



Republic of Ghana

## MINISTRY OF FINANCE

Ghana Extractive  
Industries Transparency  
Initiative

# **GHEITI** REPORT ON MINING SECTOR (2021-2022)



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**2021 -2022**

**GHEITI MINING SECTOR REPORT**

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## LIST OF ABBREVIATIONS

ACEP	Africa Center for Energy Policy
AFROSAI	African Organisation of Supreme Audit Institutions
ASM	Artisanal and Small-Scale Mining
AUM	Assets Under Management
BoG	Bank of Ghana
BOP	Business Operating Permit
CBOD	Chamber of Bulk Oil Distributors
CD	Customs Division
CEDA	Centre for Extractive Development Africa
CGT	Capital Gains Tax
CIT	Corporate Income Tax
CMS	Community Mining Scheme
CRL	COVID-19 Recovery Levy
CSI	Corporate Social Investments
CSOs	Civil Society Organizations
CSPOG	Civil Society Platform on Oil and Gas
CSR	Corporate Social Responsibility
DFO	District Finance Officer
DGPP	Domestic Gold Purchase Programme
DTRD	Domestic Tax Revenue Division
EAP	Environmental Action Plan
EIA	Environmental Impact Assessments
EIS	Environmental Impact Statement
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plan
EOCO	Economic and Organised Crime Office
EPA	Environmental Protection Agency
ESTMA	Extractive Sector Transparency Measures Act
G4O	Government's Gold for Oil
GBC	Ghana Bauxite Company
GBU	Ghana Blinds Union
GDP	Gross Domestic Product
GETFL	Ghana Education Trust Fund Levy
GGSA	Ghana Geological Survey Authority
GHEITI	Ghana Extractive Industry Transparency Initiative.
GIADEC	Ghana Integrated Aluminium Development Corporation
GIISDEC	Ghana Integrated Iron and Steel Development Corporation
GNASSM	Ghana National Association of Small-Scale Miners
GNPC	Ghana National Petroleum Corporation
GRA	Ghana Revenue Authority
GRI	Global Reporting Initiative
GRM	Grievance Redress Mechanism
GSA	Ghana Standards Authority
GSE	Ghana Stock Exchange

GSL	Growth and Sustainability Levy
GSS	Ghana Statistical Service
HoT	Heads of Terms
IA	Independent Administrator
ICUMS	Integrated Customs Management System
IFRS	International Financial Reporting Standards
IGF	Internally generated funds
IGVCF	Injaro Ghana Venture Capital Fund
IMF	International Monetary Fund
INTOSAI	International Organisation of Supreme Audit Institutions
IPG	Investment Policy and Guidelines
IRMLP	Investment Risk Management and Liquidity Policy
ISSAI	International Standards of Supreme Audit Institutions
JVCs	Joint Venture Companies
JVs	Joint Ventures
KPCS	Kimberley Process Certification Scheme
LG	Liaison Group
LGECs	Licensed Gold Exporting Companies
L.I	Legal Instrument
LPs	Limited Partners
LUSPA	Land Use and Spatial Planning Authority
MC	Minerals Commission
MCAS	Mining Cadaster Administrative System
MCDS	Mining Community Development Scheme
MDAs	Ministries, Departments and Agencies
MDF	Minerals Development Fund
MESTI	Ministry of Environment, Science, Technology and Innovation
MIIF	Minerals Income Investment Fund
MLNR	Ministry of Lands and Natural Resources
MMDAs	Metropolitan, Municipal and District Assemblies
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MPSA	Master Project Support Agreement
MSG	Multi-Stakeholder Group
MSWR	Ministry of Sanitation and Water Resources
MT	Metric Tonne
NFSL	National Fiscal Stabilization Levy
NGGL	Newmont Ghana Gold Ltd
NGRL	Newmont Golden Ridge Ltd
NHIL	National Health Insurance Levy
NRGI	Natural Resources Governance Institute
NTPU	Non-Tax Policy Unit
NTRU	Non-Tax Revenue Unit
OASL	Office of the Administrator of Stool Lands
OEP	Opening Extractives Programme
OPCL	Ofori-Poku Company Ltd



ORC	Office of the Registrar of Companies
OSEs	Other State Entities
PAYE	Pay As You Earn
PEA	Preliminary Environmental Assessment
PER	Preliminary Environmental Report
PFM	Public Financial Management
PMMC	Precious Minerals Marketing Company
PNDCL	Provisional National Defence Council
PROPER	Programme for Pollution Control Evaluation and Rating
PSGL	Prestea Sankofa Gold Limited
PWDs	persons with disability
PWYP	Publish What You Pay
RAB	Rotary Air Blast
RSA	Reclamation Security Agreement
SA	Safeguards Assessment
SIGA	State Interests and Governance Authority
SMEs	Small and Medium-sized Enterprises
SOEs	State Owned Enterprises
TIN	Tax Identification Number
TRC	Technical Review Committee
TSF	Tailing Storage Facility
UBA	United Bank for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USD	United States Dollar
VALCO	Volta Aluminium Company Limited
VAT	Value Added Tax
W-VAT	Withholding Value Added Tax
WB	World Bank
WIT	Withholding Income Taxes

## **1 OVERSIGHT BY THE MULTI-STAKEHOLDER**

1. The Extractive Industries Transparency Initiative (EITI) is a global benchmark for assessing how well natural resource dependent economies are doing in unleashing the development potential of resource extraction. The initiative is hinged on the principles of transparency, accountability, and participation of citizens in decisions around resource governance and spending options.
2. The EITI Standard requires public disclosure of companies' payments and governments' receipts. These payments and receipts are then reconciled by an Independent Administrator (IA), and where discrepancies are identified, steps are taken to unravel them.
3. As key stakeholders in EITI implementation, CSOs participate by observing the disclosure processes, and are expected to use data from the disclosures to engage government, and to push for the required reforms that will enhance the country's benefits from its natural resources.

### **1.1 GOVERNMENT COMMITMENT**

4. The Government of Ghana has since 2003, when the country acceded to the Extractive Industries Transparency Initiative (EITI) demonstrated its commitment by providing budgetary support for the implementation of the initiative. Government's commitment is also expressed in its uptake of GHEITI's recommendations, and the several reforms undertaken in the mining, oil and gas sectors. Government's commitment is further demonstrated by the fact that the EITI champion has always been available to launch the GHEITI reports, and other knowledge products produced by the MSG. This report is wholly financed by government of Ghana through the Ministry of Finance.

### **1.2 COMPANY ENGAGEMENTS**

5. There are no barriers, legal, administrative or whatsoever, to the effective participation of extractive industry companies in Ghana's EITI processes. Mining companies participating in the Ghana EITI are represented on the MSG by the Ghana Chamber of Mines, with the alternate position rotating among producing companies. The alternate position is currently held by Ghana Manganese Company. Following a decision in 2023 to extend the EITI to the small-scale mining sector, the Ghana National Association of Small-Scale Miners (GNASSM) was invited to join the MSG and has been a member since January 2024.

### **1.3 CIVIL SOCIETY ENGAGEMENT**

6. Civil Society Organizations (CSOs) in Ghana including community-based organizations and national level Civil Society Organizations (CSOs) are fully engaged in Ghana's EITI implementation processes. There are no barriers whatsoever to their effective participation in the processes. They are represented by Publish What You Pay (PWYP) Ghana, (a coalition of over 30 organizations, and the Civil Society Platform on Oil and Gas (CSPOG), (a coalition of over 50 organizations and 200 individuals). Both coalitions operate a decentralized governance structure, with PWYP Ghana having local chapters in the country's four main mining zones, and CSPOG having local chapters in 10 out of the 16 regions of Ghana. The CSOs have three slots on the GHEITI MSG, one for PWYP-Ghana, and two for CSPOG. One of the CSPOG positions is vacant, following the recruitment of the previous representative into the Civil

Service (Ministry of Finance). CSPOG has been duly notified and is expected to fill the vacancy soon.

#### 1.4 MULTI-STAKEHOLDER GROUP

7. Ghana's EITI is governed by a Multi-Stakeholder Group (MSG) drawn from government agencies in the extractive sector, companies, and civil society groups. The company and Civil Society representatives are nominated in accordance with established codes<sup>1</sup>. The MSG is an independent body that oversees EITI implementation in Ghana. It approves budgets and provides policy direction to the Secretariat (the operational arm of GHEITI). The MSG is currently taking steps to revise its rules of procedure to reflect current practices.

