



MINISTRY OF FINANCE

GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE-(GHEITI)

# GHEITI REPORT

On The  
**MINING SECTOR**  
2014



**GHEITI**

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December, 2015

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(GHEITI)



REPUBLIC OF GHANA

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**GHEITI**



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## LIST OF ABBREVIATIONS

DA	District Assembly
EITI	Extractive Industries Transparency Initiative
GHEITI	Ghana Extractive Industries Transparency Initiative
GRA	Ghana Revenue Authority
MDF	Mineral Development Fund
MIN. COMM.	Minerals Commission
MMDA	Metropolitan, Municipal District Assembly
MoF	Ministry of Finance
MUN/DIST ASMBL	Municipal/District Assembly
NTRU	Non Tax Revenue Unit
OASL	Office of the Administrator of Stool Lands

## EXECUTIVE SUMMARY

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes revenue transparency and accountability in the oil and gas and mining sectors.

The Ghana Extractive Industries Transparency Initiative (GHEITI) has published reconciled reports for the years 2004 to 2013. Messrs Boas & Associates was engaged to produce the 2014 EITI Report reconciling payments made by Mining Companies and receipts by the government of Ghana.

## APPROACH & METHODOLOGY

The exercise had two main phases comprising of preliminary information gathering (inception phase) and Reconciliation phase culminating in the production of this report. The methodology employed for the Assignment included desk top data analysis after field data submissions through the SAP ICT System.

## OVERVIEW

Ghana is endowed with extensive mineral resources. Exploration prospects are high and some gold projects are lined up for production commencing 2016.

Total minerals exports were estimated at US\$ 4.516bn in 2014. Mining and Quarrying<sup>1</sup> accounted for about 0.8% of total GDP in 2014. However Bauxite and Manganese exports recorded decline of 12% and 11% respectively. The minerals Sector accounted for over 16% of fiscal receipts by the Ghana Revenue Authority (GRA) in 2014.

### *Receipts from the mining industry / Total GRA collection*

Year	Total Income(GHc)	Mining Total collection (GHc)	Total GRA Mining/Total GRA collection	% Mining to GDP
2013	1,104,047,314	5,880,322,065	18.78%	1.20%
2014	1,192,692,542	7,426,082,366.05	16.06%	0.80%

*Source: Minerals Commission*

The main governing legislation for Ghana's mining sector is the Mining and Minerals Act, 2006(Act 703) and its amendments.

<sup>1</sup> Excludes Aluminium Products and oil/Gas

Artisanal and Small Scale Mining (ASM) exported gold and diamond worth about US \$ 2bn in 2014. It contributed 14.7% of the total Merchandise Export in 2014. ASM Gold exports in 2014 were about 34% of the total sales.

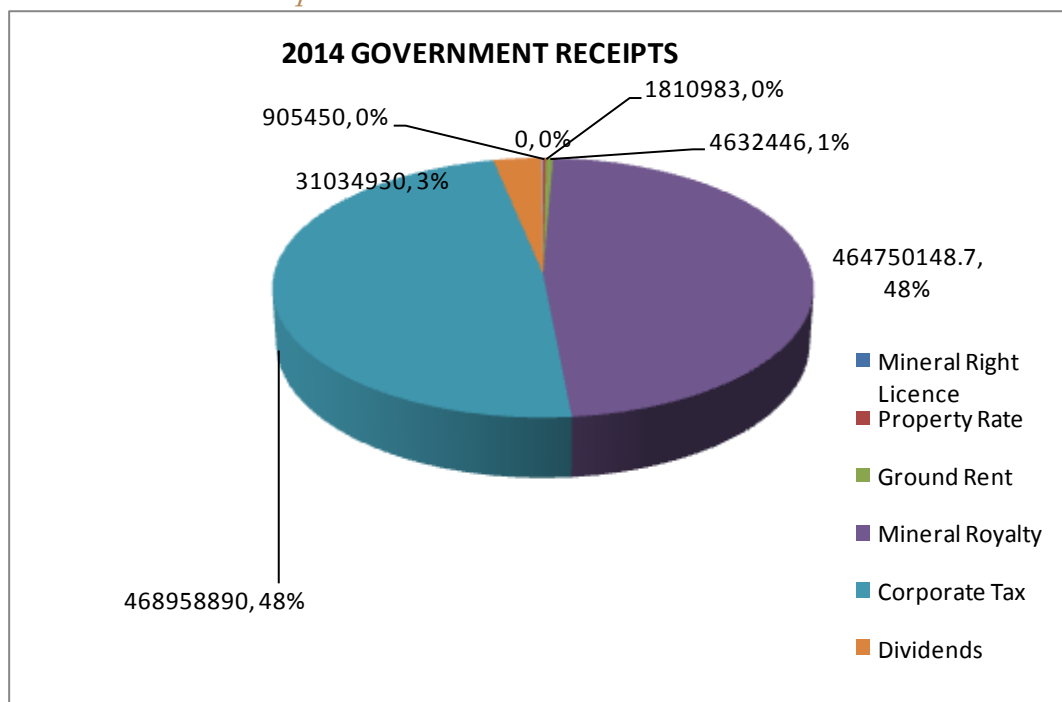
Fifteen large scale mining companies were part of the 2014 Reconciliation. Together they paid about 99% of mineral royalties for 2014(See Table A).

*Table A: Reconciliation by companies*

No.	Reporting Entity	2014 Initial Amount GHS			Resolved Final Amounts				Unresolved
		Company	Government	Discrepancy	Company	Government	Company	Government	
1	Anglogold Ash(Obuasi)	25,930,648	18,583,601	7,347,047	2936652	9730299	28,867,300	28,313,900	553,400
2	Anglogold Ash (Iduapriem)	22,649,242	22,591,452	57,790	664260	722050	23,313,502	23,313,502	-
3	Adamus Resources	21,773,968	21,773,968	-	57790	57790	21,831,758	21,831,758	-
4	GSR(Wassa)	48,522,619	45,344,620	3,177,999	-2961540	216460	45,561,079	45,561,080	(1)
5	GSR(Prestea/Bogosu)	22,699,547	22,699,547	-	0	0	22,699,547	22,699,547	-
6	Goldfields(Gh) Ltd	237,486,049	207,995,201	29,490,848	(13,906,558)	15354368	223,579,491	223,349,569	229,922
7	Abosso Goldfields Ltd	31,266,256	31,536,520	(270,264)	38,507	0	31,304,763	31,536,520	(231,757)
8	Chirano Ltd	197,213,327	197,147,746	65,581	92,210	157790	197,305,537	197,305,536	1
9	Newmont Ghana Gold Ltd	62,814,030	59,994,923	2,819,107	(2,762,857)	56250	60,051,173	60,051,173	-
10	Newmont Golden Ridge Ltd	237,095,446	237,095,445	1	57,790	57790	237,153,236	237,153,235	1
11	Ghana Bauxite Co. Ltd	5,576,000	5,562,704	13,296	57,515	70515	5,633,515	5,633,219	296
12	Ghana Manganese Co Ltd	35,603,465	44,396,847	(8,793,382)	10,054,258	1350876	45,657,723	45,747,723	(90,000)
13	Perseus Mining Co Ltd	35,835,609	25,593,683	10,241,926	(10,621,439)	65104	25,214,170	25,658,787	(444,617)
14	Noble Mining Co Ltd	2,581,382	1,770,033	811,349	(50,000)	0	2,531,382	1,770,033	761,349
15	West African Quarries	2,083,353	2,167,266	(83,913)	0	0	2,083,353	2,167,266	(83,913)
16	<b>Total</b>	<b>989,130,941</b>	<b>944,253,556</b>	<b>44,877,385</b>	<b>(16,343,412)</b>	<b>27,839,292</b>	<b>972,787,529</b>	<b>972,092,848</b>	<b>694,681</b>

Corporate tax was the largest of the mining revenue streams received by the government in 2014. Other revenue streams considered were Mineral royalty, property rate, Ground rent, Dividends and environmental permitting fees.

### 2014 Government Receipts



Transfers totaling GHS35,403,184.16 were paid into the Ministry of Lands & Natural Resources (MLNR) sub Consolidated Fund Account as MDF disbursement in 2014.

### Reconciliation

Initial reconciliation yielded a net discrepancy of GHS44,877,385. After resolution of some of the discrepancies the final net discrepancy came up to GHS 694,681. This represents 0.07% of reported government receipts.

## Findings and Recommendations

### 1. Setting off tax credits against Royalty.

In October 2014, Perseus Mining Ltd set off its Tax credit on VAT against royalty liability resulting in the payment of GHS 410,000 instead of GHS10,686,543.

This practice should be discouraged as it has the potential of reducing royalty disbursements from Central Government to impacted mining communities.

### 2. Dedicated bank accounts for royalty disbursements.

MMDAs continue to lodge mineral royalty disbursements into non dedicated accounts (normally IGF Account). In cases where there is dedicated account, other irrelevant transactions are also carried through it.



The District Assemblies should have dedicated bank accounts for mineral royalty receipts and be used exclusively for mineral development purposes.

### **3. Licensing regime.**

The mode of awarding licences and concessions remains unchanged, as first come first served basis. The determination of who came first is left to Minerals Commission. The Minerals Commission should accelerate its plans to introduce the tendering process.

### **4. Mineral Development Fund Bill**

The delay in passing the MDF Bill into law is hampering effective management of the fund.

### **5. 2014 Royalty Disbursement**

Only one tranche of royalty disbursement was made in 2014 in respect of 2012 mining operations. Regular disbursement of royalties affords MMDAs with more development funds to impacted communities.

### **6. Non Payment of Forestry Royalties**

Newmont Golden Ridge Ltd made two forest royalties payments of GHS 1,802,012 for September and October 2014 and GHS 1,012,094 for November 2014 operations. Forestry Commission is requested to follow through on payments for mining operations in the Agyenwa Bepow Forest Reserves for the remaining months of the year 2014.

### **7. Split Payments from Office of Administrator of Stool Lands**

Disbursements of mineral royalties are designated to cover specific periods. However, payments made from the Controller and Accountant General's Department (CAGD), sometimes do not cover the entire period indicated. This creates arrears. Full payments will afford stakeholders opportunity to independently compute expected royalty transfers to beneficiaries including MMDAs, thereby enhancing transparency.

### **8. Possibility of Capital Gain Liability**

African Queens Mines Ltd entered into an agreement to purchase 100 per cent of the shares of the capital stock of another exploration company for cash and a net smelter royalty. GRA to check this transaction for the possibility of capital gains tax obligations.

### **9. Outstanding Ground Rent payments**

Only Ghana Manganese Company and Goldfields Ghana Ltd fully settled their ground rent liabilities in 2014. The Office of the Administrator of Stool Lands is requested to follow through and retrieve over GHS 12 million due in 2013 and 2014.

## 1.0 BACKGROUND

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes revenue transparency and accountability in the oil and gas and mining sectors. It is an international initiative between governments, companies and civil society groups to promote transparency in the flow of revenues from extractive companies to host country governments based on a set of criteria for transparent reporting on the revenue streams and other benefits. It has a robust yet flexible methodology for disclosing and reconciling company payments and government revenues in EITI implementing countries.

The purpose of the initiative is to encourage greater transparency in the extractive sector. This would enable citizens to make informed demands for the fair and sustainable use of revenues generated through the exploitation of natural resources. It is expected that accountable governments and informed public will contribute to greater political stability, increased security in mining communities and improved investment climate.

EITI implementation has two core components:

- **Transparency:** oil, gas and mining companies disclose the payments they have made to government, and the government discloses its receipts from the companies. The figures are reconciled by an Independent Administrator, and published in annual EITI Reports alongside contextual information about the extractive sector.
- **Accountability:** a multi-stakeholder group with representatives from government, companies and civil society is established to oversee the process and communicate the findings of the EITI Report, creating the platform for citizens' engagement with government and companies on the report.

The initiative requires the publication of extractive industry payments and Government receipts.

Ghana commenced the publication of extractive industries' payments and government receipts with that of the mining sector.

### 1.1 BRIEF ON EITI IN GHANA

The EITI Multi Stakeholder Group (MSG) is the governing body of the EITI in Ghana. Various stakeholders in the Extractive industry are represented on the committee. The members of the MSG comprise of representatives from the under listed agencies or bodies:

*Ministry of Finance;*

*Ministry of Land and Natural Resources;*

*Minerals Commission;*  
*Ghana National Petroleum Corporation;*  
*Ghana Chamber of Mines (representing the mining companies);*  
*Office of the Administrator of Stool Lands;*  
*Ghana Revenue Authority;*  
*Civil Society Organizations (led by ISODEC)*  
*Ministry of Petroleum.*

The EITI also has an implementation Secretariat at the Ministry of Finance. The Ghana Extractive Industries' Transparency Initiative (GHEITI) has extended the initiative to the Oil and Gas sector (Ghana commenced commercial production of oil in 2010). GHEITI has published reconciled reports for the years 2004 to 2013.

## 1.2 CONTENTS AND OBJECTIVES OF THE REPORT

The Ghana Extractive Industries Transparency Initiative (GHEITI) has engaged Messrs Boas & Associates to reconcile the payments made by Mining Companies and receipts by the government of Ghana for 2014.

The contents of the report include:

- i) Assignment's background;
- ii) Approach and Methodology;
- iii) Overview of the mining industry in Ghana;
- iv) Reconciliation Results;
- v) Observations and significant Findings;

The report was prepared based on the terms of reference provided by the GHEITI MSG. It serves the overall objective of reconciling mining sector payments as well as identifying the contribution of the extractive sector to the country's economic and social development.

Other objectives of the assignment include;

- To collect and analyze payments made by selected Mining companies to the Government of Ghana.
- To collect and analyze receipts by the government.
- Reconcile Mining Companies submissions of payments to those received by Government.
- Analyze and ascertain the appropriateness of disbursements to the District Assemblies and MDF
- Check the utilization of the funds to the District Assemblies and MDF

A multi- stake holder steering committee (MSG) made up of representatives from the government, extractive industry companies and civil society reviews the reconciled information before publication.

## 2.0 APPROACH AND METHODOLOGY

The assignment's methodology has two main phases comprising of;

- Preliminary information gathering (inception phase);
- Reconciliation phase.

The preliminary information gathering stage involved interactions with all the stakeholders in order to put the assignment into the correct perspective and assessing the logistics required to complete the assignment.

The reconciliation phase was made up i) Data Collection and Analysis; ii) Initial Reconciliation; iii) Draft Reporting phase and iv) Final Reporting.

There were interactions with the MSG in order to:

- i) Elaborate on the details of the terms of reference
- ii) Determine fully the responsibility of the Independent Administrator regarding provision of contextual information.
- iii) Agree on the reconciliation parameters including materiality, reporting entities and revenue streams.

Preliminary meetings were also held with the representatives of the participants of the reconciliation exercise.

### ❖ Document Review

Available documentation was reviewed to gain a deeper understanding of the assignment. Document review also provided the necessary resources for the provision of contextual information.

Documents identified that were studied included the following:

- a. Reporting Templates
- b. Mineral and Mining Act, 2006
- c. Ghana Chamber of Mines Annual Reports.
- d. Feasibility Studies of participating Mining Companies
- e. Annual reports of participating mining companies

- f. Financial statements of mining companies for 2014.
  
- **Reconciliation phase: The activities undertaken at this phase of the assignment are detailed in section 5.0**

### 3.0 OVERVIEW OF THE MINING INDUSTRY IN GHANA

Ghana is endowed with extensive mineral resources. This is evident in the gold reserves which according to US Geological Survey is estimated to be 50 million ounces (1,600 tons). Exploration prospects are high and some gold projects are lined up for production from 2016.

There are three major iron deposits including the Opon-Mansi lateritic iron deposit, the Shieni sedimentary iron deposit and the Pudo titaniferous-magnetite deposit<sup>3</sup>. Other minor iron mineral deposits in Ghana include the Adum Bansa deposit, in the Western region, and the Akpafu deposits, in the Volta region.

Total minerals exports were estimated at US\$ 4.516bn in 2014. Mining and Quarrying<sup>4</sup> accounted for about 0.8% of total GDP in 2014. However Bauxite and Manganese exports recorded decline of 12% and 11% respectively.

Under the Minerals and Mining Act, 2006, Act 703, every mineral in its natural state in, under or upon any land in Ghana, rivers, streams, water courses throughout the country, the exclusive economic zone and any area covered by territorial sea or continental shelf is the property of the Republic of Ghana and is vested in the President in trust for the people of Ghana.

The minerals Sector accounted for over 16% of fiscal receipts by the Ghana Revenue Authority (GRA) in 2014. (See Table 3.1)

Gold mining remains the highest contributor in the sector, with large scale gold mining accounting for over 80% by value of the total income from the sector. The other important minerals are, diamond, bauxite and manganese.

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<sup>3</sup> Mining Weekly Nov, 2014

<sup>4</sup> Excludes Aluminium Products and oil/gas

Table 3.1: Receipts from the mining industry / Total GRA collection

Year	Total Income(GHc)	Mining Total collection (GHc)	Total GRA Mining/Total GRA collection	% Mining to GDP
2010	555,095,469	2,338,542,674	23.74%	2.30%
2011	1,050,436,681	3,705,747,795	28.35%	1.70%
2012	1,461,202,977	5,403,032,412	27.04%	1.80%
2013	1,104,047,314	5,880,322,065	18.78%	1.20%
2014	1,192,692,542	7,426,082,366.05	16.06%	0.80%

Source: Minerals Commission

### 3.1: OVERVIEW OF LAWS AND REGULATIONS

#### 3.1.1 Regulatory Framework

##### Legal Regime

- The governing legislation for Ghana's mining sector is the Mining and Minerals Act, 2006(Act 703), and its related regulations such as the Environmental Assessment Regulations law LI1652 and Mining Regulations including those for Health and Safety; Explosives and crops compensations.

Other legislations that also impact on the industry include the following.

- The 1992 Constitution of Ghana.
- Minerals Commission Act ,1993( Act 450)  
The Minerals Commission is responsible for the regulation and management of mineral resources of Ghana and the coordination of policies relating to the mining industry.

All transactions relating to the exploitation of mineral resources are regulated by the Minerals and Mining Act, 2006 Act 703. Any transaction, contract or undertaking involving exploitation of minerals or mining lease must be ratified by parliament. Mineral rights once granted cannot be transferred, assigned, mortgaged or otherwise encumbered or dealt in, either in whole or in part, without the prior approval in writing of the Minister.

The Minerals Commission Act, 1994 (Act 450) establishes the Minerals Commission as a corporate body to regulate and manage the utilisation of minerals and coordination of policies related to them.

The main laws and regulations governing mining sector are:

- (a) The Constitution of Republic of Ghana, 1992;
- (b) Minerals and Mining Act, 2006 (Act 703) as amended by the Minerals and Mining (Amendment) Act, 2010 (Act 794);
- (c) Minerals and Mining (General) Regulations, 2012 (L.I 2173);
- (d) Minerals and Mining (Support Services) Regulations, 2012 (L.I 2174);
- (e) Minerals and Mining (Compensation and Settlement) Regulations, 2012 (L.I 2175);
- (f) Minerals and Mining (Licensing) Regulations, 2012 (L.I 2176);
- (g) Minerals and Mining (Explosives) Regulations, 2012 (L.I 2177);
- (h) Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I 2182);
- (i) The Internal Revenue Act, 2000 (Act 592) as amended from time to time;
- (j) The Minerals Commission Act, 1993 (Act 450);
- (k) The Environmental Protection Agency Act, 1994 (Act 490);
- (l) The Environmental Assessment Regulations, 1999 (L.I. 1652).

#### ❖ **Proposed Amendment to the Minerals and Mining Act, 2006 (Act 703)**

Parliament is expected to consider a proposal made by the Minister of Lands and Natural Resources to amend the Minerals and Mining Act, 2006 (Act 703) in 2015. The amendments are twofold, first to make regulations to prescribe a rate for royalty payments and the second is to provide for the confiscation of equipment used in illegal small scale mining.

- ❖ Section 25 of Act 703 is to be amended by removing the fixed rate of five per cent in respect of royalty payment and providing that the payment has to be made to the state at the rate, and in a manner as prescribed.
- ❖ Just like Act 703, the law criminalises illegal small scale mining, popularly known as galamsey, but unlike the old law, it criminalises mining by foreigners and Ghanaians without a permit.



### 3.1.2 Fiscal Regime

The legislations and fiscal instruments that define the benefits obtained in the mining sector have mirrored policy changes in the mining sector over the years.

In 2006 there was a new minerals code which replaced the 1986 Act and its accompanying amendments.

The main fiscal provision was the reduction of the range of royalty rate from 3% to 12% to 3% to 6%. It was further fixed at 5% by Minerals and Mining (Amendment) 2010, Act 794. The main fiscal items are indicated below.

*Table 3.2 Mining Fiscal Regime*

Items	2006	2012	2014	Remarks
Incentives and Taxes				
Mineral Right(Mining lease)	One-time payment	Annual payment		<i>Minerals &amp; Mining Licences Regulations 2012; LI 2176; Effective September 2013.</i>
Initial Capital Allowance	80%	20% ; Straight line	20% ; Straight line	<i>Act 839; Third schedule to IRA, Act 592 amended.</i>
Upliftment Allowance	5%	0%		
Carried forward Losses for purposes of taxation	5yrs	5yrs	<i>5yrs</i>	
Corporate Income Tax Rate	25%	35%	<i>35%</i>	
Mineral Royalty	3%-6%	5%	<i>5%</i>	<i>On Gross Revenue</i>
Gov't Equity Participation	10% free carried interest.	10% free carried interest.		

### 3.2 EXPLORATION UPDATE

1. The **Homase/Akrokerry** project located near AngloGold Ashanti's Obuasi mine is owned by GoldStone an AIM listed exploration company. The JORC compliant gold resource for the **Homase/Akrokerry** project presently is 602,000 ounces at an average grade of 1.77 grams per tonne and includes 100,000 ounces in oxide material.
2. Castle Peak Mining Ltd. (TSX-V: CAP), a Canadian-based explorer has published an inferred mineral resource estimate of 275,000 tons at 8.6 g/t Au for a total of 76,000 contained ounces.
3. Phase 1 of the Asanko Gold Mine is under construction and will mine the Obotan Project, which comprises the Nkran pit, and four satellite deposits, Abore, Asuadai, Dynamite Hill and Adubiaso. First gold due in first quarter of 2016 and steady production of 190,000oz/yr of gold expected in the second quarter 2016. Key statistics include: Reserves: 2.5Moz at a gold grade of 2.15g/t and Gold production: 2.3Mozs over 12.4 year life of mine at a capital cost of US\$295 million

Source: <http://www.asanko.com/projects/phase-1>

4. Phase 2 expansion will integrate the Esaase deposit with the Phase 1 Obotan project to create one large, multi-pit mine producing an average of 411,000 ounces of gold over a 10.5 year Life of Mine.
5. Enchi Project has a Inferred Resource Estimate of 37,357,000 tonnes grading 0.90g/t gold containing 1,078,697 ounces of gold using a 0.5g/t gold cut-off grade.

The Inferred Resource Estimated at a cut-off grade of 0.5 g/t Au is as follows:

#### Enchi Gold Project, Ghana 2014 Inferred Mineral Resource Summary

Cut-off Au (g/t)	Zone	Tonnes	Grade Au (g/t)	Contained Gold (ounces)
0.5	Total	37,357,000	0.9	1,078,697

<http://www.pinecrestresources.com/s/enchi-gold.asp>

6. Azumah Resources Limited is a Perth-based, ASX-listed (ASX:AZM) exploration company focused on a new and highly prospective gold province in the Upper West Region of Ghana, West Africa.

JORC Mineral Resource of 2.0Moz of gold grading 1.5g/t Au (1.3Moz Measured and Indicated).

Feasibility Study completed in February 2015. Open pit mining inventory of over 650,000oz including a JORC Ore Reserve of 624,000oz Au (9.1Mt at 2.14g/t Au). Study based on +1.2Mtpa plant producing about 90,000oz Au per year over 7-year mine life.

Table 3.3 *New Producing Companies to Come on Stream from 2014 to 2017*

No	Company Name	Tonnage	Grade (g/t)	Contained gold (oz.)	Mine Life (yrs.)	2017	2018	2019
		Measured & Indicated (MT), cu.m*						
1	Azumah Resources	6,800,000	2	429,000.00	10	19,305.00	21,450.00	42,900.00
2	Adansi Gold (Nkran)	30,300,000	2.3	2,250,000.00	10	67,500.00	90,000.00	225,000.00
3	GCDGL*	6,290,996		98,012.51	5	9,801.25	9,801.25	19,602.50
4	Narawa*	855,720		40,830.00	5	-	4,083.00	8,166.00
5	Akooko Goldfields*	1,299,847	0.6	25,075.00	10	1,253.75	1,253.75	2,507.50
6	Bugudon*	804,438	0.4	10,345.00	5	1,034.50	1,034.50	2,069.00
7	Dharani*	5,200,000	0.65	108,669.00	6	-	9,055.75	18,111.50
8	Lali*	855,720	1.53	42,749.00	6	-	3,562.42	7,124.83
9	Pallazzo*	3,900,000	0.4	50,567.00	8	-	3,160.44	6,320.88
10	Romex*	5,200,000	0.4	65,834.00	7	-	4,702.43	9,404.86
11	Soon Mining*	6,500,000	0.37	85,264.00	7	-	6,090.29	12,180.57
12	Ultimate Mining*	3,719,000	0.627	74,969.50	8	-	4,685.59	9,371.19
	<b>Total</b>			<b>3,281,315.01</b>		<b>98,894.50</b>	<b>158,879.41</b>	<b>362,758.83</b>

Source: Minerals Commission

### 3.3 PRODUCTION HISTORY

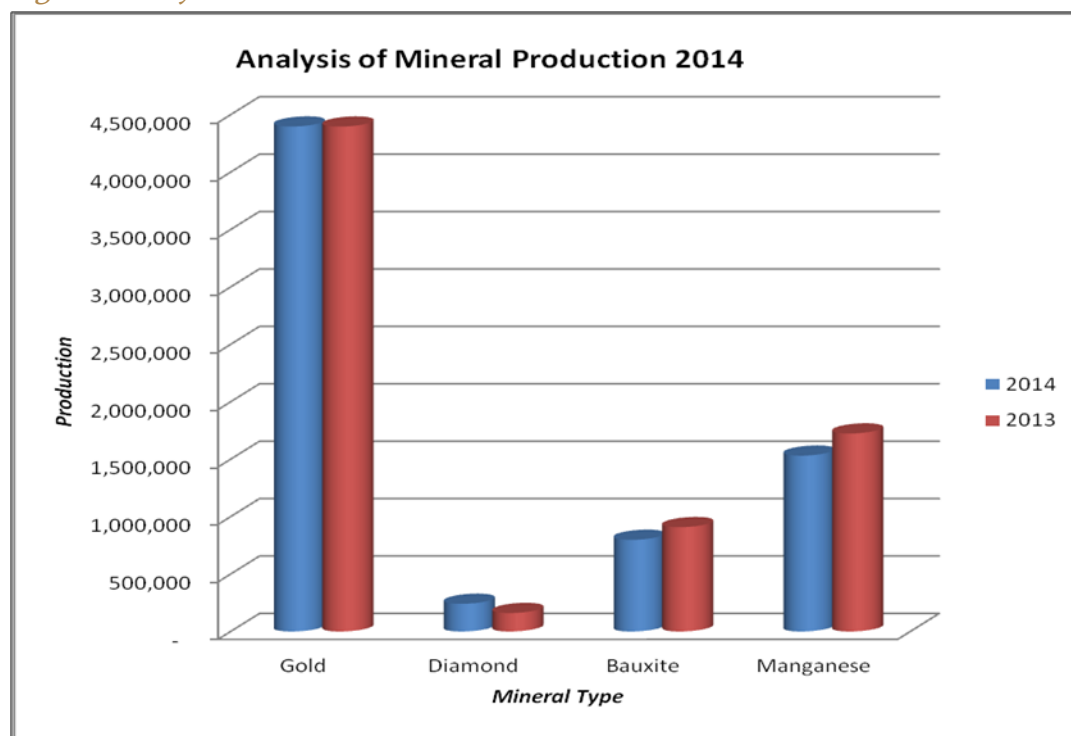
Ghana's most important minerals resources are gold, diamonds, manganese and bauxite. In 2014 gold production was approximately stable with 2013 figures. There was an impressive 50% increase in diamonds production in 2014 over the previous year. Bauxite and Manganese however registered a slowed production of about 12% and 11% respectively over 2013 figures. Table 3.4 shows the production figures for 2013-2014.

*Table 3.4 Production figures for 2013-2014*

Mineral	2014	2013	% Variance
Gold (oz)	4,397,304	4,396,897	0.01
Diamond(ct)	241,235	160,821	50.00
Bauxite(mt)	798,114	908,586	(12.16)
Manganese(mt)	1,531,394	1,724,417	(11.19)

*Source: Minerals Commission*

Fig. 3.1 Analysis of Mineral Production 2014



Source: Minerals Commission

### Gold

Ghana is a significant producer of gold, second to South Africa in Africa. Production in 2014 accounted for 4.49% of world gold production with an outturn of 4,397,304 oz slightly up from 2013 outturn of 4,396,897 oz. Ghana placed 10<sup>th</sup> on the list of top gold producing countries in the world.

