11th July 2017



Acacia acknowledges the time and effort committed by RAID and MWC to the issues raised in RAID's 6 July 2017 press release. Acacia and the Acacia subsidiary that owns and operates the North Mara mine, North Mara Gold Mine Limited ("NMGML"), has considered their criticisms and attempted to engage with them on the issues that they have raised over the years. NMGML will continue to take account of RAID's and MWC's criticisms and suggestions for improvement, including those repeated in RAID's press release. That said, Acacia also appreciates this opportunity to respond to correct a number of inaccuracies and misrepresentations in the press release which undermine its practical value as constructive criticism designed to assist in improving the situation at North Mara and in Tanzania more generally.

For example, RAID restates a number of inaccurate or misleading allegations about the human rights situation at North Mara, allegations which Acacia and NMGML have consistently refuted over the years. RAID also continues to ignore the extensive progress that has been made North Mara and the efforts made by Acacia's mines to make real differences in the human rights situation in Tanzania, including by supporting training of the police in practical observance of human rights, and providing voluntary remedies or support for people where credible allegations are made that they have suffered violations of their human rights at the hands of the police. The security changes undertaken by NMGML over the past few years have led to a dramatic reduction in intrusions onto to the mine site, which has also reduced the risk of encounters between intruders, police and NMGML's private security teams, and reduced the numbers of reported incidents and security-related intruder fatalities. RAID also over-simplifies the security situation at North Mara, which remains challenging, and misrepresents the current status of the North Mara human rights grievance process.

Finally, rather than seeking to engage with the Tanzanian Government, RAID overstates Acacia and NMGML's corporate social responsibility with regard to human rights violations by the police and suggests that Acacia or NMGML should do the job of the State. Acacia does not and cannot exert any "control over the actions" of the Tanzanian police or other Tanzanian security forces, nor over the reparations or judicial recourse available from the Tanzanian Government, as RAID suggests. Acacia invites RAID and MWC to take their allegations about police conduct to the Tanzanian Government, as the Police in Tanzania are controlled exclusively by the State and they would be responsible for civil remedies with respect to the Police..

The following addresses each of these concerns in further detail.

1. The human rights and security situation at North Mara

RAID has made a number of inaccurate or misleading statements about the past and current human rights situation at North Mara. Its allegations about the period since 2014 with respect to security related fatalities at the mine are vague, demonstrably false and have already been refuted elsewhere. NMGML is required by Tanzanian law to report any fatalities (intruder or employee) on the mine as soon as possible to the Tanzania Police Force and Mines Inspector. NMGML's data going back to 2014, showing the allegations by RAID to be inaccurate, was published in Acacia's 2016 <u>Annual Report and Accounts</u>. We are also not aware of any allegations of sexual assaults in the last five years. We understand that we are one of the few mining companies in the world to disclose non-employee related fatalities within our reporting, which demonstrates our commitment to transparency.

RAID has also failed to acknowledge the extensive progress that has been made in the security and human rights situation at North Mara. NMGML is guided in its relationship with its private security teams and with relevant law and order officials by the Voluntary Principles on Security and Human Rights. It also has made practical enhancements to the mine's security arrangements, including to the security infrastructure to reduce the ability of intruders to enter the site. As a result, as detailed in Acacia's 2016 Annual Report, there has been a dramatic

1

11th July 2017



reduction in the numbers of intruders entering the Mine and entering into violent confrontations with the Police or private security teams, as well as allegations of cases of excessive force at North Mara.

As suggested by the Voluntary Principles Initiative, NMGML is party to a Memorandum of Understanding (MoU) with the regional police force. The MoU commits the police to operating in accordance with international standards, such as the UN Basic Principles on the Use of Force and Firearms and the UN Code of Conduct for Law Enforcement Officials. The MoU also commits the police to undertaking training on avoiding the use of excessive force and other abuses of human rights, and to accountability for sustained allegations of excessive force or other breaches of human rights. Likewise, the private security teams at North Mara commit to codes of conduct and undertake training designed to enhance protection of human rights. NMGML seeks to enforce these commitments.

To that end, NMGML continues to engage with Government and Police officials to seek to assist the Police to improve their capability to avoid the use of excessive force while still effectively maintaining law and order, and to encourage police accountability and government redress for victims of human rights abuses.

Acacia also notes that in February 2016, the Tanzanian Minister of Mines formed a commission to look at the root causes of historic disputes between North Mara and the communities surrounding the mine (mentioned in RAID's release). This commission heard allegations by community members of excessive force by Tanzanian police against people intruding on the mine site. Since then, the Tanzanian Government has shown willingness to address this. For example, on 25 April 2017, the Tanzanian Police Force joined forces with the International Committee of the Red Cross (ICRC), the African Commission for Human and People's Rights (ACHPR), the African Policing Civilian Oversight Forum (APCOF) to launch the dual English-Swahili version of the Guidelines on the Conditions of Arrest, Police Custody and Pre-Trial Detention in Africa, commonly referred to as the "Luanda Guidelines". Since their adoption in 2014, according to the Tanzanian press, "the Luanda Guidelines have represented a significant step forward towards ensuring that law enforcement agencies exercise their power of arrest only when necessary and uphold the rights enshrined in the African Charter in their pre-trial practices and procedures."

