



# Geita Gold Mine – An Overview

Presentation to Development Partners Group (DPG)

Geita, 23 April 2013



ANGLOGOLD ASHANTI  
CONTINENTAL AFRICA REGION

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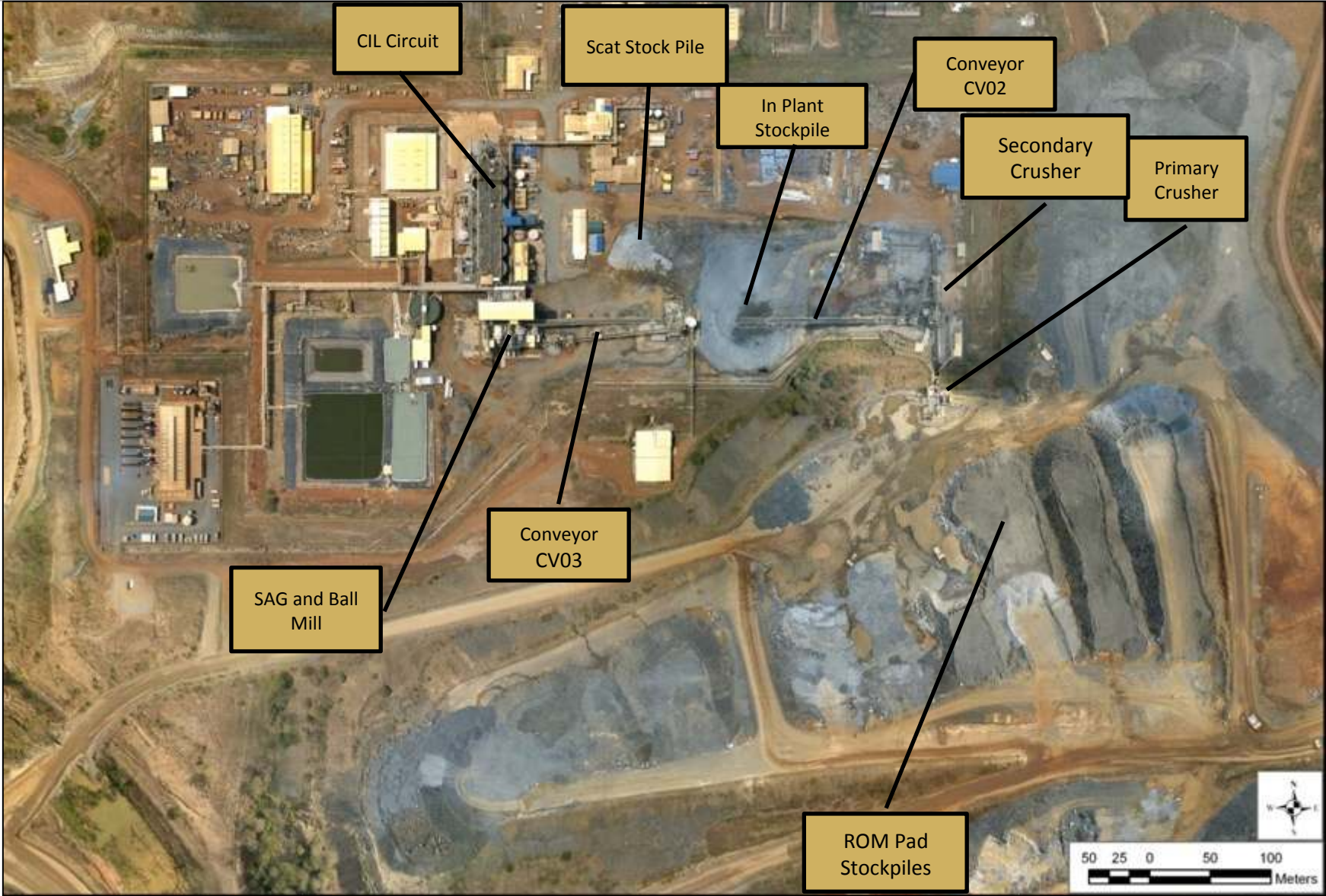
# What this presentation will cover

- **An introduction to Geita Gold Mine**
  - our history
  - our community
  - our contribution to Tanzania
  - our employees
- **Our approach to sustainability**
  - Our overall approach in Africa
  - The internal SDF and the external DPF
  - The Millennium Village Project at Geita
- **Our top 5 issues at Geita**
- **The environment**
- **Human Rights and the Voluntary Principles**
- **Challenges**
  - Community
  - Artisanal and small scale mining
- **Examples of some of our work**

# Site location and layout



# ROM Pad and Process Plant Layout



# Our history at Geita Gold Mine



Gold discovered

1896

1930

Systematic Exploration

Geita mine produces  
1 million ounces

1936-1966

Geita Mine closes

1994

Cluff begins exploration



Ashanti acquires Cluff

1996

1998

Ashanti acquires Samax



Nyankanga open pit starts

Aug 1999

First ounce poured in August 2000

AngloGold acquires 50% of  
Ashanti's Geita Gold Mine



GGM produces 1 millionth ounce

2002

2004

Merger of AngloGold & Ashanti.  
2Mozs produced

3Mozs produced

2005



2006

Owner mining,  
performance decline.

