



**MMTC-PAMP**

# North Mara Gold Mine Independent Assessment

Ongoing monitoring of risk management –  
On-site assessment report

**Executive Summary**

September 2022

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## ABBREVIATIONS

<b>ASM</b>	Artisanal and small-scale mining
<b>CDC</b>	Community Development Committee
<b>CGM</b>	Community Grievance Mechanism
<b>EPO</b>	Environmental Protection Order
<b>GoT</b>	Government of Tanzania
<b>HSE</b>	Health, Safety and Environment
<b>IFC</b>	International Finance Corporation
<b>LBMA</b>	London Bullion Market Association
<b>LoM</b>	Life of mine
<b>MOU</b>	Memorandum of Understanding
<b>NAF</b>	Non-acid forming
<b>NEMC</b>	Tanzania National Environment Management Council
<b>NGO</b>	Non-governmental organisation
<b>NMGM</b>	North Mara Gold Mine
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>PAF</b>	Potentially acid forming
<b>PAP</b>	Project affected person
<b>RAID</b>	Rights and Accountability in Development
<b>RAP</b>	Resettlement Action Plan
<b>Resettlement</b>	Involuntary economic and/or physical displacement
<b>SML</b>	Special Mining Licence
<b>SOP</b>	Standard Operating Procedure
<b>TPF</b>	Tanzania Police Force
<b>TSF</b>	Tailings storage facility
<b>UNGP</b>	UN Guiding Principles on Business and Human Rights
<b>VPSHR</b>	Voluntary Principles on Security and Human Rights
<b>WRD</b>	Waste rock dump

## EXECUTIVE SUMMARY

**The overall finding of the independent on-site assessment conducted in February 2022 of North Mara Gold Mine (NMGM) (based on LBMA Responsible Gold Guidance and OECD Due Diligence Guidance) is that there has been measurable improvement in the management of the risks and it is recommended that MMTC-PAMP continues trading with NMGM.**

**Since Barrick Gold (Barrick) took control of NMGM from Acacia in September 2019, there has been measurable improvement in the management of the previously identified risks. As a result of the actions taken by management, the risks have measurably reduced, although the potential significant adverse risks remain high, relating to security forces management, land issues and grievance management. Regarding the management of environmental issues, there has been significant measurable improvement and these are no longer considered to be a high-risk issue.**

As part of MMTC-PAMP's ongoing monitoring of risk management at Barrick's NMGM in Tanzania, Synergy Global Consulting (Synergy) completed a 2020 assessment report (following an on-site visit in November 2019) and the related improvement plan was agreed between Barrick and MMTC-PAMP. Three desk-based reviews of progress were subsequently completed by Synergy in December 2020, July 2021 and December 2021 and submitted to MMTC-PAMP. This assessment and report focuses on Synergy's follow-up on-site visit of NMGM between 31 January and the 5 February 2022. The 2022 on-site assessment follows on from the previous reviews which were based on Barrick's quarterly progress reports to MMTC-PAMP and supplementary information provided by Barrick to support the progress report. The Barrick progress reports were based on the risk assessment, improvement measures and performance indicators in the Synergy May 2020 assessment report.

The on-site assessment of North Mara Gold Mine (NMGM) is intended to support MMTC-PAMP to assess:

- **Progress:** determine if the measures have been properly undertaken and that there has been significant and measurable improvement towards eliminating the risk since the adoption of the risk management plan. This determination includes identifying whether any additional information or additional interviews may be required for further verification of progress<sup>1</sup>.
- **Risks:** Review the assessments of risks made in the May 2020 report against factual circumstances to determine whether any changes made in the risk assessment may be appropriate<sup>2</sup>.
- **Trading:** On the basis of findings relating to progress and risks, decide whether to continue sourcing, disengage or suspend trading with NMGM<sup>3</sup>.
- **Additional measures:** In the event of a decision to continue sourcing, agree any additional measures to be defined in a revised improvement strategy to support ongoing improvement in risk management measures and reflect any changes in circumstances since the original agreed action plan<sup>4</sup>.

