

ANNEX F



**GUIDE TO LAND
ACQUISITION AND
COMPENSATION**

GOLDEN RIDGE RESOURCES LIMITED

**GUIDE TO LAND ACQUISITION AND COMPENSATION
FOR
PROJECT DEVELOPMENT ACTIVITIES**

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FOR
PROJECT DEVELOPMENT**

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ABBREVATIONS

LEEP	Livelihood Enhancement and Community Empowerment Program
CBO	Community Based Organization
CHRAJ	Human Rights and Administrative Justice
GLAC	Guide to Land Acquisition and Compensation
OICI	Opportunities Industrialization Centers International
NGOs	Non-Governmental Organizations
PCDP	Public Consultation and Disclosure Plan
RAP	Resettlement Action Plan
CNC	Compensation Negotiations Committee
SOP	Standard Operating Procedures.

I.0 INTRODUCTION

The Akyem Project (the Project) is located at New Abirem in the Birim North District of the Eastern Region of Ghana, approximately 130 kilometers northwest of Accra, the capital of Ghana, 133 kilometers west of Koforidua, the regional administrative center.

The Project is owned by Newmont Mining Corporation through its subsidiary Newmont Ghana Gold Limited and operating company Golden Ridge Resources Ltd. (the Company).

Newmont is developing gold reserves at the Akyem Project and undertaking exploration activities in the surrounding districts (the Project Area).

The Company developed this Guide to Land Acquisition and Compensation for its project development activities in the Project Area to ensure that activities are executed in accordance with the Minerals and Mining Law and the Newmont Land Access and Acquisition Standard. The processes described below are currently being used during the exploration phase of the Project. The Company will post a Resettlement Action Plan as part of its public consultation and disclosure process when a decision is made to proceed with Project Construction. The Resettlement Action Plan will contain specific commitments, procedures, and action programmes and measures to be taken to resettle and compensate people, households and communities affected by the Project. The actions will be guided by the World Bank Group Operational Directive 4.12 (Involuntary Resettlement), International Safeguard Policies on Performance Standard; in particular, the IFC Performance Standard on Land Acquisition and Involuntary Resettlement; and in compliance with Ghanaian law.

This process is designed to ensure that Project-affected people will be paid an appropriate amount, cash or in-kind, for deprivation of the use of the natural surface of the land, loss or damage to crops, structures, and income. The development of the Project requires land for exploration activities and land for the construction and operation of production facilities. The land for the exploration activities results in a temporary impact on the affected people whilst land for the construction and operation of production facilities may result in a permanent impact on the affected people. The Project land acquisition and compensation process for exploration activities comprises of four stages, these activities are not time bound and that for the construction and operations phase includes seven stages for Project-affected people and households who will be permanently impacted.

FIGURE 1: SCHEDULE FOR EXPLORATION ACTIVITIES

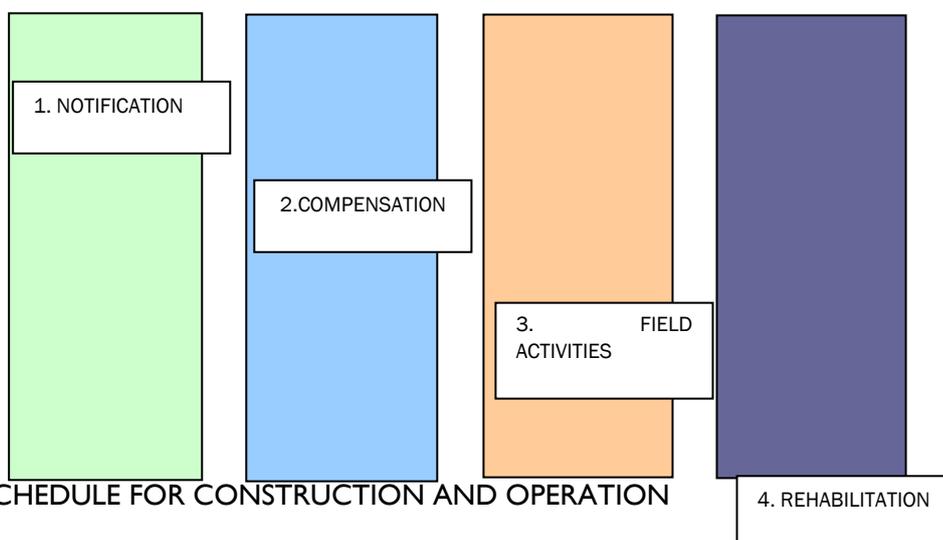
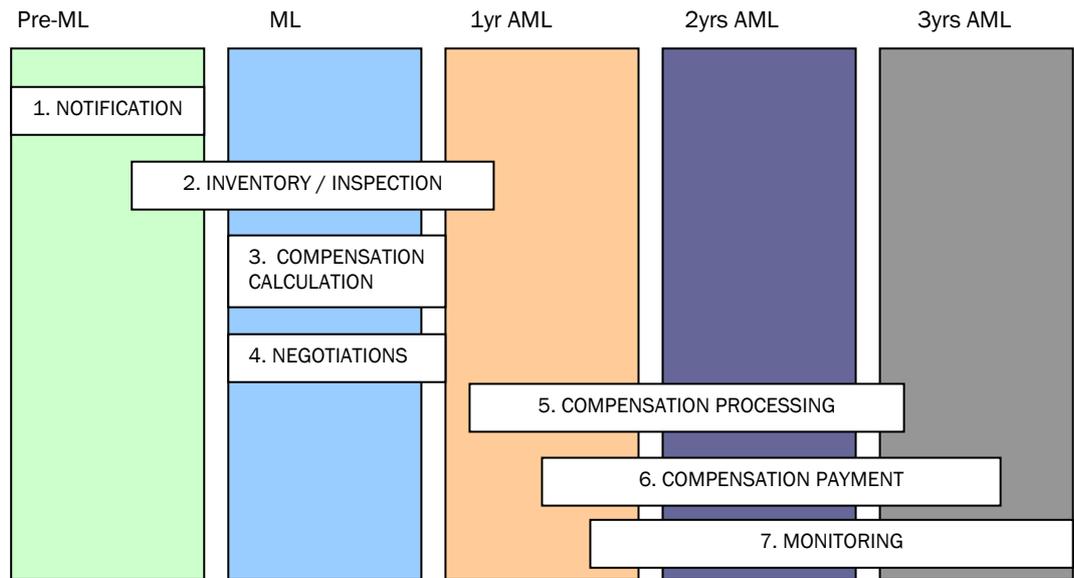


FIGURE 2: SCHEDULE FOR CONSTRUCTION AND OPERATION



Note:

Pre-ML = Pre-mining Lease
 ML = Mining Lease
 1yr AML = 1 year After Mining Lease
 2yrs AML = 2 years After Mining Lease
 3yrs AML = 3 years After Mining Lease.

2.0 PROJECT BACKGROUND

In 1997, La Source SAS, Gencor, and Kenbert Mines formed Golden Ridge Resources Limited (the Company). La Source subsequently acquired Gencor’s interest increasing its holding in the Company to 80 percent. In 1999, La Source transferred its share in the Company to Normandy Ghana Gold Ltd. In 2002, Newmont Mining Corporation acquired Normandy and an additional 5 percent of Kenbert Mines Limited share to increase its holding to 85 percent. In late 2005, Newmont, through its subsidiary Newmont Ghana Gold Limited completed purchase of the remaining 15% interest held by Kenbert Mines Limited to take full ownership of the Company.

The Company continued an extensive exploration program for gold on its Golden Ridge and Kenbert concessions in the Birim North District of the Eastern Region of Ghana (see **Figure 3**) in 2002. As a result, the Company intends to start development of the Akyem Project after obtaining a mining lease from the Ghanaian government. To begin construction, the Company must obtain sufficient land in the Mine Area to develop an open pit mining and ore processing operation. The Company is also continuing exploration activities within the wider area around the Mine Area with the aim of identifying additional ore resources that could be transported to the processing plant.