##### 1.4.1 Gender Make-up of the GHEITI MSG and Secretariat

8. The GHEITI MSG as at 2020 was made up of five females, and 20 males representing 80 percent males and 20 percent females. The years 2021 and 2022 saw efforts at balancing the gender composition of the MSG. In 2023, the MSG was made of 28 males and 6 females representing 76 percent males and 24 percent females. A challenge associated with efforts to improve the gender balance of the MSG, and which was highlighted in the 2020 GHEITI Reconciliation Report is that representation from both the government and company sides is determined exclusively by job function, which makes it difficult to insist on gender representation. Currently, both the Chair of the MSG and the Coordinator are females, and the representative of the Petroleum Unit of the Ghana Revenue Authority has been replaced by a female.
9. On the Civil Society side, there were two women representatives out of the three slots allocated to the constituency, but one was recruited into the Civil Service (Ministry of Finance), creating a vacancy that is waiting to be filled. The Civil Society constituency has been entreated to strongly consider a woman as its replacement.
10. The GHEITI Secretariat on the other hand has 11 staff made up of 9 (nine) regular staff, a National Service person and an intern. This is made up of 6 females and 5 males making up 45% males and 55% females.
11. Furthermore, the GHEITI MSG has developed a Gender Strategy document with the support of the World University Service of Canada, under the WAGES project<sup>2</sup>. The strategy can be accessed via the link below

#### 1.5 WORK PLAN

12. GHEITI held its 2021, 2022 and 2023 annual programme planning retreats in the second week of January in the respective years. Participation in all these events went beyond the core MSG membership to include the Institute for Financial and Economic Journalists, NRGJ, GIZ, and the Ghana Journalists Association. The annual workplan<sup>3</sup> is published on GHEITI's website.

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<sup>1</sup>[https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&download=541:addendum-to-gheiti-rules-of-procedure-on-msg-nominations&id=73:2023-validation-addendum&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=541:addendum-to-gheiti-rules-of-procedure-on-msg-nominations&id=73:2023-validation-addendum&Itemid=54)

<sup>2</sup> [http://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&id=50:gender-related&Itemid=54](http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=50:gender-related&Itemid=54)

<sup>3</sup> [https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=sections&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=sections&Itemid=54).

The workplans were subjected to mid-year review, and planned activities adjusted where there was the need, to reflect unforeseen national developments and changing priorities.

## 2 LEGAL AND INSTITUTIONAL FRAMEWORK, INCLUDING ALLOCATION OF CONTRACTS AND LICENSES

13. This section covers the management of the contracting and licensing regime in the mining sector. It is intended to help stakeholders understand the laws and procedures for the award of exploration and production rights; the legal, regulatory, and contractual frameworks that apply the mining sector, and the institutional responsibilities of the state in managing the sector.
14. The EITI requirements related to the transparency of the legal framework and award of extractive industry rights, include: (2.1) Legal framework and fiscal regime; (2.2) Contract and License allocations; (2.3) Register of licenses; (2.4) Contracts; (2.5) Beneficial Ownership; and (2.6) State participation in the extractive sector.

### 2.1 LEGAL FRAMEWORK AND FISCAL REGIME

15. This section documents the basis and broad legal framework which governs and by which therefore Ghana's mining sector is regulated.

#### 2.1.1 Legal Framework

16. Built on the 1992 Constitution of the Republic of Ghana, the principal law<sup>4</sup> regulating the mining industry is the Minerals and Mining Act, 2006 (Act 703)<sup>5</sup>, as amended by Act 794 of 2010, Act 900 of 2015, and Act 995 of 2019. While Act 703, as amended, governs all mining activities, sections 81 – 99 apply exclusively to small scale mining.
17. Government has also adopted the Community Mining Scheme (CMS) as a policy measure to encourage members of mining communities to undertake responsible, viable and sustainable small-scale mining rather than illegal mining<sup>6</sup>. The legal framework for the Scheme is made up of the provisions for Small-Scale Mining, in accordance with sections 81–99 of the Minerals and Mining Act, 2006 (Act 703) and the Tributer System, in accordance with Regulations 493-506 of the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182).
18. Along with the corollary legislation and Regulations (L.I.s) that have been passed, these constitute the legal framework which prescribes the operational, institutional, fiscal, and other frameworks/requirements of the mining sector.

#### The Amendments:

##### **Minerals and Mining (Amendment) Act, 2010 (Act 794)**

19. The 2010 Amendment of the Minerals and Mining Act changed the applicable royalty rate, provided in section 25 of Act 703, from a range of 3–6 percent to a fixed rate of 5 percent. By the saving clause of section 112(5) of Act 703, the manner for the payment of royalties as prescribed in the Mineral (Royalties) Regulations, 1987 (L.I. 1349) continued in force notwithstanding the repeal of the Minerals and Mining Law, 1986 (PNDCL 153).

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<sup>4</sup> <https://www.mincom.gov.gh/acts>

<sup>5</sup> This superseded the Minerals and Mining Law, 1986 (PNDCL 153)

<sup>6</sup> The thrust of the policy is to promote effective jobs and livelihoods under improved working conditions of operators and minimizing environmental degradation.

### **Minerals and Mining (Amendment) Act, 2015 (Act 900)**

20. The 2015 Amendment (Act 900) mandated the Minister responsible for mining to make Regulations prescribing the rate, in addition to spelling out the manner for the payment of royalties. This Amendment also repealed Act 794 but provided that until the existing royalty rate of 5% was altered it will continue to be in force. In addition to introducing stiffer penalties for illegal mining, the Amendment provided that upon conviction of an illegal miner, the equipment used or products from the operation would be confiscated and allocated to an appropriate State institution, subject to legal processes.

### **Minerals and Mining (Amendment) Act, 2019 (Act 995)**

21. This Amendment (Act 995) further increased the penalties for illegal mining. It also prohibited the manufacture, fabrication and use of the floating platforms which had become a major means of illegally mining on or along the natural water bodies of the country. Then again, while Regulation 2(3) of the earlier L.I. 21747 of 2012 had saved the operations of non-Ghanaians who had been registered to provide support services to small scale miners prior to that law (L.I.), the 2019 Amendment completely prohibited foreigners/non-Ghanaians from any involvement at all-in small-scale mining.

### **The Regulations:**

22. In 2012, six (6) regulations<sup>8</sup> (L.I. 2173, L.I. 2174, L.I. 2175, L.I. 2176, L.I. 2177 and L.I. 2182) were passed to operationalise Act 703. In addition to general regulations for managing the sector, notable areas covered included: mine support services, compensation and resettlement, licensing, explosives use, and health and safety. Subsequent to the 2012 core ones, other Regulations to deal with emerging issues which needed clarification within the framework of the law, on payment of ground rent (L.I. 2357 in 2018), tracking of earth moving and mining equipment (L.I. 2404 in 2020) and local content and participation (L.I. 2431 in 2020) were also passed.
23. The Environmental Assessment Regulations, 1999 (L.I. 1652), within its broad application also regulates environmental governance for all mining activities, including Artisanal and Small-Scale Mining (ASM).
24. The legislative framework is in line with the relevant policies of Government, notable among which are:
- The Minerals and Mining Policy<sup>9</sup> of Ghana, of 2014;
  - The National Environmental Policy, of 2012;
  - The Ghana National Land Policy, of 1999; and complemented by
  - The Small-Scale and Community Mining Operational Manual<sup>10</sup>, of 2021

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<sup>7</sup> Minerals and Mining (Support Services) Regulations, 2012 (*L.I. 2174*)

<sup>8</sup> <http://www.mincom.gov.gh/regulations>

<sup>9</sup> <https://www.mincom.gov.gh/mining-policy/>

<sup>10</sup> <https://www.mincom.gov.gh/wp-content/uploads/2021/11/Small-Scale-and-Community-Mining-Operational-Manual-Sep.-2021-1>

## Other Legislation

25. Other supportive legislation or Acts of Parliament applicable to the sector include:

Legislation	Description and Purpose
Office of the Administrator of Stool Lands Act, 1994 (Act 481)	To promote sustainable land management and community development, the Office of the Administrator of Stool Lands Act, 1994 (Act 481) guarantees the fair sharing of profits from mining operations on stool lands in Ghana. By requiring mining firms to abide by rules for land use and revenue sharing, this legislation fosters cooperation and lessens confrontations with traditional authority and local populations.
Environmental Protection Agency Act, 1994 (Act 490)	Act 490 designates the Environmental Protection institution as the principal governmental institution in charge of managing and safeguarding Ghana's environment in relation to the mining industry. To ensure safe and environmentally responsible mining activities, the legislation specifically provides the legal foundation for the conduct of Environmental Impact Assessments (EIA), Environmental Audits, and the establishment of Environmental Standards. The law also addresses other administrative procedures in the mining industry, such as the upkeep of pollution controls and the use of environmental protocols. The Act also creates the Environmental Fund, which will supply vital funding for environmental enhancement and protection. The EPA must issue an environmental permit to applicants prior to granting mining operating permits.
Water Resources Commission Act, 1996 (Act 522)	Act 522 established the Water Resources Commission, whose duties included overseeing and controlling the use of water resources for mining operations. Act 522's sections 12 through 24 offer guidelines for controlling the use of water, including the granting of permits, easements, restrictions on and termination of permits, unlawful use of water, pollution of water, and the enforcement of notices in situations where the use of water endangers the environment or public health. The Minerals and Mining Act further regulates water use in the mining industry by prohibiting mineral right holders from using water resources without first obtaining a water use permission from the Commission (section 17). A portion of the water use permit for mining operations is dedicated to ancillary and direct mineral operations.
Forestry Commission Act, 1999 (Act 571)	The Forestry Commission was established by Act 571 to safeguard, develop, oversee, and control Ghana's forest reserves, protected areas, and wildlife resources. The Commission is required by the Act to organize and carry out strong policies and actions to protect forest regions and protected zones against illegal mining activities.

