

RAMU NICKEL Updater



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- Construction No Negative Environment Impact on the Ramu River Life



**One Ramu Nico
One Community**

March - April 2009
Volume 7

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Sir Michael Somare Visited MCC and Hailed the Progress



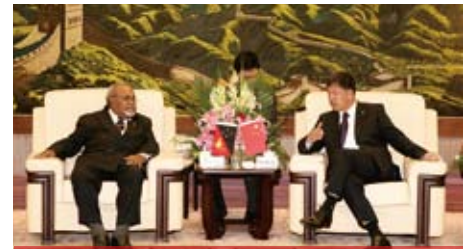
PNG Delegates with Chinese delegates

Hon. Sir Michael Somare, Prime Minister of Papua New Guinea and his delegation visited MCC headquarter in Beijing on April 15th, 2009.

Mr. Shen Heting, President of MCC extended warm welcome to Sir Michael Somare and his delegation. Mr. Shen briefly introduced the Project progress and reiterated that MCC is committed to work at full speed and bring the Project into production. Hon. Sir Michael Somare thanked MCC for choosing to invest in PNG and spoke highly of the Project development. "Back in March this year I was on a helicopter trip to the Usino-Bundi area to attend an event. I noticed the great changes in the mine site and all the way along the pipeline construction. It is quite impressive that your team has progressed the Project so quickly in such a short time". Said Sir Michael. Sir Michael noted that the "strong and capable leadership" under Madam

Luo Shu in the past 4 years are important to achieve the good progress and assured that the PNG Government would continue to give the Project top level support that Ramu NiCo deserves. Sir Michael specifically mentioned that His Excellency gave the same endorsement to Ramu NiCo during the official meeting with Chinese President Mr. Hu Jintao. Both parties also discussed some other Project related matters and reached understanding to expand their cooperation in due course.

Hon. James Tanis, President of Autonomous Bougainville Government, Hon. Peter Humphreys, Governor for West New Britain Province, Mr. Wei Ruixing, the Chinese ambassador to PNG and Hon. John Momis, the PNG ambassador to China, MCC group executives, Madam Luo Shu, President of RNML and Mr. Gu Yuxiang, Vice President of RNML attended the meeting.



Prime Minister Somare meeting with Mr. Shen Heting in MCC headquarter



Prime Minister Somare talking with Madam Luo



A panoramic view of Basamuk processing plant on April 15, 2009

Ramu NiCo 2006-2008 Sustainability Report Released



Ramu NiCo 2006-2008 Sustainability Report

On the 30th April 2009, Ramu NiCo announced the finalization and release of the Ramu NiCo 2006-2008 Sustainability Report (English Version). Upon the release Madam Luo Shu, President of RNML noted that “Sustainability and business success are mutually reinforcing. This is our first Sustainability Report, and like any first it is significant. We would welcome all stakeholders to join in our journey towards sustainability”.

The Report was completed with the assistance from the Business for Social Responsibility (BSR), an international organization focusing on promoting corporate

social responsibility and sustainable development. As the first Sustainability Report for the Ramu Nickel Project, it summarizes the works so far in Project development, community assistance, local economic and social development and environmental protection, and outline future plans and targets. The Report made reference to the GRI (Global Reporting Initiative) reporting guidelines and included the comments from key stakeholders.

The Report can be read and downloaded at <http://www.ramunico.com/plus/list.php?tid=177>.

Construction No Negative Environment Impact on the Ramu River Life



02

Ramu Nickel Project has no impact on species richness and fish tissue metal concentrations in Ramu River system, according to the result of Ramu River Fish and Environment Survey, which was released by the Australia-based Hydrobiology Company in February 2009.

