

STAKEHOLDER ENGAGEMENT PLAN

This document provides a comprehensive outline of the Stakeholder Engagement Plan for the Kouilou Potash Project, as well as a strategy for its implementation over the months ahead.

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SUMMARY

S-1 Introduction

MagMinerals Inc. (the Company) is planning the development of a 600,000 t/a potash (KCl) production plant over the next 25 years using brine obtained from hot solution mining of a carnallite deposit in the Department of Kouilou, Republic of the Congo (RoC).

The potash production complex will be located near the village of Mengo, 25 km north-east of the city of Pointe-Noire. The Mengo area is largely rural and is home to less than 2,000 inhabitants.

The primary goal of the Stakeholder Engagement Plan (SEP) for this Project is to actively develop and sustain constructive relationships with affected communities and other external stakeholders over life of Project.

To achieve this, the Company is undertaking the activities outlined in this Plan in order to:

1. Achieve free prior and informed consultation (and consent where possible) and broad community support for the Project
2. Enable the informed participation of external stakeholders in the design, construction, operation and closure of the Project
3. Build an atmosphere of transparency, trust, mutual respect and understanding between the Company and external stakeholders
4. Improve and facilitate decision-making by the Company with respect to Project risks and impacts
5. Reduce the stress and uncertainty associated with the Project and project-induced impacts in project area communities
6. Better position project area residents to benefit as much as possible from the opportunities afforded by the Project and to be impacted as little as possible by its challenges
7. Meet domestic and international requirements regarding stakeholder engagement
8. Enable systematic implementation of the stakeholder engagement-related mitigation and benefits enhancement measures identified in the impact assessment
9. Enable continuous improvement of stakeholder engagement over time.

Fundamentally, the design of this Plan builds from engagement with stakeholders regarding what type of information they want and need, what type of format, and how often they wish to be engaged.

The Company will take special care to ensure that vulnerable people have full access to the engagement activities proposed herein. The Company will specifically invite women, children and youth, the elderly, those who rent land, migrants and other potentially vulnerable groups from within project area communities to participate in SEP activities, and consider undertaking activities specifically targeted at these groups.

For the purposes of this SEP, the Project Area encompasses the 8 rural communities located within and around the Project concession area and extending down the proposed waterline right-of-way and brine pipeline right-of-way, but not including the city of Pointe-Noire itself.

These communities are Mengo, Boutoto, Ngondji, Nsinga, Mpofo, Tchiniambi Centre, Tchiniambi Débarcadaira, and Lukala.

S-2 Institutional and Legal Framework

The SEP is guided by MagIndustries corporate policies, the legal requirements of the Republic of the Congo and international best practices regarding stakeholder engagement. There is no specific formal requirement with regards to stakeholder engagement in the country. Accordingly, the Company's policy is to conform to international best practice, namely the Equator Principles.

Equator Principles Financial Institutions (EPFI's) require projects to conform to 9 Principles:

- 1: Review and Categorisation
- 2: Social and Environmental Assessment
- 3: Applicable Social and Environmental Standards
- 4: Action Plan and Management System
- 5: Consultation and Disclosure
- 6: Grievance Mechanisms
- 7: Independent Review
- 8: Covenants – Local Compliance, Action Plan, Reporting, Closure
- 9: Independent Monitoring and Reporting

In addition, EPFI's commit themselves to annual public reporting regarding Equator Principles implementation processes and experience.

In keeping with the commitments of the Equator Principles, MagIndustries is committed to adhering to the IFC's eight Performance Standards on Social and Environmental Sustainability.

Performance Standard 1 includes several pertinent articles on stakeholder engagement, regarding community engagement, disclosure, consultation, grievance mechanisms, monitoring and external reporting on Action Plans.

S-3 Stakeholder Identification and Analysis

In this Plan, "stakeholder" is defined as follows: any persons or groups who are directly or indirectly affected by the Project, as well as those who may have an interest in the Project and/or the ability to influence its outcomes. This SEP focuses on external stakeholders only, namely affected communities, local government authorities, non-governmental and other civil society organizations, local institutions and other interested or affected parties.

S-4 Previous Engagement Activities

During the past four years, the Company has undertaken a diverse schedule of stakeholder engagement activities.

Past activities include:

1. Disclosure and consultation activities as part of ESIA scoping activities, October 2005

2. Consultation activities as part of a study of the human environment, November 2006
3. Meetings with the Ministry of Tourism and the Environment, May 2007
4. Disclosure and consultation activities relating to the LUOS, in November 2007
5. Disclosure and consultation meetings relating to the Project Description, potential impacts and community expectations and concerns, May and June 2008

Since April 2008, the community liaison department director has met on a regular basis with all local affected communities and bloc and village authorities to further describe the Project and listen to their concerns and their expectations.

S-5 Proposed Engagement Activities

The Company will implement the following activities as part of the SEP:

1. Formal disclosure and consultation process for the Draft Environmental and Social Impact Assessment and Draft Environmental and Social Management Plan for the Project
2. Engagement activities to guide definition and implementation of the social management plans for the Project
3. Establishment of a Community Liaison Committee
4. Preparation of a Project Communications Strategy
5. Planning of regular Public Meetings and Forums
6. Establishment of Public Information Centers and Noticeboards
7. Ongoing cultivation of Key Stakeholders
8. Inclusion of Vulnerable Stakeholders
9. Facilitation of effective, informal engagement activities on an ongoing basis
10. Creation and ongoing management of a grievance resolution process.

S-5.1 ESIA/ESMS Public Disclosure and Consultation

The public disclosure and consultation process for the ESIA/ESMP is scheduled to take place over a two-month period, from April to June 2009, and will satisfy both Congolese and international stakeholder requirements (as per ESIA/ESMP Completion and Disclosure Program dated 2 December 2008).

Within the RoC, actions will focus on project area communities, as well as Hinda, Pointe-Noire and Brazzaville, include a 30-day public disclosure period scheduled from April 29 to June 11, and involve the current French versions of the ESIA and various Environmental Management Plans which make up -- in part -- the ESMP.

Specific objectives over this period are:

1. Hold Introductory Meetings with each project area community in turn to introduce the ESIA and consult on the proposed public disclosure and consultation process itself
2. Hold five Public ESIA Presentations / Open Houses with project area communities to formally present and discuss key findings of the ESIA itself
3. Open four temporary Public ESIA Information Centers, where the public will have access to the full ESIA document, summary materials, as well as company representatives

4. Hold ESIA Feedback Meetings with each project area community in turn to receive and discuss specific questions and comments, once the public has had sufficient opportunity to review and contemplate the ESIA
5. Prepare an ESIA Public Disclosure and Consultation Report, which will summarize the questions and comments received and provide formal responses, including proposed revisions to the ESIA itself.

Revised to reflect the proposed revisions resulting from these activities, the Final ESIA and ESMP documents will be:

1. Be made available to other external stakeholders within the RoC at Company offices, permanent Public Information Centers and at key Government offices
2. Formally disclosed by Project Lenders for between 30 and 60 days, depending on their specific requirements
3. Be the subject of additional meetings and workshops with project area communities, from mid-April to mid-June on the following --
 - a. Any areas of substantial change within the ESIA, which was previously disclosed
 - b. Any areas of substantial change within the Environmental Management Plans, which were also previously disclosed
 - c. Formal Environmental and Social Management Plan itself.

S-5.2 Social Management Plan Engagement Activities

The four Social Management Plans - the Stakeholder Engagement, Compensation, Community Development and HIV/AIDS Management Plans - will themselves be the subject of separate targeted engagement activities, including ongoing consultation activities crucial to the elaboration of the plans and a formal 30-day disclosure period within the RoC and with the Lenders in mid-2009.

Each of the four plans also involves plan-specific stakeholder engagement activities, as outlined in the respective plan documents. These activities include a consultation and negotiation process and the formation of a Negotiations Committee for the purposes of compensation planning.

S-5.3 Community Liaison Committee Formation

The Company will work with local stakeholders to establish a multi-stakeholder, non-political Community Liaison Committee, which is and remains representative of the full range of local Project external stakeholders, and particularly project area communities.

The goal of this Committee is to serve as the primary engagement vehicle for the Company and local stakeholders for the entire life of Project. The Committee will play a role in each of the following:

1. Stakeholder identification and analysis
2. Information disclosure
3. Consultation
4. Participatory planning and negotiation
5. Grievance management
6. Stakeholder involvement in Project monitoring
7. Reporting to stakeholders.

As outlined in the Compensation Plan, the Negotiation Committee to be established to guide compensation planning in the Brine Field could serve as a "starter" Community Liaison Committee, which -- over time -- becomes a subcommittee of the same as more stakeholders are added.

S-5.4 Communications Strategy

The Company commits to the disclosure of Project-related information to external stakeholders in a proactive manner in response to identified or potential concerns and issues. The Company will pursue this aim by advancing a comprehensive communications strategy, including the following activities:

1. Update Communications Plan
2. Continually Update Key Messages, especially in response to frequently asked questions and identified concerns
3. Harness the Media
4. Develop Accessible Communication Materials appropriate to the low literacy levels in the Project Area

S-5.5 Public Meeting / Forums

The Company will complement the monthly Community Liaison Committee meetings with regular public meetings at the bloc, brigade or centre village level.

At the moment, the Company holds monthly meetings with project area community authorities. These meetings are open to all members of the community. At certain times, however, the Company also holds community wide meetings to provide information and/or consult more broadly. In the future, such meetings will continue on a regular basis through the construction phases, even as the Community Liaison Committee is established and begins functioning. The Company will exert every effort to ensure that all local stakeholders are aware of what will happen and have adequate opportunity to make their voices heard.

S-5.6 Public Information Centres and Noticeboards

The Company will establish, operate and maintain at least two permanent Public Information Centers: one in Mengo and one in Pointe-Noire. The Centres will be furnished with up-to-date information regarding Company policies, Project details and status, answers to frequently asked questions, grievance procedures, and the rights and responsibilities of Project Affected peoples. The Centres will be staffed by Community Liaison staff, who will field and respond to questions and concerns and participate in less formal stakeholder engagement.

In all other project area communities, the Company will install and maintain Project Noticeboards, which will be used to disseminate information and advertise consultation activities.

S-5.7 Key Stakeholder Meetings

The Company aims to cultivate and maintain strong relationships with key stakeholders over the Project lifecycle, including senior government and community authorities, important opinion-makers (e.g., NGOs), respected dignitaries at all levels and potential Project opponents.

The Company will endeavour to give regular briefings to these stakeholders to inform them of Project progress, solicit their input and advice, and ask questions regarding any shifts in political or public opinion, or other "game changing" factors.

S-5.8 Vulnerable Stakeholder Engagement

The Company places particular emphasis on the early identification and involvement of vulnerable groups in stakeholder engagement activities. Vulnerable groups comprise those people who by virtue of gender, ethnicity, physical or mental disability, economic disadvantage or social status may be more adversely affected by the Project than others and who may be limited in their ability to claim or take advantage of Project benefits.

The Company is undertaking a participatory Vulnerable Persons Needs Assessment to confirm community concepts of vulnerability. In turn, the Company will, first, define a Vulnerables Engagement Strategy within the planning, decision-making and monitoring functions of the Company's Community Liaison department and, second, establish a Vulnerables Liaison Committee, which provides a platform for vulnerable people in the Project Area.

S-5.9 Informal Engagement

Informal engagement occurs when any Company representative interacts with a Project external stakeholder. Such interactions occur many times on a daily basis, and set an important tone in the relationship between the Company and its external stakeholders.

