DEVELOPING LOCAL ECONOMIES
CORPORATE SOCIAL RESPONSIBILITY REPORT TO OUR LOCAL COMMUNITIES

2017
THE ASANKO GOLD MINE IS A PROUDLY GHANAIAN BUSINESS THAT WILL DELIVER SIGNIFICANT BENEFITS TO THE PEOPLE OF GHANA. OUR VISION IS TO BUILD A LOW-COST, MID-TIER GOLD PRODUCER.

THE ASANKO GOLD MINE IS A LARGE SCALE, MULTI-PIT ASSET WITH A 5MTPA CIL PROCESSING FACILITY. BUILT IN 2015 AHEAD OF SCHEDULE AND WITHIN BUDGET, FIRST GOLD WAS Poured IN JANUARY 2016 AND COMMERCIAL PRODUCTION COMMENCED IN APRIL 2016. THE MINE HAS A WORLD CLASS SAFETY RECORD AND IN 2017 PRODUCED 205,047 OUNCES OF GOLD.

TODAY THE MINE EMPLOYS OVER 1,600 PEOPLE, 99% OF OUR WORKFORCE ARE GHANAIAN, OF WHICH 37% ARE FROM THE LOCAL COMMUNITIES SURROUNDING THE MINE AND 9% ARE WOMEN.
This is our second corporate social responsibility (CSR) report designed especially for our local communities to highlight Asanko’s CSR projects and demonstrate our contribution to the local Ghanaian economy.

This year our report focuses on how our mine is supporting local businesses, as well as demonstrating how our CSR projects are aligned with a number of the United Nations Sustainable Development Goals.

As a responsible gold producer, the Asanko Gold Mine is committed to mining in a manner that leads to sustainable development and brings tangible benefits to all our stakeholders.
2017 HIGHLIGHTS

$4 MILLION SPENT ON SERVICES IN THE ASHANTI REGION

$167.2 MILLION SPENT ON LOCAL SUPPLIERS IN GHANA

$540,122 COMMUNITY INVESTMENTS

$1.5M HEALTHCARE DONATION PROJECT C.U.R.E

277 BUSINESSES SUPPORTED IN GHANA

188 COMMUNITY ENGAGEMENT MEETINGS HELD

122 LOCAL YOUTHS RECEIVED VOCATIONAL TRAINING

AWARDED 2 LOCAL CONTRACTORS ROCKSURE & THONKET, MINING CONTRACTS FOR AKWASISO AND DYNAMITE HILL

CREATED $255.4 MILLION OF ECONOMIC VALUE IN GHANA

0 SIGNIFICANT ENVIRONMENTAL INCIDENTS FOR 2ND CONSECUTIVE YEAR

>80% OF PROCESS WATER RECYCLED

AKWASISO & DYNAMITE HILL DEPOSITS BROUGHT INTO PRODUCTION

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“WE BELIEVE GENUINE SHARING OF THE BENEFITS GENERATED BY THE MINE IS KEY TO SUPPORTING ECONOMIC DEVELOPMENT AND GROWTH IN OUR LOCAL COMMUNITIES AND HOST COUNTRY, ULTIMATELY UNDERPINNING THE FUTURE SUCCESS OF OUR BUSINESS.”

PETER BREESE
President & Chief Executive Officer

2017 was the second year of operations at the Asanko Gold Mine. As a young organisation, we are still very much focused on building the foundation blocks for a long-term sustainable business. To ensure our future, we need to grow our production base, bring more pits into production to give us mining flexibility and increase the capacity of the processing plant.

We also implemented the first part of our Project 5 Million expansion, which was to increase the capacity of the processing plant from a design capacity of 3Mtpa to 5Mtpa. This was successfully completed and commissioned in December 2017 within budget and slightly ahead of schedule. The second part of Project 5 Million will be the development of the large-scale Esaase deposit, which is due to commence production in January 2019. This will be the fourth pit we will bring into production in as many years.

To support this growth and underpin our future success and sustainability, one of our key focus areas during 2017 has been on developing local economies.

Our aim is to expand the involvement of indigenous companies across our operations, from the core of our business – mining – all the way through the business using Ghanaian and local suppliers – to the ancillary services such as transport and catering.

We awarded the open pit mining contracts for the Akwassio and Dynamite Hill satellite deposits to locally-owned companies, Thonket Plant Pool and Rocksure International respectively, which are worth approximately $96 million in total, as a clear demonstration of our commitment.