The aquatic fauna survey was conducted in the Ramu River catchment during October and November, 2008 to assess whether road and bridge construction activities associated with the Ramu Nickel Project have impacted fish and prawn communities in waterways downstream. The aquatic fauna survey focused on the collection of fish and prawn community data and tissue metal data. Monitoring was undertaken at eleven sites, all of which had been sampled as part of previous baseline monitoring surveys. After the lab analysis and compare of all the data, they got the conclusions below:

■ Raw tissue metal concentration data for tissue samples collected at Banap Oxbow and Nape Tais in 2008 are presented. These results show that tissue metal concentrations measured in 2008 were

generally within relevant food standards or below lowest observed effects concentrations.

■ The variation in fish diversity and biology species is attributed to the combination of increased riparian vegetation clearing, increased fishing pressure, grazing by the introduced herbivorous fish and increased transport of sediment from the landslip.

■ The main types of species missing from the oxbows and main river channel sites during 2008 that were present during the 1997/98 baseline surveys were small bodied native fish species such as rainbow fish, glass perch let and gudgeons and introduced species favoured as fodder fish by local villagers such as Rendal's tilapia and Mozambique tilapia.

■ There was evidence to indicate that there has been an increase in the proportional representation of introduced fish species over time at some sites. This is attributed to two species in particular, *Barbonymus gonionotus* (Java Carp) and *Prochilodus argenteus* (Nus Pik). The establishment of other fish species introduced under the FISHAID program does not appear to have been as successful. Introduced fish species may be impacting on native fish species through competition, predation, habitat modification or a combination of these. Java Carp, an herbivorous species, may be responsible for the observed

decrease in macrophyte habitat at some sites, which may explain the apparent reduced abundances of small native species such as glass perch let and rainbow fish in this study compared to previous studies.

■ Nile tilapia is only approved as an aquaculture species by NFA and this is the first record of its being present in the wild within the Ramu River system. The potential for “GIFT” tilapia to affect PNG native fish in the Ramu River system is high, because this variety has been selectively bred to reproduce rapidly.

Meanwhile, the scientist suggested that RNML maintain good communication with local villagers to correct the misunderstanding that it is the Ramu Nickel Project that caused a decline in fish catch over the past decade. The scientists recommended that RNML commission a geomorphological assessment to ascertain and document changes to stream habitat caused by the landslip. They also recommend further aquatic fauna surveys during the construction and post-construction phases, incorporating wet and dry season sampling.

No. 8 RNJV Management Committee Meeting Held in Beijing

The 8th Management Committee Meeting of the Ramu Nickel Joint Venture was held at RNML Beijing office on April 2, 2009.

The meeting was presided over by Madam Luo Shu, Chairperson of the Committee and of the MCC Ramu NiCo Limited (MCC Ramu). Mr. Gu Yuxiang, President of MCC Ramu, Mr. Guo XianJian, Vice President of RNML and Mr. Sun Yan, Deputy CFO of RNML attended the meeting. On the part of RNL, Mr. John Gooding, Managing Director of HPL and RNL attended with Mr. Craig Lennon and Dr.

Peter Jolly invited to the meeting. Mr. Joseph Taymen, Executive Managing Technical Services of MRDC represented MRML and MRRL at the meeting.

RNML as the Project Manger gave detailed Project update to all RNJV representatives. The representatives agreed to make concerted efforts to support the good momentum in current Project development. The Management Committee meeting is to be held on a quarterly basis.



No. 8 RNJV Management Committee Meeting Held in RNML Beijing Office

RNML Sponsors Madang Game Fishing National Club Titles

Ramu NiCo Management (MCC) Ltd has once again through its community assistance program came to the help of Madang Game Fishing Club with a sponsorship of K12 000.00 for its Club Titles on the 03rd – 13th of April 2009. RNML was the first corporate house to put its weight behind the Madang Game Fishing Club for this event.

Madang Game Fishing Club hosted the 34th GFAPNG National Titles with visitors coming from outside the province to participate in this event. This was a nine day event with RNML being the official gold sponsor of the tournament for the year 2009. The Club which hosts this competition as an annual event was very happy to have the support of RNML.