The Company recognizes the importance of all its front-line workers to the success of the SEP. Given their importance, the Company will provide induction and training to all such workers. In further recognition of the importance of informal engagement, the Company will promote community-Company events and encourage an "open-door policy" for all Community Liaison team members.

S-5.10 Grievance Management Mechanism

The Company is in process of rolling out a grievance management mechanism in order to receive and address concerns and grievances in a transparent, constructive and timely manner. The mechanism will help to promote trust and build a positive rapport between the Company and its external stakeholders.

The Company recognizes the need to provide an inexpensive, easily accessible and effective mechanism for the presentation and resolution of questions, concerns, complaints, grievances and disputes regarding the Project and Company by project stakeholders.

The Company has developed a grievance management system, which comprises four mechanisms that can be accessed by any stakeholder at any time:

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1. First Order Mechanism, which comprises an informal resolution process and occurs when a stakeholder brings forward his/her concern for discussion in a) one-on-one meetings with the representatives of Community Liaison Committee, b) one-on-one meetings with representatives of the Community Liaison team, or c) group consultation meetings or forums that are delivered as part of the Project engagement activities.
2. Second Order Mechanism, which comprises a formal yet amicable resolution process and involves the management of substantive and / or written comments and concerns by the Community Liaison team
3. Third Order Mechanism, which is also a formal yet amicable resolution process and involves the presentation of grievances to the Community Liaison Committee for resolution
4. Fourth Order Mechanism, in which Project stakeholders may take their grievances into the court system for resolution with all necessary support from the Community Liaison team.

S-6 Monitoring and Evaluation

Monitoring and evaluation of SEP results and the behaviour of the respective parties will follow two general objectives:

1. Monitoring of specific situations arising from Plan implementation, and of compliance with objectives and methods set out in the Plan
2. Evaluation of the mid- and long-term impacts of the Plan on Company workforce and Project Area communities.

Monitoring and evaluation of impacts and program outcomes will enable constant development and improvements to the plan over time.

S-7 Elaboration and Implementation

The team required to advance this work will be lead by the Community Liaison Department Director with support from company management, members of the Community Liaison department and professional advisers.

An eight month timeline for the disclosure of the Stakeholder Engagement Plan is proposed, as follows:

1. Ongoing Engagement with Stakeholders including disclosure of ESIA
2. Lenders Review -- April to May 2009
3. Finalize Stakeholder Engagement Plan in advance of disclosure -- July to August 2009
4. Disclose Plan (30d) and Update -- September to October 2009.

The Company will undertake the following important steps in the implementation of the SEP in the months ahead:

1. Conduct public meetings at the bloc, brigade or center village level -- ongoing
2. Update communications strategy -- ongoing
3. Implement social management plan engagement activities - April to October 2009
4. Implement ESIA Public Disclosure and Consultation program -- April to August 2009
5. Establish Public Information Centres and Noticeboards -- April to August 2009

6. Form Community Liaison Committee (building on Compensation Plan Negotiations Committee)
-- August to September 2009

The SEP comprises the following six sections:

1. Introduction
2. Institutional and Legal Framework
3. Stakeholder Identification and Analysis
4. Previous Stakeholder Engagement Activities
5. Proposed Engagement Activities
6. Elaboration and Implementation.

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1 INTRODUCTION

This section provides an overview of the Project and its geographical setting, describes the Company's overall approach to stakeholder engagement, identifies the goals and objectives of this Plan, and defines its scope.

1.1 Project Overview and Setting

MagMinerals Inc. is planning the development of a 600,000 t/a potash (KCl) production plant over the next 25 years using brine obtained from hot solution mining of a carnallite deposit in the Department of Kouilou, Republic of the Congo (ROC). It is the first step in a long-term project to develop a large deposit of magnesium, sodium and potassium salts.

The Kouilou region represents one of the largest carnallite salt deposits in the world, currently estimated at 800 billion tonnes (Gt), lying between 400 and 1,200 m below sea level. Potash was conventionally mined in the nearby Holle area during the 1970s, but the mine was closed after flooding in 1977.

1.1.1 Context

The potash production complex will be located near the village of Mengo, north-east of Pointe-Noire, the Republic of the Congo's second largest city and principal commercial centre and Atlantic port. The Mengo area, situated above the city on a high plateau, is in contrast largely rural and is home to less than 2,000 inhabitants.

Land use in the Project Area is dominated by small-scale agriculture production - overwhelmingly for a household's own consumption and typically in the valleys - and the plantation lands of Eucalyptus Fibre Congo (EFC) on top of the plateau.

The village of Mengo is bisected by *route n° 1*, the national highway linking Pointe-Noire with Brazzaville, the national capital, and the interior of the country. Widening and paving improvements to the highway are underway and, when complete, will transform transport linkages as well as commercial and cultural ties between Mengo (and other project area communities) and Pointe-Noire.

1.1.2 Project Description

The initial solution mining field and plant area are located 1.5 km east of Mengo. Initially, the solution mining field and the processing plant will cover approximately 2.5 km², extending to 8 km² over the 25 year life of the Project. Along with the processing plant and utilities areas, the Project will include tank farms, other storage and warehousing areas, workshops, a power plant, a storm water collection basin, a train loading station as well as various administrative buildings. A series of production wells and platforms will be developed in the brine field and will be linked by pipelines and access roads.

The plant and ancillary facilities will be constructed within the plantation. The wells and platforms will require land that is principally within the eucalyptus plantation; a small proportion will occupy secondary forest and cultivated land outside the plantation.

The energy supply will come from fuel gas (prospectively supplied via dedicated 27km, 16" line from Djeno, running alongside the existing gas pipeline to Mengo and then traversing a separate right-of-way to connect with the plant site). The freshwater supply will come from the Loémé River, located approximately 20 km south-east of the site. The commercial end-product will be shipped out from the port of Pointe-Noire, located approximately 16 km south-west of the site. The fuel gas and freshwater will be transported by pipelines, the potash product by rail and the various equipment and supplies by road. The water supply station and the port area will all be road-linked to the site.

Other materials are produced together with the product, in particular sodium chloride salt and magnesium chloride brine that will need to be disposed of. The salt will be backfilled into the mining caverns; the brine effluent will be transported via pipeline through Pointe-Noire and discharged into the ocean via an outfall and diffuser system.

The construction phase of the Project is expected to create at least 2,000 direct jobs, of which about 25 % will be sourced locally. The operational phase is also expected to create more than 400 direct jobs, of which about 90 % will be sourced locally. The pre-production drilling will create approximately up to 40 additional local national jobs.

MagMinerals and the Government of the Republic of the Congo have agreed to a Potash Investment Agreement (PIA), signed on December 22, 2008. The PIA is an agreement between the Republic of the Congo and MagMinerals Inc. which defines the rights and obligations of the Government and MagMinerals in connection with the project, including the production and marketing of the potash, the economic, legal, administrative, financial, tax, customs, land, mining, maritime, environmental and social conditions under which the Project will be executed. The PIA makes provision for the State to acquire a 10 % share of the Operating Company which will be set up, MagMinerals Potasses Congo (MPC).

1.2 Approach to Stakeholder Engagement

Stakeholder engagement can be defined as the broad, inclusive, and continuous process of relationship building between a company and its stakeholders, which includes a range of activities and spans an entire project lifecycle.

Typical stakeholder engagement activities include the following (adapted from IFC 2007):

1. Stakeholder identification and analysis -- identifying and prioritizing stakeholders at all levels and assessing their interests and concerns
2. Information disclosure -- communicating relevant project information to stakeholders regarding project risks, impacts and opportunities in ways that are timely, meaningful and accessible
3. Consultation -- providing stakeholders with opportunities to express their views on Project risks, impacts and opportunities, as well as any proposed mitigation and benefits enhancement measures, for the consideration of the company
4. Participatory planning and negotiation -- working collaboratively and iteratively with stakeholders to plan initiatives that satisfy the interests of all parties, such as the Community Development Plan or Compensation Plan
5. Grievance management -- establishing an accessible, understandable and transparent mechanism for stakeholders to raise concerns and grievances about the project throughout its lifecycle and receive resolution in a timely manner

6. Stakeholder involvement in Project monitoring -- involving stakeholders in monitoring project impacts and benefits, as well as mitigation and benefits enhancement measures, and involving external monitors where they can enhance transparency and credibility
7. Reporting to stakeholders -- reporting back to stakeholders on Project performance on an annual basis, including proposals for adaptive management as appropriate
8. Management functions -- building and maintaining sufficient capacity within the Company to manage processes of stakeholder engagement, track commitments and report on progress.

The nature and frequency of engagement activities varies, of course, from project to project and reflects the level of risks and impacts present at any given project, and at any given stage.

Fundamentally, stakeholders need to be consulted with regards to what type of information they want and need, what type of format, and how often they wish to be engaged.

The following key principles guide elaboration and implementation of this Plan:

1. **Transparency** – the Company will operate in a transparent manner, providing information whenever possible as a means of promoting understanding about the Project and engendering public trust, as well as about its internal decision-making processes and how input has been considered.
2. **Objectivity**– the Company will disclose information in an objective manner. It will provide conservative estimates of benefits with actual projections whenever possible and will not downplay potential negative impacts.
3. **Timeliness** – the Company will provide people the information they need to participate in consultation in an informed manner prior to impacts and decision-making. Sufficient time will be given between the provision of information and consultative decision making for people to make decisions in a non-rushed and culturally appropriate manner.
4. **Meaning** – Information will be provided in a format and language that is readily understandable and tailored to the target stakeholder group. Consultation will ensure two-way dialogue that gives both sides the opportunity to exchange views and information, to listen, and to have their issues heard and addressed
5. **Accessibility** – Information will be disclosed in consideration of how the intended recipient will most readily receive and comprehend the information, with attention to avoiding visible or invisible barriers.
6. **Inclusiveness** – the Company will ensure that engagement activities are undertaken in a manner that is inclusive, culturally appropriate, and tailored to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups
7. **Fair Process** – Consultation will be done in a manner free of intimidation or coercion. All participants will be made fully aware of their rights according to national law and international standards.
8. **Incorporate feedback** – Consultation should be effective and meaningful in the way it incorporates feedback into project or program design, and reports back to stakeholders.
9. **Value all input** – The strengths and ideas of all participants should be acknowledged and valued. Processes should welcome a diversity of viewpoints and build on the strengths of all participants.
10. **Collaboration** -- The Plan should emphasize joint decision-making and include the contribution of skills and resources from all parties.

The Company will take special care to ensure that vulnerable people have full access to the engagement activities proposed herein. The Company will specifically invite women, children and youth, the elderly, renters, migrants and other potentially vulnerable groups from within project area communities to

participate in the activities outlined below, and consider undertaking activities specifically targeted at these groups.

The SEP for this Project is intended as a dynamic program, which will be reviewed and updated regularly to reflect ongoing stakeholder participation, as well as the completion of some activities and initiation of others. As stakeholder engagement activities grow and evolve and as relationship change and mature, the SEP will be revised to reflect these changes.

1.3 Goals and Objectives of this Plan

The primary goal of the SEP for this Project is to actively develop and sustain constructive relationships with affected communities and other external stakeholders over life of Project.

Secondary goals of the plan include the following:

1. Achieve free prior and informed consultation (and consent where possible) and broad community support for the Project
2. Enable the informed participation of external stakeholders in the design, construction, operation and closure of the Project
3. Build an atmosphere of transparency, trust, mutual respect and understanding between the Company and external stakeholders
4. Improve and facilitate decision-making by the Company with respect to Project risks and impacts
5. Reduce the stress and uncertainty associated with the Project and project-induced impacts in project area communities
6. Better position project area residents to benefit as much as possible from the opportunities afforded by the Project and to be impacted as little as possible by its challenges
7. Meet domestic and international requirements regarding stakeholder engagement
8. Enable systematic implementation of the stakeholder engagement-related mitigation and benefits enhancement measures identified in the impact assessment
9. Enable continuous improvement of stakeholder engagement over time.

