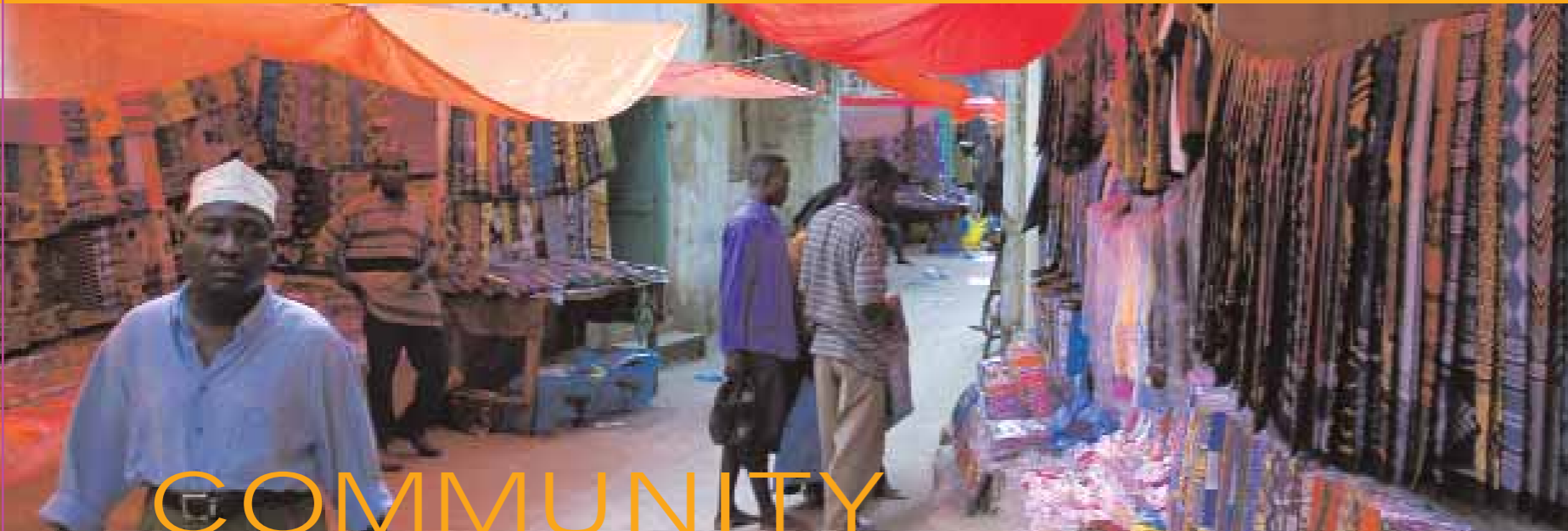


OUR VALUES:

We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally friendly way.

contents

1. Introduction	C1
2. Business principle	C1
3. Key indicators	C2
4. Review 2005	C3
5. Case studies	C19
5.1 Making a difference – Wongatha Wonganarra Aboriginal Corporation	C20
5.2 Capacity building at Ayanfuri mine	C21
5.3 Hand-in-Hand programme provides alternative livelihoods at Iduapriem in Ghana	C23
5.4 The AngloGold Ashanti Fund and Trust – Contributing to sustainable projects in southern Africa	C25
5.5 Understanding and working with artisanal miners in Africa	C28
5.6 Caring for orphans and orphanages – a mission for Geita	C30
5.7 CC&V an integral part of its community	C31
6. Objectives for 2006	C33



COMMUNITY

Community

1. Introduction

AngloGold Ashanti's community practices are guided by the group's business principle, AngloGold Ashanti in the community (see below).

Although it was the intention to audit the corporate social investment expenditure this year, it has not been possible to do so as there are insufficient systems in place at an operational level. It remains the company's intention to provide assurance of this expenditure in the future and, in time, to provide assurance on the other key indicators.

Once again the company has reported in accordance with the Global Reporting Initiative (GRI) guidelines (*see page 14 for the GRI index*).

2. Business principle

AngloGold Ashanti and the community

- AngloGold Ashanti's aim is to have a **positive impact on the people, cultures and communities** in which it operates. Accordingly, AngloGold Ashanti will be respectful of local and indigenous people, their values, traditions, culture and the environment.
- We will strive to ensure that surrounding **communities are informed** timeously of, and where possible, are involved in developments which affect them, throughout the lifecycle of our operations.
- We will undertake **social investment initiatives** in the areas of need where we can make a practical and meaningful contribution. In particular, we will contribute to those areas of education and health care which are relevant to our business activities, and those most likely to be sustainable once our operations have come to a conclusion in that community.
- The company will encourage its employees to make themselves available for **participatory and leadership roles in the community**.
- We will seek to acquire and use **land in a way which promotes the broadest possible consensus** among interested people. Where involuntary resettlement is unavoidable, we will abide by appropriate guidelines for resettlement, where they exist, and in any event will work with the local communities to develop workable plans for any resettlement which may be necessary.
- We will strive to **contribute to the sustainable economic development of host communities** through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.

3. Key indicators

- A community and social development management system is being developed and rolled out at all operations, following the launch of the socio-economic toolbox in 2004. The management system, which will take a further 18 to 24 months to fully develop and implement, deals with the practical implementation of the business principle at an operational level.
- AngloGold Ashanti achieved the conversion of its mineral rights into 'new order' rights in line with the South African Mineral and Petroleum Resources Development Act (MPRDA) of 2002. A key component conversion application process was the development of Social and Labour Plans for the South African operations, based on the requirements of the Department of Minerals and Energy's (DME) Mining Charter Scorecard.
- AngloGold Ashanti adopted the International Finance Corporation's (IFC) Resettlement Policies, Guidelines and Standards in September 2004 and all new resettlements undertaken will be conducted in accordance with these. No new involuntary resettlements were undertaken in 2005.
- AngloGold Ashanti has contributed to the sustainable economic development of host communities in a number of ways:
 - Enterprise development. Links are being sought to more closely tie procurement spend to local economic development at all operations, with a particular focus on the African assets. In the South Africa region the Small and Medium Enterprise Development Initiative (SMEDI) continues to identify people with ability and potential, and enters into a partnership with them to provide education, training and funding with the long-term aim of creating sustainable business. The raising of venture capital is managed through Masakhisane, which was established in 1998, the year of AngloGold's formation, with an initial capital of R10 million (then worth approximately \$1.6 million). During 2005, SMEDI was involved in setting up 14 small businesses, with an average annual turnover at year-end of R45 million. To date, jobs have been created for 1,205 people. Similar initiatives such as the alternative livelihoods programmes are being developed or are in place at all operations in less economically developed countries, such as Ghana, Guinea, Tanzania and Mali.
 - A group strategy to deal with the management of artisanal mining is being put in place specifically drawing on the lessons learnt from Geita.



4. Review 2005

A number of targets were set in relation to the community-related activities of the group in the Report to Society 2004.

Community	
Objectives for 2005	Performance in 2005
Further implementation and monitoring of social development initiatives in line with business principles.	Ongoing development and roll out of Community and Social Development Management System.
Development of common basis for reporting in line with principles.	System put in place and being refined.
Addressing the issues arising from small scale and artisanal mining including human rights	Comprehensive review of issues and multi-stakeholder pilot project put in place to manage this issue. Involvement and a seat taken on the Strategic concerns. Management Advisory Group of the World Bank's Community and Small Scale Mining (CASM) Group. Company security arrangements in process of being aligned to the Voluntary Principles on Security and Human Rights.
Increasing emphasis on economic development activities (including setting of targets).	Alternative livelihood programmes are being developed or are in place at all operations in less economically developed countries. Targets linking procurement to local economic development and black economic empowerment (BEE) is in place in South Africa. Targets to be developed and rolled out for the rest of Africa in 2006/2007.
Ensuring community and stakeholder engagement processes are in place at all the operations.	While all operations have an engagement strategy a decision has been taken to adopt group-wide management guidelines and systems to ensure a common understanding of the company's approach across the group.
Capacity-building, support and the development of practical tools for practitioners at site level.	Comprehensive Community and Social Development Management Systems are in the process of being rolled out.



Structure and governance

Community-related matters are addressed at Board level, under the auspices of the safety, health and sustainable development committee which has within its remit the evaluation of social, economic, environmental and health impacts of the company's operations on local communities. The committee comprises four non-executive directors – Bill Nairn (chairman), Dr James Motlatsi, Dr Sam Jonah and Simon Thompson – as well as two executive directors – Bobby Godsell (CEO) and Neville Nicolau (COO Africa).

In South Africa, community and social development is managed under the auspices of the Sustainable Development Unit which was set up during the year. The company's South African corporate social investment programme is overseen by the AngloGold Ashanti Fund and Trust. The fund is managed by Tshikululu Social Investments (TSI), a non-profit organisation, which manages a number of other company funds. The fund is directed by a Board of Trustees which in turn is supported by local area committees at the operations, which are close to and can be responsive to the more immediate needs of the community.

Outside of South Africa, community issues are managed as an integral part of operations, frequently with dedicated community relations and social development personnel in place, and often in association with non-governmental organisations (NGOs).

The discussion that follows reports on the company's community-related performance in line with the company's business principles (in orange below).

AngloGold Ashanti's aim is to have a positive impact on the people, cultures and communities in which it operates. Accordingly, AngloGold Ashanti will be respectful of local and indigenous people, their values, traditions, culture and the environment

Exploration and mining activities frequently occur in remote areas or regions where there is very little other economic activity and, because of this, their relative impact is often heightened. These impacts need to be considered at the exploration stage, right through to operation and eventual closure. A range of potential impacts and mitigating measures are identified during the Environmental Impact Assessment (EIA), and mitigating measures are then incorporated into the Environmental Management Plans (EMPs) over the operation's life-of-mine.

In addition to the guidance provided by the company's values and business principles, the group's relationships with communities are often guided by operation or region-specific community policies.



For example, many legal requirements exist in relation to minimum standards for exploration and mining activities in Australia and are reflected in standard operating practices. Sunrise Dam's Community Policy was reviewed in 2005 and a new Community and Stakeholder Engagement Procedure was put in place whereby all community projects and requests are evaluated by a small group of managers and recommendations are made to the management team.

