

March 15, 2010

NEXI

Results of Environmental Review

(1) Reference Number

06-052

(2) Project Name

Nickel development and processing project

(3) Project Site

Antananarivo, Madagascar

(4) Project Outline

Nickel development and processing project

(5) Category

A

(6) Reason of Categorization

The project falls into the sectors defined under the Environmental Guidelines as “mining,” “pipelines,” “non-ferrous metals smelting and refining” and “ports and harbors,” and it is located in sensitive areas (i.e. protected areas, habitats of rare species requiring protection, etc.) and has sensitive characteristics (i.e. involuntary resettlement, etc.) under the Environmental Guidelines.

(7) Environmental Permission / Approval by the Environmental Authority

The Environmental Assessment has been made under the relevant environmental regulations in Madagascar, and was approved by the National Office for the Environment in December 2006.

(8) Anti-Pollution Measures

The appropriate measures are taken to meet the international standards for air quality and noise levels and to meet the local and international standards for water quality. Other anti-pollution measures are taken appropriately and no particular

adverse impact is expected.

(9) Natural Environmental Considerations

To reduce and mitigate impacts on the internationally-designated protected areas located in and around the project area, appropriate measures are taken such as selection of appropriate pipeline route, avoidance of development in wetlands, and tree planting after construction.

Regarding considerations for the rare species requiring protection, measures such as development of environmental protection programs and establishment of azonal conservation areas are taken to mitigate habitat losses.

(10) Social Considerations

Regarding the people affected socio-economically by the project, including resettlement, and regarding cultural heritages affected by the project, mitigation measures are taken in accordance with respective management plans.

(11) Monitoring

Monitoring of air and water quality, habitats of rare species, living environment after resettlement, etc. will be conducted in accordance with the Environmental Management Plan and Social Development, and results of the monitoring will be reported to the National Office for the Environment in Madagascar.