The specific objectives of the SEP are to:

1. Define the legal and institutional framework that will guide definition and implementation of stakeholder engagement activities for this Project, including the RoC framework, international framework, and the Company's own corporate framework
2. Identify stakeholders at all levels and assess their interests in and concerns with the Project
3. Understand, analyze and learn from the engagement activities that pre-date this plan
4. Identify the specific activities that the Company will use to engage with stakeholders over the lifecycle of the Project, including --
 - a. Formal disclosure and consultation process for the Draft Environmental and Social Impact Assessment and Draft Environmental and Social Management Plan for the Project
 - b. Participatory planning activities to guide definition and implementation of the social management plans for the Project
 - c. Establishment and ongoing management of a Community Liaison Committee
 - d. Preparation and implementation of a Project Communications Strategy
 - e. Planning and delivery of regular Public Meetings and Forums
 - f. Establishment of Public Information Centres and Noticeboards
 - g. Cultivation of Key Stakeholders
 - h. Inclusion of Vulnerable Stakeholders
 - i. Facilitation of effective, informal engagement activities on an ongoing basis
 - j. Creation and ongoing management of a grievance resolution process
5. Identify an elaboration and implementation strategy that will result in finalization and delivery of the SEP.

1.4 Scope of this Plan

For the purposes of this SEP, the Project Area encompasses the 8 rural communities - Mengo, Boutoto, Ngondji, Yabou, Nsinga, Mpofo, Tchiniambi Centre, Tchiniambi Débarcadair, and Lukala located within and around the Project concession area and extending down the proposed waterline right-of-way and brine pipeline right-of-way, but not including the city of Pointe-Noire itself.

The City of Pointe-Noire and its population can be considered directly affected, by virtue of both proximity to the Project and the proposed alignment of the brine line. However, Pointe-Noire is large enough that any impacts or benefits are likely to be relatively insignificant on the population as-a-whole. Accordingly, Pointe-Noire is not included as a project area community, but instead specific activities have been designed for city residents at large (defined as regional stakeholders) as well as those households living or working along or next to the proposed brine pipeline (defined as local stakeholders). These are described in **Section 5** below.

2 INSTITUTIONAL AND LEGAL FRAMEWORK

This section provides a general overview of the institutional and legal framework that guides preparation and implementation of the SEP. This section will also provide a comparative analysis of Congolese, International and MagIndustries Corporate Requirements.

2.1 Republic of the Congo

Articles 56, 89 and 133 of the Constitution of January 20, 2002, established a presidential system comprising three powers:

1. an executive power represented by the President of the Republic;
2. a legislative power represented by the General Assembly and the Senate;
3. a judicial power exercised by the Supreme Court, the Court of Auditors and Budget Discipline, the Appeal Courts and other national jurisdictions.

The President of the Republic, who has a seven-year mandate, renewable once, is the head of the executive power. The President appoints the ministers. The Constitution provides for a parliament with a National Assembly of 137 members elected for a period of 5 years and a Senate of 66 members appointed for six years.

There are 27 ministries in the current government structure. Socio-economic aspects are addressed by the Ministry of Health and Population which has a bridging role in the coordination of health services offered at a regional and national level. Education is addressed by three ministries, with each having responsibility for specific levels, i.e., primary and secondary education, technical and professional education, and higher education.

Law no. 3-2003 (Loi no 3-2003) dated January 17, 2003, lays down Congo's territorial administrative organisation, and creates a national territorial structure of departments, communities, boroughs, districts, urban communities, rural communities, neighbourhoods and villages. The country is thus split administratively into 12 departments, 6 communities, 19 boroughs and 86 districts.

The Constitution of January 20, 2002 recognises the existence of local authorities which are distinct from the State, in particular the department and the commune. Since January 11, 2003 they have been freely administered by executives elected by departmental or municipal councils.

There is no specific formal requirement with regards to stakeholder engagement in the country. Accordingly, the Company's policy is to conform to international best practice.

2.2 International Best Practice

In the absence of stakeholder engagement requirements in Congolese legislation, MagIndustries policy is to adopt and implement those of the Equator Principles (www.equator-principles.com) for the Kouilou Project.

Equator Principles Financial Institutions (EPFI's) require projects to conform to 9 Principles:

- 1: Review and Categorisation
- 2: Social and Environmental Assessment
- 3: Applicable Social and Environmental Standards
- 4: Action Plan and Management System
- 5: Consultation and Disclosure
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- 7: Independent Review
- 8: Covenants – Local Compliance, Action Plan, Reporting, Closure
- 9: Independent Monitoring and Reporting

In addition, EPFI’s commit themselves to annual public reporting regarding Equator Principles implementation processes and experience.

The first Equator Principles adopted the policies, guidelines and procedures of the World Bank Group (WBG) private sector arm the IFC. MagIndustries is committed to adhering to the IFC’s new Performance Standards, which can be seen in full at www.ifc.org.

Table 3-2: IFC Performance Standards

PS1: Social and Environmental Assessment and Management System PS2: Labour and Working Conditions PS3: Pollution Prevention and Abatement PS4: Community Health and Safety PS5: Land Acquisition and Involuntary Resettlement PS6: Conservation of Biodiversity and Sustainable Natural Resource Management PS7: Indigenous People PS8: Cultural Heritage
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PS1 includes several articles on community engagement, which are included in the table below.

Table 3-3: Community Engagement Components of IFC Performance Standard 1

<p>Community Engagement 19. Community engagement is an on-going process involving the client’s disclosure of information. When local communities may be affected by risks or adverse impacts from a project, the engagement process will include consultation with them. The purpose of community engagement is to build and maintain over time a constructive relationship with these communities. The nature and frequency of community engagement will reflect the project’s risks to and adverse impacts on the affected communities. Community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information.</p> <p>Disclosure 20. Disclosure of relevant project information helps affected communities understand the risks, impacts and opportunities of the project. Where the client has undertaken a process of Social and Environmental Assessment, the client will publicly disclose the Assessment document. If communities may be affected by risks or adverse impacts from the project, the client will provide such communities with access to information on the purpose, nature and scale of the project, the duration of proposed project activities, and any risks to and potential impacts on such communities. For projects with adverse social or environmental impacts, disclosure should occur early in the Social and Environmental Assessment process and in any event before the project construction commences, and on an ongoing basis (re. paragraph 26 below).</p> <p>Consultation 21. If affected communities may be subject to risks or adverse impacts from a project, the client will undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the client to consider and respond to them. Effective consultation: i) should be based on the prior disclosure of relevant and adequate information, including draft</p>

documents and plans; ii) should begin early in the Social and Environmental Assessment process; iii) will focus on the social and environmental risks and adverse impacts, and the proposed measures and actions to address these; and iv) will be carried out on an ongoing basis as risks and impacts arise. The consultation process will be undertaken in a manner that is inclusive and culturally appropriate. The client will tailor its consultation process to the language preferences of the affected communities, their decision-making process, and the needs of disadvantaged or vulnerable groups

22. For projects with significant adverse impacts on affected communities, the consultation process will ensure their free, prior and informed consultation and facilitate their informed participation. Informed participation involves organized and iterative consultation, leading to the client's incorporating into their decision-making process the views of the affected communities on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The client will document the process, in particular the measures taken to avoid or minimize risks to and adverse impacts on the affected communities.

Grievance Mechanism

23. The client will respond to communities' concerns related to the project. If the client anticipates ongoing risks to or adverse impacts on affected communities, the client will establish a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project. It should address concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and at no cost and without retribution. The mechanism should not impede access to judicial or administrative remedies. The client will inform the affected communities about the mechanism in the course of its community engagement process.

Monitoring

24. As an element of its Management System, the client will establish procedures to monitor and measure the effectiveness of the management program. In addition to recording information to track performance and establishing relevant operational controls, the client should use dynamic mechanisms, such as inspections and audits, where relevant, to verify compliance and progress toward the desired outcomes. For projects with significant impacts that are diverse, irreversible, or unprecedented, the client will retain qualified and experienced external experts to verify its monitoring information. The extent of monitoring should be commensurate with the project's risks and impacts and with the project's compliance requirements. Monitoring should be adjusted according to performance experience and feedback. The client will document monitoring results, and identify and reflect the necessary corrective and preventive actions in the amended management program. The client will implement these corrective and preventive actions, and follow up on these actions to ensure their effectiveness. [Article 25 is not relevant to community engagement]

External Reporting on Action Plans

26. The client will disclose the Action Plan to the affected communities. In addition, the client will provide periodic reports that describe progress with implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities, and on issues that the consultation process or grievance mechanism has identified as of concern to those communities. If the management program results in material changes in, or additions to, the mitigation measures or actions described in the Action Plan on issues of concern to the affected communities, the updated mitigation measures or actions will also be disclosed. These reports will be in a format accessible to the affected communities. The frequency of these reports will be proportionate to the concerns of affected communities but not less than annually.

The IFC has also Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. The handbook provides a comprehensive overview of good practice in stakeholder engagement, much of which is directly applicable to the Kouliou Project context. The Company and this CDP follow the IFC's broad, long-view definition of "stakeholder engagement" as a wide-ranging, inclusive and continuous process between a company and those potentially impacted that encompasses a range of activities and approaches, and spans the entire life of a project.

3 STAKEHOLDER IDENTIFICATION AND ANALYSIS

This section identifies Project stakeholders and analyses their specific interests and influences. This section will also summarize their emerging concerns and issues.

In this Plan, "stakeholder" is defined as follows: any persons or groups who are directly or indirectly affected by the Project, as well as those who may have an interest in the Project and/or the ability to influence its outcomes.

This Plan focuses on "external stakeholders" only - those who are "external" to the core operation of the business. This group includes affected communities, local government authorities, non-governmental and other civil society organizations, local institutions and other interested or affected parties. The Lenders and current or future employees, for example, are not considered external stakeholders.

External stakeholders can be defined as follows:

1. Local stakeholders -- i.e., stakeholders in project area communities, including vulnerable people and civil society organizations, as well as those stakeholders along the proposed brine pipeline (e.g., households living and/or working along or beside proposed pipeline)
2. Regional stakeholders -- i.e., stakeholders in the Departments of Kouilou and Pointe-Noire, including government authorities, civil society organizations and residents of the city itself
3. National stakeholders -- i.e., stakeholders in the Republic of the Congo, including government authorities and civil society organizations
4. International stakeholders -- i.e., stakeholders with an international focus or presence

4 PREVIOUS ENGAGEMENT ACTIVITIES

This section summarizes the key engagement activities undertaken by the Company over the past four years. This section will also provide an overall assessment of these activities against international best practice.

4.1 Disclosure and consultation activities as part of ESIA scoping activities, October 2005

A survey of the concerns and expectations of local populations was conducted in several villages of the Mengo area in November 2005. These established key contacts in the various sectors of the community. These contacts are kept informed of developments as they arise.

Within the scope of the ESIA, a first public consultation was carried out from October 6 to November 5, 2005 to describe the nature and extent of various Project stakeholders' concerns and expectations, to note them, and to evaluate their importance.