FIGURE 3: LOCATION MAP



2.1 Project Description

The Company continues exploration activities in and around its Akyem concession areas (**see figure 4**) to determine if extensions to the known deposit or new deposits close to the Akyem Project are commercially viable to add to the current life of the initial development. The exploration process often requires access to cropped land for surveys, access roads, and drill pads. Exploration activities are not expected to have permanent impacts because farmers are not physically displaced and the land is rehabilitated after the exploration activities are completed. Economic displacement is in the order of days or weeks, and is typically less than one month in duration. While drill pads and their driveways are always rehabilitated and prepared for replanting, access roads are not if the farmer and local community view these roads as a significant benefit and request that they be left open.

Project construction will commence after obtaining the Mining Lease from Government of Ghana which follows the approval of the Environmental Impact Statement by the Environmental Protection Agency and after approval to proceed is received from Newmont Management.

The Akyem Project will involve excavation of an open pit mine, construction of two waste rock disposal facilities, a tailing storage facility, ore processing plant, water storage dam and reservoir, water transmission pipeline, sediment control dams, haul and access roads, and support facilities. Approximately 1,875 hectares will be required for project development (**see figure 5**). Approximately 1,465 hectares will be disturbed by Project activities with the remaining 410 hectares being contained in a buffer zone of variable dimension which will be established as a safety and security zone around the mine pit that will not be disturbed by mining activities. The use of this land will be controlled by the Company. Approximately 74 hectares of disturbance related to development of open pit will occur within the Adjenua Bepo Forest Reserve. In addition, approximately 50 hectares will be required for a resettlement village which will be located in close proximity to one of the communities outside the Mine Area. The actual resettlement location and facilities will be determined in consultation with the affected communities after the decision is made to proceed to Project construction.

Construction of the Akyem Project will require displacement of people and agricultural production from the Mine Area. The Project surveyors' estimate, as of December 2006, indicated that 241 households, comprising 1,326 people, are located within the Mine Area. In addition 2,183 farm fields will be converted from agricultural production to mining facilities and buffer zones.

The Company has minimized the scope of physical and economic displacement associated with the Project to the extent possible through the following actions:

- Minimizing the size of Project components and the distances between them;
- Minimizing buffers around Project components; and
- Restricting the Mine Area to a sparsely populated, rural area.

Mine operations are expected to begin immediately after construction is completed.

FIGURE 4: PROJECT EXPLORATION AREA

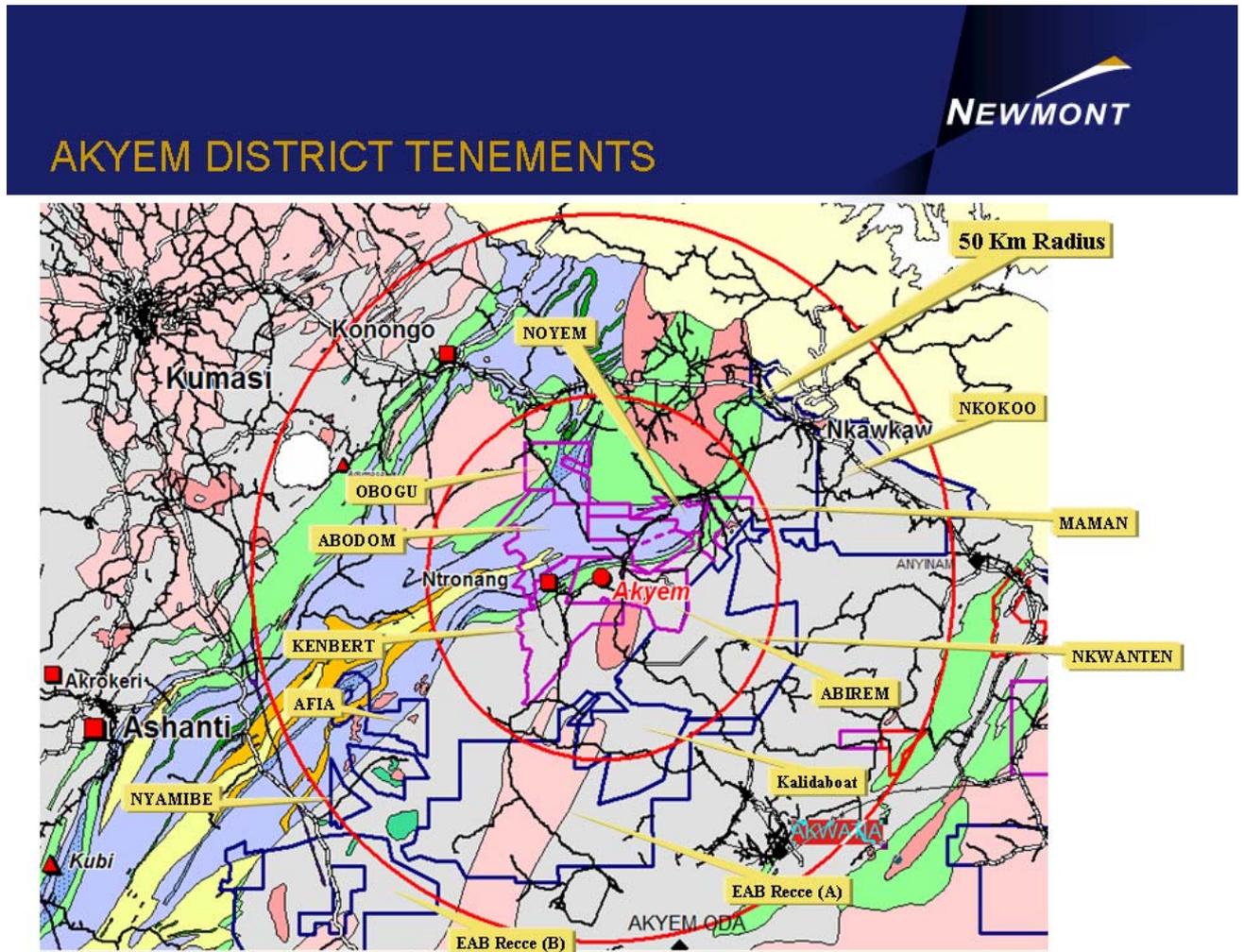


FIGURE 5: MINE AREA



AKYEM - MINE AREA

3.0 INSTITUTIONAL AND LEGAL FRAMEWORK

The section provides institutional and legal framework that guide land acquisition process in the country. It also highlights some of the International Best Practice especially IFC Performance Standards on Land Acquisition and Resettlement.

3.1 General Institutional Framework

The President of Ghana exercises executive authority under provisions of the Constitution, extending to the execution and maintenance of the Constitution and all laws made under or continued in force by the Constitution. The Cabinet, made up of the President, Vice-President, and not less than ten and not more than nineteen Ministers of State, assists the President in determining the general policy of the government.

Ghana has ten administrative regions, including the Project-host Eastern Region. The capital of Eastern Region is Koforidua.

The Regional Coordinating Council links the national government and the district/municipal/metropolitan assemblies. It is comprised of chief executives and members of district/municipal/metropolitan assemblies, along with two representatives from the House of Chiefs, the Regional Minister and Deputy Regional Minister. The Regional Minister serves as the Chairman of the Council.

Eastern Region has twenty-one administrative districts. The Project falls within Birim North District. The town of New Abirem is the administrative capital and commercial center of Birim North District.

The Birim North District Assembly is the highest administrative and political authority in the District. The District Assembly has 70% elected members and 30% government appointees. It is headed by District Chief Executive, who is appointed by the President with the approval of two-thirds of the District Assembly. The District Assembly includes two members of Parliament, 42 elected members as well as 18 government appointees. It exercises deliberative, legislative and executive functions, and is responsible for development through preparation and management of district development plans.

