



Rarely has gold glistened so brightly – it is the bling set’s hottest accessory, and the jittery investor’s safest bet in times of international crisis. But as the price of gold soars, the cost to those who mine it at the behest of their British masters is incalculable, as this special report graphically reveals

# HOOKED ON THE GOLD RUSH



**A**s we crawl deeper and deeper into the darkness, the greasy, terracotta earth closes in on us and the diameter of the makeshift tunnel shrinks. There is a muffled numbness to every sound and movement as we plunge down a vertical drop, sometimes slipping uncontrollably, to a depth of around 50ft. The air is fetid and cold.

‘Come, a little more slowly,’ says Benjamin, a muscular 22-year-old, as he inches ahead on all fours. The only light comes from a dim flashlight secured around his head with a filthy rag. We crawl past tunnel supports – roughly chopped logs, jerry-rigged to prevent the tunnel from collapsing. Countless young men have lost their lives down here, killed in roof falls. Others have

## Words and pictures from Jonathan Green in Ghana

died of asphyxiation, choked by their own carbon dioxide. Forty men were lost at this very mine last year. All died in the desperate pursuit of gold.

Twenty minutes earlier, I had been above ground, surveying a scene that seemed to belong to another epoch. In Ghana, the West African nation on the Gulf of Guinea, I had come to the Nyanfoman-Noyem gold-mining camp.

At this dismal shanty town in the heart of the rainforest, men and women toil away in thick humidity under black storm clouds. Hundreds of sinewy miners dressed in rags and covered in a grey ooze, with torches tied to their heads and wearing plastic sandals, emerged from forbidding black holes in vaporous

clouds of sweat. Underground, these tunnels snake for miles at depths that are anybody’s guess.

The men are known as ‘galamsey’, and they make money from illegal mining on land run by legal foreign mining companies such as Britain’s AngloGold Ashanti, the second-biggest gold mining firm in the world. The men’s camp has been raided several times by the police and military. Some of them have been beaten up and others shot at.

Under the shade of a rickety lean-to, three men in their twenties supervised miners going in and out of a dark, sand-bagged hole. They wore wraparound shades and brightly coloured muscle shirts, and called themselves the Lucky

Boys. ‘This is our hole,’ said Daniel, proudly, the oldest of the three at 27. ‘We have been digging it for two years.’

Daniel told me that he has 100 men toiling away in the shaft. He charges them one sack out of every 100 they bring to the surface. His younger brothers divide one sack between them. The miners are allowed to keep the rest.

The Lucky Boys think I am an investor looking to buy their gold mine. My guide had said to me before we found the camp, ‘Don’t tell them you are a journalist. They will pelt you with stones if they think you are going to expose them.’

Daniel said, ‘There are billions to be found here. You can buy the mine for





Miners risk their lives digging for fragments of gold at an illegal mine in Ghana. Far left: Victoria Beckham wears an opulent piece of gold jewellery

£30,000, or [he leans in close to me, out of earshot of his brothers] I will just accept a plane ticket to America.'

Isn't there a risk the mine could cave in? 'Sure. One day it could cave in. But then you could buy a plane and that could crash, so what is the difference?'

Before long, Benjamin, another of the Lucky Boys, offered to show me the gold deposits; thus I found myself heading down the tiny shaft.

After 20 minutes of crawling, a light emerged from the darkness ahead. As it nears I can make out a ghoulish face, covered in a patina of grey dust. We both jump, startled. Rumours of ghosts and spirits abound in this underground labyrinth. 'Oh Ewurade!' cries the face in Twi, a Ghanaian dialect. 'Broni Aba Ha!' Which roughly means, 'My God! There's a white man down here!'

The face relaxes after Benjamin

explains that I've come to inspect the mine. 'Ha! You crazy white man! Life is hard for us Africans, eh?' And with that he squeezes past me in the cramped, airless confines of the passage on his way up to the surface – to oxygen and light.

Life is indeed hard in a gold mine. There are few rags-to-riches stories where a lucky miner finds a football-sized nugget and has their life transformed. Rather, sack after sack is painstakingly hauled up from the depths of the earth and panned for microscopic traces of gold. Dangerously, highly toxic mercury is mixed with the soil to make the gold traces stick together. I see one man tug open a bag of mercury with his teeth, spitting out silver globules into a bowl. 'You get used to the mercury,' he says. 'It makes you cough, but after a week you don't cough

any more. If there was another metal we would use it, but this is all we can get.'