Legislation	Description and Purpose
Lands Commission Act, 2008 (Act 767)	The Lands Commission of Ghana is a body created by the Lands Commission Act, 2008 (Act 767) that unites multiple land-related agencies to manage public properties and provide services like land registration and valuation. This Act is essential to the mining industry because it makes it easier to obtain and administer land titles and leases, which guarantees the security and clarity of the law for mining operations.
Minerals Development Fund Act, 2016 (Act 912)	The Minerals Development Fund was established by the Minerals Development Fund Act, 2016 (Act 912) to oversee royalties and other associated income from mining. In order to promote social and economic benefits in areas impacted by mining activities, the Act makes sure that a portion of these profits are allocated for the development of mining communities.
Land Use and Spatial Planning Act, 2016 (Act 925)	A framework for sustainable land use and spatial planning in Ghana is provided by the Land Use and Spatial Planning Act, 2016 (Act 925). In terms of the mining industry, this Act makes certain that mining operations are incorporated into more comprehensive land use plans, encouraging coordinated development and lowering conflicts between land uses.
Ghana Geological Survey Authority Act, 2016 (Act 928)	The Ghana Geological Survey Authority was established by the Ghana Geological Survey Authority Act, 2016 (Act 928) to carry out geological surveys and furnish information on mineral resources. By guaranteeing the availability of reliable geological data, which is essential for exploration and development planning, this Act helps the mining industry.
Local Governance Act, 2016 (Act 936)	Decentralizing administrative activities and strengthening local government institutions are the goals of the Local Government Act, 2016 (Act 936). The mining industry is impacted by this Act because it gives local governments more authority to control and oversee mining operations.
Ghana Integrated Aluminum Development Corporation Act, 2018 (Act 976)	The Ghana Integrated Aluminum Development Corporation is created to supervise the growth of the aluminum sector under the Ghana Integrated Aluminum Development Corporation Act, 2018 (Act 976). This Act aims to maximize the value chain of aluminum production for the mining industry, from bauxite mining to alumina refining and aluminum smelting.
Minerals Income Investment Fund Act, 2018 (Act 978)	The Minerals Income Investment Fund is established by the Minerals Income Investment Fund Act, 2018 (Act 978) to oversee and allocate revenues from mining royalties and other associated sources. The purpose of the Fund is to oversee the Republic's equity holdings in mining businesses, collect mineral royalties and other associated income owed to the Republic from mining activities, manage and invest the Fund's assets, and handle connected matters.
Ghana Integrated Iron and Steel Development Corporation Act, 2019 (Act 988)	The Ghana Integrated Iron and Steel Development Corporation was founded by the Ghana Integrated Iron and Steel Development Corporation Act, 2019 (Act 988) with the goal of advancing and growing the iron and steel sector. By concentrating on the complete iron and steel production value chain, from the mining of iron ore to the steel industry, this Act promotes the mining industry.



Legislation	Description and Purpose
Land Act, 2020 (Act 1036)	The Land Act, 2020 (Act 1036) aims to provide efficient and effective land management by reforming and combining existing land legislation. This Act offers the mining industry a thorough legal framework for land ownership, acquisition, and usage, enabling safe land tenure and lowering conflicts pertaining to mining operations.

Source: GHEITI's Construct

### **Other Key Government Regulatory Institutions:**

26. Additionally, the Environmental Protection Agency (EPA), the Water Resources Commission (WRC), and Land Use and Spatial Planning Authority (LUSPA) play significant regulatory roles in the management of the mining sector, along with the Ghana Revenue Authority (GRA) which is involved in taxation matter.

### **Ongoing Legal and Policy Reforms**

#### **Legal Reforms**

27. As explained earlier, amendments (like Act 900 and 995) have been made to the law and new Regulations (like the Minerals and Mining (Minerals Operation – Tracking of Earthmoving and Mining Equipment) Regulations, 2020 (L.I. 2404)) passed to deal with emerging issues. However, implementation of the law has revealed three (3) areas where, under the leadership of the Minerals Commission and the supervision of the Ministry of Lands and Natural Resources, some ongoing reforms are being undertaken:
1. Following the prohibition of the manufacture, fabrication, and use of the floating platform by Act 995, it has been found that the value chain for floating platforms go beyond fabrication and use to an intricate network of importers and dealers in the mills as well as other components of the floating platform for mining in water bodies. Work is therefore far advanced to capture these associated activities in impending legislation. Also, Act 995 provided for the confiscation of equipment associated with or a product derived from the commission of an offence within the law, upon conviction of the perpetrator. Often, perpetrators have absconded and continued their environmentally destructive activities. Without arrest and conviction, confiscation has not been possible under such circumstances. Amendment to the law to address this challenge is also ongoing.
  2. Following the Appiatse explosive accident in January 2022, where a truck transporting explosives to a mine had a traffic accident leading to a fatal explosion near a township along the highway, consequential changes are being made to the legal framework, notably:
    - a. the Minerals and Mining (Explosives) Regulations, 2012 (L. I. 2177) focused on enhancing the management of transportation and use of explosives in mining operations;
    - b. the Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I. 2182) with emphasis on enhancing general safety in the operations.

3. After implementation of the law (Act 703) for some 15 years, a general review is currently ongoing, to streamline the framework, clarify and/or add provisions necessary to capture the essence of Government policy, address some identified gaps and emerging issues, emerging trends in global industry practice, including the areas of gender, and contract disclosure.
4. Section 100 of Act 703, in line with Article 269(1) of Ghana's 1992 Constitution and the Minerals Commission Act, 1993 (Act 450) designates the Minerals Commission as the primary institution to ensure enforcement of the law under the supervision of the Minister responsible for mining, as detailed in section 2.1.2 below.
5. The Environmental Protection Agency Act, 1994 (Act 490) was enacted to regulate all aspects of the environment and coordinate the activities of bodies concerned with the practical and technical aspects of the environment. In exercising its mandate, the Agency has been confronted with several challenges relating to general oversight responsibility over the environment mainly because of the fragmented environmental management provisions in other enactments across other sectors, as well as the complex emerging environmental challenges, among others.
6. Emerging issues such as climate change, plastic pollution, biodiversity loss, air pollution, upstream petroleum, illegal mining are not adequately addressed in Act 490 which pose serious enforcement challenges. To exercise its full mandate of environmental compliance by other government institutions, the Environmental Protection Bill seeks to include express provisions reflecting this status. The Bill seeks to transition the Agency into an Authority to address the gaps and challenges in the implementation of Act 490 and the complexities of current global environmental issues. It will enable the Agency to perform, among others, regulatory, supervisory or management functions.
7. The object of the Bill is to establish the Environmental Protection Authority to regulate, protect, manage, and exercise general oversight and co-ordination over all matters relating to the environment and climate change. The Bill re-enacts the Environmental Protection Agency Act, 1994 (Act 490) and introduces a Pesticides Management Fund. It also seeks to re-enact the Hazardous and Electronic Waste Control and Management Act, 2016 (Act 917) for the purpose of consolidation. The Bill further makes provision for the implementation of actions that positions Ghana to mitigate and adopt Climate Change. The Bill provides the legislative framework to comprehensively respond to climate change and its effects, domesticate the United Nations Framework Convention on Climate Change and its subsidiary protocols and agreements. The Bill also seeks to ensure a just transition to climate resilience and low- emission development in future.

### **Policy Reforms**

28. Various components of the Minerals and Mining Policy of Ghana, of 2014, were being considered for review during 2021-22, with an impending holistic review and revision penciled for 2023.