Traditional authorities possess deep institutional relevance, particularly in rural areas where they continue to command considerable respect. These authorities play a particularly important role in land allocation and land management. There are three main traditional groupings in the Eastern Region: Akyem Kotoku, Akyem Abuakwa and Akyem Bosome. The Mine Area falls within the Akyem Kotoku Traditional Area, the seat of which is Akyem Oda. Within the traditional structure, the Paramount Chief (Omanhene) is the head. Below the Paramount Chief are the divisional and sub-divisional chiefs (Ahene) whose areas are synonymous with traditional towns and villages.

3.2 Legal Framework

The legal and institutional context of land acquisition and resettlement in Ghana is complex. As in many parts of Africa, dual, customary and titled ownership exist. Regulatory oversight of private sector land acquisition and resettlement related to mining activities and actions is governed by the Constitution and various legislative enactments:

- The 1992 Constitution of Ghana whilst ensuring protection of private property also gives conditions under which compulsory acquisition may be undertaken. The Constitution also establishes requirements for resettlement in the event of displacement from State acquisition. The Constitution also affirms that every mineral in its natural state in, under or upon any land in Ghana, is the property of the Republic of Ghana, and vests such property in the President on behalf of and in trust for the people of Ghana.
- The State Lands Act of 1962 (Act 125) and its subsequent amendment - State Lands (Amendment) Act 2000 - sets procedures for public land acquisitions and establishes criteria for claims to compensation and principles for compensation assessment.
- Public sector land acquisitions are governed by a number of post-independence laws that authorize the State to acquire land by eminent domain. State agencies oversee various land policies relating to land acquisition, resettlement and compensation. The main agency which oversees compensation regulations stemming from the State Lands Act of 1962 is the Lands Commission; whilst the main agency which oversees resettlement related issues is the Department of Town and Country Planning.

The Constitution of Ghana (Article 20(3)) specifically requires resettlement (and not just cash compensation) where land is acquired in the public interest and involves displacement of any inhabitants. The State Lands Act, 1962 Act 125 and its subsequent amendment - the State Lands (Amendment) Act of 2000 provide that any person whose property is affected by a public project is entitled to claim compensation through the Lands Commission. It further provides a mechanism by which people not satisfied with compensation assessed by the Lands Commission to seek redress in the High Court and if still dissatisfied, to appeal against the decision in the Court of Appeal.

The legal framework for mining in Ghana is the Minerals and Mining Act of 2006. In this framework, the State owns all minerals occurring in their natural state within Ghana's land and sea territory, and its exclusive economic zone. Exercise of any mineral right requires a license granted by the Minister for Lands, Forests and Mines, (as the agent of the State) on the recommendations of the Minerals Commission; for exercise of powers relating to minerals.

The Minerals and Mining Act details procedures for obtaining mineral rights and requires adequate compensation to surface rights holders for

- b) deprivation of the use or a particular use of the natural surface of the land,
- c) loss of or damage to immovable properties,
- d) loss of or damage to crops.

The Minister, in consultation with the Land Valuation Board has oversight responsibility for disputes relating to compensation disagreements and the High Court is the final option for dispute resolution in cases of compensation disagreements.

The Mineral and Mining Act, 2006 (Act 703) of Ghana legally defines mineral rights to include rights to reconnoiter, prospect for, and mine minerals.

A Reconnaissance License may be granted for an initial period not more than twelve months. The law confers on the holder of the reconnaissance license or a person authorized by him, the exclusive right to carry on reconnaissance in the reconnaissance area for the minerals to which the reconnaissance license relates and to conduct other ancillary or incidental activity. The rightful holder can also erect camps or temporary buildings however, shall not engage in a drilling or excavation activities.

The Reconnaissance License holder can apply for Prospecting License. The Prospecting License is granted for an initial period not exceeding three years. The rightful holder may enter upon the land to which the license is given to prospect for minerals and have the right to make boreholes and excavations, erect camps and put up temporary buildings, conduct other activity ancillary or incidental necessary for the prospecting operations. The rightful holder shall demarcate and keep demarcation of the prospecting area in the prescribed manner.

The Prospecting License holder can apply in the prescribed form for a Mining Lease in respect of the mineral subject of the license. A Mining Lease shall be granted for an initial term of thirty years or for a lesser period that may be agreed with the applicant. The right is conferred on the mining lease holder to conduct mineral operations for the specific mineral of the Mining Lease, erect equipment, plant and buildings for the purposes of mining etc., take and remove from the land the specified minerals, stack and dump a mineral or waste product as approved in the holder's Environmental Impact Statement and conduct other incidental or ancillary activity.

Section 72 of Act 703 deals with surface rights and stipulates that within an area where a mineral right has been granted, owners and lawful occupiers retain the right to use the land within the lease areas (i.e., graze livestock, cultivate crops) provided such use does not interfere with mining operations. However in mining areas (defined in the Act as the area designated from time to time by the holder of a mining lease with the approval of the Commission), owners and lawful occupiers must obtain the consent of the mining company to erect any building or structure on leased land. Also, the owner or lawful occupier of land is not allowed to upgrade to a higher value crop without the written consent of the mining lease holder.

The Minerals and Mining Act provides further for resettlement at the expense of the company: Section 73(4) requires that

"The Minister shall ensure that inhabitants who prefer to be compensated by way of resettlement as a result of being displaced by a proposed mineral operation are settled on suitable alternate land, with due regard to their economic well-being and social and cultural value, and the resettlement is carried out in accordance with the relevant town planning laws."

Other legislation and regulations relevant to the land acquisition and resettlement processes include those pertaining to environmental protection and assessment, and architecture and planning.

An Environmental Impact Assessment for developments, projects or undertakings has been a requirement in Ghana since 1989.

The physical planning of any area is governed by the Town and Country Planning Ordinance of 1945 (Cap 84) and the Local Government Act of 1993 (Act 462).

3.3 Forest Access

In 1996, the Ministry of Lands, Forestry, and Mines placed a moratorium on mineral exploration in Forest Reserves as a result of growing concern over illegal logging, encroachment by farming communities, and potential mine development. The moratorium was subsequently revised in

February 2003 and exploration was allowed to resume, but was limited to less than a total of two percent of productive Forest Reserve areas at any one time. Seventeen companies, whose cumulative permitted area was less than the two percent limitation, were invited to reapply for Forestry Entry Permits under new “*Operational Guidelines for Mineral Exploration in Forest Reserves for Selected Companies*” developed by the Ministry for Lands, Forestry, and Mines and the Chamber of Mines (January 2001, Draft Document). The Project is one of the companies allowed to pursue exploration activities in the forest reserves within their mining lease boundary.

3.4 Eminent Domain

The power of the State to compulsorily acquire land has been established since the government of the First Republic through the enactment of the State Lands Act of 1962 (Act 125). Eminent domain gives the government power to compulsorily acquire private property for public use, when such property is required. The government has used the power to establish farms, create Volta Lake, and implement many smaller infrastructure schemes. Under eminent domain legislation and the Constitution, the government is required to pay compensation for the market or replacement value of the land, the cost of disturbance or any other damage and the benefit to be derived from the use of the land acquired.

3.5 World Bank/IFC Guidelines

Social Safeguard Policy on Performance Standard

International Finance Corporation (IFC) applies the Performance Standards to manage social and environmental risks and impacts and to enhance development opportunities in its private sector financing for its member countries eligible for financing¹. Together, eight Performance Standards are established that the client² is to meet throughout the life of an investment by IFC or other relevant financial institution:

Performance Standard 1: Social and Environmental Assessment and Management System

Performance Standard 2: Labour and Working Conditions

Performance Standard 3: Pollution Prevention and Abatement

Performance Standard 4: Community Health, Safety and Security

Performance Standard 5: Land Acquisition and Involuntary Resettlement

Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management

Performance Standard 7: Indigenous Peoples

Performance Standard 8: Cultural Heritage.

For the purpose of this document, more emphasis will be on Performance Standard 5 which deals with Land Acquisition and Involuntary Resettlement.