Engagement with communities in Australia

AngloGold Ashanti's community policy is embodied within the region's Health, Safety, Environment and Community Policy. This policy states that long-term relationships and partnerships will be fostered with the communities in which it operates, through mutual understanding, co-operation and respect. The company's social investment initiatives aim to deliver meaningful and lasting benefits to employees, the community and key stakeholders.

Many legal requirements exist that dictate minimum standards for exploration and mining activities and these are reflected in standard operating practices. A number of programmes and practices are in place, namely:

- Cross-cultural training for all new employees and contractors as part of the induction process.
- Project and/or area specific induction for field and mine site staff highlighting safety, environmental and community aspects related to operational or exploration activity.
- Field staff are trained to recognise aboriginal archaeological sites, flora, fauna and geomorphological features that may be of cultural significance.
- Ethnographic and anthropological consultations are conducted with indigenous people prior to the commencement of significant exploration or mining activities to mitigate any damage to sites of special significance.
- Compliance with voluntary codes of practice for the exploration industry.
- Assessment of local communities' capabilities to identify opportunities for the supply of services.



Community relations policy – Obuasi

The Obuasi community relations policy takes cognisance of the group's business principles and includes:

- forging and enhancing strong partnerships between the company and its stakeholders, including AngloGold Ashanti employees, their families and dependants and the immediate communities and society in general;
- undertaking social investment initiatives in the communities and other areas where we the company can make short- and long-term meaningful contributions in the socio-economic lives of the people;
- regular and continuous consultation and engagement to achieve peaceful and harmonious co-existence with the communities, governmental agencies and the civil society in general; and
- promoting capacity-building and alternative livelihood programmes/provision of assistance in education, agriculture, health and sanitation.

The United States too, is a highly regulated environment where the legal regime covers, among others, indigenous people, archaeological and cultural resources. Permitting procedures for any new developments or expansions are thus rigorous.

The South African socio-political landscape is governed by a range of legislation; the most critical to the mining sector is the Mineral and Petroleum Resources Development Act (MPRDA) which requires that all mining operations submit and adhere to a Social and Labour Plan as a prerequisite to the granting of new order mining rights. AngloGold Ashanti was granted these conversions in respect of all of its operations in August 2005. *(See case study on page E10: AngloGold Ashanti granted new order mining rights.)*

Elsewhere in Africa, region-specific policies are in place. In Ghana, for example, guidelines for community relations have been set by the local Environmental Protection Agency (EPA) and the Mines Inspectors' Department. Close contact is maintained with the chiefs and traditional authorities, including paying homage - particularly to the Asantehene, the king of the Asante - at significant events. Similarly, respectful relationships are maintained with the District Heads in Ghana and Tanzania and the Prefecture in Siguiiri and Mali.

We will strive to ensure that surrounding communities are informed timeously of, and where possible, are involved in developments which affect them, throughout the lifecycle of our operations

The necessity for, and the process of, informing communities timeously of any developments and maintaining their involvement throughout the operational life cycle are enshrined in the law of many of the countries in which the group operates. This communication becomes especially important as operations, or portions of operations, reach the end of their economic lives.

At Bibiani in Ghana, for example, the mine engages regularly with the local District Assembly Committee and has taken steps to inform community members about its activities through the local radio station and at periodic community engagement meetings. Based on current estimates, the mine is due to close in 2007.

At Siguiiri in Guinea, stakeholder engagement takes place at many levels, from local community members (whose main concerns relate to environmental issues and job creation) to the Prefecture and various district committees, to the Representatives of Elders, to national government. Community social investment issues are dealt with by the Prefectural Council for the Development of Siguiiri (PCDS), which is overseen by an international NGO, the Centre Canadien d'étude et de co-opération internationale (CECI).

Stakeholder identification and engagement is formalised under the National Environmental Policy Act in the United States when public lands or federal permits or approvals are involved. Other community outreach processes include local land use planning and state permit hearing processes. The life-of-mine plans are well documented and communicated to stakeholders on a regular basis.



In South Africa, community involvement and interaction with local, regional and national authorities is extensive and ongoing and forms an integral part of the company's Social and Labour Plans and other commitments made in terms of the MPRDA. Regular interaction occurs with community stakeholders through local chambers of business, the AngloGold Ashanti Fund local area committees and various community and charity forums. An area of focus during the year has been the incorporation of mine villages into local townships and the opportunities for development presented by the FIFA 2010 (football) bid. Issues that cannot be resolved at the established committee level are elevated to the mayoral committee for resolution.

A number of programmes are in place for interaction with community representatives, local development agencies, other companies, municipal authorities, district associations and others in Brazil and Argentina. Apart from a call centre for the registration of community complaints and requests, communities are kept informed about operational developments, particularly life-of-mine plans, through frequent meetings and bulletins. In Brazil, a so-called 'good neighbourhood' programme involves regular meetings with community members to identify and deal with potential conflicts. The company participates in municipal and state environmental councils and regularly hosts visits to company properties. Any new mining projects are presented to community leaders and opinion leaders for comment and to discuss compensatory measures.

At Cerro Vanguardia in Argentina, the company engages regularly with local authorities, several social and sporting organisations, schools and universities. Local communities are kept informed through periodic meetings. The company participates in forums promoted by the local towns, such as local development agencies. A communication plan addressing mine closure issues has been developed and will be implemented in the future.

Extensive stakeholder engagement structures exist at operations in Mali, Tanzania and Namibia. A joint Public Consultation and Disclosure Plan (PCDP) was developed for the Sadiola and Yatela mines in Mali and has proved to be a useful tool in engaging with stakeholders. An all-inclusive stakeholder committee is the main vehicle for stakeholder consultation and grievance resolution. The committee includes both traditional village leaders, as well as local and national government officials.

Navachab recently re-examined its stakeholder engagement processes. An interested and affected parties' meeting is held on an annual basis, with a mine tour, presentations and an opportunity for discussion provided. Issues discussed include environmental impact issues, sustainable development and mine closure. The mine also plays an active role and has representation on a number of local committees and the town council.

In Ghana, monthly meetings are held with consultative committees generally comprising the traditional chiefs or head of the community, community elders, a female community leader, a youth representative, representatives from NGOs and representatives from the district

Communicating with the community at Obuasi

Interactions with communities within the Obuasi Mine Concession are managed through regularly scheduled monthly consultative meetings. The process involves the formation of consultative committees comprising 10 'opinion leaders' from the local community, namely the chief, two of his traditional stool elders, the youth organiser and secretary, two women representatives and three representatives of the local government administration (the assembly member of the electoral area and the unit committee chairman and secretary from the local community).

There are two ways of communicating with government, through the Ghana Chamber of Mines or direct engagement with governmental departments. In the case of the latter, the company regularly meets with the office of the Minister of Mines, Science and Environment; the Environmental Protection Agency; the Minerals Commission; the Land Valuation Board; and other local government agencies. There are agreed mechanisms in place for the resolution of disputes.



Corporate social investment expenditure 2005 (\$)	
Argentina	
Cerro Vanguardia	267,000
Total	267,000
Australia	
Sunrise Dam	88,000
Total	88,000
Brazil	
Serra Grande	137,000
AngloGold Ashanti Mineração	617,000
Total	754,000
Ghana	
Iduapriem	357,535
Bibiani	96,506
Obuasi	266,206
Corporate office - Ghana	25,070
Total	745,317
Guinea	
Siguirí	552,021
Total	552,021
Mali	
Sadiola and Yatela	627,079
Morila	241,533
Total	868,612
Namibia	
Navachab	470,000
Total	470,000
South Africa	
AngloGold Ashanti Fund and other corporate donations	3,963,000
Donations by operations	187,254
Total	4,150,254
Tanzania	
Geita	680,336
Total	680,336
USA	
CC&V	172,000
Total	172,000
Total:	8,752,407

* The figure for Siguirí includes the amount paid to the Prefectural Council for the Development of Siguirí as part of a legally binding 0.4% revenue sharing agreement.

authority. At Iduapriem a Stakeholders Advisory Group is currently being set up to moderate between the mine and communities on issues of conflict which have not been resolved at the Community Committee level.

In Australia, AngloGold Ashanti has developed formal communication strategies for managing and consulting with key stakeholders. Sunrise Dam is an active member of the Laverton shire and regularly hosts shire council meetings at the mine site. For aboriginal lands, annual community meetings are held to discuss current and planned mining activities and an annual report is presented to the community. Sunrise Dam also participates in annual state-wide Mine Open Days, which provide the opportunity for local and regional communities to visit the operations.

At the Boddington project, stakeholder engagement and community consultation has continued through monthly update newsletters, establishment of a free call line, expansion plan updates on the website and community information workshops in anticipation of the recommencement of operations at some stage in the future.

We will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution. In particular, we will contribute to those areas of education and health care which are relevant to our business activities and those most likely to be sustainable once our operations have come to a conclusion in that community

In total, the group spent \$8,752,407 on corporate social investment expenditure in 2005. Corporate social investment expenditure is defined as the voluntary investment of funds in the broader community, through programmes, which span a range of development and maintenance activities seeking to complement the work of government, non-government (NGO) and community-based organisations (CBOs), where the target beneficiaries are external to the company. Corporate social investment specifically excludes those activities which the company is legally obliged to undertake or where the purpose is exclusively commercial with no significant public/social good, such as purely marketing, employee benefits or public relations activities

In Australia, a Community and Stakeholder Engagement Procedure has been developed to evaluate all community projects and requests for assistance. A range of projects were supported during the year including the development and publication of the 30-year history of the Wongatha Wonganarra Aboriginal Corporation. The history of this organisation has been recorded in a book entitled *Willing People*, and was launched by the Minister for Indigenous Affairs in August 2005. (See case study on page C20: *Making a difference – Wongatha Wonganarra Aboriginal Corporation.*) A long-time supporter of the Royal Flying Doctor initiative, the company is sponsoring the publication of the *Royal Flying Doctor Service Safety and Survival Handbook*.

