

African Barrick Gold

Corporate Responsibility Overview

May 2011



**AFRICAN
BARRICK
GOLD**

Overview of ABG

Location of assets

- ➔ Four operating mines, stable environment
- ➔ Over 700Koz of **current** gold production
- ➔ High grade resource base of 26.9Moz¹
- ➔ Portfolio of growth projects
- ➔ \$55m exploration budget – doubled from 2010
- ➔ \$434m net cash position



A major gold producer with significant growth optionality

¹ Comprising 16.8Moz Proven and Probable Reserves and 10.1Moz M, I & I Resources

CSR – ABG Structure



CSR – Key Achievements in 2010 and Priorities for 2011



| Focus | Achievements in 2010 | Targets for 2011 |
|---------------------------|---|--|
| Employees | Further significant investment in skills training, establishment of Bulyanhulu underground training centre and ongoing professional development programmes. | Continue development of ABG as an employer of choice and continue improvement of employee skillsets. |
| Health and Safety | All of AGB's operations achieved one million working hours without lost time injuries in 2010. | Implementation of an ABG health and safety plan that will emphasise developing leadership skills in line management, common OHS standards, and continued development of Tanzanian employees in the OHS profession. |
| Environment | Improvements in hydro carbon management and energy matrix at our operations resulting in significant energy efficiencies and reduction in carbon dioxide emissions. | Continued improvement in energy efficiency and further reduction in carbon dioxide emissions. |
| Community relations | The establishment of a formal site grievance mechanism. This allows us to address concerns raised by stakeholders in an appropriate and constructive manner. | Continue to develop community relations programmes and broaden the range of initiatives. |
| Security and Human Rights | Focus on education in local communities as preventative tool, reduction in general crime levels, MoU's with local police | Further training in Voluntary Principles, continued community engagement |

EMPLOYEES



ABG's Responsibility regarding Employees:

- To maximize local employment , where possible, for people living around the mine sites
- Human capital - career development of employees to reach their full potential
- Consistently provide sound living conditions and safe working environment

Challenges Faced:

- Infancy of Tanzanian mining sector and shortage of skilled Tanzanians
- Labour mobility and staff turnover levels
- Skills shortage industry-wide, especially artisans and engineers
- Short life of mine at Tulawaka

EMPLOYEES: Key Initiatives



- ABG employees 4,600 directly and an additional 5,300 contractors
- Over 90% of our workforce is Tanzanian - ongoing commitment to localization
- Tanzanian mining industry in its infancy - necessitates a systematic process of employee development, skills transfer and succession planning
- Invested over \$2 million In skills development for existing employees in 2010
- High-potential employees undertake our Management Development Programme at the University of Cape Town

EMPLOYEES: Key Initiatives, cont.



- 18 Tanzanian university students are currently receiving sponsorship
- 87 graduates will be undertaking our Graduate Training Programme by year-end (at a cost of over \$1 million per annum)
- Over 5,000 community students have received educational scholarships
- 149 local community students receiving vocational training scholarships on the Integrated Mining & Technical Training Programme

ABG's Responsibility regarding Health & Safety:

- To ensure all employees go home healthy and safe every day

Challenges Faced:

- Lack of experienced and highly skilled workforce
- Development of national OHS staff
- Retention of OHS staff – national and expatriate
 - Highly competitive market
- Standardization of OHS standards across ABG sites
- Intruder related injuries to employees
- Malaria

HEALTH & SAFETY: Key Initiatives



- OHS plan in place
 - Focus on core Critical Risks
 - Aligned standards across ABG
 - Developing “Actively Caring” culture
 - Visible Felt Leadership

- Recruiting professional OHS staff
 - Key personnel in place or in pipeline
 - PDP and succession planning for all staff

- Mine Training Academy
 - Better skilled workforce

HEALTH & SAFETY: Key Initiatives, cont.