29. Broadly, Government policy in respect of minerals mined locally was being refocused on optimizing the entire value chain, linking it as much as possible with other sectors of the economy:
- Upstream, by sourcing inputs – both human and other - locally.
  - downstream, by channeling mineral commodities as offtake into value added operations; and
  - side stream, by developing mainly services that feed into or depend on the sector.
30. It is to enhance this development that the Local Content and Participation Regulations (L.I 2431) was passed in 2020, to augment the requirements of the mine Support Services Regulations (L.I. 2174). And it is in this context that:
1. The Minerals Commission continues to increase the number of items required to be procured locally, as contained in the Local Procurement List. The current List, the 5<sup>th</sup> Edition has 50 items compared to the eight (8) on the initial List. The list can be accessed via the link<sup>11</sup>; and
  2. Ghana Integrated Aluminum Development Corporation (GIADEC) and Ghana Integrated Iron and Steel Development Corporation (GIISDEC) were established, as is explained under 2.1.2.
31. Gold is Ghana’s leading mineral commodity, accounting for some 90% of mineral exports (BOG, 2024). In 2021, the Government of Ghana leveraged the country’s gold production to slow down depreciation of the local currency and inflation. Specifically, the programmes were the Bank of Ghana’s Domestic Gold Purchase Programme (DGPP) and the Government’s Gold for Oil (G4O) programme.
1. **Domestic Gold Purchase Programme**  
The Domestic Gold Purchase Programme (DGPP), which was launched in June 2021, was to rebuild foreign exchange reserves, stabilise the foreign exchange market, and manage inflationary pressures. The first phase of the programme was to augment the country’s foreign reserves held by the Bank of Ghana, and double gold holdings in the foreign exchange reserves within five years. This was done through the Bank purchasing locally produced gold in local currency and converting same into monetary gold. As of December 2023, the Bank reported<sup>12</sup> that it had purchased 17.89 tons of gold, equivalent to US\$ 1.14 billion, under the Programme, thus, more than doubling its gold reserves, well ahead of the initial target.
  2. **Gold for Oil Programme**  
As reported in the 2020 GHEITI Report, the G4O programme was implemented in line with the Government’s G4O policy, to stem the sharp depreciation of the cedi against the US dollar and its attendant impact on rising prices of petroleum products. While the program was announced in December 2022, its implementation commenced in February

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<sup>11</sup> <https://www.mincom.gov.gh/procurement-list/>

<sup>12</sup> <https://www.bog.gov.gh/wp-content/uploads/2023/12/Governors-Speech-2023-CIB-Ghana-Governors-Day-011223.pdf>

2023. With the commencement of the IMF programme, the Fund in an interim report<sup>13</sup> indicated that it will review the government's gold purchase and gold-for-oil programs and associated risks for the Bank of Ghana (BoG) as part of broader Safeguards Assessment (SA) recommendations that include a review of the BoG Act to strengthen the Central Bank's independence and mitigate fiscal dominance.

32. Subsequently, the IMF's First Review Under the Extended Credit Facility Arrangement<sup>14</sup> published in January 2024 disclosed that the BoG is taking stock of its G4O program and finalising the legal documentation for the program. According to the IMF report, the BoG is required to conduct a detailed risk analysis of the program covering financial, operational, and legal risks faced by the Central Bank. The risk assessment and an exit strategy, designed in consultation with Fund staff, will be presented to the BoG Board by June 2024 as part of a set of new structural benchmarks under the IMF programme.
33. In its 2020 Report, GHEITI made a number of observations about the G4O programme, identified key risks and made recommendations for reform and greater disclosure on the programme. GHEITI looks forward to the risk assessment report and the exit strategy.

### **Green Minerals Policy**

34. Following the commercial discovery of lithium by Barari DV Ltd (a subsidiary of Atlantic Lithium Ltd) in 2017, the Ministry of Lands and Natural Resources working mainly through the Minerals Commission initiated action to develop a policy framework for operating a green minerals subsector in Ghana. During 2021 and 2022, studies to establish the prevailing situation and the prospects for green minerals in Ghana were undertaken to advise the Minister on possible ways forward. The Minister, subsequently, got a draft policy framework developed. Upon tabling at Cabinet, approval was granted, in July 2023, for the elements to be incorporated during the ongoing review and revision of the Minerals and Mining Policy document of 2014, to enable holistic consideration and also to feed into any ensuing green mineral licenses to be considered by government.
35. The key policy objectives adopted were as follows:
- Revenue maximisation through changes to the fiscal regime for green minerals (To guide the ongoing negotiations with Barari DV Ltd cabinet proposed royalty rate applicable to green mineral ores (e.g. spodumene) should be set at a minimum of 7%).
  - Incentivize Value Addition (e.g. upgrade to lithium hydroxide), notably, through:
    - i. reduced royalty rates within a predetermined and widely publicised framework, etc.
    - ii. amendment of Act 703, empowering the Minister through an Executive Instrument, to prohibit the export of green mineral ores after a specified period, as in the case of bauxite and iron ore (in Acts 976 and 988), respectively;
  - Optimise Local content and Local Participation: Amend section 43 of Act 703, to require in addition to the 10 percent free carried interest for the State, an additional 20 percent

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<sup>13</sup> <https://www.imf.org/en/Publications/CR/Issues/2023/05/17/Ghana-Request-for-an-Arrangement-Under-the-Extended-Credit-Facility-Press-Release-Staff-533541>

<sup>14</sup> <https://www.elibrary.imf.org/view/journals/002/2024/030/article-A001-en.xml>

mandatory Ghanaian (Government and/or private sector) participation (as under Acts 976 (GIADEC statute) and 988 (GIISDEC statute));

- Minerals Income Investment Fund (MIIF) should manage the State’s interest in line with its legislation and facilitate other Ghanaian participation; and
- Revise the Minerals and Mining (Local Content and Local Participation) Regulations (L.I. 2431), beyond its mandatory listing on the Ghana Stock Exchange (GSE) requirement under Regulation 13, to also impose a minimum Ghanaian (government and non-government) equity interest of 30 percent.

36. In June 2023 Atlantic Lithium had announced its Definitive Feasibility Study (“DFS”) for the Ewoyaa Project, confirming the Project’s economic viability and profitability potential for the production of 3.6 million tons of spodumene concentrate over a 12-year Life of Mine (“LOM”). Based on this, the company subsequently applied for and was granted a mining lease by the Government in October 2023. The key terms of the lease, as announced by the Ministry, included:

1. Mineral royalty at a rate of 10 percent, while the prevailing rate for other minerals is 5 percent;
2. Corporate income tax would be at the rate of 35 percent, like other mining operations;
3. Free carried interest of 13 percent, compared to the 10 percent required by section 43 (1) of Act 703 of all other mineral operations in Ghana;
4. In terms of other Government ownership, MIIF negotiated a purchase of 6 percent in Ewoyaa Lithium Project and broader Cape Coast lithium portfolio in Ghana, making Government equity interest 19 percent;
5. MIIF further negotiated acquisition of a 3 percent equity in the holding company, Atlantic Lithium, along with a Board seat. Again, it negotiated the option of warrants at a locked price which when exercised would increase MIIF’s equity to 4.5 percent in the holding company;
6. In May 2024, Atlantic Lithium listed on the Ghana Stock Exchange.
7. A Community Development Levy equivalent to 1 percent gross revenue from the project is to be set up;
8. A scoping report to establish the extent to which raw lithium can be processed was submitted to Government in the first quarter of 2024, to forge the way forward for adding value to the lithium ores to be mined;
9. By-products, like feldspar used in the production of ceramics and fiberglass, are to be supplied as inputs for local operations and not exported; and
10. MIIF has the right to offtake up to 40 percent of the concentrate on commercial terms, if it finds it viable to do so.

37. It is expected that by implementing these policy measures through the terms of the lease, the country will move closer to fully optimising the realisation of the entire value chain of green minerals locally, as much as possible.

### 2.1.2 Institutional Framework

38. The Ministry of Lands and Natural Resources<sup>15</sup> (MLNR) established under Section 11 of the Civil Service Law, 1993 (PNDCL 327), as part of its overall policy oversight for ensuring the sustainable management and utilisation of Ghana's lands, forests, wildlife and mineral resources for socio-economic growth and development is tasked with the function of ensuring efficient management of mineral resources, associated operations, and sector agencies, to catalyse sustainable development.
39. Section 5 of Act 703 mandates the Minister for Lands and Natural Resources, who is responsible for mines, on behalf of the President of Ghana to negotiate, grant, revoke, suspend or renew mineral rights. However, the rights granted for the extraction of a mineral must be ratified by Parliament.
40. The Ministry of Lands and Natural Resources carries out its mining sector management role through supervision of its Departments and Agencies and in collaboration with other Ministries, as shown in