The group's social investment initiatives in southern Africa are primarily undertaken by the AngloGold Ashanti Fund. In 2005, more than R18 million was distributed to a wide range of



projects. The fund is managed by Tshikululu Social Investments (TSI), which is a specialist corporate donor support agency. The trustees of the fund consider proposals against a set of criteria, including the sector (education, health, arts and culture) into which a particular project falls, the location of the beneficiaries and the sustainability of the venture. The fund concentrates on education (60% in 2005) when support has great potential to make a real difference to the lives of individuals and their communities. Other areas to which the fund gives priority are those of welfare and development, HIV/AIDS, health and skills training and the development of business opportunities. Another guiding principle is to focus on the areas where the company has operations and the regions from which it draws large numbers of employees (and where the families of many of those employees live). (See case study on page C25: *The AngloGold Ashanti Fund and Trust – contributing to sustainable projects in Southern Africa.*)

Corporate social investment takes place at two levels in the United States. At the CC&V level, there are two funds for social investment – the first is administered by the Community Affairs Manager through the Community Affairs Committee, which makes recommendations on donation requests. The second is related to larger, community-related projects, aimed at creating sustainable projects for the future. Decisions on funding are made by the Community Affairs Manager, with the direction of the Vice President and senior management. At the second, Denver office level, the regional funds for social investment are directed at areas beyond the local area surrounding CC&V in Colorado. Donations are aimed at supporting institutions and causes aimed at creating a social and political atmosphere that will allow the company to operate within Colorado.

In Brazil and Argentina, social investment initiatives are undertaken in communities surrounding current and past operations. The main areas of involvement are education, community development, health care, socio-economic development, sports and environment.

A socio-economic review of the area surrounding Morila mine undertaken by a local NGO ASERNI (Association d'Etude et de Mise en Valeurs des Ressources Naturelles et des Institutions) formed the basis for the establishment of a development foundation at the Morila mine in Mali, with a founding donation of \$500,000 from Morila in 2002. The foundation will manage long-term sustainable development projects aimed at preparing communities for mine closure.

At Sadiola and Yatela in Mali, social investment is channelled through the programme implemented as a result of the Integrated Development Action Plan (IDAP). The funds set aside as part of this process are managed by an association which is independent of the company and includes representation from the stakeholder committee, the company and the IFC. The company has budgeted \$508,000 to fund the association and its projects over a three-year period.

Social investment initiatives in Namibia continue to focus on education, the development of agricultural projects and local economic development initiatives.

In Ghana and Guinea, social investment decisions are based on both need and the impact of the operation on the community (see pages C14 and C15).



The company will encourage its employees to make themselves available for participatory and leadership roles in community activities

A long-standing volunteer programme exists at CC&V in the USA, where employees are encouraged to be involved in the community through volunteer service. Employees are rewarded with one hour of paid time off for each three hours volunteered for community groups, and one hour off for each two hours volunteered for governmental positions, such as the City Council and Planning Commission. CC&V volunteers participate in activities ranging from Little League football coaching to assisting in local nursing homes, from volunteers to the fire departments to blood donation drives. Since inception CC&V employees have donated 2,500 hours of time per annum. In addition, company management at CC&V and the Denver office serve as volunteers on the boards of a number of regional or state-wide institutions and trade organisations.

In June 2005, Geita mine in Tanzania once again undertook the Geita Gold Mine Kilimanjaro Challenge Climb Against HIV/AIDS, with employees, suppliers, contractors and others climbing the highest mountain in Africa to raise funds for and create awareness of people with HIV/AIDS. The Geita orphanage was one of the primary beneficiaries.

In South Africa, a 'give-as-you-earn' and matched volunteerism programme – called Hearts of Gold – was initiated at the corporate office in 2004. About 60 employees participated in the programme in 2005, with close on R250,000 having been distributed as a result. (See *Report to Society 2004*.)

In Brazil, employees are encouraged to participate in the programme of volunteer work known as 'Holding Hands'. (See *Report to Society 2004*.) Currently several activities are in place including: computer and chess classes for needy children; English and literature classes for adults; and campaigns for the needy. Close on 100 hours in volunteer time was donated during the year.

The Australia region has policies and practices that encourage employees to participate in leadership roles in their local communities. This remains a challenge though owing to the fly-in, fly-out employment arrangements. Nonetheless, employees actively supported Red Nose Day, Shave for a Cure (Leukaemia Foundation), the Princess Margaret Hospital, the Royal Flying Doctor Service and the Red Cross Blood Bank on a state-wide basis. Local support continued to focus on the Laverton Fire and Emergencies Services Group, the Lake Carey Catchment Management Group, Asian Rhino project and the Perth Zoo.

Management and employees at the Ghanaian operations serve on a wide range of boards and advisory bodies, including the Kumasi Polytechnic, the Presidential Advisory Commission on Health, the Board of Governors of the University of Mines and Technology at Tarkwa and various other schools, churches/mosques, youth organisations and sporting clubs. At Iduapriem, an outreach team is being formed for interested employees to voluntarily teach mathematics, general science and civic education in schools in the communities, most of which lack qualified teachers.



We will seek to acquire and use land in a way which promotes the broadest possible consensus among interested people. Where involuntary resettlement is unavoidable, we will abide by appropriate guidelines for resettlement, where they exist, and in any event will work with the local communities to develop workable plans for any resettlement which may be necessary

In 2004, the board committee on safety, health and sustainable development ratified the International Finance Corporation's (IFC) Resettlement Policies, Guidelines and Standards on Involuntary Resettlement for all resettlements undertaken in future. The policy is intended for all managed operations, including joint ventures, and will be reviewed as necessary.

While no new involuntary resettlements have taken place in Ghana in the past two years, the Obuasi mine has paid (to date) more than €700 million (approximately \$78,000) for the properties, farmland and crops affected in Obuasi and surrounding communities. The mine pays monetary compensation based on guidelines provided by the Ministry of Mines and the Land Valuation Board.

At Iduapriem, most of the farmers due for compensation for loss of cropland due to the extension of a rock dump have been paid, except the 35-member Concerned Farmers Association. The matter is before the courts for settlement at the instance of the farmers. Local consultants have been employed to streamline and expedite the payment of compensation at the mine. A Stakeholders Advisory Committee, headed by an independent chairperson, has been established. Finding a resolution to these issues is a core focus of management and the process is being overseen by the IFC who are a joint venture partner at the mine.

Resettlement has been carried out in three communities around AngloGold Ashanti Mineração in Brazil over the past three years with the aim of moving those families living around tailings dams or those within perceived risk areas. As this process commenced prior to the company adopting the IFC policy, the process is being managed in terms of Brazilian legislation.

Negotiations take place with residents in terms of the following procedure:

- three separate real estate evaluations are undertaken to determine the market value of the property;
- financing of plots of land at reasonable prices and assistance in purchasing building materials so that the residents can build new houses; or
- donation of plots at locations agreed with the residents, with the company undertaking the construction of the house.

Families living in areas adjacent to the tailings dam at Mina D'Água have been resettled. The resettlement of 22 families who lived in the area below the tailings dam at Galo has largely been completed, with only one family who, regardless of the risks involved, are reluctant to move. Negotiations continue in an effort to find an appropriate alternative. A total of 23 families living in risk areas sold by the company at least 50 years ago (at Vista Alegre) are being resettled. Indemnification of the company or donation of plots and construction of houses at a single location has been negotiated with the families. There are still three families to be reallocated.

We will strive to contribute to the sustainable economic development of host communities through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate

A fundamental philosophy of the group is that its operations and activities should contribute toward the long-term sustainable development of host communities. This is particularly challenging for sometimes short-lived mining operations or exploration projects, particularly

when there is a short window of opportunity to make an impact. A number of ways in which this can be achieved, however, are:

- support through local procurement activities;
- the contribution of redundant assets to the community;
- assistance with the establishment and development of small- to medium-sized sustainable enterprises; and
- the outsourcing of the provision of goods and services to local vendors where appropriate.

Cerro Vanguardia in Argentina contributes to the development of the nearby town of San Julian through the creation and support of a Local Development Agency. In Brazil, the company supports a Dressmakers' Co-operative (see *Report to Society 2004*) and the manufacture of brooms from recycled materials (see box below) amongst other initiatives.

The local Development Agency, founded in 1995, continued to attract development to the Nova Lima area. (See *Report to Society 2004*.)

Preference is being given to recruiting people living in the Sabará, Nova Lima, Raposos and Crixás regions and other towns adjacent to operations. Contractors have also been instructed to make use of local labour during the mine and plant expansion phase.

Use of recycled material in sustainable development initiatives

Handicraft and broom manufacturing co-operatives implemented in the town of Raposos, in the state of Minas Gerais in Brazil, have opened up new economic possibilities for a region with a long history of total economic dependence on gold mining. The initiative is the result of a partnership between a co-operative of retired community members and local entrepreneurs, the local authorities of Raposos and AngloGold Ashanti, through the use of resources made available by fiscal incentives.

These co-operatives produce a number of handicraft items such as embroidery, woodwork, ceramics and porcelain. Local craftsmen also supply material for broomsticks and bases. Plastic bottles for soft drinks, usually set aside as litter, are recycled to make bristles for the brooms. Brooms are sold in neighbouring towns close to company mining operations. 450 brooms were produced in 2005.

"We expected the broom factory to be principally staffed by former company employees, now retired," says Marivan Santos, an AngloGold Ashanti social worker, "but a number of wives and children of these former employees have also joined, making a very special contribution to the project."

There are 60 artisans in all. Their work shows off local culture and generates products for sale thus developing the local economy. "We want to harness the synergies between the skills and talents of the community and the desire to co-operate in the formation of profitable enterprise, to the mutual benefit of the citizen and the community," explains Marcelo Lopes, Development Manager.

AngloGold Ashanti has made available one of its unused company buildings (currently being renovated) for the project.

"My main focus is to market the brooms", comments retiree João Batista do Nascimento, Sales Manager for the Broom Producing Co-operative. "Our principal markets to date have been companies working on road repairs and asphaltting, and the local authorities," he says, "but we continue making contact with other possible customers elsewhere requiring brooms in greater quantities."

In South Africa, AngloGold Ashanti has played a role in stimulating economic growth by developing small business enterprises. The Small and Medium Enterprise Development Initiative (SMEDI) identifies people, mainly historically disadvantaged South Africans who have ability or potential, and enters into a partnership with them to provide education, capacity-building and funding with the long-term aim of creating self-sustaining businesses. The raising of venture capital is provided through Masakhisane, which was set up with initial capital of \$1 million in 1998 (about \$1:R7 at the time). Particular efforts have been made to promote the company's black economic empowerment (BEE) expenditure targets and as a result, the company's BEE expenditure in 2005 rose to about R1 billion.