The opening of the tournament had representatives of RNML which included Chief Technical Director Dr James Wang, Community Affairs General Manager Martin Paining, Deputy General Manager George Wang, Corporate Affairs Oliver Huang, External Relations Manager James Topo, Community Affairs Coordinator Fred Tieng, Information Officer Leroy Batia and Research Officer Valerie Tombele. Many

anglers from outside provinces with their families enjoyed the occasion by hanging out with other anglers and relaxing before the tournament began.

RNML has sponsored many other activities and decided to take this up because the company is an important part of the international community in Madang. Hosting of this game fishing is an achievement for the province as more investors will be interested and attracted to develop this beautiful province. Through the sponsoring of sporting events like this which brings out the passion and drive for the games each individual loves, the company is joining hands together with other community members to develop this province into a model for other provinces in PNG. In the meantime, the company is using cutting-edge technologies to develop the nickel mine in an environmental friendly way to ensure minimum environment impact to the project area, particularly the beautiful waters of Madang where all anglers are enjoying the fishing tournament.

Game Fishing Committee member Ken McArthur said they were very happy to

receive this assistance from the Company as without this many things would not have ran as smoothly as it did in the tournament.



Ramu NiCo team at game fishing presentation



Waitresses of Madang Club wearing Ramu NiCo T-shirt during evening promotion

RNML Gives Support to the Nines Rugby League Pre-season Grand Final



Dr. Wang giving the trophy and prize money to the Captain of Newtown Panthers



Mr. Paining giving the runner-up prize to Diwai's Captain



Grand final game been played between the two teams

The Rugby League Oval in Madang came alive on 18th and 19th April 2009 as teams participating in the Nines Rugby League Pre-season Finals were played off. This was an event that was highly anticipated for many supporters of rugby league.

The Rugby League Association having had problems in previous years. The new executives asked local businesses in Madang to help facilitate the grand final games. Ramu NiCo Management (MCC) Ltd again through its commitment made with the people of Madang came to the sponsorship of the Madang Rugby League.

The finals were attended by RNML Chief Technical Director Dr. James Wang, General Manager Community Affairs Martin Paining, Corporate Affairs Oliver Huang, Manager External Affairs James Topo and Coordinator Community Affairs Fred Tieng. Dr. Wang and Martin Paining were given the honor of officially kicking off the pre-season grand finals.

In presenting the awards to the winning teams Mr. Paining in representing RNML said "all teams that took part in the finals showed outstanding sportsmanship and skills displayed on the field, congratulations to both teams for performance worth watching". He also said the company was very proud to assist in this as most of the players are youths in the community who are unemployed and through timely assistance like this we promote their enthusiasm and drive for sporting activities that keep youths like this out of trouble.

President of Madang Rugby League praised the company for this assistance and acknowledged the Chairman for Kurumbukari Toby Bare for helping to facilitate the sponsorship. The League hoped that in the future the company will assist in helping the Rugby League Association in Madang.



Dr. James Wang kicking off the Grand final between the B Grade in Madang Oval on Sunday

Donation Made to the 27th Graduation Ceremony of DWU

Every year thousands of graduates leave their schools and go out into the real world. On March 8 2009, Divine Word University in Madang, Papua New Guinea saw another batch of students graduate and embrace what the future holds for them. As a token of assistance in local education, Ramu NiCo Management (MCC) Limited donated K6000.00 for the graduation ceremony. Mr. George Wang, Deputy General Manager Community Affairs (CA) of RNML and other CA team members attended the ceremony on behalf of the Company. At the Ceremony 5 outstanding graduates were presented the Ramu NiCo T-shirts.