IFC expects clients to manage Land Acquisition and Involuntary Resettlement impact through implementation of measures to meet requirements of the Performance Standards.

¹ IFC will apply the Performance Standards to projects it finances, consistent with the provisions in the accompanying IFC's on Social and Environmental Sustainability. IFC's Institutional disclosure of information will be pursuant to IFC's policy on Disclosure of Information.

² The term “client” is used throughout the Performance Standards broadly to refer to the party responsible for implementing and operating the project that is being financed, or the recipient of the financing, depending on the projects structure and type of financing.

The Performance Standard on Land Acquisition and Involuntary Resettlement applies to physical or economic displacement resulting from the following types of land transactions:

- Type I: Land rights for a private sector project acquired through expropriation or other compulsory procedures
- Type II: Land rights for a private sector project acquired through negotiated settlements with property owners or through those with legal rights to land, including customary or traditional rights recognized under the laws of the country. This negotiation can be carried out by the private company acquiring the land or by the agent of the company. In the case of the private sector projects in which land rights are acquired by the government the negotiations may be carried out by government or the private company as agent of the government.

This Performance Standard does not apply to resettlement resulting from voluntary land transactions (i.e., market transactions in which the seller is not obliged and the buyer cannot resort to expropriation or other compulsory procedures if negotiations fail).

In addition to complying with Ghanaian legislation, guidelines, and World Bank directives, the Project adheres to the Newmont Land Access and Acquisition Standard (CER-S.022). This Guide documents the commitment made by the Project to both social responsibility and public involvement in the project development process.

4.0. LAND TENURE AND LAND USE RIGHTS

Land ownership in Ghana is governed by a web of common law, customs and practices, from which have emerged the following categories of landholdings. Except for 'public land' acquired by the Government of Ghana, land is customarily held by stools/skins, families, clans and individuals.

4.1 Land Tenure

- **State Land:** State lands refers to lands that been acquired by government under the power of eminent domain. The principal legislation is the State Lands Act of 1962 (Act 125) and its subsequent amendment – State Lands (Amendment) Act, 2000. Under these the legal interest become vested in government, which can then dispose of the land to state institutions or to private individuals and organizations, by way of lease, certificate of allocation/ occupation, and license. These categories of lands are found throughout the country. The Lands Commission manages these lands which are vested in the President, on behalf of the Government (Article 258 Clause 1(a) of the 1992 Constitution). All grants of State land emanates from the Lands Commission. The Adjenua Bepo Forest Reserve was established in 1930 and was part of the Afosu and Adausena stool land under the Akim Kotoku Traditional Authority, until its acquisition.
- **Vested Land:** This is land vested in the President, in trust for a landholding community under the Administration of Lands Act 1962 (Act 123). Vested lands are lands owned by stools/skins, but managed by the State on behalf of the land-owning stool. This introduces dual ownership in the land whereby the legal interest is vested in the State whereas the beneficiary interest accrues to the stool/skin. Under this dual ownership arrangement, the legal right to sell, lease or collect rent is done by the State through the Lands Commission. Landowners have equitable rights i.e. right to enjoy benefits from the land. All grants of vested land emanate from the Lands Commission after payment of drinks money (traditional fees) to the traditional owners who hold the equitable rights.

- **Stool Land:** Stool land is communal land held in trust by the Chief (as the custodian) on behalf of the community. The allodial and usufruct rights are vested in the stool and landowning community members (subjects of the stool) respectively. The usufruct right is an interest in land held in perpetuity by individuals and subgroups in stool land that is owned by the larger community of which they are members. The usufruct right can be disposed of to a third party for farming purposes. An individual may not dispose of stool land for housing development. However, the Chief can, with consent of the elders, allocates or leases a portion of land to an immigrant individual or group. The Project lies within the Kotoku Traditional Area with its Paramountcy at Akim Oda. The settlements owe traditional allegiance to the Paramount Chief through the Gyaase division of the Traditional Council.

- **Family Land:** Land held by individual families (clans) that have been passed on from generation to generation through inheritance. For such land, the family head manages the land but each member has the right of use of the land for any purpose, but has to seek the consent of the head. The head of family does not make grants of the land without consultations with other elders of the family. No member has the right to dispose of all or any part of the land without the consent of the other members.

4.2 Land Use Rights

Land use rights vary between landlords and tenants. Generally, a **landlord** is a property holder who has exclusive rights to use or to dispose of use rights to land. Land use rights are typically acquired from traditional rulers and family heads or by inheritance and are disposed of otherwise by sale or to tenants.

Tenants are persons or households with use rights to land as negotiated under a private agreement with landlords. Two types of tenants exist within the district: sharecroppers and caretakers.



- **Sharecropping** (the 'abunu'/'abusa' system) is a specific type of land tenancy in which the landlord of a parcel of land extends farming rights for an agreed period of time. In the 'abunu' system, the crops or revenue thereof is shared evenly between landowner and tenant. In the 'abusa' system, crops or revenue thereof is shared such that one-third goes to the landowner and two-third to the tenant. This is a common practice determined through negotiation between the tenant and landlord and depends on the type of crops planted. Specifically, in the project area 'abunu' is properly called "Apasu Abunu" i.e. crop sharing into two (2) equal parts, while 'Abusa' is sharing into three (3) equal parts. In both cases, the farmer may continue to crop on the land for the life of the crop or if fire engulfs the farm and the crops are no more, there could be a renegotiation for a fresh start or the farmer could leave without any obligation on both parties. However, where the farmer crops till the end of the life of the crop the land reverts to the land owner. Customary land transactions on sharing farm lands do not intend to transfer ownership in land to another. When an agreement is made between a landlord and a

farmer with respect to sharing farm, without explicitly indicating an intention to transfer ownership, the generally accepted notion is to own and cultivate the land for the life of the crops (common with cash crops). Unless certain customary rites are performed to signify an actual transfer or gift of the land to another the sharing never intends to transfer ownership rights on the land

- **A caretaker** is someone who has been employed – by either a landlord or sharecropper – to take care of a particular farm (e.g., a cocoa plantation). The caretaker usually resides on or near the farm, and in exchange for cultivating the farm, receives a share of the proceeds from the sale of crops.

4.3 Traditional Authorities Role in Land Administration

In Ghana, traditional authorities play a particularly important role in land allocation and management, especially in rural areas where they continue to command considerable respect. The Akyem Project lies within the Kotoku Traditional Area with its Paramountcy at Akyem Oda. The settlements owe traditional allegiance to the Paramount Chief through the Gyaase division of the Traditional Council.

Paramount and divisional chiefs exert control over sub-chiefs, who represent major communities within their respective stools, and village chiefs, who represent smaller communities. A Chiefdom consists of the Chief, the Queen Mother, sub chiefs, family/clan heads, and a linguist. This gathering is the supreme body in the community and must approve all decisions made. This traditional structure is also used to deal with land disputes, family disputes, town development issues, and civil cases and is the custodian of the customs and traditions of the people.

Each community has a Chief Farmer who is integral to the local agricultural process. The Chief Farmer is not a traditional position but rather is a trusted individual chosen by the community to adjudicate disputes among farmers on land and crop issues and to act as the farmers' representative with governmental and private agencies.

4.4 Household Structures

In the Akyem Traditional Area, people typically have as their primary residence a family home, which serves as the social and residential center of an extended family. Each extended family is typically composed of individuals from more than one related nuclear family, or household. In rural areas near the Project, these extended family residences are termed "krom", meaning village and in urban areas near the Project, these extended family residences are termed "efihya" which means urban homestead. Residents of urban homesteads often possess farms in the surrounding rural areas. Sometimes, such persons also have farm houses ("akuraa") which they use seasonally and from time-to-time, for storage, to rest during the heat of midday, or for extended periods of "camping" at the farm. These farm houses are typically used by individuals of a nuclear family, or household. The residents, or habitual users, normally number about five persons.