The rewards are slim. It takes 32 men working in 12-hour shifts seven days to find £100 worth of gold. That's roughly £3 for a week's work.

It's highly dangerous work and superstitions abound. A sorceress, Mamunetu Seidu, wearing a sour expression and a filthy floral-print dress, sold dried cat and bat heads to superstitious miners from orange boxes set up in the middle of the camp. These were to ward off evil spells in the tunnel. She also sold cheap sexual potency pills and wooden rings. 'If you go to work one day and are going to have an accident then the ring will get tight on your finger,' said one miner in a 50 Cent T-shirt.

And these former farmers need all the luck they can get. They are the

vestige of a quest for gold that has turned their country upside down. Their lands have been destroyed by foreign mining companies plundering for gold with rapacious brutality, leaving them little alternative but to begin their own hunt for buried treasure. In doing so, they take their lives into their own hands.

As one galamsey told me with disgust, 'When foreigners come here and take all the gold out of our country, they call them investors. When we mine our own land, they call us thieves.'

**F**our hundred years ago, the developing nations of Britain, Spain and France fought over gold in Africa, even going so far as to cut off the ears of natives who traded it with rival powers. Today, all over the world, there is a new gold ►



► rush afoot. Shares in British gold-mining giants such as Rio Tinto and BHP Billiton have more than doubled in the past two years. And as celebrities continue to drip with bling, jewellers to the stars such as Theo Fennell, a favourite with the Beckhams, Elton John and Liz Hurley, are enjoying unprecedented success.

More than one-third of Ghanaian gold is mined by UK companies, and much of this will find its way into our jewellers. However, it's impossible to know its true provenance – or the cost to the local environment and Ghanaian people. As we find during my visit here, even gold mined legitimately in Ghana causes terrible human suffering and destruction.

The price of gold has been steadily increasing since 2001 and the cataclysm of 9/11. Over the past few months, with the dollar in the doldrums and continuing uncertainty over Iraq and Iran, it has soared to as much as £380 an ounce, compared to £160 five years ago. From Tokyo to London, traders are making fortunes buying and selling gold.

Also driving up gold prices are the booming economies of China and India and their seemingly insatiable appetite for gold jewellery. Couple this with the fashion for 'bling' in the US, the second-biggest consumer, and more gold is being sought than ever before.

Which brings us to Ghana, formerly known as the Gold Coast due to its stupendous reserves of gold. Mining companies are hard at work here, tearing down the rainforest to dig for gold. Huge doomsday-grey slag heaps, as high as ziggurats, pile up behind native villages. The ore extracted from the earth is drizzled with cyanide to separate out the gold in a process called cyanide heap leaching. From the air you can see huge, yawning craters filled with cyanide-infused waste. And sulphides in rock dug deep from the ground are laid out and exposed to the elements. These react to produce sulphuric acid, which flows from the slag heaps into people's

homes. Open-cast mines have transformed rainforest into malarial swamps, causing outbreaks of disease and the death of children in local villages. And dynamite blasts echo around the landscape, scaring away wildlife; local houses constructed of wattle and daub crack and eventually collapse.

'Gold-mining is arguably the most destructive form of mining there is,' says Keith Slack, senior policy adviser for Oxfam America and co-director of No Dirty Gold, a campaign started in 2004 in response to the destruction wreaked by gold-mining around the world. 'To find enough gold for one ring takes 20 tons of toxic waste. These days it is not profitable to mine underground, so companies use open-cast mining methods and cyanide leaching to extract gold, which is a lot more damaging to the environment – but a lot cheaper.'

**T**he centre of AngloGold Ashanti's Ghanaian operation is Obuasi, the 'Golden City'. The city's entire economy is based on gold-mining. Miners drink in the Goldfinger bar after work. A ten-foot gold-coloured statue of a miner stands on one of the city's bustling roundabouts. Yet despite its influence on everyone's lives, there is not a single piece of gold to be bought in these cramped streets – not a single goldsmith nor a jewellery-maker.

'Not one ounce of gold, not one trace, stays in this town after it is mined,' says Richard Ellimah, a DJ on Shaft FM, a local radio station whose controversial Sunday show is mandatory listening in the slums.

Ellimah, a large man with an apologetic manner, has a clear motivation. He has withered legs, caused by childhood polio. 'My condition was caused by living among waste,' he says.