The selection of the villages to be visited was based both on their proximity to the Project and representativeness of the ethnic Vili rural communities. The discussion groups included:

1. Female and male villagers of the Mengo centre village, divided into four focus groups, respectively comprising women, young people, adult villagers and charcoal workers, as well as owners, elders and heads of family
2. Communities living in the following blocs and brigades of Mengo: Yabou Brigade, Ntoumbi Brigade, Tchitougou Brigade, N'Singa Brigade, Bimbakassa Bloc, Nkondi Bloc, Wolo Bloc and NKande-MBambi Bloc
3. Representatives of the sub-prefecture of Hinda, based in Hinda and Pointe-Noire.

4.2 Consultation activities as part of a study of the human environment, November 2006

A study of the Project's human environment was undertaken in November 2006. It provided an overview of the existing economic, cultural, political and socio-economic settings in the Kouilou area. The characterization of the human environment is based on a literature review and on consultations conducted with officials at the national, departmental, local and villages' levels. Meetings with the various discussion groups also allowed the evaluation of the importance of the valued elements of the environment and their rating.

4.3 Meetings with the Ministry of Tourism and the Environment, May 2007

The Company undertook meetings with Ministry of Tourism and the Environment (MTE) authorities to present and discuss the Project Description and baseline information collected to that point, and to define the administrative, technical and consultative processes required for ESIA review and approval.

The meetings examined the overall ESIA process, the individual chapters of the ESIA, and the public consultation and disclosure process. In conformance with the agreed administrative and technical process for ESIA review, the MTE constituted a Permanent Secretariat responsible for reviewing and validating the documents submitted by MagMinerals at different steps of the ESIA.

4.4 Disclosure and consultation activities relating to the LUOS, in November 2007

In November 2007, consultants from Genivar Ltd. and their local partners Environment Plus undertook a Land Use and Occupancy Survey (LUOS) that included consultations with the communities along the water pipeline route. In advance of survey activities in these communities, project relevant information was shared, and the concerns and expectations of stakeholders were assessed.

4.5 Disclosure and consultation meetings relating to the Project Description, potential impacts and community expectations and concerns, May and June 2008

In May 2008, information meetings on the project and its impacts were held at Mengo, Tchiniambi Centre, Ntumbi, Yabou and Ngondji. As several villages were involved, transportation resources were provided to each village to facilitate their participation. In addition to community members, local authorities and members of civil society attended. In order to promote free, prior and informed access for the stakeholders, these public consultations were held in both French and Kikongo.

Following the information meetings, an initial series of public consultations was held in June 2008 in all the villages present at these meetings. These public consultations served to gather information on the expectations and concerns of the communities located near the Project, and to initiate a continual and robust dialogue between the Company and the communities.

4.6 Ongoing monthly meetings with communities and village authorities April 2008 to the present

The community liaison department director meets on a regular basis with all local affected communities and bloc and village authorities to further describe the Project and listen to their concerns and their expectations.

Structured monthly meetings with communities and villages authorities have been progressively regularized to enhance their active participation and provide them with a planned and ordered opportunity to raise specific issues and provide inputs in the development and establishment of the Community Development Plan (CDP) and grievance mechanism.

To date, monthly meetings are held with the population of Mengo, Boutoto, Lukala, Mpofo, Tchiniambi, Tchiniambi-Loémé, Ntumbi, Boutoto and Ngondji. Equivalent meetings are planned for the remaining Project Area villages. In addition, monthly meetings are held in Mengo and in one of the centres of the Tchiniambi-Loémé area bringing together the Company and the village-level committee (and other attendees).

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5 PROPOSED ENGAGEMENT ACTIVITIES

This section outlines the engagement activities that will form part of the SEP moving forward, with a particular focus on the pre-construction period.

The following activities will be included in the SEP:

1. Formal disclosure and consultation process for the Draft Environmental and Social Impact Assessment and Draft Environmental and Social Management Plan for the Project
2. Engagement activities to guide definition and implementation of the social management plans for the Project
3. Establishment of a Community Liaison Committee
4. Preparation of a Project Communications Strategy
5. Planning of regular Public Meetings and Forums
6. Establishment of Public Information Centres and Noticeboards
7. Ongoing cultivation of Key Stakeholders
8. Inclusion of Vulnerable Stakeholders
9. Facilitation of effective, informal engagement activities on an ongoing basis
10. Creation and ongoing management of a grievance resolution process

5.1 ESIA/ESMS Public Disclosure and Consultation

5.1.1 Strategy

The overall goals of the ESIA/ESMP Public Disclosure and Consultation Program should include:

1. Formal disclose the draft ESIA/ESMP documents to external stakeholders, particularly project area communities, in an appropriate and understandable manner
2. Provide ample opportunity for free, prior and informed consultation with external stakeholders regarding its draft findings
3. Encourage and facilitate the participation of external stakeholders, including and in particular vulnerable people, in the disclosure and consultation process
4. Consider the questions, concerns, comments, and ideas raised by external stakeholders in the preparation of the final ESIA/ESMP documents in an explicit and transparent manner
5. Satisfy domestic and international requirements for ESIA/ESMP disclosure.

The public disclosure and consultation process for the ESIA/ESMP is scheduled to take place over an almost four-month period, from April - June 2009, and will satisfy both Congolese and international stakeholder requirements (as per ESIA/ESMP Completion and Disclosure Program dated the 16 April 2009 -).

Within the RoC, actions will focus on project area communities, as well as Hinda, Pointe-Noire and Brazzaville, include a 30-day public disclosure period scheduled from April 29 to June 11, and involve the current French versions of the ESIA and various Environmental Management Plans which make up -- in part -- the ESMP.¹

¹ The management plans disclosed at this time will not include the draft Social Management Plans, as there are separate engagement activities planned on these topics.

Specific objectives over this period are:

1. Hold Introductory Meetings with each project area community in turn to introduce the ESIA and consult on the proposed public disclosure and consultation process itself
2. Hold five Public ESIA Presentations with project area communities to formally present and discuss key findings of the ESIA itself
3. Open three temporary Public ESIA Information Centres, where the public will have access to the full ESIA document, summary materials, as well as company representatives
4. Hold ESIA Feedback Meetings with each project area community in turn to receive and discuss specific questions and comments, once the public has had sufficient opportunity to review and contemplate the ESIA
5. Prepare an ESIA Public Disclosure and Consultation Report, which will summarize the questions and comments received and provide formal responses, including proposed revisions to the ESIA itself.

The Company will incorporate proposed revisions emerging from these activities into the Final English ESIA and ESMP documents, which will be then translated into French.

Once translated, these Final ESIA and ESMP documents will be:

1. Made available to other external stakeholders within the RoC at Company offices, permanent Public Information Centres and at key Government offices
2. Formally disclosed by Project Lenders for between 30 and 60 days, depending on their specific requirements
3. Be the subject of additional meetings and workshops with project area communities, from mid-May to mid-July on the following --
 - d. Any areas of substantial change within the ESIA, which was previously disclosed
 - e. Any areas of substantial change within the Environmental Management Plans, which were also previously disclosed
 - f. Final Environmental and Social Management Plan and its constituent sub plans of particular relevance to the communities.

After activity #3 above, the Company will prepare a second Public Disclosure and Consultation Report, which -- as above -- summarizes the questions and comments received and provides formal responses, including any final proposed revisions to the ESIA and ESMP.

As noted elsewhere, the four Social Management Plans themselves will be the subject of separate targeted engagement activities, including formal 30-day disclosure periods within the RoC and with the Lenders in mid-2009. The details of these activities are provided below.

The above ESIA/ESMP public disclosure and consultation schedule will involve a flurry of stakeholder engagement activities in RoC in February and March. These will have to be carefully coordinated with those engagement activities planned as part of the elaboration of the four social management plans, which are under development.

5.1.2 Key Actions

Introductory Meetings

The Company will hold Introductory Meetings in each of the 8 communities located in the Project Area beginning in mid-January 2009. These meetings will be held in a centrally located communal area, such as the village hall or school.

The purpose of these meetings is two-fold:

1. To better prepare community stakeholders to participate in the ESIA/ESMP disclosure and consultation process
2. To confirm the disclosure and consultation process as outlined herein.

At these meetings, Company Community Liaison staff will make a brief, non-technical presentation in both French and Kicongo on:

1. What an ESIA/ESMP is, why it is produced, its major components, and how it is developed
2. Why there is a disclosure and consultation process, what will be accomplished by it, and how the Company proposes to undertake that process.

Company staff will answer questions in an open discussion format during and after the presentation, and be ready to remind participants that this is a preliminary meeting and a full presentation of the ESIA/ESMP and subsequent feedback meetings will be held at later dates.

Company staff will solicit specific content on the proposed disclosure and consultation process to ensure that it reflects stakeholder needs and expectations, and encourage participants to come to the Public ESIA Presentations described below.

Company staff will leave non-technical summaries of the ESIA in each community for review prior to the Public ESIA Presentations, as well as notices regarding upcoming events and the complete ESIA disclosure and consultation process, assuming that no substantive changes are proposed.

From a logistics perspective, Company staff will organize the meeting following the protocols developed to date with community leaders. Namely, Company staff will visit each community at least seven days prior to the meeting itself to deliver oral invitations in both French and Kicongo, as well as written invitations to community leaders. To date, these protocols have ensured that similar community meetings have been well-attended by a broad cross-section of residents, including women, youth, elders and the poor / landless.

At the meeting itself, Company staff will record attendees' names, take meeting minutes, and actively solicit questions and comments from a broad cross-section of participants. People will be encouraged to ask questions or express opinions in the language of their choice, or via a third party, such as their community president, if they are more comfortable or culturally attuned to do so.

Company staff will provide a summary of key points raised at the end of the meeting, including any actions to be undertaken by the Company. These will be reflected in the minutes.

Company staff will endeavour to include a man and woman at each meeting and will remain available following the meeting as long as necessary in order to allow people to approach them individually or in small groups.

Company staff will distribute the draft meeting minutes to community leaders at a future meeting and will ask for any final feedback at subsequent community meeting(s).

The Company will also hold an Introductory Meeting with households living and/or working along or next to the proposed brine pipeline. This Introductory Meeting will also serve to launch the Compensation Plan engagement process, including announcement of an immediate moratorium and an immovable asset survey. This particular meeting will be scheduled for early February.

Temporary Public ESIA Information Centres

Immediately in advance of the Public ESIA Presentations/Open Houses, the Company will open four temporary Public ESIA Information Centres for a period of 30 working days. These centres will be located in Mengo (the closest largest community to the Project), Hinda (the main town and seat of the sub-prefecture of Hinda), Tchiniambi Centre (closest largest community to the pumping station) and Pointe-Noire (the largest closest city).

These centres will each feature a copy of the entire draft ESIA and Environmental Management Plans, numerous copies of the non-technical summary, as well as posters and other visual aids, such as pictures and maps. Other than the full ESIA report itself, as well as the Environmental Management Plans, materials will be presented in French and, where appropriate, in Kikongo.

The purpose of this activity is to make the report in its entirety, as well as summary materials in a variety of media, available to any interested person for review and comment.

These Information Centres will be centrally located in each community, in an accessible and highly visible building. The offices will be open Monday to Saturday each week, from 9 am to 6 pm, and staffed with Company representatives fluent in French and Kikongo and with a basic knowledge of the main components of the ESIA. Their role will be to orient visitors to the report and materials provided, answer any basic questions, and assist visitors in providing questions and comments, either verbally or written down and deposited, anonymously if desired, in a comments box. Standard comment forms will be made available.

The location and opening dates of these Public Information Centres will be announced at previous events, as well as in local media (radio and newspapers), in both French and Kikongo.

Public ESIA Presentations and Open Houses

Following the Introductory Meetings, the Company will formally present the ESIA document in five of the largest communities in the Project Area: Mengo, Ngonji, Tchiniambi Centre, Nsinga, and Boutoto. The Company will provide transportation assistance for those residents of the 3 remaining outlying villages in the Project Area to get to these meetings. The Company has used this approach previously and -- given that these five communities are centrally located and already serve as service hubs for outlying communities -- has had good participation and few complaints to date.