<sup>1</sup> As per RGG Step 3.2, p32: "Where Refiners decide to continue relationships as counterparties implement an improvement plan, the principles of good faith efforts to make meaningful improvements in the supply chain must be adopted. The risk management strategies must include measurable steps to be taken by the counterparty, performance monitoring, periodic reassessment of risk and regular reporting to the Board Committee, as applicable. ... The risk monitoring strategy should at a minimum: Identify significant and measurable improvements towards eliminating the risk within six months from the adoption of the improvement plan; ... Formally assess performance to determine that measures have been properly undertaken by the deadline (e.g., through independent audits, a follow-up on-site visit or remote review, as appropriate)."

<sup>2</sup> As per RGG Step 3.4 p33: "Supply chain due diligence is a dynamic process and requires on going risk monitoring. After implementing a risk mitigation strategy, companies should assess if Step 2 of this Guidance should be repeated or for instance if another on-site visit is required. Any changes in the supply chain may require the Refiner to repeat some due diligence steps to ensure effective management of risk."

<sup>3</sup> As per RGG Step 3 p31: "Where known risks or founded suspicion of upstream suppliers sourcing from or linked to any party committing zero-tolerance or high-risk abuses are identified, the Refiner must immediately cease or suspend engagement with the counterparty" and RGG Step 3.2, p32: "After the six-month time frame, Refiners should consider: Suspending the relationship where limited or no measurable improvement can be demonstrated, until the supplier responds to the improvement plan; or Terminating the relationship after failed attempts at risk mitigation and performance improvement. The Compliance Officer and/or the Board Committee should frequently revisit the decision to continue with business relationships under the risk mitigation strategy (i.e. annually, at a minimum)."

<sup>4</sup> As per RGG Step 3.2, p32: "Define additional measures in a revised improvement plan based on the progress achieved within the first six months"

- **On-site visit & consultations:** Determine the need and timing for any additional follow up on-site visits<sup>5</sup> and determine the need to cooperate and/or consult relevant stakeholders.

Given the significant, multiple, and complex nature of the risks involved it is not necessarily expected that all agreed actions can be completed within a defined period of time, nor that it is possible to demonstrate elimination (or significant reduction) in these risks within the period, and that the contextual circumstances are likely to remain highly challenging even where there is significant progress and efforts invested by NMGM in risk management.

**Overview of findings on risks and progress:**

Issue	Risk (November 2019)	Progress	Risk & change* (February 2022)
Security forces management and potential human rights abuses	High	Significant measurable improvement	High ↓
Environmental performance: TSF and water management	High	Significant measurable improvement	No longer High ↓
Land issues: resettlement (historical & future)	High	Some measurable improvement	High ↓
Grievance mechanism	High	Some measurable improvement	High ↓

\* ↓= decrease in risk since previous assessment; ↑= increase in risk since previous assessment; « = no change

The assessment of the relative priority of the issue is based on the current context. Categorisation as either High or Not High Risk is based on the potential likelihood and scale (duration, extent, magnitude and impact on vulnerable groups) of potential risks of company activities contributing to or being associated with significant adverse impacts (as per OECD DDG).

High risk issues that remain of particular note include:

- a very large number of illegal intruders at the site, some of whom are armed and violent and the related ongoing alleged incidents of fatalities and serious injuries linked to public security forces managing these illegal intrusions.;
- the potential impacts on livelihoods due to involuntary resettlement, and;
- access to effective grievance and remedy processes.

Barrick’s senior management have made strong statements of commitment to improving the situation at NMGM. Since taking control of the mine from Acacia in September 2019, the significant improvements in water management and technical development of the mine demonstrate that it is able to achieve long-term systemic change to remedy problems and address their root causes. In line with LBMA Responsible Gold Guidance<sup>6</sup>, NMGM has made good faith efforts to improve management of the issues based on the agreed improvement plan to address long-standing complex issues which require time to resolve and have achieved measurable progress. Successful continued implementation of mitigation measures, including revised and additional recommendations from this assessment relating to security forces, involuntary resettlement and grievance mechanism, have the potential to remedy and reduce the remaining high risks and appear to be feasible (noting that some of the issues may require significant effort and time to effectively address).

