

True Gold response to Business & Human Rights Resource Centre request Feb. 24, 2015

We appreciate the opportunity provided by the Business and Human Rights Resource Centre to comment on recent reports in the media about the Karma Project. At True Gold, our Corporate Social Responsibility policy commits us to the highest standards of transparency and accountability, and states that we:

- Conduct business in a socially responsible and ethical manner
- Protect the environment and the safety of people
- Support human rights
- Engage, learn from, respect and support the communities and cultures within which we work
- Protect the health and safety of all individuals affected by our activities, including our employees, contractors, stakeholders, and the public
- Emphasize the highest ethical standards of behavior and conduct in carrying out our work

True Gold and its predecessor company, Riverstone Resources, have been in Burkina Faso for more than a decade. During that time, we have lived by this policy. We have worked cooperatively with all government, business and community stakeholders as we explored the Karma project, advanced it through permitting, and commenced construction of the mine.

We have employed hundreds of people, worked with numerous contractors in the country, purchased goods and services from within Burkina when available, enhanced community infrastructure, provided access to clean water, and enjoyed broad-based support throughout the Karma area.

In fact, when we held a groundbreaking ceremony marking the beginning of the mine's construction and completion of a large fresh-water barrage in summer 2014, the event attracted over 1500 supporters. They included government, community and religious leaders from nearby villages, and members of our host communities.

The ceremony capped years of working with the community through more than 100 local stakeholder meetings and the Community Liaison Committee, which was set up with the help of the government. The committee included men,

women, religious leaders, NGOs, representatives from Village Development Councils, and representatives from traditional and regional government.

Through this process, we reached mutually agreeable decisions on land compensation and relocation for individuals affected by the mine's operation. Importantly, we also agreed on and built development projects for the community. They included a new barrage designed to provide water to local villages, new water wells, over 1,000 newly planted trees, a rehabilitated school and road upgrades.

True Gold also revised the project plan to reduce potential impacts on residents and agricultural lands, and developed a Cultural Heritage Plan to identify heritage resources and avoid or reduce potential effects from construction.

Through a local employment and training strategy, True Gold identified workforce requirements and skills gaps. Even before construction started, local employees were undergoing training in accounting, risk assessment, geological and water sampling, driving and logistics.

In 2014, with the support of the community and following a government-led public engagement and meeting process, True Gold received all permits required for building and operating the Karma Mine, and obtained full construction financing in August 2014.

Construction proceeded unhindered up to and past the October 30, 2014 coup, after which mounting pressure from the community resulted in the cessation of construction. At the time, mine construction was advancing ahead of schedule and 450 local workers were onsite. The Company is now working with stakeholders to resolve outstanding concerns regarding the project.

However, with development at a standstill, the Company was forced to take measures to conserve its cash until a restart of work is possible. Consequently, 450 people lost the jobs on which they depend for their income and better quality of life. The decision to suspend and stand down our valued workers was made after much deliberation, and is not a step that True Gold has taken lightly. The shutdown was implemented under the provisions of the labor code and the supervision of the Labor Inspectorate. When the situation is resolved, the company plans to call employees back to work.

It is important to note that the Company has followed lawful process to obtain permits and permissions from the Burkina Faso government and the local communities to be on these sites and mine the deposits. The Company is fully compliant with the rules and laws of Burkina Faso, and has the right to build the mine and bring it into production as per our government-approved mine plan.

True Gold has provided guarantees that mining the Rambo deposit will not harm the mosque at Ramatoulaye, and will not cause relocation at Ramatoulaye or Namissiguima. In addition, we emphasize the highest ethical standards of behavior and conduct in carrying out our work. We have rejected violence, intimidation and criminal acts, and we have asked all local leaders and our neighbours to do the same.

We have respectfully asked the authorities and all stakeholders to meet with us immediately to advance dialogue. We have called for participation from all relevant parties to resolve issues and create long-term and sustainable solutions, to bring stability to the community, to the mine and to the industry. Burkina Faso will benefit significantly from the Karma Mine, which will deliver more than US\$162 million in revenue to the Government of Burkina Faso over its mine life and provide estimated economic impact of more than US\$1 billion.

We are in Burkina Faso for the long-term. We believe that we should all work together for the prosperity of the community and Burkina Faso as a whole, and to achieve further community benefits when the mine is in production.



New barrage designed to provide the mine and local communities with water



New water well built by True Gold



Road upgraded by True Gold