

### PLANT SITE

## Commissioning tests begin

Ambatovy's Construction phase is moving full speed ahead. Commissioning activities have started and will continue for several months. Commissioning signals the transition from the end of Construction to the start of Operations, which is expected to kick off later this year.



Initial testing of the power plant took place on Nov. 29, 2010

#### Normal and safe

Commissioning tests are necessary to ensure that all constructed Project facilities function normally and are ready for Operations. These tests are standard procedures anywhere in the world for large industrial projects, like Ambatovy. And, in this case, they are carried out in strict compliance with international standards and good practices.

It is important to emphasize that these tests are safe and pose no threat to Ambatovy's workforce or neighboring communities. Under normal operating conditions, local residents may smell faint odors, hear sounds or see vapor; these are in no way harmful to human health. Ensuring the health and safety of employees, contractors, and neighboring communities is one of Ambatovy's top priorities. Health and safety measures and procedures at the Plant Site and all Ambatovy facilities, which can sometimes have restrictive access, are proof of this.

#### Power plant

On Nov. 29, 2010, the first "steam blows" were visible from Ambatovy's power plant at the Plant Site. The power plant, recognizable from afar by its three red-and-white chimneys, is one of the first major components to be commissioned. Built to generate all the power needed for Operations at the Plant Site, the power plant has the capacity to produce 80 megawatts of electricity, with two generators in operation full time and one in reserve to ensure reliable production.

The commissioning of the power plant consists of cleaning the entire piping system with high-pressure steam. (The power plant is like a giant pressure cooker where water is boiled to create steam.) When valves are opened, the steam is forced – or blown – out until the pipes are cleaned, and this produces a loud noise. Once the cleaning is finished, the system will begin to generate power. Energy from the high-pressure steam is transformed into electricity by turbo generators.

#### Public-information campaign

Ambatovy has held various information sessions for inhabitants of the four municipalities neighboring the Plant Site to keep them up to date on Project activities – including commissioning – and to address questions, concerns and rumors. Poster campaigns, radio and TV announcements and programs, and many other activities are being organized to complement the public-information sessions.

Commissioning tests clearly indicate that it will not be long until we see the initial production of nickel and cobalt briquettes coming out of Ambatovy's Plant Site. Production is expected to gradually increase over time, reaching full capacity around 2013-14. Nickel is set to become one of Madagascar's largest exports, bringing long-term economic benefits for the development and prosperity of the island nation.

### Contents

Helping former workers .....	2
Scientific Consultative Committee .....	3
Lemur monitoring .....	3
Technical Excellence Program .....	4
Regional Coordination Committee .....	4

### EDITORIAL

#### 2011: A turning point for Ambatovy

The beginning of a new decade marks a major turning point for Ambatovy. 2010 saw the completion of many major Construction works. In 2011, all remaining Construction, commissioning, and testing will be finished. From a "project" that existed only on paper just a handful of years ago, Ambatovy will truly come alive in 2011, as a fully fledged nickel and cobalt mining and processing enterprise.

As we look back on 2010 and the first decade of the 21st century, we can see that Ambatovy laid the foundation not only for the Mine, Pipeline, and Plant Site, but also for its ongoing commitment to Madagascar and the local communities where we work. As the largest mining project in sub-Saharan Africa and the Indian Ocean Region, Ambatovy's contributions to socioeconomic development and environmental protection are significant and enduring – as is our prioritization of local recruitment and procurement. Ambatovy and all our staff members can take pride in the company's determination to fulfill – and exceed – our legal obligations regarding social investment and environmental protection. Just as Ambatovy has done to date, we will continue to listen, share, and find solutions to problems and concerns together in the years to come.

We have called the phase that began in 2007 "Construction." In 2011, we expect the "Operations" phase to begin. But as Operations are expected to last nearly 30 years, that can hardly be called a "phase." For many people, it's the equivalent of a working lifetime.

