org/).

NRC has the mandatory obligation of Nauru Parliament to implement, initiate and coordinate the rehabilitation and development of the mined-out lands of Nauru. The NRC is responsible for managing the sole landfill in Nauru, which manages industrial, commercial, and household waste disposal. <https://nauru-data.sprep.org/>

These obligations have been the core activities of the corporation and will require clear guideline and support from the Government for the successful implementation.

Accounts Update

Financial Accounts Report Update – Financial Statements are still under auditing

The Corporation Financial Statements are still under auditing and once the Auditor General issued the revised Management Letter then the company will be reporting to the Minister for NRC Hon. Reagan Winson Aliklik MP and the Cabinet, before finally tabling the first ever audited financial statement of NRC after 20 years along with the Annual Report to Parliament.

Risk/Mitigation

To manage and operate a Corporation like the Nauru Rehabilitation Corporation where maintenance cost is very high to keep all the equipment up and running will require big capital. Therefore, these are the most common risk factors that the company will need to mitigate in each financial year to ensure it remains operational

Type of Risk	Risk Factors	Mitigation Measure
Equipment Breakdown	• Procurement & Logistics • Inflation • Lack of Local Capacity	• Continue to maintain the equipment until NRC can buy replacement. • To maintain efficient critical spare parts in stock • Engagement of Expat mechanics
Force Majeure National Emergency (Tsunami or UXO Evacuation, etc.)	• Project Deliverables • Procurement & Logistics	• Find alternative means to minimize schedule interruption. • To maintain efficient critical spare parts in stock (As above)
Land Dispute	• Land Lease • Rock Royalty Data	• To ensure all land lease payment are always up to dated. • To ensure all data collection are accurate
Finance	• Debtors • Credits	• Timely issue of invoices to customers • Timely payment of invoices by customers • Government mediation & intervention
Building Infrastructure	• All the NRC building & infrastructure needs major refurbishment	• To seek financial assistance from donors to refurbish or upgrade the existing
Current Heavy Machinery Conditions	• Maintenance cost	• Acquisition of new equipment
Specialized Tools	• Missing and broken	• Implement strict monitoring and management of company assets
Vital Energy – Fuel Supply	• Delay in fuel delivery	• Improve coordination and communication between our project team, finance and Vital.