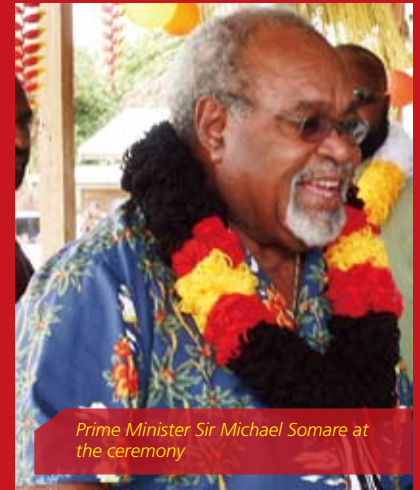
The ceremony was attended by the Prime Minister of Papua New Guinea, Grand Chief Sir Michael Somare, His Excellency Mr. Michael Ogio, Minister for Education, Mr. Chris Moraitis, Australian High Commissioner to PNG, Sir Peter Barter, NGO and Church representatives, graduates' families and friends. All were there to witness this great and joyous occasion.

Divine Word University President Fr. Jan Czuba said in his speech to the graduating students "graduation is just another word for opportunity, today you have the wind in your sails, you have the world at your feet and the future is ready for you to be invented the way you envision it". Fr. Czuba encouraged the students by using Einstein's words "Try not to become a man of success, but rather try to become a man of value". Grand Chief Sir Michael Somare also encouraged the graduates to take what they have learnt in

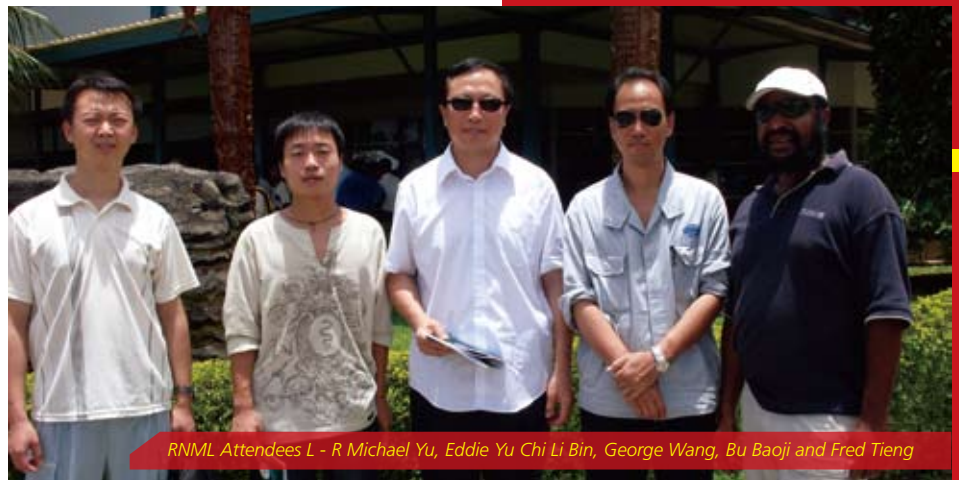
Divine Word University and put that into good use in whatever field they decide to work. The Prime Minister said "as an elite group you have to be hardworking and committed and to the betterment of this great nation".

Graduates' families and friends flocked in from all over PNG to witness the occasion. Some were joyous, others in tears as they saw their children or friends pass from one phase of their lives to the next.

For RNML, this is not the first time it has helped through its educational assistance program for the people of Madang Province. RNML has been adhering to its commitments in projects like school construction and upgrading to help the people in Usino – Bundi and Raicoast areas, and now we are moving further ahead.



Prime Minister Sir Michael Somare at the ceremony



RNML Attendees L - R Michael Yu, Eddie Yu Chi Li Bin, George Wang, Bu Baoji and Fred Tieng



The graduating students standing during the ceremony

Ground Breaking Ceremony Held for Enekuwai Relocation Area at Kurumbukari

A ground breaking ceremony took place at Kurumbukari for the Enekuwai Relocation Area on Friday April 17, 2009.

A gathering of about one hundred people from surrounding villages within the SML areas of the Kurumbukari mine site area were there together showing their support for the Relocation program to begin.

