



Shanta Gold Company Limited

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Dar es Salaam,
Tanzania

Joseph Kibugu, Eastern Africa Researcher & Representative
Marti Flacks, Deputy Director & Head of North America Office
Business & Human Rights Resource Centre
2-8 Scrutton Street, 2nd floor
London
EC2A 4RT
United Kingdom

20 January 2018

Dear Messrs Kibugu and Flacks,

RE: RESPONSE TO YOUR EMAIL DATED 17 JANUARY 2018 AND REPORT DATED NOVEMBER 2017

Shanta Mining Company Limited (“Shanta”) has received an email including a Baseline report dated November 2017 (“Report”) from the Business & Human Rights Resource Center (“BHRRC”). BHRRC has requested that Shanta reviews the content of the report and provide a response.

Shanta is responding to the points that have been raised in the report:

Report findings	Shanta Response
Shanta Mining Company has not started exploration and mining activities	Shanta started exploration activities in Singida especially Ikungi in 2004. During that time, a written consent by each land owner was obtained and compensation for anticipated damage followed before accessing the land for exploration activities. This was done through participation with Village government leaders and was recorded. From exploration results, the company applied for three mining licenses which were granted in 2012 namely ML 455/12, ML 456/12 and ML 457/12. The final resource statement is the outcome of the exploration activities within those three Mineral rights which justified the conversion from Prospecting to Mining licenses. Mining and processing of ore activities have not commenced yet.
Representatives of the Community claim that they were not consulted in the ESIA approval	The first Environmental Certificate covering the three mining licenses was granted in 2012 after a very rigorous ESIA process was concluded. The Government oversees the process and the Community was consulted as was indicated by the Local Government

<p>process.</p>	<p>representatives. The proof of consultations in form of photographs and signatures of who attended is part of the addendum to the ESIA write up. Currently, Shanta is in the process of updating its ESIA to align with prospective mining operations. Consultation with the stakeholders including the Community will be part of the approval process as required by law. After the approval of ESIA then, the Environmental and Social Impacts Management Plan will be prepared.</p>
<p>Recruitment of workers is unfair</p>	<p>Currently, 74% of the workforce at Singida Project comes from the Impact Area which is Mang'onyi Ward where the project is located, and the rest are from outside and are Tanzanians. Shanta recruits technical employees based on skills and merit. Companywide, Shanta has a proud workforce of over 600 individuals in Tanzania with a turnover rate lower than the industry average.</p>
<p>Health and safety standards are not maintained for casual employees. Casuals are not compensated for injuries.</p>	<p>Health and safety of all employees and contractors is Shanta's highest priority. Shanta's safety record in Tanzania in 2017 (inclusive of employees and contractors) outperformed the industry benchmark according to ICMM (International Council on Mining & metals). Casuals are compensated for injuries suffered while performing Shanta duties. In Singida's case, Shanta has gone to the extent of assisting in emergency medical cases in the villages through first aid and by transporting the sick to Puma and Singida hospitals 45 and 60 km away. The call comes from the Village Executive Officer.</p>
<p>Shanta Mining Company is not registered with OSHA (Occupational, Safety and Health Authority).</p>	<p>All Shanta operations are registered by OSHA and for Singida has a registration certificate SGS/0165 No. 0928/17/17</p>
<p>Security enforcement</p>	<p>All of Shanta's security personnel including the State Police on duty are trained on Voluntary Principles. Shanta's Asset Protection department is unarmed and does not have access to tear gas as reported in your findings. Shanta maintains demarcation of its licenses and engages closely with the Community through Security and Defence Committee when it comes to security matters.</p>
<p>Land/ property valuation process was not transparent and participatory. Resettlement payment delayed.</p>	<p>Shanta engaged the Community thoroughly prior to the resettlement process. With that process, a Resettlement Working Group (RWG) was formed with 55 members including Government officials as well as Community Reps. Meetings were held and study tours to area covered by the mining licences were arranged and taken. An Independent Valuer was chosen by the RWG and a written consent was obtained from all beneficiaries before accessing their properties for valuation. Valuation was done for everyone pointing out their properties and witnessed by Local Government Officials. The valuation report was held by the Member of Parliament (by people request) for nine months before it was submitted to the Government Chief Valuer for approval. After approval, the District Government re-confirmed the decision</p>

	<p>made by the Government Chief Valuer despite. Since payment is to be done through the bank, education on money management and the banking system was embarked on to empower the beneficiaries. Shanta in consultation with the Government has observed international standards and laws in Tanzania. The process is in its completion stage.</p>
<p>Shanta has not complied with national and international standards</p>	<p>Shanta has successfully operated in Tanzania for over 15 years. Shanta complies with all required regulations and laws. Shanta ensures the highest level of social governance and standards are observed and participates in community building activities through CSR. It is a deliberate investment for Shanta's longevity in Tanzania.</p>
<p>Shanta does not have a project level grievance mechanism in place.</p>	<p>On the contrary Shanta has a well manned and robust Grievance Mechanism in place and works well through the Village Government Offices where the Village Executive Office is the first point of call. All grievances go through that office for recording and identification of the issue at hand.</p>

Regards



Eric Zurrin
 Chief Executive Officer
 Shanta Mining Company Limited

Cc: Philbert Rweyemamu, General Manager – Singida