Over this lifetime, the country will benefit economically and socially as Ambatovy is set to pay millions of dollars to the Government of Madagascar each year. (The exact amount will depend on the international market price for nickel and cobalt, and other variables.) Wise use of this revenue could finance the socioeconomic revitalization of Madagascar at the local, regional and national level. Working hand in hand, Madagascar and Ambatovy will have the chance to advance the nation's social and economic growth. By the end of 2011, Ambatovy will be producing fully refined nickel and cobalt, transforming a "project" into a globally important industrial enterprise. That's progress.

The Editorial Committee

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AFTER CONSTRUCTION

# A helping hand for former workers

Hajaniaina Rasoarahona, Philemon Sidy and thousands of others are among those who helped construct Ambatovy's facilities. Some assembled Mine Site infrastructure and the 220 km Pipeline, while others built the imposing iron structures of the Plant Site. They are all part of the more than 12,000 people employed (directly) by Ambatovy to build one of the largest mining projects in Africa and the Indian Ocean Region. They have almost accomplished their mission, as Ambatovy nears the end of the Construction phase.

Ambatovy is not going to simply abandon these workers that contributed their know-how, technical expertise, and hundreds of thousands of hours to build the Project's facilities. Ambatovy has always stressed that it takes its social commitments very seriously and strives to be a responsible member of the local community; so it is only natural that the Project provide support to its former employees. Ambatovy has developed various programs to assist demobilized Construction workers seek out and secure new opportunities.

In late 2008, the Project established the Ambatovy Local Business Initiative (ALBI – see Banjina V. 1, page 2) to foster small business development, job creation and identify local suppliers capable of meeting Project needs. ALBI is also involved in developing and promoting various training courses for demobilized workers to prepare them to take on new careers. This involvement has led to the creation of the Agricultural Training Center, which offers courses in agriculture, livestock, accounting and business administration to former workers and people living in the immediate vicinity of Project areas who would like to take on a career in agriculture or improve their farming skills.

"I came [to the Agricultural Training Center] as I would like to be able to make a living from farming. I don't have a specific project in mind yet, but I intend to put into practice what I have learned to improve my techniques," said Rita Nathalie Feno, a graduate of the Center from Ambodibonara.

"The aim is to move students away from outdated traditional [agricultural] techniques and provide them with access to more up-to-date methods and technology," said Dadahy Bonaventure, Agronomist and Training Advisor at the Center.

Moreover, there is a healthy local demand for agricultural products. Ambatovy, for instance, buys produce for its catering service through locally supplied bulk purchasing centers (that were originally set up by ALBI). There are also many public markets and kiosks in Toamasina, Moramanga and communities along the Pipeline – all open for business.

Ambatovy has also established two Redeployment Centers (BRMOs, in French), one in Moramanga and another in Toamasina, that are responsible for recording the details of former Construction workers in order to channel them toward training and new jobs. These jobs might be with Ambatovy or one of its sub-contractors, or they might be in the form of new income-generating opportunities developed by ALBI.

"From May to December 2010, the [two] BRMOs registered 4,072 of the 10,631 workers who have already been demobilized. We have also recorded more than 1,700 workers whose contracts were due to finish but have already been redeployed," explained a representative from the BRMO in Toamasina.



The Regional Employment Office in Toamasina

Additionally, since October 2010, Ambatovy has been working with the Atsinanana Regional Authority to revitalize the Regional Employment Office (BRE, in French), whose aim is to match up local job seekers, who may never have worked for Ambatovy, with various employers in the region. This same revitalization will be duplicated with the District Employment Office in Moramanga. Each week, the BRE in Toamasina now records an average of 350 visitors and receives about six job postings from employers across all sectors.

"Collaboration between the BRE and BRMO is honest and sincere. Ambatovy equipped us with office furniture [and computer equipment], so that our technical work could be carried out in the best possible conditions," said Velomanana, Head of Statistics at the BRE in Toamasina.