2. The security context at North Mara

RAID has overly simplified the security context at North Mara, where there is an ongoing pattern of trespass by individuals, as well as organised armed gangs that raid the active mining areas, looking for rock containing gold that they can steal and sell to illicit processing operations in the area. This pattern of conduct has been exacerbated by the massive migration to the area immediately around the mine since it was established, and the lack of sufficient alternative livelihoods or industries that have developed to support this extra population.

A particularly concerning example of the security threats faced by North Mara occurred in late June 2017, after a Tanzanian MP for the region made public comments encouraging locals to invade the North Mara mine site and "take back the gold" for themselves. Subsequently, North Mara sustained a series of violent, coordinated and well organised raids on its operations by large numbers of people from the wider region, many armed with machetes and other weapons. During these raids, several members of the Tanzanian Police Force were injured by intruders and a number of arrests were made by the Police. NMGML understands that, despite the severity and extent of the incidents, no intruders were hurt during the raids.

RAID's characterisation of these incidents in its 6 July 2017 press release as simply a citizen's protest regarding land issues is misleading, as is any claim that NMGML is taking gold from the people of the area. Acacia and NMGML respect the right to self-determination and the land rights of its communities, and the rights of defenders of human rights. The so-called protest was not, however, an expression of community opposition

11th July 2017



conducted outside the Mine, but instead a coordinated series of armed invasions. Nevertheless, the Tanzanian police responded, as noted, without reports of injuries to intruders.

3. The Human Rights Grievance Process at North Mara

The RAID press release makes misleading statements about the status and functioning of the community human rights grievance process at the North Mara mine. Over the years, NMGML's grievance process has provided voluntary remedies to people who have alleged that their human rights have been violated by the Tanzanian police as the police sought to eject them from the Mine or arrest them for trespassing or theft. The grievance process has also provided voluntary assistance to people claiming they have been harmed by North Mara private security personnel.

NMGML has already taken on board many of the criticisms received from RAID, and is currently preparing a proposed revised grievance mechanism. RAID is aware of this, and of the reasons for the delay in launching a public consultation on the proposed revised grievance mechanism with North Mara's local communities, as well as other stakeholders. Acacia looks forward to receiving practical feedback in due course, including from RAID, towards developing a mechanism which can seek to take account of the best in current thinking about operational level grievance mechanisms and make real and practical progress on the ground in Tanzania.

Acacia observes that some of the other criticisms made by RAID about North Mara's grievance mechanism are more rightly about the barriers that RAID believes are faced by those who wish to bring claims against the Tanzanian State or in the Tanzanian courts in response to allegations of harm by the Tanzanian police.

Acacia also notes that it has been contacted by Deighton Pierce Glynn in the United Kingdom regarding claims by certain individuals relating to North Mara. Acacia is committed to having complaints made against it or any of its businesses dealt with appropriately, including where applicable through human rights grievance processes.

4. Mischaracterisation of corporate social responsibility

Finally, RAID's 6 July press release mischaracterises the corporate social responsibility to respect human rights — a responsibility which Acacia and all of its subsidiaries take very seriously. RAID calls upon the Tanzanian government to require Acacia to address violations of human rights which RAID asserts have been committed by the Tanzanian State's own public security forces (leaving aside the fact that NMGML is the owner of North Mara). RAID appears to suggest that Tanzania is not accountable for its own actions, and that Tanzania should require private entities to control, and be accountable for, the Government's own exercises of authority. These suggestions are legally and factually incorrect (as well as impractical), and misrepresents the nature of and basis for Acacia's corporate social responsibility to respect human rights.

Acacia's businesses accept their corporate social responsibility to consider remedies when faced with allegations of adverse human rights impacts involving their mines. NMGML often chooses to provide a voluntary remedy through its community grievance mechanism, even where alleged adverse human rights impacts are related to North Mara only by virtue of the involvement of the Tanzanian police seeking to maintain law and order in the area of the Mine. NMGML has also been engaging with senior Tanzanian and senior and local Police officials to promote remediation by the State for human rights impacts caused by the police on or in the proximity of the North Mara Mine.

However, as the Office of the High Commissioner for Human Rights has recently confirmed, accepting a corporate social responsibility, including providing a voluntary remedy, does not shift onto private companies the concurrent responsibilities of others. The Tanzanian State retains its own obligations to respect human rights, including with respect to remediation, even where North Mara has accepted its corporate social

11th July 2017



responsibility and operates a community grievance mechanism, and Acacia invites RAID to engage with the Tanzanian State to address allegations of human rights violations caused by public security forces.

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In conclusion, Acacia and its subsidiaries continue to welcome the opportunity to engage with RAID and other critics of our operations. We particularly welcome constructive criticism and practical engagement to seek to advance real progress on the ground in Tanzania. That progress is already well underway, to the benefit of the people living around North Mara. Acacia and its subsidiaries will continue working to see that progress continue.

4