The purpose of these events is to formally present and discuss the key findings of the draft ESIA and Environmental Management Plans. Accordingly, at these meetings, Company Community Liaison staff - together with specialist consultants -- will present an overview of the ESIA, in both French and Kikongo, including baseline information, potential impacts, mitigation and benefits enhancement measures, and proposed management plans,² as well as future engagement opportunities.

² With regard to the social management plans, a separate process of specific participatory planning will be held in parallel and outside the SEP process to elaborate and finalise these plans.

The formal presentation will take place as part of a larger, day-long Open House session intended to provide opportunity for visitors to discuss the Project with senior Company staff and consultants in an informal setting. Following the presentation, Company staff and consultants will answer questions and record questions, comments and concerns, as well as responses provided. Company staff will make available basic information materials, in a culturally appropriate format and largely graphics-based, to assist in discussions between visitors and Company staff. Company staff and consultants will also make note of upcoming events and encourage participation, particularly at the Public Feedback Forums.

At the event, Company staff will also distribute non-technical summaries of the ESIA to participants, as well as provide workbooks to community presidents, such that questions, comments or concerns from anyone in their villages can be recorded after the meeting for future discussion with the Company. This feedback gathering technique has been developed by the Company in consultation with community leaders, and has been used to good effect on earlier engagement processes. Standard comment forms will also be made available to participants.

In arranging attendance at the Public ESIA Presentations/Open Houses, the Company staff will follow the existing announcement and invitation protocols described in the previous section. In order to reach the greatest audience possible, the Company will also commission announcements in local media, including radio and newspapers.

At the presentation itself, Company staff will record attendees' names, take meeting minutes, and actively solicit questions and comments from a broad cross-section of participants. Company staff will provide a summary of key points raised at the end of the meeting including any actions to be undertaken by the Company. These will be reflected in the minutes.

Company staff present will include at a minimum a man and woman at each meeting and will remain available following the meeting as long as necessary in order to allow people to approach them individually or in small groups.

Company staff will distribute the draft meeting minutes to community leaders at a future meeting and will ask for any final feedback at subsequent community meeting(s).

The Company will also provide a Public ESIA Presentation for those households living and/or working along or next to the proposed brine pipeline. This presentation will be scheduled early in the compensation negotiations process that is scheduled to immediately follow the Introduction Meeting described above, and within the 30 day disclosure period.

All media inquiries will be referred to designated Company staff members, likely the Community Liaison Department Director.

Public Feedback Forums

The Company will hold Public Feedback Forums in each of the 8 communities located in the Project Area. These meetings will "book-end" the Introductory Meetings described above and will be held in a centrally located communal area, such as the village hall or school. These forums will be held before the closure of the temporary Public Information Centres.

The purpose of these forums is three-fold:

1. To provide an overview of the questions, comments and concerns raised during the activities described above, as well as the Company's responses
2. To provide an opportunity for participants to raise their own questions, comments and concerns with Company staff, either directly themselves or through their proxies (i.e., community presidents with their comment books)
3. To provide an opportunity for more meaningful exchange between participants and Company staff in the familiar surroundings of their own community, in a smaller group setting, and in a more accessible format.

At these meetings, Company staff will begin with a brief presentation in both French and Kikongo on the questions and comments that have been raised to date, as well as the Company's responses. The meeting will then proceed into a more open discussion period.

Logistical arrangements will be the same as during the Introductory Meetings.

The Company will also provide a Public Feedback Forum for those households living and/or working along or next to the proposed brine pipeline. This presentation will be scheduled as part of the compensation negotiations process that will follow the Introduction Meeting described above, after the 30 day disclosure period.

ESIA Public Disclosure and Consultation Report

Once the above activities have been completed, the Company will compile a formal report on ESIA Public Disclosure and Consultation process.

The purpose of this report will be to:

1. Summarize the actions undertaken, as described above
2. List the questions, comments and concerns noted by theme
3. Provide responses to each, including any suggested changes to the draft ESIA and Environmental Management Plans themselves.

The report will be presented, together with a non-technical summary in both French and Kikongo, to the Community, potentially to the Community Liaison Committee if mobilized by this point in time and to each project area community at regular Company community monthly meetings.

This document will also be available at the permanent Public Information Centres, along with a complete copy of the Final ESIA, and will be available on the Company's website.

Technical ESIA Workshops

Subsequent to the disclosure period, the Company will host technical ESIA workshops in Brazzaville and Pointe-Noire for relevant government authorities and any interested non-governmental or civil society organizations. The Company intends for these workshops to be "open" in that any stakeholder can attend, including project area community representatives.

The purpose of these workshops is to provide opportunity for presentation and discussion of the findings of the ESIA and particularly the Environmental and Social Management Plans in a more detailed and technical manner.

The aim of the workshops would be to ensure that the ministry officials in particular fully understand the scope of the management plans and the way that MPC will be controlling and reporting on its activities, both environmental and social. The workshops will build on already established links to ensure effective working relationships as the project moves forward. The Brazzaville workshop will include largely national and international stakeholders, including all key government authorities. The Pointe-Noire workshop will focus more on regional and local stakeholders, including government authorities from the Departments of Kouilou and Pointe-Noire, as well as from the District of Hinda.

In terms of logistics, the Company will invite all potentially interested stakeholders at least fourteen days in advance of the workshops in writing, and will include a copy of the non-technical summary with the invitation. The Company will then follow up in person or with a phone call at least seven days in advance of the workshop.

The workshop will be held at a centrally located hotel, and refreshments will be provided. The Company may provide per diems to facilitate the participation of government authorities, as well as transportation assistance as required (e.g., for project area community representatives travelling to Pointe-Noire).

At the meeting itself, Company staff will record attendees' names, take meeting minutes, and actively solicit questions and comments from a broad cross-section of participants. Standard comment forms will also be made available for participant use. Company staff will provide a summary of key points raised at the end of the meeting, including any actions to be undertaken by the Company. These will be reflected in the minutes, draft versions of which will be formally circulated to all participants following the meeting and finalized following an appropriate comment period.

Additional Consultation and Disclosure Activities

Once completed, the Final ESIA/ESMP document -- including framework social management plans -- will be:

1. Be made available to other external stakeholders within the RoC at Company offices, permanent Public Information Centres and at key Government offices
2. Formally disclosed by Project Lenders for between 30 and 60 days, depending on their specific requirements
3. Be the subject of additional meetings and workshops with project area communities, from mid-April to mid-June on the following --
 - a. Any areas of substantial change within the ESIA, which was previously disclosed
 - b. Any areas of substantial change within the Environmental Management Plans, which were also previously disclosed
 - c. Formal Environmental and Social Management System itself.

The Company understands that #3 above may result in a number of questions, comments and concerns from international stakeholders.

Following these activities, as well as the these final workshops and lender-driven disclosure periods, the Company will undertake a second Public Disclosure and Consultation Report, including identification of any final changes to the ESIA and ESMP.

As noted elsewhere, the four Social Management Plans themselves will be the subject of separate targeted engagement activities, including formal 30-day disclosure periods within the RoC and with the Lenders. The details of these activities are provided below.

5.2 Social Management Plan Engagement Activities

5.2.1 Strategy

The social management planning process has resulted in the preparation of three plans (in addition to this one):

1. Compensation Plan
2. Community Development Plan
3. HIV/AIDS Management Plan.

In order to elaborate these documents into complete draft plans appropriate for disclosure and implementation, the Company will undertake a variety of stakeholder engagement activities.

The goal of these activities is to ensure that Project external stakeholders and the Company work together in the preparation of Social Management Plans, such that the plans themselves benefit from broad based understanding, alignment, input and commitment to implementation.

The intensity and duration of engagement activities is likely to be most significant for the Compensation plan and Community Development Plan, as these are the two plans that require the most stakeholder participation.

Following production of the draft social management plans, each will undergo a formal Public Disclosure and Consultation process, similar in scope to what is outlined above for the ESIA as a whole, meaning that each plan is formally disclosed to external stakeholders and comment solicited in a variety of ways prior to finalization. The Company will work to coordinate disclosure and consultation for all four plans at the same time.

5.2.2 Key Actions - Compensation Plan

The Company has developed a comprehensive and formal negotiation process between representatives of Project Affected People and the Company to drive compensation planning for the Brine Field displacement zone. The goal of this process is to arrive at mutually agreed principles, policies, procedures, rates and schedule to structure individual compensation agreements and guide land access and Project implementation.

The negotiation processes will involve the formation of a Negotiations Committee, including representatives of Project Affected People and the Company, as well as observers from the Government and other stakeholders as appropriate.

The Negotiations Committee could serve as the foundation for the more broadly based Community Liaison Committee discussed below. Following compensation negotiations, the committee could be refocused and adapted - including other stakeholder groups - to address other issues (e.g. community development) across a greater geographic range. The structure and procedures can be replicated across issues and committees to attain a tested and understandable model of participation. The Negotiations Committee could remain constituted as a subcommittee of the broader CLC.

The Company will complement the negotiation process with a series of consultation and disclosure activities in the Project Area, which both precede and parallel negotiations. Through these activities, the Company can ensure that not just the Project Affected People but every identified stakeholder is engaged in the compensation planning in an appropriate manner.

These consultation and disclosure activities will include formal meetings, use of the Public Information Centres and Noticeboards, one-on-one stakeholder meetings, and continual informal dialogue.

Broad and inclusive consultation programs led by the Company and involving Project Affected People will also drive compensation planning for the Brine and Water Line Corridors. The goal of these processes is to validate the principles, policies, procedures, rates and schedule to structure individual compensation agreements and guide land access and Project implementation.

The principles, policies, procedures, rates and schedule developed in this manner must be consistent both with each other, as well as with those developed by the Brine Field Negotiation Committee. To achieve this aim, the Company will strive to carefully manage all three processes with a commitment to 100% transparency, equity, fairness and consistency.

5.2.3 Key Actions - Community Development Plan

Several consultation activities regarding community development have been undertaken since 2005, specifically in November 2005 and November 2007, which involved community and focus group workshops. In addition to project specific concerns, these activities identified community development challenges and priority issues. Furthermore, in November 2008, the Company held workshops with three communities (Tchiniambi Centre, Tchiniambi Débarcadiaire and Lukala) to further identify community development challenges and priority issues. The Company will be conducting similar workshops in other project area communities in 2009.

The Company will refine and advance the Community Development Plan document in continued consultation with external stakeholders. Specific development projects should reflect the Company's understanding of local development conditions and challenges as expressed by community members in the workshops and other formal and informal engagement activities.

5.2.4 Key Actions - HIV/AIDS Management Plan

The Company recognizes that it is impossible to act in isolation when tackling HIV/AIDS, a disease with such broad social implications and propagation factors. The Company's HIV/AIDS Management Plan, therefore, encourages a partnership approach with other stakeholders engaged in the fight against HIV/AIDS. The plan will identify partners such as government health authorities, the community, and other civil society organizations and propose means of collaboration with them to meet the complex challenges posed by the disease.

Education and the two-way exchange of information will be key to the success of the plan, both in the company and in the communities. Internally, company employees and their representatives, human resources, contractors and others involved in day-to-day operations will participate in peer education activities, as well as in the assessment and awareness of risks and behaviours and of the specific needs of employees on the ground.

Local community representation is also critical for the Plan's efforts to have an effect in the project area villages. Community representatives should include Chiefs and other local leaders such as religious or traditional healers to influence community behaviours that will reduce the impact of HIV/AIDS.