#### 41. **Figure 1: Institutional Framework**

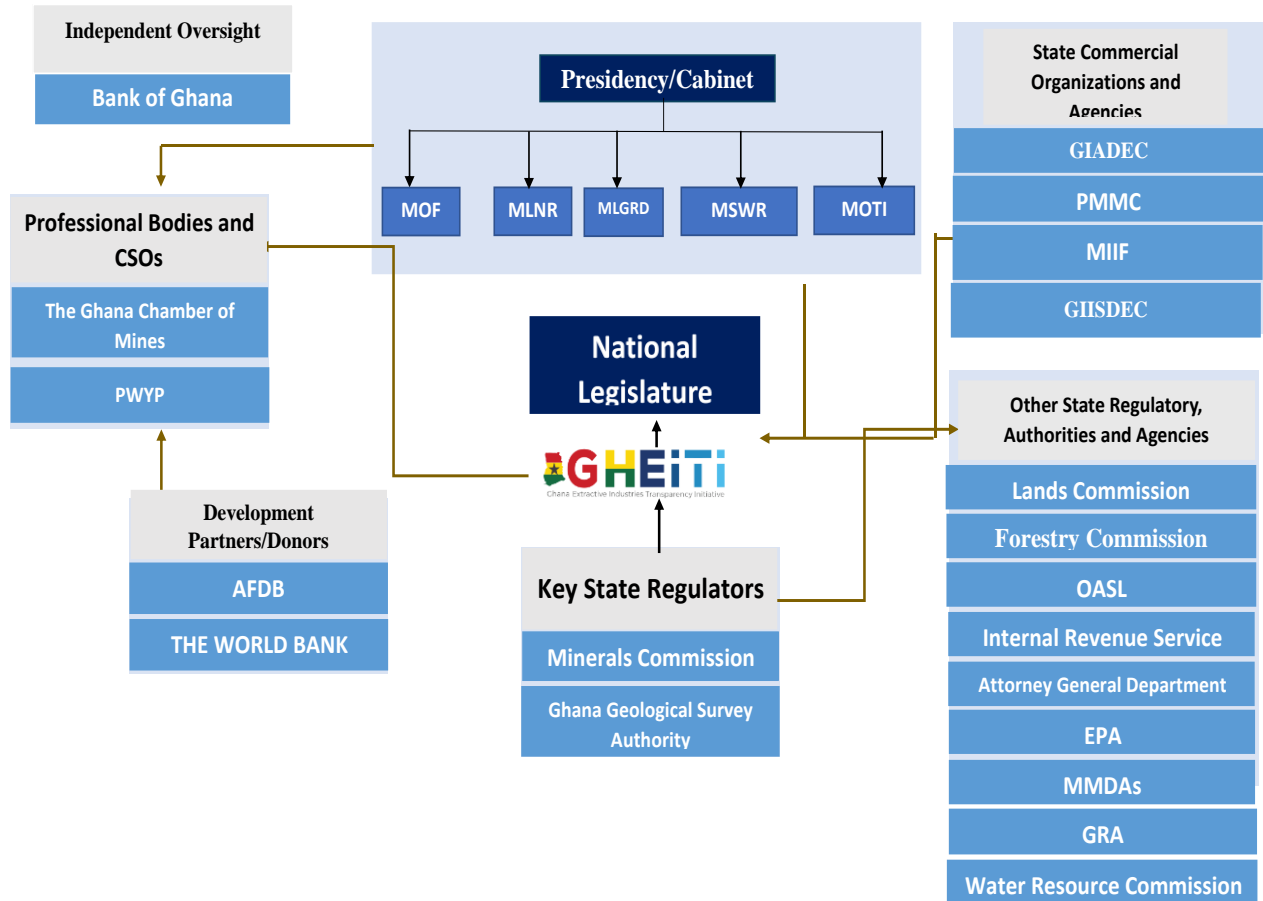
*Source: GHEITI's Construct*

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<sup>15</sup> <http://www.mlnr.gov.gh>

42. .

**Figure 1: Institutional Framework**



*Source: GHEITI's Construct*

43. The key regulatory Agencies of the Ministry of Lands and Natural Resources by which it manages and regulates the mining sector are the:

- Minerals Commission;
- Lands Commission; and
- Forestry Commission.

*Table 2.1 Regulatory Agencies Collaborating with The Ministry of Lands and Natural Resources*

Entity	Sector related Roles	Legal Basis / Reference
Minerals Commission	Technical advice to the Minister and effective and efficient promotion, regulation and management of mineral related activities; and co-ordination of related policies.	Article 269 (1) of the 1992 Constitution and Minerals Commission Act, 1993 (Act 450); especially section 2(2)(b) of Act 450 and section 5(1) of Act 703; ( <a href="http://www.mincom.gov.gh/acts/">http://www.mincom.gov.gh/acts/</a> )
Lands Commission	Maintain a registry of land ownership, manage public lands and value lands for compensation.	Lands Commission Act, 2008 (Act 767); ( <a href="http://www.lc.gov.gh">http://www.lc.gov.gh</a> )
Forestry Commission	Regulation of the utilisation of forest and timber resources, amongst others, by vetting and issuing forest entry permit to mineral right holders where operations would affect production forest reserves.	Forestry Commission Act, 1999 (Act 571); ( <a href="http://www.fcghana.org">http://www.fcghana.org</a> )

*Source: GHEITI's Construct*

44. The other Agencies under the Ministry of Lands and Natural Resources which perform some relevant roles in the sector are:

- **Ghana Geological Survey Authority (GGSA)**, under Ghana Geological Survey Authority<sup>16</sup> Act, 2016 (Act 928), as a National Repository for geo-scientific data generated, is to generate, collect, hold and provide up-to-date information, including seismic data, to support national development.
- **Precious Minerals Marketing Company (PMMC)** became a Limited Liability Company under the Statutory Corporations Conversion to Companies Act, 2000 (Act 461) and is charged to undertake and/or facilitate marketing, grading, assaying, valuing, and processing precious minerals, including promoting the jewelry industry, from small scale mining; and. Additionally, PMMC<sup>17</sup> (i) is the Government<sup>18</sup> agency with responsibility for implementing the Kimberley Process Certification Scheme under the Kimberley Process Certificate Act, 2003 (Act 652); and (ii) in November 2016, was appointed the Government Assayer for minerals exported, in line with sections 6(1) and (3) of Act 703 (2006) and Regulations 3(3) and 4(4) of L.I. 2173 (2012).
- **Minerals Development Fund (MDF)**, under Minerals Development Fund<sup>19</sup> Act, 2016 (Act 912), to provide financial resources for the benefit of mining communities, and

<sup>16</sup> <https://ggsa.gov.gh>

<sup>17</sup> <https://www.pmmc.gov.gh/>

<sup>18</sup> <http://www.mlnr.gov.gh/index.php/pmmc/>

<sup>19</sup> <http://www.mdf.gov.gh/disbursement-and-utilisation>



related matters, receives and disburses 20 percent of mineral royalties and manage the Mining Community Development Scheme in local communities in which mining takes place and other beneficiaries in accordance with Section 21(3) of Act 912.

- **Office of the Administrator of Stool Lands (OASL)** is established under the Administrator of Stool Lands<sup>20</sup> Act, 1994 (Act 481), to collect stool land revenue (ground rent, dues, royalties and other revenues), and to disburse same to beneficiaries (Metropolitan, Municipal and District Assemblies, Traditional Authorities and Stools).
- **Ghana Integrated Aluminum Development Corporation (GIADEC)**, under the Ghana Integrated Aluminum Development Corporation<sup>21</sup> Act, 2018 (Act 976), is to promote and develop an integrated aluminum industry for Ghana and
- **Ghana Integrated Iron and Steel Development Corporation (GIISDEC)**, under the Ghana Integrated Iron and Steel Development Corporation<sup>22</sup> Act, 2019 (Act 988), is to promote and develop an integrated iron and steel industry in Ghana.

#### **Other Key Government Regulatory Institutions:**

45. Additionally, the Environmental Protection Agency (EPA), the Water Resources Commission (WRC), and Land Use and Spatial Planning Authority (LUSPA) play significant regulatory roles in the management of the mining sector, along with the Ghana Revenue Authority (GRA) which is involved in taxation matters.

- **Environmental Protection Agency (EPA) Act, 1994 (Act 490)** mandates the agency to regulate the environment and enforce compliance with Government policies within the framework set out by the Ministry of Environment, Science, Technology and Innovation (MESTI), including setting appropriate guidelines. To assure environmentally permissible mining activities, EPA<sup>23</sup> liaises with the Minerals Commission to ensure that the Commission's promotional, regulatory, and superintending roles over mining operations are consistent with the country's environmental requirements.
- **The Water Resources Commission (WRC) Act, 1996, (Act 522)** mandates the Water Resources Commission to ensure the sustainable use of the country's water resources for all purposes, within the policy framework set by the Ministry of Sanitation and Water Resources<sup>24</sup> (MSWR).
- **Land Use and Spatial Planning Authority (LUSPA) Act, 2016 (Act 925)** mandates the authority to sustainably manage land use and spatial planning in the development of land and human settlement management. This can be found via the link<sup>25</sup>.
- The **Ghana Revenue Authority (GRA) Act, 2009 (Act 791)** mandates the authority to ensure compliance with all relevant tax laws in order to guarantee a sustainable revenue stream for government, promote trade facilitation, including a controlled and safe flow of goods across the country's borders. Its two (2) operational divisions are the Domestic Tax Revenue Division (DTRD) and Customs Division (CD), with assistance from the Support Services Division and the Commissioner General's Secretariat.