4Mozs produced

2008



2009

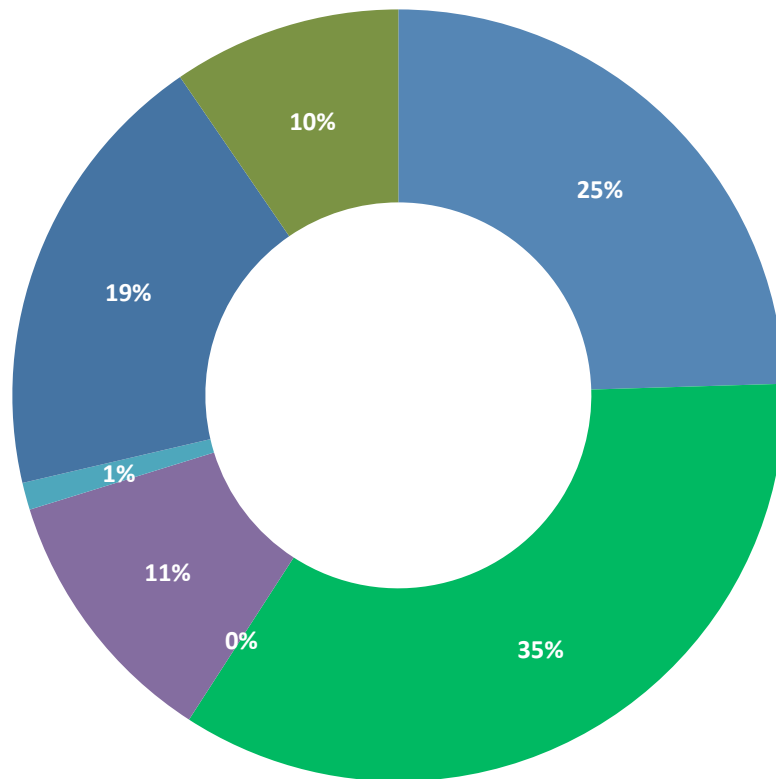
Project ONE

Turnaround complete, stabilising  
& optimising. 5Mozs produced

Jul 2011



# Our overall contribution to the Tanzanian economy

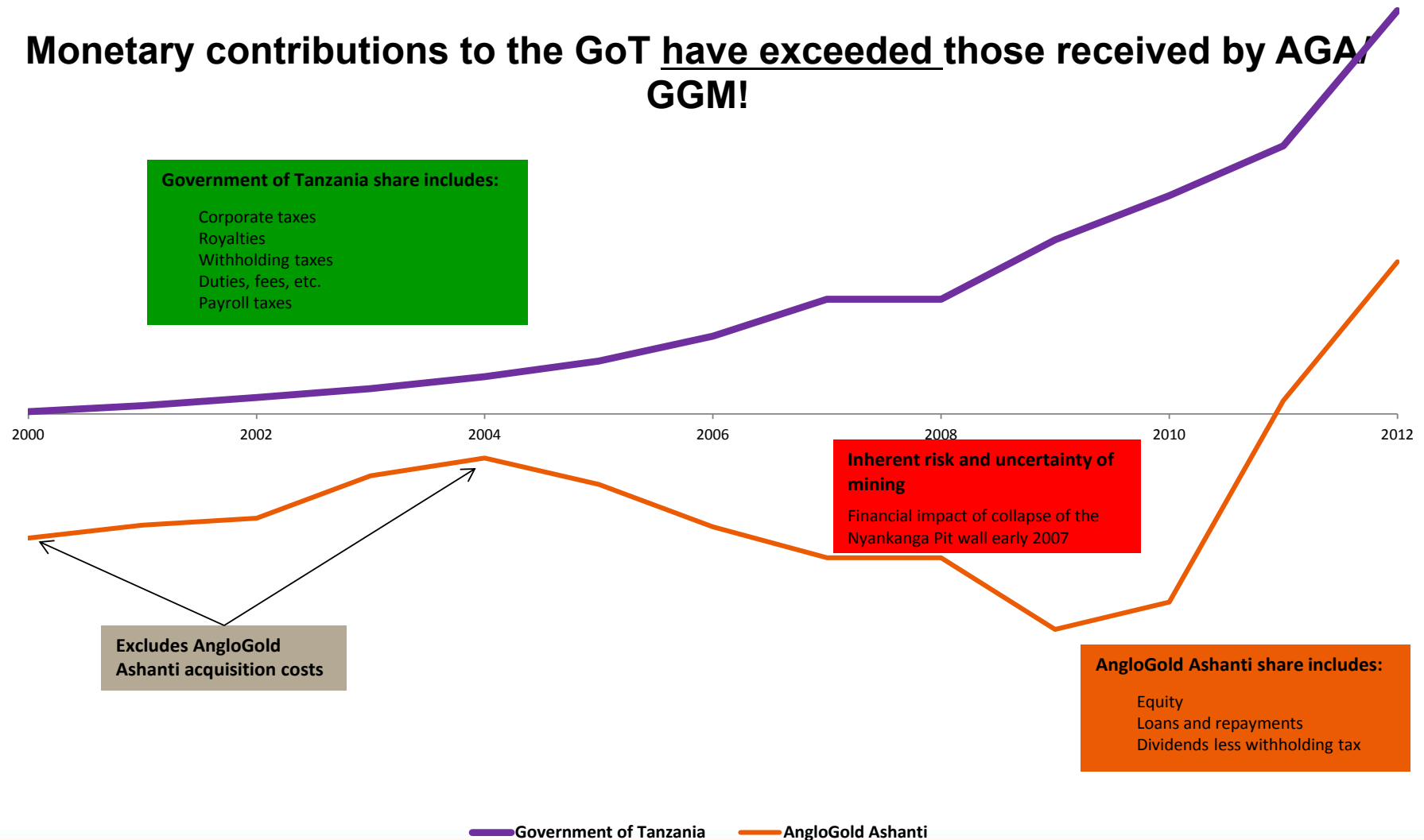


- GGM has invested over **Tsh 957 Billion** in Geita since 2000.
- In 2012 alone, GGM contributed over **Tsh 327 Billion** in taxes and royalties to the Government.
- Making GGM one of the single largest tax payers in Tanzania.
- To date GGM operations have contributed over **Tsh 805.7 billion** to government revenue through taxes, fees and royalties.
- Since its inception GGM has spent over **Tsh 829 billion** in procurement of local good and services