These stakeholders will be involved in the progressive development of the details of the HIV/AIDS Management Plan, through formal and informal consultation and disclosure activities.

5.3 Community Liaison Committee Formation

5.3.1 Strategy

The Company will work with local stakeholders to establish a multi-stakeholder, non-political Community Liaison Committee, which is and remains representative of the full range of local Project external stakeholders, and particularly project area communities.

The goal of this Committee is to serve as the primary engagement vehicle for the Company and local stakeholders for the entire life of Project. As such, this Committee is fundamental to the success of this Plan, which, as outlined above, seeks to actively develop and sustain constructive relationships with affected communities and other external stakeholders throughout the Project lifecycle.

The Committee will play a role in each of the following:

1. Stakeholder identification and analysis
2. Information disclosure
3. Consultation
4. Participatory planning and negotiation
5. Grievance management
6. Stakeholder involvement in Project monitoring
7. Reporting to stakeholders.

More specific objectives of the Community Liaison Committee may include:

1. Guide implementation of the Social Management Plans, as well as the ESMS as-a-whole
2. Provide input into Company activities and programs that affect external stakeholders
3. Discuss stakeholder questions, comments and concerns that are brought forward for the consideration of the Committee
4. Serve as a referral body for the Grievance Mechanism described below (i.e., address disputes that can not be resolved satisfactorily directly between Company staff and aggrieved party).

As outlined in the Compensation Plan, the Negotiation Committee to be established to guide compensation planning in the Brine Field could serve as a "starter" Community Liaison Committee, which -- over time -- becomes a subcommittee of the same as more stakeholders are added.

5.3.2 Key Actions

Consult with Stakeholders

The Company has and will continue to consult with local stakeholders regarding the need for, purpose of and terms of reference regarding the Community Liaison Committee.

Consulted stakeholders include project area community residents and authorities, local government authorities, local non-governmental organizations and local civil society organizations.

Develop draft Terms of Reference for the Committee

As a next step, the Company will prepare a draft Terms of Reference for the Committee, including:

1. Goals and objectives for the Committee, building on those outlined above
2. Guidelines regarding Committee composition
3. Roles and responsibilities of Committee members
4. Meeting format
5. Decision-making.

Regarding committee composition, the Company proposes the following core membership as a starting point:

1. Representatives from project area communities, including village authorities, customary landholders, women and other potentially vulnerable groups
2. Representatives from local government
3. Representatives from the Company, including the Community Liaison Department Director
4. Representatives from Local Business
5. Representatives from non-governmental or civil society organizations.

Beyond the core membership, which is intended to provide a good cross-section of participants, the Company will consider opening participation in the Committee to any interested stakeholders so long as they commit to regular attendance. The meetings will be open to the public, so as to avoid charges of exclusivity and secrecy. *In camera* meetings can always be arranged to discuss particularly sensitive topics.

Regarding meeting format, the Company proposes the following procedures:

1. Meetings should be monthly, or more often as needed, for the duration of the construction period, and that meeting length should be capped at 3 hours
2. Minutes should be taken and circulated with a proposed agenda prior to the next meeting
3. Members who speak during deliberations should be named in the minutes, and interventions could be tape recorded as back-up for the minutes
4. Members should reflect their agreement regarding the issues discussed by signing the minutes at the next meeting
5. Meeting venue should be somewhere centrally located with appropriate infrastructure
6. French and Kicongo should be the official languages of discussion, and simultaneous translation should be made available to those who desire it
7. Delegations from new observers and/or visitors should be approved in advance
8. Agenda, timing and location of the next meeting should be established collaboratively as a final step of each meeting.

Regarding decision-making, it is proposed that the Committee work towards consensus and narrow areas of disagreement where possible. Where differing viewpoints or opinions exist, they should be noted in

the Committee meeting minutes. Voting should be restricted to use as a tool to advance the discussion towards consensus. In this regard, voting may be used to work through deadlocks by making transparent the positions of committee members. Wherever possible, votes should be non-binding.

Regarding the roles and responsibilities of committee members, the Company will suggest the following commitments to committee members:

1. Review relevant Project materials and provide feedback as appropriate
2. Attend and participate in all Committee meetings
3. Bring forward advice, issues or comments to the Committee based on their community knowledge
4. If representing an organization or community, consult separately with the organization or community they represent and bring forward advice, issues or comments from that organization or community to the Committee
5. Undertake to pass on information to the constituent communities or organisations which they represent in a timely and inclusive manner
6. Try to operate in a consensus mode, where participants openly discuss views and opinions in a respectful manner, and seek to develop common ground where possible
7. Make sure that the discussions are accurately noted in the meeting minutes
8. Address any situations or issues that arise in cooperation with the Company.

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In return, the Company will:

1. Provide objective, understandable information to CLC participants, so that they can provide the team with informed advice and suggestions
2. Provide capacity building as required to familiarize participants with mining-related issues and management strategies
3. Make sure that the right Company staff (or other resource people) come to Committee meetings that discuss specific parts of the study
4. Make sure that advice, recommendations, and consensus positions from the Committee are duly considered in Company decision-making.

Discuss Terms of Reference at Upcoming Events, Solicit Interested Members

It is proposed that the Company discloses and consults on these draft Terms of Reference at the various events planned as part of the ESIA/ESMP disclosure and consultation program. At the same time, the Company will begin to solicit participants.

Convene First Meeting in September

The Company aims to convene the first meeting of the Committee in September, following the conclusion of the compensation planning process for the Brine Field. The agenda for this meeting should include:

1. Terms of Reference
2. List of topics to be addressed in future meetings, including draft Stakeholder Engagement Plan and draft ESIA/ESMP Disclosure and Consultation Report.

5.4 Communications Strategy

5.4.1 Strategy

The Company's Communications Plan remains a living document and requires revision in light of advances in project development and changes in its social setting. The Company commits to make information about the Project accessible to external stakeholders in a timely, understandable and consistent manner. In particular, the Company commits to the disclosure of Project-related information to external stakeholders in a proactive manner in response to identified or potential concerns and issues.

Communication is considered formal any time it is part of a planned process, verbal, written or visual, and involves specific messages elaborated for external stakeholders.

The Communications Plan should continue to:

1. Tailor communication materials and messages for specific audiences
2. Involve the regular release of meaningful Project-related information, including Company policies, Project details, answers to Frequently Asked Questions, and rights and responsibilities of affected people
3. Ensure that external stakeholders have the information they need to build informed opinions, participate in the opportunities presented by the Project and avoid impacts as much as possible

4. Include the articulation and delivery of clear, consistent messages from key staff to the public and stakeholders, ensuring that community workers and staff are aware of Company policy and are capable of responding to questions/comments appropriately
5. Weigh the risks versus benefits of disclosure, and manage information on sensitive and controversial issues.

5.4.2 Key Actions

Update Communications Plan

Building on stakeholder identification and analysis and ongoing consultation and disclosure activities, the Company should update the Communications Plan to reflect continuing and new plans and policies and respond to continuing and new issues. The Communications Plan should be designed for communication with both project stakeholders and the general public at large.

Continually Update Key Messages

As part of the Communications Plan, the Company should update and broadcast key messages regarding the Project in response to frequently asked questions and identified concerns.

The following key messages address some of the stakeholder concerns identified to date:

1. Concern: Disappointment with other companies in the past

Message: The Company is committed to being a good neighbor to the communities in its Project Area. Its engagement activities are to ensure that it takes into account local concerns in its decision-making, to reduce the stress and uncertainty associated with the rapid change underway, and to better position project area residents to benefit as much as possible from the opportunities afforded by the Project and to be impacted as little as possible by its challenges.

2. Concern: Workforce, jobs, contribution to the economy and to local production

Message: The Company is committed to preferential hiring for local people when people with the required skills are available or can be trained in a relatively short period of time according to project schedules. All non-skilled labor positions will go to local people with first priority going to the villages in the area of influence. The Company is further committed to sourcing local goods and services when they are available and meet Company standards.

3. Concern: Support Community Development

Message: The Company recognizes that mining is a temporary activity and only a minority of local people will receive employment opportunities. The Company is therefore committed to supporting broader community development initiatives. This commitment is met through its community development plan run through the Foundation, and will support local agriculture, health, education and social infrastructure.

4. Concern: Social Impacts

Message: Through engagement around its social management plans, the Company will work with local people to reduce impacts on local village life and traditions, and to enhance benefits. A grievance mechanism has been put in place to address any specific concerns or complaints by individuals.

5. Concern: Environmental Impacts

Message: The Company will apply the best existing environmental technology and programs. It has taken great care to measure the current state of the environment, and will monitor soil, air, water, noise and other environmental components to ensure its activities do not impact these beyond acceptable levels.

Key messages should provide the communities with information on the purpose, nature and scale of the project. These key messages are essential for several reasons:

1. Key messages will guide all the initiatives proposed in the plan
2. They will also help the company speak in a unified voice and consistently reinforce the same messages
3. They will strengthen the company's communications efforts because by taking the time to develop strategic key messages that focus on the community's interests/concerns, they will show that we are attentive and responsive.
4. It also helps to categorize and customize the key messages to each particular target audience
5. When faced with difficult questions from the media or stakeholders, the key messages give something for spokespeople to fall back on. They should dovetail with the Q&A already included in the plan.
6. By including the development of key messages in the communications plan, the company can ensure that information on community risks, impacts and constructive relationship-building is included as part of its message in each communications piece.

The Company needs to provide appropriate capacity building to all staff regarding these key messages and particularly for its front-line workers -- i.e., those workers who interact with community members on a regular basis.

Harness the Media

The Communications Plan should explore ways of harnessing the local media to "get the message out." As in all rural areas, information in the Project Area moves quickly and often is distorted by informal means of communication. In the absence of proactive project communications, rumours may begin to generate false and damaging beliefs about the Project.

Accordingly, the Company will begin to participate more proactively in local and national television, radio and newspapers media. For example, the Company could participate in regular radio shows, provide radio announcements, hold media events (e.g., presentation of the ESIA, holding of Open House Days), cultivate journalist contacts and issue regular press releases. In so doing, the Company will ensure that key messages are broadcast widely and that the image of the Company as a solid corporate citizen is reinforced. This is particularly constructive in advance of important project activities, such as the ESIA Disclosure and Consultation Program, LUOS Surveys, etc.

Six radio stations can be picked up in the Project Area: Radio-France International (RFI), Radio-Congo, Radio Pointe-Noire, Ponton FM, and the religious stations Sango Mbote and Radio Lougolo. The stations with the largest audiences are Radio-Congo and Radio Pointe-Noire and should be the principal stations used for radio messaging.

In the Project Area, messages will be broadcast on local radio stations and community public address systems to inform project affected persons and key stakeholders of key project activities and dates such as consultations, surveys, moratorium etc, and later to educate and inform on mitigation programs and environmental and social management plans.

Develop Accessible Communication Materials

Communications materials need to be accessible and understandable to Project stakeholders. Given the low literacy levels in the Project Area, an emphasis will be given to oral communication (i.e., radio, meetings, videos) and visual communication (i.e., photos, graphics, cartoons), as opposed to written communication.

For written communication, consideration will be given to the preparation of concise, non-technical summaries in local languages, including French and Kicongo.

5.5 Public Meeting / Forums

The Company will complement the monthly Community Liaison Committee meetings with regular public meetings at the bloc, brigade or centre village level.

At the moment, the Company holds monthly meetings with project area community authorities. These meetings are open to all members of the community. At certain times, however, the Company also holds community wide meetings to provide information and/or consult more broadly. These wider meetings are arranged in coordination with village leadership, and employ town criers, often equipped with a megaphone, to convoke villagers to a meeting. Company Community Liaison staff attend these meetings on the Company's behalf to facilitate and document consultation. French and Kicongo are used.