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<sup>20</sup> <http://www.oasl.gov.gh>

<sup>21</sup> <https://giadec.com>

<sup>22</sup> <https://giisdec.com>

<sup>23</sup> <https://www.epa.gov.gh/epa/>

<sup>24</sup> <https://mswr.gov.gh/>; <https://www.wrc-gh.org/>

<sup>25</sup> <https://www.luspa.gov.gh>

- The Domestic Tax Revenue Division (DTRD) is responsible for collecting and accounting for domestic taxes<sup>26</sup>, under the Income Tax Act, 2015 (Act 896) and the Value Added Tax Act, 2013 (Act 870). The information can be found via the link<sup>27</sup>.
- The Customs<sup>28</sup> Division has responsibility for the collection of import and export duties and other trade related imposts on behalf of the State. The Division is also responsible for monitoring of mineral production, supervision of mineral exports and the conduct of preventive duties

46. Other important Governmental **Ministries and Agencies** which collaborate in managing the sector include:

- **Ministry of Finance**, which promotes macroeconomic stability and fiscal prudence to support economic growth and development has overall responsibility for the formulation of national fiscal policy and its implementation, which it does largely through its Agency – the Ghana Revenue Authority (GRA). This includes the design of the mining fiscal regime, management of revenue from the sector and disbursement of budgetary allocations to mining sector agencies. The Ministry<sup>29</sup> also liaises with the Bank of Ghana (the Central Bank) to manage monetary policy. For the mining sector, the Minerals Income Investment Fund (MIIF) is an important agency of the Ministry.
- **Bank of Ghana:** The Bank of Ghana determines national monetary policy in conjunction with the Ministry of Finance.
- **Minerals Income Investment Fund (MIIF)** was established by the Minerals Income Investment Fund<sup>30</sup> Act, 2018 (Act 978) as amended by the Minerals Income Investment Fund (Amendment) Act, 2020 (Act 1024), to manage and invest inflows to Government from mineral royalties, equity and other interests of the State in mining operations, thereby contributing to maximizing the value generated by the mining sector towards sustainable national development.
- The **Ministry of Local Government, Decentralization, & Rural Development** has overall responsibility for policy on local government, which is largely implemented, at the local level, through the **Metropolitan, Municipal and District Assemblies (MMDAs)**. The Ministry and its departments and agencies are mandated to ensure good governance and balanced development of Metropolitan / Municipal / District Assemblies”. The information can be found via the link<sup>31</sup>.
- The **Ministry of Environment, Science, Technology & Innovation (MESTI)** is responsible for formulating national policy on environmental protection, which is implemented through its main agency, the Environmental Protection Agency (EPA). Further information on the ministry can be accessed via the link<sup>32</sup>.
- The **Attorney-General**, who heads the Attorney-General’s Department and Ministry of Justice, is mandated by Article 88(1) of the 1992 Constitution to be the Principal Legal

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<sup>26</sup> An exception to these is mineral royalty which is paid directly to MIIF

<sup>27</sup> <https://gra.gov.gh/domestic-tax/>

<sup>28</sup> <https://gra.gov.gh/customs/>

<sup>29</sup> <http://www.mofep.gov.gh>

<sup>30</sup> <https://miif.gov.gh>

<sup>31</sup> <http://www.mlgrd.gov.gh/index.php>

<sup>32</sup> <https://mesti.gov.gh/>

Advisor to the Government and therefore advises on dealings between Government as the grantor of all mineral rights and investors who apply for and receive such rights. He also represents the Government in any litigation that arises.

### 2.1.3 Fiscal Regime

- A fiscal regime defines the set of instruments (royalties, taxes, levies, dividends and other imposts) that determine how the extractive revenues generated by operating entities are shared between the resource owner and investors. Fiscal instruments are generally anchored on legislations or specific contracts.
- Ghana's mining fiscal regime, which is a royalty-tax model, derives its legal basis from the Income Tax Act<sup>33</sup>, 2015 (Act 896) and its Amendments. Other legislations that impose financial cost on mining operations include the Value Added Tax Act, 2013 (Act 870) as amended; and the Minerals and Mining Act<sup>34</sup>, 2006 (Act 703) as amended, which provides for annual ground rent, annual mineral right fees, mineral royalty payable and fiscal incentives.
- In Ghana, Mineral Royalties are tax deductible.

### Mining Fiscal Incentives

47. The Minerals and Mining Act, 2006 (Act 703) as amended outlines benefits to the holder of a mineral rights as follows:

- Capitalisation of expenditure on reconnaissance and prospecting, approved by the Minister where the holder starts development of a commercial find;
- Exemption from the payment of customs import duty on mining equipment and consumables on the Mining List;
- Transferability of Capital;
- Exemption of staff from the payment of income tax on furnished accommodation at the mine site;
- Retention of a portion of export proceeds in an external account to finance purchase of inputs, service debts and pay dividends;
- Immigration quota in respect of approved number of expatriate personnel; and
- Personal remittance quota for expatriate personnel free from tax imposed by an enactment regulating the transfer of money out of the country.

48. In addition, the Income Tax Act, 2015 (Act 896) as amended provides for deductions including ground rents and mineral royalties paid from mineral income for the purpose of assessment.

### Transferability of Capital (Retention Agreement)

49. As part of the measures to guarantee the transferability of capital, the Minerals and Mining Act, 2006 (Act 703) as amended under section 30 (1) mining lease holders who generate foreign exchange earnings are permitted to retain a portion thereof, for acquiring spare parts and other inputs required for the mining operations which would otherwise not be readily available without the use of the earnings, in an account approved by permit holders of mining lease to retain a part of their foreign exchange earnings. not less than 25 percent of foreign

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<sup>33</sup> <http://www.gra.gov.gh/acts/>

<sup>34</sup> [http://www.mincom.gov.gh/acts](http://www.mincom.gov.gh/acts/)

exchange earnings, in an account approved by the Bank of Ghana. Further, under section 30 (2) those whose operations generate net earnings in foreign exchange may be permitted, by the Minister for Finance in consultation with the Minister for mines and the Minerals Commission, to retain not less than 25 percent of foreign exchange in the account. Section 30 (2) also stipulates that the account shall be used for the following purposes:

- The acquisition of spare parts, raw materials, machinery, and equipment;
- Debt servicing and dividend payment;
- Remittance in respect of quotas for expatriate personnel; and
- The transfer of capital in the event of a sale or liquidation of the mining operations.

50. The percentage of forex earnings that is retained in an external account, which varies from one operator to the other, is dependent on a retention agreement between the operating company and the government. The agreement prescribed the proportion of forex earnings that must be sold to the central bank under a mandatory surrender requirement regime. Moreover, section 30(4) guarantees the free transferability of convertible currency.

**Table 2.2 Fiscal Regime**

Paying Entity	Type of Payment	Receiving Entity
Mining Companies	Mineral Rights Fees (Reconnaissance; Exploration and Mining Fees); Mining Operating Permit, Processing fees; other administrative fees related to mineral licence	Minerals Commission
Mining Companies	Mineral Royalty (excluding Bauxite)	MIIF
Mining Companies	Mineral Royalty (Bauxite); Corporate Income Tax; Withholding Tax; Pay-As-You-Earn; Value Added Tax; Import Duty, Capital Gain tax and Stamp Duty; Customs Processing Fee; Destination Inspection Fees; Management & Technical Services	GRA
Mining Companies	Gift Tax, Dividend Tax, Interest Tax, Commission Tax, Rent Tax, Penalties, Airport Tax, N.F.S.L/N.R.L (Arrears)	Forestry Commission/Liaison Group District Assemblies OASL Non-Tax Policy Unit (Revenue Policy Division), Ministry of Finance Environmental Protection Agency (EPA)
	Environmental and Ecological Services Commitment	
	Property Rate	
	Ground Rent	
	Dividends	
	Environmental Processing Fees Permitting Fees	Environmental Protection Agency (EPA)

*Source: GHEITI's construct*

## 2.2 CONTRACT AND LICENCE ALLOCATION

51. Under Section 1 of the Minerals and Mining Act, 2006 (Act 703), every mineral in its natural state, in, under or upon the land, rivers, streams, watercourses throughout the country, the exclusive economic zone and an area covered by the territorial sea or continental shelf is the property of the Republic and is vested in the President and held in trust for the people of Ghana. The grant of mineral rights is however determined by the Minister responsible for mines upon the advice of the Minerals Commission. Section 100 (1) and (2) of the Minerals and Mining Act, 2006 (Act 703) as amended mandates the Minerals Commission to make recommendations for the award of licenses to the Minister to exercise the powers, discretion or make a determination or agreements for a license.
52. The State’s policy on licensing is reflected in the Minerals and Mining (Licensing) Regulations<sup>35</sup>, 2012 (L.I. 2176) which prescribes the licensing procedures/processes for all mineral rights (Reconnaissance, Prospecting and Mining Leases)