<sup>5</sup> As per RGG Section 2.3 p27-28: “The on-site visit should be ... Followed up, depending on the number and severity of issues identified and documented in the improvement plans.”

<sup>6</sup> As per RGG Step 3.2, p32: “Where Refiners decide to continue relationships as counterparties implement an improvement plan, the principles of good faith efforts to make meaningful improvements in the supply chain must be adopted.”

In relation to **security forces management**, NMGM have made significant measurable progress managing security and human rights since taking control of NMGM in September 2019, particularly in relation to management of private security. NMGM have changed their private security provider to a Tanzanian provider who are not armed and take a non-confrontational approach to maintaining security, as well as making measurable improvements to physical security infrastructure, and conducting an independent Voluntary Principles on Security and Human Rights (VPSHR) audit in 2021. NMGM have continued to regularly engage Tanzania Police Force (TPF) on security and human rights issues, including the provision of training and updating the Memorandum of Understanding (MOU) with the TPF, which has contributed to a significant reduction in the number of arrests of intruders, despite the increase in attempted intrusions.

External interviews with community members conducted by Synergy in February 2022 indicated that there was recognition that security management had broadly improved under Barrick, particularly the less confrontational approach taken by private security, and the measurable improvement in the security situation in communities around the mine.

The risk priority remains high due to the high numbers of armed intruders who still illegally enter the site on a regular basis, and the alleged reports of serious incidents during interactions between TPF with intruders in order to manage the situation.

The situation with illegal intrusions is complex, likely to remain highly challenging, and measures to address the risk may take time to be effective. It is recommended that NMGM's continued focus on improved security measures and the implementation of the VPSHR is complemented with a planned approach for minimising the underlying drivers for intrusion without compromising safety or appropriate management of any illegal activities, and ongoing engagements with TPF and national government authorities on issues of security and human rights in order to reduce the risks of adverse impacts around the mine.

In relation to the **tailings storage facility (TSF) and water management**, NMGM has made significant progress managing the risks. Since taking operational control of the mine, Barrick have taken rapid action to appoint a specialist team and contractors to assess the root causes of the situation and implement a water risk management plan, and have committed significant financial resources to implement the plan. Barrick has constructed new water treatment and brine treatment facilities which have enabled removal and treatment of water from the TSF. The risks associated with environmental performance, TSF and water management are no longer considered high risk; the volume of water has now been reduced to within design limits and extensive site-wide water management measures established, and monitoring indicating improved water quality. While this is no longer considered a high risk issue requiring a risk mitigation strategy, it is suggested that Barrick develop a plan to implement the Global Industry Standard on Tailings Management (GISTM) and ensure its progress and effectiveness in water management is as transparent as possible through the use of joint community water monitoring, public reporting, and stakeholder engagement regarding water management.

In relation to **land issues and resettlement**, NMGM have made measurable progress regarding resettlement by consolidating their understanding of historical compensation processes, working to resolve outstanding historical resettlement issues, and developing a more integrated site wide plan for future resettlement. Barrick strengthened the resettlement approach being used at NMGM by appointing government valuers and seeking oversight by the Prevention and Combating of Corruption Bureau and other local stakeholders to limit the risk of collusion in the process. Following a government led valuation and compensation approach, Barrick has acquired land around the mine site buffer zone, including the relocation of 430 graves. While progress has been made, the risk remains high due to the scale of resettlement, the high numbers of project affected persons (PAPs), excessive speculation (e.g. non-authorised and/or illegal construction of buildings and crop planting motivated by compensation), and the need for further detailed studies and monitoring to understand impacts at an individual level, particularly vulnerable individuals.