In the future, such meetings will continue on a regular basis through the construction phases, even as the Community Liaison Committee is established and begins functioning. The pace of change at this time will be more rapid than at any time during the Project lifecycle, and thus the Company will exert every effort to ensure that local stakeholders are aware of what will happen and have adequate opportunity to make their voices heard, whether it be asking questions, registering concerns or providing suggestions.

In this manner, too, the Company can continue to build its relationship with all local stakeholders, rather than simply focusing on those that sit on the Committee. This will also allow the Company to ascertain if

the Committee is adequately representing the sentiments of the broader community to the Company and if Committee representatives have the trust of their constituents.

These meetings are particularly important given that media, post, and telephone have only limited coverage in project area communities, and so the most reliable form of communication is, therefore, verbal communication.

In addition to these village-level public meetings, the Company will also undertake a series of focus group meetings or forums on specific topics, as required. The need for particular focus group meetings or forums will be identified as the social management plans are elaborated, and will provide more targeted consultation on specific topics or with specific groups. For example, the Company could consider focused consultation with vulnerable groups to ensure that their voices are being heard.

5.6 Public Information Centres and Noticeboards

The Company, in consultation with the Community Liaison Committee, will establish, operate and maintain at least two permanent Public Information Centres: one in Mengo and one in Pointe-Noire (but not at the existing Company offices).

The Centres will be furnished with up-to-date information regarding Company policies, Project details and status, answers to frequently asked questions, grievance procedures, and the rights and responsibilities of Project Affected peoples.

The Centres will be staffed on a full or part-time basis by Community Liaison staff, who will field and respond to questions and concerns and participate in less formal stakeholder engagement. Support will be provided to Community Liaison staff by relevant operational, environmental and health and safety staff from the Project to assist in responding to specific concerns as necessary.

The Centres will also provide an access point for logging of complaints and concerns with the Grievance Mechanism.

The Company will install and maintain Project Noticeboards in all other project area communities. These Noticeboards will also be used to disseminate information and advertise consultation activities.

5.7 Key Stakeholder Meetings

The Company aims to cultivate and maintain strong relationships with key stakeholders over the Project lifecycle. Key stakeholders are defined as those that have significant influence over Project outcomes, including senior government and community authorities, important opinion-makers (e.g., NGOs), respected dignitaries at all levels, and potential Project opponents.

Specifically, the Company will endeavour to give regular briefings to these stakeholders to inform them of Project progress, solicit their input and advice, and ask questions regarding any shifts in political or public opinion, or other "game changing" factors. These activities will help to ensure that key stakeholders feel well informed and involved in the project development, as well as more inclined towards closer cooperation, and that the Company remains aware of important factors that could affect it or the Project.

The briefings should contain a covering letter, together with a summary of activities undertaken (consultations, data gathering, project milestones etc). Written communication is particularly important for government authorities, so they (and the Company) can keep a complete Project file.

Meetings will take place in preparation for of all formal consultation activities and major project milestones such as:

1. Prior to formal ESIA disclosure and all formal consultation processes
2. Prior to any displacement activities
3. Prior to each major phase of the Project (construction, production, closure)
4. Prior to activities generating significant new impacts

As a general rule, communication with government bodies and with the general public should be in French, while at wider community meetings Kikongo should also be used. There is little communication by e-mail and Internet access is not reliably and widely available. Written correspondence is usually delivered by messenger service or by a member of Civil Service staff.

Communication with government bodies should also include:

1. Giving copies of all documents describing the progress of the Project to the directorates concerned (MMIMG and MTE)
2. Actively encouraging the participation of the MTE bodies via the Permanent Secretariat for examination of the ESIA
3. Encouraging the MMIMG and the MTE to organize information and consultation meetings at departmental level to involve the decentralized structures.

As the project progresses, briefings will also be given to:

1. Local (in-country) representatives of international, national and local environmental and human rights organizations
2. Local (in-country) representatives of national, regional and local media

Briefings with international media will be managed from the Company's Toronto offices. Where appropriate, briefings to local (in-country) representatives of international media may be conducted in Pointe-Noire.

Copies of formal briefings will also be available in the Public Information Centres.

5.8 Vulnerable Stakeholder Engagement

The Company places particular emphasis on the early identification and involvement of vulnerable groups in stakeholder engagement activities.

Vulnerable groups comprise those people who by virtue of gender, ethnicity, physical or mental disability, economic disadvantage or social status may be more adversely affected by the Project than others and who may be limited in their ability to claim or take advantage of Project benefits.

In conjunction with workshops undertaken for the elaboration of the Community Development Plan, the Company will undertake a participatory Vulnerable Persons Needs Assessment to confirm community concepts of vulnerability.

As a second step, the Company will prepare a Vulnerables Engagement Strategy, specifically by:

1. Recognizing the distinct needs of vulnerable people within the planning, decision-making and monitoring functions of the Company's Community Liaison department
2. Establishing a Vulnerables Liaison Committee, which provides a platform for vulnerable people in the Project Area to express themselves freely and to address specifically those issues particular to vulnerable people and their roles in society

A number of steps will be taken to promote the equitable and meaningful participation of vulnerable people in the Company's stakeholder engagements efforts:

1. The Company will endeavour to fill a proportion of positions in the Company's Community Liaison staff with members of vulnerable groups, where appropriate
2. Engagement activities, such as meetings, should be timed so as to take into account the various livelihood patterns of vulnerable people
3. Baseline social profiles compiled as part of the specialist studies for the ESIA and as a result of the 2009 Land Use and Occupancy Survey include an analysis of vulnerable populations
4. All Committees established in view of ongoing stakeholder and community relations will endeavour to have a proportion of vulnerable members, where appropriate
5. Training and awareness-raising workshops will be offered to such Committees to sensitize participants to the relations between vulnerable and non-vulnerable segments of the population, in order to begin transforming traditional relationships
6. When monitoring the effects of ongoing community engagement, data will be collected and recorded in a disaggregated manner, so as to provide insight into the differential impacts of the Project on various segments of the population

5.9 Informal Engagement

Informal engagement activities typically comprise the vast majority of engagement activities on a given project. Informal engagement occurs when any Company representative interacts with a Project external stakeholder. Such interactions occur many times on a daily basis, and set an important tone in the relationship between the Company and its external stakeholders.

The Company recognizes the importance of all its front-line workers to the success of the SEP - including anyone who interacts with Project external stakeholders on a regular basis. This includes drill rig workers, truck drivers and security guards, as well as Community Liaison workers.

Given their importance, the Company will provide induction and training to all such workers such that:

1. They understand and can relate key Company messages
2. They understand how and where to refer questions, comments and concerns to designated point people within the Company Community Liaison Department
3. They understand when to speak and when not to speak
4. They understand how and where to report any incidents
5. They understand the importance of "being a good neighbor" and the premium that the Company places on positive and constructive relationships with its stakeholders
6. They are trained in cultural awareness and basic community relations.

In further recognition of the importance of informal engagement, the Company will promote community-Company events and encourage an "open-door policy" for all Community Liaison team members, meaning stakeholders feel comfortable approaching them directly to ask questions, discuss matters, and raise concerns informally, no matter what the context.

5.10 Grievance Management Mechanism

5.10.1 Strategy

The Company is in the process of rolling out a grievance management mechanism in order to receive and address concerns and grievances in a transparent, constructive and timely manner.

In so doing, the mechanism will help to promote trust and build a positive rapport between the Company and its external stakeholders.

The primary objectives for the Grievance Management Mechanism are to:

1. Provide a mechanism to effectively address complaints scaled to project needs
2. Effectively publish and communicate the mechanism to affected parties
3. Provide a multi stakeholder forum to address grievances
4. Make it accessible with no hidden costs
5. Allow for confidentiality
6. Provide quick response times
7. Keep good records
8. Fully respect aggrieved persons human and legal rights.

The Company will inform and consult project area communities and other stakeholders on this proposed mechanism during the course of their regular consultations, beginning first with the existing village groups and proceeding to the village level, followed by the Community Liaison Committee when it is in place.

5.10.2 Proposed Mechanism

The Company recognizes the need to provide an inexpensive, easily accessible and effective mechanism for the presentation and resolution of questions, concerns, complaints, grievances and disputes regarding the Project and Company by Project stakeholders.

Such a mechanism does not negate the legal right of stakeholders to take their claims and grievances to the formal court system if they so wish. Nonetheless, such formal judicial processes would not always be required if an alternative, extrajudicial and amicable process were available, especially for the purpose of providing additional/specific information, correcting errors and omissions and, of course, finding adequate solutions for justified grievances.

Using this logic, the Company has developed a grievance management system, which comprises four mechanisms that can be accessed by any stakeholder at any time.

First Order Mechanism

The first order mechanism comprises an informal resolution process. Informal resolution of grievances and disputes will often occur when a stakeholder brings forward his/her concern for discussion in one of three forums: a) one-on-one meetings with the representatives of Community Liaison Committee, b) one-on-one meetings with representatives of the Community Liaison team, or c) group consultation meetings or forums that are delivered as part of the Project engagement activities.

With respect to the first, the Company believes stakeholders will most commonly approach the nearest members of the Community Liaison Committee or Company staff member with verbal questions, requests and claims. On other projects, this informal resolution process by a Company's front line workers and community partners has proven to be very helpful for the simple and swift resolution of most requests and claims.

With respect to the second, stakeholders are also free to visit the Public Information Centres, which are staffed part-time by Community Liaison team members. This opportunity has allowed for many individuals to ask different Community Liaison members for additional information and help in understanding the process. These requests and claims are considered informal as they are resolved quickly and do not need to be documented for further processing.

With respect to the third, stakeholders have extensive opportunity to participate in public meetings, focus groups and other consultation forums at which they can raise specific concerns and questions. Where appropriate, these concerns and questions are recorded by the Community Liaison team and introduced to the formal resolution process (described below). Most of these concerns and questions, however, are satisfied in the meetings and there is no need for further processing.

The vast majority of queries, complaints and grievances are heard and resolved within these informal interactions. Satisfaction with the informal resolution or agreement is "proved" by the complainant's continued participation in programs of the Project's social management plans and / or not taking the issue into the formal grievance resolution mechanisms described below. If the informal process does not seem to be resolving the issue, complainants are urged to make use of any of the formal mechanisms presented in this chapter.

Second Order Mechanism

The second order mechanism will comprise a formal yet amicable resolution process. Specifically, it will involve the management of substantive and / or written comments and concerns that are presented to the Community Liaison team for documentation and recording.

Importantly, there will be no obligation for stakeholders to proceed through the first order mechanism to get to the second one, although the Company expects that most cases will be referred onwards by Community Liaison team members themselves that have analyzed the claim and have not been able to produce a satisfactory response to the petitioner.

For all such petitions, the Community Liaison team will maintain a detailed written record. The Company expects that the petitions will be presented in one of three ways: directly and in person, through intermediaries (e.g., village presidents) or through drop boxes.

The Community Liaison team will respond to all second order grievances as soon as possible. Typically, the Community Liaison staff that receives the grievance will make note of it in their weekly report to the Community Liaison Manager, including suggestions regarding its resolution. The Manager in turn will work with the appropriate individual / department within the Company to provide a response. The legal

department will follow up with official responses and request additional input from claimants when necessary. Responses often include a settlement proposal, with the exception of complex cases where additional investigation or involvement of third parties is required.

The complaint will be responded to in writing within a maximum of one month's time, although preferably it will be resolved earlier.