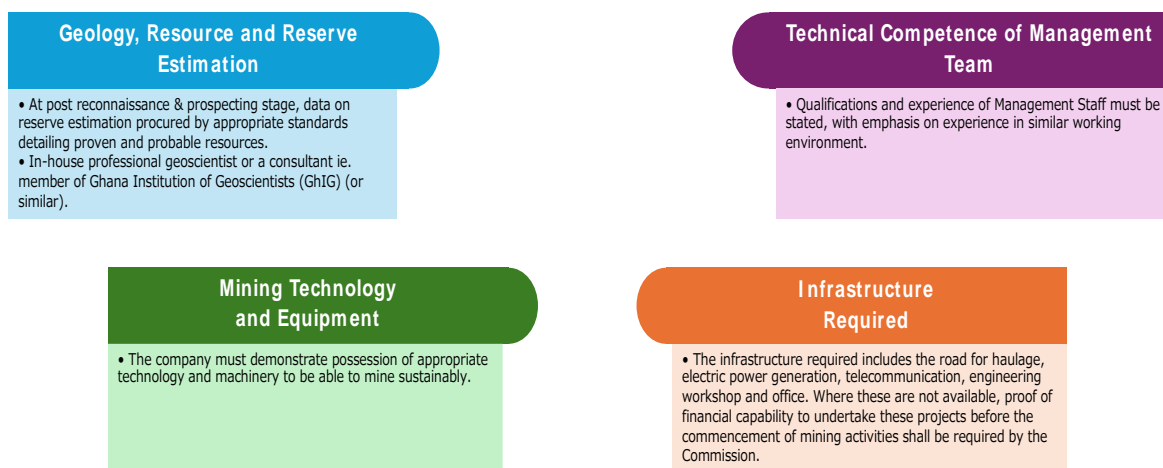
### 2.2.1 Technical and Financial Criteria

53. The Minerals Commission is required by Section 11 of Act 703 to ensure licensees or applicants for mineral rights have the required technical and financial capacity.

#### 2.2.1.1 Technical Criteria

54. The technical criteria for the evaluation of applications for mining leases is depicted in the figure below:

*Figure 2: Technical Criteria for the Evaluation of Applications for Mining Leases*

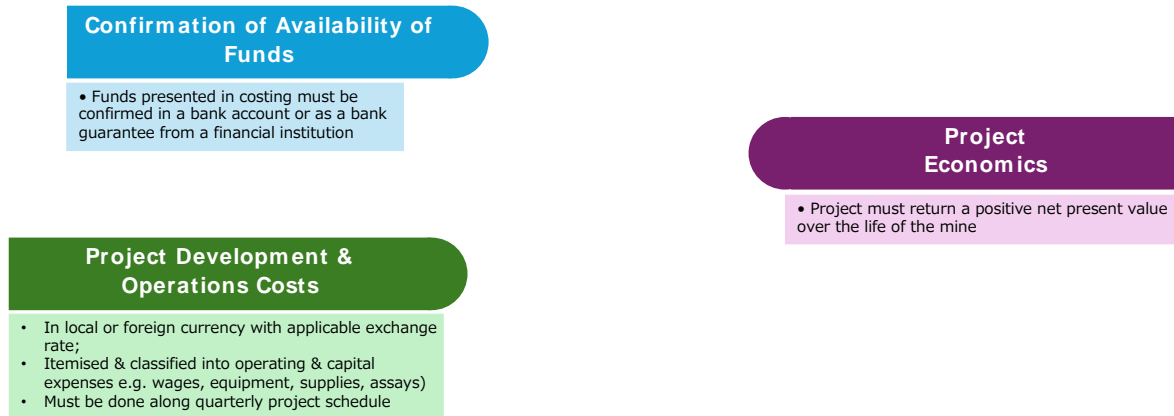


<sup>35</sup> <http://www.mincom.gov.gh/license-procedure/>

## Financial Criteria

55. The financial criteria for the evaluation of applications for mining leases is depicted in the figure below:

*Figure 3: Financial Criteria for the Evaluation of Applications for Mining Leases<sup>36</sup>*



## 2.3 REGISTER OF LICENCES

56. Section 103(1) of the Minerals and Mining Act, 2006 (Act 703) stipulates that the Minerals Commission shall maintain a register<sup>37</sup> of mineral rights in which shall be promptly recorded, applications, grants, variations and dealings in, assignments, transfers, suspensions and cancellation of rights.

## 2.4 CONTRACTS

57. Mining contracts refer to the Development, Investment and Tax Concession Agreements that the Republic enters into with some operating companies. Section 49 of the Minerals and Mining Act, 2006 (Act 703) as amended provides for the grant of development agreements where the holder of mining lease meet an investment threshold of at least US\$500 million. Sections 20 and 103 of the Minerals and Mining Act, 2006 (Act 703) as amended provides for disclosure of mineral licences, it does not make provision for the disclosure of mining contracts. The ongoing review of the Minerals and Mining Act will among others strengthen the current disclosure provisions to include contract disclosure.

58. Although the contract disclosure provisions are yet to take legal effect, the Minerals Commission had published all the contracts<sup>38</sup> entered into with Goldfields Ghana Limited, Abooso Goldfields Limited, Newmont Ghana Gold Limited, Newmont Golden Ridge Limited, AngloGold Ashanti (Ghana) Limited and including the most recently granted to Barari DV Ghana Limited (Lithium agreement).

## 2.5 BENEFICIAL OWNERSHIP

59. Ghana's policy on beneficial ownership disclosure is enshrined in the Companies Act, 2019 (Act 992) which provides the legislative basis for the definition of a beneficial owner,

<sup>36</sup> <http://www.mincom.gov.gh/regulations/>

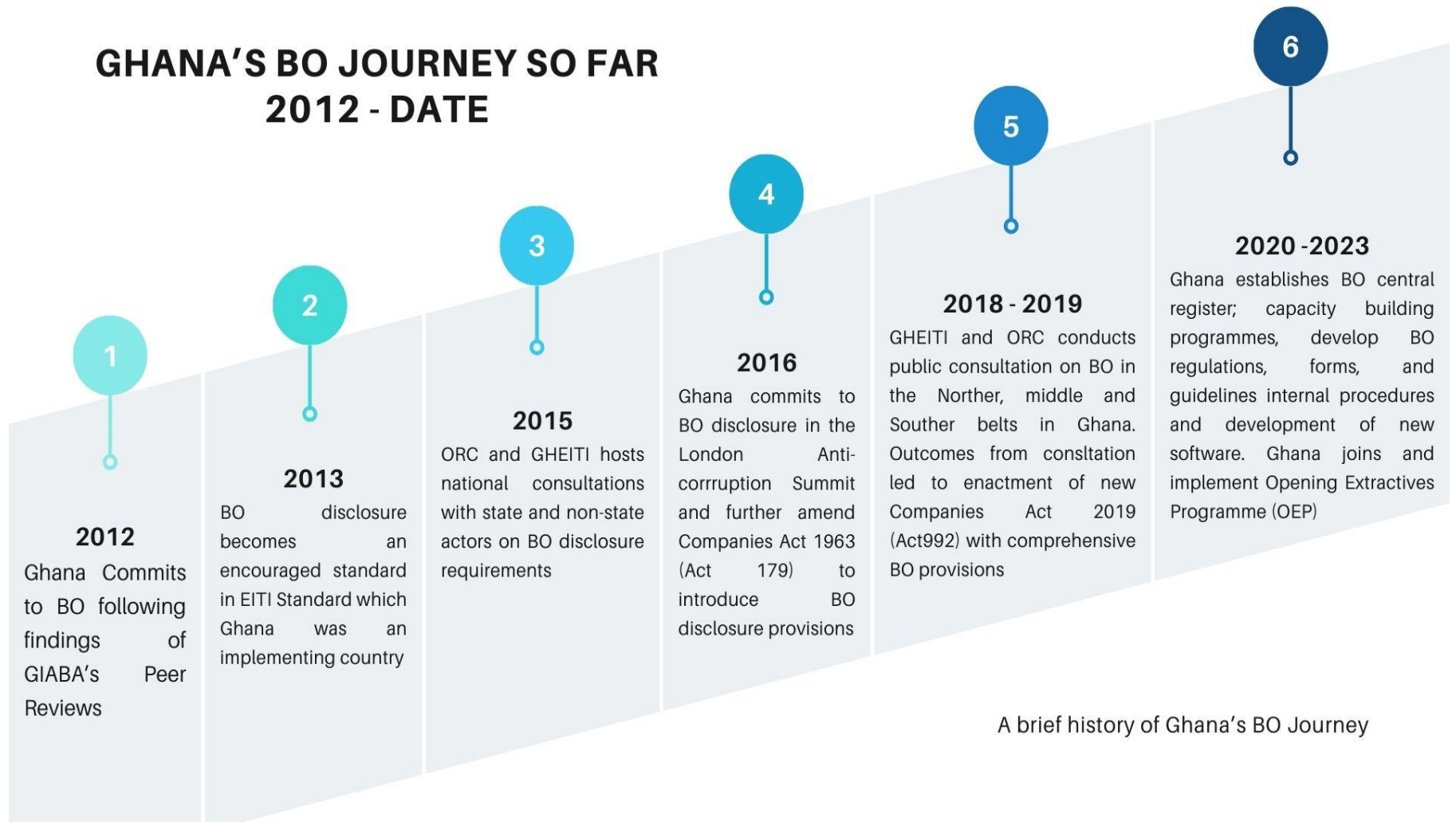
<sup>37</sup> <https://www.mincom.gov.gh/list-of-minerals-licences/>

<sup>38</sup> <https://www.mincom.gov.gh/development-and-investment-agreement/>

beneficial ownership disclosure requirements, the level of ownership, and details about how ownership or control is exerted.