The RNML CA Department relocation team headed by Mr. Jack Song was on the ground from the initial stages of the program. The company in carrying out its obligation under the Memorandum of Agreement with the landowners and the stakeholders, the National Government and the Madang Provincial Government finally made arrangements for this program to materialize.

Former Chairman for the Kurumbukari Landowners Association, Mr. David Tigavu told the gathering that the people should

be grateful that such a development project is taking place in their area. Furthermore, he said that, they should show respect to others so that they can work together to see the successful completion of the project's program.

Mr. Agia Skin, a clan leader of the Binatrai clan in the water easement area and a member of the KBK Landowner Association, thanked RNML for following through with the eventual start of the relocation program for the people at Kurumbukari.

Quite a number of speakers representing the various sectors of the local community at Kurumbukari also expressed their support for the Ramu Nickel Project and share their joyous feelings about the commencement of this relocation program.

In the closing speech, Mr. Jack Song explained the plan of the relocation program



and how it will be like for the future for the people of the four major clans. He also thanked them for their utmost support and cooperation accorded to him and his team on this program.

Relocation is a program that has been included in the MoA that RNML will be implementing in the coming months and up to the following year for the benefit of the landowners in this mining area at Kurumbukari.

KBK Limited Offloads Fencing Contract to Maure Clan



L-R Tugo Kongia, Edward Kurame Deputy Chairman Board of Directors KBK Ltd, James Kias and Solomon Kamku

Maure Clan of Kurumbukari has signed a contract agreement with Kurumbukari umbrella company, KBK Limited on 6th of March 2009. This contract was endorsed by KBK Limited to Maure Clan for the building of fences at Butua.

The signing took place at the KBK Limited office between KBK Limited Manager Solomon Kamku, Maure Clan Leader and Kurumbukari Landowner Chairman Toby Bare, Deputy Chairman Board of Directors KBK Limited Edward Kurame and Tugo Kongia Board of Directors KBK Limited. Also present on this occasion to hand over the papers and to sign on behalf of the company was RNML business development officer James Kias.

The contract is worth K68 000.00 and for a period of 10 months. This signing was also witnessed by General Manager Community Affairs Martin Paining and Coordinator Fred Tieng.

Project Awareness Carried out for Madang Schools

The External Relations Section of the Community Affairs Department carried out an update for schools about the Ramu Project. The targeted schools comprised of the Secondary and High Schools in Madang Province, and the Madang Teachers College (MTC). This program was done to update students on the progress of the company and what it has done and is going to do in this project.

The group was led by the Coordinator Fred Tieng, Information Officer Leroy Batia, Gender Officers Agatha Yombai and Anna Kuwiza and Research Officer Valerie Tombele. This program targeted schools as there are landowners in these institutions and in informing them to bring this message to their families and clans.

Teachers would eventually go into rural areas and teach and some of them might end up in the schools situated within the project. Making them aware of project enables them to be fully capacitated to educate not only the children they teach but also the local people as well.

The company has been paying for children school fees since last year 2008 and 2009 of K92 000.00.

Students would be the future public servants, non-government workers, landowners and leaders of this country and



Students in Madang Teachers College

many are from this province. With the project they have a right to find out what this project will bring to them in the future.

Schools visited had students turning out in large numbers, an estimate of all the students visited in the schools was about 3000 plus. They were there with their teachers as many were interested in mining that is taking place.

Many questions raised were mainly centered around the environmental aspect and the effect of mining and what it would have on the marine life, the tailings disposal, rehabilitation program with RNML, the Government's

contribution to the Project, training and employment opportunities for locals including Madang people, the policies Human Resource is using to tie training and localization with the project and sustainable development projects that have been developed etc.

We have seen through the awareness and the questions raised that information is a powerful tool and people especially the locals need to know what is happening in their own province. Students are the future. In educating them we are educating our illiterate parents at home, our grandparents and our children, and in educating them we are educating the old people, the locals and the country as a whole.