# Our contribution to government revenues

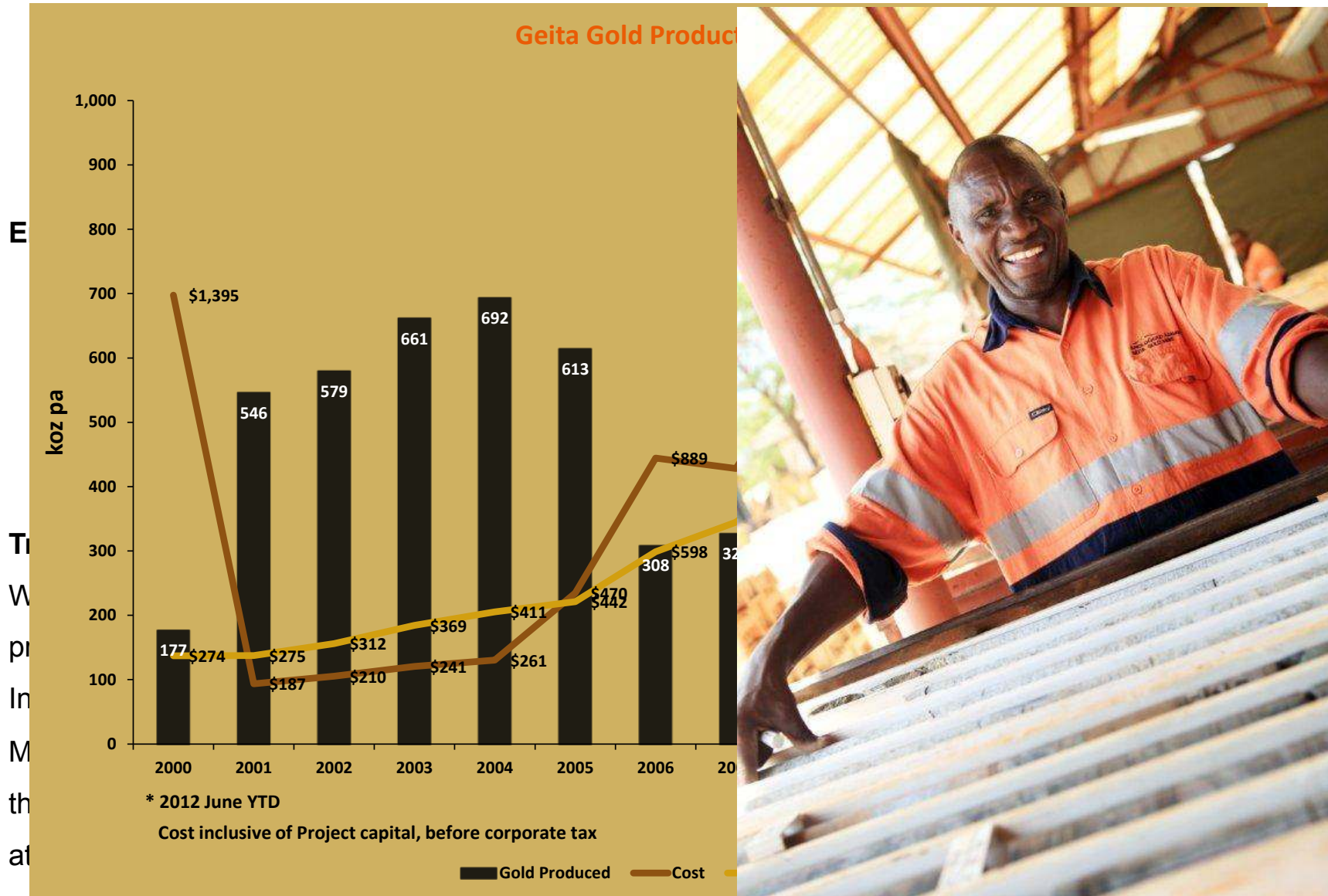
This graph demonstrates the cash invested in and received by the government of Tanzania and by AngloGold Ashanti from the year 2000 to 2012 (in US\$)...

**Monetary contributions to the GoT have exceeded those received by AGA/ GGM!**

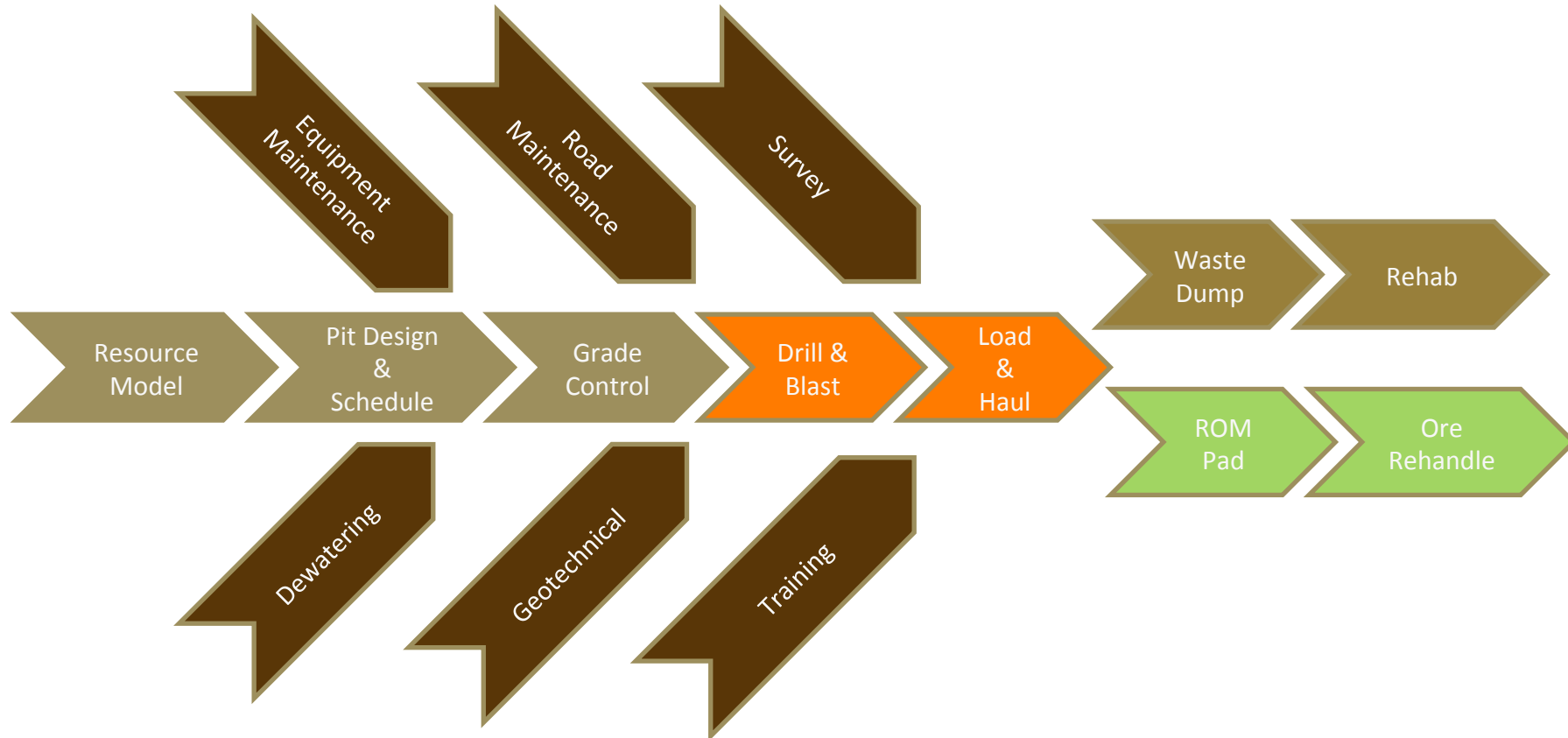




# Improved performance



# Activities in Geology & Mining



**Owner operator activities:** Technical services (resource modelling, pit design & scheduling & blast design), load & haul, ore rehandle, most of the HME maintenance, training, dewatering and road maintenance

**Contracted activities:** Exploration & Grade control drilling, drill & blast and waste rock dump profiling for rehabilitation