Support for demobilized workers does not stop there. Ambatovy has also launched the Assistance Initiative for Demobilized Workers (AIDE, in French). In recognition of Construction workers' contributions, Ambatovy will provide these former employees with a minimal allowance over several months to assist them while they search for new jobs. The first payments are scheduled for September 2011; and the allocation amount will depend on the professional category of each former employee. (Additional details on AIDE will be published in the near future).

## Hajaniaina Rasoarahona: A new job with ALBI



*Hajaniaina started work for Ambatovy through a sub-contractor at the Plant Site in 2007. When his contract came to an end a year later, he was demobilized. However, thanks to the Ambatovy Local Business Initiative (ALBI), he was able to find another job.*

**Testimony.**

"If I am employed by the Central Purchasing Center (CA, in French) today, it is thanks to ALBI, which helps Ambatovy to create indirect jobs. I think the fact that I worked for Ambatovy

before helped me secure employment with CA, a sub-contractor of Ambatovy's catering service. I am really happy in my current job. In two years, I have changed positions twice. I was initially hired as the Warehouse Manager and was then promoted to Sales Representative. I will soon move to Antananarivo to become head of the satellite office there, as CA is expanding its activities. I feel a certain job security working for CA – the company should last as long as Ambatovy."

## Philemon Sidy: A BRMO success story

*When his employment with a sub-contractor came to an end after eight months, Philemon went to register at the Ambatovy Redeployment Center (BRMO, in French) with the hope of finding a new job. It took six months for the young man to land another contract, this time as a Welder with a South African company. Last November, Philemon returned to the Plant Site.*

**Satisfaction.**

"Six months after registering at the BRMO, I was rehired to work for Ambatovy. Once again, I managed to sidestep the insecurity that comes with being unemployed. I believe I was lucky but also think [I landed the job] due to my good track record. I have always been a serious worker, I have followed various training courses, and the eight months of experience with the company that had hired me previously also helped. In addition, during my time at Ambatovy's Plant Site, I learnt about all the necessary safety standards that go along with working there. In my opinion, being redeployed also means that the new employer is confident that I will do a good job."



**BIODIVERSITY**

**Under the watchful eye of the Scientific Consultative Committee**

Ambatovy is committed to upholding stringent environmental standards and pays strict attention to its biodiversity obligations. This commitment is highlighted by the Project's mobilization of external resources and the creation of a Scientific Consultative Committee (SCC) to continuously improve its biodiversity program management. In November 2010, the SCC held its third technical meeting at Ambatovy's Mine Site. Two days of hard work and fruitful discussions covering various aspects of biodiversity management will help to guide the Project's biodiversity and conservation programs for the next six months.

The SCC was established in 2009 and is made up of 14 independent, Malagasy and foreign, scientists renowned for their expertise in various fields of biodiversity. The objectives of Ambatovy's biodiversity management plan are focused on avoiding, minimizing, and mitigating residual impacts on biodiversity caused by the Mine, Pipeline and other activities. Ambatovy believes that regular consultation with scientific

fields and provide suggestions related to the Project's main environmental policies and activities. The SCC's core objective is to find common ground between development actions, conservation activities and biodiversity management. It also assesses the Project's biodiversity strategy and program.

The SCC reflects Ambatovy's commitment to environmental management and transparency. Moreover, this initiative allows Ambatovy to gain additional support from scientific experts on various aspects of biodiversity management and enables the promotion of new techniques and methodologies relevant to Ambatovy's impacts.

Ambatovy takes into consideration all the strategic and technical advice delivered by the SCC and endeavors to apply their recommendations. Areas concerned include flora, fauna, birds, reptiles, amphibians, fish, lemurs and other mammals.

The workshop in November allowed SCC members to review Ambatovy's conservation efforts to date and to provide suggestions as to how best to proceed for improved impact mitigation and biodiversity management.

experts on environmental issues is essential for the successful implementation of a pioneering environmental management program.

