

7 January 2016

Catherine Coumens
Miningwatch Canada

Patricia Feeney
RAID UK

By email

Acacia Mining plc (“Acacia”) and North Mara Gold Mine Ltd (“NMGML”) confirm receipt of your letter dated 15 December 2015, together with the public statement issued on 14 December 2015.

You have raised a number of queries in relation to our grievance and remedy mechanism. As we have noted in our previous correspondence with you, our CEO has invited you to meet with Acacia management in London to discuss your concerns and you can contact the undersigned to make this arrangement.

In terms of the matters raised in the statement, which correspond with similar points in your letter, we respond below:

1. Security Situation

As discussed in our previous correspondence, NMGML and Acacia continually monitor the security situation in and around the mine in order to determine the optimal response to any threats, consistent with our commitment to the Voluntary Principles on Security and Human Rights (“VPs”).

Operational deployment and the appropriate security infrastructure (such as cameras and CCTV) form part of this monitoring and review and we will continue to look at best practice in this regard. Additional cameras have been installed over time, with 444 infrared cameras and 14 FLIR thermal cameras providing coverage of the operation. There are on-going discussions with Tanzanian law enforcement agencies in relation to the potential for importation and licencing of other options.

In relation to recent trends, we continue to see lower levels of violent interactions generally across the operation. The exceptions to this trend are two locations on the operation that have seen a continuation of violent behaviour by well-armed and aggressive intruders resulting in injuries to Police, Security and trespassers, primarily in the Gokona Pit. The Pit also carries the significant and inherent risk of falls from height whilst intruders are trying to climb the sides. Trespassers who have been injured at Gokona Pit have been well armed with pangas and spears, are aggressive towards police and security and will attack security and Police in large groups to either enter or exit the Pit. During the course of 2015, we have had 131 recorded injuries to security employees and Police as a result of managing intruders.

Further details regarding our approach to community engagement, security and human rights have been provided in our previous correspondence and can also be found on our website.

2. NMGML Grievance Mechanism

We have previously responded at length in relation to the history and development of the NMGML Grievance Mechanism, which has reflected and responded to the development of these concepts internationally, including as part of the work of Professor Ruggie as reflected in the UN Guiding Principles on Business and Human Rights (“UNGPs”). We have continued to ensure that the grievance mechanism is responsive to the concerns of surrounding communities and otherwise satisfy the effectiveness criteria set out in the UNGPs.

We undertake regular information sessions in relation to the mechanism and will continue with these on a monthly basis in 2016 circulating amongst the various villages. Whilst you refer to community members who have not heard of the mechanism, we have found a good degree of awareness amongst the community members leading to 230 grievances being lodged by community members in 2015. These grievances included 91 human rights-related claims, of which 3 have been found to be substantiated, with 62 found not to be substantiated and the remainder currently being in the process of being investigated.

Nonetheless, we have passed your comments onto Search for Common Ground, in order that they can undertake further campaigns and awareness surveys amongst the community to supplement the work of NMGML’s Community Relations Department.

3. Grievance Resolution Agreements

We have previously responded in detail in relation to the use of legal waivers in grievance resolution agreements. The UN Office of the High Commissioner for Human Rights (“OHCHR”) has recognized that the need by both sides for predictability and finality justifies the use of narrowly-tailored legal waivers in such agreements. The legal waivers used in the mine’s grievance resolution agreements are narrowly-tailored in accordance with this guidance and NMGML will continue to utilise these in order to implement these principles.

In respect of your comments as to the time taken to resolve investigations, as we have noted previously, the resolution of grievances often involves extensive investigation in order to reach a conclusion as to the veracity of the claims, which may include attempting to locate the claimant, verifying the claims made and locating other potential witnesses or other relevant evidence. While a number of grievances lodged are substantiated and an appropriate remedy provided by the Company, sadly, many false claims are also lodged, which take time and resources to investigate. NMGML resolves investigations and claims in an expeditious manner subject to these factors.

The need to undertake a preliminary review of claims lodged in the grievance mechanism is also relevant to your comments in relation to the provision of independent legal services. In the event that the investigation determines that a claim is justified, discussions are held in relation to the individual circumstances of the claimant and a settlement offer is developed. Grievance resolution agreements are always written, negotiated and executed in Swahili, with an English version also executed only in the final instance. The claimant is offered vouchers to fund consultations with independent lawyers prior to signing any agreement, and the contents of the agreement is explained to them by a retired Justice of the Tanzanian High Court prior to signing. We do strongly reject your comments that the retired Justice has been engaging in intimidating behaviour and indeed, consider

this statement to be scandalous and baseless in nature. However, in order to ensure that similar allegations are not forthcoming in the future, we will offer to video-record these sessions in relation to future settlement agreements.

In relation to your claim that community programmes were cancelled, we have previously provided a detailed overview of the various programmes and how these were implemented:

<http://www.acaciamining.com/~media/Files/A/Acacia/documents/Response%20to%20MWC%20and%20RAID%20Field%20Assessment%20Report%20-%20November%202015.pdf>. If you intend to further reiterate this claim, please provide specifics of which community programmes you claim have been cancelled and we will respond to it.

4. Engagement with Acacia and North Mara Gold Mine Ltd

In our various correspondence over the years, we have repeatedly invited you to contact the appropriate and authorised Company personnel in order to discuss these matters, including in our response to your letter of 3rd November 2015 and our letters of July 2014, specifically inviting you to meet with our Acacia management to discuss these points. Alternatively, if you are visiting Tanzania again, we can organise a time for you to meet with the NMGML General Manager. We have not had any contact from you in response to these invitations. As noted above, please contact the writer in order to organise a time for this meeting.

5. Specific cases

We are happy to discuss the specifics of individual cases, and the nature of the remedies in these cases, on receipt of a written authority from those individuals to do so. Alternatively, for those who are not able to provide a written authorisation, those individuals can advise our grievance staff in person of their instructions in this regard.

6. Reporting

Acacia will provide an update on the grievances lodged at all of our operations in 2015 in our Annual Report, and we will ensure that a copy is sent to you on publication. We will provide a breakdown of the numbers of each type of grievance.

Yours sincerely



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