

Large Scale, Small Scale Mining

Co-existence Guidance Notes

Moderator

Kevin PCJ D'Souza - Principal Consulting Mining Engineer & ASM Specialist

CASM AGM & Learning Event 20th September 2005 Salvador de Bahia, Brasil

Large Scale, Small Scale Mining

Co-existence Guidance Notes

Panel Discussants

- **Charles Loots** (AngloGold Ashanti, Africa)
- **Kurt Menchen** (Jacobina Gold Mine, Brasil)
- **Victor Hugo De Sousa Belo** (Rio Paracatu Mineração S/A, Brasil)
- **Gavin Hilson** (University of Cardiff, UK)

Source: Charles Loots (AngloGold Ashanti)

Historic Conflict



Artisanal gold mining in Guinée

- Historic conflict between ASM and Large Scale Mining (LSM) often characterised by tension, mistrust and occasionally conflict
- ASM sector often viewed as ‘trespassers’ and a nuisance on LSM concessions
- In turn ASM view the granting of LSM concessions as depriving them of their ‘traditional’ land and rightful livelihoods
- Issue of land tenure - the legal differences between land and mineral ownership rights often unknown
- LSM have often used the ASM sector as unpaid ‘geologists’ - barefoot prospectors
- ASM have often illegally congregated around virgin exploration sites and newly developed LSM sites

Building Relationships

- Force, terrorisation, intimidation and building expensive systems of security ✗
- Diplomacy and building constructive relationships works better
- How does the LSM initially engage and gain the trust of the ASM sector ? ✓
- There is often a lack of a coherent and single voice to represent the ASM sector
- Some LSM negotiations' and 'conflict settlements' have been little more than deceitful public relations scams resulting in intimidation and humiliation of ASM
- Is there a need for an independent third party to intervene and mediate - forming a tripartite relationship ?
- Is the LSM sector the only realistic, long term and sufficiently resourced partner available to assist the ASM sector ?



*Security around around Likasi Cu-Co mine,
République Démocratique du Congo*

Large Scale Mining's Role



- 'One industry' - global public views the mining sector as a whole with little differentiation between ASM and LSM
- Some media and some dubious NGOs seem compelled to spread unfounded or misinformed propaganda about the mining sector - how can we educate the media and NGOs ?
- What is the role of the LSM sector? Altruistic and philanthropic organisations vs Corporate Social responsibility (CSR)
- Should the LSM be seen as the alternative rural social service or a regional charity ?
- In Africa numerous companies have attempted to form partnerships with the ASM sector (e.g. South Africa (*Ingwe*), Tanzania (**Anglo Ashanti**, TANSCAN & Anglo American Exploration), Mali (*SEMOS*), Namibia, Zimbabwe (*Zimasco & ZimAlloys*), Mozambique (*ALMA/Benicon*) & Ghana (**Gold Fields** & *Bogoso Gold Mines*)

Tarkwa open pit gold mine, Gold Fields Ltd, Ghana

- Often misrepresented - viewed as 'trespassers' or a social nuisance by LSM, local authorities & national Governments
- ASM communities often incited and conflicts inflamed by unscrupulous NGOs or the media
- How do we gain the trust and co-operation of the ASM communities?
- What is the role of the ASM miners and communities ?
- How do we empower and give voice to the ASM sector and allow them to engage with the LSM on an equal basis?
- What rights and obligations should the ASM sector have and how do we ensure they respect the rule of law?
- What incentives for formalisation and co-operation can be provided?



Informal 'galemsey' sluicing gold ore, near Damang Ghana



Informal gold miners near Geita, Tanzania

- What is the role of traditional leaders, local and State Government?
- How can the accountability of Government for mineral derived revenues been increased ? (EITI)
- How do we encourage Governments to help LSM and ASM co-exist?
- How do we encourage ASM associations or co-operatives to form collaborative partnerships with the LSM sector for mutual benefit and also advocate ASM association membership of the national Chamber of Mines ?
- How do we convince Governments that the future development of these two sectors is not mutually exclusive?

Large Scale, Small Scale Mining

Co-existence Guidance Notes

Panel Discussants

- **Charles Loots** (AngloGold Ashanti, South Africa)
- **Kurt Menchen** (Jacobina Gold Mine, Brasil)
- **Victor Hugo De Sousa** (Rio Paracatu Mineração S/A, Brasil)
- **Gavin Hilson** (University of Cardiff, UK)
- **Kevin D'Souza** - *Moderator*

Source: Charles Loots (Anglogold Ashanti)