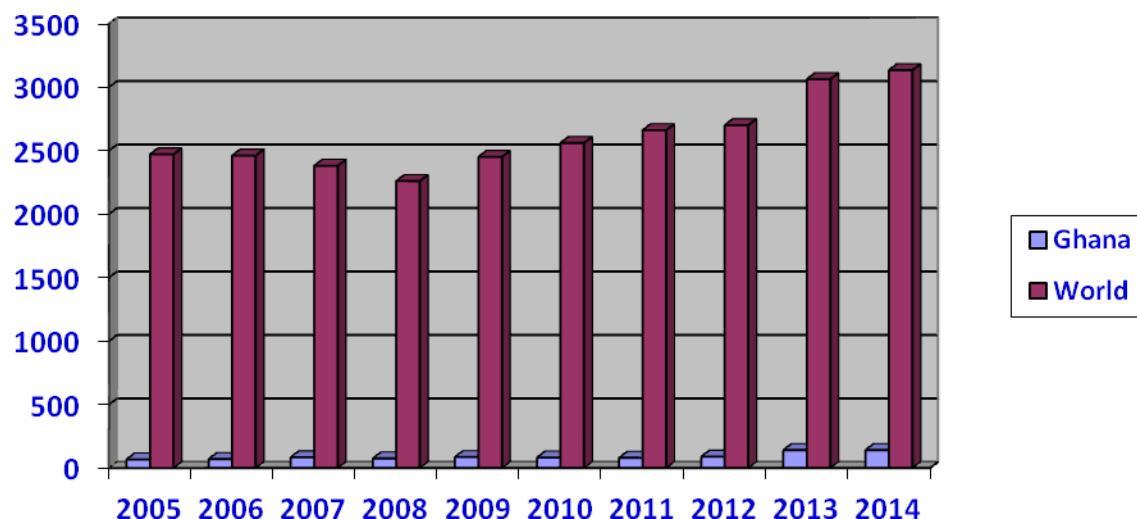
Figure 3.1 shows the production levels of gold as a percentage of the world production.

Table 3.5 Gold Productions

Gold Production	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Ghana (Tons)	67	70	84	75	86	82	80	89	140.7	140.7
World Totals (Tons)	2470	2460	2380	2260	2450	2560	2660	2700	3061.5	3133.1
Ghana %	2.71	2.84	5.52	3.31	3.49	3.20	3.00	3.29	4.59	4.49

Source: US Geological Survey, Mineral Commodity Summaries

Fig 3.2 Ghana's mineral Reserves



The United States Geological Survey estimates Ghana's gold reserves at 1,600 tons in 2013 worth US \$ 64.4 billion at gold price of US \$ 1,252 per ounce. This represents 3.1% of the global gold reserves of 52,000 tons

Fig 3.2 shows Ghana's position reserve and its percentage of the global levels.

Table 3.5.1: Gold Reserves

Reserve (2013)	Tonnage
Ghana	1,600
World Totals	52,000
Ghana %	3.1

Source: US Geological Survey

### ❖ Diamonds

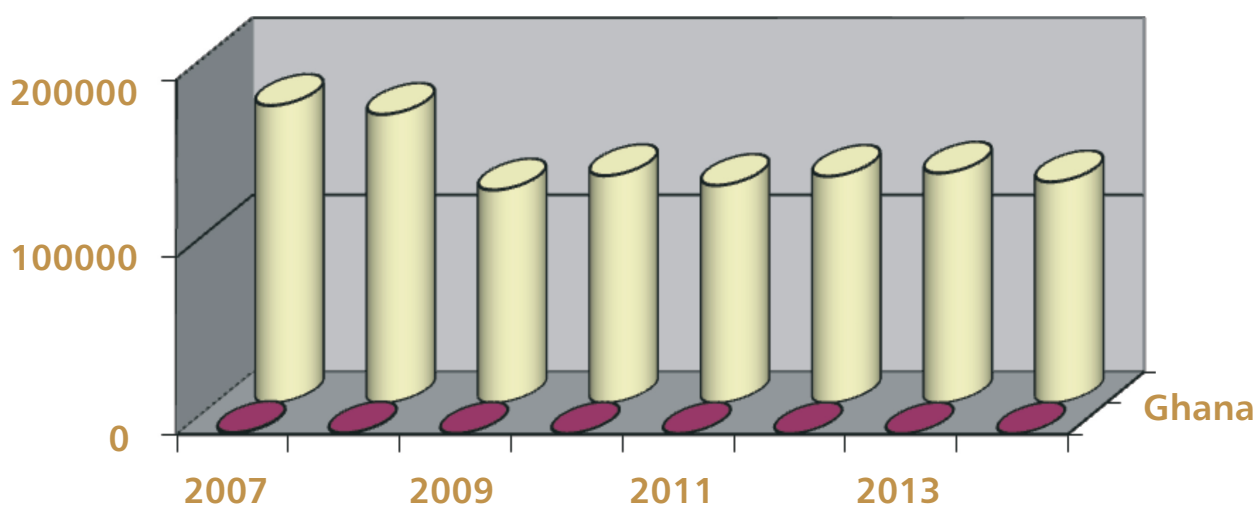
Diamond production has been on a decline. Production in 2007 of 894,783 carats has slowed to 242,259 carats in 2014. Ghana's diamond contribution to the world's totals was 0.19% in 2014

*Table 3.6: Ghana’s Diamond Contribution to world*

Production	2007	2008	2009	2010	2011	2012	2013	2014
Ghana('000 )	894	643	376	333	301	232	169	242
World Totals('000ct)	167,918	162,907	120,223	128,317	122,828	127,962	129,762	124,778
Ghana %	0.53	0.39	0.31	0.25	0.24	0.18	0.13	0.19

*Source: Kimberley Process Statistics*

*Fig. 3.3 Production of Diamond from 2007-2014*

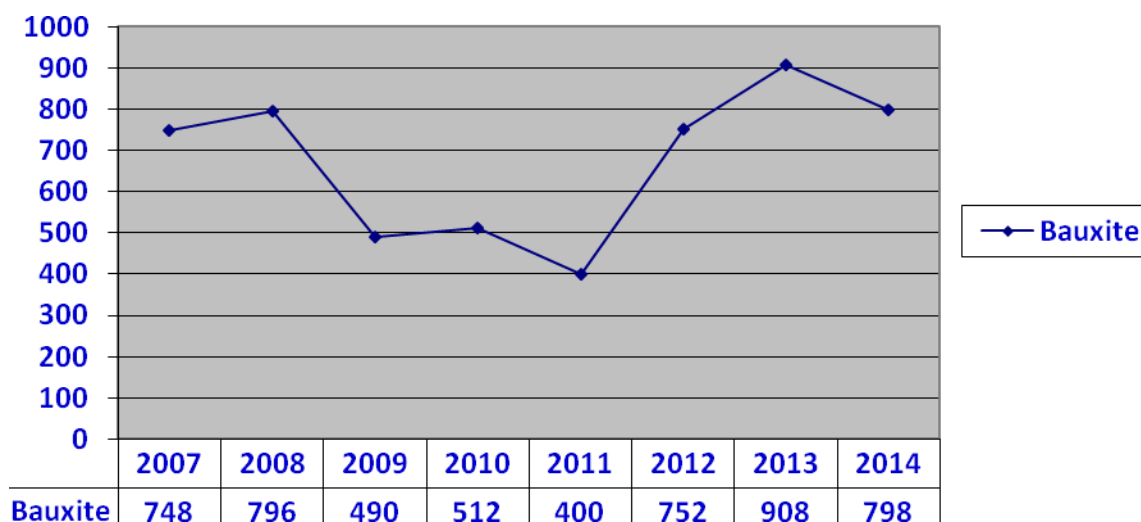


*Source: US Geological Survey/Minerals Commission*

**Bauxite**

Bauxite production since 2001 has been volatile. The only bauxite mine in Ghana produced 798,114 metric tons in 2014. Fig 3.4 shows the production levels of bauxite from 2007-2014

Fig 3.4 Production of Bauxite from 2007 to 2014



## Manganese

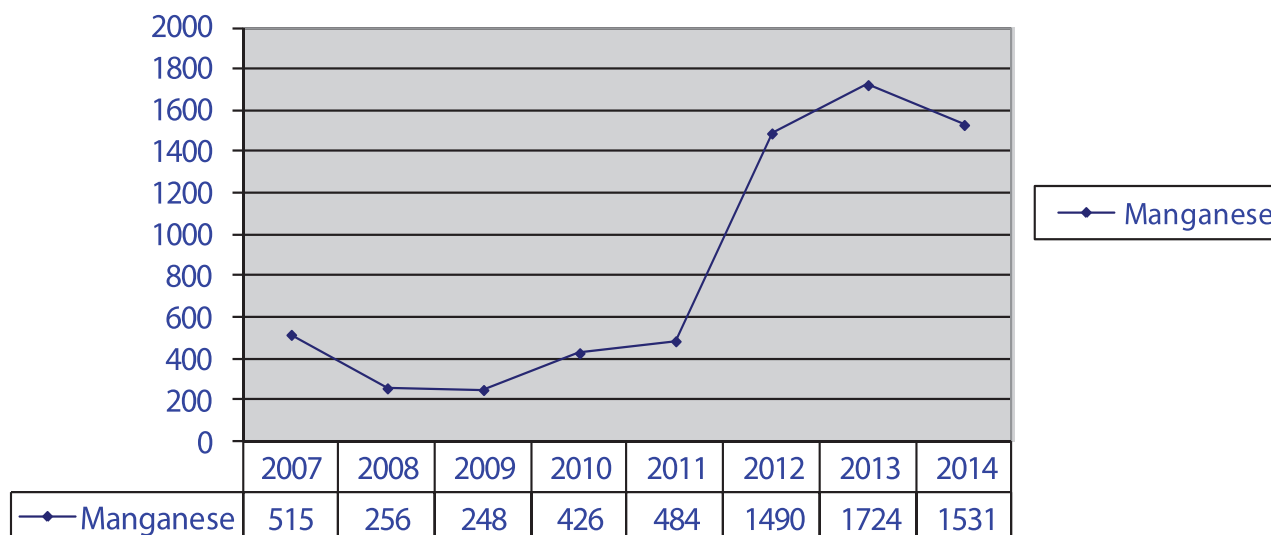
Table 3.7: Ghana's Production and World Totals (2008-2012)

Production (Thousand Metric tons)	2008	2009	2010	2011	2012
Ghana(Gross Wt )	914	882	1529	1729	1490
Ghana (Mn Content)	256	248	426	484	348
World Totals( Gross Wt)	37,900	33,800	44,100	46,900	47,100
World Totals (Mn Content)	13,400	11,300	14,800	15,700	15,800
Ghana % by Mn Content	1.9	2.1	2.8	3.0	2.2

Source: *indexmundi.com*

Manganese reserves at the only manganese mine located at Nsuta in the Western Region is estimated at 24.4 million tons as at June 2011. It is estimated that only 3% of the deposit has been mined. Fig 3.5 provides details of 2007-2014 manganese production.



*Fig. 3.5 Production of Manganese*

*Source: Minerals Commission*

### 3.4 LEVELS OF INVESTMENT

According to UNCTAD World Investment Report 2013, Ghana was the fifth largest recipient of inflows into Africa in 2012. FDI inflows into Ghana was US \$ 1.3 billion in 2005 up to US \$ 3.2 billion in 2012. Table 3.8 shows the FDI inflows since 2005-2012

*Table 3.8 FDI Inflows since 2005-2012*

FDI	2005	2006	2007	2008	2009	2010	2011	2012
Ghana (\$m)	139.3	145.0	636.0	855.4	2897	2527.4	3248	3295

*Source: World Investment Report, 2013, 2007, UNCTAD*

### 3.5 MINING EMPLOYMENT IN THE GLOBAL PERSPECTIVE

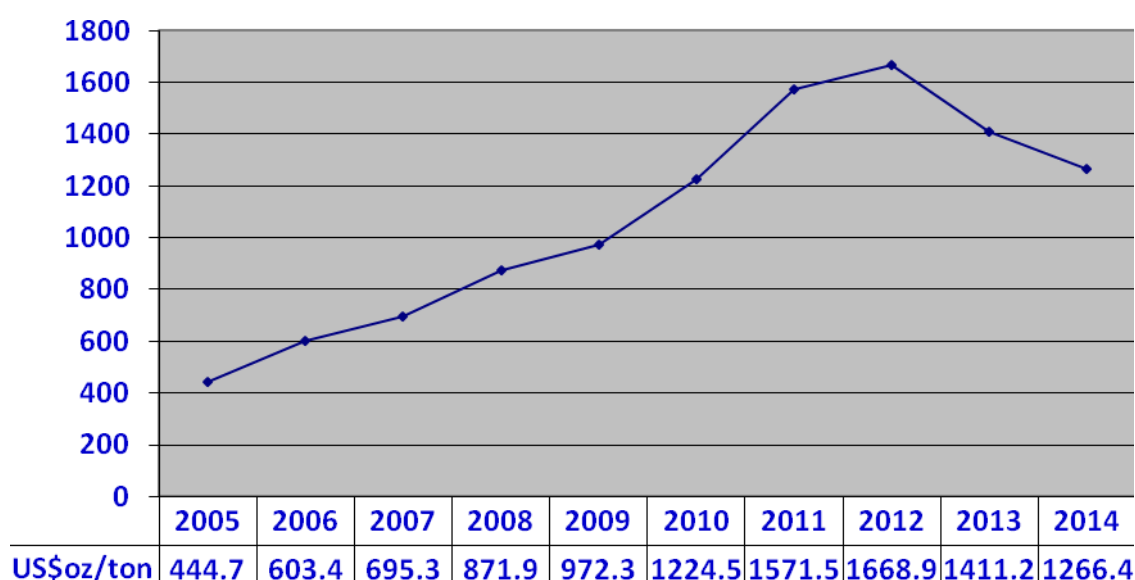
The labor force in Ghana is vibrant. As part of the international Initiative called the African Minerals Skills Initiative (AMSI) which is managed under the aegis of the United Nations, some mining houses in Ghana invested in the education and training of its operational workforce.

According to the World Bank ([info.worldbank.org](http://info.worldbank.org)) there are some 250 million children (120million full time) between ages of 5 and 14 years who are in economic activities in developing countries. About 80 million of them in Africa and 0.9% of this estimate engaged in mining and quarrying activities.

### 3.6 GOLD PRICE DEVELOPMENT

Gold accounts for more than 80% of activities and value generated by mining in Ghana. Developments in the price of gold is therefore used as proxy for trends in benefits generated by the mining sector. The average annual London PM fix gold price declined in 2014 to US\$ 1,266 from US \$ 1,411 in 2013. Fig 3.6 shows the price development of gold from 2005-2014.

*Fig. 3.6 Average Gold Price (2005-2014)*



*Source: www.kitco.com*

#### 3.6.1 Cost Development

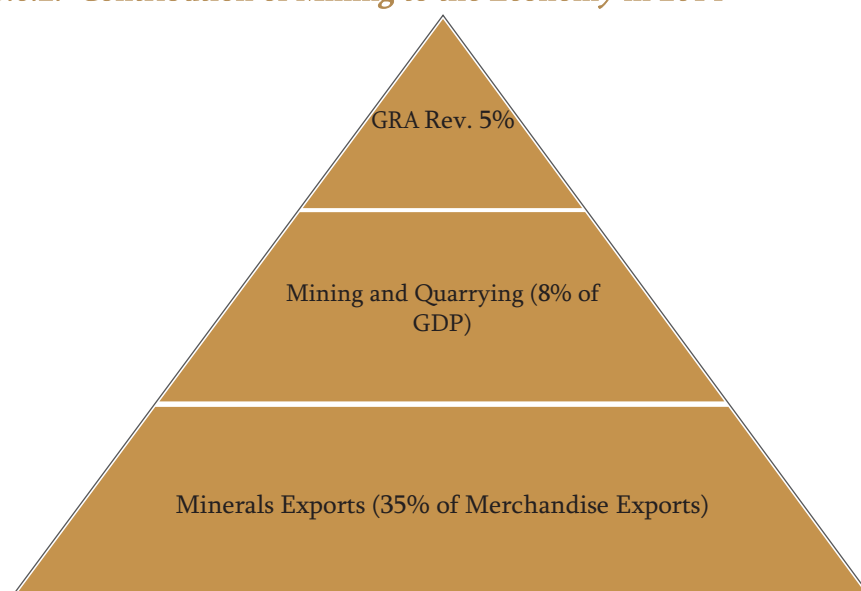
Production cost on the global scene slipped in 2014. GFMS Gold Survey reports that the average year on year total cash cost declined by 3% to US\$ 749 per ounce. Total Production cost also declined by 1% to US\$ 983 per ounce and All-in –Cost was US\$ 1,314 in 2014

*Table 3.9 Global cost indicators in 2014*

	Total Cash Cost (US\$/oz)	All-in-Cost(US\$/oz)
World Average	749	1,314
AGA Ghana Ltd <sup>5</sup>	1086	1,374
AGA (Iduapriem)Ltd	865	1,020

<sup>5</sup> AGA was randomly chosen.

### 3.6.2: Contribution of Mining to the Economy in 2014



#### Gross Domestic Product (GDP)

Ghana's GDP Total at basic prices was GHS 33,522 million. Out of this mining and quarrying contributed GHS 2,834 million. Table 3.10 provides details of GDP by economic activity from 2010-2014.

*Table 3.10 GDP at 2006 Prices by Economic Activity*

Sector	2010	2011	2012	2013	2014
Agriculture	6,453	6,507	6,657	7,035	7,362
Services	11,715	12,813	14,361	15,798	16,679
Industry	5,053	7,157	7,947	8,475	8,542
o/w Mining and Quarrying	690	2,112	2,462	2,747	2,834
o/w Oil and Gas	65	1,372	1,669	1,969	2,058
Others (Indirect Taxes)	1,677	1,913	2,090	2,243	2,334
<b>GDP Total at 2006 Prices</b>	<b>24,101</b>	<b>27,486</b>	<b>30,040</b>	<b>32,237</b>	<b>33,522</b>

*Source: Ghana Statistical Service*

In Percentage terms, Mining and Quarrying contributed 8.0%<sup>6</sup>(this includes oil and gas) of Total GDP in 2014 having slowed down from 9.4% in 2013. Table 3.11 shows the percentage contribution of the sectors from 2010-2014.

*Table 3.11: Distribution of GDP (at Basic Prices)*

Sector	2010	2011	2012	2013	2014
Agriculture	29.8	25.3	22.9	22.4	21.5
Industry	19.1	25.6	28.0	27.8	26.6
o/w Mining and Quarry	2.3	8.4	9.5	9.4	8.0
o/w Oil and Gas	0.4	6.7	7.7	8.2	7.2
Services	51.1	49.1	19.1	49.8	51.9
Total	100	100	100	100	100

### *GDP Growth*

Mining registered the highest growth rate of 3.2% in the Industry sector ahead of Manufacturing, Construction, Water and Electricity in 2014. Table 3.12 shows the growth rates of the various sectors in Ghana from 2010-2014.

*Table 3.12 GDP Growth by Sector (2010-2014)*

Sector	2010	2011	2012	2013	2014
Agriculture	5.3	0.8	2.3	5.7	4.6
Industry	6.9	41.6	11.0	6.6	0.8
o/w Mining and Quarrying	18.8	206.5	16.4	11.6	3.2
o/w Oil and Gas	n/a	n/a	21.6	18.0	4.5
Services	9.8	9.4	12.1	10.0	5.6
GDP (Basic Prices)	7.9	14.0	9.3	7.3	4.0

#### *3.6.2.1 Contribution to Total Merchandise Exports*

Comparison of Mining Sector with other sector in the Economy indicated that Minerals recorded about 34.7% of the total Merchandise Export in 2014 having slowed down from 39.4% in 2013. Table 3.13 shows the contributions over years (2010-2014). Exports of the various minerals are shown in Table 3.13-1

*Table 3.13 Mining Contribution to National Exports (US \$ '000)*

<sup>6</sup> In 2014 Mining and quarrying (excluding Oil/Gas) contributed 0.8% to GDP, whilst Oil/Gas contributed 7.2%.

Table 3.13 Mining Contribution to National Exports (US \$ '000)

Item	2010	2011	2012	2013	2014
A. Total Merchandise Export	7,960.09	12,785.4	13,541.4	13,017.8	12,983
B. Minerals Export	4,900	5062.8	5768.8	5138.89	4,516
Mining %	62	39.5	42.6	39.4	34.7

*Source: Minerals Commission*

Table 3.13-1: Mineral exports from Ghana in 2013 and 2014

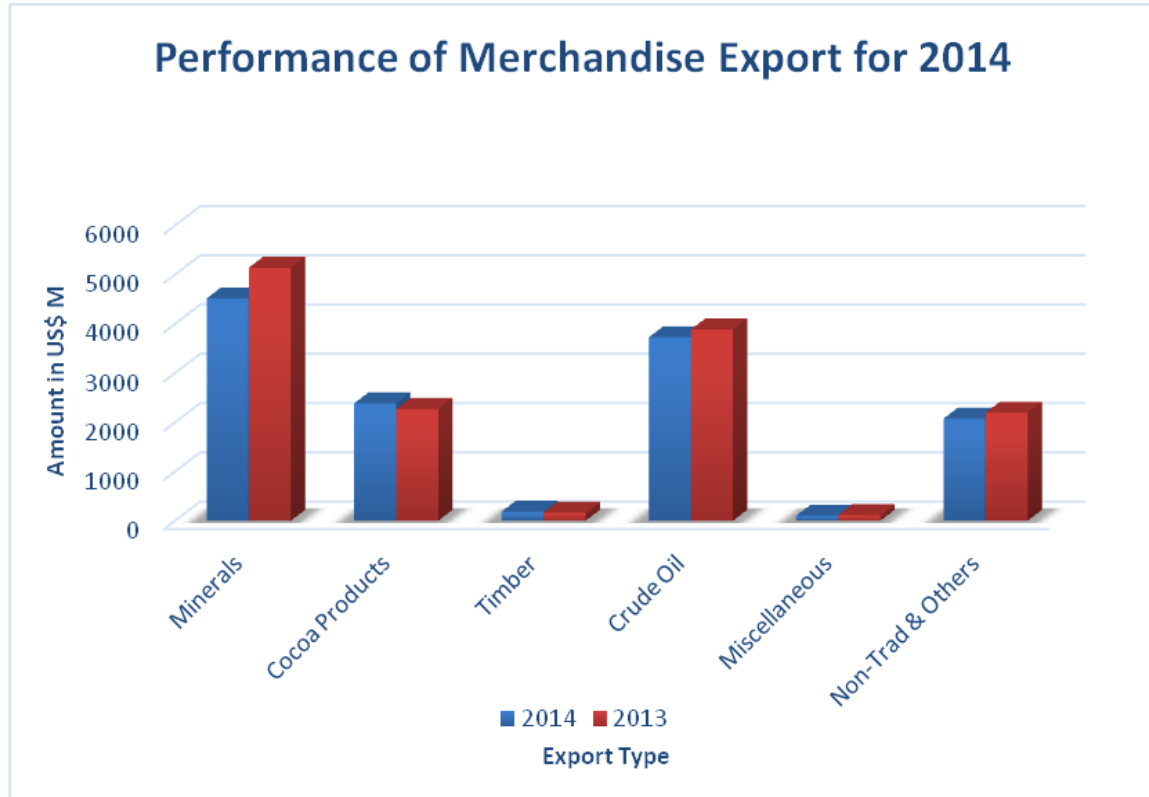
Mineral Exported		2013	2014
		US\$m	US\$m
Gold		4,965.71	4,388.07
Diamonds		6.93	9.1
Bauxite		32.56	36.26
Manganese		133.69	82.86
<b>Total</b>		<b>5,138.89</b>	<b>4,516.29</b>

*Source: Minerals Commission*

### Comparison of Minerals with other major commodities in Ghana.

Fig. 3.7 shows the distribution of Merchandise Exports in 2014.

*Fig 3.7: Performance Merchandise Export for 2014*



In percentage terms, Crude Oil contributed 29% of total merchandise exports in 2014 behind Mining. Fig 3.8 shows the contributions of the other commodities.

Fig 3.8 Merchandise Exports for 2014



### 3.6.2.2 Contribution to Foreign Direct Investment (FDI)

Mining is a principal recipient of FDI as it contributes substantially to Ghana's Foreign Direct Investment. However FDI for producing mines has slowed due to gold price slump in recent years. Table 3.14 shows the distribution of mining FDI from 2010-2014

Table 3.14: Mining Investments and National FDI totals 2010-2014

Mining Entities	2010	2011	2012	2013
Producing Mining Companies	508.2	513.5	1,170.9	896.7
Exploration	231.0	242.0	246.2	235.1
Support Service Providers	30.8	24.5	26.9	22.3
<b>Total Mining Investment</b>	<b>770.0</b>	<b>780.0</b>	<b>1444.0</b>	<b>1154.1</b>
<b>Total National FDI</b>	<b>2570.4</b>	<b>3248.0</b>	<b>3295</b>	<b>3000<sup>7</sup></b>
<b>% Contribution to National FDI</b>	<b>29.9</b>	<b>24.0</b>	<b>43.8</b>	<b>38.5</b>

Source: World Investment Report, UNCTAD, Minerals Commission

### 3.7 Contribution to Government Revenues

Total Revenue and Grants for 2014 was GHS 24.745bn. Mining revenue which includes royalties, corporate taxes, dividends and rights fees was estimated as GHS 1.25bn<sup>8</sup> representing 5.0% of the total government revenue in 2014. Table 3.15 shows the percentage distribution of mining revenues to the national government totals in 2014.

<sup>7</sup> Approximately quoted and ascribed to GIPC

<sup>8</sup> Boas Computations

*Table 3.15 Mining Revenues and the National Fiscal Performance in 2014*

Fiscal Indicator	Amount (GHSm)	% Total
<b>Total Revenue and Grant</b>	24,745	100
<b>Domestic</b>	23,931	96.7
o/w Tax Revenue	19,229	77.7
o/w Non Tax Revenue	4,483	18.1
<b>Grants</b>	814	3.2
<b>Mining Government Revenue<sup>9</sup></b>	1,250	5.0
o/w Royalties	474.5	1.91
o/w Mineral Right Fees	0.23	-
o/w Ground Rent	4.63	-
o/w Corporate Taxes	476.5	1.92
o/w Property Rate	2.06	-
o/w Dividends	31.04	0.13
o/w Environmental fees	2.90	-
o/w PAYE <sup>10</sup>	259.4	1.0

*Source: MOF Budget Performance, 2014/Boas 2014*

### 3.8 EMPLOYMENT CONTRIBUTION

According to the Chamber of Mines Report 2014, there were 21,670 Ghanaians and 252 Expatriates in employment in large scale operations in 2014. Ghana Statistical Service estimates 12 million in employment in Ghana with 686,262 of them in the formal private sector of the economy. Of this 192,635 are in mining and quarrying constituting 28% of formal private employment and 1.6% of the national employment totals. Table 3.16 shows the distribution of the various employment groupings.

<sup>9</sup> Figures obtained from EITI reconciliation.

<sup>10</sup> Ghana Chamber of Mines 2014 report



Table 3.16: Currently employed<sup>11</sup> population aged 15 years and older

Description	Number	%	
<b>Population</b>	26,400,000	100	
15 years and older (Employed)	<b>12,039,700</b>	<b>45.6</b>	<b>100</b>
o/w Civil Service	288,952	2.4	
o/w Other Public Service	397,310	3.3	
o/w Parastatals	24,079	0.2	
o/w Total Private (Formal)	686,262	5.7	
o/w Mining and Quarrying	<b>192,635</b>	<b>1.6</b>	
o/w NGO Private	24,079	0.2	
o/w Cooperatives	12,039	0.1	
o/w Diplomatic Missions	12,039	0.1	
Total in Establishments	<b>1,444,764</b>	<b>12.0</b>	
o/w Others	<b>10,594,936</b>	<b>88.0</b>	

Source: Ghana Statistical Service (GLSS 6) Labour Force Report, Aug, 2014

Table 3.17 shows the employment situation in some large scale mining companies in 2013 and 2014.

Table 3.17 Employment levels in Major companies

Company	2014		2013	
	Total Staff	Expatriate	Total Staff	Expatriate
Anglogold Ashanti Ghana Ltd	3430	41	4250	45
Anglogold Ashanti (Iduapriem) Ltd	652	4	670	4
Gold Fields Ghana Ltd	2909	38	2250	48
Abosso Goldfields Ltd	933	11	2000	16
GSR( Bogoso/Prestea)Ltd	881	11	920	19
GSR (Wassa)Ltd	688	6	n/a	n/a
Newmont Ghana Gold Ltd	1679	63	660	66
Newmont Golden Ridge Ltd	769	41	n/a	n/a
Adamus Resources(Ghana) Ltd	226	3	250	4
Perseus Mining (Ghana) Ltd	358	16	450	23
Chirano Gold Mines Ltd	1142	25	1116	8
Ghana Manganese Co. Ltd	639	7	673	8
Ghana Bauxite Co, Ltd	227	4	230	4

Source: Minerals Commission

<sup>11</sup> All persons who did some work either for pay, profit or for family gain

### 3.9 LOCAL CONTENT

The Minerals and Mining General Regulation 2012, LI 2173, which came into force on June 15, 2012, enjoins mining firms to submit localization plans to the Minerals

Commission detailing how they intend increasing employment of Ghanaian personnel. Pertinent stipulations are detailed in Table 3.18.1

*Table 3.18.1: Local Content Requirement of Mine operators in Ghana*

Designation	Legal Requirement
<b>Mining Lease Holders</b>	Threshold of 10% at commencement of mining operations and 6% after 3 years in operation.
<b>Prospecting Licence Holders</b>	Threshold of 10% skilled staff and 5% Technical and Supervisory staff at commencement of operations and 5% Technical and Supervisory staff after 2 years in operation
<b>Mine Support Services</b>	Threshold dependent on nature of service provided
<b>Discretionary</b>	Justification required for additional expatriates
<b>Penalty</b>	1 year expatriate gross salary for every month of illegitimate stay. Delisted from companies enjoining duty exemptions.
<b>Procurement Plan</b>	Mining lease operators to submit detailed support plans regarding Minerals Commission's local procurement list.
<b>Tender Adjudication</b>	Preference to companies with highest Ghanaian content in bids within 2% of each other by price.

Newmont Ghana, GSR Prestea/Bogoso and Wassa, Adamus Resources, Perseus Mining, Goldfields Tarkwa and Goldfields Damang, Chirano Gold, Ghana Manganese Ltd and AngloGold Ashanti Obuasi are implementing approved 5-year Procurement plans.

In 2014, of the total procurement of US\$ 183million, US\$ 148million was from local companies and individuals. However, true local sources of goods and services amounted to US\$ 143 million and represents about 78% of total mining procurement made in 2014. Table 3.19 lists the amounts of various goods and their percentages.