He claims shadowy characters from the mining companies have tried to

bribe him not to air grievances about them. 'Having a fight with the mining companies is like having a fight with God,' he says. 'They own this city – the police, the military, everybody.'

We take the short drive out of the city to Sanso, a little village to the southeast. A main street is lined with flimsy houses, while behind, a steep, tree-lined hill casts a shadow over the village. At

**'When foreigners come here and take all the gold out of our country, they call them investors. But when we mine our own land, they call us thieves...'**

first glance, it looks like a natural feature, but the truth is less prosaic. 'Those hills are made from toxic waste,' says Benjamin Annan, a local politician. 'Before the mine started using open-cast methods, this was flat farming land. Nothing grows on that hill apart from those trees they have planted on it to make it look natural.'

Annan, like others in the village, lost his two-and-a-half-acre smallholding when the mining companies took the land in compulsory acquisitions. He was paid £100 for the farm, which has since been reduced to a gaping gash in the ground. 'I have nothing to leave my children now,' he says, with a burning, resentful look. 'Typhoid is everywhere. There is nothing we can do. We are waiting for the end of the world. We sign petitions and nothing gets done. When we speak to the government all they say is, "The company is for Ghana. Ghana is for the company."'

Over the next few days I tour further outlying communities with Ellimah and find a consistent pattern to people's woes. As we drive to remote villages, children spill out of houses and people regard me with fear. 'They see any white man and they think he works for the gold-mining company,' says Ellimah.



Near the village of Krudea we inspect an abandoned open-cast mine. In the middle of forest and savannah, a huge gouge, several miles wide, has been torn out of the earth. Stagnant water has settled, creating a breeding ground for mosquitoes. Krudea is only half a mile away. 'Ten people have died from malaria here,' says village chief Nana Obimpah. When I ask to see children suffering from malaria, I am soon surrounded with indignant parents carrying watery-eyed infants in their arms. Some have sores in their mouths. One two-year-old's face is so ruptured with mosquito bites that his skin looks like coarse sandpaper. Charlotte, an eight-year-old, says that she can't taste any more and has fearful dreams at night. 'We have to watch our children die,' says one woman in a raggedy skirt. 'We feel helpless,' says the chief. 'The company has destroyed us.'

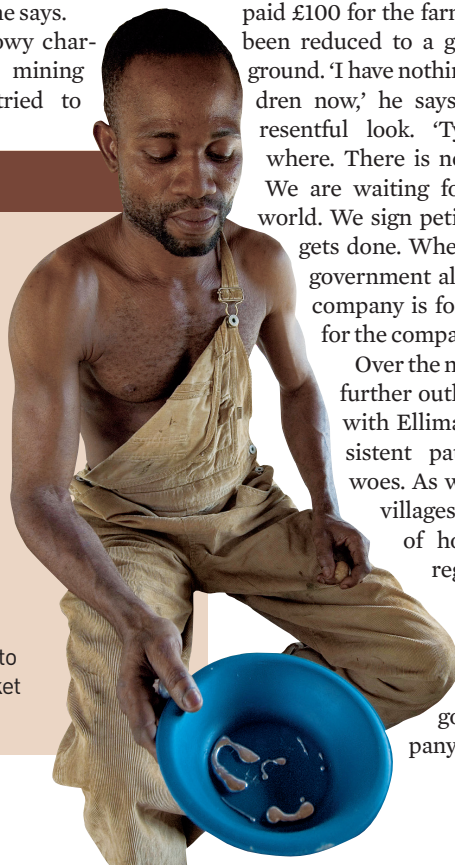
As we leave, Ellimah turns. 'Can you imagine them doing this in the UK?' he asks. 'Tearing up homes and lands and paying people nothing for the privilege? Are we worth less than British people?'