In 2005, SMEDI assisted 14 new businesses, investing some R462,500. 60 new jobs were created. SMEDI's total portfolio includes 35 active small and medium enterprises (SMEs) with investments totalling R1.35 million from Masakhisane. In total, 311 people are employed at these businesses. Since its establishment 1,205 jobs have been created.

In Australia, the company has continued to provide opportunities to local indigenous communities to provide services and encourages contractors to do the same. A Supply Day initiative was launched in 2004 and was continued in 2005. This initiative targets local indigenous communities with the objective of providing a forum to identify opportunities to tender on supplies and services. The company also works closely with Indigenous People in Mining, an industry and government network that fosters opportunities for aboriginal people within the mining industry.

At Obuasi in Ghana, about 12% of the company's material requirements are sourced from local businesses. Transportation of mine material is handled by local private companies, as is the transportation of workers to and from work. Foodstuff and drinks procured for employees' club houses and canteens are sourced from locals. (See box on page C15: *Local economic development in Ghana and Guinea.*)

A total of 32 polytechnic and technical school graduates (40% locals) were admitted to the Obuasi apprenticeship programme. Most of them are undergoing a one-year practical training programme in plumbing, welding, electrical, mechanical and electronic engineering. The four-year old programme has benefited more than 200 people, most of whom come from the communities around Obuasi Municipality. Practical training is given to the beneficiaries. In addition, the mine provides free accommodation and allowances to beneficiaries while in training. To date about \$54,000 has been spent on the programme which is over and above the social investment figure of \$266,206. As part of its social programme to assist in the development of education in the Obuasi Municipality, the Obuasi mine also donated 12 computers and accessories to the Len Clay School (valued at approximately \$4,500).

The 'Hand-in-Hand' Programme at Iduapriem (see case study on page C23: *Hand-in-Hand programme provides alternative livelihoods at Iduapriem in Ghana*) is geared towards the enhancement of economic and social conditions of the communities through capacity-building, the provision of micro-credit finance and the establishment of economic activities such as agriculture, animal husbandry and other small scale economic activities. More than



350 people have benefited from the programme, at a cost to the company of \$268,000. More than 100 people are involved in supplying hardware, stationery, wood products, and services during the year, at a cost to the company of approximately \$290,000.

The CC&V mine in the USA is not situated in a 'developing region' and, therefore, the company's economic support is aimed at supporting existing local businesses. The mine is located in the vicinity of two towns: Cripple Creek and Victor. The town of Cripple Creek has a vibrant economy based on gambling and is not dependent on CC&V. The town of Victor, on the other hand, requires the support of the mine which is provided in a number of ways: including purchase of water from mining operations; leasing property and office space; support for the local Lowell Thomas Museum, and the like.

Local economic development in Ghana and Guinea

Local economic development and the development of alternative livelihoods is a key focus of the company's corporate social responsibility programme in West Africa.

A range of possibilities is being evaluated. For example, management at the regional level are looking at the possibility of cultivating oil palm, rubber and jethropha (bio-diesel plant) on a commercial scale to generate employment in surrounding communities.

Bibiani mine is developing a 50 hectare oil palm plantation and local communities are being encouraged to join this scheme. The mine continues to support the three bakeries it helped set up. The profits from the bakeries are used to repay the company for the ovens and other materials provided by the company so that other members of the community can benefit from the scheme in the future. 17 farmers were assisted in developing 55 acres of maize on land acquired by the company. In addition, vegetables are grown year-round because of the irrigation facilities provided by the company. Harvested vegetables are sold to the company's canteen. Other materials needed by the company's operations are sourced from local vendors to help develop local industries.

To provide alternative livelihood jobs for young men and women, the Bibiani mine has continued to finance two community farms it established five years ago at a cost of \$21,710. In 2005, inputs from the mine included irrigation and credit facilities. An estimated 300 youths have benefited from this community job creation initiative. Crops cultivated on such farms include pawpaw, lettuce, passion fruits, okra, tomatoes and maize.

Iduapriem's 'Hand-in-Hand' programme (*See case study on page C23: Hand-in-Hand programme provides alternative livelihoods at Iduapriem in Ghana*) involves:

- the formation and training of business groups;
- entrepreneurial skills training;
- the provision of micro-credit using a revolving micro-credit scheme;
- agriculture/animal husbandry and livestock training; and
- technical skills training in food processing and value adding technologies.

A total of 356 participants have been trained in economic empowerment activities during 2005. The specific projects involved fish farming; animal rearing (pigs, poultry, goats and sheep); vegetable growing; food gardening; soap and pomade making; and oil palm farming. Of the 503 people trained in credit management, 317 have been given loans valued at €171,400,000.

The company has also sub-contracted the transportation of mining consumables and employees to and from work to local transporters. About 7% of all the mine's material requirements come from local suppliers.

Local economic development in Ghana and Guinea *cont.*

The Siguiiri mine is encouraging the cultivation of cassava and cashews to stimulate the local economy. As part of Siguiiri's support for urban renewal and development in the region over and above the social investment figure of \$55,204 the company further funded two infrastructural projects. The company funded the maintenance of the Siguiiri Airstrip at a cost of \$35,000. The airstrip is the only air transport facility in the district and it serves scores of business people, miners and politicians who visit the district. The reconstruction of the 22 km road from Siguiiri to Koron, which started early March this year, was completed in August. Financed by the mine at a total cost of \$345,000, the road is one of the major commercial highways in the Siguiiri District. Used by the people in the district as well as Siguiiri and other businesses in the area and beyond, the road enables commuters to travel comfortably for shorter periods of time. The new road has also drastically reduced vehicle accidents.

The Siguiiri district now has its first private radio station, through a \$120,000 funding from the mine which was commissioned in April 2005. More than 300,000 people listen to the broadcast programmes as the radio station's transmission goes beyond the district. The emphasis of Radio Locale's programmes is principally on health and sanitation, road safety, agriculture, small business, folk literature/music and Islamic evangelisation. The minority Christian population uses the radio on Sundays. Special educational programmes in French are run during the day for students. Siguiiri has also been using the radio to inform the communities of its corporate social responsibility, community relations and recruitment.

Civil work on the expansion and modernisation of the Siguiiri Sports Stadium is progressing. The mine is financing the project through its contribution to the Siguiiri Development Committee and, to date, \$100,000 has been made available.

A five-man outreach team headed by the company's Medical Officer is conducting a comprehensive anti-cholera education programme targeting the 350,000 people, including employees, resident in the catchment area. *(See case study on page RH18: Anti-cholera campaign at Siguiiri benefits the communities.)*

Using the land for business opportunities outside of mining

Sunrise Dam is currently supporting a flora data mapping initiative in conjunction with the Centre for Excellence at Multi University. The study will be based on local indigenous knowledge of traditional land uses (particularly of plants) for the Sunrise Dam lease area and surrounds. While the primary purpose of the study is to contribute to the Sunrise Dam closure plan, the secondary purpose will be to promote the concept of indigenous data mapping for the broader region. This information would then be useful for local residents to assist in the promotion of aboriginal knowledge on, for example, the use of plants in healing. Possible spin-off projects that have been identified from the initial plant usage project include the development of a local cottage industry in producing aboriginal healing lotions.

Another venture currently being supported by Sunrise Dam is the Wongatha Wonganarra Aboriginal Corporation riding venture. Once the location has been finalised, the mine has undertaken to assist with stables and fencing.



Artisanal mining

The issue of artisanal mining poses substantial challenges for mines operating in areas with long traditions of artisanal mining. This includes most mines in Ghana, Guinea and Tanzania. AngloGold Ashanti has begun working closely with a number of other stakeholders in addressing how best to find a balance between its own commercial interest in its mining concessions and the small-scale miner's claims. *(See case study on page C28: Understanding and working with artisanal miners in Africa.)* Artisanal mining remains a safety, health and environmental concern (to employees and artisanal miners) that needs to be managed. Furthermore, the company's security arrangements are under ongoing review to ensure that human rights considerations are fully factored into all dealings with the artisanal miners and all parties concerned. Again, in this area, stakeholders have to ensure respect for the law while simultaneously making certain that human rights are not transgressed.

At Siguiri in Guinea, the threat of artisanal miners encroaching on mine property is high, particularly as mining has advanced to within close proximity of traditional artisanal mining areas.

A policy is in place with regard to the treatment of artisanal miners by security personnel. Specifically, any illegal miners detained by security personnel must be handed over to the local authorities as soon as practically possible to allow for the legal process to take its course. Also, the mine communicates with artisanal miners and community members with regard to safety and health. Despite this, an artisanal miner was fatally injured on mine property during the year when a pit wall he was illegally working in collapsed.

At Obuasi too, the issue of unlawful artisanal mining on company property has become a significant issue. These miners have become a substantial problem for the company and while the company is making ongoing attempts to engage with the artisanal miners to stay out of the lease area, while at the same time protecting its property, clashes between the artisanal miners and the company resulting in injuries to both groups have occurred and remain of concern to the company.

There have been instances of artisanal mines encroaching on the company's lease areas at Morila in Mali and Geita in Tanzania. In both countries the situation is better resolved with the assistance of the relevant government departments and other stakeholders.

Allegations of human rights abuses in Ghana

AngloGold Ashanti's operations in Ghana have been on the receiving end of allegations of human rights abuses by two NGOs, the Third World Network and the Wassa Association of Communities Affected by Mining (WACAM). The Third World Network focuses on issues pertaining to development and the so-called third world, whereas WACAM seeks to protect the rights of 'marginalised mining communities' and is a partner in the 'no dirty gold' campaign in the USA, aimed at alerting jewellery consumers to human rights and environmental abuses by some mines.



Both NGOs have strong links with the local media and influential community leaders. The allegations of human rights abuses have generally been related to the treatment of 'galamseyers' or artisanal miners operating illegally within AngloGold Ashanti's concession area, as well as water pollution, waste management, health hazards, compensation and security operations.