Committee members bring independent arguments, expert advice and recommendations from their respective



Committee members at a presentation

**LEMUR MONITORING**

**Positive results in 2009 and 2010**

Ambatovy has designed and is implementing a world-class lemur management program. The recent Scientific Consultative Committee meeting was an opportunity to showcase the program's main achievements.

Since 2009, six Indri indri (Babakoto), 14 Propithecus diadema (simpona), 11 Avahi laniger (fotsifé) and four Eulemur fulvus (varika mavo) have been born within Ambatovy's conservation areas. Sixteen of these newborn lemurs came from groups that were displaced to special refuge areas due to Project activities that affected their original habitat.

From 2007 to 2008, infrastructure Construction meant that Ambatovy had to clear 608 ha of forest neighboring the Mine Site. To achieve outstanding environmental management results, however, Ambatovy carried out directional and slow-paced forest clearance, allowing animals to migrate away from impacted areas to nearby refuge areas.

The goal of the lemur management program is to maintain population viability in the Mine area. To monitor the effectiveness of its environmental management practices, Ambatovy has been employing the capture-mark technique. Since 2007, hundreds of individuals belonging to 11 species of lemurs (Indri indri, Microcebus lehilahytsara, Propithecus diadema, Daubentonia madagascariensis, Eulemur rubriventer, Allocebus trichotis, etc.) living in and around the cleared forest and refuge areas have been equipped with radio collars. This radio-tracking methodology enables the lemurs' movements and behavior to be monitored and determines whether they are able to adapt to a new home range over time. The relatively high number of recent offspring is living proof that these lemurs have successfully adapted to their new environment. Alongside this monitoring program, Ambatovy has also put in place state-of-the-art biomedical health monitoring systems, which help assess trends in animal health to ensure the sustainability of all lemur groups.



**SCC feedback:**

**Dr. Jonah Ratsimbazafy, Primatologist, Ecology and Behavior Specialist, Member of the Primate Studies and**



**Research Group, Madagascar:**

"The creation of the [SCC] is a good thing. The involvement of several institutions and specialists is for the best interests of the Project. Strategic and technical advice will prove to be of great help in finding a long-term solution for sustainable biodiversity management."



**Dr. Peter Kappeler, Primatologist, and Zoology and Anthropology Professor, University of Goettingen, Germany:** "One of Ambatovy's

strong points is the quantity and quality of data available on lemurs. I think it is a shame though to only focus on [so few] species. I think the Project should also apply its methodologies to the dozens of other remaining species, most of which are nocturnal."



**Mr. Rajaspera Bruno, Project Director, Conservation International, Madagascar:** "Ambatovy's strengths are its commitment, the

motivation of its environment team, and the development of worthy partnerships with scientific institutions. Unfortunately, at this time, the environment team is still busy with data collection and decisions cannot be made without first analyzing all the data."

**Dr. Martin Raheriarisena, Professor, Animal Biology Department, University of Antananarivo, Madagascar:**



"The establishment of [the SCC] shows that Ambatovy has good intentions and that it aims to carry out its programs according to environmental norms. The fact that Ambatovy has requested technical expertise affords a certain scientific endorsement. Nevertheless, all strategies must be evaluated periodically and revised as necessary, to ensure essential actions remain appropriate."

## TECHNICAL EXCELLENCE PROGRAM Training opportunities for youth of Atsinanana Region

As part of its commitment to promote local recruitment, Ambatovy has established a long-term vocational training program that will strengthen the capacity and increase the skills of young people from Atsinanana Region. Over time, this initiative will ensure the progressive replacement of foreign workers at the Plant Site with highly skilled locals. Similar training opportunities are planned for youth of Alaotra Mangoro Region, including a collaborative effort between Moramanga's Technical College and Ambatovy. Daniel Brodeur, Ambatovy's Training Superintendent, responsible for the Technical Excellence Program, gives us the ins-and-outs of this new initiative.