5.0 PUBLIC CONSULTATION AND DISCLOSURE

The Company is implementing a comprehensive Public Consultation and Disclosure Plan, the goal of which is to improve Company decision-making through dialogue with individuals, groups and organizations that have a legitimate interest in the Project.

This Public Consultation and Disclosure Plan (PCDP) is a tool for managing communications between the Company and its stakeholders. The PCDP also seeks to improve and facilitate decision making and create an atmosphere of understanding that actively involves individuals, groups, and organizations that can affect, or be affected by, development of the Project. The emphasis of the PCDP is to document implementation of a formal program in an objective, simple manner to focus efforts on improving communications between the Company and other interested parties.

The Plan of the PCDP includes the following key features:

- Creating multi-stakeholder committees to identify and address Project impacts and community concerns.
- Ensuring that front-line Company community liaison workers are knowledgeable about Company policies and capable of responding to question/comments appropriately in both Akan and English.
- Establishing Public Information Centers, furnished with information on Company policies, Project details and status and answers to frequently asked questions, the rights and responsibilities of affected people.
- Hosting regular and thoroughly documented meetings between community workers, affected people and their representatives.
- Maintaining an open-door policy, such that stakeholders are comfortable approaching the Company officers to ask questions and express concerns.
- Creating a responsive management system for recording and responding to comments and concerns.

The Company believes that, effective community and stakeholder engagement is essential to achieve its objectives and this can result in a number of outcomes such as conflict reductions, community commitment and support for the Project.

6.0 PROJECT-AFFECTED PEOPLE/COMMUNITIES

People affected by the Project can be put into two categories based on the stages involved in the land acquisition for the project development: exploration activities and construction and operations activities. The following sections explain how the communities are affected by the Project at each phase of its development.

Exploration Activities Phase

The Akyem Project exploration licenses cover land in the Birim North, Kwahu South, Kwahu West, Asante Akyem South and Kwaebibirem Districts of the Eastern Region. The number of households affected by exploration activities varies each year depending on the Company priorities, budgeting, the availability of rigs and crews, and the results of previous work in the area. Exploration activities involve temporary loss of economic benefit from land use and do not result in physical displacement. The crop compensation procedure in use allows the affected farmers to be paid an appropriate amount of cash compensation for loss of crops during the exploration activities. Once the exploration area is defined, the company adopts standard procedures in dealing with the affected communities and individuals. Essentially, these Standard Operating Procedures require that the Community Relation team goes ahead to inform the District Administration, Traditional Authorities and the Affected Farmers to show copies of the concession maps and license and also to explain the activities and the time frame as a courtesy and concern. The Exploration Team can then move to the site to conduct their activities. The Exploration Team is accompanied by members of the Community Relation Team as and when

required. Traditional customs and practices of the communities are also paramount in the company's dealings during this phase.

Construction and Operation Phase

The Company intends to start construction of the Akyem Project after obtaining a mining lease from the Ghanaian government and after completing negotiations with the affected people.

The Akyem Project will involve excavation of an open pit mine and construction of associated infrastructure including processing plant, tailings and waste rock storage, water and power supply and offices and accommodation. The development of the Project will cover an area of 1,875 hectares. Construction of the Project is scheduled to take 30 months and the life span of the Mine is expected to be 17 years.

Construction and operation of the Akyem Project will result in the permanent physical and economic displacement of an estimated 241 households (1,326 people) living in the Mine Area and economic displacement of an additional 1,443 households (7,937 people) having farms in the mine area but reside outside the Mine Area. The total number of the affected households is 1,684 households (9,263 people).

6.1 Entitlements and Eligibility

The degree of the project impact on the affected-people differs depending on the phase of the project development. While exploration may result in temporary impacts on the affected people, construction and operation would create permanent impacts on the affected people.

Exploration Activities Phase

Mineral explorations within Akyem Project areas create temporary impacts to the land as a consequence of determining the extent and quality of the ore body. The exploration activities normally result in the following:

- Loss of or damage to crops, including cash and subsistence crops and;
- Damage to access roads

Compensation is therefore paid for the people whose lands and crops are damaged or destroyed during the exploration activities. Entitlement benefit offered by the Company to affected people/community includes:

- Cash compensation for loss of crops
- Land rehabilitated and prepared for planting and;
- Access road repaired
- Where applicable, compensation is paid for the deprivation (partial or total) of use of the natural surface of the land

A Crop Rate Review Committee (CRR) was instituted and inaugurated on December 2002. The committee was mandated to meet annually to review compensation rates for crops destroyed as a result of Company exploration and project development activities.

The committee met in the first time in February 2003 and agreed rates for various crops were applied during that year. Since then the rates have been reviewed and applied each year.

The Crop Rate Review process for 2006/2007 was refined to provide a more open approach. The composition of the committee was re-organized to include representatives of the following; Traditional Authorities, Affected farmers, Government, new Exploration Districts, Newmont and observers. The community representatives were chosen in a manner determined by the community –either by election or nomination. The roles and functions of each representative were defined to assist members to perform their roles effectively.

Sub-committees were constituted within the CRRC when necessary to discuss specific topics in smaller working groups with the plenary group voting on the sub-committee recommendations. This was done to reach consensus on issues quickly and in a more successful manner.

A guiding principle was a commitment by all parties to mutual trust, constructive engagement and dissemination of information to ensure that discussions and negotiations were taking place in a cordial manner and that affected communities were adequately consulted and informed of the progress and decisions of the CRRC. This was aimed to build trust and reach mutual agreement on fair compensation rates for various crops.

Based on prior commitment by both parties to review crop rates annually, the 2008 review process is expected to commence in April 2008 with the newly negotiated rates being effective from 1st May 2008.

Mine Construction Phase

Project development will create permanent impacts during the land acquisition process prior to Project development and will continue at least through the operational life of the mine until closure, including:

- Deprivation of use or a particular use of the natural surface of the land or part of the land
- Loss of or damage to immovable properties (buildings and other immovable assets)
- Loss of or damage to crops (cash and subsistence crops)
- Other consequential losses, damages or disturbance of the rights of the owners or lawful occupiers

The company, in compliance with the Minerals and Mining Act 2006, Act 730, will negotiate with persons whose rights may be affected by the proposed mineral operations. Entitlement benefits offered by the Company include, but are not limited to:

- Cash compensation for loss of or damage to crops, buildings, and income;
- Cash compensation or cash assistance towards acquiring replacement land for the deprivation of the use of the natural surface of the land.
- Participation in financial management and micro-enterprise development training courses designed to help Project-affected people and/or households use compensation money appropriately to sustain or replace livelihood enhancement

- Participation in livelihood restoration programs designed to enable Project-affected people and/or households to regain at least their pre-Project level of livelihood
- Resettlement or relocation assistance, if eligible; and
- Transport of people and goods, the right to salvage materials from the previously occupied buildings, temporary housing allowances, and other short term provisions required to move from one site to another, if applicable.



Entitlement Cut-off Date – People living or farming in the Mining Area before entitlement cut-off date is declared will be eligible for entitlements listed above depending specifically on how they are affected. The entitlement cut-off date is a specific date confirmed by the Compensation Negotiations Committee as the deadline for entitlement to compensation, as described in the Mineral and Mining Law (703). Section 72 of the Minerals and Mining Act controls and restricts certain development activities in the mining lease area and the mining area respectively. People would not be compensated for structures or buildings erected landing the mining area after the entitlement cut-off date, which the Company will publicly announce. The declaration of moratorium will be set after grant of the Mining Lease, which is subject to prior approval of the Environmental Impact Statement by the Environmental Protection Agency.

7.0 LAND ACQUISITION AND COMPENSATION PROCESS FOR THE EXPLORATION ACTIVITIES

The Company has developed and successfully implemented a Crop Compensation Payments Standard Operating Procedure specific to the Project (CER.S.022, SOP 1) tiered down from the Newmont Corporate Land Access and Acquisition standard. The procedure is designed to ensure a uniform, systematic, and timely method of recording, approving and making payment for crop compensation for exploration and temporary access only. The procedure was designed to assure that those farmers seeking compensation due to exploration activities will be paid an fair and adequate compensation for loss of crops; promptly. The entire process – from entering an exploration area to paying compensation to the farmer takes less than a month, on average.