It is recommended that Barrick appoint an experienced resettlement specialist to assess and address outstanding resettlement issues and plan future resettlement in a way that is consistent with international good practice. Historic resettlement should be reviewed to reach agreements on any unresolved cases and address issues identified relating to compensation and livelihood restoration. NMGM should also actively monitor resettlement progress and impacts. NMGM should also demonstrate that future mine planning has assessed resettlement risks, ensured avoidance and minimisation of potential resettlement and unavoidable resettlement will be managed in line with international good practice.

In relation to the **grievance mechanism**, Barrick have made measurable progress since taking over from Acacia in September 2019. NMGM developed an internal procedure for grievance management in 2020 and this was communicated to community clan elders and village leaders, as well as at several public events. NMGM made progress in resolving outstanding grievances remaining from the Acacia grievance mechanism. NMGM inherited 94 historic grievances from Acacia and reported to have resolved and closed 83 of these legacy grievances with 11 remaining at the time of the assessment. Engagement with a range of community members as part of this assessment identified that there is currently a very low level of awareness of the grievance mechanism. There remains a risk that serious issues may not be communicated to Barrick through the grievance mechanism and are therefore not being recorded, investigated, or effectively remedied.

It is recommended that Barrick undertakes a review of the current grievance mechanism against the UN Guiding Principles on Business and Human Rights (UNGPR) effectiveness criteria and address any gaps. Barrick should continue to develop an effective process for addressing less serious grievances and continue to develop the independent process to address serious and complex grievances.

It is also recommended that Barrick take a number of **cross-cutting measures**. NMGM should review staff resourcing and capacity to effectively manage risk areas and ensure implementation of the agreed improvement plan. NMGM should increase stakeholder engagement and public reporting of mine plans and performance, including more broadly with communities and engagement with civil society organisations, at local, regional, national and international levels. Barrick should also establish or support the creation of an independent community-monitoring network for ongoing monitoring and tracking performance.

It is therefore recommended that MMTC-PAMP's continues trading with NMGM based upon: timely agreement of the appropriate improvement plan adopted by Barrick for the management of these risks; regular detailed progress and performance reporting to MMTC-PAMP by Barrick; regular and formal monitoring by MMTC-PAMP of performance to determine that measures have been properly undertaken, and; ongoing engagement with relevant external stakeholders by both Barrick and MMTC-PAMP as part of this monitoring.



**Lead Assessor:**

**Ed O'Keefe, Director, Synergy Global Consulting**

**Assessment limitations**

*The assessment evidence is based on samples of the available information. There is an element of uncertainty in assessment, and those acting upon the assessment conclusions should be aware of this uncertainty (ISO 19011:2018). Any conclusions and recommendations contained in this report are made in good faith and based on the information available to the assessors at that time and the limits of the time available to conduct the site assessments. In some cases, it is only possible to determine, if any, evidence of non-compliance, rather than ascertain compliance.*

**About Synergy Global Consulting**

*Over two decades, Synergy Global Consulting has been helping companies, governments, donors, civil society and community-based organisations enhance the social impacts of large-scale and artisanal mining in complex environments. Synergy has helped assess and manage the human rights risks and the impacts of mining operations including land and resettlement, indigenous peoples, employment, migration, and conflict. Today, we apply our long-standing expertise in social performance in the mining sector to drive responsible change along global mineral supply chains. Building on an unrivalled experience of over 200 upstream due diligence audits and assessments conducted around the world according to international standards, we are committed to applying our expertise in mineral supply chain risk assessment to provide sustainable solutions for improved supply chain risk management and due diligence practices. As a trusted partner in responsible mineral supply chains, Synergy designs and conducts independent third-party audits aligned with international standards and industry best practice, such as ISO standards and IFC Performance Standards. Our supply chain due diligence assessments and audits evaluate whether upstream companies involved in the production and trade of mineral commodities have the necessary management systems in place to follow international guidelines and standards, such as the OECD Due Diligence Guidance, London Bullion Market Association (LBMA) guidance, and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. Our approach to audits is externally oriented: as well as assessment of internal systems, we also rely on site observations, and understanding complex local contexts. We engage local stakeholders to make sure that social performance challenges can be effectively identified.*