*Table 3.19: Comparing 2014 Overall Procurement with local and True local procurement.*

Product	Total Procurement (US\$)	Local Procurement(US\$)	% Local	True Local Procurement(US\$)	% True Local
Grinding Media	67,947,404	33,606,086	49.5	30,022,809	44.2
Heavy Duty Electrical Cables	2,292,580	1,388,044	60.5	172,698	7.5
HDPE/PVC Pipes	5,010,304	5,010,304	100	4,935,196	98.5
General Lubricants	1,264,1802	12,300,029	97.3	12,300,029	97.3
Quick/Hydrated Lime	30,236,784	30,236,784	100	30,236,784	100
Tyre Retreading	1,441,519	1,441,519	100	1,441,519	100
Explosives	60,668,569	60,668,569	100	60,668,569	100
Cement	3,585,735	3,585,734	100	3,585,734	100
<b>Total</b>	<b>183,824,700</b>	<b>148,237,073</b>	<b>80.6</b>	<b>143,363,341</b>	<b>78</b>

*Source: Minerals Commission*

The above notwithstanding, implementation of LI 2173 is met with some challenges which include the following:

1. Skilled Ghanaians are accepting expatriate positions outside Ghana.
2. Limited local production capacity of available products.
3. Narrow range of products currently in Ghana's manufacturing scope
4. Unreliable power supply for production and frequent tariff increases.
5. High cost of capital.

#### 4.0: OVERVIEW OF ARTISANAL AND SMALL SCALE MINING (ASM) IN GHANA

From a development perspective, ASM is one of the most complex economic sectors in Ghana. It is largely informal and unstructured. ASM gold and diamond Exports in 2014 was about US \$ 2bn. It contributed an impressive 14.7% of the total Merchandise Export in 2014.

*Table 4.1: ASMs Contribution to National Exports (US \$ '000)*

Item	2010	2011	2012	2013	2014
<b>A. Total Merchandise Export</b>	<b>7,960.09</b>	<b>12,785.4</b>	<b>13,541.4</b>	<b>13,017.8</b>	<b>12,983</b>
<b>B. Minerals Export</b>	<b>4,900</b>	<b>5062.8</b>	<b>5768.8</b>	<b>5138.89</b>	<b>4,516</b>
<b>C. ASM Export</b>	<b>951.2</b>	<b>1,553.64</b>	<b>2,283.3</b>	<b>1,919.9</b>	<b>1,913<sup>12</sup></b>
Mining % (B/A)	<b>62</b>	<b>39.5</b>	<b>42.6</b>	<b>39.4</b>	<b>42.3</b>
ASM % (Mining Sector) (C/B)	<b>19.4</b>	<b>30.6</b>	<b>39.5</b>	<b>37.4</b>	<b>42.3</b>
ASM % (Total Exports) (C/A)	<b>11.9</b>	<b>12.2</b>	<b>16.9</b>	<b>14.7</b>	<b>14.7</b>

*Source: Minerals Commission/Bank of Ghana*

**Total ASM Exports have been stable at 34% in 2013 and 2014. Fig. 4.1 shows its contribution to the total National Merchandise Exports in 2010-2014)**

<sup>12</sup> ASM Total Goods and Services is guestimated at GHS 1.2bn at 2006 Prices in 2014.(ASM Imports, Mining Consumables and Investments are realistically low).

Fig. 4.1 ASM Exports and Total National Merchandise Exports

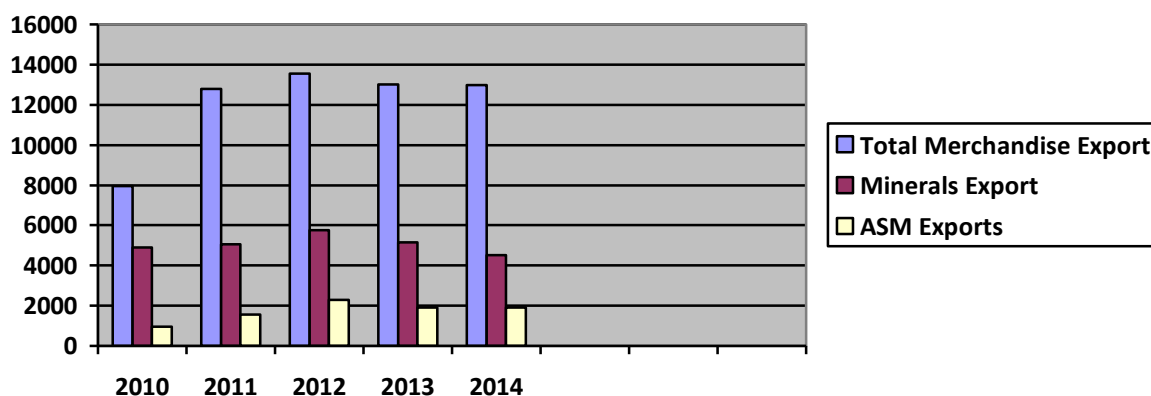


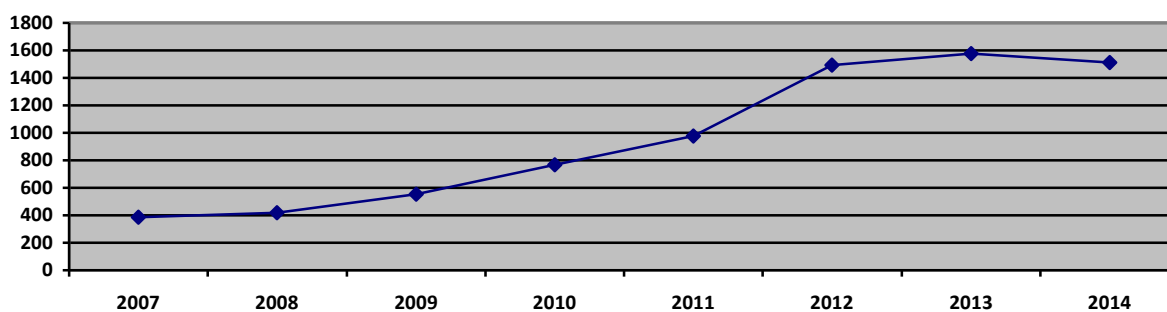
Table 4.2: ASM Gold and Diamond Production &amp; Revenue

Year	Gold Output ( oz)	Gold Revenue (US \$ m )	Diamond (ct)	Revenue (US \$)
2007	388,594	270.22	865,610	27,860,000
2008	418,943	365.30	624,870	20,000,000
2009	555,737	540.37	367,060	7,320,000
2010	767,196	939.45	324,220	11,780,000
2011	978,611	1,537.91	281,240	15,740,000
2012	1,495,329	2,272.14	194,947	11,163,106
2013	1,578,441	1,912.43	160,622	7,563,562
2014	1,512,515	1,913.33	203,606	9,100,000

Source: Minerals Commission/PMMC

Production and revenue figures for Gold and diamonds (2007-2014) are indicated on these charts.

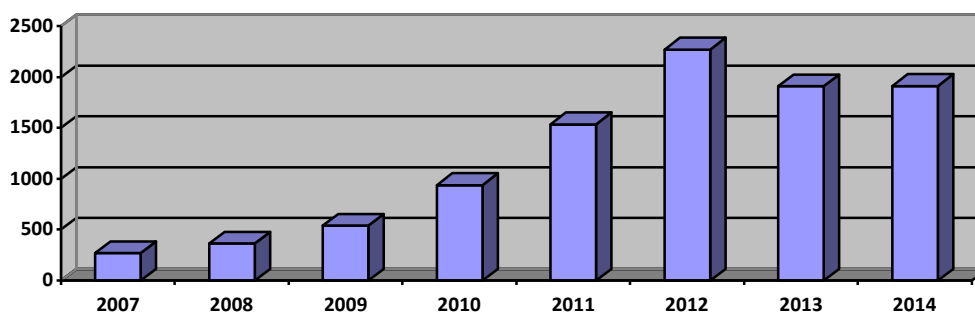
*Fig. 4.2 ASM Gold production ('000 oz)*



*Source: Minerals Commission*

Gold Revenue in 2013 was lower than that of 2012

*Fig. 4.3: Gold Revenue US\$ million in (2007-13)*



ASM Gold exports in 2014 were about 34% of the total sales. It thus underpins the emerging importance of Small Scale Gold mining in the country.

#### ❖ Industrial Minerals

##### ▪ Salt Winning

Ghana is a major salt producer. Almost all production is of sea salt, which is produced in four regions: Greater Accra, Central, Volta and Western regions. Rock salt is produced in Daboya in the Northern region on an artisanal scale

#### *4.1.1 ASM Laws and Regulations*

Initially, only diamonds could be legally mined on a small scale in Ghana. In 1989, small-scale gold mining was legalized, which, held better prospects from an economic perspective. The laws passed to regularize ASM back then included:

1. The Small-scale Gold Mining Law (PNDCL 218) for the registration of activity; the granting of gold-mining licenses to individuals or groups; the licensing of buyers to purchase product.
2. The Precious Minerals Marketing Corporation Law (PNDC Law 219) providing authorization to buy and sell gold from ASMs.

These created the congenial environment for flourished ASM activities in 1990s and early 2000s.

Minerals and Mining Act,2006 (Act 703) and its accompanying regulations provide today's legal basis for mining with Sections 81 to 99 applying to small scale mining operations only.

#### *4.1.2 ASM Classification and Registration Criteria*

1. Mineral Right Licenses for small scale operations are granted to Ghanaian nationals only and shall not exceed three years but can be renewed for a period of no more than three years for two consecutive terms.
2. Licenses issued to a cooperative shall last for a period of five years but is renewable for a period no longer than five years for two consecutive terms.
3. Company or a cooperative society shall be granted an area not exceeding 25 acres.
4. All small-scale miners are liable for payment of taxes, royalties and other local imposts levied by MMDAs and other government agencies.

### ***4.1.3 Small-scale Mining Regulatory Framework***

#### **General Mining Laws**

Minerals and Mining Act, 2006 (Act 703) and its amendments

Internal Revenue Act 2000 (Act 592)

#### **Regulations**

Mining General Regulations 2012 Legislative Instrument (L.I 2173),

Mines Support Services Regulations 2012(L.I 2174),

Mines Compensation and Resettlement Regulations 2012 (L.I 2175).

Minerals and Mining Licensing Regulations 2012 (L.I 2176),

Mining Explosives Regulations, 2012 (L.I 2177)

Mining Health and Safety Regulations 2012 (L.I 2182).

#### **Small-scale Mining Enactments**

Small-Scale Gold Mining Law, 1989 (PNDCL 218)

Precious Minerals Marketing Corporation Law, 1989 (PNDCL 219)

Minerals Commission Act, 1993 (Act 450)

Environmental Protection Agency Act, 1994 (Act 490)

Water Resources Commission Act, 1996 (Act 552)

The Constitution, 1992

#### **Relevant Codes of Practice**

Code of Practice for Small-scale Gold-mining Operations

Ghana's Mining and Environmental Guidelines

### ***4.1.4: Licensed Gold Buying Agreements***

The Government of Ghana acting through the Minister of Lands and Natural Resources enters into agreements with LBCs in accordance with Sections 6 and 104 of the Minerals and Mining Act 2006 (Act 703) to purchase and export gold.

Duration of the license is for initial period of 3 years and subject to renewal for further 3 years.



#### *4.1.5 Governance Institutional Infrastructure (Small Scale Mining)*

The institutional infrastructure for ASM governance comprises of a number of government agencies and departments, such as:

##### ❖ **Minerals Commission**

The Commission is responsible for the regulation and management of the development of the mineral resources of Ghana and the co-ordination and implementation of policies related to mining. Its Inspectorate Division is responsible for enforcing the Mining Regulations which ensures health and safety in mining operations.

##### ❖ **Forestry Commission (FC)**

The FC is responsible for the regulation of the utilization of forest and wildlife resources, the conservation and management of those resources and the coordination of policies related to them.

##### ❖ **Environmental Protection Authority**

The Environmental Protection Agency (EPA) is responsible for among other things, the enforcement of environmental regulations.

##### ❖ **Lands Commission**

The Lands Commission is the body charged with the responsibility to ensure the judicious management of the country's land. The Land Valuation Board, a division of the Commission which is involved in the valuation of land and other properties assist the mining sector in issues relating to compensation.

#### *4.1.6 Guidelines for Artisanal and Small Scale Miners (ASM)*

Sections 81 to 99 of the Minerals and Mining Act 2006, Act 703 apply to small scale mining operations only. Some of the key aspects of ASM operations dealt with by this part of the Act include:

Designation of areas for; qualification for; and licensing for small scale mining  
Operations of small scale miners and conditions attached to them;

In terms of the regulatory structure, the Ministry of Lands and Natural Resources through the Minerals Commission has established seven (7) District Offices located at Tarkwa, Dunkwa-on-Offin, Bibiani, Asankrangwa, Assin Fosu, Akim Oda and Bolgatanga, which are responsible for Licensing and Technical Support.

#### *4.1.7 Licensing Procedures (Small Scale)*

Before applying for mineral rights the applicant must identify the area and the mineral to apply for. A search is done at the Mineral Commission to find out whether the area is free or encumbered and a subsequent official search report is issued in respect. This application procedure starts at the district level, where the District Chief Executive is expected to endorse/recommend the application.

The District Chief Executive causes a publication of the application to be made at the offices of the District Assembly, the Local Information Centre, Post Office, Magistrate Court and such other places as may deem necessary for a period of 21 days. This is to afford the chiefs, land owners and the general public in the host area the opportunity to examine the application and to respond.

The District Chief Executive or representative is also required by Act 703 to serve as the chairperson of the District Small Scale Mining Committee established in all small scale mining areas in Ghana.

#### *4.1.8 Licence Registry*

Over 1300 registered small scale mining groups are engaged in the mining of gold, diamonds and industrial minerals. Atiwa and Amansie West districts have the highest concentration of licensed companies numbering 160 ASMs and 161 ASMs respectively. There are eighty three (83) licensed industrial minerals operators of quarries and salt. Over 90 unlicensed ASMs spread across 24 administrative districts of Ghana have been identified.

According to data available at the Minerals Commission, there are 1255 registered small scale gold mining groups, 70 quarrying companies (Excluding renewal applications) and 13 salt operators. A total of 285 licenses were issued to recognized groups in 2013 alone. Under the umbrella of the newly formed Great Consolidated Diamonds Ltd, hundreds of concession tributers engage in diamond winning in the Akwatia area.

Type	Small Scale L/c ( Gold)	Quarrying Co	Salt Co.	Gold Buyers
No of Licence Holders	1255	70	13	13

#### 4.1. 8: ASM Fiscal Regime

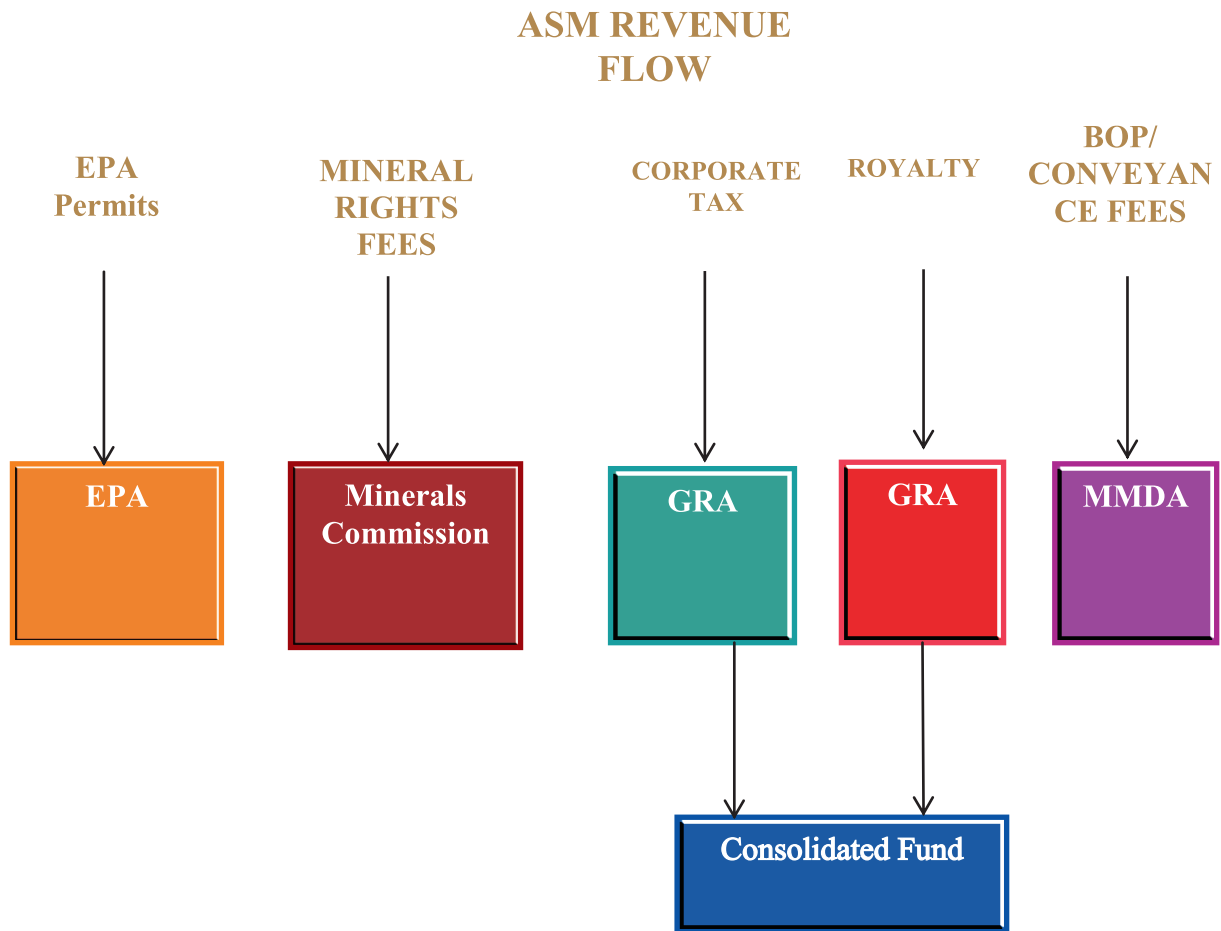
Table 4.3: Summary ASM Fiscal Regime

Benefit/Impost	Provision
1. Application Fees	As prescribed in the regulation
2. Royalty Rate	Currently 5% on gross market value
3. Ground Rent	Payable to the Landowner
4. Annual Mineral Rights Fees	Payable to Mineral Commission as prescribed.
5. Income tax	35%
6. Capital Allowance	Same as in LSM
7. Import Duty	Plant, Machinery, equipment exclusively used for mining operations are exempt

#### 4.1.9 Collection Agencies & Revenue flow

Government agencies include OASL, Mines Dept, Minerals Commission, EPA, MMDAs, and GRA. PPMC, State Owned Enterprise (SOE) pays dividends to NTRU of MOF.

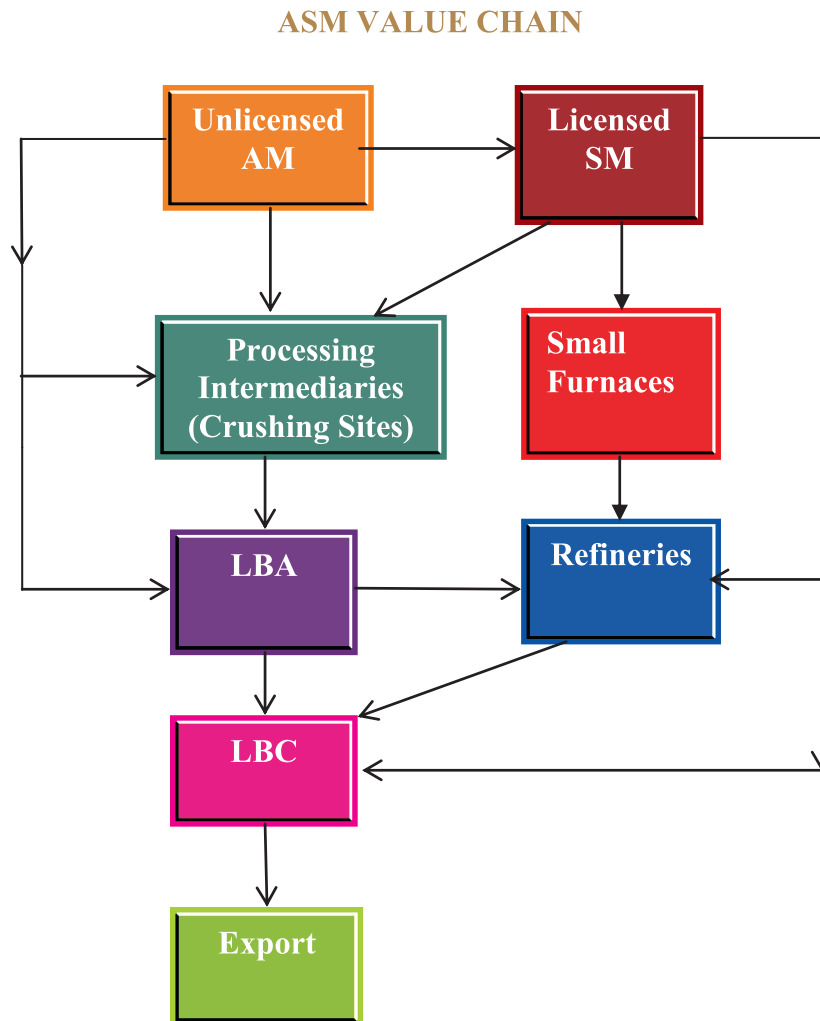
Fig. 4.3: ASM Revenue Flow



**4.5 ASM VALUE CHAIN**

Both licensed and unlicensed gold miners utilize the services of commercial gold processing centers. These undertake crushing, milling and extraction of gold concentrate. Alluvial winners extract gold on their mining sites.

Fig 4.4 ASM Value Chain



#### 4.6 EMPLOYMENT (ARTISANAL AND SMALL SCALE MINING)

Approximately two-thirds of Ghana's small-scale miners are engaged in the extraction of gold, and most of the balance extract diamonds<sup>13</sup>; only a small group of miners are involved in industrial minerals production.

Small-scale mining has a major impact on the employment situation in Ghana, especially in mineral rich rural areas where there are few employment alternatives.

No precise small-scale mining employment figures can be found for Ghana, although it is estimated some 200,000 are involved directly in the extraction of gold and diamonds<sup>14</sup>, the great majority of which are *galamsey*.

<sup>13</sup> World Bank, (1995) Staff Appraisal Report, Mining Sector Development Agyapong, E (1998) *Streamlining Artisanal Gold Mining Activities and the Promotion of Cleaner Production in the Mining Sector in Sub Saharan Africa: Ghana as a Case Study*

In a technical paper published by the World Bank entitled *Strategy for African Mining* it is estimated that some 30,000 people are employed within the legalized segment of the Ghanaian small-scale mining sector.

Overall, women constitute some 15 per cent of the legalized segment of Ghanaian small scale mining labor force. Women account for 6 per cent of licensed buyers, 10 per cent of concession holders and 15–20 per cent of the sponsors of work groups, members of cooperatives or mining groups<sup>15</sup>. Participation is more widespread, however, in small scale clay mining and stone quarrying, where there is a need to perform more basic washing, transport and sieving activities.

Although there is some degree of child participation in Ghanaian small-scale mining activities, accurate tabulations of the total number of children employed in the country's small-scale mining operations do not exist.

#### 4.7 LICENCING (Large scale Mining Operations)

The licensing regime currently been practiced is the first- come- first- served system. However, the Minerals Commission has plans to introduce tender submissions alongside the existing practice of first –come –first –served for mining areas considered to be richer in mineral deposits. The Minerals Commission intends to enhance the existing practice with the tender process in the immediate future.

At present, the Mineral Commission has not introduced on-line register for mining licence holders in the country since the Commission is yet to introduce the cadastral system in its operations. The Commission is currently working on this and plans to introduce the cadastre system for easy and comprehensive reference within a year.

##### 4.7.1: Acquisition of Mineral Right

The prospective investor must identify the area and the mineral to apply for. The Applicant must also identify which right he intends to apply for—reconnaissance (12 months), prospecting(up to 3 years), mining lease(up to 30 years), restricted reconnaissance or prospecting licence for industrial minerals(12 months and 3 years respectively)or restricted mining lease(up to 15 years)<sup>i</sup>.

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<sup>14</sup> Appiah, H (1998) Organization of Small-scale Mining Activities in Ghana. *The Journal of the South African Institute of Mining and Metallurgy* 98(7): 307–10.

<sup>15</sup> ILO (1999) *Social and Labor Issues in Small-scale Mines*. Report for discussion at the Tripartite Meeting on Social and Labor Issues in Small-scale Mines, International Labor Organization, Sectoral Activities Program, International Labor Office,

A Cartographical Search/ Cadastral search is required to be conducted at the Minerals Commission to find out whether the area is unencumbered. Legal Search ascertains the owner of the mineral right, type of minerals held, validity of the mineral right held and the existence of any encumbrances. (Both Initial Applications and the Searches could be made online at the Government of Ghana Web Portal ([www.eservices.gov.gh/MINCOM](http://www.eservices.gov.gh/MINCOM)) An official search report is issued.

Also available online is detailed guide for investors providing overview of the Mining Industry with Statistics and catalogue of Mining Achievements including improved Mineral Concession Cadastre.

#### *4.7.1.1 Reconnaissance and Prospecting Licences*

If the search reports indicate that the land is unencumbered then documents including the i) completed application forms ii) copies of sketch map of the area being applied for with reference; iii) official search report from the Minerals Commission; iv) A work programme for the proposed mineral operations indicating proposed expenditure, and particulars of technical and financial resources available to the applicant; v) Annual report, certificate of incorporation and certificate to commence business and copy of the particulars of the company under section 27(1) of the Companies code which spells out the directors of the company, shall be submitted for reconnaissance and prospecting licence.

The Commission on receipt of the application sends copies of the map and application forms to the District Assembly hosting the area under consideration. The District Chief Executive causes the publication of the application at specific places including the offices of the Assembly, Local information centre, Post Office and the Magistrate Court for 21 days.

#### *4.7.1.2 Technical Committee on Mineral Titles*

A technical committee comprising representatives from the Minerals Commission, the Environmental Protection Agency (EPA), and the Geological Survey Department considers the application, using the information supplied by the applicant, together with the certificate of service of Notice from the District Assembly.

The technical committee's report is submitted to the board of the Minerals Commission for review after which it submits its recommendations to the Minister of Mines. If the Minister approves, then an agreement is signed between the government and the company.

The applicant undertakes the necessary registration with the Lands Valuation Board and the Lands Registry. An environmental permit and a covering letter together with a signed agreement between the company and government is then submitted to the Chief

Inspector of Mines for the issuance of operating permit before the commencement of operations on the concession.

#### *4.7.1.3 Grant of Mining Lease*

Mining leases are granted after adequate exploration had been carried out to identify the minerals of interest in quantities viable to exploit commercially.

Companies applying for mining leases are required to submit

- a) Feasibility report detailing all aspects of the prior exploration program and their results to the Minerals Commission.
  
- b) An Environmental Impact Statement (EIS) on the project to EPA for approval. When the EIS is accepted the company is issued with an Environmental permit.
  
- c) Once the feasibility Study report and the Environmental impact statement have been accepted by MC and EPA respectively, the Commission forwards its recommendations to the Minister of Mines for the grant of a Mining Lease. A company has two years from the date of the lease to develop the mine and commence commercial production.



## 4.8 LICENCE ALLOCATIONS

Licence Register: Ghana currently does not have a fully fledged on line register. See Table 4.4).