Artisanal mining

Also during the year under review, the illegal activities of 'galamseyers' at Obuasi, Ghana flared when mining operators cut the electric cables that feed the pumps running tailings slurry from the Kokoteasua Dam Pump Station to the Pompora Tailings Treatment plant, in the midst of a heavy rain storm. The pumps seized, causing the sumps to become silted up and large amounts of tailings material escaped into the external environment. The surrounding downstream communities of Kokoteasua, Abompekrom and Nkamprom were affected by the spillage. AngloGold Ashanti deployed the necessary staff and resources to clean up the spillage and assess damage, with the intention of paying compensation to affected communities.

On 21 May 2005 tensions between the mine and galamseyers again increased when a group of 21 military personnel and police assisted the management of Obuasi in destroying 15 to 20 illegal pits constructed by 'galamseyers' around the Ellis and West shafts. This followed an ultimatum which was given to the 'galamseyers' by the company several weeks before this event to cease their illegal activities.

A further incident occurred on 21 June 2005 when it was alleged that Awudu Mohammed, a 'galamsey' suspect was shot by AngloGold Ashanti security staff. A comprehensive internal investigation was undertaken and the company has maintained its original contention that Awudu Mohammed was injured by falling on spikes on a security gate when he tried to avoid arrest.

AngloGold Ashanti recognises that NGOs such as the Third World Network and WACAM have a significant role to play in communities such as that of Obuasi. The company is committed to engaging with these NGOs and all other stakeholders on such issues to deal with problems and concerns directly.

Environmental pollution

Other allegations made against the company by international NGOs have accused Obuasi of "degrading the land, poisoning fruit and contaminating water bodies with cyanide, zinc and mercury." A strategic environmental review of the Obuasi mine has been carried out by a team of internal environmental specialists drawn from the United States, Australia and Ghana. The purpose of the exercise was to review environmental conditions at the operations, identify current environmental risks, prioritise these risks, develop short-term action plans and make recommendations for an improved environmental management programme. The review has identified a series of remedial actions to address problem areas.

Awards/recognition:

Australia	<p>Recognition from Ruggies Recycling for support of Princess Margaret Hospital and Royal Flying Doctor Service through donations made to the recycling programme.</p> <p>Nominations for the 2005 Prime Minister's Business Partnership Awards in the division of longevity and community impact.</p> <p>Recognition from the Minister of Indigenous Affairs for its support in the development and publication of <i>Willing People</i>. (See case study on page C20: <i>Making a difference – Wongantha Wonganarra Aboriginal Corporation</i>.)</p>
Brazil	<p>Serra Grande was voted as Best Mining Company – Economic Daily Newspaper 'Valor 1000'.</p> <p>AngloGold Ashanti Mineração was included in the 100 Best Companies selected by 'Minérios e Minerales' a magazine specialising in mining.</p> <p>AngloGold Ashanti Mineração received a Citizenship Award from the 'Mercado Comum' Institution.</p> <p>AngloGold Ashanti Mineração: 'ISTO É' magazine – first place in the Innovation category, and second place in General Classification in a national survey.</p> <p>AngloGold Ashanti Mineração: Entrepreneur Leaders Forum awarded by the financial newspaper <i>Gazeta Mercantil</i>.</p> <p>The prestigious Baron Eschwege medal of merit was given by the Minas Gerais State Governor to AngloGold Ashanti COO International, Roberto Carvalho Silva.</p>
Ghana	<p>The President of Zambia, who visited Obuasi this year with four of his ministers and the Vice President of Ghana, commended the professionalism of the mine's employees and corporate social responsibility projects.</p> <p>The Ghana Ministry of Agriculture have commended Iduapriem's efforts at improving the socio-economic lives of the people.</p> <p>The President and Chief Executive of Opportunities Industrialization International/USA also commended Iduapriem's social investment for 'being long-term' focused.</p>
Guinea	<p>Cellule Nationale Pour La Promotion Des Actions Du Général Lansana Conté awarded to Siguiri in recognition of the operation's efforts towards the President's promotion of agriculture in the country.</p> <p>The Ministers of Mines, Finance, Interior and Information have all commended SAG for its community relations projects and the government has proposed its adoption as a benchmark for other mining companies.</p>
South Africa	<p>Nomination in annual business awards ceremony of the Westvaal Business Chamber.</p>
USA	<p>The Southern Teller County Focus Group (STCFG), which CC&V helped found, received an award from the Colorado Preservation Society for historical preservation initiatives. CC&V and the STCFG were awarded the Wirth Chair Community Award in recognition of sustainable community development projects and STCFG received two land reclamation awards from the State of Colorado for its activities in surrounding areas.</p>

Exploration in Colombia

In 1999, AngloGold Ashanti began exploration activities in Colombia and put together a team to carry out greenfields exploration activities in 2003. This decision was consistent with the company's principle that it will only conduct business where this can be done with integrity. Despite the region's instability in the past, it was then and remains our view that the Colombian government has established a reasonable and sufficient level of control to allow us to continue exploration activities there. Having formulated targets and with ongoing fieldwork, AngloGold Ashanti undertook a major staking programme between 2002 and 2004. This has given AngloGold Ashanti a definite lead in this country.

"Colombia will be attractive for investors," President Alvaro Uribe was quoted as saying at a mining industry conference in Medellin in November 2005. "Colombia is ready to be a major mining country." It is hoped that with economic development and increased investment in the country, further political stability will prevail.

Presently AngloGold Ashanti have eight drill-ready projects that have been established and will be drilled before the end of 2006. During 2005 one target was drill-tested and yielded negative results. A considerable number of other projects are currently being investigated. AngloGold Ashanti's aim in Colombia is to achieve one AngloGold Ashanti-type discovery with sufficient inferred resources by the end of 2008.

In various areas of Colombia targeted by the exploration team, a panoply of community programmes have been developed, with a particular emphasis on health, nutrition, education, capacity-building and training, as well as culture and recreation. Occasionally the company has also supported local infrastructure improvements and co-ordinated reforestation efforts. The company has encouraged local communities to actively audit its activities from the point of view of environmental and social impacts.

In Quinchia, workshops have been established to offer training in gardening, small-scale agriculture and fishery with particular emphasis on alternative crops and potentially higher levels of nourishment of the local population. These projects have been coordinated with the local mining company Explogutierrez.

A unique initiative, known as Mining Olympic Games, was co-ordinated with the assistance and support of the Municipality of Quinchia, local mining co-operatives, educational institutes and residents with Explogutierrez, the local hospital and the municipal department of sports. Various competitive events took place, ranging from construction and drilling to health and safety. The winners, many of whom are engaged in artisanal mining on a regular basis, received professional mining and safety equipment.

5. Case studies

The case studies on the following pages illustrate the safety and community performance and challenges of the group in 2005. Follow-ups on the case studies presented in the Report to Society 2004 may be found on the website.



5.1 Making a difference – Wongatha Wonganarra Aboriginal Corporation



AngloGold Ashanti Australia's Sunrise Dam Gold Mine's stakeholder and community engagement programme has in the past year led to the publication of an account of an indigenous aboriginal community from Laverton, a town situated some 50 km from Sunrise Dam Gold Mine. Laverton's population numbers some 600 people. The publication, entitled 'Willing People', traces the trials and tribulations faced by the aboriginal people of this region, particularly in the 1960s and 1970s, and records the establishment of the Wongatha Wonganarra Aboriginal Corporation (WWAC). In 1974 The Wongatha Wonganarra Aboriginal Corporation was formed with the objective of facilitating the social and economic development of these aboriginal people in the Laverton region and a transient population of some 1,500 people who travel up to 600 km to reach the centre.

The project of recording the WWAC story was born out of an alliance between Curtin University of Western Australia, the student volunteers from Tulane University of New Orleans from the USA, Placer Dome's Granny Smith Gold Mine and Sunrise Dam Gold Mine. Each organisation became a partner in the production of the book by working together and contributing resources both financially and in kind.

The WWAC has provided not only employment, but significant training opportunities across a range of sectors (housing management, construction, business and office management, mining, seed collection, sports and environmental health). The WWAC is strongly represented on local and regional forums dealing with a variety of issues including health, education, family violence and youth affairs.

'Willing People' provides for this community a platform which records the sometimes painful history of the founders of WWAC. Through their memories the book provides an acknowledgement of this past, the strong sense of community characteristic of this community both in the past and the present, and a fresh perspective on the future.



5.2 Capacity-building at Ayanfuri mine

Ayanfuri, part of the greater Obuasi complex in Ghana, is the subject of the country's first decommissioning plan following the pit's closure in September 2001. Prior to this, there was no national legislation in Ghana governing mine closure, which in certain instances resulted in foreign-owned miners leaving the country and abrogating their environmental and social responsibilities.

Ashanti Goldfields Company Limited, prior to the business combination with AngloGold in April 2004, was approached by the country's Environmental Protection Agency (EPA) to submit a formal decommissioning plan, which would serve as a possible blueprint for future closures. While much preparatory work was done to address issues like public safety, site stability, revegetation, provision of social infrastructure and sustainable livelihood support, it was not until AngloGold Ashanti was formed that the decommissioning plan finally got underway in July 2004. A six-year closure plan was proposed by the decommissioning team (based at the neighbouring Obuasi mine), comprising three years for the implementation of the decommissioning plan, followed by a three-year monitoring period, until a final closure certificate is finally issued by the EPA in 2010.

Consistent with the principle that communities should benefit from mining operations once they have ceased, an important element of AngloGold Ashanti's decommissioning plan was the establishment of a sustainable livelihood intervention programme for the communities in and around Ayanfuri mine. Seven communities were affected – the largest being Ayanfuri with a population of approximately 2,500; and Gyaman, Fobinso, Abnabna, Dadieso, Ntwintina and Nkonya with a combined total of 4,500 inhabitants. Consultation took place with the traditional chiefs or head of the community elders, female community leaders, youth representatives, representatives from NGOs, and representatives of each village to inform them of the decommissioning process and the implementation of income-generating activities for sustainable development following Ayanfuri's closure. This was an important exercise in rebuilding community trust since, up until that point, the perception was that the mine had abandoned them. They charged that, while the mine had assisted in building infrastructure, little effort had gone into capacity building.

