

Initial Project Summary – Piauí Nickel Project

Project Location: Brejo Seco, Capitão Gervásio Oliveira Municipality, Piauí State, Brazil

Name of Applicant: Techmet, Ltd.

Name of Project: Piauí Nickel Project

Project Description: The Project involves the construction and operation of an open-pit nickel and cobalt mine entailing the mining of nickel laterite ore at a rate of 3 million dry metric tonnes per year. The ore will be processed using a heap leaching method which involves the irrigation of the ore with a dilute sulfuric acid solution to obtain the nickel and cobalt. The resulting leach solution will be purified and de-watered to produce 100,000 metric tonnes per year of nickel and 5,000 metric tonnes per year of cobalt, both as hydroxide products. All Project process plant residues will be filtered to a solid state so that they can be stacked in a dedicated and protected residue disposal area, obviating the need for a wet tailings dam.

The Project is a large-scale expansion of an existing Demonstration Plant and small-scale mine located at the Project site (The expansion of the Demonstration Plant was previously funded by DFC as the “PNP 1000 Project” – see https://www3.dfc.gov/Environment/EIA/pnp/eia_pnp.html).

Specifically, the Project will entail:

1. Mine & Process Plant - Brejo Seco:
 - i. Open Pit for nickel ore mining;
 - ii. Crushing;
 - iii. Two ore stockpiles;
 - iv. Leach pad for heaps;
 - v. Four Solution ponds and one Emergency Pond (to collect from 4 solution ponds);
 - vi. Conveyor Belts and Pipes;
 - vii. Process Plant, composed of the Sulfuric Acid Plant and Hydrometallurgical Plant;
 - viii. Two Waste Rock Stockpiles;
 - ix. Residue Storage Area and Containment Pond (from the residue storage);
 - x. Pipeline Pumping Station;
 - xi. Water Treatment Plant - WTP;
 - xii. Explosives Storage Facility;
 - xiii. Four Containment Dikes;
2. Limestone Quarry - Umbuzeiro:
 - i. Process Plant - Limestone;
 - ii. Limestone Quarry;
 - iii. Two Waste Rock Stockpiles - Limestone;
3. Transmission line 42.63 km in length comprising 103 towers;
4. Water supply pipeline 33.52 km in length; and
5. New Access Roads totaling 70.83 km in length.

The total Project footprint is expected to be approximately 1,164 ha, including the main mine complex (83.5% of the total footprint), the limestone quarry (3.9%), transmission line (1.2%), water supply pipeline (2.3%), and the new access roads (9.1%).

The Project expects to hire approximately 1,875 workers during construction, and it is estimated that ~30% of the labor will be hired locally. During operations, the Project expects to employ approximately 668 workers, and will give priority to local labor.

Environmental and Social Categorization and Rationale: The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it involves construction of an open pit mine. Primary environmental and social issues of concern include water quality and availability; management of hazardous materials; community nuisance impacts such as noise, dust, and traffic; labor management, including occupational health and safety; biodiversity; waste management; and potential for influx-related impacts.

Environmental and Social Standards. DFC's preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation's (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security; and
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

It is expected that all land and rights required for the mine will be acquired on a willing seller – willing buyer basis and no physical resettlement is anticipated. No cultural heritage sites are present at the site, and the Project is not anticipated to adversely impact Indigenous Peoples. Therefore, PS 5, 7, and 8 are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the following IFC Environmental, Health and Safety Guidelines are applicable to the Project:

- IFC EHS General Guidelines (April 30, 2007);
- IFC EHS Guidelines for Mining (December 10, 2007);
- IFC EHS Guidelines for Construction Materials Extraction (April 30, 2007); and
- IFC/EBRD Worker Accommodation Processes and Standards guidance note (2009).

Location of Local Access to Project Information: The ESIA and related documents will be available for local stakeholders to review at:

Location: Endereço Alojamento Piauí Níquel Metais S/A

Address: Capitão Gervasio Oliveira-PI, Localidade: Lagoa Funda, 4001, Bairro: Rural, CEP: 64763-000