



## Rights and Accountability in Development

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26 October 2018

Mr John Thornton  
Executive Chairman  
Barrick Gold Corporation  
161 Bay Street  
Suite 3700  
Toronto, Ontario  
M5J 2S1

### ***Sent Via Email***

Dear Mr Thornton,

### **RE: Human Rights Obligations at North Mara Mine and Implications for the Merger with Randgold**

We are writing to draw your attention once again to continued concerns regarding human rights abuses at the North Mara Gold Mine in Tanzania, owned by Acacia Mining plc. Since Barrick Gold holds a 63.9% interest in Acacia, we believe it is vital that you and your colleagues act to rectify the situation. The proposed merger between Barrick and Randgold heightens the need to ensure that the ongoing human rights concerns are resolved.

As you know, and as has been documented over many years, Acacia has failed to prevent human rights abuses at North Mara. It has also failed to ensure that victims of those abuses are justly compensated, or to provide an adequate grievance process for the resolution of human rights claims. Although Acacia published a revised grievance mechanism in December 2017, much [more work](#) needs to be done since it is still not compliant with human rights obligations. We and four other human rights groups raised our concerns [directly](#) with Acacia's board of directors in April 2018 and RAID has done so again in October 2018.

In our view, Barrick cannot avoid its responsibility for the human rights situation at Acacia's North Mara mine. Barrick is not an arms-length investor in Acacia. It was Acacia's parent company, maintains a majority position, and as shown by its assumption of responsibility for Acacia's ongoing dispute with the Tanzanian government, described below, exercises effective control over Acacia's conduct of business when it considers a matter sufficiently important.

Acacia's failure to respect human rights at North Mara is a matter of significant importance, including to Barrick. Barrick's policies [expressly](#) state that human rights represents a core value in *all* of Barrick's business and constitutes a 'form of governance'. If those commitments have meaning beyond the page, the ongoing human rights concerns at the Mine requires your attention.

Acacia's disregard of its corporate social responsibility puts at risk an important part of Barrick's business interests and its intended merger with Randgold. Barrick has [identified](#) the loss of a social license to operate as being one of the main risks to its business and has explicitly linked that risk to Acacia. For example, Barrick in its Annual Information Form for the year ending 2017 [recognized](#) that Acacia's failure to respect human rights is a risk to 'reputational harm to Barrick and its partners or result in litigation, criminal and/or civil liability for [Barrick]'. To these may be added risks to future growth.

These risks are already apparent. The fallout from Acacia's loss of legitimacy within its local communities is being felt nationally. Acacia's ongoing [dispute](#) with the Tanzanian state over tax has led to an export ban of gold concentrates and significant financial [harm](#) to the company. Barrick has taken the lead in seeking to resolve the problem and excluded Acacia from the talks. Despite entering into a [framework agreement](#) with the Tanzanian government over a year ago, no settlement has been reached, and Acacia says it now [intends](#) to interject itself into the negotiations.

More recently, serious corruption-related charges, many dating to the time when Acacia (then known as African Barrick Gold) was a direct subsidiary of Barrick, were [laid](#) against current and former employees of the Mine as well as against Acacia's local subsidiaries. Acacia's Chief Executive Officer also [reported](#) that Tanzania's Prevention and Combating of Corruption Bureau had raided its Dar es Salaam offices to seize computers and mobile phones.

Acacia is central to Barrick's business interests in Africa and it is therefore material to the intended merger with Randgold, whose operations focus on Africa. Indeed, the [Disclaimer](#) to the merger identifies the risk that Barrick's relationship agreement with Acacia presents. Acacia holds a pre-emptive right to acquire gold mining businesses and exploration rights in Africa, which, according to the Disclaimer, may 'impair the future growth of Barrick's African gold operations following the Merger'. While Acacia has recently agreed not to exercise its pre-emptive right in relation to Barrick's merger with Randgold, it has [expressly reserved](#) it in relation to businesses and exploration rights in Africa going forward. Accordingly, the reputational, litigation and other risks, including to growth, arising from Acacia's disregard of its corporate social responsibilities and human rights obligations potentially extend beyond Tanzania to the rest of the African continent.

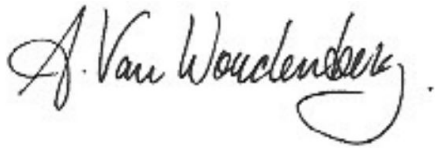
Such risks are particularly relevant to Randgold and its shareholders, whose approval is necessary for the merger to proceed. Randgold, which has [expressed](#) interest in expanding into Tanzania, places great emphasis on its social license to operate in Africa and has identified 'a lack of corporate and social responsibility' as a significant barrier to maintaining that license. Significant Randgold shareholders, such as BlackRock and First Eagle, have also committed to [assessing](#) companies' social responsibility and [ensuring](#) that those in which they invest 'deal effectively with the...social...aspects of their businesses'.

We intend to write to Randgold and its shareholders ahead of the voting on the merger, [scheduled](#) to occur on 5 November 2018, to advise them of the matters addressed in this letter and the risks that a merger with Barrick would bring should the human rights situation at the Mine not be addressed appropriately.

We urge you to work to resolve the human rights issues at North Mara mine, including by ensuring that past victims are justly compensated and that Acacia's grievance process reflects, at a

minimum, its stated aim of being compatible with the *United Nations Guiding Principles on Business and Human Rights* and other international standards. In our view, Acacia's grievance process is far from being compliant even with these standards.

Yours sincerely,

A handwritten signature in black ink that reads "A. Van Woudenberg". The signature is written in a cursive, flowing style with a large loop at the end.

Anneke Van Woudenberg  
Executive Director

Cc:

- J. Brett Harvey, Independent and Lead Director
- María Ignacia Benítez, Independent Director
- Gustavo A. Cisneros, Independent Director
- Graham G. Clow, Independent Director
- J. Michael Evans, Independent Director
- Pablo Marcet, Independent Director
- Patricia A. Hatter, Independent Director
- Stephen J. Shapiro, Independent Director
- Ernie L. Thrasher, Independent Director
- Steven J. Prichard, Independent Director
- Anthony Munk, Independent Director
- Brian L. Greenspun, Independent Director