We are exploring the opportunities available in-country for goods and services that relate to our value chain and operational requirements. We have implemented a range of policies, procedures and programs to support our goal of building local capacity for the long-term and strengthen our relationships with key supplies and identify new local suppliers.

We have successfully identified Ghanaian companies and suppliers for most of our requirements at the mine. In 2017, we worked with 277 Ghanaian businesses for the procurement of goods and services, valued at over $167 million.

Of this, 78 were from the Ashanti region, providing goods and services valued at $4 million, including contracts with a number of businesses from our local communities for catering, transport, equipment and earthmoving services.

All of this is helping us to build local capacity and achieve our “benefits beyond the mine” goal.

We look forward to 2018 and believe the business is well positioned to deliver on its production and growth plans for the benefit of all of our stakeholders. In a short space of time I believe we have established the Asanko Gold Mine as a leading business in Ghana with a strong social licence to operate and a clear commitment to sharing the benefits generated by the mine with our local communities and host country, as demonstrated by our achievements in growing local businesses and developing local economies in 2017.
Asanko shareholders spent $599 million developing and building the Asanko Gold Mine, including a $164 million loan facility. This gold bar graphic illustrates how our money was spent in 2017. The majority of our money was spent on the production of gold, including mining, processing, wages, supplies, crop and land compensation, as well as expanding our operations to ensure the long-term sustainability of our business. We paid $31 million directly to the Government of Ghana in the form of royalties and taxes, and it is important to note that Asanko shareholders did not receive any money.
DEVELOPING LOCAL ECONOMIES

ROCKSURE INTERNATIONAL

Rocksure International is a Ghanaian owned and operated mining services company. It provides drilling, blasting, haulage, construction and mining services to mining companies in Ghana and across wider West Africa.

Rocksure has a strong track record and solid environmental, health and safety standards, which is why we were pleased to award a $48 million contract to Rocksure to mine our Dynamite Hill deposit. Alongside a focus on health, safety and the environment, Rocksure also prioritises the participation of local and indigenous communities in their activities and operations, with 45% of the company’s 222 strong workforce being local.

THONKET PLANT POOL

Thonket Plant Pool is another of Asanko’s Ghanaian owned and operated mining services contractors, and also won a $48 million contract to mine the Akwasiso satellite pit at the Asanko Gold Mine.

Thonket says working with Asanko has created further expansion opportunities for the company and helped it improve its safety standards. Like Asanko, Thonket is committed to ensuring that the significant economic benefits generated from mining cascade into local communities and create an uplift in living standards for all. For example, Thonket has plans to spend 1% of its profits on education programs for the local communities.

MADAM COMFORT PAINTSIL

Madam Comfort Paintsil is a 45-year-old small trader from Keniago near our flagship Asanko Gold Mine.

Comfort is divorced and has 12 dependents; her five children and seven others. She has run a hardware business in her community since 2013. However, a lack of access to capital made starting and expanding the business difficult. Comfort explains, “When I first started trading I didn’t have enough money to buy all the stock I needed to meet demand and there was nowhere to get a loan. It was tough, so I was excited to learn about the Obotan Co-operative Credit Union (OCCU).”

Comfort joined the OCCU in January 2017 after learning about it through one of Asanko’s sensitisation programs. She explains, “When I joined the OCCU I had to save for six months before I could apply for a loan. I used the loan to buy more stock and expand my business. There has been a lot of activity in this region since the mine opened and I needed to grow to take advantage of this. The loan has made a big improvement to our lives, the business is doing well and I am paying back the loan. I hope my business will continue to grow. The OCCU has been a big help to me and to our community. They don’t just provide loans, they also run training programs on budgeting and financial management to help people continue to grow.”

DAUDA ABDALLAH

Dauda Abdallah is a 28 year old resident of Keniago Community. He is married with two children and lives with two other dependents.

Dauda is a motorcycle mechanic and used a loan from the OCCU to establish a motorcycle spare parts business. Dauda explains, “I had been a motorcycle mechanic since 2011. My business was mostly roadside, I wanted to grow my business but didn’t have the money. A friend told me about the OCCU and how they provide loans to people to build and grow businesses. I joined and after six months saving, I could apply for a loan to start a spare parts shop.”