- Occupational Health Manager position created and staffed
 - Improved focus on health related standards and performance
- Systems Coordinator position created and staffed
 - Improved ability to analyze and act on data
- Working with CR and Security
 - Strategies to reduce conflict with intruders
 - Better protection for employees
- Malaria control effort
 - Fogging and indoor residual spraying
 - Bed nets and dress codes
 - Improved early detection of disease
 - Rates continue to fall

ENVIRONMENT



ABG's Responsibility regarding the Environment:

- Embedding systems and good practice
- Ensuring transparency and communication
- Saving energy and reducing carbon
- Cyanide Code certification and compliance
- Water management, data organization, water balance models and ARD control
- TSF risk assessment
- Closure planning and costing

Challenges Faced:

- Trained and capable staff
- Legacy issues – permitting, non-compliance, systems and procedures

ENVIRONMENT: Key Initiatives



Energy and Carbon Reduction

North Mara Gold Mine now connected to national grid

- Changed from diesel to hydro power
- Constructed power lines and sub station
- Resulted in 79% reduction of carbon emissions



HOST COMMUNITIES



ABG's Responsibility regarding Host Communities:

- To develop respectful relationships through constructive engagement
- To mitigate any negative impacts of our operations
- To address stakeholder grievances fairly and promptly
- To assist host communities to capitalize on opportunities presented by our operations (e.g. local employment & procurement)
- To contribute to socio-economic development through appropriate partnerships
- To take a “developmental approach” wherever involuntary resettlement is unavoidable

Challenges Faced:

- Poverty and limited Government capacity for social service provision
- Rural settings with high unemployment and low literacy rates
- Infancy of mining sector leading to often unrealistic stakeholder expectations

HOST COMMUNITIES: Key Initiatives



TouchFoundation



- District health authorities
- USAID
- EnGender Health
- Population Services International
- Malaria No More
- Touch Foundation
- Volunteer Surgical Missions
- SHIDEPHA and Bristol Myers Squibb
- Red Cross
- Bridge2Aid
- African Medical & Research Foundation

| Prevalence Rates | HIV | Malaria* |
|------------------|-----|----------|
| Kagera | 3.4 | 41.1 |
| Mara | 5.3 | 30.3 |
| Mwanza | 5.0 | 31.4 |
| Shinyanga | 7.6 | 29.5 |

*Children of 6–59 months tested

Source: Tanzania HIV/AIDS and Malaria Indicator Survey 2007-8 (preliminary report)

SECURITY & HUMAN RIGHTS



ABG's Responsibility regarding Security & Human Rights:

- Compliance with Voluntary Principles on Security and Human Rights (VPSHR)
- Compliance with Security Code of Conduct

Challenges Faced:

- Public Security Alignment with VPSHR
- Private Security Alignment with VPSHR
- Community understanding of VPSHR

SECURITY & HUMAN RIGHTS

Key Initiatives



- VPSHR training to public and private security forces
- Partnership with NGO (Search for Common Ground) regarding third-party VPSHR training
- Independent VPSHR audits
- Independent oversight of police operations under MoU's
- Illegal Mining Strategy – collaboration between Security and Community Relations functions
- Law and Order strategy – wide ranging internal initiative across several disciplines



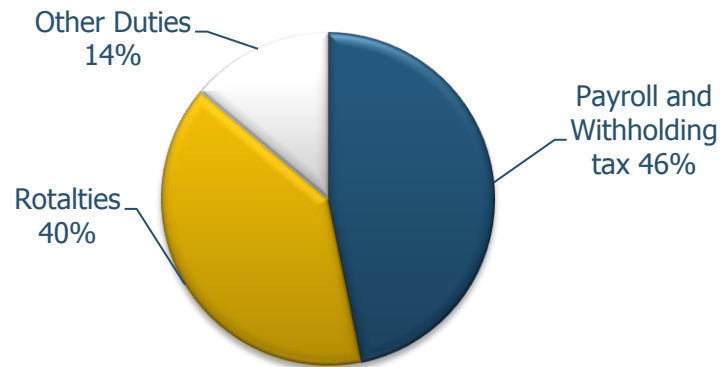
ECONOMIC CONTRIBUTION



Economic Contribution: 2010



Tax Breakdown



2010 Contributions

- The Tanzanian Government received approximately **\$78.7 million** in payments from ABG
- Additional **\$3 million** invested in community benefits
- Significant local procurement spend
- Salaries and benefits