

EDC PROJECT REVIEW SUMMARY: Aurora Gold Project

Project Description	Development of a 3.5 million ounce gold mine in Guyana
Sponsors	Guyana Goldfields Inc.
Country	Guyana
Project Category	A
Canadian Exporter(s)	Guyana Goldfields Inc.
Description of capital goods and/or services	Canadian Direct Investment Abroad-Gold Mine
EDC Product	Limited Recourse Financing
Date of publication on EDC's website (dd/mm/yy)	30/01/2014
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Project Categorization

The Project consists of an open pit gold mine, beginning operation in 2015, followed by underground mining in 2018 to maintain a throughput of 30.5Mt/a of rock. The mine is located 170 km northwest of Georgetown, Guyana, next to the Cuyuni River in a sparsely populated area whose terrestrial and aquatic environment have experienced degradation from logging and artisanal and small scale mining. Key mine site infrastructure includes a landing strip, camp and offices, tailing and processing facilities, a tailing management area, fresh water pond, and mine water pond and logistics facility close to Georgetown. The Project was classified as Category A. (Category definitions can be found [here](#), see D3 Environmental & Social Reporting).

Summary of EDC's Review

EDC reviewed the project in accordance with the requirements of its *Environmental and Social Review Directive* and the *Equator Principles*, and concluded that the project is designed to meet or exceed internationally recognized good practices, guidelines or standards. In reaching this conclusion, EDC reviewed Project Environmental and Social Impact Assessments, which were benchmarked against relevant international environmental and social standards, reviewed for appropriate mitigation measures against the project's potential environmental and social effects, and assessed the project's stakeholder engagement activities.



Key environmental and social issues associated with the project, and related mitigation measures reviewed by EDC include, but are not limited to, the following:

Erosion and Sediment Control: The Project is located in an area of high precipitation with soils prone to erosion. This erosion has a potential impact on the forest habitat and water quality, as well as the integrity of the project infrastructure.

Mitigation measures include: Retainment of an international expert on erosion and sediment control, development of erosion control plan that specifies steps for erosion control for project and its contractors including identification of problem areas and activities, maintenance of earthworks, re-vegetation and reclamation, and systematic monitoring of the effectiveness of prevention measures.

Water Management: High seasonal rainfall has potential adverse effects to mine infrastructure and water quality of surface and ground water.

Mitigation measures include: Assessment of precipitation on surface and ground water levels and run-off, development of water management plan with objectives of diversion of water away from tailing management area, minimizing use of fresh water and maximize water recycling, reducing sediment runoff from waste rock stock piles, and maintaining discharge water quality values within limits set IFC Performance Standards and best practice.

Influx of Artisanal Miners and opportunity seekers: There is the potential that that the Project may lead to an influx of artisanal and small scale miners, agricultural land seekers, vendors, job seekers and others into the mine area and or logistics site. Potential effects from influx can include deforestation, biodiversity impacts, social impacts such as conflict, drug abuse, and communicable diseases.

Mitigation measures included: Development of Influx Management Plan that specifies preventative measures such as confining hiring activities to mine office in Georgetown rather than the mine site, requiring Project workers to live in and eat at company-designated camp and travel in company vehicles to and from the worksites and living areas, and discouraging regular interactions with the affected communities. The mine will also have a security management plan in line with best practices for human rights.

Biodiversity: There is a potential for habitat loss due to forest clearing, as well as erosion and sedimentation.

Mitigation measures included: Erosion and sedimentation mitigation measures as detailed above, reduction of mine footprint by 50 per cent from the initial mine design phase as a result of the environmental assessment process, prohibitions on fishing, hunting and the introduction of invasive species for contract and mine workers, and a Biodiversity Management Plan to achieve a no net loss of biodiversity as per the IFC standards.



Documentation Reviewed:

- Independent Technical & Environmental Review prepared for prospective lenders (November, 2013)
- Environmental and Social Impact Assessment (July, 2013)
- Environmental & Social Review Summary, Prepared by the International Finance Corporation, (Accessed March, 2014)
- Environmental Social Action Plan (February, 2014)

**Applicable International Finance Corporation (IFC) Environmental and Social Standards used by EDC
(in addition to host country requirements):**

- Performance Standard 1: Social and Environmental Assessment and Management Systems
- Performance Standard 2: Labor and Working Conditions
- Performance Standard 3: Pollution Prevention and Abatement
- Performance Standard 4: Community Health, Safety and Security
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management
- Performance Standard 8: Cultural Heritage