Dauda’s shop has proved to be a big success. He explains, “I used to get GHS 100 a day, and now my daily sales are easily GHS 150. I have a good lifestyle and I am excited to keep growing my business.”
INVESTING IN THE COMMUNITY

The Asanko Opportunity Cycle embodies the core aim of our CSR Program - to create positive, self-sustaining legacies in our local communities beyond the life of the mine, that empower current and future generations.

To help us achieve our CSR aspirations and goals, we have adopted a partnership strategy that seeks to identify and collaborate with experienced governmental and non-governmental organisations (NGOs) which have a track record of success in their specialist fields. We believe that these partnerships further enhance the success and results of the projects, benefiting from the unique strengths each partner brings.

In 2017, we worked with three partners; the German development finance institution Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) (in collaboration with National Vocational Training Institute and the Credit Union Association of Ghana), CODE Canada (in collaboration with Ghana Book Trust), and Project C.U.R.E (working in consultation with the Ministry of Health).

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GROWING LOCAL BUSINESSES

In 2017 we implemented a range of policies and programs to support our goal of building local capacity, strengthen our relationships with key suppliers and identify new local suppliers.

We have successfully identified Ghanaian companies and suppliers for most of our requirements at the mine. Our supplier database is categorised into national, regional and local vendors in order to identify and tailor category-specific strategies to assist in enhancing their capacities. We have ring-fenced some goods and services for the Local Vendors category.

We purchased and used locally manufactured drugs approved by the Pharmacy Council of Ghana in preference to foreign manufactured drugs, supporting a number of businesses including Zolandes, Equity Pharmacy, Kama Pharmaceuticals, Ernest Chemists and Vicdoris Pharmaceuticals, among others.

We assisted some of our key suppliers from our local communities through the provision of upfront payment to enhance their financial capability. We provided logistical support to over 10 national and regional companies to ensure that deliveries were made on time to the mine.

We also hosted a major Suppliers Forum to engage with our suppliers, share our operational goals and consider ways to build and strengthen effective supplier relationships with local businesses.

In 2017, we worked with 277 Ghanaian businesses for the procurement of goods and services, valued at over $167 million.
In 2017 we partnered with Project C.U.R.E., a US-based Non-Governmental Organisation, to donate medical equipment and supplies, valued at more than $1.3 million, to eight health facilities within the Amansie West District of the Ashanti Region of Ghana, where the Asanko Gold Mine is located. This will strengthen and enhance health service delivery in the area.

Project C.U.R.E. is the largest provider of donated medical supplies and equipment to developing countries around the world and provided three 40-foot containers packed with medical equipment and supplies, including incubators, ICU beds, vital signs monitoring equipment, syringes, wheelchairs, refrigerators, gloves, sutures and removal kits, sterile dressings, disinfectants and splints. Asanko made a direct contribution of $200,000 to cover shipment, import duties and other associated project costs.

During 2017, Asanko refurbished the two skills development centres at Obotan and Esaase at a cost of $71,000, which formed part of our partnership with GIZ.

In addition, 122 local youth were trained in various trades, with exams to gain a National Vocational Training Institute qualification taking place in Q1 2018.

We also successfully registered the training centres as the Amansieman Vocational Institute. Becoming a training institute is a key milestone towards becoming part of the National Vocational Training Institute, which is the ultimate aim.

The award-winning Obotan Co-operative Credit Union continued to grow with over 1,700 members by the end of December 2017 and total assets of approximately GHS 790,000 ($175,900).

They also opened up a new branch at Esaase, which is gaining good local membership.

During 2017, Asanko invested $82,298 in the program.

A 15-member team from CODE and GBT conducted a monitoring visit dubbed “Seeing is believing tour” in the selected beneficiary schools of CODE/Asanko Literacy Improvement Program. The team, who are mainly Directors and contributors to the CODE, were very impressed with the outcome of the program to date.

The program also expanded to include the Esaase area. To support the program, eight schools have been supplied with reading materials and training has been provided for teachers. Alongside this, we also supported an inter-schools competition, provided support for the basic certification examination and renovated the Manso Nkran/Koninase School Junior High School block and teacher’s accommodation.
OUR COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Asanko strives to have a positive economic, social and environmental impact through our CSR Programs, many of which are aligned with the United Nations’ Sustainable Development Goals (SDGs).

That is why we have identified the SDGs we are contributing towards achieving and to report the progress we made in 2017.