*Table 4.4: List of Mining Lease holders and their concession particulars*

No.	Companies	Tax Identification	Mineral Right Type	Mineral Mine	Concession Size (Km2)	No. of Blocks	License		Region	Date of first license	Shareholdings	%
							Date of License	Date of Expiry				
1	Goldfields Ghana Ltd	565G000001	Mining Lease	Gold	45.74	218	18-Apr-97	17-Apr-27	Western	18-Apr-97	Gold Fields S.A	90
	"	"	"	"	42.99	205	18-Apr-97	17-Apr-27	Western	18-Apr-97	Government of Ghana	10
	"	"	"	"	22.61	108	18-Apr-97	17-Apr-27	Western	18-Apr-97		
	"	"	"	"	43.38	207	18-Apr-97	17-Apr-27	Western	18-Apr-97		
	"	"	"	"	49.5	236	18-Apr-97	17-Apr-27	Western	18-Apr-97		
2	Abosso Goldfields Ltd	614G000005	"	Gold/Silver	53.4	254	19-Apr-95	18-Apr-25	Western	17-Sep-92	Gold Fields S.A	90
											Government of Ghana	10
3	Ghana Manganese Company	365G000002	"	Manganese	175.94	838	20-Aug-01	19-Aug-31	Western	20-Aug-01	Ghana International Manganese Co	90
											Government of Ghana	10
4	Anglogold Ashanti (Iduapriem)	421G000014	"	Gold/Diamond	31.00	148	02-Feb-88	01-Feb-18	Western	02-Feb-88		
	Anglogold Ashanti (Ghana) Ltd.	721G000012	"	Gold	334.27	1592	05-Mar-94	04-Mar-24	Ashanti	05-Mar-94	Paulson & Co. Inc -	10%
	"	"	"	"	50.00	238	08-Apr-98	07-Apr-28	Ashanti	08-Apr-98	Allan Gray Unit Trust	8.3
	"	"	"	"	50.00	238	08-Apr-98	07-Apr-28	Ashanti	08-Apr-98	Fidelity Management & Research	7.5
	"	"	"	"	40.00	190	08-Apr-98	07-Apr-28	Ashanti	08-Apr-98	Public Investment Corp of SA	4.1
	"	"	"	"	16.18	77	18-May-95	17-May-25	Ashanti		Government of Ghana	1.7
	"	"	"	Gold/Diamond	48.34	230	06-Jan-09	05-Jan-19	Ashanti	05-Sep-97	Others	68
	"	"	"	Gold/Diamond	29.45	140	05-Sep-97		Ashanti	05-Sep-97		
5	Newmont Ghana Gold Ltd	516G000001	"	Gold	386.33	1840	03-Jun-01	12-Jun-31	Brong Aha	13-Jun-01	Newmont Ghana Gold	100
	"	"	"	Gold	78.60	374	03-Jun-01	12-Jun-31	Brong Aha	13-Jun-01		
	Newmont Golden Ridge Ltd		"	Gold	16.35	78	19-Jan-10	18-Jan-25	Eastern	19-Jan-10		
	"	"	"	Gold	46.40	221	19-Jan-10	18-Jan-25	Eastern	19-Jan-10		
6	Chirano Gold Mines Ltd	109G000038	"	Gold	36.34	173	08-Apr-04	07-Apr-19	Western	08-Apr-04	Kinross Mining Ltd	90
											Government of Ghana	10
7	Perseus Mining (Ghana)Co.	624V003018	"	Gold	49.20	234	31-Dec-09	30-Dec-24	Central	14-Oct-92	Kojina Resources Limited	
											Government of Ghana	
8	Golden Star Prestea/Bogoso	621G000008	"	Gold/Diamond	45.00	214	21-Aug-87	20-Aug-17	Western	21-Aug-87	Golden Star Resources	90
	"	"	"	Gold/Diamond	50.00	238	16-Aug-88	15-Aug-18	Western	16-Aug-88	Government of Ghana	10
	"	"	"	Gold/Diamond	129.05	615	29-Jun-01	28-Jun-31	Western	13-Oct-94		90
	"	"	"	Gold	47.80	228	31-Dec-12	30-Dec-17	Western	02-Jul-02		10
9	Golden Star (Wassa) Ltd	324G000112	"	Gold	50.00	238	17-Sep-22	16-Sep-22	Western	17-Sep-92	Golden Star Resources	90
	"	"	"	Gold/Diamond	20.38	97	31-Dec-12	30-Dec-19	Western	30-Sep-94	Government of Ghana	10
	"	"	"	Gold	39.84	190	31-Dec-12	30-Dec-18	Western	30-May-88		
11	Ghana Bauxite Compny Ltd	665G000003	"	Bauxite	29.39	140	09-Jan-97	09-Jan-22	Western	10-Jan-97	Bosai Minerals of China	80
											Government of Ghana	20
12	Adamus Resources Ltd	524G000234	"	Gold	25.70	122	11-Apr-08	10-Apr-18	Western		Endeavour Mining Corp	90
13	"	"	"	Gold/other Ba	50.00	238	11-Apr-08	10-Apr-18	Western	27-Feb-95	Government of Ghana	10
14	Noble Gold Mining Co.	524V018617	"	Gold	49.00	233	19-May-97	18-May-27	Western	08-Nov-91		
15	Prestea Sankofa Gold Ltd		"	Gold	3.43	16	22-Jul-10	21-Jul-15	Western	12-May-94		

In 2004, six Mining leases were granted. There were also awards of reconnaissance licences and other mineral rights. (See Appendix 5)

## TRANSFER OF MINERAL RIGHTS

There was no transfer of mineral rights involving any of the participating mining companies in 2014.

### *4.8.1 Application Trend*

Most exploration projects have not attained feasibility stages hence limited number of applications for Mining leases are received. Applications for Industrial Minerals have seen an upsurge in recent years as Ghanaian nationals are showing active interest in mining of industrial minerals which are less capital intensive.

### *4.8.2 Pending Applications*

Applications for renewal of licences for industrial minerals are on the increase.

### *4.8.3 Cadastre Registry & Development*

Improvement in the Cadastre Registry is underway. Current registry of mineral rights at the Minerals Commission is fragmented, with a reliance on hardcopy documents that pose a high risk to reliability in the administration of minerals right applications and active licences.

There is difficulty in monitoring and reporting on the status of mineral right applications and licences systematically throughout their life-cycle.

Minerals Commission is facing challenges meeting their application processing deadlines as prescribed in the Minerals and Mining Licencing Regulations, 2012, (LI2176).<sup>16</sup>

#### *❖ Cadastre Decentralisation*

On decentralization of mineral rights acquisition, the challenge of interconnectivity of ICT infrastructure across the country is real. At the District level and more profoundly at the community level, ICT connectivity is virtually non-existent but this is where Small Scale mining normally takes place. Such interconnectivity is essential for further improvements in the integrated land /mineral resources management system being pursued.

The Commission has initiated the Mincom WAN Project. The main objective of the project had been to deploy a Wide Area Network to facilitate the provision of electronic services aimed at enhancing the performance and the timely delivery of services to the Commission's clients from the various district and regional offices.

Specifically, the project when completed will introduce an efficient Mineral Cadastral Systems that would enable Spatial Information & Integrated Mapping Application Tools to expedite delivery of Cartographic Search Services to clients at the district or regional offices and aid decentralization of Mineral Cadastral Administration<sup>17</sup>

<sup>16</sup> <http://thebftonline.com/business/mining/14434>

<sup>17</sup> [www.ghanaweb.com](http://www.ghanaweb.com) on email [Mincom@mc.ghanamining.org](mailto:Mincom@mc.ghanamining.org)

#### 4.8.4 Status of Mining Cadastral Administration System (MCAS)

Mineral Cadastral Office (MCO) has been established at Minerals House (i.e. Minerals Commission). The office has been equipped with basic requisite facilities and equipment and staff trained on the various technology applications. On line repository has been set up and updated with current MCAS data. The online repository portal reference is designated as <http://ghana.revenuesystems.org>. However, this may not be functional at the moment since it could not be accessed. Digitization of data has begun and is systematically on track. A snapshot of activities currently being undertaken by the Commission is presented in the table 4.5 below:

Table 4.5: MCAS Implementation Timetable for 2015

Key Planned Milestone/Deliverables	Planned	Actual
Inception Workshop	14/05/2015	13/05/2015
Technical Assessment	15/05/2015	28/05/2015
MCAS Configuration	21/05/2015	26/05/2015
MC Equipment Procured	05/06/2015	10/07/2015
MCAS Preliminary Training	05/06/2015	01/07/2015
Online Repository set up for stakeholder review	25/09/2015	09/10/2015
Formal Training before going live	16/10/2015	11/11/2015
Digitization of valid large-scale licenses	18/09/2015	Ongoing
Digitization of ongoing applications	20/11/2015	Ongoing
MCAS live for applications	23/10/2015	Planned for November 24, 2015
Digitization of valid small-scale licenses	16/12/2015	

Source: Minerals Commission

#### ❖ Small Scale Issues

Small Scale Miners have raised concerns at various workshops on the small scale licencing process and involvement in formulation of small scale mining policies. These are:

1. Delay in the processing of small scale licences
2. Delay in obtaining EPA licence
3. Suggested that Regional Ministers be involved in the approval of licences to reduce backlog of applications at the offices of the Minister of Lands and Natural Resources.
4. Drastic increases in EPA fees for Small Scale licences( US\$ 300 to US\$ 2,100)
5. Streamlining Artisanal and Small Scale (ASM) operations into the National mining policy framework for them to be part of the decision making and thus contribute effectively to policy formulation.

## 4.9. CONTRACTS AND AGREEMENTS

### ❖ Company Disclosure Policies and Practices

Twelve (12) large scale mining companies which are covered in the 2014 Reconciliation are publicly listed in home countries and the Ghanaian stock exchanges and have terms of contract/licence publicly accessible.

### Mining Model Development Agreement (MMDA)

In an attempt to streamline mining contracts and agreements, Mining Model Development Agreement has developed a tool intended to help increase transparency and achieve equitable mining agreements in the world and lead to more development benefits. Ghana is a participant to this global initiative. Source: [www.mmdaproject.org](http://www.mmdaproject.org)

### ❖ GOVERNMENT DISCLOSURE POLICIES AND PRACTICES

The Ministry of Lands and Natural resources does not have any policy on the disclosure of details of contracts and agreements between the government and mining companies.

### ❖ Model Contract disclosures

Ministry of Lands and Natural Resources has posted model Mining Contract on their website.

### ❖ Stability Agreements and Updates

Section 48 of Act 703, allows the Minister of Lands and Natural Resources, as part of a mining lease to enter into stability agreement with the holder of the mining lease, to ensure that the holder of the mining lease will not for a period not exceeding fifteen years from date of the agreement be adversely affected by a new enactment or subsequent changes in the fiscal regime.

Ghana has Stability Agreements with two international companies with two mines each. Anglogold Ashanti Iduapriem and Obuasi owned by Anglogold Ashanti; Newmont Ahafo and Akyem mines owned by Newmont Ghana.

Since 2003 when these Stability Agreements were signed, new fiscal terms have been introduced increasing corporate tax in the mining sector from 25% to 35%, windfall tax of 10%, introduced capital allowance by which cost can be recovered within a five year period, and government has introduced ring fencing for the mining sector.

The government has thus set up a seven-member team to review, re-negotiate and redesign the entire mining regime agreements so that the state derives maximum benefit

from the sector. Also, the negotiation team is to revise the manner of granting stability agreements, and redesign any existing or draft agreement.

The committee has completed its work as far as Newmont Akyem and Ahafo mines are concerned. The report after the negotiation has however not been released.

#### ❖ GHEITI Bill

GHEITI Bill is part of the multi stakeholder effort aimed at improving contract disclosures in the country. The Bill when promulgated would compel mining companies to disclose their contract terms and conditions to the public to ensure transparency in the management of Ghana's mineral resources. Some stipulations in the Bill are disclosures on revenues, parameters of the companies' costs environment, shared incomes and contract terminations.

#### 4.10 RECORDS OF MINERAL REVENUE

Government budgets have defined lines for Tax and Non Tax revenues. Tax revenues form the largest share of Government Revenue with other inflows coming from Non-Tax Revenues, Development Partners funds.

Non-Tax revenue included lodged internally generated funds, and dividends. . The non-tax revenues are managed by the Non-Tax Revenue Unit (NTRU) in the Ministry of Finance and Economic Planning.

The major tax revenues constituting of Customs and Excise Duty, Value Added Tax (VAT) and Income Tax are administered by the GRA.

The mining companies, regulated by the Minerals Commission under the Ministry of Lands, Forestry and Mines pay mining Royalties, corporate taxes to the GRA and dividends to the NTRU.

*Table 4.6 Fiscal Performance 2014*

Fiscal Indicator	Revised Budget(GH Cm)	Actual (GH Cm)	Variance (GH Cm)
Total Revenue	26,230.28	24,745.46	(1,484.82)
Domestic	24,839.44	23,931.32	( 908.12)
Tax Revenue	19,788.59	19,229.76	( 558.83)
Non Tax Revenue	4,884.92	4,483.36	( 401.56)
Grants	1,390.84	814.14	( 576.70)

*Culled from Performance Report on the Budget Statement and Economic Policy for 2014*

Others records linked to the National Budget are Appendix 15: Non Tax Revenue by Major Category of the 2014 Budget Statement by MOF – Dividends 1b by Mining

Companies Stating Total Collections in 2014 as GHS 14.45million with projections for 2015-6.

And Appendix 2: Economic Classifications of Central Government Revenue.- Taxes Under Income and Property budgeted for Minerals Royalties.

#### ❖ Spending Patterns of Mineral Revenue

There are clear laws and regulations governing expenditure management by District Assemblies. The Chieftaincy Act, 2008 requires Traditional Councils to prepare annual financial statements and submit them to the Auditor General within 3 months of the close of the fiscal year.

The pattern of expenditure of mineral revenue follows administrative fiat based on article 267 (6) of the 1992 Constitution. (See Fig1: Revenue Flow under Section 5 ) for the spending pattern (flow) expressed diagrammatically.

#### 4.11: REVENUE AND EXPENDITURE MANAGEMENT

The legal framework for PFM in Ghana encompasses a range of laws and regulations that emanate out of the Constitution (1992). The main PFM laws are the Financial Administration Act (2003), the Loans Act (1970), the Public Procurement Act (2003), the Audit Service Act (2000), the Internal Audit Agency Act (2003).

The main fiscal decentralization laws are the Local Government Act (1993), the Local Government Service Act (2003), the District Assemblies Common Fund Act (1993), and the Chieftaincy Act (2008).

The Traditional Councils and Stools are regulated by the Constitution, the Office of the Administrator of Stool Lands Act, 1994 and the Chieftaincy Act, 2008.

There are a number of funds transfer mechanisms that currently operate from the Central Government to Sub National Government. In the case of MMDAs these include (1) Personnel Emolument payments, (2) some Administration Charges, (3) District Assemblies Common Fund (DACF) transfers, (4) HIPC transfers, (5) counterpart fund contributions to donor funded MMDA projects, and (6) Minerals Development Fund transfers.

For traditional councils these are Personnel Emolument Payments and Mineral Development Fund transfers.

### ❖ *Mineral Development Fund Transfers*

The Mineral Development Fund transfers are based upon a fixed percentage of the mineral royalties (based upon the tax revenues of the mining entities operating within the district) collected by the central government from within their respective districts.

This makes for a transparent and rule based horizontal allocation in principle of mineral development fund transfers. The transfers are facilitated through the Office of the Administrator of Stool Lands (OASL). OASL then disburses the funds to MMDAs and Traditional Authorities by defined allocation. (See Revenue Flow diagram Fig1 under Section5)

In the case of Traditional Authorities the complex historical and cultural relationships between stools and traditional councils results in a non transparent allocation of resources. Representatives of the traditional authorities meet with officials of the OASL to negotiate and agree allocations.

MMDAs prepare central government monthly final accounts that include mineral development fund receipts for submission to the CAGD. The MMDAs prepare annual financial accounts that are audited but these are not consolidated.

### ❖ *Public Sector Reforms Initiatives*

Initiatives include Ghana Integrated Financial Management Information Systems (GIFMIS) , and Budget reforms such as the introduction of Program based Budgeting (PBB), new Budget Preparation and Management Systems, Fiscal Decentralisation and Modernisation of Revenue Management and Administration are being designed to enhance improved revenue management at the MMDA level.

A national debate on the use of Internally Generated Revenues of MDAs including Property Rate is ongoing. A study on the MMDA Budgeting, reporting and auditing systems and strategy papers on the improvement of PFM systems at the MDA level has been completed. All are intended to improve the revenue and expenditure management at MMDA level to enhance transparency.

### ❖ *Natural Resources and Environmental Governance Programme (NREG)*

NREG is designed to provide annual Sector Budget Support and to sustain the implementation of broad programme of Natural Resources Governance and Environmental reforms and innovation for the government.

The programme has been developed and fully owned by relevant government agencies:- MLNR, MEST, FC, MC and EPA and focuses on a set of policies and

reforms in the inter-related sectors of forestry and wildlife, mining and environmental protection.

The NREG draws on the framework of collaboration with five participating Development Partners (DPs) including: Agence Francois de Development (AFD), Department for International Development (DfID) of the United Kingdom, the European Commission (EC), the Royal Netherland Government (RNG) and the International Development Association (IDA - WB).

In the mining sector, “Social Responsibility Guidelines for Mining Companies in Mining Communities” were prepared in consultation with stakeholders, and the fiscal model has been applied to three mines.

Other achievements include:

1. Collaborative effort which led to the passage of six legislative Instruments to give full effect to the Act 703
2. Supported GHEITI in Extractive Revenue Reporting
3. Establishment of Multi-Agency Task force on Mining

#### ➤ **Mineral Production & Sustainability**

##### **Reserves and Production**

Gold Reserves estimated by US Geological Survey at 1,600 tons can support current rate of exploitation of 140 tons per year for over a decade. (Gold reserve declarations by large scale producing companies in the range of 50 million oz confirms this figure). New gold finds and production are planned in the next two years. Manganese reserves are high as only 3% of the total reserves have been exploited. Thus reserve position of the country’s minerals can sustain production and support viability of the industry for over decade.

##### GDP Growth

Putting the gains in mineral production into context with the overall increase in GDP levels, Ghana’s GDP growth on a constant price basis generally compares with the growth of gold mining production (Ghana’s most important mineral in worth). See Table 4.7



*Table 4.7 Ghana's Macroeconomic indicators (2010-2014)*

Sector	2010	2011	2012	2013	2014
GDP Growth Rates at 2006 Prices	7.9	14.0	9.3	7.3	4.0
Gold Production (tons)	82	80	89	140	140
Gold Prices	1224	1571	1668	1411	1266
Gold Reserves estimated at 1,600 tons					

*Source: Ghana Statistical Service/Minerals Commission*

The growth rate of gold production from 2010 -2012 has been steady contributing to the GDP climb in 2010 and 2012. (However Ghana's new oil exports largely contributed to the considerable increase in GDP of 14% in 2011. Gold Production increased in 2012 to 2014 partly due to the ever increasing significance of small scale gold production.

### **The Effects of Mineral Price Changes**

There have been one sustained period of price increase for gold in the period 2010-2012 when the London price increased from US\$1,224 to US\$1,668 and another sustained period of price fall from 2012 to 2014 from around \$1450 to less than \$1,300. That notwithstanding, the growth of production was strong and so largely compensated in revenue terms for the price decline registered during the period.

Taking the periods as a whole (2010-2014), there is a strong presumption that the generally high rates of mineral production and mineral revenues have been a significant driver of the sustained GDP growth above 7% that Ghana has achieved between 2010 to 2013.

There has been favorable symbiotic relationship between mining activity and general socioeconomic development in Ghana.

There is a high probability that mining revenues are sustainable in the nearest future, however changes in mineral prices will have a significant influence.

### **State Participation in Mining**

#### **Free Carried Interest**

Pursuant to section 43(1) of the Minerals and Mining Act, 2006, Act 703, "Where a mineral right is for mining or exploitation the Government shall acquire a ten percent free carried interest in the rights and obligations of the mineral operations in respect of which financial contribution shall not be paid Government" However

for companies with development agreements the 10% free carried interest may not apply<sup>18</sup>.

### ❖ Special Share

With respect to a holder of a mining lease, pursuant to section 60 of Act 703 the Minister may by notice in writing require the mining company to issue rights agreed between the Minister and the company. This share does not allow the right to participate in the dividends, profits or assets of the company or a return of assets in a winding up or liquidation of the company.

The free carried interest is separate from the right to a special share. The Government is entitled to the free carried interest and the special share is required to be issued, when called for. In 2014 Government has the following non contributing shareholding in mining companies.

*Table: 4.8 Government shareholding in Large Scale Mines in Ghana*

Company	% Government Shareholding
Anglogold Ashanti Ghana Ltd <sup>19</sup>	0
Anglogold Ashanti (Iduapriem) Ltd	0
Newmont Ghana Gold Ltd	0
Newmont Golden Ridge Ltd	0
GoldFields Ghana Ltd	10
Abosso Goldfields Ltd	10
GSR (Prestea/Bogoso)Ltd	10
GSR (Wassa)Ltd	10
Adamus Resources (Ghana) Ltd	10
Perseus Mining (Ghana)Ltd	10
Chirano Gold Mines Ltd	10
Noble Gold(Bibiani) Ltd	10
Ghana Manganese Ltd	10
Ghana Bauxite Co. Ltd	20

### ❖ Mining SOE in Ghana

There are two state owned mining related companies in Ghana. Sankofa Prestea Ltd and Precious Mineral Marketing Company. The latter serves as marketing wings for Small Scale Mining in Ghana.

1. Prestea Sankofa Limited was incorporated in 1994 with a United Kingdom based Company named Samax Limited owning 50.4 percent, Ghana National Petroleum Corporation (GNPC) owning 39.6 percent and

<sup>18</sup> See Anglogold Ashanti Ghana Ltd, Anglogold Ashanti(Iduapriem)Ltd and Newmont Ghana Gold Ltd and Newmont Golden Ridge Ltd.

<sup>19</sup> Government has stake in Anglogold Ashanti global shareholding structure.

the Government of Ghana with the remaining 10.0percent. Samax Limited, which traded on the Canadian stock exchange, was taken over by Ashanti Goldfields Company (AGC) in September 1998. AGC released the 50.4 percent share it owned to GNPC, with the Government of Ghana approval in November 2000.

The Company is now essentially a Ghanaian gold mining company extracting gold mainly from old tailings and waste ore dumped as a result of 100 years mining activity in the Prestea Gold belt.

Prestea Gold made voluntary payments of .GHS 744,000 in 2014 to the host communities.

2. The PMMC was established in 1963 as Ghana Diamond Marketing Board charged with the responsibility for the purchase and marketing of the country's diamonds. In 1965, by Legislative Instrument (LI) 401, the Company was incorporated as a State Owned Enterprise (SOE). With the promulgation of the diamonds decree (NRCD 32) in 1972, LI 916 was enacted to change the company's name to Diamond Marketing Corporation.

In 1989, PNDC Law 219 was enacted to yet again change the Company's name to the Precious Minerals Marketing Corporation. Finally in year 2000, it was converted by Act 461 to a Limited Liability Company as Precious Minerals Marketing Company Limited.

### *PMMC Revenue and Costs*

*Table: 4.9 PMMC Revenue and costs (2013-2014)*

DESCRIPTION	2013	2014
Revenue:	109,283,701	136,464,488
Cost of Sales	107,825,952	130,583,540
Social payments	N/A	N/A
Corporate Tax:	65,519	Nil
Corporate Social Responsibility:	N/A	N/A
Dividends Payment:	NO PAYMENT	NO PAYMENT
Government Subvention:	N/A	N/A
Gold exports	99,461,630	124,390,436
Jewellery sales	6,384,365	7,350,838
Polished Diamond	1,040,860	1,065,964

Diamond Cutting & Polishing	-	6,619
Scrap Gold (Buying Back Jew.)	574,339	671,705
Commission on Gold Export	1,818,779	1,332,792
Comm. On Diamonds Exports	-	577,106
Silver sales	3,728	-
Licensed Buying Co. Fees.	-	1,069,028
<b>TOTAL</b>	<b>109,283,701</b>	<b>136,464,488</b>

Source: PMMC

There were no social payments made by PMMC in 2014. It did not receive any subventions or other transfers from Government.

#### 4.12: INVESTOR TRANSPARENCY

##### Ownership

All the twelve (12) large scale gold mining companies are publicly listed on Stock Exchanges around the world. Ownership of such companies can be ascertained. Their listing symbols are provided. Three private companies namely Ghana Manganese, Ghana Bauxite and West African Quarries have background and ownership information provided as indicated in Table 4.9 below.

Table 4.10 Ownership information of 2014 In- scope mining companies

Licence Holder	Ownership
Anglogold Ashanti Ghana Ltd and AGA(Iduapriem)Ltd	<p>Anglogold Ashanti owns Obuasi and Iduapriem mines with Ghana Government holding direct shares in the Group structure. Registered Address, 76 Jeppe St, Newton , Johannesburg S.A Listing on Stock Exchanges: GhSE: AGA, JSE:ANG, NYSE:AU</p> <p>Directors: S Venkatakrisnan, KC Ramon, SM Pityana, LW Nkuhlu, R. Gasant, A. Garner, DL Hodgson, NP January-Bardill, MJ Kirkwood, M Richter, RJ Ruston, ME Sanz Perez</p>

<p><b>GoldFields Ghana Ltd/Abosso Goldfields Ltd</b></p>	<p>Goldfields Ghana Ltd and Goldfields Abosso Ltd own 90% in Tarkwa and Damang mines respectively. Both Ghanaian registered companies are owned by Goldfields Ghana (BVI) indirect subsidiary of Goldfields Ltd of South Africa. Listed on Johannesburg Stock Exchange: JSE:GFI, and NYSE:GFI, Principal Shareholders are: Government Employees Pension Fund, 9.7%, Public Investment Management LLC, 8.18%, Investec Asset Mgt(Pty) Ltd, 6.85%, Van Eck Associates Corp, 6.32%, Allan Gray Proprietary Ltd, 6.21%, Black Rock Investment Mgt (UK) Ltd, 4.76%, Nortrust Nominees Ltd, 3.81%, Bank of New York Mellon DR, 4.3%, State Street Bank &amp; Trust Company, 7.31%, J.P Morgan Chase, 4.17%, Brown Brothers Harriman &amp; Co., 3.21%.</p>
<p><b>Golden Star Resources, Wassa and Prestea/Bogoso Ltd</b></p>	<p>Golden Star Resources own 90% stakes in Golden Star(Wassa) Ltd and Golden Star (Prestea/Bogoso) Ltd. GSR Ltd is Canadian owned with headquarters and registered office at 150 King Street West, Sun Life Financial Tower, Suite 1200, Toronto, Ontario, M5H 1 J9, Canada. Listed on the TSX:GSC, NYSE:GSS and GSE:GSR</p> <p>Major Shareholders are: Liao Family, 16%, Sentry Select Capital Corp,11.6%, Renaissance Technologies, 2.0%, Earth Resources, 1.9% 1832 Asset Management, 1.3%, Millennium Management, 1.1%</p>
<p><b>Newmont Ghana Gold Ltd/Newmont Golden Ridge Ltd</b></p>	<p>Newmont Mining Corporation owns 100% of Newmont Ghana which controls and operate the Ahafo Mine and Golden Ridge Ltd. Listed on NYSE:NEM. Directors: Gregory H. Boyce, Bruce Brook, J. Kofi Bucknor, Vincent Calarco, Joseph Carrabba, Noreen Doyle, Gary Goldberg, Veronica Hagen, Jane Nelson, Julio Quintana.</p>

<p><b>Perseus Mining (Ghana) Ltd</b></p>	<p>Traded on the TSX:PRU and ASX:PRU. Directors: Jeff Quartermine, Reginald Gillard, Collin Carson, Sean Harvey, Michael Bohm, Martijn Bosboom.</p>
<p><b>Adamus Resources (Ghana) Ltd</b></p>	<p>Adamus Resources is merged with Endeavor Mining trading on Toronto Exchange as TSX:EDV and Australian Exchange as ASX:EVR Directors: Michael Beckett, Ian Cockerill, Frank Guistra, Ian Henderson, Wayne McManus, Sabastien de Montessus, Michael Rodriquez, Naguib Sawiris, Neil Woodyer.</p>
<p><b>Ghana Manganese Co. Ltd</b></p>	<p>90% owned by Ghana Manganese Co. Ltd, a subsidiary of Consolidated Minerals Ltd(CML) headquartered in Jersey. Registered office Commercial House, 3 Commercial Street, St Helier, Jersey, Channel Island, JE2 3RU. Andreas Marangos (a director of the company) owns 9,999,000 shares of CML ordinary shares and 1,000 ordinary shares held by Grizal Enterprises Ltd, a related party in which Gennady Bogolyubov has 100% interest. Both Andreas Marangos and Grizal hold the shares in trust for Gennady Bogolyubov, the sole and ultimate beneficial owner of the issued shares.</p>
<p><b>Ghana Bauxite Co. Ltd</b></p>	<p>80% owned by Bosai Minerals Group in China and Ghana Government 20%. Bosai Group headquarters is at World Trade Center, 47<sup>th</sup> Floor, 131 Zourong Road, Yuzhong District, Chongqing, China. Directors include Yuan Zhilun, Steven Ma and Bill Holroyd.</p>
<p><b>Chirano Gold Mines Ltd</b></p>	<p>90% owned by Kinross of Canada. Listed on the Toronto and New York Stock Exchanges</p>

<b>Noble Gold Bibiani Ltd</b>	90% owned by Noble Minerals Resources Ltd as at end of 2014. Listed on the Australian Exchange ASX:NMG. Director include Erik Palmbachs, Mark Laing, Roger Bannister and Peter Williams
<b>West African Quarries Ltd</b>	Subsidiary of Ghana Cement (GHACEM), a cement manufacturing concern. 93.1% owned by Scancem (formerly Norcem of Norway) and now Heidelberg Cement, 5% Ghanaian workers, 1.9% by Dr. Addison a Ghanaian investor.

### Ownership Transfers

AFRICAN QUEEN MINES LTD has entered into a conditional agreement with a Ghana-based resource company to purchase from the company 100 per cent of the shares of the capital stock of its Ghanaian operating subsidiary, AQ Ghana Gold Ltd., for cash and a net smelter royalty.

The terms and provisions of said agreement are subject to the review and approval of the Minerals Commission of Ghana, and formal approval of the Minister of Lands and Natural Resources. Akan Exploration Ltd., the company's joint venture partner, and Newmont Mining Corp., prior owner of the underlying exploration licence, will share in the proceeds of the transaction. Further details of the transaction will be provided after government review and approval.

GRA to check this transaction for the possibility of capital gains tax obligations

### Dividends Declarations

Goldfields Ghana is reported to have paid dividend of US\$ 10 million in 2014 as contained in their annual report. NTRU of MOFEP to reconcile payments during 2012-2015.

#### ❖ Social Expenditures

Some extractive companies have established foundations which assist them in the discharge of corporate social responsibilities. See corporate social responsibility below.

#### ❖ Corporate Social Responsibility(CSR)

CSR of mining companies are voluntary in nature. Guidelines have been developed for Community Development Agreements (CDA) and some agreements are in the public domain. Some of the Agreements are:

1. Agreement between Newmont Ahafo Development Fountain and Newmont Ghana Ltd. (File: Newmont Ahafo Development Agreement)
2. Ahafo Social Responsibility Agreement between the Ahafo Mine Local Community and Newmont Ghana Ltd. (File: Ahafo Social Responsibility Agreement)
3. Agreement between Newmont Ghana Ltd and Ahafo Mine Local Community on **Local Employment**. (File: Ahafo Local Employment Agreement)
4. Development of Corporate Social Responsibility Guidelines for Mining Companies in Mining Communities (File: Guidelines for CSR Final Report. SRC.MinnComm)  
Available at Source: [www.sdsg.org/archives/cda-library](http://www.sdsg.org/archives/cda-library)

#### ❖ Gold Fields Ghana Foundation

Gold Fields Ghana Ltd established Gold Fields Ghana Foundation in 2004 as a primary vehicle for socio-economic investment in host communities to ensure lasting legacy of economically viable projects.