Much of the mine's rehabilitated land was found to be suitable for sustainable livelihood support projects, including mined-out pits containing water which could be used for aquaculture. Reclaimed land could be used for crop production, grazing and forestry. Sites owned by individuals were also earmarked as areas for sustainable projects.

A number of organisations were invited to take part in discussions around setting up sustainable enterprises. The Minister of Food and Agriculture gave input with regard to farming; the Fisheries Department, which was approached to give expert guidance on aquaculture projects, showed an interest in using the proposed Ayanfuri ponds as a training site; and the Centre for Biodiversity Utilisation and Development (CBUD), from the Institute of Renewable Natural Resources at the Kwame Nkrumah University of Science and Technology, offered suggestions on a range of sustainable livelihood projects which it could assist in establishing.

Funded by the Royal Netherlands Embassy in Accra, the CBUD aims to stimulate and promote sustainable development through the use of natural resources, paying equal attention to conservation. Some of the projects it has proposed for future development include duck, rabbit and pig farming; honey production; aquaculture; and seedling nurseries. However, as requested by AngloGold Ashanti, the initial



5.2 Capacity-building at Ayanfuri mine *cont.*

ventures were limited to training in snail and indigenous leafy vegetable farming; and grasscutter rearing (grasscutters are small rodents which are both a delicacy and a source of protein in Ghana and other African countries). The total CBUD budget for capacity building and start-up costs in these ventures was €804,100,000 (\$84,660).

Of the approximately 5,000 people who applied to take part in the projects, 1,000 were selected to take part in concurrent training in snail and vegetable farming and 100 for grasscutter rearing which has high start-up costs. Criteria for acceptance were that participants originate from the Ayanfuri enclave and, to ensure the security of ventures, that they own a piece of land next to their home. Participants who did not own land could request the community chief to make land available for individual projects. In order to empower as many people as possible, participants were expected to take part in skills transfer on completion of the programme. The one-year programme was split into three milestone stages:

- intensive six-month on-the-job training and capacity-building by a team of 19 CBUD trainers, who were seconded to residences on the mine (a CBUD office was established at Ayanfuri for the benefit of the community);
- appraisal of participants to assess those whose businesses had become viable enough to warrant micro-credit from the mine's €640,000,000 (\$67,368) micro-credit budget (banks do not offer credit to first-time applicants), as well as training in managerial, business, marketing and organisational skills; and
- demonstrated business expansion.

Training was carried out in groups, and those who reached the micro-credit milestone formed co-operatives, while at the same time retaining individual ownership of ventures. Of the 1,000 participants who originally started training in snail and vegetable farming, 300 successfully completed the milestones, to the point that they no longer required CBUD assistance, while the remainder continued with coaching. One hundred people trained in grasscutter rearing, of whom 30 have become fully self-sustaining.

While the programme has been fairly successful to date, it has not been without its challenges. These have included meeting the 2010 closure plan deadline, which the EPA has indicated is too ambitious; aligning community support with the mine's objectives; creating organised markets for products (currently produce reverts to the CBUD when markets cannot be found); and preparing for business expansion well ahead of the CBUD's scope of one year.

In terms of the decommissioning plan, AngloGold Ashanti's period of financial responsibility ended at the end of the year-long training programme in July 2005, after which funding was made available from CBUD donors to ensure the sustainability of current projects and to embark on new ones. However the decommissioning team continues to receive monthly progress reports on the projects. Although neighbouring Obuasi mine has a projected life-of-mine of 30 years, AngloGold Ashanti has given assurances that a programme of skills transfer will be extended to the eight communities in and around the mine, to ensure that sustainable livelihood programmes are firmly in place long before mine closure. Discussions have already commenced with the CBUD to this end.



5.3 Hand-in-Hand programme provides alternative livelihoods at Iduapriem in Ghana

At AngloGold Ashanti's Iduapriem mine in Ghana, a central focus of sustainable development activities is the 'Hand-in-Hand' programme, an alternative livelihoods initiative aimed at uplifting the economic and social fabric of communities both during operations and after they cease.

The programme was established at the beginning of 2005 through a partnership between AngloGold Ashanti, Opportunities Industrialization Center International (OICI), a US-based NGO that fosters economic self-reliance through human resource development in Africa, Poland and the Philippines. OICI has provided development assistance programmes for disadvantaged communities in Ghana for the past 35 years. Besides the initial funding of approximately \$268,000 to the programme (representing about 80% of the mine's total social investment budget), AngloGold Ashanti has also provided a field office for the OICI programme manager and five supporting officers, who are running the programme, the objectives of which are to:

- build the livelihood capacity of households;
- develop human capacity in health, nutrition and education;
- augment income-generating activities for the disadvantaged; and
- boost community resilience and participation.

The initial three-year 'Hand-in-Hand' programme aims to assist as many people as possible in the eight communities, which are located in the vicinity of the mine – Adisakrom, Adieyie (Mile 8), Mile 7, Techiman, Nkwantakrom, Wangarakrom, Teberobie and Abompuniso. The youth, who comprise 25% of the 7,500-strong population, are being specifically encouraged to take part in the programme which offers alternative employment opportunities to artisanal mining, a centuries-old traditional form of employment, which is often both dangerous and illegal.

Building capacity and promoting economic activity are the two main pillars of the 'Hand-in-Hand' programme. Under capacity-building falls:

- entrepreneurial skills training;
- micro-credit management training;
- animal husbandry and livestock training;
- technical skills training in food processing and value-adding technologies;
- training in water, sanitation and personal hygiene;
- training in participatory decision-making and problem-solving; and
- teacher-training for Early Childhood Development Centres (ECDCs).

Almost 700 people have benefited from the capacity-building programme since the start of the programme which was launched at Adieyie in January 2005.

Ninety people have learnt the art of soap- and pomade-making as part of enterprise development. Over 500 have been trained in lending and credit management. \$36,000 of the annual budget was placed in a revolving fund and loaned to 18 groups, comprising 317 participants, for creating new businesses or expanding existing ones.



The Yehia Moa group consists of 15 members, comprising 10 men and five women. They received livestock for pig rearing and/or credit to embark on a number of farming activities. Besides receiving training in the various pursuits, they have also undertaken courses in the likes of account keeping and conflict management. The group is looking forward to receiving more loans to expand their businesses further.

The Biakoye Farmers' Association consists of 20 members comprising 16 men and four women. They too received livestock for pig farming and credit which was ploughed into cassava and cocoa farming. The group also learned how to invest the money from their profits as part of their financial training.



5.3 Hand-in-Hand programme provides alternative livelihoods at Iduapriem in Ghana *cont.*

Kojo Bour is a palm wine tapper. From his earnings, he has invested €800,000 (\$89) in constructing a second fish pond. He constructed his first fish pond with a loan of €500,000 (\$56). Bour's aim is to construct 10 fish ponds so that he can retire from palm wine tapping and take up fish farming.

Steven Tebie is one of 25 people who belong to the Pig Farmers' Association. He received pigs, a goat, a ram for livestock rearing, and credit to cultivate cassava. Tebie is now farming more than two acres of land and, with his profits, has invested in two more goats and another ram. His wife Dorcas has purchased three more goats in addition to the two she was given.

Seventy four people have participated in water management and environmental sanitation courses, which provide training in hygiene and pump sanitation maintenance, as well as learning how to repair hand pump machines. Subsequent to these training modules, water and sanitation (WATSAN) committees were formed in all eight of the Iduapriem communities.

In an effort to improve the academic standards in the communities' schools, 12 people have undergone ECDC teacher training, and teaching aids have been provided to nursery schools. A scholarship scheme has also been established for students in junior secondary and senior secondary schools.

The promotion of economic activity has focused largely on agricultural pursuits including pig, poultry and fish farming; vegetable and food crop production; goat and sheep rearing; and oil palm farming. Assistance was afforded to the 199 beneficiaries of the programme in the form of livestock; cassava sticks; oil palm and vegetable seedlings; spraying machines; and agro-chemicals.

Although not part of the 'Hand-in-Hand' programme, to enhance local procurement, Iduapriem mine has contracted a local company to transport mining consumables and employees to and from the mine. Seven percent of its material requirements are sourced locally. A five percent increase in local procurement was recorded in 2004.

As a holistic programme, 'Hand-in-Hand' also endeavours to foster a community spirit by encouraging participation amongst its members. To this end, social welfare clubs, equipped with sports and games equipment, have been established in each community.

While AngloGold Ashanti believes that the 'Hand-in-Hand' programme is working well, a number of challenges have surfaced along the way. For example, a misunderstanding arose over micro-credit management which resulted in over-subscription of the micro-credits and difficulty in recovering loans from some of the participating groups. In another instance one sheep farmer misunderstood the concept of sheep-rearing and instead slaughtered a sheep to bring in income. Because subsistence farming is the most popular economic activity, some vegetable producers are still trying to find a better market for their produce.

Recognition of how well the programme is proceeding overall, is that it received a commendation in 2005 for the mine's efforts to uplift surrounding communities from the District Director of Agriculture, who visited Iduapriem mine at the beginning of 2005.



5.4 The AngloGold Ashanti Fund and Trust – contributing to sustainable projects in southern Africa

The group's social investment initiatives (including the labour-sending areas) are managed by the AngloGold Ashanti Fund. The fund is directed by a Board of Trustees chaired by the AngloGold Ashanti Managing Secretary, and is managed by Tshikululu Social Investments, a non-profit management company which is a specialist corporate donor support agency.



The trustees of the fund consider many proposals each year. Certain criteria are used to assist in making decisions: key among these are the sector into which a particular project falls, the location of the beneficiaries and the sustainability of the venture. The fund focuses on funding education, health, arts and culture projects.

In 2005 some R18 million was distributed to a wide range of projects.

Since its establishment more than seven years* ago, the fund has concentrated on education, believing that support given here has the most potential to make a real difference to the lives of individuals and their communities. In 2005, 60% of the funding available went to education. Other fields to which the fund gives priority are those of welfare and development, HIV/AIDS, health and skills training/job creation and last year's spending reflects this (see chart below). (*Prior to the establishment of AngloGold in 1998 the operations that make up AngloGold had made significant contributions every year to the Anglo American and De Beers Chairman's Fund.)