Students in St Michael's Brahman High School listening attentively during the presentation



Fred Tieng during presentation at MTC

RNML Agriculture Farmers Graduate from Rice Production Course



L-R Agriculture officers Daniel Abuta, Albert Mathias, Adam Bade (Coordinator Agriculture), Seth Win, Augustine Piango and CA Coordinator Fred Tieng.



RNML Agriculture Officer Augustine Piango on receiving his certificate

08

RNML saw four of its agricultural officers graduated from the 2nd Provincial Rice Model Farmer Training course on the 06th March 2009 at the Institute of Public Administration, Madang. This training was a first of its kind with the company and the four proud officers ecstatic in receiving their certificates with other rice farmers from all over Madang Province. The 2nd Provincial Rice Model Farmer Training saw two farmers from the six districts of Madang Province participate in this course from the 16th February – 20th February 2009.

The course took one week to complete and was facilitated by Provincial Rice Coordinator Mary Lilih, Deputy Advisor for Department of Primary Industries (DPI) Mr. Godfrey Agabara, Advisor for DPI Mr. Ganei Agodop and District Advisor for Food Crops Mr. Tapul Waltovo. The course was mainly focused on the training of model farmers to pass on their knowledge to other farmers to grow rice as a base farming system. This eventuated because of the mass consumption of rice in the province but less initiative to produce it. Out of the total rice consumption in the province which was 9962 tonnes only 43 tonnes was produced which meant that 99.6% was imported. Rice production course training like this one ensures that rice farmers are equipped with

basic knowledge about rice from its cultivation stage to when it is milled for consumption and for selling.

In thanking the participants Ms Lilih said, “model farmers are the bridge between the government and the community and they must be responsible in practicing what they have been taught in the one week”. In handing out the certificates, the Deputy Provincial Administrator encouraged the farmers to be models to the rest of the province and to be self-reliant and hard working and to be able to impart the necessary skills to the local people.

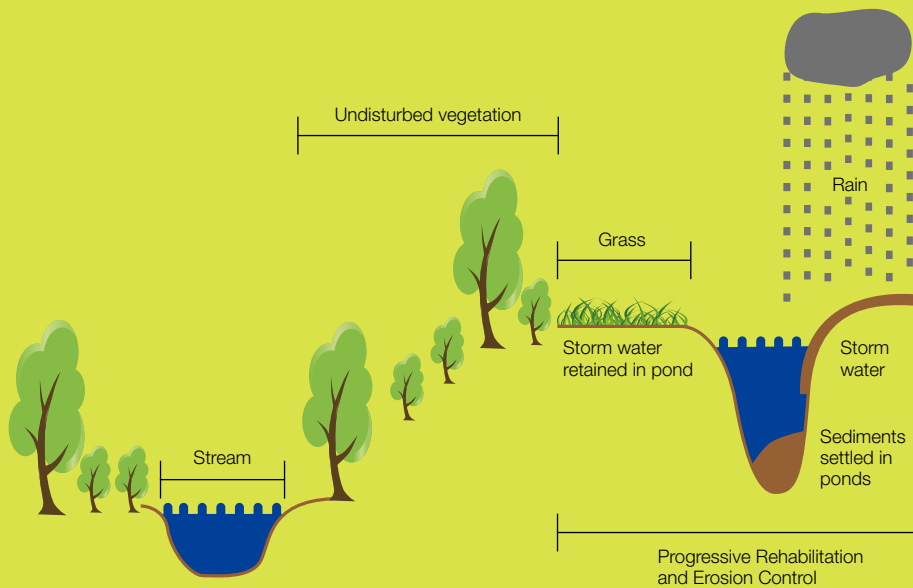
RNML agriculture officers Daniel Abuta, Erima (Coastal Pipeline), Seth Win, Maigari (Inland Pipeline), Albert Mathias and Augustine Piango (Kurumbukari) and all other participants received t-shirts, booklets on rice cultivation and rice milling as well as rice seedlings with their certificates of participation. RNML also gave K800.00 for the course fees of their officers.