# Mining Production Description



Ore hauled to run-of-mine (rom) stockpiles

Waste material hauled to dump



Stockpiled ore loaded into primary crusher



Crushed ore stockpile



Nyankanga Pit



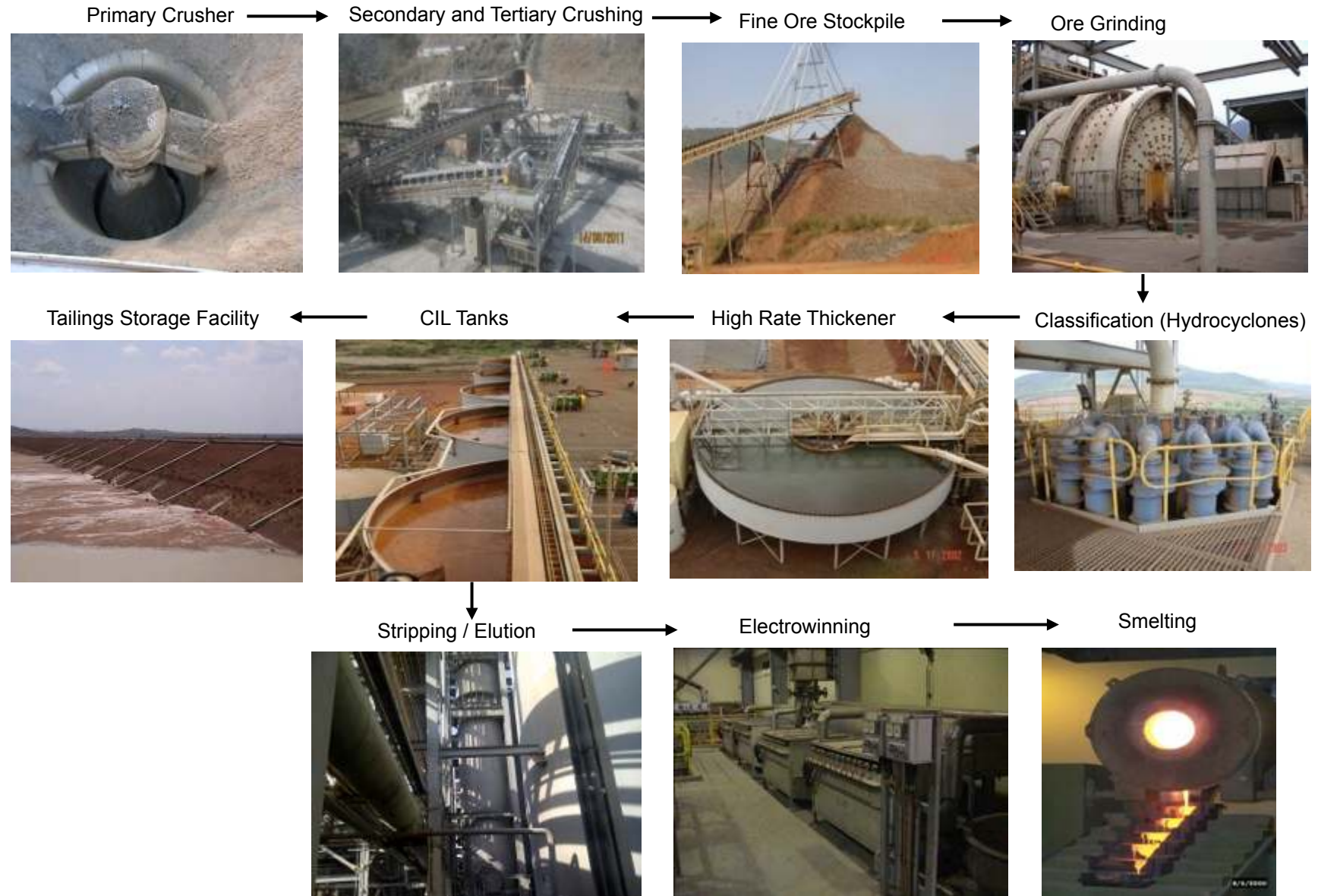
Waste material tipped onto dump



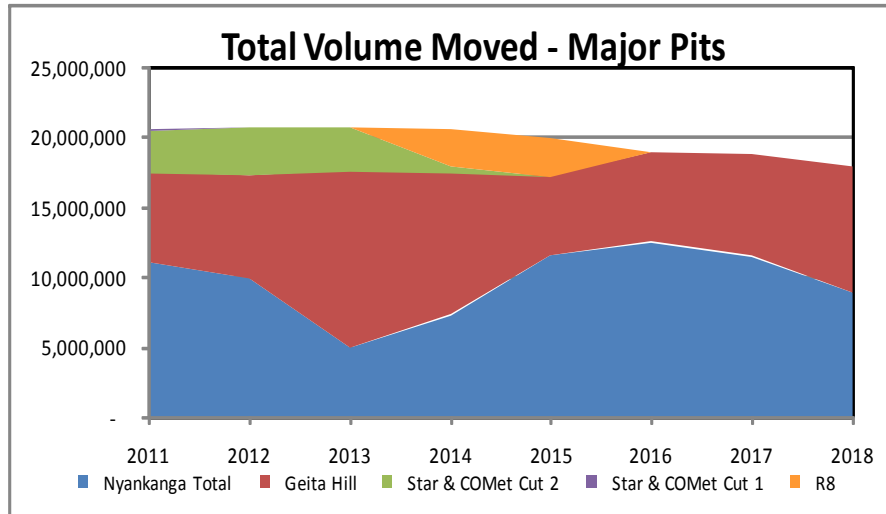
Reshaping waste dump for rehabilitation



# Process Plant Description



# Mining key statistics



## Key statistics 2012

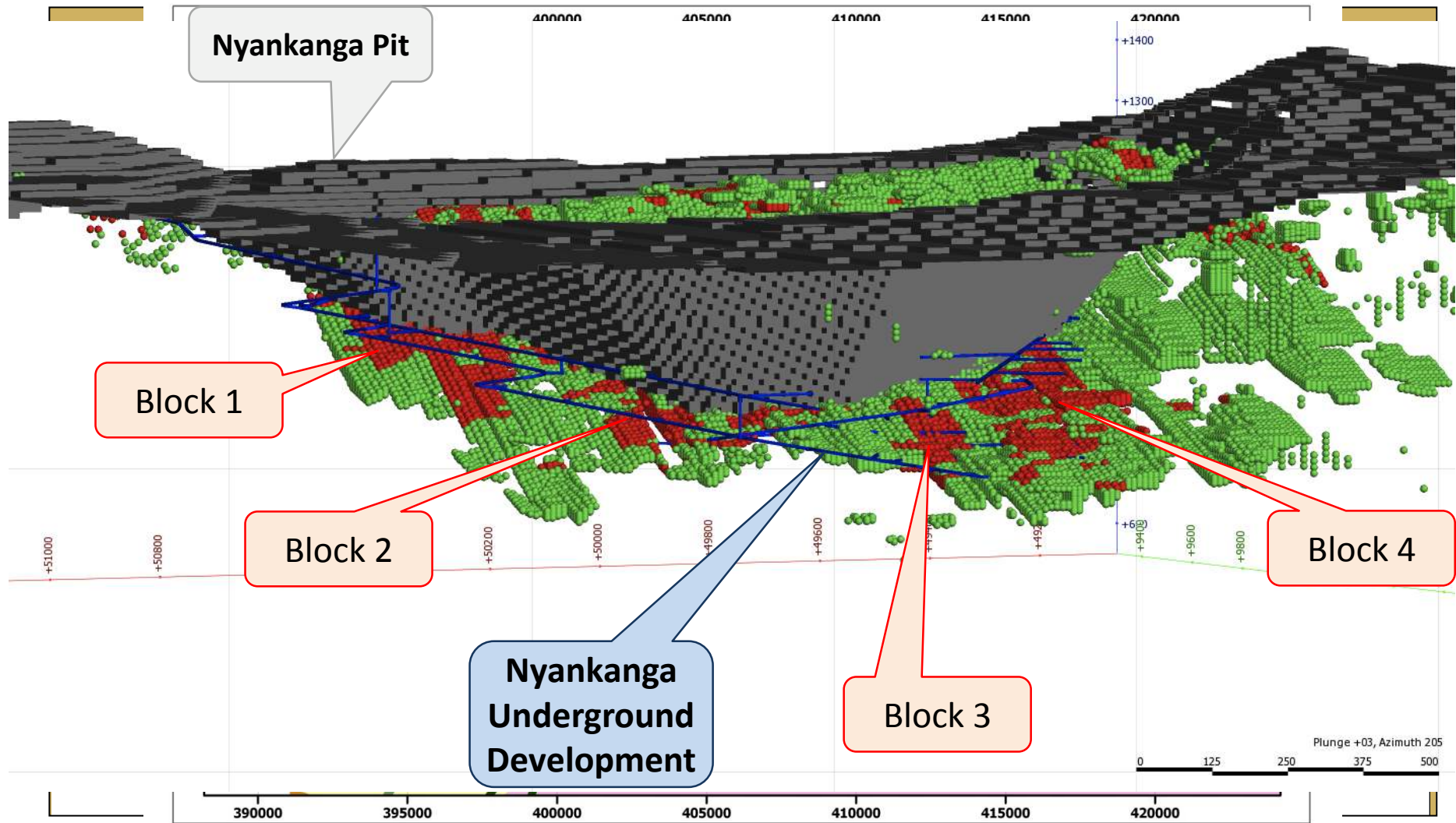
- Total tonnes mined (mt) 58.3  
(tpd) 150,000
- Ore mined (mt) 5.8
- Waste mined (mt) 52.5
- Stripping ratio (t:t) 9.1
- Mined grade (g/t) 3.07

## Equipment list for 2012

- 8 x MT4400 trucks (240t)
- 12 x CAT785 trucks (145t)
- 8 x CAT777 trucks (90t)
- 1 x RH340 Terex shovel (28m<sup>3</sup>)
- 1 x RH170 Terex shovel (20m<sup>3</sup>)
- 2 x RH170 Terex backhoe(18m<sup>3</sup>)
- 1 x Liebherr 994 backhoe (15m<sup>3</sup>)
- 6 x DML Atlas Copco production drill rigs
- 4 x D1500 Pantera Sandvik production drill rigs
- 6 x Track dozers
- 2 x Wheel dozers
- 4 x Water trucks