## GOLD: THE FACTS

Gold is considered the safest buttress against times of crisis, protecting individuals and states against inflation. Our increasing demand for gold jewellery means this precious metal is in constant demand

- 80 per cent of gold mined is used in jewellery
- Up to 70 per cent of gold is mined in developing countries
- More than £2 billion is spent on gold jewellery in the UK annually
- The highest price gold has reached this year is £390 per ounce, on May 12 – this marks a 25-year high

- The highest price gold has ever achieved is £460 per ounce – in 1980
- Analysts predict gold could reach £550 per ounce by the end of this year
- Today, a 1kg gold bar costs £10,000
- Gordon Brown sold off 395 million tonnes of Britain's gold reserves – about 60 per cent – between 1999 and 2002 when the average gold price was just £150 per ounce. His decision to sell at the bottom of the market cost an estimated £1.6 billion







Above and left: Ghanaians pan an abandoned mine for gold using mercury

Just when I think things can't get any worse, we visit Prestea, a town further north. It feels like entering a war zone. Air-raid sirens all over the town suddenly start to wail, then massive, concussive thumps rock the ground. Dynamite-blasting in the mine has started. Babies begin to cry, masonry falls off buildings and the locals just look confused or terrified. In a slum house, Cecilia Appiah points to her cracked and crumbling ceiling and the masonry lying on her bed. 'They should resettle us,' she says.

I stand on a hillside watching the blasting with some village elders. We are near a hospital that has closed due to the mine, now only 60ft away. The police station down the road is also deserted; the company found gold deposits under that too. Every day the citizens of Prestea fight a losing battle as more and more

ground is dug out from under their feet.

The open-cast mine, surrounded by barbed wire and spotlights, is only a few hundred feet from the centre of town. People live around the edge, near refuse where vultures peck at scraps. In the centre of town is Bogoso Gold Limited's headquarters. It, too, is surrounded by barbed wire. 'What hope have we got?' says Eric Sherwood of the local residents association. 'Soon they will dig up the whole town and then we will have nothing.'

Back in Accra, I meet AngloGold Ashanti spokesperson John Owusu. He looks distracted when I ask about the problems caused by the company's

gold-mining, and begins pushing papers around his desk. Isn't drizzling the landscape with cyanide dangerous to those who live in Obuasi? 'Everyone uses cyanide in Ghana,' he says, firmly.

What about the abandoned open-cast mines that have become breeding grounds for mosquitoes? 'When the gold price is not so good and the ore grade is low you are mining at a loss, so we leave those,' he explains. 'When the gold price goes up we mine them again.'

He points to the company's £1.5 million anti-malaria programme. 'In the part of Ghana where I am from there is a lot of malaria, so this is everywhere, not just near mines,' he says.

But the catalogue of complaints from local people is hard to ignore. If there is a consistent theme to the misery of people in mining communities in Ghana, it is that they feel helpless, with no one to give them a voice. This is hardly surprising, given that most of their MPs serve on the boards of gold companies, too.

Obuasi's MP, Edward Ennin, is also vice-chairman of the Mines and Energy Select Committee. He denies any formal affiliations with the gold companies. 'They have done some bad things,' he admits. 'They say that the waste is not toxic, but I don't believe them, so I am going to get a report done with the Environmental Protection Agency.' He claims to be demanding reports, he is setting up committees... but he can't seem to point to anything concrete that is being done.

The financial benefits of mining to native Ghanaians are questionable, too. Last year, AngloGold Ashanti paid no money in corporate taxes due to losses. Yet over the 2004 and 2005 financial years, it claims to have paid £10 million in royalties to the Ghanaian government, although where this money goes is hard to determine.

For the Lucky Boys, gabbling excitedly, none of these issues is a concern. They are after gold because it is the only way they can make a living. They don't even seem that bothered about the exposure to mercury. 'If there was something else besides mercury we would use it. But what else is there?' asks Daniel, pushing his wraparound shades on to the top of his head. The camp isn't likely to be around for too much longer. With US company Newmont owning the concession, at some point the Lucky Boys, along with everyone else, will be marched off the land.

At 5pm, there is a crack, followed by a boom, as torrential rain quickly turns the camp to a swamp. Miners frantically try to get to the surface before the shafts fill with water. As the dense surrounding forest turns a dark, silvery grey, hundreds scurry towards the village nearby.

I join the exodus and find cover under a lean-to. There, Samuel Opoku, a light-skinned, muscular man, turns over what looks like a lump of compressed mud in his hand, before passing it to his wife Pelicia. She in turn drops it into my palm. It's unexpectedly heavy. It's gold. Samuel and Pelicia have spent a year and many months deep underground in collapsing tunnels, in unprotected contact with mercury and waist-deep in mud for 18 hours a day, seven days a week, panning for tiny traces of gold. They've been shot at and attacked by dogs too for their pains. Samuel grins tiredly and says, 'This will make someone a nice pair of earrings, don't you think?' ■