The Foundation is funded by Gold Fields Ghana's two operations, together with some contributions from major contractors and companies with working relations with Gold Fields. Gold Field Ghana contributes US\$1 out of every ounce of gold produced from Tarkwa and Damang mines to the Foundation. It also beefs up the Foundation's funds with 0.5 percent of its profit before tax income.

The Foundation is legally registered and focuses primarily (but not exclusively) on the communities around Gold Fields Group operating mining areas in Ghana, particularly



those directly affected by the company's mining activities and where employees and their dependants live. Five key project areas of focus for the Foundation are Health, Water and sanitation, Education, Income enhancement/livelihoods and Infrastructure development.

The Foundation is managed by a Board of Trustee who approves of projects to be executed by the Foundation. The Foundation has provided funding for national projects with significance which falls within the defined operational parameters of the Foundation.

Source: <http://graphic.com.gh/news/general-news/37441-goldfields-ghana>

#### ❖ AngloGold Ashanti Ghana Foundation

In 2004, AngloGold Ashanti (AGA) and the Government of Ghana entered into an agreement requiring AGA to establish Community Trust Fund at its two operating sites under the 2004 Stability Agreement.

AGA was expected to contribute 1 per cent of its after-tax profit to the Trust Fund. Prior to the establishment of the Trust in 2012, AGA had made contributions to community development projects of more than 1 per cent of post-tax profits. AGA in 2012 established separately the Obuasi and Iduapriem Community Trust Funds to support long-term sustainable development in the operating communities.

Each Trust Fund has 3 permanent management bodies comprising a Board of directors, a steering committee and an administrative team. Each Board is made up of 7 members. The Board is responsible for both investment and policy decisions. They are accountable for the performance of the Trust Fund. The steering committee has 32 members for Obuasi and 23 for Iduapriem.

They serve as the bridge between the local government, communities and the Trust fund. The Administrative team comprises 3-5 staff members which support the boards and steering committees to facilitate interactions with the communities.

In 2012 when both Trusts were registered as legal entities in Ghana they had together accrued an amount of US\$ 4.3 million (\$2.7 million in the Obuasi fund and \$1.6 million in the Iduapriem fund).

Source: <http://graphic.com.gh/news/education/50983-anglogold-ashanti-trust-fund>

### ❖ Golden Star Development Foundation

Golden Star Resources Ltd established Golden Star Development Foundation (GSDF) in 2008. The Foundation is funded with US\$1 for every ounce of gold produced plus 0.1% of pre-tax profit. The GSDF is used to support variety of projects in the catchment area of its operations. Community projects completed with funding from the Foundation include health and education facilities as well as community development infrastructure projects.

The initiatives are selected by local Community Mine Consultative Committees (CMCC) that represent local stakeholders. The CMCCs are made up of local community leaders who serve as the focal point for the community partnerships allowing communities to select the types of projects they see as important for the development of their communities. GSDF funds are used to develop a variety of community projects, including health, education, and community infrastructure initiatives that are selected by the CMCC

*Source: Golden Star Resource Ltd 2013 Annual Report*

### ❖ Newmont Ahafo Development Foundation

Newmont Ghana Gold Ltd (NGGL) set up Newmont Ahafo Development Foundation (NADeF) in 2008 in fulfillment with agreement between the company and the 10 mining communities. At the time of signing the Agreement, NGGL had accrued a total amount of **US\$857,000** set aside for the foundation since July 2006. NGGL contributes \$1 per ounce of gold produced and 1% of net pre-tax annual profit from its operation to support the Foundation. The Foundation also receives support from contributions of major contractors and companies with working relations with Newmont. NADeF is supervised by a 9-member Board Trustees and a Secretariat which is responsible for the day to day management of the Foundation. Newmont's contribution to the Foundation as at December 2014 stood at approximately GHS41m out of which GHS23.5m has been committed to developmental and human resource development projects. Key project areas of focus for the Foundation are Health, Water and sanitation, Education, Income enhancement/livelihoods and Infrastructure development.

*Source: NADeF 2009 and 2014 Annual Reports*

### ❖ Chirano Gold Mines Limited

Chirano Gold Mines Limited set up the Community Trust Fund in 2006 in fulfillment of an understanding between the company and the 20 communities within the mine catchment area. As at 31<sup>st</sup> December, 2014, an amount of US\$ 1,892,838 was accrued from contribution by the company. The company contributes \$1 per ounce of gold sold. The balance on the fund as at December 2014 stood at US\$ 951,801.

The Chirano Trust Fund is supervised by a 10 member Board of Trustees while the Community Consultative Committee (CCC) assisted by CGML manages the Fund.

Areas of focus for the Fund are Health, Water, Sanitation, Education and Infrastructure development.

Source: Chirano Gold Mines Ltd

### ❖ Others

The other Mining companies operating in various areas of the country also engage in community social development projects. These projects are undertaken as part of the companies' social responsibility initiatives; however, these companies have not formalized their social responsibility initiatives with independent bodies, structures and systems in the manner the preceding discussions indicate.

### ❖ Environmental Responsibility

The Akoben programme is an environmental performance rating and disclosure initiative of the EPA, which uses a five-colour rating scheme to assess the environmental performance of mining and manufacturing operations. The five colours are Gold, Green, Blue, Orange and Red, indicating environmental performance ranging from excellent to poor.

Overall 16 mining companies have featured in the Akoben process since 2009 in Ghana. Only Newmont Golden Ridge Resources at New Abirem and Noble Gold Bibiani Limited in Bibiani have been involved in the process on a single occasion (2012).

On the other hand, Adamus Resources Limited in Teleku Bokazo, Owere Mines Limited of Konongo and Perseus Mining Limited in Ayanfuri have been involved twice (2011 and 2012).

In order to get a clear picture of who is doing well in the EPA's process, colour codes have been substituted with numerical values where Red (poor) performance is represented by 1 and Gold (excellent) performance is represented by 5. Orange (unsatisfactory), Blue (good) and Green (very good) are represented with 2, 3 and 4 respectively. (<http://epaghanaakoben.org/>)

## ANALYSIS OF REPORTED DATA & INFORMATION

### Analysis of Company Data

#### 1. Reserves and 2014 Production

Reserves estimates were for proven and probable figures obtained from company's annual reports. As indicated the reserve positions of major mining operations would afford sustainability into the distant future. Table 4.11 shows the reserve position and the rate of exploitation as indicated in 2014 mine production levels.

#### *Gold*

*Table 4.11: Mine Gold Reserve position and 2014 production levels*

Company	Reserves <sup>20</sup> (oz)	Tons Treated (Million ton)	Grade (g/t)	Production (oz)
Anglogold Ashanti Ghana Ltd	6,200,000	2.2	4.67	287,762
Anglogold Ashanti (Iduapriem) Ltd	1,700,000	4.9	1.13	187,558
Gold Fields Ghana Ltd	9,568,000	13.5	1.3	558,223
Abosso Gold Fields Ltd	5,260,000	4.0	1.4	177,742
GSR (Prestea/Bogoso)Ltd	350,000	3.9	2.3	147,955
GSR (Wassa) Ltd	1,578,000	2.6	1.41	112,815
Newmont Ghana Gold Ltd	9,900,000	3.9	3.63 <sup>21</sup>	442,020
Newmont Golden Ridge Ltd	6,700,000	8.5	1.78	471,654
Adamus Resources Ghana Ltd	1,700,000	1.5	2.27	106,387
Perseus Mining(Ghana)Ltd	2,685,000	n/a	n/a	181,981
Chirano Gold Mines Ltd	1,026,874	3.144	3.08	286,542

*Source: Company Annual Reports*

#### Gold Production Growth

Gold production increased by 20% and 16% at Anglogold Ashanti Obuasi and Goldfields Damang respectively in 2014. Newmont Golden Ridge had a full production year having commenced operations in mid 2013 thus registering over 250% increase in mine output. As indicated in Table 4.11 some mines had slowed production in 2014.

<sup>20</sup> Proven and Probable Estimate according to JORC Code

<sup>21</sup> Computed

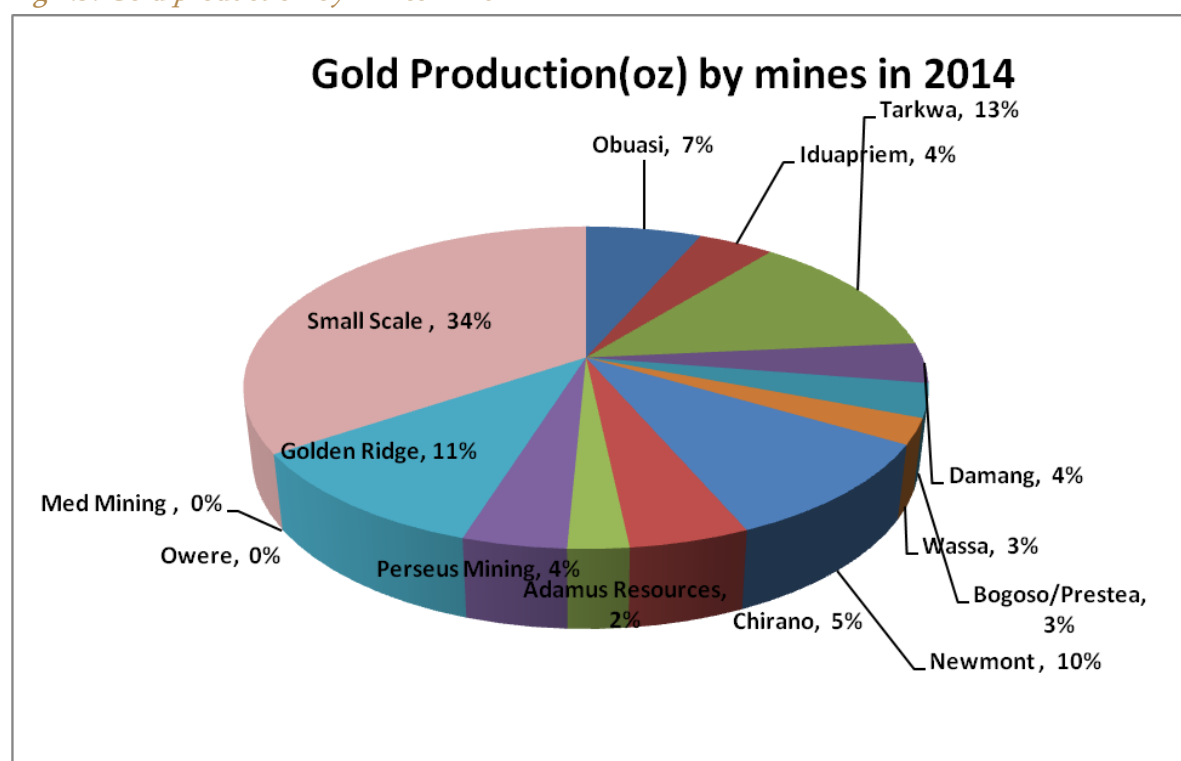
Table 4.12: Production Growth in 2013-2014

Company	2014	2013	% Variance
Anglogold Ashanti (Ghana)Ltd	287,762	239,032	20.39
Anglogold Ashanti (Iduapriem) Ltd	187,558	212,465	(11.72)
Gold Fields(Ghana)Ltd	558,223	632,240	(11.71)
Abosso Goldfields Ltd	177,742	153,117	16.08
GSR (Bogoso/Prestea) Ltd	147,955	144,994	2.04
GSR (Wassa) Ltd	112,815	185,033	(39.03)
Newmont Ghana Gold Ltd	442,020	570,202	(22.48)
Chirano Gold Mines Ltd	210,259	277,679	(24.28)
Adamus Resources (Ghana)Ltd	106,387	103,231	3.06
Perseus Mining(Ghana)Ltd	181,981	202,398	(10.09)
Newmont Golden Ridge Ltd	471,654	129,211	265.03
Small Scale (Gold)	1,512,516	1,576,478	(4.06)
Ghana Manganese Co. Ltd	1,531,394	1,977,911	(22.5)
Ghana Bauxite Co. Ltd	798,114	826,994	(3.49)

Fig. 4.5 shows both production and the percentage contribution of large scale and small scale operations in 2014. It indicates that 34% of the total country gold output is from small scale and artisanal operators. It therefore underscores the emerging significance of small scale sector in the country.

Production of out-of- scope company, Med Mining (431 oz) has been included for comparison purposes.

Fig 4.5: Gold production by mines in 2014



### Revenues

Table 4.13 shows the revenue distribution of the mining companies in 2014 in comparison with output from 2013.

Table: 4.13: Revenues from mining companies in 2013-2014

Company	2014 Revenue (US\$m)	2013 Revenue
Anglogold Ashanti (Ghana)Ltd	313	341
Anglogold Ashanti( Iduapriem) Ltd	234	301
Gold Fields Ghana Ltd	707.7	893.1
Abosso Goldfields Ltd	224.6	216.4
GSR( Prestea/Bogoso) Ltd	186.1	193.4
GSR( Wassa)Ltd	142.7	263.0
Newmont Ghana Gold Ltd	569	793
Newmont Golden Ridge Ltd	597	164
Adamus Resources (Ghana) Ltd	144	143.2
Perseus Mining (Ghana)Ltd	263.9	293.8
Chirano Gold Mines Ltd	354.9	387.8
Ghana Manganese Co. Ltd	91.1	135.5
Ghana Bauxite Co, Ltd	29.8	32.9

### Mineral Exports

Total Mineral Exports was US\$ 4,516 million in 2014. Total National Merchandise Exports was recorded as US\$ 12,983million in 2014. Table 4.14 shows exports from the various mining companies and their contributions to both National mineral export and National total Merchandise Export in 2014.

Goldfields Tarkwa contributed about 15% and 5% of the total mineral export and National Merchandise Exports respectively in 2014. Exports from Ghana Bauxite registered 0.6% of the total minerals exports and only 0.22% of the total Merchandise Exports in 2014.

*Table 4.14: 2014 External Sector- Mineral Exports*

Company	Exports (US\$m)	% Mineral Exports	% Total Merchandise
Anglogold Ashanti (Ghana) Ltd	313	6.93	2.41
Anglogold Ashanti (Iduapriem) Ltd	234	5.18	1.80
Gold Fields (Ghana) Ltd	707.7	15.67	5.45
Abosso Goldfields Ltd	224.6	4.97	1.72
GSR (Prestea/Bogoso) Ltd	186.1	4.12	1.43
GSR (Wassa)Ltd	142	3.14	1.09
Newmont Ghana Gold Ltd	569	12.59	4.38
Newmont Golden Ridge Ltd	597	13.21	4.59
Adamus Resources (Ghana)Ltd	144	3.18	1.10
Perseus Mining(Ghana)Ltd	263.9	5.84	2.03
Chirano Gold Mines Ltd	354.9	7.85	2.73
Ghana Manganese Co. Ltd	91.1	2.01	0.70
Ghana Bauxite Co, Ltd	29.8	0.6	0.22
<b>Total Minerals Export</b>	<b>4,516</b>	<b>100</b>	<b>34.78</b>
<b>Total Merchandise Exports</b>	<b>12,983</b>	<b>100</b>	<b>100</b>

*Source: Minerals Commission*

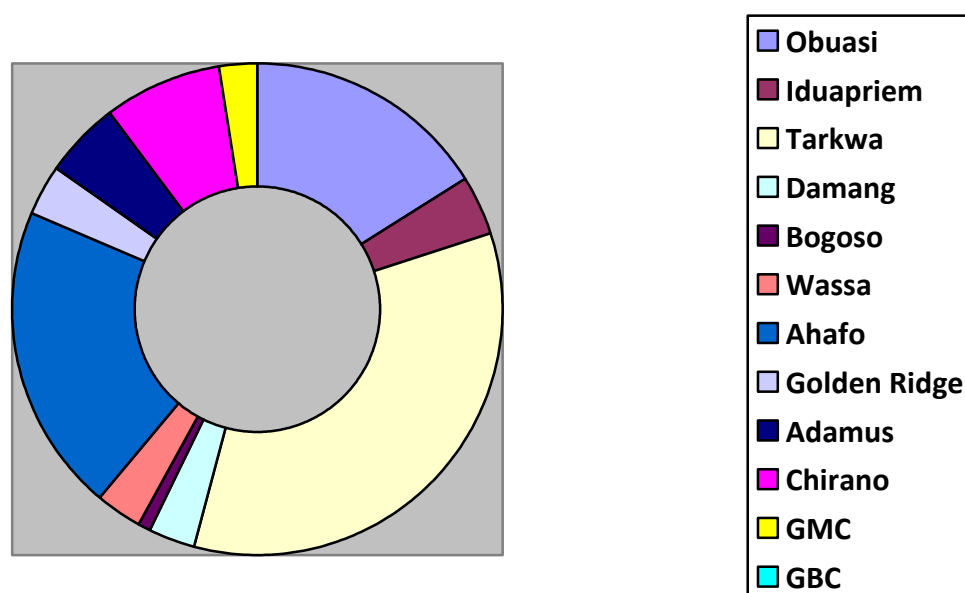
### Capital Expenditure

As indicated in Table 4.15 capital expenditure drastically reduced in 2014 partly due gold price slump. Anglogold Ashanti Obuasi invested only US\$ 82million in 2014 compared with US\$ 196million in 2013 as a result of mine restructuring.

Table 4.15: Capital Expenditure of mining companies (2013-2014)

Company	2014 Capital Expenditure (US\$m)	2013 Capital Expenditure (US\$m)
Anglogold Ashanti (Ghana)Ltd	82	196
Anglogold Ashanti (Iduapriem) Ltd	21	28
GoldFields Ghana Ltd	174	207
Abosso GoldFields Ltd	16.0	50.1
GSR( Prestea/Bogoso)Ltd	3.87	69.0
GSR (Wassa)Ltd	16.4	33.5
Newmont Ghana Gold Ltd	104	169
Newmont Golden Ridge Ltd	16.9	236
Adamus Resources (Ghana) Ltd	25.4	n/a
Chirano Gold Mines Ltd	39.6	96.1
Ghana Manganese Co.Ltd	12.1	n/a
Ghana Bauxite Co, Ltd	0.55	n/a

Fig. 4.6 shows Capital Expenditure by large Scale Companies in 2014





## Mining Capital Expenditure (2014)

### Average Price and Cost

Anglogold Ashanti reported high Cash Cost and All-in-Sustaining Cost indicating the high cost nature of their operations and thus justifying their current restructuring exercise. Table 4.16 shows figures culled from company annual reports.

*Table: 4.16: Cost Metrics of some mining companies in 2014*

Company	Average Price (US\$) <sup>22</sup>	Cash Cost US\$	AISC US\$
Anglogold Ashanti Obuasi	1087	1086	1374
Anglogold Ashanti Iduapriem	1246.2	865	1020
Goldfields Ghana Tarkwa	1267.7	816 <sup>23</sup>	1176
Goldfield Ghana Damang	1263.6	1060	1068
GSR Prestea/Bogoso	1257.8	1180	n/a
GSR Wassa	1264.9	971	1252
Newmont Ahafo	1,258		849
Newmont Akyem	1,28		423
Adamus Resources	1,268	880	1,036

<sup>22</sup> Average Price computed from Revenue and Export/Sales Figures

<sup>23</sup> Average 2013 Figures for Cash Cost and AISC

## 5.0 RECONCILIATION

### 5.1 SCOPE OF WORK

#### 5.1.1 MATERIALITY

The participating companies included all producing mining companies with large scale mining leases which were part of the entities that paid up to 99% of mineral royalties for 2014 and with annual minimum mineral royalty payment of GHS 1,500,000.

Mineral Royalty payment was chosen in the determination of the threshold for reporting, instead of total revenue , in order to widen the coverage of the reconciliation.

Mineral royalty accounted for 48% of government receipts, whilst corporate tax also accounted for 48% of government receipts. However the quantum of corporate tax receipts were higher than that of mineral royalty. (see fig 5.2). Dividend payment accounted for 3% of total receipts. Only one company Gold Fields Ghana Ltd, paid dividends in 2014.

- Six participating companies paid almost 100% of corporate taxes in the mining sector in 2014. The six companies included Gold Fields Ghana Ltd which was the sole payee of dividends. Thus over 96% of total revenues are made up of mineral royalty and corporate tax.
- At 99% coverage based on total payment, thirteen (13) companies would be required to report instead of the fifteen companies using the royalty determination. (*See Appendix 7*) i.e. Noble Mining (Bibiani) Ltd and West African Quarries would not report under total payment.

The table below shows the determination of the threshold and the selection of companies for the 2014 GHEITI report using royalty payment.

*Table 5.1: Threshold and companies selection for 2014 GHEITI report.*

Threshold	Number of Companies	Weight/Total Royalty collected	Cumulative wt	Comments
Amount> GHS 100m	1	22.72	22.72	
GHS 100M>Amount>GHS 50m	2	22.80	45.52	
GHS50m >Amount>GHS 10m	9	52.08	97.60	
GHS10m>Amount>GHS 1.5m	3	1.98	99.58	Recommended. Cover 15 companies
GHS 1m>Amount>GHS 0.2m	4	0.32	99.90	Would cover 19 companies
GHS 0.2m >Amount>GHS 0.1m	3	0.09	99.99	Would cover 22 companies

## 5.2 REPORTING

### 5.2.1 Basis of Reporting/ Currency

The basis of reporting is cash or actual. Thus only payments/revenues actually made and received in the period under consideration shall be reconciled. The reporting currency is the local currency i.e. Ghana cedi (GHS).

### 5.2.2 Auditing

All the participating companies had their financial statements audited by Independent Auditors for 2014. The independent auditors of the companies employed auditing standards issued by the International Auditing and Assurance Standards board.

None of the Auditors' statements was qualified. The Auditor General of Ghana and the Audit Service had completed the audit of all participating government Agencies for 2014.

The Audit Service of Ghana is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and AFROSAI and applies the International Standards of Supreme Audit Institutions (ISSAI) issued by (INTOSAI) in its auditing work.

The Audit Service monitors the use and management of all Public funds and report to Parliament annually.

- ❖ **The Budgeting and Auditing Process in Ghana**
  - **Budget Preparation**

The President of the republic is mandated by the constitution to submit a budget to parliament each year for approval. Guided by the Medium Term Expenditure Framework (MTEF), the Ministry of Finance (MOF) prepares the budget on behalf of the President.

The Ministry of Finance (MoF) reviews and determines economic targets for the coming year, places adverts in the newspapers to invite proposals from the general public on what should go into the budget, and holds discussions with associations and groups like the Trades Union Congress, Civil Society Organizations, Traders, Importers, Exporters, University Professors etc.

The Ministry of Finance then assist Ministries, Departments and Agencies (MDAs) of Government to review their policies and draft budgets to ensure that their figures fall within budget ceilings and are also in line with the national development policy. The collated draft budget is then sent to Cabinet for approval. MoF then finalizes the Budget Statement after which the Minister for Finance, acting on behalf of the President, presents the budget to Parliament usually in November. Parliament debates the budget after it is presented by the Minister. If there are issues, the Ministry of Finance is called to address them. When Parliament is satisfied that all the issues have been addressed, they approve the budget by passing a Law called the Appropriations Act which is also signed by the President to enable MDAs and other Government Institutions to spend.

#### ❖ Implementation

Implementation begins in January after the approval from the President. MDAs submit their work and procurement plans to MoF. Funds are released upon request by the MDAs using an electronic system called the Ghana Integrated Financial Management Information System (GIFMIS), to implement their programmed activities in accordance with the approved budget.

#### ❖ Audit and Evaluation

The Constitution mandates the Auditor General to audit budget implementation and report to Parliament. This involves examining the financial reports and activities of the MDAs to ensure that they spend within the budget and that all monies are used for the purposes for which they are given.

The Auditor General performs both financial and performance audit by providing an independent check on information and compliance with the legal provisions that guide the use of public funds.

The Auditor General reports to Parliament its findings on all areas including procurement lapses. The audited reports are expected to be published six months after the end of the fiscal year.

The Public Accounts Committee of Parliament (PAC) studies the reports of the Auditor General and where necessary, invites Directors of MDAs or persons found culpable to a public hearing of the Committee's sittings to answer questions relating the audit findings.

The PAC then makes recommendations to the full house to take remedial actions on any irregularities uncovered by the audits

### 5.3 BENEFIT STREAMS

The revenue streams that were considered for reconciliation included the following:

*Table 5.2: Revenue Streams for 2014 reconciliation report*

No.	Benefit Stream	Particulars
1	<i>Mineral Rights</i>	<p>Mineral rights are vested in the state and granted by the Ministry of Lands and Natural Resources.</p> <p>The licences considered here are those that allow the holder the right to enter the land and perform specific tasks.</p> <p>There are three sequential categories entitling the holder to conduct reconnaissance of, prospect for or mine certain minerals. The payments for these licences are collected by the Minerals Commission.</p>
2	<i>Reconnaissance License</i>	<p>A reconnaissance licence which covers the first stage in mining operation entitles the holder to search for specified minerals by geological, geophysical and geochemical means.</p> <p>In general, reconnaissance licences do not permit drilling, excavation, or other physical activities on the land, except where such activity is specifically mentioned by the licence.</p> <p>Reconnaissance licence is granted for an initial period of not more than twelve months with a renewable option for another twelve months for land area ranging between one block and five thousand blocks. (A block is 21 hectares).</p>
3	<i>Prospecting Licence</i>	<p>Prospecting licence which covers the second stage of mining operations entitles the holder to search for stipulated minerals and to determine their extent and economic value.</p> <p>This licence is granted for an initial period of three years for a land area not exceeding 750 contiguous blocks. The prospecting licence may be extended for a period not exceeding three years in respect of all or for any number of blocks subject for prospecting.</p>
4	<i>Mining Lease</i>	<p>When a holder of a reconnaissance licence or a prospecting licence has established that the mineral(s) indicated in the licence is/are present in commercial quantities, an application for a mining lease may be applied for before the expiration of the current licence.</p> <p>The mining lease is granted for an initial period of thirty (30) years or less as may be agreed upon with the applicant and may be renewed for an additional period of thirty (30) years.</p>

5	<i>Ground Rent</i>	<p>This is the annual payment made by mining companies and other companies to the owners of the land.</p> <p>The participating mining companies operate on stool lands and therefore pay their ground rent to the Office of the Administrator of Stool Lands.</p> <p>The amount payable as ground rent depends on the size of the concession.</p>
6	<i>Property Rate</i>	<p>Property rates as the name indicates are levies that are imposed on buildings, and plants that are fixed to the ground.</p> <p>Property rates are determined by the District Assemblies after applying a formula (Rate impost) to valuation figures.</p> <p>The valuation figures for properties are determined by the District Valuation Board with approval from the Regional Valuation Board.</p> <p>The District Assemblies collect property rates directly from the mining companies.</p> <p>Some mining companies divide the amount payable into four parts and pay in four installments.</p> <p>District Assemblies apply property rates from mining companies as internally generated funds. It is generally used for recurrent expenditure</p>
7	<i>Mineral Royalty</i>	<p>It is a production based tax which is levied on the basis of Section 25 of the Minerals and Mining Act, 2006; ACT 703 which states that ‘A holder of a mining lease, restricted mining lease or small scale mining licence shall pay royalty that may be prescribed in respect of minerals obtained from its mining operations to the Republic, except that the rate of royalty shall not be more than 6% or less than 3% of the total revenue of minerals obtained by the holder.’</p> <p>An amendment to section 25 of ACT 703; passed in March 2010, provided royalty payment at 5% of the gross revenue of minerals mined.</p> <p>Mining Companies are liable to pay royalties immediately they commence mineral production in the country.</p> <p>Payment of mineral royalties is made quarterly by all Mining Companies.</p> <p>The Minerals and Mining (Amendment) Law, 2014 ,now provides for royalty rate as stipulated in regulations.</p>

8	<i>Corporate Tax</i>	<p>Corporate tax is currently fixed at 35% of Net Profit. All the mining companies under consideration are on self-assessment.</p> <p>Self-assessed companies are allowed to forecast their profits for the year and pay some deposits based on their own assessment.</p> <p>Companies on self-assessment are however required to submit their yearly returns four months after the end of the accounting year.</p> <p><b>Capital allowance</b> is 20% per annum on a straight line basis. For the purposes of computing capital allowances for mining entities, the following are considered as Assets.</p> <p>i) Mineral Exploration rights</p> <p>ii) Building, structures and works of a permanent nature which are likely to be of little or no value when the rights are exhausted or the prospecting, exploration, or development ends.</p> <p>iii) Plant and machinery used in mining operations.</p> <p>iv) Costs incurred in respect of mineral prospecting, exploration and development (are treated as if they were incurred in securing the acquisition of assets).</p> <ul style="list-style-type: none"> <li>• Carry forward of losses.</li> </ul> <p>Mining companies are allowed to carry forward losses arising in any year to the next year for offset against the profit.</p> <p>The loss must however be deducted within five years following that in which the loss occurred.</p>
8	<i>Dividend</i>	<p>The Republic of Ghana retains a 10% non-contributing shareholding in every mining lease holder. The government's percentage holding (10%) may be altered in circumstances where special agreements exist.</p> <p>The Government's share of dividends when declared by the companies is collected by the Non Tax Revenue Unit of the Ministry of Finance.</p>
9	<i>Environmental Permitting Fees</i>	<p>This is fees paid by extractive industry entities for specific activities that impact the environment.</p>

### *Revenue Flow within the Mining Sector*

The Agencies and revenues collected are indicated in Table 5.4

Fig 5.1 shows the flow of the revenues.

**Dividend and Corporate taxes** paid by mining companies are all lodged into the consolidated fund i.e. Central government's treasury.

**Mineral Rights Payments and Property rates** are used by the Recipient Agencies, i.e. Minerals Commission and District Assemblies respectively as internally generated Funds.