- 4 x Graders



# Future development



# Our community in Geita

- Geita Region has an estimated population over 1 million people.
- GGM is located in the Geita District, Geita Township.
- Geita Gold Mining Ltd (GGM) is a significant contributor to exports & GDP.
- GGM is surrounded by approximately 18 villages in its impact zone/catchment area.
- The population of the community in the impact area is estimated to be >150,000 people.



## Our employees



- **GGM provides over 1,600 direct jobs, with a further 2 000+ jobs through contractors and suppliers.**
- Over **95%** of GGM employees are Tanzanian and we have an aggressive localization program that aims to ensure our workforce is 97% Tanzanian by 2016.
- From 2000- 2012 GGM paid **\$ Tsh 167 Billion** in PAYE (employee)taxes to the government.



# Our approach to sustainability: AGA in Africa

A new model for sustainable resource development



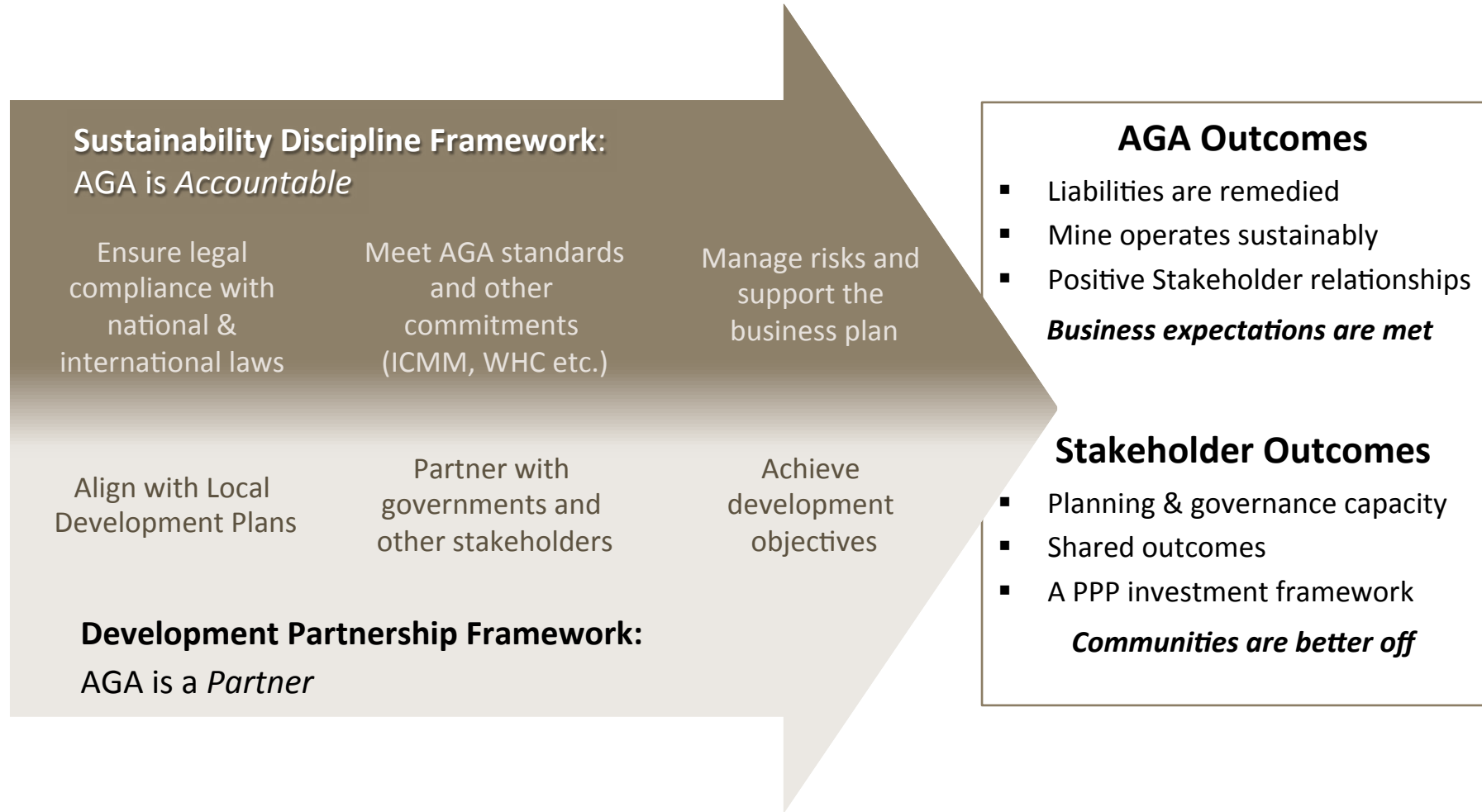
Our operations generate financial, social and economic benefits. We work through partnerships to:

- Enhance the skills of employees, social and business partners, building capacity for development in the countries and communities in which we operate
- Establish a foundation for long-term engagement
- Become the partner of choice for host governments and communities

# We have two 'strands' to our sustainability approach



## *INTERNALLY we focus on the Sustainability Discipline Framework (SDP)*



## *EXTERNALLY we focus on the Development Partnership Framework (DPF)*

# Millennium Village Project at Geita



The **Millennium Villages Project** is Africa's largest systematic and scientific effort to achieve the **Millennium Development Goals**. Since 2006, the program has demonstrated in 10 countries that low-cost investments in agriculture, health, education, infrastructure and business development can empower communities to reach the Goals.

**AGA is now building on those lessons.** Geita is one of two sites where we are piloting an approach to formulating a MDG-Based Mine Sustainability Strategic Plan **in collaboration with the MDG Centre at Columbia University**. The approach could then be replicated at other Business Units within CAR.

### The Millennium Development Goals

Poverty & Hunger		1		5	Maternal Health
Universal Education		2		6	Combat HIV/AIDS
Gender Equality		3		7	Environmental Sustainability
Child Health		4		8	Global Partnership

Aligning with the MDGs offers several potential benefits

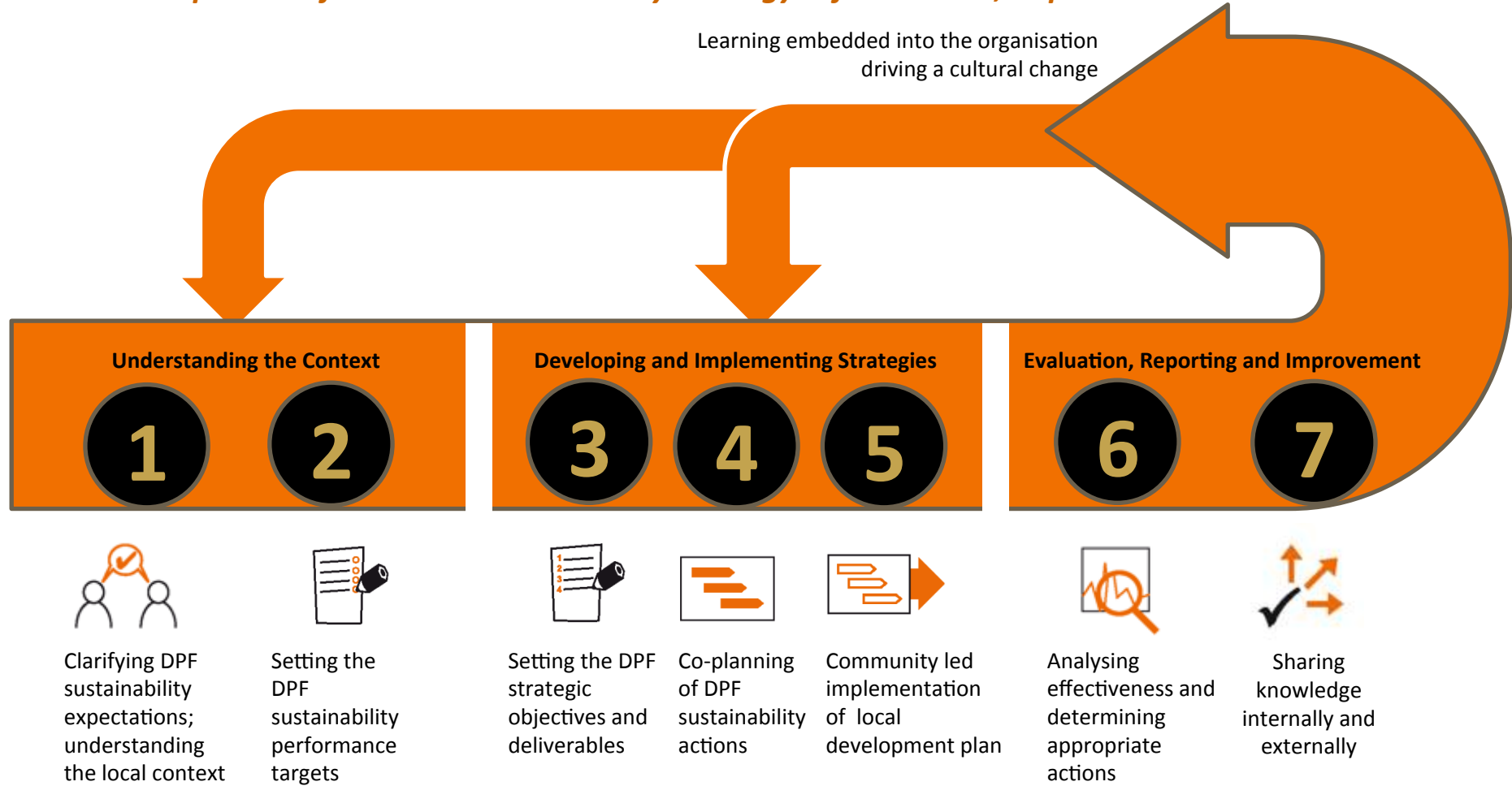


- Build AGA's reputation
- Align with community- and country-led development
- Open doors to partnerships
- Leverage additional resources for host communities
- Maximize return on sustainability investments
- Move toward preferred operator status

# The DPF Process flow

*The DPF component of the mine sustainability strategy is formulated, implemented...*

Learning embedded into the organisation  
driving a cultural change



*...monitored and adjusted in accordance with AGA's business planning process*

## Our top five sustainability issues at Geita



- **Safety** – Embedding safety values, driving the right safety culture and behaviours through leadership. Avoiding repeats incidents, LVs.
- **ASM: Illegal/Artisanal/small-scale mining** – security, environment, business impacts. ASM Strategy Developed.
- **ARD Management & Closure Planning** – Successful Management, TSF and groundwater management.
- **Land, Compensation & Valuations** – impacting business. Land & Compensation Strategy Under Development. Highest standard applied. Overcoming compensation syndrome.
- **Community Projects & Engagement** – Managing legacies

*These are all cross cutting issues that touch on many aspects of the business such as....*

## Other challenges in our relationships with stakeholders



- Flaws and bias in the land management and compensation process give rise to tensions and complexities.
- Theft of company property and collusion with GGM staff particularly around diesel theft –remains a constant challenge.
- Cattle grazing into the GGM lease area posing a potential risk to animal and human health.
- GGM frequently deals with third-party fatalities; perceptions of human rights violations; and sexual assaults. There were 24 third-party deaths in 2012.
- Stakeholders' negative perception of the mining industry, i.e. earning/making extraordinary huge profits.
- Donor-dependence syndrome which limits the spirit of self reliance and active participation into development initiatives.
- Managing community needs and expectations in budget and service constrained Region.