The following section describes the steps involved in the Project exploration activities.

Step 1. Notification

Once the Company defines the exploration program for a given area, The Community Relations team contacts the District Administration and traditional authorities within the concession as well as the individual farmers to explain the activities and time frame. The team also explains the Company's compensation rates for the temporary use of the land and upon agreement between the two parties (the farmer and the Company), the farmer signs authorization form to allow access to the land. Once this is complete the Company's exploration team has access to conduct their activities on the land. The exploration team also interacts directly with local farmers, providing an immediate response to questions or complaints. At this stage, all necessary traditional and customary requirements are performed.

Step 2. Compensation

Crops that will be damaged or destroyed during the exploration program are first identified and counted in the presence of the farmer or his/her nominee, the local chief farmer and the Company representative. This is done prior to the specific field activities taking place. Upon agreement, the farmer signs the crop compensation form accepting the compensation rates, as determined by the Crop Rate Review Committee. The farmer can then salvage the crops or the crops are destroyed to pave way for the field work.

Step 3. Field Activities

The field work may result in temporary disturbances on the land depending on the particular activities taking place. The first stage is reconnaissance survey including activities such as mapping, line cutting, taking stream sediment samples and test pitting. This does not involve drilling or excavation.

The second stage is prospecting survey where a drill rig is used to test the sub-surface in the anomalous areas of the concession, when drilling is required drill pads are created along access roads for drill rigs to collect ore samples. Depending on the depth of the hole, at times up to about 200-300m deep a drill rig may occupy a pad for a few days to a few weeks.

Step 4. Rehabilitation

The land that has been disturbed by line cutting, access and drilling is rehabilitated by re-contouring and replacing the top soil. While drill pads and their driveways are always rehabilitated, access roads are not if the farmer and local community view these roads as a significant benefit and request that they be left open.

8.0 LAND ACQUISITION AND COMPENSATION PROCESS FOR MINE CONSTRUCTION AND OPERATIONS

The Company is guided by World Bank Operational Policy 4.12 (Involuntary Resettlement), which governs involuntary resettlement associated with natural resource and infrastructure development. The directive sets the benchmark against which such projects are gauged by international financial institutions, both private and multi-lateral. Operational Policy 4.12 is

internationally acknowledged as one of the most comprehensive and efficient set of international standards with respect to the protection of the rights of affected people.

The key principles of this policy are:

- Physical and economic dislocation should be avoided or minimized where feasible.
- Unavoidable displacement should involve the preparation and implementation of a resettlement plan. All involuntary resettlement should be conceived and executed as development programs, with resettlers provided with sufficient investment resources and opportunities to share in project benefits.
- Displaced persons should be (i) compensated for their losses at full replacement cost prior to the actual move; (ii) assisted with the move and supported during the transition period in the resettlement site; and (iii) assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them. Particular attention should be paid to the needs of the poorest groups to be resettled.
- Community participation in planning and implementing resettlement should be encouraged. Appropriate patterns of social organization should be established, and existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible.
- Resettlers should be integrated socially and economically into host communities so that adverse impacts on host communities are minimized.
- Land, housing, infrastructure, and other compensation should be provided to the adversely affected population. The absence of legal title to land should not be a bar to compensation.

The construction and operation of the mine will permanently results in physical and economic displacement of some households. The following seven steps described below, assures Project-affected people will be paid an appropriate amount, in cash or in kind, for permanent loss of crops, structures, income , and deprivation of use of land in accordance with the World Bank Operational Policy 4.12 and the Minerals and Mining Act 2006 (Act 703) respectively, as well as other International Best Practice. This Guide is a precursor of the draft Resettlement Action Plan. The effectiveness and details of the compensation process will be documented in the Resettlement Action Plan.

Step 1. Notification

The Company and affected individuals and communities, will establish a Compensation Negotiation Committee (CNC), membership of which will include representatives elected by Project-affected people and communities. The purpose of this committee is to represent all stakeholders in the planning process. This will facilitate cooperative land acquisition, compensation, and resettlement based on free prior informed consultation and consent when the Mining Lease and the Project are approved.

Step 2. Inventory/Inspection

Beginning in October 2004, survey teams were formed, including Chief Farmers, personnel from independent companies, non-governmental organizations, and Company representatives to carry out initial inventories and inspections of the land and assets in the proposed Mining Lease Area. The purpose of this process was to prepare a preliminary record for the Project compensation database and geographic information system of assets and income-generating items that may be affected, and to determine the eligibility category of each Project-affected person – landowner, tenant, or employee.

Once the entitlement cut-off date has been declared, the Company will verify farm sizes previously inventoried. An asset survey team, composed of independent, government-certified Valuers, company representatives, local chief farmer and officers of the Land Valuation Board (as independent witnesses) will, in the presence of the owner or lawful occupier of a property, compile a comprehensive inventory of the assets (land, immovable assets and crops) of the affected person and determine the appropriate compensation entitlement. Structures built and crops planted after the entitlement cut-off date is declared are not eligible for compensation. The evaluation of structures will be based on factors such as the type of structure (residential or non-residential, or business), age of structure, construction materials, condition

A copy of the asset survey forms (land, immovable assets and crops) will be signed by the Project-affected person and independently witnessed immediately upon completion of the inventory. These agreements will form the basis for determining the compensation entitlement.

Step 3. Compensation Calculations

Compensation will be determined for the deprivation from the use of the land, loss of or damage to crops, buildings (immovable property), and loss of income to ensure Project-affected people are adequately compensated for the disturbance and that their lives and livelihoods can be maintained at an equal or potentially improved condition during construction and operation of the Project.

Calculations for the loss of or damage to crops: The Company will negotiate crop compensation rates for each cash and food crop with a multi-stakeholder Committee each year. Compensation for a given farm will be calculated using either unit rates (negotiated rate per tree or crop) or area rates (negotiated rate per acre of the particular crop). The area rates will use the farm cadastral survey area and planting density agreed with the multi-stakeholder Committee.

Calculations for the loss of buildings: The Company will compensate for all eligible structures (residential and non-residential) located in the Mining Area; built prior to the entitlement cut-off date. Replacement rates for all types of structures are determined by an independent registered professional valuer, in accordance with international valuation practice standards and with the approval of the Land Valuation Board. Compensation is the replacement value of the affected structure or immovable property, where the affected person is deemed to be eligible for resettlement, a replacement house of equal area will be constructed on suitable alternative land having due regard to their economic well-being and social and cultural values and also in accordance with the relevant town planning laws. Compensation rates represent the replacement value of the structure plus transaction costs. The replacement value will be calculated in accordance with national and international valuation practice standards and in consultation with the CNC. The Company will replace the institutional infrastructure by building new structures at the resettlement village.

Calculations for the loss of income: The Company will assist affected local businesses to salvage their materials and rebuild their business structures in the resettlement village. An agreed lump sum cash compensation will be paid for lost business during the transition period until the affected business is reestablished in a resettlement village or the affected owner decides to dissolve the business. An agreed lump sum cash compensation will be paid to all affected business landlords. An agreed lump sum cash compensation will be paid to all eligible tenants/employees for lost earnings whether they are rehired or not.



Determination of compensation for the deprivation of the use or a particular use of the natural surface of the land or part of the land: Under Ghanaian law and practice, the Company cannot purchase land. Furthermore, the mining lease is for a specified period of time (maximum of 30 years). The Minerals and Mining Law, 2006, Act 703 provides that the affected people may be entitled to compensation for **deprivation of the use or a particular use of the natural surface of the land or part of the land**. The CNC will be mandated to establish the various uses of the natural surface of

the land in the project area and negotiate appropriate compensation rates for the various categories of deprivation; in consultation with an independent registered professional Valuer, the Land Valuation Board; the Office of the Administrator of Stool lands and other relevant or selected organizations. In determining the compensation for such deprivation, the company will also take due cognizance of any customary tenancies, all interests and rights in the affected land; the highest and best use of the affected land; the period of the deprivation of use; the area of land deprived; the duration of the mining lease; the potential use of the land after the expiration of the mining lease as well as severance and injurious affection. Due regard will also be given to any existing statutory regulations on compensation for land use deprivation at the time of compensation determination.