### Mr. Brodeur, could you tell us more about the Program?

The Technical Excellence Program is a long-term training program, which will run from 2011 to 2015, allowing for several waves of trainees. It consists of 18 months of training and a two-month internship. It was created for graduates, aged 17 to 22, of technical colleges in Atsinanana Region who would like to join Ambatovy's team of operators of international standing. At the end of the course, the students are expected to gradually take over from experienced national staff, who, in turn, will move up to replace foreign workers. These foreign workers all have previous experience as mining operators and came to help Ambatovy with the startup of Operations.

### How many young people from Atsinanana will take part?

By 2015, Ambatovy will have trained 219 students through this Program. This number corresponds with the number of foreign workers that will be replaced by experienced nationals over time. Training will be carried out in groups of around 50 students over four years. The Program is primarily geared towards young people from Atsinanana.

### Will Ambatovy open the Program to other regions if not enough eligible candidates come forward?

We are doing everything we can to make this initiative accessible to youth from Atsinanana Region. For

instance, the Human Resources Department's Training

Service had to withdraw or revise certain selection criteria. These changes will, of course, be made up for with extra hours in the classroom. It is also worth noting that selected candidates do not have the same background or experience. It is inevitable that some will have to be brought up to certain standards in subjects such as physics, chemistry, etc. before being plunged into the Program, which is focused on operating the various sectors of Ambatovy's processing plant.

### How many trainers are involved and who are they?

There are a total of 26 trainers, including four foreign instructors, all of whom are Project staff. Two trainers will accompany the students throughout their journey; both are chemical engineers who currently work as Ambatovy operators and are already in place for pre-startup activities. They will provide training that is closely related to the processes used at the Plant Site and will ensure the smooth running of the Program.

### Do participants have to work for Ambatovy after their training?

The students are first given a training contract, not an employment contract. If they successfully complete their training, they will be offered an employment



The first wave of trainees

contract, however, there is no obligation for them to accept this; they are free to decide which career path they would like to take. Nonetheless, we do expect to retain most of these young people and we are confident that they will stay with us for the long haul.

### Comments from the trainees:

**Solofotiana Andry, 20, graduate from Rabemananjara College:**

"This Program is an opportunity for me to get into a large company like Ambatovy. I think the training is very interesting and it is really necessary to acquire certain knowledge and skills before starting work."

**John Patrick Lemalade, 20, graduate from Toamasina Technical College:**

"Through the implementation of this Program, Ambatovy has shown its commitment to the development of Atsinanana Region. I applied for the training as this is a great opportunity to work at Ambatovy."

## REGIONAL COORDINATION COMMITTEE

### Advising Ambatovy in true Malagasy style

In line with the legal framework concerning large mining projects in Madagascar, the Regional Coordination Committee (CRC) was officially established by the Atsinanana Regional Authority at the end of September 2010. The main objectives of the CRC are focused on optimizing Ambatovy's socioeconomic returns.

The CRC provides a discussion platform between the authorities and Ambatovy. It is an important step in securing collaboration to pursue common goals. Since its creation, the CRC has held regular meetings with the participation of Ambatovy's management team, regional authority representatives, community leaders, and civil society. A similar committee is being set up in Moramanga. The CRC has been

focused on supporting Ambatovy in prioritizing the recruitment of local candidates for positions in Toamasina.



Regional Coordination Committee member, Richard Boda

The most concrete example of this is the CRC's contribution to the selection of candidates for the Technical Excellence Program (see article above). "The advantage of [the CRC's] platform is that it has a neutral and objective

viewpoint. If we can keep this in the foreground, the CRC will achieve positive results. Its mission goes far beyond recruitment issues. This is not a group that has been set up to monitor and investigate the members; rather, it is a platform to serve the common interests of everyone," said Richard Boda, Regional Director for Environment, Water and Forests, Tourism and Handicrafts, who is also President of the Toamasina Executives Association, and a member of the CRC. "On the one hand, Ambatovy will have to listen to local populations to ensure they feel involved [in certain decisions]. On the other, we have to help change the belief that Ambatovy is a cash cow. The CRC must be seen as a positive initiative."

## Banjina

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