- GGM's environmental policy and management systems provide specific considerations and effective management of:
  - Hazardous Materials
  - Process Slurry (Tailings)
  - Domestic & General Waste
  - Noise & Vibration
  - Ambient air & water quality
  - Flora & Fauna
  - Acid Rock Drainage (ARD)
  - Meteorological & Hydrological Parameters.

- EMS at GGM is part of the organisation`s management system that is developed to implement **Environmental Policy** & manage the environmental **aspects**.
- Environmental Policy prescribe commitment of GGM to:
  - Pollution Prevention
  - Compliance to legal & other requirements
  - Commitment to Continual Improvement.
- EMS is ISO14001 certified, since 2001.



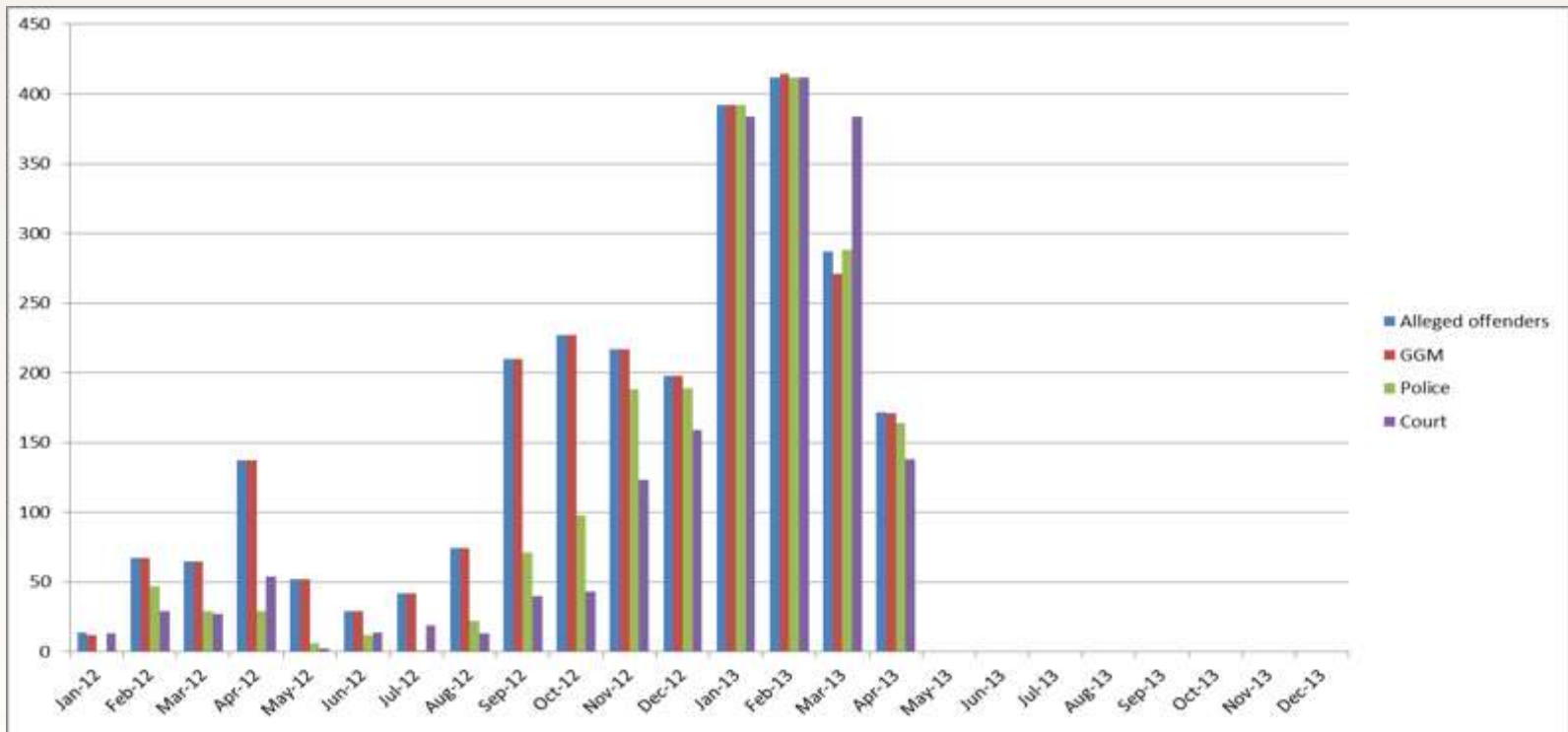
- We are signatories of the Voluntary Principles on Security & Human Rights (VPSHR)
- Third Party fatalities related to intruder deaths on site (unsafe mining practices, drownings, interaction with haul truck).
- All Human Rights allegations investigated in the most transparent and open manner, consistent with the VPSHR.
- Police investigate all incidents. MADINI informed routinely of any events and fatalities.
- MoU with Tanzania Police Services signed in December 2012.
- Exploring conflict resolution model with Search for Common Ground.