Adjenua Bepo Forest Reserve: The Company will not pay direct cash compensation to the Ghana Forestry Commission for the use of land in the Adjenua Bepo Forest Reserve during construction and operation of the mine pit. For the Akyem Project, the royalty paid to the Government includes an extra 0.6 percent which is to be used to fund sustainable development projects (50 percent) and to monitor conditions in the Adjenua Bepo Forest Reserve (50 percent). In addition, the Company will pay for commercial trees at an agreed rate and will replant three hectares of degraded forest within Ghana for every hectare of the Adjenua Bepo Forest Reserve disturbed by construction and operation of the mine pit.

Step 4. Negotiation

The Company will facilitate formation of a multi-stakeholder Compensation Negotiation Committee (CNC), which will include representatives of Project-affected communities, traditional authorities, representatives of government Ministries, Departments and Agencies (MDA's), and the Company.

Community members of the CNC will be elected by individual settlements and hamlets (inhabited mainly by affected people.). Project-affected households will be informed that they should choose representatives who will best communicate their position. The CNC will also include representatives of regional, district, and local government, traditional authorities, Non-Governmental Organizations, and the Company. The CNC will have a secretariat which will prepare agendas and meeting minutes, that will be circulated to the communities. The minutes may have attachments such as maps and other relevant information.

The Company will use the CNC forum to reach agreement on the principles, policies, procedures and rates for compensation and resettlement. Negotiation in the CNC is central to public participation in resettlement planning and implementation because of the intensive collaboration between members of the CNC, leading to free, prior informed consent among representatives of

all Project-affected people, easing pressures, fears and anxieties for Project-affected people, and contributing to broad community support for the Project.

From the recent experience at the Ahafo South Project, and with the 2006/07 Akyem Crop Rate Review Committee the Company believes that CNC negotiations will be pragmatic, flexible, directed towards problem solving, and focused on expected impacts or emerging issues.

Step 5. Compensation Payment

In addition to the compensation described below, The Company through OICI is organizing a series of Financial Management and Group Dynamic Trainings for the Project-Affected People/Communities. The Financial Management Training is designed to help affected people use their compensation payments appropriately in support of sustainable livelihood enhancement. The Group Dynamics Training aims to build the capacity of the participants from the Project-Affected Communities to effectively participate in the resettlement negotiation process and community development planning. These trainings programs have already started to prepare the affected people and strengthen their capacity to negotiate effectively at the Resettlement Negotiation Committee and also efficiently invest compensation payments in lucrative businesses

Crop Compensation: The Company will identify all parties with a legitimate interest in the crop to sign-off the contracts, which will specify the details of the agreement and the entitlement due to each person. As a preliminary step, the company has undertaken a farm validation process where both the farmer and the landlord have signed the cadastral survey sheet which indicates the existing sharing agreement in place

A final sign-off will take place on the farms after the Company has obtained the mining lease. This will be done in the presence of the farmers, the landlord, chief farmers and the Company crop evaluation team. Based on the existing agreement, compensation chits will be issued to the parties involved and the amount expected to be paid will be based on the existing agreement between the farmer and the landlord.

The Company will try to limit impersonation by requiring each compensatee to be photographed prior to receiving his/her compensation from the bank. All compensatees will be required to bring along their voter registration cards or other valid identity when signing documents.

Structure Compensation: In addition to cash compensation, owners of completed residences and institutional and commercial buildings who are inhabitants as of the entitlement cut-off date will have the option to choose either relocation or resettlement. Local political and traditional leaders prefer resettlement to relocation. This preference is shared by the Company and the Government of Ghana and is considered best practice because it provides more stability and security for Project-affected people/households.



Resettlement: A compensation process through which physically displaced households are provided with replacement plots and residential structures at a designated site in the district. Resettlement includes initiatives to restore and improve the living standards of those being resettled.

compensation to Project-affected one-time lump-sum payment, prior to the structure.

The Company will provide moving lorry and bus transport for each transfer their goods, salvaged domestic animals. Case officers will be manage the re-establishment of each resettling or relocating household. Supportive visits will continue as necessary to ensure that households are re-established successfully.

Eligible households who choose resettlement will have a replacement of the residential structure designated in the resettlement village. The site for the resettlement village will be selected by the CNC. The affected households will also be given an indenture (lease) registered by the Lands Commission for a period of 99 years (the maximum allowed under Ghanaian law for urban plots) to cover their individual resettlement plots. For all other eligible structures, the Company will pay

Relocation: A compensation process through which physically displaced households are provided with a one-time lump-sum compensation payment for their existing residential structures and move from the Mine Area.

persons in a destruction of

allowances, household to materials, and assigned to individual

For a households to be eligible for relocation, they must have an alternative residence structure located outside the Mining Area and have already moved from their Mining Area residence. This will be verified by the CNC before they can be considered for relocation. The cash amount will be calculated in accordance with the process agreed by CNC and is anticipated to based on replacement cost to be determined by a registered professional valuer.

Compensation for Deprivation of Use of Land: The Minerals and Mining Act, 2006 (Act 703) provides that compensation may be paid for deprivation of the use or partial use of the natural surface of the land or part of the land to the owner or lawful occupier of the land. In consultation with the affected people, such compensation may be paid as a lump sum or periodically. The payment of such compensation to stools will be in accordance with existing legislation; more specifically, in accordance with Section 2 of the Office of the Administrator of Stool Lands Act (1994) Act 481 which requires that the Office of the Administrator of Stool lands shall be responsible for:

“the establishment of a stool lands account for each stool into which shall be paid rents, dues, royalties, revenue or other payments whether in the nature of income or capital from the stool lands; the collection of all such rents, dues, royalties, revenues and other payments whether in the nature of income or capital and to account for them”

Livelihood Restoration: The Company through OICI is to develop and implement programs to assist Project-affected people with livelihood training and community development initiatives. The program will be planned in partnership with the Birim North District Assembly, Eastern Regional Government, other non-governmental partners, and local community representatives. The program will commence with a series of Financial Management Trainings designed to help people who have received compensation to use that money wisely.

Future programs will provide training to:

- Restore livelihood capacities of Project-affected people within the Mine Area and restore income and economic opportunities to return food security to pre-existing levels.
- Increase economic opportunities for target groups through small and medium enterprise development, increased agriculture production, agri-business development, and vocational and technical skills training.
- Improve the quality of life of target groups through interventions to improve health, nutrition and education.
- Enhance community resiliency and participation by increasing the social/organizational and motivational capacities of resettled and relocated youth.

The Company will develop a Farm Access and Management Plan to ensure that Project-affected people who wish to return to farm based livelihoods are provided the opportunity to do so.

Step 6. Compensation Processing

Compensation is based on agreed entitlement, assessment by survey teams, record processing by a database team, receipt of money at a bank by those receiving cash compensation, and/or receipt of “keys” to a resettlement house for those eligible for resettlement.

Deprivation of the use of the natural surface of the land

The company will identify all interest and right holders in land in the project area. The hierarchy and term of such interests and rights will also be obtained. The information so received will be validated at the Lands Commission or appropriate authority. The final interest holder compensation entitlement will be based on pre-determined apportionment criteria,

Crops: The Company will identify all Parties with a legitimate interest in the crop to sign-off the contracts, which will specify the details of the agreement and the entitlement due to each person. As an initial step, the Company has undertaken a farm validation process where both the farmer and the landlord have signed the cadastral survey indicating the existing sharing agreement in place.

