

ARTISANAL AND SMALL-SCALE MINING (LEGAL AND ILLEGAL)

 **Data tables**
www.aga-reports.com/19/asm#tables

 **Alignment with UN SDGs**
www.aga-reports.com/19/asm#sdgs



SUPPORTING FORMALISATION

of ASM

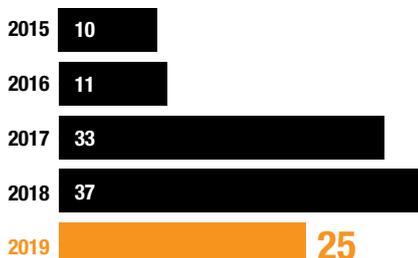
 Iduapriem

ASM often proliferates against a complex web of social, economic, environmental, legal and governance issues. ASM is a catch-all term that comprises artisanal miners who have engaged in manual digging and subsistence gold production for generations, as well as newcomers to the industry who are desperate to make a living. It also involves criminal networks that use exploitative practices to produce gold.

In all cases, there is little or no burden on these producers to rehabilitate the land they disturb, nor standards that govern how they produce their metal. Governments receive no benefit from the development of their natural resources. In some cases, the proceeds from these activities can be used to fund illicit activities, such as money laundering or terrorism, raising the stakes in the search for a lasting resolution.

Fatalities to community members engaged in illegal activities

(number)



Indeed, addressing the issue effectively is a major challenge and doing so will require creative and sustainable solutions. To date, there are a few examples of solutions that could be scaled up to deal with the rise in ASM amid higher commodity prices, climate change, migration and population growth.

This escalation in numbers and the complexity of challenges in some of the jurisdictions where we operate has necessitated a review of mitigation measures. These include additional resourcing and extensive dialogue with all stakeholders.

The impacts of illegal mining continue to be felt by both the company and the illegal miners themselves. As a company, ASM means we experience operational disruptions, and the loss of both gold reserves and production. Further, in instances where previously rehabilitated areas are targeted by ASM, additional rehabilitation costs are incurred.

The impacts for illegal miners are mainly safety and health related, with injuries and fatalities a constant risk alongside the negative health effects of the incorrect use of processing chemicals. The increase in ASM activities has also seen a rise in ASM fatalities as a result of illegal mining activities over the past two years.

The countries where AngloGold Ashanti has operations and projects affected by ASM are South Africa, Tanzania, Ghana, Mali, Guinea and Colombia. We seek harmonious co-existence with legal ASM through a two-pronged approach: providing direct support for the formalisation of ASM and promoting local enterprise development, which contributes to creating alternative livelihoods. We also work with country law enforcement agencies, which assist in protecting our mining tenements.

Our approach supports and promotes the concept of ASM formalisation. As reported previously, this is aligned to the Intergovernmental Forum (IGF) on Mining, Minerals, Metals and Sustainable Development 2013 policy framework, and its 2017 guidance document to help governments implement strategies to regulate ASM. Successful formalisation requires significant cooperation and collaboration between governments, communities, civil society, the private sector and international bodies.

We will continue to work with all stakeholders around the challenges of ASM and illegal mining. We are working to identify sustainable solutions for the benefit of all stakeholders, in particular our host communities where many residents are reliant on ASM-related income.

Injuries to community members engaged in illegal activities

(number)



ARTISANAL AND SMALL-SCALE MINING (LEGAL AND ILLEGAL) CONTINUED

CASE STUDY



FORMALISING ASM

through training and capacity building



Gramalote partners with ASM to formalise mining

The Gramalote project in Colombia, now an equal joint venture between AngloGold Ashanti and B2Gold, is supporting a number of ASM formalisation projects. As in many areas in which AngloGold Ashanti operates, ASM has a long tradition in the area surrounding the proposed mine.

AngloGold Ashanti believes that formalisation of ASM can be important in stopping illegal and unsafe small-scale mining. Gramalote Colombia is contributing land in support of a number of ASM formalisation projects in the municipality of San Roque and its communities of La María hamlet and Providencia village.

Gramalote started a pilot formalisation process in San Roque in 2018 with 18 traditional informal miners from the

La María hamlet. In July of that year, the company, with the support of the Secretariat of Mines of the provincial government of Antioquia, signed an act of mediation with the miners, through which a formalisation subcontract would be granted and 16 mining production units legalised in a 15ha area.

Gramalote has since continued its support for the formalisation processes being rolled out by the San Roque Municipal Administration, signing seven new subcontracts with 40 miners in Cristales, Manizales and El Diluvio.

Material extracted from the recently formalised mines will be processed in a mineral processing plant to be built on the Clarita property, also in the San Roque Municipality. Gramalote will help finance the plant which is expected to process material from all small-scale mines that join the formalisation process.

In another formalisation process in San Roque, led by the mayor's office, seven other mining production units near the Cristales village are in the process of formalisation.

In La María, formalisation began in March 2019 when 18 miners signed a contract that established Sociedad Mineros La María S.A.S. The Secretariat of Mines of the government of Antioquia, after inspections, declared nine of the newly formed production units viable and these have about 60 employees.

A programme was put in place where these artisanal and small-scale miners were trained by SENA, the state institution committed to community education, on issues related to mining safety, good mining practices and working in confined spaces.