## Challenges: artisanal & small-scale mining

- ASM & illegal activity remains a significant challenge at GGM and other companies in Tanzania and globally - recent invasions with people looking for waste rocks from our waste dumps and ROM Pads.
- Illegal Mining Activities within GGM leased area. This has been affecting the relationship between GGM and local communities
- ASM Strategy and approach to Security underpinned by unwavering commitment to Human Rights, transparency and credibility. As with all matters, we observe the VPHRS.
- GGM has developed a comprehensive ASM Strategy to mitigate risks and impacts associated with illegal mining.
- **We are working in partnership with the World Bank, Africa Barrick Gold and Government of Tanzania to co-create solutions to enhance formalisation of ASM sector.**

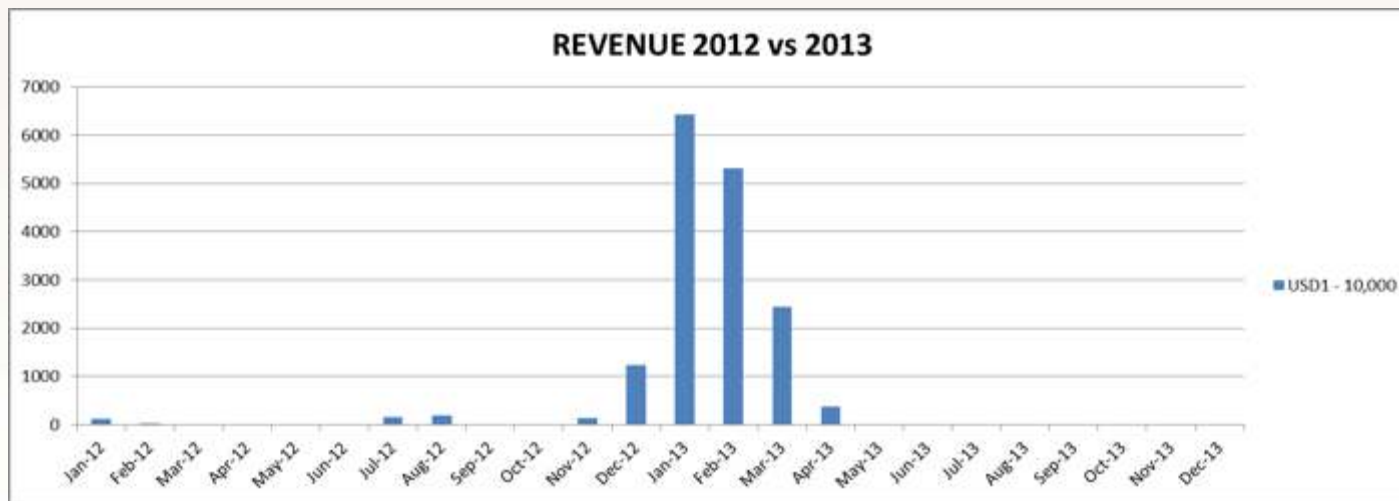
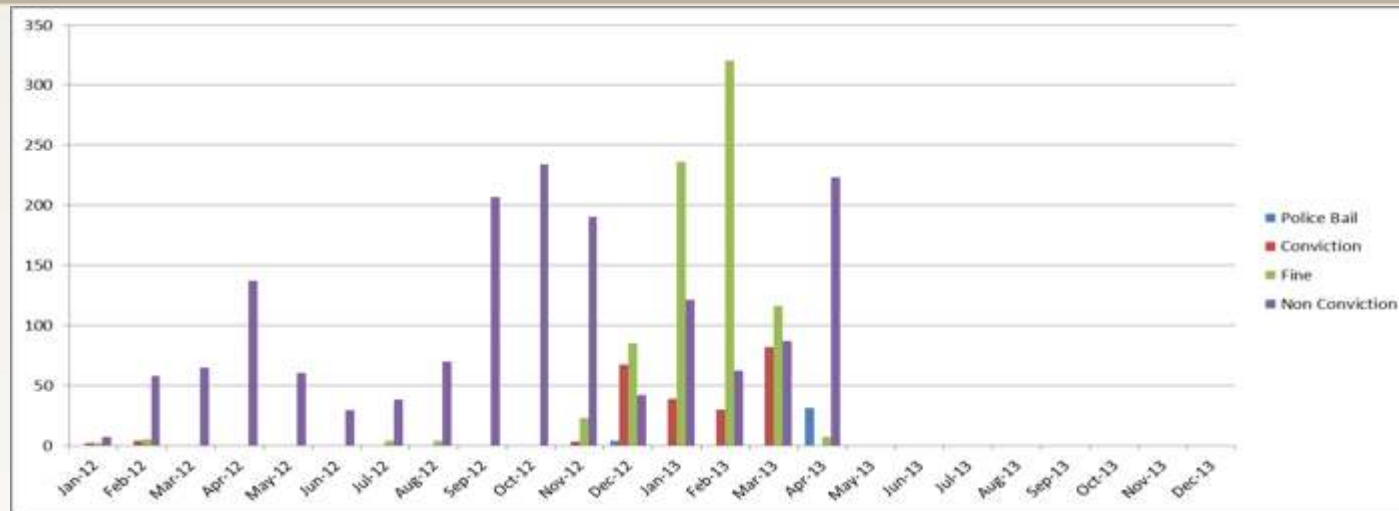
# APPREHENSIONS vs COURT APPEARANCES

ONE



# JUSTICE REVENUE & CONVICTIONS

ONE



# Intruders on the active mine site



## Intruders on the active mine site (continued)



# Intruders on the active mine site (continued)



## Some examples of our work: health

*GGM's health projects impact over 150,000 people in the region and beyond*

- Facilities: Nyakabale Dispensary; Geita District Hospital.
- HIV/AIDS: Geita Town & Employee VCT (AMREF).
- Geita malaria control program (NIMRI).
- Rafiki cleft palate surgery.
- **Most Vulnerable Children:** Moyo wa Huruma orphanage.
- Road Upgrades (USD \$1.2M per annum)





## Some examples of our work: health (continued)



- The company is constructing a dispensary at the neighbouring Nyakabale village. This project is planned to be completed at a total budget of USD 200,000.
- Since 2004, GGM has provided support of more than USD \$250,000 to Geita District Hospital.
- Constructed Theatre Unit and Staff Quarters House at Karumwa Health Centre at the cost of USD 11,700.
- GGM has been supporting AMREF, eg. the company supported USD 148,087 for the year 2010. Supported construction of OPDs at Bukoli and Kasamwa Health Centres at a total cost of USD 49,000.
- HIV Programs and testing extending to community.
- Community Health Baseline Study planned for 2013.

### *Geita is the fastest growing town in east Africa*

- GGM has invested over USD \$6 Million in the Geita water project.
- The water project will bring clean water to 100 000 inhabitants in and around Geita town
- The Project will boost health and quality of life in Geita
- The Project will provide revenue for Geita Authorities
- The Project will contribute to local development
- UN MDG of access to water will be achieved in Geita



## Some examples of our work: education & livelihoods



- GGM has invested USD \$ 4 Million on the Nyankumbu Girls Secondary School
  - Construction of classrooms
  - Dormitories
  - Student numbers expected to increase from 600 to 900 upon completion
- VETA Moshi (IMTT training program)
- Nyakabale market gardens

## Some examples of our work: Kilimanjaro Climb

- The Kili Climb is in its 11<sup>th</sup> year.
- The initiative has raised over 4 billion Tshs to date.
- Funds are dedicated to national HIV/AIDS programs.
- Recipients include TacAIDS, orphanage, AMREF, Benjamin Mkapa foundation.



# ASANTE SANA – QUESTIONS?



ASANTE SANA – QUESTIONS?