Mr. Abuta said the training was very handy to them as many of them had no such training in the past and were learning using their experience but through this training it gave them a whole new perception on how they can change and grow rice as well as educate the upcoming interested rice farmers.



Graduands of the Provincial Rice Model Farmer Training with their facilitators after the graduation ceremony.

Trial Rehabilitation Program Going Well



Sediment collection ponds are constructed to collect storm waters and divert unmanaged surface runoffs from entering water channels.

Trial re-vegetation activities have begun on disturbed soil areas. Vetiver grass is mostly being used for slope stabilization and soil erosion controls.

Overburden areas and slopes are re-vegetated with past creeping grasses and past growing native pioneer plants.



Contour planting of Vetiver grasses at slope side at Butua-KBK to stabilize soil surfaces from landslips and surface water runoff.

RNML is committed to appropriate land rehabilitation and decommissioning, guided by sound environmental protection and sustainable land use management objectives in all its construction to operation activities. RNML has developed a systematic land rehabilitation program to carefully manage the Project environmental aspects from a long term perspective, while making them transparent to the impact communities.

By introducing the rehabilitation program with good management practices as early as during the construction phase, we achieve some good progress in re-vegetation and erosion control. This ensures that the Project is in compliance to the requirement of the Project Environmental Permit, and also shows that RNML is working actively in response to recommendations in the Ramu Nickel Mine Environmental Plan to curtail adverse environmental impacts from the construction activities on the surrounding environment.

Grass is planted on the contour as an anti-erosion measure. Contour planting techniques are mostly used on slope edges to trap soil and are found to be very effective in soil and moisture conservation.

Seeds, seedlings and cuttings of native plants are also collected from the nearby bushes and transplanted on prepared soil packed polythene tubes. Orchids of all types are collected and prepared for accommodating beautification.



Progress report

ABOUT RAMU NICKEL UPDATER

We welcome feedback and encourage contributions. Send your contributions to:

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The Editor reserves the right to hold back any contribution thought to be unsuitable.



Assembling of Komatsu bulldozer at Butua, KBK

THIS is the progress report for March and April of 2009.

KBK mine site:

- 1 overhead water tank installed.
- Equipment of chromite removal plant and 800 meters of process pipes installed.
- Flocculant preparation foundation completed.
- Sewage treatment equipment for beneficiation plant installed.
- Power plant 10kv substation structural steel installation completed.
- Oil depot tank foundations completed
- Structural steel of the main pump station for slurry transport completed.
- De-agglomeration plant run of mine bin constructed to the height of 15m.
- Foundations for 3 B type house buildings and the mess of permanent accommodation, and structure for 1 B type house building completed.

Basamuk refinery plant:

- Foundation for barren solution treatment completed.
- 3# autoclave area substation structural steel installation completed.
- 2 slurry storage tanks installed.

- Anti-corrosion for foundation of Fe & Al removal through neutralization completed, and 3 tanks installed.
- Flocculant preparation structural steel installation completed.
- 1 tank of CCD process installed.
- 2 Diesel oil tank foundations completed.
- Foundations of Fe/Al removal residue filtration completed.
- 5 heavy oil fired generator sets installed.
- 1 storage tank of acid plant installed.
- Structural steel of distribution room for limestone plant completed.
- Standby boiler house structural steel installation completed.
- Water supply pipes from refinery plant to water source completed.
- Chemical water treatment plant foundation completed.
- 3 overhead water tanks installed.

Slurry pipeline:

KBK: Slurry pipe welding for a total length of 17,100m finished, and the total length of mine site slurry pipe is up to 49,000m.

Basamuk: Slurry pipe welding for a total length of 14,500m finished, and the total length of processing plant site slurry pipe is up to 36,000m.

A panoramic view of beneficiation plant at KBK mine site on April 9, 2009