Another guiding principle is to focus on the areas where the company has operations and the regions from which it draws large numbers of employees (and where the families of many of those employees live). With three mines near Carletonville and four near Klerksdorp, projects in the provinces of Gauteng (49%) and North West (19%) were significant beneficiaries. Employees who do not reside near AngloGold Ashanti operations come primarily from the Eastern Cape and northern KwaZulu-Natal in South Africa, and from Lesotho and Mozambique beyond the borders of the country, and so most of the remaining funding (32%) was distributed in these areas.

Regarding the issue of sustainability, the trustees have to ensure that the project will be sustainable and benefit the recipients and their communities in the long term. The level of community participation and ownership is a crucial factor in ensuring this (as is the degree of involvement by the relevant public sector bodies).

Two major projects of the past year serve to illustrate these criteria. These are the second phase of building at the Boiteko School for the Severely Handicapped in Khutsong near Carletonville and Inyatelo Public School in Kanana near Klerksdorp.

The AngloGold Ashanti Fund first became involved in Boiteko – a Sotho word meaning 'we are trying very hard' – in 1999. The school was already in existence but housed in the backyard of a municipal property. The fund was approached by the school's governing body with a request for support to build proper premises. An amount of R1.8 million was granted for phase one of the project during which eight classrooms, ablution facilities, a kitchen/workshop and a multi-purpose hall were built. The official opening took place in mid-2000.



5.4 The AngloGold Ashanti Fund and Trust – contributing to sustainable projects in southern Africa *cont.*

It was recognised at the time that more accommodation would be necessary. The school has an enrolment of 180 severely mentally handicapped and 20 profoundly handicapped children and young adults. They range in age from three to 21. People who are severely handicapped require the assistance of others for every aspect of their daily lives. Their physical activities are greatly compromised as is their capacity for being educated. Those who are profoundly handicapped have a mental age of under a year; they are unable to talk; and they cannot benefit from any formal education.

In 2003, the fund approved the second phase of the building programme which provided for another block of eight classrooms, ablution facilities and a therapy centre for occupational therapy and physiotherapy. The fund made a grant of R2.65 million – to cover this phase and a third phase – and the Gauteng Department of Education contributed R1 million.

In the first phase, the Gauteng Department of Education had been fully consulted and had facilitated the provision of land for the school. The second phase, which was completed in 2005, marked the start of a real partnership between the fund and the department.

The manager of the fund, Sipho Mahlangu, is convinced that this type of constructive private-public partnership ensures the viability of a project. Given that Boiteko is a special needs school, government participation goes beyond the Department of Education. It includes the Department of Health which takes responsibility for the provision of a social worker, an occupational therapist and a physiotherapist, and the Department of Social Services which administers the children's welfare grants.

The fund, together with the school governing body, has worked particularly closely with all three departments in the planning of phase three which is the building of a centre for the profoundly handicapped. From the time that the fund was first approached in 1999 it was decided that this group needed particular attention. It is possible, with the right equipment, aid and sufficient staff, to teach such children some measure of independence such as teaching them to move and to feed themselves.

Since a centre for the profoundly handicapped has never been built before in South Africa, the planning has been an intensive process in which the three departments have been involved with the fund. The Department of Education has contributed a further R500,000 towards this centre and building will start in early 2006.

With its support for the three building phases and a grant of some R95,000 for the training of caregivers, the AngloGold Ashanti Fund has made an investment of R5.4 million in Boiteko. This makes it one of the fund's biggest projects to date.

As with Boiteko, AngloGold Ashanti has a long association with the Inyatelo Public School which was established in 1983 by a group of mineworkers who wanted to ensure that Xhosa-speaking children in the Kanana area had access to education in their mother tongue. What was then the company's Vaal Reefs mine (now known as the Vaal River operations) made premises available and gave assistance when the primary school (from Grades 0 to 7) moved to a larger and better equipped building in 1990.

The building can accommodate 840 children but in the past decade there had been a significant increase in enrolments and Inyatelo now has 1,400 learners. This left the school's governing body with no option



5.4 The AngloGold Ashanti Fund and Trust – contributing to sustainable projects in southern Africa *cont.*

but to implement a system of ‘platooning’ which splits the children into two groups with the first attending classes until late morning and the second starting at midday. Platooning is, however, a satisfactory arrangement since it has an effect on the spirit and unity of a school.

At Inyatelo it also placed a considerable burden on the 40 teachers who have to do double duty. More seriously, it has made the children who start their schooling in the afternoon vulnerable since they are left on their own at home when their parents leave for work.

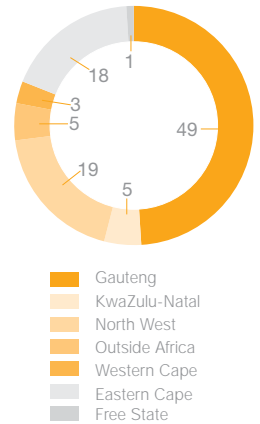
The school turned to the AngloGold Ashanti Fund for assistance and a grant of R2.5 million was made for an upgrading that includes the construction of 11 classrooms, office space and an ablution block. The contractors moved on site in August 2005 and the project was scheduled for completion by February 2006.

The chairperson of the governing body, Anderson Mogadla, now retired from AngloGold Ashanti, left the Eastern Cape 40 years ago and made Kanana his home. He was involved in the establishment of Inyatelo – the first Xhosa-medium school to be built in the area – and sums up its importance to his family by saying it made it possible for all his children and grandchildren to receive their education in their mother tongue.

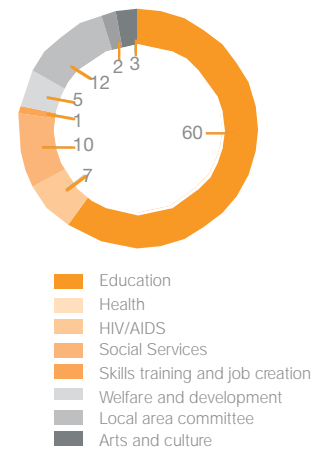
Although the North West Education Department is not providing any financial assistance for the expansion of Inyatelo, representatives sit on the steering committee and there has been ongoing consultation. For the project to be successful, however, it is important that there is a substantial increase in the number of teachers and discussions are being held with the department in this regard.

Sipho Mahlangu explains that the AngloGold Ashanti Fund is changing its focus from supporting many small projects (some with amounts around the R50,000 mark) to concentrating on larger ventures that will have a more significant impact on the regions in which they are located. Inyatelo and Boiteko illustrate this trend as well as the increasing importance being attached to initiatives that are located in areas close to AngloGold Ashanti operations where many employees and their families live. Finally, they illustrate the fund’s concern to work with government to secure the long-term future of projects.

AngloGold Ashanti Fund (%)
Provincial giving by value of grants
Total R18 million



AngloGold Ashanti Fund (%)
Sectoral giving by value of grants
Total R18 million



5.5 Understanding and working with artisanal miners in Africa



Mining companies working in Africa are having to find innovative strategies to effectively manage the presence of artisanal and small-scale miners operating on or near the company's operations and exploration sites on the continent. Artisanal, or small-scale, informal mining has, in many cases, been practised for centuries, and has become an important and traditional source of subsistence livelihood for many communities. (Free gold is frequently found in alluvial and shallow orebodies and is relatively easy to extract, refine, transport and sell.) Because of the nature of their operations – small-scale, competitive and often unregulated – these miners operate in dangerous environments, frequently using unsafe methods of tunnelling, mining, and indeed processing, which are often detrimental to the health and the environment of their surrounding communities.

Through AngloGold Ashanti's presence in Tanzania, Mali, Ghana and Guinea the company has become familiar with artisanal and small-scale mining.

For many communities artisanal mining has become a traditional way of life. The presence of large-scale mining companies is frequently met with community resistance, as these traditional miners perceive their livelihoods to be threatened by formal operations. On the other hand, mining operations and personnel are at risk from illegal miners encroaching onto the lease areas. Third-party fatalities through unsafe mining practices are also a concern, along with an increase in unlawful behaviour as new arrivals are lured by word of mouth to apparently gold-rich sites.

Because artisanal and small-scale mining is difficult to regulate, governments are turning to large mining companies to assist in managing, structuring and/or reducing the industry, through sustainable development, business and employment opportunities.

AngloGold Ashanti has developed an inclusive and holistic approach that facilitates legal and responsible artisanal mining around its own operations in support of the company's view that communities should be better off as a result of the company having being there.

Problems associated with artisanal mining recently came to the fore at Geita mine in Tanzania in April 2005 when approximately 7,000 gold seekers invaded the area after word spread that a large nugget of gold had been found by artisanal miners. While the majority of the miners left on their own accord after appeals were made from management to vacate the lease area, the police had to be summoned to remove those who resisted.

Geita is now the site of a pilot project to tackle artisanal mining, developed following a request to the mine by Tanzanian President Benjamin Mkapa to assist in managing the phenomenon. A workshop, attended by 95 artisanal miners, was held in April 2005 as a result. A joint initiative between the mine and the UK's Department for International Development (DFID) – whose interest is aligned with the United Nations' Millennium Development Goals of alleviating extreme poverty, reducing child labour and combating HIV/AIDS – the participatory workshop addressed itself to all issues associated with artisanal mining. During discussions it emerged that the miners wanted more information on topics like access to small business loans, technology, safe working conditions and better mining techniques.

A trade fair (informed by discussions held at the workshop) took place, on 28 July 2005 at Nyarugusu Village, some 32 km from Geita town. The fair was aimed at providing greater information on the topics raised at the workshop. A number of local and international participants were present, including the National Microfinance



5.5 Understanding and working with artisanal miners in Africa *cont.*

Bank (NMB) providing advice on opening accounts and requesting investment loans; the Vocational Education Training Authority (VETA) which explained how to become competent in artisanal mining and even qualify for a national diploma in the practice; the Small Industries Development Organization (SIDO) advising on alternative means of employment and the dangers of using mercury in gold extraction; and the International Labour Organization (ILO) which spoke out against child labour and unsafe working conditions. Also represented were other large mining companies operating in the area, who realise the necessity to act as a group, as well as the Mwanza Regional Miners Association (MWAREMA) and the Tanzanian Women Miners' Association (TAWOMA). In order to transcend language, educational and cultural barriers, concepts and messages were conveyed through industrial theatre, later converted into pictorial form for reinforcement.