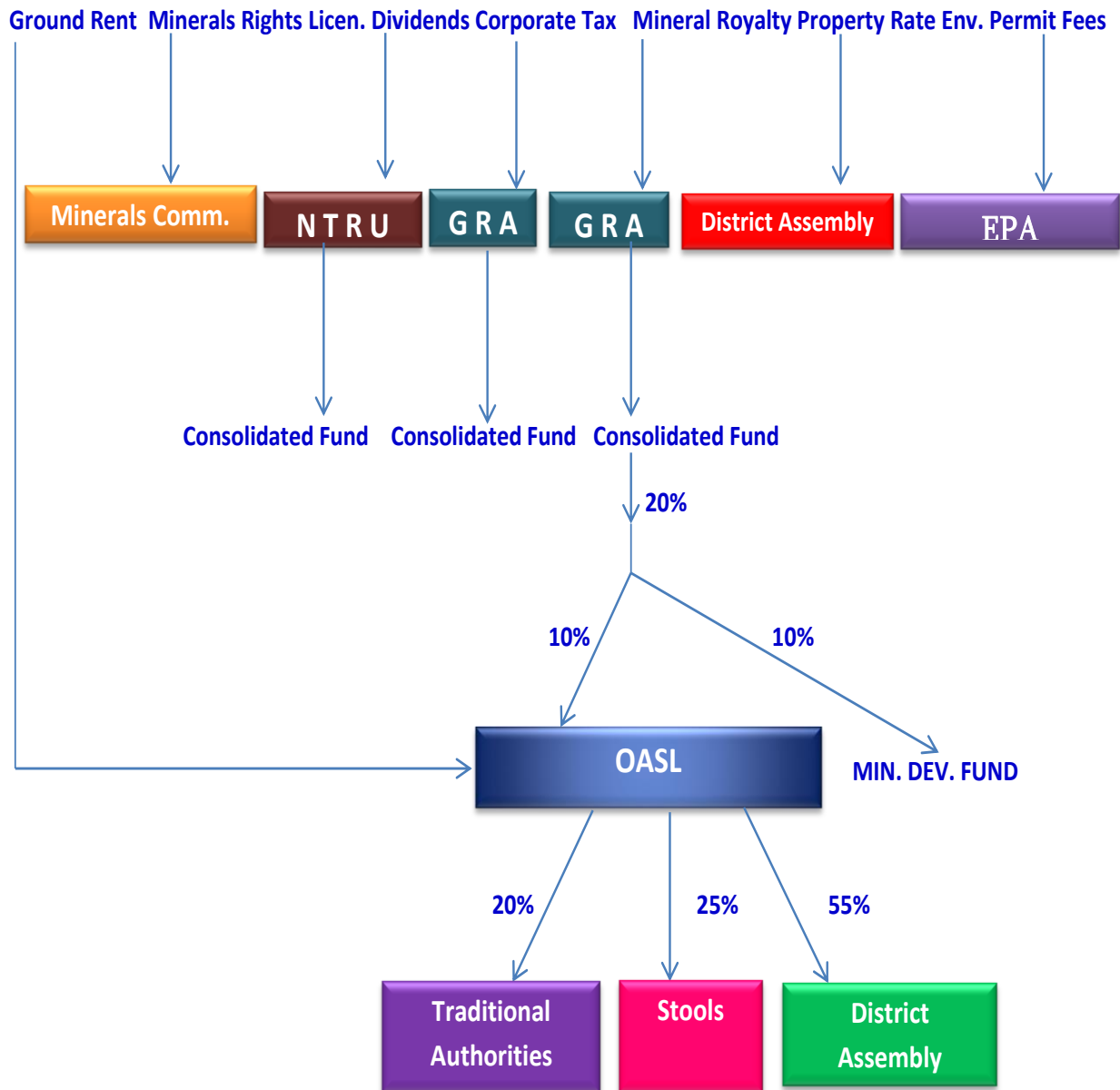
**Mineral Royalty** is first paid into the consolidated Fund. 20% of the mineral royalty receipts is thereafter released to the Minerals Development Fund and the OASL. (See Fig... and section on disbursements). The remaining 80% stays in the consolidated fund.

**Ground rent** is received by the OASL and distributed in accordance with Article 267(6) of the 1992 constitution. (i.e. 55% to the District Assemblies; 25% to stools and 20% to Traditional Authorities within the jurisdiction of the OASL)

**Environmental permitting fees** is received by the Environmental Protection Agency (EPA) and used as internally generated fund.



Fig: 5.1 Revenue flow in the mining sector/Environmental permitting fees



## 5.4 REPORTING ENTITIES

### *Participating Companies*

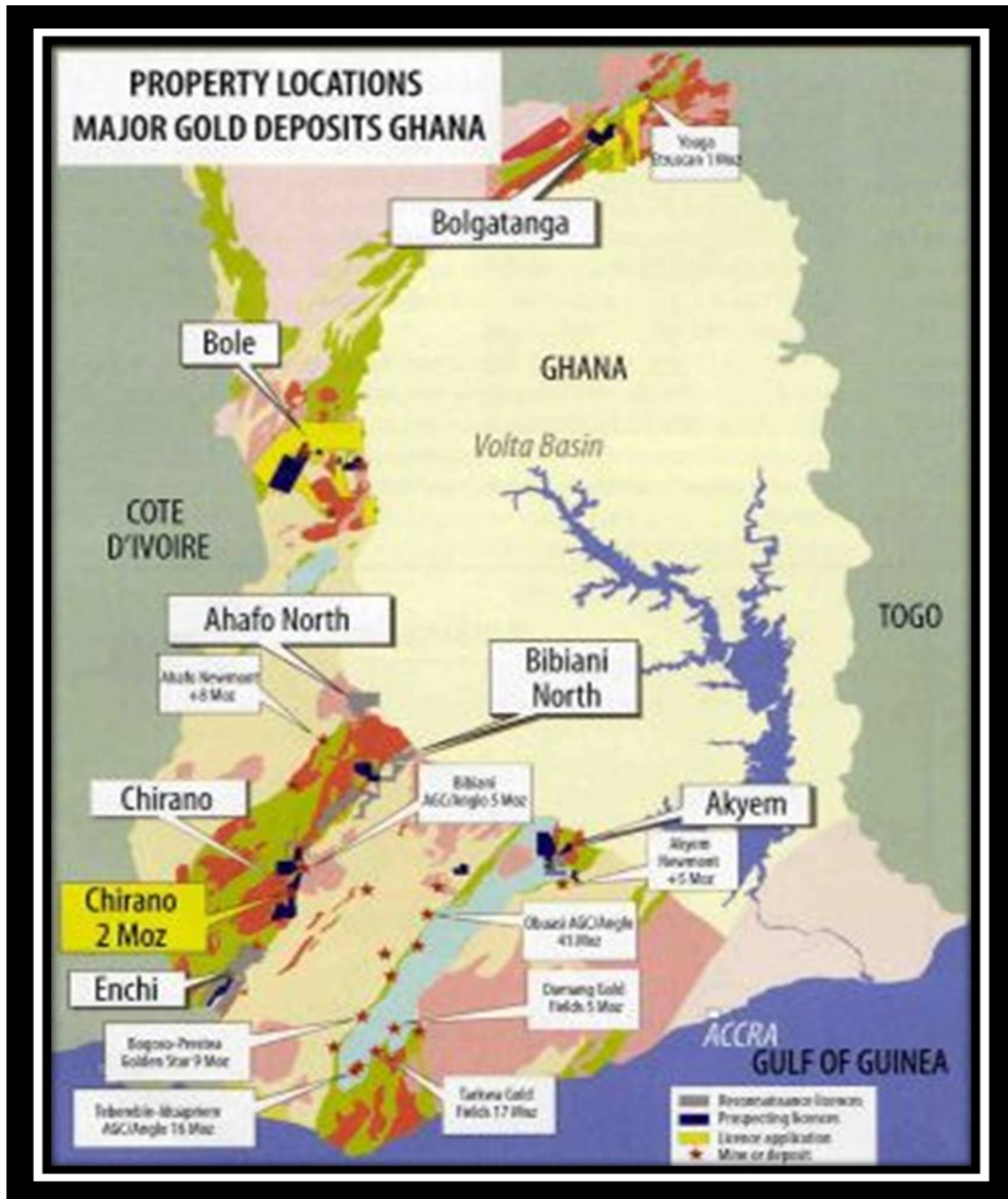
The selected companies for the reconciliation exercise are shown below.

*Table 5.3: List of companies participating in the 2014 Reconciliation*

No.	Mine/Company	Location	Mineral Mined
1	Anglo gold Ashanti(Ghana) Ltd	Obuasi, Ashanti Region	Gold
2	Anglo gold (Iduapriem) Ltd	Iduaprim, Western Region	Gold
3	Adamus Resources Ltd	Nkroful, Western Region	Gold
4	GSR(Wassa)Ltd	Akyempim, Western Region	Gold
5	GSR(Prestea/Bogosu)Ltd	Prestea/Bogosu, Western Region	Gold
6	Goldfields Ghana Ltd	Tarkwa, Western Region	Gold
7	Abosso Goldfields Ltd	Damang, Western Region	Gold
8	Chirano Gold Mines Ltd	Chirano, Western Region	Gold
9	Newmont Ghana Gold Ltd	Kenyase, Brong Ahafo	Gold
10	Newmont Golden Ridge Ltd	Abirem, Eastern Region.	Gold
11	Ghana Bauxite Company Ltd	Awaso, Western Region	Bauxite
12	Ghana Manganese Co. Ltd	Nsuta, Western Region	Manganese
13	Perseus Mining(Ghana)Ltd	Ayanfuri, Central Region	Gold
14.	Noble Mining Ltd	Bibiani, Western Region	Gold
15	West African Quarries	Oterkpolu/Eastern Region	Limestone

Most mining companies can be found in the Western Region of Ghana.

Fig 5.2 Geographical Location of some mining companies in Ghana



❖ GOVERNMENT REPORTING ENTITIES:

*The Ministries' Agencies' and entities which provided data and information for this assignment included:*

- *Ghana Revenue Authority (Domestic Tax Revenue Division)*
- *Ghana Revenue Authority (Customs Division)*
- *The Office of the Administrator of Stool Lands.*
- *The Minerals Commission*
- *The Municipal and District Assemblies within the areas of operation of the mines covered under the assignment.*
- *The Ministry of Lands and Natural Resources.*
- *Ministry of Finance(Non Tax Revenue Unit)*
- *Environmental Protection Agency*

*Table 5.4: Government Agencies and provision of relevant data*

<i>Name of Organization</i>	<i>Data</i>	<i>REMARKS</i>
<i>Minerals Commission</i>	<ul style="list-style-type: none"> <li>➤ Mineral Right Licences(Reconnaissance; Prospecting; Mining Lease)</li> <li>➤ Production and other costs details of companies</li> </ul>	<i>Mineral rights received are used internally by the Commission</i>
<i>District Assemblies</i>	<ul style="list-style-type: none"> <li>➤ Property tax</li> <li>➤ Mineral royalty received/utilized.</li> </ul>	<i>Property rates used internally by Assemblies</i>
<i>Administrator of Stool Lands-Head office/Relevant Regional Offices.</i>	<ul style="list-style-type: none"> <li>➤ Ground Rent</li> <li>➤ Amount of Mineral Royalties disbursed to District Assemblies; Traditional Authorities and Stools.</li> </ul>	<i>Amount received distributed according to formula.(See Fig 3.1 On Revenue Flow.</i>
<i>Ghana Revenue Authority (GRA).</i>	<ul style="list-style-type: none"> <li>➤ Mineral Royalty</li> <li>➤ Corporate Tax</li> </ul>	<i>Amounts received are paid into the consolidated Fund. (Gov't Treasury)</i>
<i>Ministry of Finance(Non-</i>	<ul style="list-style-type: none"> <li>➤ Dividends</li> </ul>	<i>Paid into</i>

<i>Tax Revenue Unit)</i>		<i>Consolidated Fund</i>
<i>Ministry of Land and Natural Resources.</i>	➤ <b>Mineral Development Fund.</b>	<i>The Mineral Development Fund is 10% of royalty paid by Mining Entities.</i>

## ❖ **ROLE OF GOVERNMENT AGENCIES.**

### • **Ghana Revenue Authority (Domestic Tax Revenue Division)**

The Domestic Tax Revenue Division of the Ghana Revenue Authority is responsible for the collection of taxes including: income tax, royalties, capital gains tax, corporate tax and gift tax. GRA implements the Internal Revenue Act 2000, Act 592 and its amendments.

The role of the Ghana Revenue Authority (Domestic Tax Revenue Division) in the mining sector includes the collection of corporate taxes, mineral royalty and capital gains tax.

The GRA (DTRU) is responsible for receiving returns from mining companies/entities and determining the correctness of payments.

### • **Ghana Revenue Authority (Customs Division)**

The Customs Division of the Ghana Revenue Authority has its staff at the various mines to:

- Observe the smelting process(in the case of gold mining)
- Observe and record the weighing process
- Package and seal boxes for shipment
- Accompany packages to the port or airport for shipment.

### • **Non Tax Revenue Unit**

The Non tax Revenue Unit which located at the Ministry of Finance is responsible for the collection of dividends due government from the mining companies.

The government of Ghana retains a non-contributing shareholding of 10% equity in all mining entities. This may however be altered if the mining company invests to the tune of fifty million US dollars and negotiates its fiscal terms.

### • **Office of the Administrator of Stool Lands (OASL).**

The office of the Administrator of Stool Lands (OASL) is mandated by Article 267(2) of the 1992 constitution and the Office of the Administrator of stool lands Act 1994(Act 481) to collect stool land revenue and to disburse same to the beneficiaries.

The OASL is responsible for collecting ground rent.

**Ground Rents:** These are specified amounts payable annually by holders of leasehold grants and other terminable interests in Land transactions in respect of plots/parcels of land for residential, industrial, commercial, religious and other habitation uses. It is payable whether the land is developed or not.

The OASL also receives mineral royalty ceded to district Assemblies and communities affected by mining and distributes same (see <http://ghanalap.gov.gh/index.php/fees>).

- **Minerals Commission:** The Minerals Commission was established under the Minerals Commission Act, 1993 (Act 450). The Commission is responsible for the regulation and management of mineral resources of Ghana and the coordination of policies relating to the mining industry.

The Commission receives payments of mineral rights licences (ie reconnaissance, exploration and mining lease) from mining entities. These receipts are applied as internally generated funds.

- **Ministry of Finance**

The Ministry is responsible for the formulation and implementation of fiscal and financial policies for Ghana; mobilization and allocation of resources as well as improving public financial management ([www.mofep.gov.gh/about/functions](http://www.mofep.gov.gh/about/functions))

The Ministry of Finance is the supervising ministry for the Ghana Revenue Authority and the Non Tax Revenue Unit.

- **The Ministry of Lands and Natural Resources**

The ministry is responsible for the management of Ghana's land, forests, wildlife and mineral resources.

The Ministry is the supervising Ministry for the OASL and the Minerals Commission. It also has a supervisory role over the Minerals Development Fund (MDF).

#### *District Assemblies:*

The District Assemblies that participated in the reconciliation exercise are shown in Table 2; these are the governing Assemblies in the operational areas of the mines.

Table 5.5: District Assemblies of selected Mining Companies for 2014 Reconciliation

No.	District(s) Assemblies.	Municipal/District Capital	Administrative Region	Mining Company
1	Obuasi Municipal; Adansi South; Adansi North Amansie Central	Obuasi New Edubiase Fomena Jacobu.	<b>Ashanti</b> <b>Ashanti</b> <b>Ashanti</b> <b>Ashanti</b>	Anglogold Ashanti
2	Tarkwa Nsuaem	Tarkwa	<b>Western</b>	Anglogold Ashanti Iduaprim
3	Ellembele	Nkroful	<b>Western</b>	Adamus Resources Ltd
4	Prestea Huni Valley	Bogosu	<b>Western</b>	Abosso Goldfields Ltd
5.	Tarkwa Nsuaem/Prestea Huni Valley	Tarkwa	<b>Western</b>	GoldFields (Tarkwa)
6	Mpohor Wassa East	Daboase	<b>Western</b>	GSR Wassa Ltd/Wexford
7	Prestea Huni Valley	Bogosu	<b>Western</b>	GSR Prestea/Bogosu
8	Bibiani Ahwiaso	Bibiani	<b>Western</b>	Ghana Bauxite Co. Ltd
9	Tarkwa Nsuaem	Tarkwa	<b>Western</b>	Ghana Manganese Co Ltd
10	Bibiani/Ahwiaso; Sefwi District Assembly	Bibiani Sefwi Wiawso	<b>Western</b>	Kinross (Chirano) Gold Mines Ltd
11	<b>Asutifi District Assembly</b>	<b>Kenyasi</b>	<b>Brong Ahafo</b>	<b>Newmont Gold(Ghana)Ltd- Ahafo</b>
12	Birim North Assembly	Abirem	<b>Eastern Region</b>	Newmont Golden <sup>24</sup> Ridge Ltd
13		Ayanfuri	<b>Central Region</b>	Perseus Mining (Gh)Ltd
14	Bibiani/Ahwiaso/Sefwi Bekwai	Bibiani	<b>Western Region</b>	Noble Mining/ Mensin Mining
15	Manya Krobo	Odumase,Krobo	<b>Eastern Region</b>	West Africa Quarries

<sup>24</sup> Newmont Golden Ridge Ltd paid mineral royalty in 2014, but the disbursement of royalty in 2014 covered only 2012 payments.

## 5.5 RECONCILIATION ACTIVITIES

Activities undertaken at reconciliation included;

### ❖ Data Collection & Analysis

In order to ensure the speedy collection of data the SAP (IT) system was deployed alongside the Independent Administrator's data collection system.

Templates provided to the participants were collected, whilst participants were also allowed to input data via the IT system. Participants also responded to questionnaires.

### ❖ Credibility of data

To assure the credibility of data in accordance with Requirement 5.2(c), it was agreed that the participants should provide the following information as part of the completed template.

- a) A senior Company or government official attest to the completeness and accuracy of the completed template by signing off.
- b) Detailed payment data or supporting document to facilitate reconciliation.

The senior management sign off was made on behalf of the board of directors.

### Data Reliability Check

All templates collected were scrutinized to ensure that they fully meet the requirements set out for the completion of templates. Data reliability was checked against the following.

- a) **Completeness:** Templates submitted by participating candidates were checked to ensure that all requisite responses have been thoroughly completed.
- b) **Relevance:-** Attached documentations such as receipts and schedules were checked for their relevance to figures and periods provided on the templates.
- c) **Correctness/accuracy:-** Figures provided in the templates were checked for correctness against receipts or other documentations provided. Also figures on receipts were summed up to ensure they tally with the figures provided in the templates.



Financial statements of all the companies were examined to assure consistency of figures provided on templates.

- d) **Certification:-** Templates were checked to ensure that they have been properly endorsed by completing officers with appropriate signatories and official stamps.

**i) Initial Reconciliation**

A database in Microsoft excel was set up using the data obtained from both the companies' reporting templates and government reporting templates as well as their supporting documents.

Reconciliation of data was undertaken on company, project or item basis.

At the same time the data captured on the GHEITI SAP IT solution software was also accessed. The reconciliation process run on the IT system was compared with the Microsoft excel generated report. All discrepancies were identified.

**ii) Investigation of Discrepancies**

In situations where discrepancies were identified the following steps were undertaken to investigate the differences;

- i) Clarifications were sought from the reported entities on discrepancies.
- ii) Discrepancies were amended as a result of the submission of relevant supporting document.

## 5.6 RESULTS OF RECONCILIATION

- All in-scope mining companies submitted completed templates.
- All the government entities duly reported.
- Submitted templates were properly signed and duly endorsed with company stamps.
- All reporting companies provided supporting documents.
- All the templates passed the data reliability tests having subjected them to close scrutiny.

Table 5.6 presents the reconciliation by revenue streams, whilst Table 5.7 shows the reconciliation by extractive companies.

Table 5.6: Reconciliation by revenue streams

	Revenue Stream	Paid To	Initial Amount		Discrepancy	Resolved		Final Amount		Unresolved
			Company	Govt		Company	Government	Company	Government	
1	Mineral Right Licence		232,750	-	232,750	-	-	232,750	-	232,750
2	Property Rate		2,067,954	1,789,983	277,971	(27,049)	21,000	2,040,905	1,810,983	229,922
3	Ground Rent		2,365,369	-	2,365,369	2,267,077	4,632,446	4,632,446	4,632,446	-
4	Mineral Royalty		474,471,479	456,072,133	18,399,346	(9,736,973)	8,678,016	464,734,506	464,750,149	(15,643)
5	Corporate Tax		476,585,244	468,958,890	7,626,354	(7,716,352)	-	468,868,892	468,958,890	(89,998)
6	Dividends		32,947,125	17,432,550	15,514,575	(1,912,195)	13,602,380	31,034,930	31,034,930	-
7	Environmental Permit Fee		461,020	-	461,020	782,080	905,450	1,243,100	905,450	337,650
	TOTAL		989,130,941	944,253,556	44,877,385	(16,343,412)	27,839,292	972,787,529	972,092,848	694,681

Table 5.7: Reconciliation by companies

No.	Reporting Entity	Company	Government	Discrepancy	Company	Government	Company	Government	Unresolved
1	Anglogold Ashanti(Ghana) Ltd	25,930,648	18,583,601	7,347,047	2,936,652	9,730,299	28,867,300	28,313,900	553,400
2	Anglogold Ashanti (Iduapriem)Ltd	22,649,242	22,591,452	57,790	664,260	722,050	23,313,502	23,313,502	-
3	Adamus Resources(Ghana)Ltd	21,773,968	21,773,968	-	57,790	57,790	21,831,758	21,831,758	-
4	GSR(Wassa)Ltd	48,522,619	45,344,620	3,177,999	(2,961,540)	216,460	45,561,079	45,561,080	(1)
5	GSR(Prestea/Bogosu)	22,699,547	22,699,547	-	-	-	22,699,547	22,699,547	-
6	Gold Fields(Gh) Ltd	237,486,049	207,995,201	29,490,848	(13,906,558)	15,354,368	223,579,491	223,349,569	229,922
7	Abosso Goldfields Ltd	31,266,256	31,536,520	(270,264)	38,507	0	31,304,763	31,536,520	(231,757)
8	Chirano Gold Mines Ltd	197,213,327	197,147,746	65,581	92,210	157,790	197,305,537	197,305,536	1
9	Newmont Golden Ridge Ltd	62,814,030	59,994,923	2,819,107	(2,762,857)	56,250	60,051,173	60,051,173	-
10	Newmont Ghana Gold Ltd	237,095,446	237,095,445	1	57,790	57,790	237,153,236	237,153,235	1
11	Ghana Bauxite Co. Ltd	5,576,000	5,562,704	13,296	57,515	70,515	5,633,515	5,633,219	296
12	Ghana Manganese Co Ltd	35,603,465	44,396,847	(8,793,382)	10,054,258	1,350,876	45,657,723	45,747,723	(90,000)
13	Perseus Mining( Ghana) Ltd	35,835,609	25,593,683	10,241,926	(10,621,439)	65,104	25,214,170	25,658,787	(444,617)
14	Noble Mining (Bibiani) Ltd	2,581,382	1,770,033	811,349	(50,000)	-	2,531,382	1,770,033	761,349
15	West African Quarries Ltd	2,083,353	2,167,266	(83,913)	0	-	2,083,353	2,167,266	(83,913)
16	Total	989,130,941	944,253,556	44,877,385	(16,343,412)	27,839,292	972,787,529	972,092,848	694,681

## 5.7 DISCREPANCIES

Initial net discrepancy of GHS44,877,385 was established.

The initial net discrepancies are detailed below (See Table 5.8)

*Table 5.8: Components of initial discrepancies*

Revenue streams reported by companies with no confirmation from government Agencies	Amount(GHS)
Mineral right licence	232,750
Ground rent	2,365,269
Environmental permitting fees	461,020
<b>Differences in revenue streams reported by companies and Government Agencies</b>	
Property rate	277,971
Mineral royalty	18,399,346
Corporate tax	7,626,354
Dividends (Goldfields (Ghana) Ltd and NTRU)	15,514,575
<b>Total</b>	<b>44,877,385</b>

### Resolutions of Discrepancies

Some discrepancies were resolved with submitted supporting documents and in some instances seeking clarifications from Finance Directors of participating entities.

The details of the resolutions are indicated below.

*Table 5.9: Resolutions of discrepancies on Company payments*

	Company Adjustments	Taxes reported by company but not confirmed by government	Taxes paid by companies but not reported	Total
1	Anglogold Ashanti- Property rate out of scope	(12,024)		(12,024)
2	Anglogold Ashanti- Royalty not reported		2,948,676	2,948,676
3	Anglogold Ashanti-Iduapriem-Ground rent		564,260	564,260
4	Anglogold Ashanti-Iduapriem-Environmental permitting fees		100,000	100,000
5	Adamus-Environmental Permitting fees		57,790	57,790
6	GSR(Wassa)- Mineral royalty	(3,150,000)		(3,150,000)
7	GSR(Wassa)-Environmental permitting fees		188,460.00	188,460
8	Goldfields-Ground rent		1,637,988	1,637,988
9	Goldfields-Mineral royalty		820,001	820,001
10	Goldfield(Gh) Ltd Corporate tax	(14,566,352)		(14,566,352)
11	Goldfields(Gh) Ltd-Dividends	(1,912,195)		(1,912,195)
12	Goldfields(Gh) Ltd-Environmental Permitting fees		114,000	114,000
13	Abosso-property rate		38,507	38,507
14	Chirano-Environmental Permitting fees		92,210	92,210
15	Newmont Golden Ridge-environmental permitting fees		56,250	56,250
16	Newmont Golden Ridge-Royalty	(2,819,107)		(2,819,107)
17	Newmont( Gold) Ghana Ltd-Environmental fees		57,790	57,790
18	Ghana Bauxite Co.-Ground rent	-275		(275)
19	Ghana Bauxite Co.-enviromental fees		57,790	57,790
20	Ghana Manganese Ltd-corporate tax		10,000,000	10,000,000
21	Ghana Manganese Ltd-environmental permitting		57,790	57,790
22	Ghana Manganese Ltd	(3,532)		(3,532)
23	Perseus-Ground rent		65,104	65,104
24	Perseus-mineral roalty	(10,686,543)		(10,686,543)
25	Noble-property rate	-50000		(50,000)
26	West Africa			-
	<b>Total</b>	<b>(33,200,028)</b>	<b>16,856,616</b>	<b>(16,343,412)</b>

Table 5.10 shows discrepancies that were resolved after adjusting government Agencies receipts. With the exception of property rate adjustment made for Ghana Bauxite Co, all the adjustments were for revenue streams which were paid by companies that were not initially reported by government Agencies.

Table 5.10: Resolution of discrepancies on government receipts

	Ground rent	Property rate	Mineral royalty	Environmental Permitting fees	Dividends	Total
Anglogold Ashanti Co Ltd	1,052,283		8,678,016			9,730,299
Anglogold Ashanti( Iduapriem )Co Ltd	564,260			157,790		722,050
Adamus Resources				57,790		57,790
GSR(Wassa)		28000		188460		216,460
GSR(Prestea/Bogosu)						-
Goldfields(Gh) Ltd	1,637,988.25			114000	13,602,380	15,354,368
Abosso Goldfields Ltd						-
Chirano Ltd				157,790		157,790
Newmont Ghana Gold Ltd				57,790		57,790
Newmont Golden Ridge Ltd				56,250		56,250
Ghana Bauxite Co. Ltd	19,725	(7,000)		57,790		70,515
Ghana Manganese Co Ltd	1,293,085.50			57,790		1,350,876
Perseus Mining Co Ltd	65,104.26					65,104
Noble Mining Co Ltd						-
Total	4,632,446	21000	8,678,016	905,450	13,602,380	27,839,292

The net effect of the resolutions is – (16,343,412+27,839,292), that is GHS-44,182,704. After resolving some of the discrepancies the final net discrepancy was GHS 694,681. The final net discrepancy represents 0.07% of reported government receipts.

Table 5.11: Unreconciled Amounts at the end of reconciliation

No.	2014	Final Amounts		Unresolved
	Reporting Entity	Company	Government	
1	Anglogold Ashanti Ghana Ltd	28,867,300	28,313,900	553,400
2	GSR(Wassa)Ltd	45,561,079	45,561,080	(1)
3	Gold Fields(Gh) Ltd	223,579,491	223,349,569	229,922
4	Abosso Goldfields Ltd	31,304,763	31,536,520	(231,757)
5	Chirano Mines Ltd	197,305,537	197,305,536	1
6	Newmont Ghana Gold Ltd	237,153,236	237,153,235	1
7	Ghana Bauxite Co. Ltd	5,633,515	5,633,219	296
8	Ghana Manganese Co Ltd	45,657,723	45,747,723	(90,000)
9	Perseus Mining Co Ltd	25,214,170	25,658,787	(444,617)
10	Noble Mining Co Ltd	2,531,382	1,770,033	761,349
11	West African Quarries	2,083,353	2,167,266	(83,913)
	<b>Total</b>	<b>844,891,549</b>	<b>844,196,868</b>	<b>694,681</b>

**Reconciliation:** The coverage of the reconciliation exercise as compared to total revenue in the sector is shown in the table below.

Table 5.12: Coverage of 2014 Reconciliation.