A final sign-off will take place on the farms after the Company has obtained the mining lease. This will be done in the presence of the farmers, the landlord, local chief farmers and the crop evaluation team. Based on the existing agreement, compensation chits will be issued to the parties involved and the amount expected to be paid will be based on the existing agreement between the farmer and the landlord.

Resettlement: The Resettlement Planning and Engineering Team will provide the resettled-households with the plans and elevations of their new house plus a set of as-built photographs. The team will also assist the entitled households to select their plot and the house paint colors of their choice. Entitled persons will sign-off on house type and plot allocation. They will be provided with a copy of the building survey (including values) and photographs of their former buildings, as well as the case officer report on their preference for resettlement. Finally, the entitled households will sign an Acknowledgement / Undertaking of Receipt of Building(s)/Plot and receive the keys to their new home. The Undertaking will be witnessed by the relevant area representative of the Resettlement Negotiation Committee, a representative of the traditional authority, and a representative of the Company.

The Company will process all necessary paperwork for the Certificates of Occupation and will pay the required fees directly to the appropriate authorities. The resulting Certificates of Occupation will be delivered directly to the entitled persons.

Relocation: When an affected person elects for the relocation cash package, the Compensation Negotiations Committee or a subcommittee, will determine, if the person meets the strict criteria for relocation or is not entitled to relocation. If the person is eligible for relocation, he/she will sign a Contract for Residence and Building/Structures Compensation before receiving the cash package. This contract will be witnessed by a representative of the Compensation Negotiations Committee. After payment of the cash package, the owner will be given time to salvage material.

Step 7. Land Acquisition and Compensation Monitoring

The Company will establish a monitoring and evaluation program designed to include assessments of its internal Standard Operating Procedures. Guide to Land Acquisition and Compensation, Resettlement Action Plan and Livelihood Enhancement and Empowerment Programs at the Akyem Project. The assessments, audits, and reviews of the programs will be integrated into the program as they come online to ensure that all Project-affected people are treated in a consistent and equitable manner.

The monitoring and evaluation will assess the success of measures to manage impacts on people and to make any required revisions to the process.

Key issues monitored include that payment of compensation has been satisfactorily completed Project-affected people have been successfully moved from the area so that construction can begin and livelihood restoration is occurring.

9.0 GRIEVANCE PROCESS

The Project adheres to the Newmont corporate policy of facilitating expression by stakeholders of questions and concerns regarding land acquisition, resettlement/relocation, and compensation processes

Newmont

“... aims to engage, as much as possible, with local communities to ensure interactions are relevant, conflicts are resolved quickly and to the mutual benefit of both parties and in such a way that stakeholders feel positive about their involvement with the Company.” (www.newmont.com, 2004)

The Company has developed and continues to refine its operating procedures to ensure that complaints and grievances from the Project-Affected People are handled in a carefully planned manner to promote confidence and trust to build rapport between the Company and the Project-Affected Persons. For the purpose of the procedure, the Company defines a *complaint* as an issue that is not related to compensation whilst a *grievance* involves either monetary or non-monetary compensation. The administration of the procedure will be a responsibility of the Environment and Social Responsibility (ESR) Team.

9.1 Resolution Mechanism

The Company will adopt a systematic mechanism to address complaint and grievance issues. Where there is disagreement, the aggrieved person has the right under Ghanaian Law to appeal to any avenue allowed by the constitution for resolution. The ESR Team of the Company is in charge of dealing with and resolving complaint and grievances. The procedure to resolve complaint and grievance are described below:

9.2 First Order Mechanism

The first order mechanism will involve Complaint and issues that do not require compensation, but rather, face-to-face discussions. It deals with urgent complaints that require immediate attention such as misconduct of project staff or over speeding of the Company's vehicles in the communities. ESR Team is in charge of complaint and grievance resolution. Complaint received will be logged into the Complaint Notification Forms. The team will meet regularly to discuss appropriate response and approaches to resolve the complaints received.

In more complex cases, the ESR Team will seek advice, and where appropriate, intervention of traditional authorities and members of the Compensation Negotiations Committee to help resolve disputes. Ghana is a "mediation" society, and the Company will make use of this to help resolve disputes.

9.3 Second Order Mechanism

The Second Order Mechanism will deal with grievance on compensation, financial redress and other related issues.

Under this section, aggrieved persons will be advised to submit grievances in a written form. Where the aggrieved person is unable to write, the grievance will be written on his/her behalf to be submitted to the Grievance Office.

Grievance letters received will be photocopied and forwarded to persons with appropriate experience and authority to resolve the issue. The outcome of the investigation will be produced within seven days and then communicated to the aggrieved person. In situations where the grievance needs more time for investigation, a written letter will be given to the aggrieved person explaining the situation. Where complaints relate to compensation dispute (family disputes, heirship matter and legal issues between third parties), the Community Relations Administrator will notify the bank to withhold payment on all disputed compensation until parties resolve the dispute and notify the Company in writing accordingly.

All aggrieved persons will be treated politely and with sensitivity. Each person will be given a receipt to acknowledge receiving a copy of the grievance. The Company will commit to respond to the grievance as soon as possible.

9.4 Third Order Mechanisms

The Third Order Mechanisms deals with sensitive complaint/grievance that cannot be handled by the Community Relations Team. Such issues will be referred to the Commission on Human Rights and Administrative Justice (CHRAJ) and the Law Courts for resolution.

In situations where the aggrieved person and the Company do not come to an agreement, the aggrieved person or the company has the right under Ghanaian law to refer such issues to CHRAJ. The Company will comply with all the requirements of CHRAJ and will follow up regularly

to assess the status of the case. An unresolved complaint will be forwarded to legal counsel for further action.

Correspondence will be referred to Corporate Legal Advisor in Accra and copied to Community Relations Superintendent and Operations Development Manager. Upon request of the Accra Corporate Legal Advisor, the Community Relations Administrator will attend court anytime a legal issue is to be heard at the court.

In the event that an investigation confirms the grievance is legitimate, the Community Relations Administrator will immediately initiate the administrative procedure to redress the grievance. This will be a legal determination that must be authorized by the legal department of the Company.

The Community Relations Team will be updating complaint registered on a regular basis to indicate resolved and unresolved cases, those pending at CHRAJ, those at the Law Court and those with or without embargo placed on them.

In case of dissatisfaction of investigation, the aggrieved person can contact the Community Relations Administrator in the first instance for further explanation. The aggrieved person will also have the right of appeal to any recognised institution open to any citizen as stipulated by the laws of Ghana, if still not satisfied with the outcome and explanation of the investigation or can act in accordance with the dispute resolution clause as stipulated in the investment agreement. On the other hand, the Company also has the right to appeal to any recognized institution if not satisfied with a ruling given in any case or can act in accordance with the dispute resolution clause as stipulated in the investment agreement. It is worth noting that the Company's December 2003 Investment Agreement with the Government of Ghana details a compensation and dispute resolution protocol. Paragraph 18.1 c states:

“(Newmont), the Government, and any owner or other lawful occupier of affected land, in addition to any other right or remedy granted by Law, shall each have the right to refer any disputed matter relating to compensation under this Agreement or under any Law for resolution by binding arbitration to be conducted in Ghana by not more than three arbitrators agreed upon by the parties to such arbitration or, failing agreement, then jointly chosen by the Minister and the principal officer of the Chamber of Mines of Ghana. The arbitrators shall be Persons trained in the common law tradition, but need not be citizens of Ghana. Their decision shall be based upon the laws of Ghana and the terms of this Agreement, shall be final and binding, and shall not be subject to appeal to any court except on the grounds of fraud or dishonesty by the arbitrators, or that they have decided matters beyond the scope of the authority granted in this Agreement. Any award made to the lawful occupier of land shall fully offset any claim asserted by the owner of the affected land against (Newmont). Any award made to an owner of land shall foreclose any claim against (Newmont) on the part of a lawful occupier of that same land.”