Says Charles Loots, AngloGold Ashanti's Local Economic Development Manager, "We realised we had to adopt a multi-stakeholder approach and include as many parties as possible. Also essential to successfully tackling the problem was buy-in from local and national government."

Loots adds that one possible solution in regularising artisanal mining (though not specific to Geita mine) would be to section off areas within AngloGold Ashanti's lease areas which are not necessarily viable for the company to mine but which may well be mined through artisanal mining. This would meet the objective of legitimizing these operations while at the same time eliminating the disturbance of company operations. It would also facilitate the establishment of constructive dialogue between the company and the artisanal miners.

Follow-up awareness campaigns have been planned and the mine is also looking to establish a working partnership with the United Nations Industrial Development Organisation's (UNIDO) Global Mercury Project (GMP), aimed at reducing mercury pollution by artisanal mining through introducing cleaner technologies. Tanzania is one of six countries participating in the GMP, which has offered to supply equipment to artisanal and small-scale miners in the Geita area.

While each country presents its own set of issues with regard to artisanal mining, AngloGold Ashanti believes that elements of the Geita approach can be transferred to the company's other operations. A strategic plan is currently being drawn up for its Sigiri mine in Guinea where the issue of artisanal mining requires urgent attention. The company has adopted a 'push and pull' approach – protecting the mine's assets while at the same time gearing up to assist miners to become legal entities.

At Ghana's Ayanfuri mine, which is in the process of closure, an alternative livelihood programme is in place to encourage miners to engage in alternative employment opportunities.

AngloGold Ashanti recognises that artisanal and small-scale mining, as a way of life and an important economic tool for many, is a permanent feature in the affected countries of its operations. However, it believes that sound strategies, aimed at improving relations between large-scale operators and the informal sector, and encouraging safe and legal operations, will go a long way towards addressing the social, economic and environmental problems inherent in artisanal and small-scale mining.



5.6 Caring for orphans and orphanages – a mission for Geita



AngloGold Ashanti has placed HIV/AIDS high on its list of community initiatives at its Geita gold mine in Tanzania. Since 2002, the mine has been raising funds for HIV/AIDS through its Mount Kilimanjaro Challenge, an annual climb to the top of the country's highest point, Uhuru Peak. The annual climb was initiated in response to former President Benjamin Mkapa's 1999 call to the entire nation, including the private sector, to commit itself to the fight against HIV/AIDS in the country.

Each year the mine adopts a national theme as its focus for the affectionately named 'Kili climb'. In 2004, the slogan was 'Care for the orphans and the orphanages'. AIDS is responsible for leaving vast numbers of children orphaned. In sub-Saharan Africa, an AVERT (international AIDS charity providing information on HIV/AIDS) 2003 report estimated that Tanzania's orphaned children numbered 980,000, the country with the third largest number of AIDS orphans after Nigeria (1.8 million) and South Africa (1.1 million). It is estimated that of Geita district's population of approximately 758,000, there are about 3,000 orphans, due to the death of one or both parents as a result of AIDS, accident or illness.

The 2005 Kili Climb slogan galvanised 44 climbers to make it to the top, and in doing so, raised 150 million Tanzanian Shillings (\$150,000) for the cause. Funds were distributed among a number of organisations which care for orphans including the African Medical Research Foundation (AMREF), Christian Children's Fund (CCF) Worldwide, the Good Samaritan Mission, Shalom Care House, Family Care Foundation and Geita Orphans. A portion was also allocated to the Regional Administrative Secretary of the Kilimanjaro region, to utilise as they see fit.

Following a decision by the Geita District Authority that all the orphanages be amalgamated into one single orphanage, the Moyo Wa Huruma (Golden Heart) Orphanage Centre, the Geita gold mine allocated \$50,000 from the money raised in 2004 towards the construction and furnishment of a Geita orphanage. Six hectares of land were provided by the Geita District Authority for the construction of the orphanage, which took place between June and December 2005. The newly-completed centre has four dormitories which can house up to 40 children. It is anticipated that recreational facilities will be constructed in the next phase of construction. Children will attend the nearest primary school so that they are well-integrated into the community. A supply of clothing has been donated by mine employees and by the Mchauru Village community.

The orphanage will ultimately be fully managed by the Roman Catholic Diocese of Geita, but a key requirement of both the mine and the Geita District Authority is that the centre be strictly non-denominational and that children be admitted from any religious background, as per national government's orphan selection criteria, which also includes prioritising children who: are under the age of 18; have lost both parents and have no other relatives to care for them; or have lost both parents and are living with relatives who do not have the financial means to care for them.

In the meantime, Geita will assist in the management handover phase, until the Diocese takes over fully at the end of 2006. By this time it is anticipated that the Diocese will have attracted a number of donors to assist in funding the orphanage. However, Geita mine will continue to provide support through monies raised from its annual 'Kili climbs'.

An official launch of the orphanage will take place in the first half of 2006, at which time an intake of 20 children is expected.



5.7 CC&V an integral part of its community

The cities of Cripple Creek and Victor in Colorado owe their existence to historical mining operations, and in many ways, this historical relationship has allowed the CC&V mine to remain an integral part of its community.

In the past 11 years, since start-up of current mine operations, AngloGold Ashanti, as manager of the joint venture known as Cripple Creek & Victor Gold Mining Company (CC&V), has played a pivotal role in developing positive and constructive community relationships by raising its visibility amongst the community and becoming a point of contact for community members and leaders. The intention has been to create a relationship of trust between the community and the mine, and a positive climate for mine personnel to discuss with the community matters which may have an impact on the area and its people.

CC&V's community affairs department has sought to develop these relationships via two important routes:

- encouraging employees to participate actively in community initiatives;
- encouraging employees to participate on local structures, and interact with other local groups

Through this close interaction CC&V seeks to develop a good sense of community priorities, and to learn how its assistance and support can have an optimal impact.

Management of CC&V has sought to develop a particularly productive relationship with the Southern Teller County Focus Group (STCFG). STCFG is a group of local community leaders and others interested in the continuing development of Southern Teller County, where CC&V's operations are located. STCFG conducted a review to determine how best to achieve its goal of continuing development of Southern Teller County and determined that tourism could have a long-term sustainable impact. In conjunction with CC&V, STCFG is providing a forum for education about historic mining activities, to create economic development opportunities for the region, and to promote the protection of historic areas. In co-operation with the STCFG, six hiking trails have been established around CC&V's active mining operations, which provide access to historic mining sites, along with interpretive signage. The trails have proved to be popular and attract some 10,000 people annually. The STCFG also works together with property owners to gain and administer grants for the assessment and preservation of historic structures.

Through this association, CC&V has sought to play a meaningful role in identifying historically significant structures which are then moved out of the path of mining operations. The Hull City Placer ore sorting house and headframe have been temporarily moved, and will be replaced after the completion of reclamation; the Joe Dandy ore sorting house and headframe have been reinstalled on Globe Hill within view of the city of Cripple Creek.

An important focus area is sustainability after the cessation of mining. "It was a particularly proud moment for me when the AngloGold Ashanti choir from South Africa was invited to contribute the final performance for the inaugural season of the Colorado Festival of World Theatre. The choir proved to be excellent ambassadors for CC&V and for AngloGold Ashanti," comments Jane Mannon, CC&V community affairs manager. Plans are in place to grow and expand the CFWT by including an educational component for the youth.

Other CC&V community projects include sponsorship of little league baseball and soccer. CC&V also encourages its employees to become involved as volunteers in the community, rewarding them by treating volunteer time as paid leave.



5.7 CC&V an integral part of its community *cont.*

It is hoped that through these activities and its participation in local chambers of commerce, economic development groups and other community structures, CC&V has successfully become integrated in this community. "By contributing time, resources and funds, we believe we have made some positive strides in developing key groups for a sustainable community," says Jane Mannon.

Farm to Table Project

The spirit of volunteerism is thriving at CC&V, where Paul Douglas, mine maintenance supervisor, is working with a project to provide fresh farm produce to those in need. The Farm to Table Project which runs out Salida, Colorado, west of Cripple Creek, was undertaken almost single-handedly by Tony Madone of Salida. On donated land, Tony works the project with the objective of expanding each year. An extensive group of volunteers, such as Paul, assist Tony with his work.

CC&V has been able to support Farm to Table with the donation of fuel, oil, and surplus pick-up trucks. A cash donation helped pay for seed and fertilizer.

The 2005 vegetable crop was distributed to facilities throughout the State of Colorado in such communities as Salida, Buena Vista, Leadville, Westcliffe, Denver, Alamosa, and Montrose.

As the project gains stability, Tony and the other volunteers look forward to expanding the acreage under cultivation and the amount of produce distributed. They have already received requests for produce from Canon City, Woodland Park, and Colorado Springs. CC&V volunteers and support will help these dedicated folks reach their goal of a positive contribution throughout the region.

Pikes Peak Regional Medical Center Update

The Pikes Peak Regional Medical Center Association (*see Report to Society 2004*) announced in October, 2005 that funding has been approved for the development and construction of a new hospital in Teller County, Colorado. The United States Department of Agriculture (USDA) Rural Development Facilities Program has granted \$10 million in loan guarantees, for loans from Matrix Capital Bank, and \$4 million in a direct loan to the Association. Groundbreaking for hospital construction is expected in the spring of 2006.

Brim Healthcare, a hospital management firm, has been selected as managing partner for the hospital. Brim has extensive experience in managing small rural hospitals.

CC&V will remain a partner in this project, which will continue to provide a beneficial service for the community long after mining operations have ceased. This development is indicative of the positive developments which can flow from the careful selection of projects and the leveraging of initial strategic donations.



6. Objectives for 2006

- Further refinement of social and community development performance. A community and social development management system is being rolled out across the global operations and it is anticipated that it will take a further 18 months to two years to fully implement.
- Development of a common auditable base for reporting. It is the intention that social investment spending will be assured for 2006.
- Addressing issues arising from small scale and artisanal mining, including human rights concerns.
- Increased emphasis on economic development activities, including setting of targets.