Revenue Stream	Amount reported by Government	Total Government	Percentage of reported amounts to
Ground rent	4,632,446	4825392	96
Property rate	1,810,983	1,810,983	100
Mineral Royalty	464,750,149	470,356,948	99
Corporate tax	468,958,890	468,958,890	100
Dividends	31,034,930	31,034,930	100
Environmental Permit	905,450	2,899,100	31
Total	972,092,848	979,886,243	99

### Analysis of Reconciliation Results

#### ■ Corporate tax

Corporate tax was the biggest revenue stream in 2014 paid by six participating companies namely Ghana Manganese Ltd, Newmont Gold Ghana Ltd, Chirano Mines, West Africa Quarries, Gold fields Ghana Ltd and GSR Wassa,

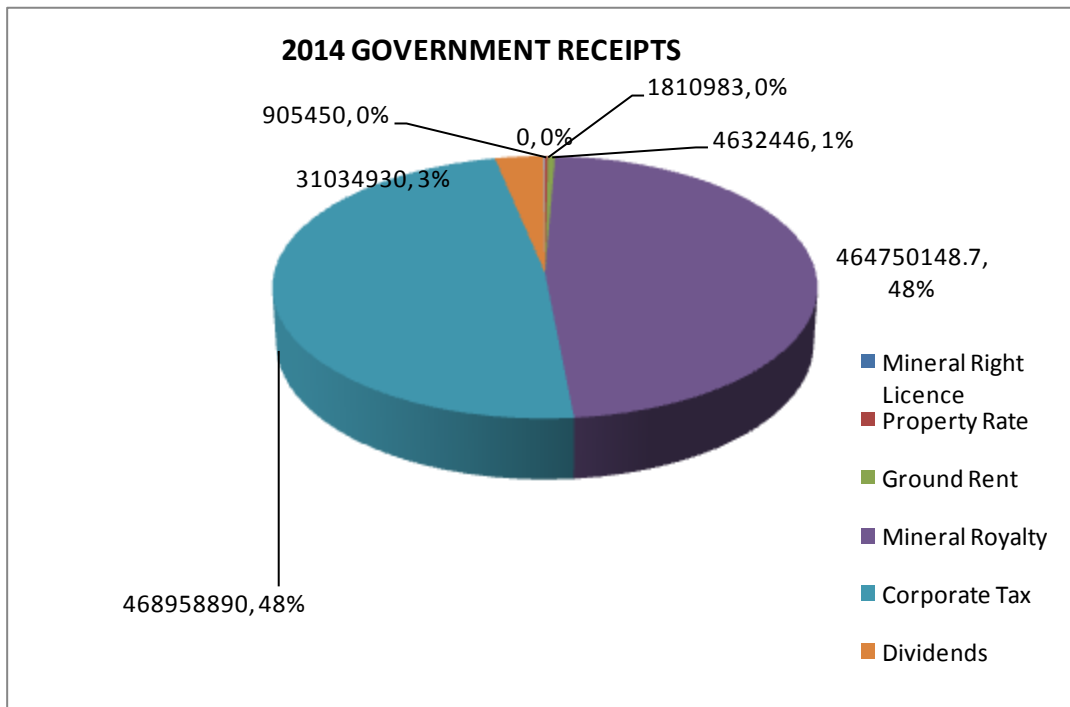
#### ❖ Dividends Declarations

Only Goldfields (Ghana) Ltd paid dividends in 2014.

#### ❖ Mineral Royalty

This was the second highest payment. Total amount reported by the GRA amounted to GHS 456,072,133. See Fig 5.2

Fig 5.2: 2014 Government Receipts



## 6.0 SUB NATIONAL TRANSFERS:

### 6.1 Ground Rent

According to section 23 of the Minerals and Mining Act, ACT 703, the holder of a mineral right shall pay an annual ground rent as may be prescribed.

Payments are made to the owners of the land, or successors and assigns of the owner except in the case of annual ground rent in respect of mineral rights over stool lands. Where the land is a stool land, ground rent is paid to the Office of the Administrator of Stool Lands.

Ground rent payments were reported by the companies. Ground rent payments were substantial comparing with previous years.

Ground rent received by the Office of the Administrator of Stool lands is distributed as follows.

*Table 6.1.1: Disbursement of Ground rent paid by mining companies and received by the OASL*

Beneficiary	Share %
<ul style="list-style-type: none"> <li><b>The Administrator of stool Lands (takes 10% of the amount received to cover administrative expenses). The remaining amount is shared as per the percentages below.</b></li> </ul>	10%
<ul style="list-style-type: none"> <li><b>District Assemblies-55%</b></li> </ul>	49.5%
<ul style="list-style-type: none"> <li><b>Stools-25%</b></li> </ul>	22.5%
<ul style="list-style-type: none"> <li><b>Traditional Councils-20%</b></li> </ul>	18.0%
<b>TOTAL</b>	<b>100%</b>

Amount payable as ground rent for stool lands was revised as per the fees and charges amendment legislation LI 2191 in 2012 from GHS0.50 per square kilometre to GHS36.50, and should had been operational in 2012. However a petition from the Chamber of Mines, triggered negotiations which resulted in the ground rent payable being pegged at GHS15/acre.

Only Ghana Manganese Co. Ltd and Goldfields (Ghana) Ltd has fully paid their ground rent liability for 2013 and 2014. The agreed applicable rate is GHS15 per acre; GHS 3,675 per sq. Km. Table 6.1.2 shows outstanding payments by mining companies to the state.



Table 6.1.2: Outstanding Ground Rents by In scope mining companies in 2014.

Company	Size(km2)	Annual Rent	Amount Due (2013& 2014)	Paid	Outstanding as at 31/12/2014
Goldfields Tarkwa	204.22	750,508	1,501,016	1,637,988	-
Goldfields Damang	81.11	298,079	596,158.5	0	<b>596,158.50</b>
Ghana Manganese Co. Ltd	175.93	646,542	1,293,085.5	1,293,086	-
Anglogold Ashanti Iduapriem	153.54	564,259	1,128,518	564,259	<b>564,259.00</b>
Anglogold Ashanti Obuasi	568.24	2,088,283	4,176,564	1,052,283	<b>3,124,281.00</b>
Newmont Gold Ghana Ltd	464.93	1,708,617	3,417,234	0	<b>3,417,234.00</b>
Golden Ridge Co. Ltd	62.74	230,569	461,139	0	<b>461,139.00</b>
Chirano Gold	36.34	133,549	267,099	0	<b>267,099.00</b>
Perseus Mining	49.20	180,810	361,620	65,104	<b>296,516.00</b>
GSR Prestea/Bogoso	271.85	999,048	1,998,097.5	0	<b>1,998,097.50</b>
GSR Wassa	110.22	405,058	810,117	0	<b>810,117.00</b>
Ghana Bauxite	29.36	107,898	215,796	19,725	<b>196,071.00</b>
Adamus Resources Ltd	75.70	278,197	556,395	0	<b>556,395.00</b>
Noble Gold	49.0	180,075	360,150	0	<b>360,150.00</b>
Total					<b>12,647,517.00</b>

Source: Minerals Commission/Boas computations.

### 6.1.1 PAYMENT OF GROUND RENT IN 2014:

Mining Concession ground rent received from the relevant regions are indicated below. There were no reported receipts of concession ground rent in the Brong Ahafo Region.

#### EASTERN REGION

Table 6.1.3: Concession ground rent received in 2014

Mining Company	Amount (GHS)
Kibi Goldfields Ltd	100,000.00
Narawa Company Ltd	20,000.00
<b>TOTAL</b>	<b>120,000.00</b>

## WESTERN REGION

Table 6.1.4: Concession ground rent received in 2014

Mining Company	Amount (GHS)
Anglogold Ashanti (Iduapriem) Ltd	564,259.50
Gold Fields (Ghana) Ltd	1,637,988.25
Ghana Bauxite Co Ltd	19,725.00
Ghana Manganese Co Ltd	1,293,085.50
Perseus Mining (Ghana)Ltd	65,104.26
Total	3,580,162.51

## Disbursement

Table 6.1.5 2014 Disbursement of Ground Rent in Western Region

Table 6.1.5 : 2014 Disbursement of Ground rent in Western Region												
Mining company	Amount paid	OASL	District Assemblies			Traditional Councils		Stools				Total
			Prestea Huni Valley	Tarkwa Nsuaem	Bibiani	Wassa Fiase	Sefwi Ahwiaso	Apinto	Esuoso	Nyametease	Awaso	
Goldfields(Gh) Ltd	1,637,988.23	163,798.82	324,321.67	486,482.51		294,837.88		221,128.41		147,418.94		1,637,988.23
Ghana Bauxite Ltd	19,725.00	1,972.50			9,763.88		3,550.50				4,438.13	19,725.01
Ghana Manganese Ltd & Anglogold	1,857,345.00	185,734.50	-	919,385.78		334,322.10		217,944.41	199,958.22			1,857,345.01
Total	3,515,058.23	351,505.82	324,321.67	1,405,868.29	9,763.88	629,159.98	3,550.50	439,072.82	199,958.22	147,418.94	4,438.13	3,515,058.25

## ASHANTI REGION

Table 6.1.6: Concession ground rent received in 2014.

Mining Company	Amount (GHS)
Anglogold Ashanti –Obuasi	1,052,283

Table 6.1.7: Disbursement of concession ground rent received in 2014<sup>25</sup>.

Mining Company	Amount paid(GHS)	Beneficiaries	Amount Received (GHS)
<b>Anglogold Ashanti –Obuasi</b>	1,052,283	Obuasi Municipal Assembly	285,377.59
		Adansi South District	81,536.48
		Adansi North	40,768.00
		Bekwai Municipal	39,619.18
		Amansie Central	73,578.48
		Adansi Stools	185,310.19
		Adansi T/Council	148,248.15
		Bekwai Stool	34,304.04
		Bekwai T/C	27,443.23
		Adankrandja Stool	17,149.44
		AdankrandjaT/C	13,719.67
			<b>947,054.45</b>
		10% OASL Admin fees	105,228.30
<b>Total</b>			<b>1,052,283.75</b>

<sup>25</sup> The independent Administrator did not reconcile the disbursements made to stools and Traditional Councils.

## 6.2 TRANSFER DISBURSEMENTS OF MINERAL ROYALTY

Host mining communities receive portions of mineral royalty paid by the mining companies. The formula for the disbursement is shown below: Currently there is no law backing such transfers. The transfers are made in accordance with an administrative fiat established in 1999. *Administrative fiat of 1999 (letter no.AB.85/156/01)*

*Table 6.2.1: Disbursement of Mineral Royalties*

Beneficiary		Share (%) of Total Amount.
<b>Government in Consolidated Fund</b>		<b>80%</b>
<b>Minerals Development fund</b>		<b>10%</b>
<b>Office of the Administrator of Stool Lands</b>	10% Of Total Amount	
<ul style="list-style-type: none"> <li><b>The Administrator of stool Lands takes 10% of the amount received to cover administrative expenses. The remaining 90% is distributed as follows.</b></li> </ul>		<b>1%</b>
<ul style="list-style-type: none"> <li><b>District Assemblies</b></li> </ul>	55%	<b>4.95%</b>
<ul style="list-style-type: none"> <li><b>Stools</b></li> </ul>	25%	<b>2.25%</b>
<ul style="list-style-type: none"> <li><b>Traditional Councils</b></li> </ul>	20%	<b>1.80%</b>
<b>TOTAL</b>		<b>100%</b>

*Source: Administrative fiat of 1999 (letter no.AB.85/156/01)*

## 6.3 DISBURSEMENT FROM HEAD OFFICE TO REGIONS

In 2014, there was only a single transfer or disbursement of mineral royalty from the OASL head office to host mining communities.

Table 6.3 ASHANTI REGION

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
<b>05/09/14</b>	JULY-SEPT 2012	ASL/DB/02/14	851179	<b>341,918.73</b>
<b>05/09/14</b>	2007-2012	ASL/DB/09/14	851179	<b>66,777.59</b>
<b>TOTAL</b>				<b>408,696.32</b>

Source: OASL Head Office

Table 6.3.1 BRONG AHAFO REGION

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
<b>05/09/14</b>	<b>JULY-SEPT 2012</b>	<b>ASL/DB/01/14</b>	<b>851178</b>	1,350,931.56

Source: OASL Head Office

Table 6.3.2 WESTERN REGION

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
<b>05/09/14</b>	<b>JULY-SEPT 2014</b>	<b>ASL/DB/03/14</b>	<b>851180</b>	<b>9,804,800.19</b>

Source: OASL Head Office

Table 6.3.3 CENTRAL REGION

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
<b>05/09/14</b>	<b>JULY-SEPT 2014</b>	<b>ASL/DB/06/14</b>	<b>851183</b>	<b>708,659.06</b>

Source: OASL Head Office

Table 6.3.4: EASTERN REGION

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
<b>05/09/14</b>	JULY-SEPT 2014	ASL/DB/05/14	851182	<b>48,959.17</b>
<b>05/09/14</b>	2007-2012	ASL/DB/10/14	851182	<b>198,145.74</b>
<b>TOTAL</b>				<b>247,104.91</b>

Source: OASL Head Office

## 6.4 TRANSFERS FROM REGIONAL OASL TO DISTRICT/MUNICIPAL ASSEMBLIES:<sup>26</sup>

### ASHANTI REGION

Amounts due to the various district Assemblies from AngloGold Ashanti operations are indicated below. Amounts received by the District Assemblies have also been shown.

*Table 6.4. Royalty disbursement due /Amount received by District Assemblies in 2014.*

District Assembly	Amount due(GHS)	Amount received by District Assembly (GHS)
Obuasi Municipal		217,692.07
Adansi South		-
Adansi North		16,032.02
Bekwai Municipal		8,499.99
Amansie Central		

*Source: District Assemblies/OASL Ashanti/Boas' compilations*

The Independent Administrator could not compute amounts due as the payments made by AngloGold Ashanti (Obuasi) during July-September 2012 were not identified. Amounts received included arrears which were not considered in the computations.

<sup>26</sup> Amount due computations are based only on July-September 2012 payments by companies. They do not include any arrears paid in 2014.

Table 6.4.1: Mineral royalty disbursed to Stools and Traditional Authorities in Ashanti-2014

DATE	PERIOD	MINNING COMPANY	AMOUNT RELEASED( OASL)	ASSEMBLY PORTION(55%)	BENEFICIARIES	AMOUNT DISBURSED	AMOUNT PAID
09-09-14	Jul. 2012	Anglo Gold Ashanti	408,696.32	224,782.97	Obuasi Municipal Ass.	102,315.07	102,315.07
	to				Adansi South District Ass.	29,232.88	29,232.88
	Sept.2012				Adansi North District Ass.	14,616.44	14,616.44
					Bekwai Municipal Ass.	14,204.47	14,204.47
					Amansie Central Dist. Ass.	26,379.74	26,379.74
					Atwima Nwab. Dist. Ass.	38,033.77	38,033.77
				STOOL	Adansi Stool	66,438.36	66,438.36
				PORTION (25%)	Bekwai Stool	12,298.86	12,298.86
				102,174.91	Adankradja Stool	6,148.50	6,148.50
					Akropong Stool	594.79	594.79
					Barekese/Ananta Stool	16,694.40	16,694.40
				TRADITIONAL	Adansi Traditional Council	53,150.69	53,150.69
				PORTION (20%)	Bekwai Traditional Council	9,839.09	9,839.09
				81,739.26	Adankradja Trad. Council	4,918.80	4,918.80
					Kumasi Traditional Council	13,830.46	13,830.46
	<b>TOTAL</b>		<b>408,696.32</b>	<b>408,696.32</b>		<b>408,696.32</b>	<b>408,696.32</b>

## BRONG AHAFO REGION

The table 6.4.2 indicates amounts due Asutifi North District Assembly from Newmont Ghana Gold Ltd operations. The total amount received by the District Assembly has also been indicated.

Table 6.4.2: Amount due to Asutifi North District Assembly/Amount received by Asutifi North DA in 2014

District Assembly	Amount due(GHS)	Amount received by District Assembly(GHS)
Asutifi North District Assembly	622,251.48	743,012.36

Source: OASL Brong -Ahafo/Compilation by Boas & Associates

## WESTERN REGION

Table 6.4.3 Amounts due/ Receipts by District and Municipal Assemblies-2014<sup>27</sup>

District/Municipal Assembly:	Amount Due GHS	Amount received. GHS
<b>Prestea Huni Valley</b>	1,390,465.60	2,089,334.76
<sup>28</sup> <b>Wassa East</b>	158,808.40	95,053.25
<b>Tarkwa Nsuaem</b>	1,311,719.01	1,829,269.69
<b>Bibiani/Ahwiaso Bekwai</b>	231,935.95	363,727.00
<b>Sefwi Wiawso</b>	258,626.15	395,135.00
<b>Ellembelle</b>	202,150.62	292,935.00

*Source: OASL Western Region/Boas & Associates compilations*

The Independent Administrator could not obtain details of payments made to district Assemblies in the operational area of Perseus Mining Co Ltd.

<sup>27</sup> The district has now been divided into Mphohor and Wassa East Districts. The amount due computation is for the district before the division.



Table 6.4.4: Mineral royalty revenue disbursed to stools and traditional authorities in the western region 2014

	STOOLS	GHS
1	Wassa Fiase	1,849,258.55
2	Sefwi Wiawso	179,607.24
3	Awaso	13,018.67
4	Mpohor	30,806.44
5	Prestea	30,806.44
6	Saamang	133,153.46
7	Sefwi Anhwiaso	5,360.44
8	Sankore	5,344.39
9	Nkawie	5,344.39
10	Abenabena	51,504.66
11	TOTAL	2,304,204.68
12	Un-disbursed (Chirano and Sefwi Anhwiaso)	146,951.38
	TRADITIONAL COUNCILS	GHS
1	Wassa Fiase	1,497,406.84
2	Sefwi Wiawso	143,685.79
3	Sefwi Anhwiaso	14,703.29
4	Mpohor	24,645.15
5	Ahanta	24,645.15
6	Eastern Nzema	106,521.97
7	Wassa Amenfi	41,203.73
8	Nkawie	4,275.51
9	Sankore	4,275.51
10	TOTAL	1,843,362.94
11	Chirano and Sefwi Anhwiaso	117,561.10

Table 6.5: Mineral Royalty disbursed in 2014-Central Region.

DISBURSEMENT TO ASSEMBLIES			TOTAL
WASA AMENNFI EAST		350,786.23	
UPPER DENKYIRA EAST		38,976.25	
		389,762.48	389,762.48
TRADITIONAL COUNCIL			
WASA AMANFI TC		127,558.63	127,558.63
STOOLS			
ABENABENA STOOL		144,503.29	
JAPA STOOL		4,986.67	
BOAH KYEI STOOL		4,986.67	
YIADOM STOOL		4,986.67	
		159,463.30	159,463.30
NTI AND FAMILY			17,716.48
KWAKYE AND FAMILY			14,158.17
TOTAL			708,659.06

## 7.0 UTILIZATION OF MINERAL ROYALTY RECEIPTS IN 2014

The utilization of mineral royalty receipts by some District and Municipal Authorities (with dedicated MDF accounts in 2014) are shown below.

*Table 7.1: Prestea Huni Valley District Assembly-2014 Royalty utilization*

No	Expenditure Details	Amount	% Of Total expenditure
1	General infrastructure(construction of Assembly Building)	169,094.82	14.28
2	Health(construction of Chips compound at Broni Nkwanta	10,000.00	0.85
3	Waste Management(clearing of refuse dump)	264,500.00	22.34
4	Construction and rehabilitation of roads and Bridges	513,099.78	43.34
5	Repair and Maintenance of Assembly Equipment	63,222.99	5.34
6	Disease and pest control	25,000.00	2.12
7	Rehabilitation of Assembly Building	78,752.24	6.65
8	Other Assembly projects	60,462.38	5.11
9	Total	1,184,131.31	100.00

*Table 7.2 Tarkwa Nsuaem District Assembly*

No	Expenditure Details	Amount	% Of Total expenditure
1	<b>Water and Sanitation</b>	<b>452,415.00</b>	<b>68.71</b>
2	<b>Waste Management</b>	<b>176,326.62</b>	<b>26.78</b>
3	<b>Repairs and Maintenance of Vehicles and Equipments</b>	<b>2,875.00</b>	<b>0.44</b>
4	<b>Rehabilitation of Assembly building</b>	<b>17919.71</b>	<b>2.73</b>
5	<b>Stakeholders Meetings</b>	<b>8,960.00</b>	<b>1.36</b>
	<b>Total</b>	<b>658,496.33</b>	<b>100.00</b>

## 8.0 MINERAL DEVELOPMENT FUND

Transfers totaling GHS35,403,184.16 were paid into the Ministry of Lands & Natural Resources (MLNR) sub Consolidated Fund Account at Bank of Ghana for disbursements to the beneficiary institutions indicated in the Table 8.1 below.

Out of the GHS35,403,184.16, an amount of GHS15,692,470.41 was spent on construction works; GHS4,841,635 was spent on field work; GHS13,956,193.41 transferred to OASL and GHS912,884.41 on procurement and consultancy services.

These payments were effected after correspondences between the Ministry of Finance, Accountant Generals Department and the Ministry of Lands and Natural Resources. MNLR approves these transactions from the beneficiary institutions and communicates outcomes to the

Ministry of Finance. Ministry of Finance authorizes these payments and advises the Accountant General Department to transfer monies from the Consolidated Fund to the Ministry of Lands and Natural Resources sub-Consolidated Fund Account at Bank of Ghana. MLNR subsequently effects payments for the transactions undertaken by the beneficiary institutions.

Indicated below are the payments effected by MLNR based on the tripartite arrangement between the three state institutions:

Table 8.1 MDF Utilization on Mining Sector Institution Projects in 2014

DATE	AMOUNT (GHS)	BENEFICIARY	SERVICE TYPE			
			Construction Works	Field Activities	MDF Transfer	Others
20/03/14	715,606.47	UMAT	715,606.47			
17/04/14	679,200	Mining Review Committee		679,200		
15/05/14	2,000,000	Ghana Boundary Commission		2,000,000		
23/06/14	13,956,193.41	OASL			13,956,193.41	
10/07/14	2,309,000	Geological Survey Department	2,309,000			
13/08/14	611,093.66	University of Ghana				611,093.66
-do-	61,083.26	-do-				61,083.26
22/08/14	203,685.61	Geological Survey Department		203,685.61		
25/08/14	1,296,754.22	-do-	1,296,754.22			
29/08/14	758,750	Survey & Mapping Division		758,750		
28/08/14	46,907.88	UMAT	46,907.88			
02/09/14	416,289.96	UMAT	416,289.96			
04/09/14	1,200,000	Ministry of Lands		1,200,000		
05/09/14	700,000	UMAT	700,000			
12/09/14	2,486,935	-do-	2,486,935			
17/09/14	240,707.81	Boundary Commission				240,707.81
25/09/14	423,266.58	UMAT	423,266.58			
21/10/14	517,725.30	Geological Survey Department	517,725.30			
27/11/14	85,723.74	UMAT	85,723.74			
01/12/14	724,840.11	-do-	724,840.11			
01/12/14	4,398,741.90	-do-	4,398,741.90			
11/12/14	579,744.52	-do-	579,744.52			
-do-	349,549.36	-do-	349,549.36			
-do-	285,635.03	-do-	285,635.03			
-do-	355,750.34	-do-	355,750.34			
<b>Total</b>	<b>35,403,184.16</b>		<b>15,692,470.41</b>	<b>4,841,635</b>	<b>13,956,193.41</b>	<b>912.884.73</b>

## 9.0 UPDATE ON RECOMMENDATIONS MADE IN 2010-2013 REPORTS

Issue	Recommendation	Status	Remark
Receipting and reporting Currency for EITI	Companies to maintain records of receipt currency by GRA for EITI Reconciliation	Complied	
Frequency of Royalty Payments	Regularisation of monthly and split quarterly payments	Partially Complied	
Irregularities in OASL funds transfer to Assemblies	OASL to fully implement recommendations on funds transfer	Complied	
Management of MDF	Appointment of MDF Oversight agency	Outstanding	Awaiting promulgation of MDF Bill
Award of Mineral Right Licences	Open and Transparent Bidding Process	Outstanding	Awaiting outcome of new committee on Mining Agreements
Improvement in Mining Cadastral System	On-line cadastre system	Outstanding	
Royalty on mineral output of Small Scale Mining	Levying royalty on ASM Production to be attempted	Outstanding	Being discussed
Request and release of mineral royalty to Asutifi District	No recourse to Coordinating Council on royalty releases	Addressed	
Mineral Royalty Payment by Prestea Sankofa Gold Ltd	GRA to follow through	Partly paid	
No Transfer of Mineral Royalty to Assemblies in 2013	Regular transfer advocated	2013 Royalty Funds partly released	

## 10.0: OBSERVATIONS AND RECOMMENDATIONS

### 10.1 Setting off tax credits against Royalty.

It was observed that in October 2014 Perseus Mining Ltd set off its Tax credit on VAT against the royalty liability resulting in the payment of GHS 410,000 instead of GHS GHS10,686,543.

#### 10.1.1 Recommendation

This practice should be discouraged as it has the potential of denying host mining communities, the appropriate royalty disbursement.

All mining companies should pay the appropriate royalty without any set off. In the meantime GRA and the OASL are requested to ensure that the host District Assembly and communities receive their due royalty disbursements.

### 10.2 Dedicated bank accounts for royalty disbursements.

District Assemblies continue to receive mineral royalty disbursements into the main account (normally IGF Account) of the District. Where the districts have designated accounts for royalty receipts, other transactions are also carried through that same account.

Again some of the district Assemblies transfer some amounts of royalty receipts back to the IGF account.

#### 10.2.1 Recommendation

The District Assemblies should have dedicated bank accounts for mineral royalty receipts. These accounts should be used exclusively for mineral development purposes.

### 10.3 Licensing regime

The mode of awarding licences and concessions remains unchanged, as first come first served basis. The determination of who came first is left to the Commission. Again the country could possibly be losing needed funds.

#### 10.3.1 Recommendation

In order to ensure full transparency in the system, an open round of bidding should be conducted with the highest bidder obtaining the concession. This will ensure transparency and also has the potential of generating higher revenue. The Minerals Commission should expedite plans of introducing the tendering process.

## 10.4 MDF Bill

The delay in passing the MDF Bill into law is hampering transfer and utilization of funds to the mining sector institutions for effective execution of projects.

The actual amount spent on mining sector institutions for 2014 was GHS 21,446,990.75 (i.e. less transfer to OASL). This represents less than 10 percent of the royalty proceeds meant for MDF activities, as per the administrative fiat of 1999 (letter no. AB.85/156/01).

### 10.4.1 Recommendation

It is recommended that Parliament, at the earliest convenience, pass the MDF bill into law to ensure strict adherence of disbursement requirements to sector institutions.

## 10.5 Disbursement of Mineral Royalty

Only one tranche of royalty disbursement was made in 2014 in respect of 2012 mining operations.

### 10.5.1 Recommendation

Regular disbursement of royalties affords MMDAs with more development funds for projects to impacted communities.

## 10.6 Payment of Forest royalty

Newmont Golden Ridge Ltd made two forest royalties payments of GHS 1,802,012 for September and October 2014 and GHS 1,012,094 for November 2014 operations.

### 10.6.1 Recommendation

Forestry Commission is requested to follow through on payments for mining operations in the Agyenwa Bepow Forest Reserves for the remaining months of the year 2014.

## 10.7 Arrears in mineral royalty disbursement

Disbursement of mineral royalties made cover specific periods. Sometimes payments do not cover fully the money for the entire period, creating arrears.



### **10.7.1 Recommendation**

It is important that disbursements cover fully the periods indicated. This will afford stakeholders at all fronts ie MMDAs to independently compute royalties due them and thereby enhance transparency.

### **10.8 Outstanding Ground Rent**

During the period of ground rent re-negotiation in respect of 2013, no company made any down payment. On settling on GHS 3,675 per sq. km payable annually, mining companies have had to pay for both 2013 and 2014 ground rent liabilities. Only Goldfields (Ghana) Ltd and Ghana Manganese Co. Ltd paid in full.

#### **10.8.1 Recommendation**

Office of the Administrator of Stool Lands is requested to follow through on the payment of outstanding balances and retrieve over GHS 12million due in 2014 only.

## 11.0 CONCLUSION

The 2014 reconciliation had an amount of GHS 972,092,848 as government receipts and company payments of GHS 972,787,529.

Initial reconciliation yielded a net discrepancy of GHS44, 877,385. After the resolution of some discrepancies the final net discrepancy came up to GHS 694,681. This represents 0.07% of reported government receipts.

All reporting entities required to report for the reconciliation exercise did so dutifully.

Corporate tax was the largest of the mining revenue streams received by the government in 2014.

Ground rent receipts were significant for the first time in the reconciliation process.

Mineral royalty payments should not be offset against any tax credits, as there are implications for subnational transfers.

# APPENDICES

## APPENDIX 1: TERMS OF REFERENCE

### PART I - Background contextual information

Under the terms of reference for the assignment the obligations of the Independent Administrator shall include the provision of the following contextual information about the mining industry in Ghana:

- I. An overview of the mining industry, including exploration activities, analysis of how large-scale mining production has developed overtime, levels of investments, confirmed reserves, level of employment, price developments and average cost developments.
- II. An overview of the relevant laws and regulations (legal framework and fiscal regimes), and information on roles and responsibilities of relevant government agencies.
- III. The contribution of the mining industry to the economy for the 2014 fiscal year
  - Contribution of the industry, including the informal sector to GDP
  - Production data including volumes and values by commodity for 2014;
  - Total government revenues generated by the mining industry ( including sales/export receipts, taxes, royalties, bonuses, fees and other payments for all exploration and production companies) in absolute terms and as a percentage of total government revenues;
  - Describe the policy, legislative and institutional arrangements for small scale mining in Ghana, including a value chain analysis ( licensing, production, regulation, sales and exports) of artisanal and small scale mining activities
- IV. Compare the mining sector contribution to GDP with the oil sector and the rest of the other sectors within the economy. The data used in the reports must be properly referenced
- V. Mining sector revenue and expenditure budget management and outcomes, i.e., revenues earmarked for specific programmes or districts.
- VI. State participation in the mining industry. Disclosures from state owned companies on their revenues, costs and expenditures such as payments for social services, public infrastructure, fuel subsidies and national debt servicing.
- VII. Track changes in the beneficial ownership structure of mining companies operating in Ghana and establish whether or not capital gains tax opportunities that arise as a result of these changes have been seized upon by the revenue collection agencies.