SDG 1

ENDING POVERTY IN ALL ITS FORMS

Asanko contributes to the prosperity of our local communities and host country through the provision of employment opportunities and supports local businesses and in-country supply chains with the purchase of goods and services, community investments and statutory payments to Government.

In 2017:

- The Asanko Gold Mine created over $255 million of economic value, including payments to Government and salaries to local employees.
- We supported over 277 Ghanaian businesses including 78 from the Ashanti region.
- We spent $167.2 million on local suppliers in Ghana, thereby contributing towards the growth and development of the local economy.
- We invested over $540,000 in community projects, including support for the Obotan Co-operative Credit Union, as well as the Obotan and Esaase Vocational Training schools, to provide livelihoods for the youth in our host communities.
ENSURE HEALTHY LIVES
AND PROMOTE WELL-BEING FOR ALL AGES

We support improved health and well-being amongst our workforce and our local communities. In 2017, this included the following occupational and community health programs:

- Partnership with Project C.U.R.E. to provide over $1.3 million worth of medical supplies and equipment where they are most needed in eight health facilities within the mine’s catchment area.
- $7,000 invested in healthcare-related projects such as breast cancer screening and education.
- Awareness campaigns for preventative medical action including HIV, Hepatitis B and prostate cancer.
- Implementation of a chronic medical diseases registry with follow up and tracking system.
- Provision of a range of sports facilities and equipment at the mine to actively encourage well-being.

ENDING HUNGER, ACHIEVING FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTING SUSTAINABLE AGRICULTURE

Asanko supports the development of community-based food projects and invests in skills training to build capacity among subsistence farmers and the local food sector.

In 2017, our contribution included:

- Investment in local catering businesses, including granting a local company the $2.6 million catering contract for our mine.
- Awards to local farmers for Ghana National Farmers Day.
- Investing in an innovative composting program to covert the approximately 72 tonnes of food waste produced by our mine each year to organic fertiliser at low-cost.

Asanko supports the development of community-based food projects and invests in skills training to build capacity among subsistence farmers and the local food sector.
In 2017:

- We invested $82,000 of the community budget in education-related projects such as logistic support for smooth conduct of the West African Examinations Council’s Basic Education Certificate Examinations (BECe) in the Amansie West District and inter-school sports competitions.
- We provided vocational training at our two Skills Development Centres for the local youth via our partnership with GIZ.
- We worked with the world-renowned Canadian NGO CODE to improve literacy for basic school students in the Amansie West District, which is part of our six-year program.
- We provided school fee subsidies (primary, junior high, senior high and tertiary) for children of employees.

In 2017:

- 9% of our workforce are female, which is notably above the average of 6% in the Ghana mining industry.
- We have wage equality for female employees compared to men in similar roles at the mine.
- We trained over 46 local women through our Skills Training Centres in partnership with GIZ.
- We enable women to access financial literacy, savings and capital through the Obotan Co-operative Credit Union.
Asanko contributes to sustainable economic growth in our local communities and host country through employment, support for the local supply chain of goods and services, community investment and payments to governments.

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- Two local mining contractors, Thonket and Rocksure, were awarded contracts to mine the Akwasiso and Dynamite Hill deposits.
- 78 of the mine’s suppliers were from the Ashanti region, providing goods and services amounting to $4 million.
- The Obotan Co-operative Credit Union supported over 1,700 members and expanded to open a branch in the Esaase community.
- We spent over $167 million on Ghanaian suppliers.
- The Asanko Gold Mine created over $255 million of economic value, including payments to government and salaries to local employees.

SDG 6

ENSURE ACCESS
TO WATER AND SANITATION FOR ALL

We are committed to responsible water management and improving access to clean water. In 2017:

- We drilled four community boreholes at a cost of $25,000.
- We recycled over 80% of the process water from our processing facility.
- We conducted monthly testing of local water sources to ensure high quality standards.

SDG 8

PROMOTE INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

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PROTECT, RESTORE AND PROMOTE

SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

Mining operations inevitably lead to the contamination of some soil by hydrocarbons such as diesel or lubricating oils. If the contaminated soil is not carefully managed, the problem can spread petroleum toxins into the wider ecology of the area.

In 2017:

- We introduced an innovative bioremediation technology as part of our pollution abatement program, to clean up petroleum contaminated soil across our operations.
- Our Integrated Waste Management Facility anaerobically converted a combination of food waste, paper waste and sawdust to biofertiliser, creating over eight tonnes of matured compost that was then used for wider land reclamation and regeneration.
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