When needed, Company staff will seek advice and, where appropriate, intervention of other stakeholders, including traditional authorities and members of the village council, to assist in attaining a resolution.

When the Community Liaison team – with due process within the Company – cannot resolve the matter or where more complex issues require higher level decision-making, grievances are to be submitted to the Community Liaison Committee.

Third Order Mechanism

The third order mechanism comprises another formal, amicable resolution process. Specifically, it involves the presentation of grievances to the Community Liaison Committee for resolution.

The Company expects that this committee, with its broad governmental, company and local representation, will serve as a credible, respected and measured audience for the discussion and resolution of grievances.

Depending on the urgency of the grievance issue, the CLC may be convened specifically to deal with that issue. If not, the CLC will address the issue at its next monthly meeting.

The decision will be documented in the meeting minutes and a written response will be provided by the committee.

Fourth Order Mechanism

Project stakeholders have the right under RoC law to take their grievances into the court system for resolution. While this legal recourse is available, the Company believes that such judicial processes are too expensive and lengthy for most Project stakeholders (and particularly residents of project area communities) to employ effectively, hence the need to facilitate extrajudicial resolutions to the extent possible (i.e., the first, second and third order mechanisms). Nonetheless, those persons that prefer to go to court will receive all necessary information and guidance from the Community Liaison team.

6 Monitoring and Evaluation

6.1 Strategy

Monitoring and evaluation of SEP results and behavior of the respective parties will enable constant development and improvements to the program over time.

This section describes the monitoring and evaluation program to be applied during SEP implementation.

Monitoring and evaluation have the following general objectives:

3. Monitoring of specific situations arising from Plan implementation, and of compliance with objectives and methods set out in the Action Plans
4. Evaluation of the mid- and long-term impacts of the Plans on impacted household livelihoods, environment, local capacities, economic development, and settlement.

The SEP will be a “living document,” which will be updated regularly, using the results of monitoring and evaluation activities.

6.2 Monitoring and Reporting

Monitoring will be carried out by the Company in collaboration with the Community Liaison Committee, along with its various subcommittees or working groups. Together, the Company and the Community Liaison Committee will participate in the selection, design, and application of methods and indicators for monitoring.

The purpose of monitoring is to provide the Company, the Committee and other stakeholders with timely and concise information that indicates whether the SEP -- and other social management plans -- are on track to achieve its objectives.

Monitoring will be based on a number of key performance indicators. Indicators will be in the form of:

1. Simple audit observations of done / not done, present / not present, achieved / not achieved, etc.
2. Easily measured numeric indices suitable for trend analysis
3. Collective judgments of project area residents, as revealed by participative socio-economic survey.

With regard to point #3 above, the Company intends that a substantial proportion of monitoring will be participatory: i.e., that stakeholders contribute in determining what is important to monitor, either by themselves or with Company assistance, as well as the various methods and indices chosen for monitoring.

The monitoring will be linked to past surveys (baseline information) but will not use control areas. Where important baseline information is not available but a particular subject requires monitoring, the objective will be to identify any trends that emerge, year by year.

Monitoring is of necessity a long-term and potentially open-ended activity. The Company and the CLC will define end-points and goals, which once achieved will allow monitoring to drop to a low level in those domains, while maintaining focus on other, less-accomplished areas.

While the monitoring exercise will specify if SEP implementation is on time and having the intended consequence, the monitors will avoid evaluation. The Company will employ independent experts for evaluation on a regular periodic basis, as discussed below.

Monitoring data will be analyzed on an ongoing basis by the Company and the Committee to ensure that:

1. SEP goals and objectives are being met
2. No unforeseen Project impacts or risks have emerged
3. Company policies, RoC requirements and international best practices are being adhered to by the Project.

Overall project monitoring will continue for the life of Project with technical reports, including a review of stakeholder engagement, at varying frequencies plus an annual monitoring report released to the public. Annual reports notwithstanding, substantial task short-falls, unintended negative consequences, or trends will be brought to the attention of Company management as they become apparent.

6.3 Evaluating and Reporting

The general purpose of evaluation is to bring to the attention of the Company, the Community Liaison Committee and other key stakeholders the following:

1. Whether the SEP and other social management plans are realistic (relevant, right-sized, and likely to meet appropriate goals, by means commensurate with those goals), timely, of requisite quality, and at sensible cost; and, if this is not the case, to propose amendments to the plan
2. Any emergent or inadequately attended risks or problems
3. Any necessary changes in the SEP and other social management plans to better achieve Company goals.

Evaluation efforts should cover organizational capacity, the state of the current SEP and other social management plans, progress with implementation, and budget. Specific objectives of evaluation are to provide assessments of:

1. Level of compliance in implementation of the SEP with RoC laws and regulations, Company policies, and relevant international standards
2. Impact on quality of life resulting from SEP implementation activities
3. Actions taken as result of monitoring to improve impact of the social management plans and to mitigate any negative impacts.

SEP evaluation is not primarily a paper evaluation effort. The majority of time of an evaluation mission will be in local communities observing how the affected people are faring, in terms of their productivity, health, vision of the present and future, and the strength of their social structures.

Evaluation will be carried out as part of an overall independent, professional review of social management plan implementation. The proximate purpose of each evaluation mission is a report of highest quality, provided in a unified draft before leaving the field. Each draft will be provided to the

Company and to the Community Liaison Committee for comment. Each final evaluation report will become a public document.

To begin, the Company anticipates two evaluation missions: at 12 months and 24 months following initiation of construction activities. The Company anticipates undertaking regular five-year evaluations, beginning in the fifth year following initiation of construction.

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7 ELABORATION AND IMPLEMENTATION

7.1 Elaboration Strategy

This document provides a comprehensive outline of the Stakeholder Engagement Plan for the Project, as well as a work plan and budget for its elaboration and finalization over the months ahead.

As noted above in Section 6, the SEP will remain a “living document,” which will be updated regularly. The present version of the Plan will be reviewed by the Lender Group. Subsequent to this review, the Company and its consultants will align the SEP with the insights of the Lender Group.

An eight month timeline for the elaboration and finalization of the Stakeholder Engagement Plan is proposed, as follows:

1. Ongoing Engagement with Stakeholders including disclosure of ESIA
2. Lenders Review -- April to May 2009
3. Finalize Stakeholder Engagement Plan in advance of disclosure -- July to August 2009
4. Disclose Plan (30d) and Update -- September to October 2009.

A more detailed work plan and schedule is provided in **Figure 1**.

Figure 1: Work Plan + Schedule, Stakeholder Engagement Plan

STAKEHOLDER ENGAGEMENT PLAN WORK PLAN + SCHEDULE	2009											
	January	February	March	April	May	June	July	August	September	October	November	
	12 19 26 31	5 12 19 26	2 9 16 23 30	6 13 20 27	4 11 18 25	1 8 15 22 29	6 13 20 27	6 13 20 27	7 14 21 28	5 12 19 26	2 9 16 23 30	
1.0 Prepare Framework Stakeholder Engagement Plan Review with Client												
2.0 Prepare Draft Stakeholder Engagement Plan Prepare SEP - Draft 2 to include revisions, Client's comments Finalize SEP - Draft 2 for lender review												
2.0 Align with Lenders Circulate SEP - Draft 2 to Lenders Hold workshop with Lenders + Representatives (EDC, MF) (TBC) Prepare SEP - Draft 3 to include Lenders' comments												
3.0 Engage with Stakeholders Cultivate relationships w key stakeholders Conduct public meetings / forums at bloc, brigade or centre village level Update communications strategy Implement social management plan engagement activities Hold CP engagement activities Hold CDP engagement activities Hold HAMP engagement activities Implement ESIA/ESMS Public Disclosure and Consultation program Hold Introductory Meetings (x18) Open Temporary Public ESIA Information Centres (x3) Hold Public ESIA Presentations / Open House Days (x5) Hold Public Feedback Forums (x18) Prepare ESIA Public Disclosure and Consultation Report Submit Final ESIA/ESMP Hold additional Disclosure and Consultation Activities Hold Technical ESIA/ESMS Workshops (x2) Establish Public Information Centres (2) and Noticeboards (5) Form Community Liaison Committee, building on CPNC Consult w stakeholders Develop draft ToP and solicit members Convene first meeting in September Design grievance management mechanism, building on CPGMM Prepare vulnerables engagement strategy Encourage informal engagement strategy												
4.0 Prepare Final Stakeholder Engagement Plan Prepare Draft Plan Translate Draft Plan into French Prepare Draft Non-Technical Summary Translate Draft Non-Technical Summary into French Review Highlights of Draft Plan with External Stakeholders												
6.0 Disclose Plan (30d) and Finalize Disclose Draft Plan and Summary for 30d Local disclosure (RoC) International disclosure Prepare Comment-Response Document Prepare Final Plan												

7.2 Implementation Strategy

Importantly, implementation of SEP activities is ongoing. Activities conducted over the past four years have been recorded in this document. In many cases, for example, as with monthly village meetings, these initial stakeholder engagement activities continue; however, their practice has been refined and formalized through the elaboration of this Plan.

Figure 1 above outlines key implementation activities in the months ahead, including:

1. Public meetings at the bloc, brigade or center village level -- ongoing
2. The update of the communications strategy (as described in **Section 5.4**) -- ongoing
3. Implementation of social management plan engagement activities (as described in **Section 5.2** and the respective plans) - April to October 2009
4. Implementation of the ESIA Public Disclosure and Consultation program (as described in **Section 5.1**) -- April to August 2009
5. Establishment of Public Information Centres and Noticeboards (as described in **Section 5.6**) -- April to August 2009
6. Formation of Community Liaison Committee (building on Compensation Plan Negotiations Committee) (as described in **Section 5.3**) -- August to September 2009

The Company will provide sufficient management sponsorship and human and financial resources on an on-going basis to ensure effective and continuous implementation. The team required to undertake this work includes a mix of Company staff and consultant staff, as follows:

1. Director of HSEC and Assistant Director General, both of whom are full-time expat employees, will participate in important engagement activities, and will provide strategic oversight of Plan elaboration
2. Community Liaison Department Director, who is a full-time expat employee and responsible for the overall stakeholder engagement process, including the Grievance Management Mechanism. He will be assisted by --
 - a. Stakeholder Engagement Advisors, who are part-time expat consultants and responsible for strategic development and document review
 - b. Community Liaison Officers (n=3), who are full-time local employees of the Company and responsible for assisting the Community Liaison Department Director with stakeholder engagement activities
 - c. Grievance Coordinator, who will be part-time local employee of the Company and responsible for working with the Community Liaison Department Director on the management of grievance cases as per the mechanism described above.

The Company will train employees in those aspects of the SEP that are relevant to them, and, more generally, in social assessment and management, including roles and responsibilities for on-going social and environmental management and stakeholder engagement. Training programs typically have the following elements:

1. Identification of employee training needs
2. Development of a training plan to address defined needs, including communication skills, problem solving skills, Company policies and procedures, etc.
3. Verification of compliance with training programs and organizational requirements
4. Training of target employee groups

5. Documentation of training received
6. Evaluation of training received.

Training should ensure that employees have an appropriate knowledge base and skills to perform their work, including current knowledge of RoC regulatory requirements, the results of the impact assessment, the content of the Social Management Plans and the methods required to perform specific activities in a competent and efficient manner.

All Stakeholder Engagement staff should receive sufficient training in mining, the mine life cycle and each other's areas (i.e., Community, Environment and Human Resources) to ensure that communication provided by all departments is provided in appropriate formats and based on accurate information.

An overall organizational chart for the Stakeholder Engagement team is presented in **Figure 2**.

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