

Dear Mr Tibbett

We note that your report on AngloGold Ashanti's operation at Obuasi has been published on your website.

As I indicated in my response to your letter yesterday, we would welcome the opportunity to meet with you to discuss your report and how we are seeking to address the challenges facing AngloGold Ashanti and the communities surrounding Obuasi. It is unfortunate that ActionAid did not contact us prior to the publication of this report but chose rather to reflect the company's views only by quoting passages from our published reports. Despite the fact that our Report to Society runs to several hundred pages every year, we cannot hope to provide the detail behind all of the challenges we face, investigations undertaken, problems identified, consultations held and programmes underway. For that level of detail and particularly the status of current projects and community concerns, we anticipate that interested parties would accept the invitation in our report to make contact with us to allow us to pursue the matter in detail.

Having made that observation, however, I will attempt to deal with the issues you raise in broad terms here, in anticipation of a more detailed personal dialogue.

Pollution and the Environment

We are aware of concerns raised by local residents and NGOs, as well as our own monitoring of water sources, of elevated levels of heavy metals and arsenic in and around Obuasi. The source and cause of these contaminants is not yet entirely understood and is the subject of a continuing investigation by the company.

Cases of the flooding of local property, including the school at Kokoteasua, have been found to have a number of causes; the most common are excessive and unanticipated rainfall and damage to pumping and piping equipment by artisanal miners seeking to divert gold-bearing material to other locations. Where there are such incidents, the causes are investigated and action is taken to prevent future occurrences and to clean up spillages and appropriately compensate people whose property may have been damaged.

The company's own investigations into concerns regarding pollutants in company-provided potable water sources has revealed the water to be of good quality. However, the condition of water is regularly monitored and the issues raised in the report will be further investigated.

With respect to allegations regarding the pollution by the company of land and the inundation of farming property, the company is guided in compensation matters by Government provisions and steps are being taken to implement the guidelines of the International Finance Committee with respect to consultation

and compensation, as is the case in all other AngloGold Ashanti operations. With particular reference to the presence of arsenic in Obuasi oranges, this has been the subject of a long-standing discussion between AngloGold Ashanti and TWN. The company has indicated its willingness jointly to investigate the allegations and to submit specimens taken from the area to independent testing. We anticipate that this will take place shortly.

Your comments regarding the AngloGold Ashanti malaria control programme do require a more detailed rebuttal. Before the programme's implementation, the incidence of malaria in the immediate Obuasi area was in the region of 70% (that is, that proportion of the population would contract malaria at least once a year). Since the implementation of the programme, the number of cases of malaria treated at the Edwin Cade Hospital in Obuasi has dropped from an average of 6,500 to around 3,500 per month.

AngloGold Ashanti takes seriously its responsibility to rehabilitate land affected by open pit mining operations and tailings facilities. Where this is possible, open pits are filled with waste rock and monitored for acid rock drainage to identify early any instances of pollution. We are not aware of any such problems at Binsere, but this matter will be investigated further.

Protection and Compensation

As we observe in our comments above, compensation for losses due to the company's mining activities are managed by reference to Government regulation, but this process is under review.

With respect to protection from spillages from containment facilities, the company continues to design and place these according to best practice guidelines. However, with respect to the legacy of old facilities, management is aware of the risks present and is seeking to mitigate these effectively.

Rights Abuses

You will be aware from our comments in our Report to Society that the matter of Mohammed Awusu has been the subject of a long-standing investigation and disagreement between AngloGold Ashanti management and WACAM and Mr. Awusu himself. Our investigation, supported by an independent review in 2005 and the police concluded that, on balance, Mr. Awusu's injuries were caused by his falling onto a gate spike. The assertion by the doctor who treated him that his injuries were caused by a gunshot wound had not been communicated to us, the independent investigators or the police. This applies to the latest "final" report of the hospital where he was treated, published more than a year after the incident.

We have reached agreement in principle with WACAM and TWM to establish a joint monitoring and investigation group to consider both legacy issues, such as

this one, and any future incidents. It is also our intention that this group should play a role in all incidents involving community claims regarding environmental, community health, safety and security incidents.

On the broader subject of security and human rights, the company is involved in the protracted process of becoming a subscriber to the *Voluntary Principles on Security and Human Rights*, with which you are no doubt familiar. As is anticipated in the *Principles*, these will be incorporated into the training of security personnel. The size of the Obuasi property generally makes it necessary for a degree of collaboration between the company's security department and the local police properly to protect the company's assets. In this area, we will continue to work with the police to ensure that the spirit of the *Principles* is upheld.

One of the most substantial problems facing AngloGold Ashanti (as well as the Government of Ghana) at Obuasi (and several other operations) is the matter of small-scale (and sometimes illegal) miners, or "*galamsey*" (ASM). Here we face the challenge of finding the balance between our obligation to protect our assets in ways which do not infringe human rights and the recognition that small-scale (though not illegal) mining is a legitimate means of earning a livelihood in a gold-rich area. We have initiated a detailed investigation by an independent consultant, who has worked extensively in this area both in Ghana and elsewhere, to assist us in developing and implementing a strategy to manage ASM.

I am aware that my response has not dealt with the detail of your report, but we have been guided by the Conclusion (page 30) of the report, which proposes action in the three areas we address here, rather than a detailed response to each of the allegation. As I noted in my e-mail on Tuesday, my colleagues Paul Hollesen and Andrew Mackenzie, who are responsible for AngloGold Ashanti Community and Social Development and Environmental strategy and oversight, respectively, will be in London next week and will make contact with you with a view to discussing your report and our responses to the problems it raises in an appropriate level of detail.

Sincerely