- VIII. Distribution of revenues from the extractive industries; sovereign wealth and development funds, subnational governments, state-owned companies, and other extra-budgetary entities.
- IX. Information on the licensing processes and awards, register and the allocation of licenses (license holders, coordinates of the license area, date of application, award, duration and commodity being produced), trends in applications, number of pending licenses, progress in terms of reform of cadaster, issues with small scale mining licenses, and decentralized cadaster.
- X. Information on mining contracts: disclosure practices and policy of companies and government. Provide updates on renegotiations of Stability Agreements ie Newmont Ghana Gold and AngloGold Ashanti.
- XI. Report on the spending patterns of mineral revenues through the national budget.
- XII.** Report on social expenditures: Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, report on it, where possible, reconcile these transactions.
- XIII. Provide a brief description on how each company does its social responsibility expenditure. The Administrator is expected to report on the Trust Funds from the established Foundations, how much is accrued, how much has been used and on what projects.
- XIV. Where such benefits are provided in-kind, report on the nature and the deemed value of the in-kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, provide/disclose the name and function of the beneficiary.
- XV. Where reconciliation is not feasible, include unilateral company and/or government disclosures of these transactions.
- XVI. The Administrator shall be expected to report on amounts accruing to the Minerals Development Fund, how the funds have been utilized, and whether or not the utilization is accordance with provisions of its statute.
- XVII. In addition to the review of the relevant background information, the Independent Administrator is expected to review the findings from any preliminary scoping work, and conclusions and recommendations from the previous EITI Reports and validations.

## PART II

### Solid Minerals

For the mining report the Independent Administrator is expected to specifically,

1. Analyse documentation on production, exports, payments and receipts from solid minerals in the country.
2. Review feasibility reports of Mining Companies in order to compare projected production with the actual production. Explain the discrepancy if there is any. Indicate if the feasibility reports are accessible to the general public.
3. Where applicable, check if quantities of solid minerals declared to the regulatory institutions are in conformity with the declarations on the refinery certificates.
4. Check if the computation of the amortization and depreciation is in accordance with the Income Tax Act and agreement between a mining company and government and does not improperly reduce the amount of taxable profit of the mining companies.
5. Check the correctness of the computation of payments in order to determine the appropriateness of the revenues received as mineral royalty, dividends, tax on profit property rate, ground rent, mineral rights, environmental permitting fees as well as the additional royalty paid for mining in forest reserves.
6. Analyze all tax deductions claimed by the companies to ensure that only legitimate claims have been made.
7. Scrutinize the central government transfers made to District Assemblies, Traditional Authorities and Stools through the Office of the Administrator of Stool Lands within the operational areas of mines, and establish the correctness of computation in accordance of the operational formula. Furthermore scrutinize the transfers made by the Ministry of Finance to the OASL.
8. Reconcile the data so collected to ascertain, where applicable, if there is any disparity between the government's reported template and the companies' reporting Templates and make appropriate recommendations to deal with the disparities.

9. Review financial statements of companies and institutions for consistency. Specifically, for companies the Administrator shall review company capital investments and operating cost using the World Gold Council Cost Matrix (WGCCM) as the Benchmark. Comment on the status of the benchmarking of operational cost study being done by Minerals Commission

12. Provide information regarding disclosures on environmental impact assessment and environmental management plans. Provide a link to EPA's AKOBEN

13.. Reconcile the data so collected to ascertain if there is any disparity between the government's reported templates and the companies' reporting templates.

## APPENDIX 2: DETAIL OF RECONCILIATION

## DETAILS OF RECONCILIATION

COMPANY'S NAME: ANGLOGOLD ASHANTI (OBUASI)

TIN:

REPORTING PERIOD: 2014

No	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved	Unresolved
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	Under
	<b>MINING</b>											
1	Mineral Right Licence		215,750		215,750			0	215,750	0	215,750	
2	Property Rate		516,487	(12,024)	504,463	504,463		504,463	504,463	504,463	0	
3	Ground Rent		1,052,283		1,052,283		1,052,283	1,052,283	1,052,283	1,052,283	0	
4	Mineral Royalty		23,808,478	2,948,676	26,757,154	18,079,138	8,678,016	26,757,154	26,757,154	26,757,154	0	
5	Corporate Tax				0			0	0	0	0	0
6	Dividends				0			0	0	0	0	0
7	Environmental Permit Fee		337,650.00		337,650			0	337,650	0	337,650	
	<b>TOTAL</b>		25,930,648	2,936,652	28,867,300	18,583,601	9,730,299	28,313,900	28,867,300	28,313,900	553,400	0

## DETAILS OF RECONCILIATION

COMPANY'S NAME: ANGLOGOLD ASHANTI (IDUAPRIEM)

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)
	<b>MINING</b>										
1	Mineral Right Licence				0			0	-	0	-
2	Property Rate		99,903		99,903	99,903		99,903	99,903	99,903	-
3	Ground Rent			564,260	564,260		564,260	564,260	564,260	564,260	-
4	Mineral Royalty		22,491,549		22,491,549	22,491,549		22,491,549	22,491,549	22,491,549	-
5	Corporate Tax				0			0	-	0	-
6	Dividends				0			0	-	0	-
7	Environmental Permit Fee		57,790	100,000	157,790		157,790	157,790	157,790	157,790	-
	<b>TOTAL</b>		22,649,242	664,260	23,313,502	22,591,452	722,050	23,313,502	23,313,502	23,313,502	0



## DETAILS OF RECONCILIATION

COMPANY'S NAME: ADAMUS RESOURCES LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate		30,000		30000	30000		30,000	30000	30000	0
3	Ground Rent				0			0	0	0	0
4	Mineral Royalty		21,743,968		21743968	21743968		21743968	21743968	21743968	0
5	Corporate Tax				0			0	0	0	0
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			57790	57790		57790	57790	57790	57790	0
	<b>TOTAL</b>		<b>21,773,968</b>	<b>57,790</b>	<b>21,831,758</b>	<b>21773968</b>	<b>57790</b>	<b>21831758</b>	<b>21831758</b>	<b>21,831,758</b>	<b>0</b>

## DETAILS OF RECONCILIATION

COMPANY'S NAME: GOLDEN STAR RESOURCES (WASSA)

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate		28,000		28,000.00		28,000	28000	28000	28000	0
3	Ground Rent				0			0	0	0	0
4	Mineral Royalty		21,285,398.00		21,285,398	21,285,399		21,285,399	21,285,398	21,285,399	-0.65
5	Corporate Tax		27,209,221.00	(3,150,000)	24,059,221	24,059,221		24,059,221	24,059,221	24,059,221	0
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			188460	188460		188,460	188460	188460	188460	0
	<b>TOTAL</b>		<b>48,522,619.00</b>	<b>(2,961,540)</b>	<b>45,561,079.00</b>	<b>45,344,619.65</b>	<b>216,460.00</b>	<b>45,561,079.65</b>	<b>45,561,079.00</b>	<b>45,561,079.65</b>	<b>(0.65)</b>

## DETAILS OF RECONCILIATION

COMPANY'S NAME: GOLDEN STAR RESOURCES (PRESTEA/BOGOSU)

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	-	0	0
2	Property Rate		43,563		43,563	43,563		43,563	43,563	43,563	0
3	Ground Rent				0			0	-	0	0
4	Mineral Royalty		22,655,984		22,655,984	22,655,984		22,655,984	22,655,984	22,655,984	0
5	Corporate Tax				0			0	-	0	0
6	Dividends				0			0	-	0	0
7	Environmental Permit Fee				0			0	-	0	0
	<b>TOTAL</b>		22,699,547	0	22,699,547	22,699,547	0	22,699,547	22,699,547	22,699,547	0

## DETAILS OF RECONCILIATION

COMPANY'S NAME: GOLD FIELDS (GH) LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved	
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	(under)
	<b>MINING</b>											
1	Mineral Right Licence				0			0	-	0	-	
2	Property Rate		789,826		789,826	559,904		559,904	789,826	559,904	229,922	
3	Ground Rent			1,637,988	1,637,988		1,637,988	1,637,988	1,637,988	1,637,988	-	
4	Mineral Royalty		103,901,625	820,001	104,721,626	104,721,626		104,721,626	104,721,626	104,721,626	-	
5	Corporate Tax		99,847,473	(14,566,352)	85,281,121	85,281,121		85,281,121	85,281,121	85,281,121	-	
6	Dividends		32,947,125	(1,912,195)	31,034,930	17,432,550	13,602,380	31,034,930	31,034,930	31,034,930	-	
7	Environmental Permit Fee			114,000	114,000		114,000	114,000	114,000	114,000	-	
	<b>TOTAL</b>		237,486,049	(13,906,558)	223,579,491	207,995,201	15,354,368	223,349,569	223,579,491	223,349,569	229,922	0

## DETAILS OF RECONCILIATION

COMPANY'S NAME: ABOSSO GOLD FIELDS (GH) LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved	
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	Under
	<b>MINING</b>											
1	Mineral Right Licence				0			0	0	0	0	0
2	Property Rate		40,000.00	38,507	78,507.00	78,507		78507	78507	78507	0	0
3	Ground Rent				0			0	0	0	0	0
4	Mineral Royalty		31,226,256.00		31226256	31,458,013		31,458,013	31226256	31458013	-231757	
5	Corporate Tax				0			0	0	0	0	0
6	Dividends				0			0	0	0	0	0
7	Environmental Permit Fee				0			0	0	0	0	0
	<b>TOTAL</b>		31,266,256.00	38,507.00	31,304,763.00	31,536,520.00	-	31,536,520.00	31,304,763.00	31,536,520.00	(231,757.0)	-

## DETAILS OF RECONCILIATION

COMPANY'S NAME: CHIRANO GOLD MINES LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved	
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	
	<b>MINING</b>											
1	Mineral Right Licence				0			0	0	0	0	0
2	Property Rate		175,000		175,000	175,000		175000	175000	175000	0	0
3	Ground Rent				0			0	0	0	0	0
4	Mineral Royalty		51,917,282		51917282	51,917,282		51917282	51917282	51917282	0	0
5	Corporate Tax		145,055,465		145,055,465	145,055,464		145055464	145055465	145,055,464		1
6	Dividends				0			0	0	0	0	0
7	Environmental Permit Fee		65,580	92,210	157,790		157,790	157790	157,790	157,790	0	0
	<b>TOTAL</b>		197,213,327	92210	197305537	197147746	157790	197305536	197305537	197305536		1

## DETAILS OF RECONCILIATION

COMPANY'S NAME: NEWMONT GOLDEN RIDGE LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate				0			0	0	0	0
3	Ground Rent				0			0	0	0	0
4	Mineral Royalty		62,814,030	(2,819,107)	59,994,923.00	59,994,923		59994923	59994923	59994923	0
5	Corporate Tax				0			0	0	0	0
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			56,250	56,250		56,250	56250	56250	56250	0
	<b>TOTAL</b>		62814030	(2,762,857)	60,051,173	59994923	56250	60,051,173	60,051,173	60051173	-

## DETAILS OF RECONCILIATION

COMPANY'S NAME: NEWMONT GHANA GOLD LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate				0			0	0	0	0
3	Ground Rent				0			0	0	0	0
4	Mineral Royalty		50,138,855		50,138,855	50138855		50,138,855	50,138,855	50138855	-
5	Corporate Tax		186,956,591		186,956,591	186,956,590		186956590	186,956,591	186956590	1
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			57790	57790		57790	57790	57790	57790	0
	<b>TOTAL</b>		237,095,446	57,790.00	237,153,236	237,095,445.00	57,790.00	237,153,235	237,153,236	237,153,235.00	1

## DETAILS OF RECONCILIATION

COMPANY'S NAME: GHANA BAUXITE CO. LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate		41000		41000	48,000	-7000	41000	41000	41000	0
3	Ground Rent		20,000	-275	19,725		19,725	19725	19,725	19725	-
4	Mineral Royalty		5,515,000		5,515,000	5,514,704		5514704	5515000	5514704	296
5	Corporate Tax				0			0	0	0	0
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			57,790	57790		57790	57790	57790	57790	0
	<b>TOTAL</b>		5,576,000	57515	5,633,515	5562704	70515	5633219	5633515	5633219	296

## DETAILS OF RECONCILIATION

COMPANY'S NAME: GHANA MANGANESE CO. LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate		54,175	(3,532)	50,643	50,643		50,643	50,643	50,643	0
3	Ground Rent		1,293,086		1,293,086		1,293,086	1,293,086	1,293,086	1,293,086	0
4	Mineral Royalty		16,886,079		16886079	16886079		16,886,079	16,886,079	16,886,079	0
5	Corporate Tax		17,370,125	10,000,000	27,370,125	27,460,125		27,460,125	27,370,125	27,460,125	(90,000)
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee			57,790	57,790		57,790	57,790	57,790	57,790	0
	<b>TOTAL</b>		35,603,465	10,054,258	45,657,723	44,396,847	1,350,876	45,747,723	45,657,723	45,747,723	(90,000)

## DETAILS OF RECONCILIATION

COMPANY'S NAME: PERSEUS MINING (GHANA) LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate				0			0	0	0	0
3	Ground Rent			65,104	65104		65,104	65104	65104	65104	0
4	Mineral Royalty		35,835,609	(10,686,543)	25,149,066	25,593,683		25,593,683	25,149,066	25,593,683	(444,617)
5	Corporate Tax				-			-	-	-	-
6	Dividends				-			-	-	-	-
7	Environmental Permit Fee				-			-	-	-	-
	<b>TOTAL</b>		35,835,609	(10,621,439)	25,214,170	25,593,683	65,104	25,658,787	25,214,170	25,658,787	(444,617)

## DETAILS OF RECONCILIATION

COMPANY'S NAME: NOBLE MINING LTD

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence		17000		17,000			0	17,000	0	17,000
2	Property Rate		250000	(50,000)	200,000	200000		200000	200,000	200000	-
3	Ground Rent				-			0	-	0	-
4	Mineral Royalty		2,314,382.00		2,314,382	1,570,033		1570033	2,314,382	1570033	744,349
5	Corporate Tax				-			0	-	0	-
6	Dividends				-			0	-	0	-
7	Environmental Permit Fee				-			0	-	0	-
	<b>TOTAL</b>		2,581,382	(50,000)	2,531,382	1,770,033	-	1,770,033	2,531,382	1,770,033	761,349

## DETAILS OF RECONCILIATION

COMPANY'S NAME: WEST AFRICAN QUARRIES

TIN:

REPORTING PERIOD: 2014

No.	Revenue Stream	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	
	<b>MINING</b>										
1	Mineral Right Licence				0			0	0	0	0
2	Property Rate				0			0	0	0	0
3	Ground Rent				0			0	0	0	0
4	Mineral Royalty		1,936,984		1,936,984	2,020,897		2020897	1936984	2020897	-83913
5	Corporate Tax		146,369		146369	146,369		146369	146369	146369	0
6	Dividends				0			0	0	0	0
7	Environmental Permit Fee				0			0	0	0	0
	<b>TOTAL</b>		<b>2083353</b>	<b>0</b>	<b>2083353</b>	<b>2,167,266</b>	<b>0</b>	<b>2167266</b>	<b>2083353</b>	<b>2167266</b>	<b>-83913</b>

## APPENDIX 3A

## Prestea Sankofa Social Payments in 2014

Institution	Nature of Request	Approved Amount
Bosofest	Request for sponsorship – District Education Excellence Award	Approved GH¢3,500.00
Prestea Huni Valley District	30 <sup>th</sup> National Farmers Day Celebration – award for the Farmers	Approved GH¢ 2,500.00 to buy 10 wheelbarrows, 20 wellington boots and 20 cutlasses.
Axim Girls’ Senior High School	Appeal for Assistance - Construction of classroom block	Approved GH¢ 2,500.00 buy 100 bags of cement
Ghana Health Service – District Health Directorate	National immunization Days Campaign Transportation	Approved GH¢ 500.00
Social Welfare – Prestea Huni Valley District	Request for financial support-Riyhanatu Nurudeen-Assist in plastic surgical operation (burns)	Approved GH¢ 2,500.00
Ghana Police Service - Prestea	Request for set of shock absorbers and a pair of links for a vehicle GP 3308	Approved GH¢ 3,241.00
Trinity FM	Breast Cancer Awareness	Approved GH¢ 2,000.00
Prestea Urban Council	General Communal labour-Assistance for tools and other logistics to help clean the environment and around Prestea	Approved GH¢ 5,000.00 to purchase 15 wheel barrows, 20 shovels and 20 rakes. Transportation, embossment



Muslim community	EID UL FITR	Purchased 6 bags of rice, 6 crate of minerals and GH¢ 500.00 amounting to (GH¢ 2,000.00)
Prestea Urban Council	Re-building and re-shaping of Prestea and Bondaye roads	Approved GH¢ 710,000.00
Prestea Urban Council	57 <sup>th</sup> Independence Day Celebration	Approved GH¢ 500.00
Bondaye Area Council	57 <sup>th</sup> Independence Day Celebration transportation to convey school children to and from celebrating grounds	Approved GH¢ 600.00
Prestea Government Hospital/Best FM	Blood Donation	Approved GH¢ 1,000.00 to purchase 5 cartoons of Milo, 10 cartoons of milk and 5 boxes of vultic mineral water
Trinity FM	Sponsorship for 1 <sup>st</sup> Anniversary	Approved GH¢ 500.00
Insu catholic Primary School	Appeal for Assistance to purchase computers	Approved GH¢ 1,250.00 to buy one computer
Ghana Education Service Himan D/A Basic School	Application for computers	Approved GH¢ 2,500.00 to buy 2 set of computers
<b>Total</b>		<b>GH¢ 744,091.00</b>

## APPENDIX 3B

## GHANA MANGANESE LTD SOCIAL PAYMENTS

	GHS	Name of beneficiary
Scholarships	89,560	Bursuries for Essuaso Division Council
Educational infrastructure	27,850	Fiaseman SHS
Educational infrastructure	33,437	Tarkwa Bansa JHS re-roofing
Sports & Culture	242,400	MEDEAMA SPORTING CLUB
Sports & Culture	44,461	Asuaso Divisional council-Festivals & Donations
Sports & Culture	28,000	Manshia Palace
Sports & Culture	5,824	57th Independence Anniversary
Sports & Culture	4,000	Football team - Tarkwa Bansa
Sports & Culture	6,000	Volley Ball Association - Western Region
Sports & Culture	15,636	Road Repairs - Tarkwa Bansa
Sanitation	21,000	Drainage - Huni Valley
Sanitation	36,100	Drainage - Anomako Krom
Other Social Expenditures	10,300	Voter Card Registration - EC
Other Social Expenditures	5,000	Donation - Farmers day
Other Social Expenditures	6,800	Graduation of Apprentices & Library - Nsuta
General Infrastructure	6,600	Water - Zongo community
General Infrastructure	15,500	Road Repairs - Effuanta
General Infrastructure	8,673	Water - Ackem Community
General Infrastructure	12,229.05	Water - Tarkwa Bansa Community
General Infrastructure	265,450	Bridge - Essuaso
General Infrastructure	12,000	Water - Bankym Community
General Infrastructure	8,000	Anomako Krom Community Centre
Health	2,055	Breast Cancer Awareness
Health	3,300	Medical - Agona Chief
	910,175	

## APPENDIX 4

## Sizeable Out of Scope Company Royalty Payments in 2014

GOLD RECOVERY GH LTD	570,139.24
EASTERN QUARRIES	418,894.77
KIBI GOLDFIELDS LTD	250394.24
XTRA GOLD MINING LTD	229,010.69
MANAGING GOD'S RESOURCES	185,091.50
REGIMANUEL CONC'TE PRODTS	123,508.06
MED MINING	107,283.00
P.W. GHANA LTD	65,685.80
MENSIN GOLD BIBIANI LTD	255,800

## APPENDIX 5A

LIST OF Exploration and Mining Leases granted in 2014										
No	Name of Company	Type of Mineral	Size (km <sup>2</sup> )	Location	District	Date of Licence	Date of Expiry	Term	Mineral Right	Amt Paid GHC
1	Alharris Company Limited	Gold	89.45	Nyinahin	Atwima Mponua	18-Apr-14	17-Apr-15	1	Reconnaissance	16,495.00
2	Asaray Company Limited	Gold & other minerals	17.01	Domama Wasa	Wassa East	2-Apr-14	1-Apr-15	1	Reconnaissance	2,670.00
3	Kopaclif Limited	Gold and other Minerals	5.31	Watreso A	Ashanti	26-Mar-14	25-Mar-15	1	Reconnaissance	5,000
4	Kopaclif Limited	Gold and other Minerals	2.34	Watreso B	Ashanti	26-Mar-14	25-Mar-15	1	Reconnaissance	5,000.00
5	Socorro Investment Ltd	Gold & Other Mineral	10.08	Prawkaw South	Ashanti Akyem South	3-Oct-14	2-Oct-22	8	Mining Lease	125,664.00
6	Socorro Investment Ltd	Gold & Other Mineral	2.52	Prawkaw North	Ashanti Akyem South	3-Oct-14	2-Oct-24	10	Mining Lease	31,416.00
7	Tripple Key Co. Ltd	Gold, Diamond & Base Metals	11.89	Afiefiso	Amansie West & Upper Denkyira	22-May-14	21-May-24	10	Mining Lease	96,558.00
8	Tripple Key Co. Ltd	Gold, Diamond & Base Metals	11.68	Apenimadi	Amansie West & Upper Denkyira	22-May-14	21-May-24	10	Mining Lease	93,170.00
9	Arise Mining Co. Ltd	Gold	35.07	Amuni	Wassa Amenfi West	23-May-14	22-May-16	2	Prospecting	11,009.00
10	Azumah Resources (Gh) Ltd	Gold	26.48	Kunche/Bekpong	Wa East	19-05-14	18-May-29	15	Mining Lease	USD 100,000
11	Angel Royal Gold Mines Limited	Gold	44.94	Amponya	Bekwai	8-Jul-14	7-Jul-15	1	Reconnaissance	7,053.00
12	Midlands Minerals Corporation	Gold, Diamond & Base Metals	5.76	Mmooho	Amansie West	19-Dec-14	18-Dec-16	2	Prospecting	40,000.00
source: Minerals Commission										

## APPENDIX 5B

LIST OF QUARRY LICENSE GRANTED IN 2014								
Name Of Company	TYPE OF MINERAL	LOCATION	TERM	FROM	TO	SIZE (ACRES)	DISTRICT	Amt Paid
Kasap Ltd.	Quarry	Lorlorvor	5yrs	08 May 2014	07 May 2019	70.25	Dangme West	USD 20000
Nendor Eng.& Facilities Management Ltd	Quarry	Anoff	5yrs	11-06-14	10-06-19	22.34	Akuapim South	GH¢ 3000
Premier Terrazzo Co-op. Works Ltd.	Quarry	Klo Begoro	5yrs	14-05-14	13-05-19	4.92	Yilo Krobo	GH¢ 3000
Ghacem Limited	Quarry	SEDORM	15yrs	11-03-14	10-03-29	45	Asuogyaman	USD 20000
P.W. Ghana Ltd.	Quarry	Shai Hills	5yrs	14-05-14	13-05-19	106.92	Dangbe West	USD 20000
P & W Ghanem Limited	Quarry	Wiemba	5yrs	14-05-14	13-05-19	54.56	Wa	GH¢ 3000
Kas Products Ltd.	Quarry	Krobo Buoho	5yrs	17-07-14	16-07-19	33.44	Kwabre	GH¢ 3000
Uhuru Quarry Limited	Quarry	Bokodo-Pershie	5yrs	29-04-14	28-04-19	22.155	Id-Edina-Eguafo	GH¢ 3000
Damang Quarry Limited	Quarry	Damang	5yrs	17-07-14	16-07-19	3.7	restea Huni-Valle	GH¢ 3000
Stone and Moore Limited	Quarry	Matrikasa	5yrs	28-11-14	27-11-19	21	Akatsi	GH¢ 3000
<b>Source:Minerals Commission</b>								

## APPENDIX 5C

LIST OF SAND LICENSES GRANTED IN 2014									
Name Of Company	TYPE OF MINERAL	LOCATION	TERM	FROM	TO	SIZE (ACRES)	DISTRICT	REGION	Amt Paid
Ekow Dwirah Hanson	sand	Danso	2yrs	31-03-14	30-03-16	15.659	Ga South	Greater Accra	GH¢ 500
THOMAS ABROKWA	SAND	KEJABIL	2YRS	04-04-14	03-04-16	2.68	AHANTA WEST	WESTERN	GH¢ 500
Kobina Baah	Sand	Tsikweikrom	2yrs	13-05-14	12-05-16	4.2	K.E.E.A	Central	GH¢ 500
Stephen Nana Ayipah	Sand	Nsuakwere	2yrs	08-05-14	07-05-16	9.77	Adeaso	Eastern	GH¢ 500
East Akim Sand & Stone	Sand	Kukurantumi	2yrs	16-07-14	15-07-16	4.95	East Akim	Eastern	GH¢ 500
Paul Kojo Mensah	Sand	Kwekutsiakrom	2yrs	17-07-14	16-07-16	8.79	Ahanta West	Western	GH¢ 500
Paul K. Evu	Sand	Kpanpanso Kuromkes	2yrs	16-07-14	15-07-16	3.19	Nsawam Adoagyiri	Eastern	GH¢ 500
Battor River Sand Winners	Sand	Battor	2yrs	10-07-14	09-07-16	11.05	North Tongu (Batto	Volta	GH¢ 500
Solomon Addotei Allotey	Sand	Danchira	2yrs	08-07-14	07-07-16	7.44	Ga-South	Greater	GH¢ 500
Fred K. Kutorke	Sand	Ateitu	2yrs	07-10-14	06-10-16	10.87	Efutu-Winneba	Central	GH¢ 500
Glempas Enterprise	Sand	Okaikrom-Adeiso	2yrs	16-07-14	15-07-16	5.12	Upper West Akim	Eastern	GH¢ 500
John Nanh Nartey	Sand	Ahwiam-Ningo	2yrs	17-07-14	16-07-16	5.37	Ningo-Prampram	Greater	GH¢ 500
David Owusu Ansah	Sand	Tuansa	2yrs	16-07-14	15-07-16	20.581	Efutu	Central	GH¢ 500
Ebenezer Mensah Laryea	Sand & Gravel	Katamanso	2yrs	16-07-14	15-07-16	9.46	Kpone-Katamanso	Greater	GH¢ 500
Isreal John Clotey	Sand	Obuom	2Yrs	07-10-14	06-10-16	10.3	Ga-South	Greater	GH¢ 500
Jonathan Ayeberg	Sand	Kwahia	2yrs	11-06-14	10-06-16	2.47	Thum Kroboa Coal	Eastern	GH¢ 500
Source: Minerals Commission									









## APPENDIX 6D

TARKWA NSUAEM MUNICIPAL ASSEMBLY						
		2014				
DATE		GMC	GGL(TARKWA)	A ASH(IDUAPRIM)	GSR WASSA	TOTAL
Jul-12		2,527,458	26,761,054	11,523,880	5,812,048	46,624,440.00
Aug-12						0
Sep-12						0
						0
						-
						0
						0
						-
						-
						0
						-
						0
						0
						-
						-
						0
						0
						0
TOTAL		2,527,458.00	26,761,054.00	11,523,880.00	5,812,048.00	46,624,440.00
Amount due		125,109.17	529,868.87	570,432.06	86,308.91	1,311,719.01



## APPENDIX 6F

WESTERN REGION						
MPOHOR WASSA EAST						
DATE						
			GSR (WASSA) LTD		Total	
SEPTEMBER						
Jul-12		5,812,048				5,812,048.00
Aug-12						0
Sep-12						0
						0
						-
						0
						0
						0
						0
						0
						0
						0
						0
						0
						-
						0
						0
Total		5,812,048.00	-	-	-	5,812,048.00
Amount due		158,808.40	-	-	-	158,808.40





## APPENDIX 7

## Establishing materiality using Total Government receipts.

Name of Company	Total Payment	% Wt	Cumulative Weight
Newmont Ghana Ltd	237,153,235.00	24.26	24.26
Goldfields Ghana Ltd	223,349,569.00	22.85	47.12
Chirano Gold Mines Ltd	197,305,536.00	20.19	67.30
Newmont Golden Ridge	60,051,173.00	6.14	73.45
Ghana Manganese Co. Ltd	45,747,723.00	4.68	78.13
GSR (Wassa) Ltd	45,561,080.00	4.66	82.79
Abosso Gold Fields Ltd	31,536,520.00	3.23	86.02
Anglogold Ashanti Ghana Ltd	28,313,900.00	2.90	88.91
Perseus Mining	25,658,787.00	2.63	91.54
Anglogold Ashanti(Iduapriem)Ltd	23,313,502.00	2.39	93.92
GSR(Prestea/Bogoso)Ltd	22,699,547.00	2.32	96.25
Adamus Resources Ltd	21,831,758.00	2.23	98.48
Ghana Bauxite Co. Ltd	5,633,219.00	0.58	99.06
West African Quarries Ltd	2,167,266.00	0.22	99.28
Noble Mining	1,770,033.00	0.18	99.46
Eastern Quarries	736,959.00	0.08	99.53
Gold Recovery Co. Ltd	570,139.00	0.06	99.59
X'tra Gold Mining Ltd	499,010.00	0.05	99.64
Aggreagate Medium Scale Quarries	475,420.00	0.05	99.69
Aggregate Small Scale Quarries	460,385.00	0.05	99.74
Kibi Goldfields Ltd	386,309.00	0.04	99.78
Azumah Resources Ltd	300,000.00	0.03	99.81
Aggregate Exploration Activities	280,000.00	0.03	99.84
Tripple Key Ltd	189,728.00	0.02	99.86
Managing God's Resources	185,091.00	0.02	99.88

EPA Processing Fees		183,300.00	0.02	99.90
Socorro Ltd		157,080.00	0.02	99.91
Regimanuel Concrete Products		123,508.00	0.01	99.92
Med Mining Ltd		107,283.00	0.01	99.94
Keegan Resources Ltd		100,000.00	0.01	99.95
West Star Mining		100,000.00	0.01	99.96
Blue River Mining		100,000.00	0.01	99.97
Aggregate Quarries - L/C Fees		81,000.00	0.01	99.97
Prestea Sankofa Gold		77,446.00	0.01	99.98
P. W Ghana Ltd		65,685.00	0.01	99.99
Midland Minerals Corporation		40,000.00	0.00	99.99
Narawa Ltd		20,000.00	0.00	100.00
Alharris Co		16,495.00	0.00	100.00
Arise Co. Ltd		11,000.00	0.00	100.00
Kopacliff Ltd		10,000.00	0.00	100.00
Angel Royal Gold Mines		7,053.00	0.00	100.00
Asaray Co. Ltd		2,670.00	0.00	100.00
		977,378,409.00		