60. All companies, including those limited by shares, limited by guarantee, unlimited companies, and external companies, are required to disclose BO data to the Office of the Registrar of Companies (ORC) during incorporation, registration or filing of annual returns. This include extractive companies that bid for, operate, or invest in Ghana.
61. In practice, BO details that are first submitted during incorporation or annual returns filings are initially authenticated with the Ghana National ID card database, processed, and integrated into the central register of companies. The central register is available to the public on request and conditioned on the payment of a fee (GHS 25.00, the equivalent of US\$ 2.00 as at the time of publication of this report). The MSG does not consider the GHS25.00 access fee as a barrier to accessing BO data.
62. Further discussions between GHEITI Secretariat and the Office of Registrar of Companies (ORC) have confirmed that the amount charged constitutes a significant revenue source to cover the ORC's operations. At the time of writing, ORC confirmed that processes were far advanced to allow online access to BO information. Further, the MSG has been engaged in the ORC's stakeholder engagements in the design of their new data collection software which, once completed, will allow companies to submit and access BO information online. Upon request for BO information of any company, the following information will be provided:
  - Name of the beneficial owner, including any former name(s);
  - Business address;
  - Percentage of beneficial ownership interest;
  - Nature of interest; and
  - Declaration as to whether the beneficial owner meets the definition of a Politically Exposed Person(s) (PEP).
63. The full BO information collected by the Office of the Registrar of Companies is accessible to all competent authorities and law enforcement agencies at no cost.

Figure 4: Ghana's BO Journey So Far



A brief history of Ghana's BO Journey

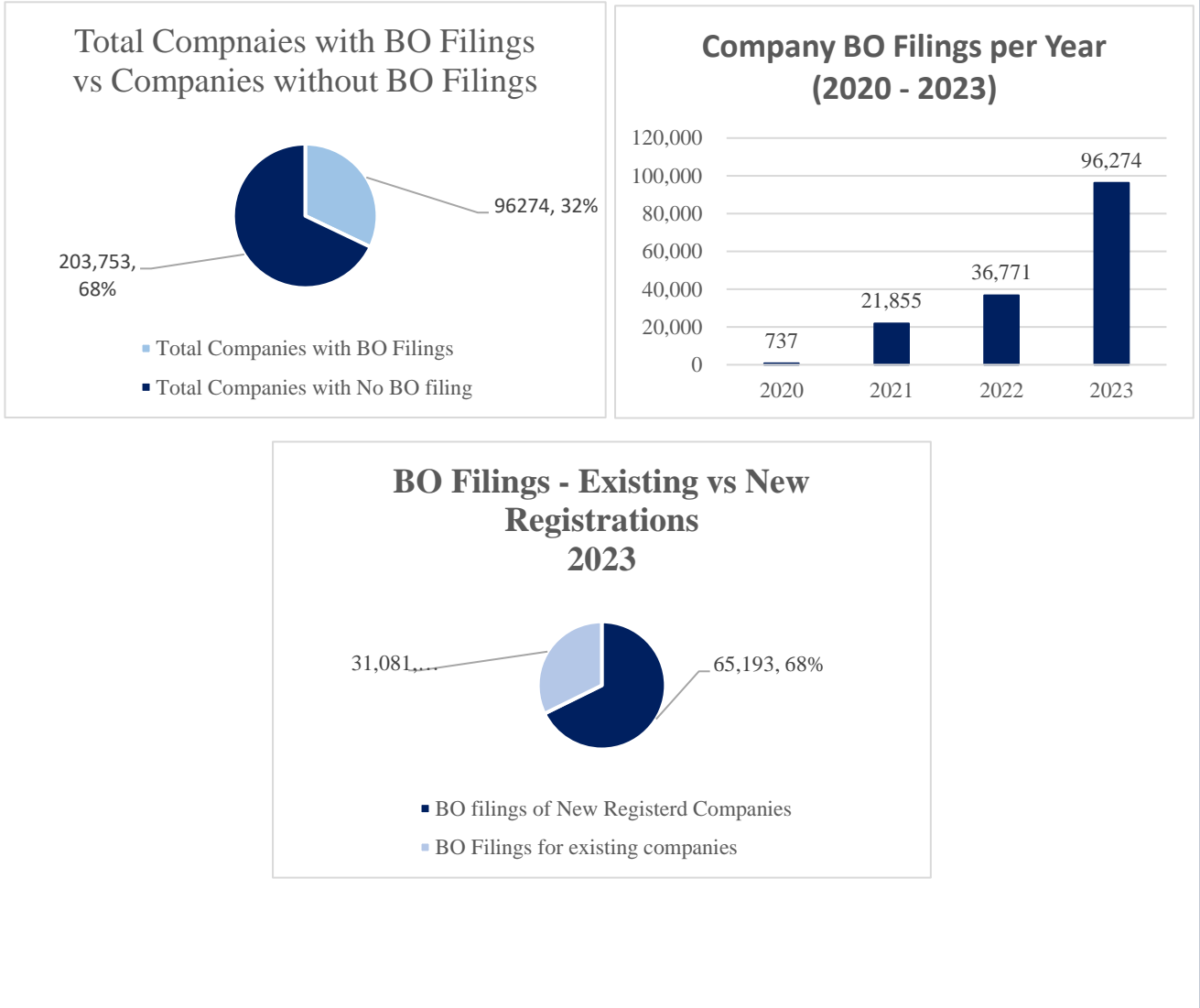
Source: GHEITI's construct based on data from ORC



**Figure 5: BO Implementation Statistics**

**BO Implementation Statistics**

Between January 2020 and August 2023, a total of 96,274 companies had filed their BO data with the Office of the Registrar of Companies (ORC). Out of this, 65,193 representing 68 percent are new registrations or incorporations, while 31,081 are existing companies, representing 32 percent. This information is summarized in the figures below.



**Table 2.3 Beneficial Ownership Information and Legal Ownership Information for Reporting Company**

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
<b>Ghana Manganese Company</b>	Private	Consolidated Minerals Africa Limited – 100% shareholding interest	Jurgen Eijgendaal	Dutch	Voting rights – 100% Controlling rights – right to appoint and remove majority of directors	22, 7 <sup>th</sup> Avenue Dr. Isert Road, Accra, Ghana	No
<b>Perseus Mining (Ghana) Company Limited</b>	Private	Kojina Resources Limited - 90 % shareholding	Perseus Mining Limited (Listed on Australia Stock Exchange) Link <sup>39</sup>	Australian	Shareholding – 90% Voting rights – 90%	Level 2, 437 Roberts Road Subiaco, Western Australia 6008 Australia	No
		Government of Ghana – 10% shareholding	Government of Ghana	Ghanaian	Shareholding – 10% Voting rights – 10%		No
<b>Newmont Ghana Gold</b>	Private	Newmont Lasource – 100% shareholding	Newmont Corporation Plc	USA	Financial Voting rights – 100%	153,153 Rue De Courcelles, Paris, France	No

<sup>39</sup> <https://www2.asx.com.au/markets/company/pru>

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
<b>Newmont Golden Ridge Ltd</b>	Private	Newmont Lasource – 100% shareholding	Newmont Corporation Plc Link <sup>40</sup>	USA	Financial Voting rights – 100%	153,153 Rue De Courcelles, Paris, France	No
<b>AngloGold Ashanti Ghana Ltd</b>	Private	AngloGold Ashanti Holdings Plc – 100% shareholding	AngloGold Ashanti Limited Link <sup>41</sup>	South Africa	Financial. – 100 % Shareholding – 100%	76 Rahima Moosa Street, Newtown, Johannesburg, 2001, South Africa	No
<b>AngloGold Ashanti (Iduapriem)</b>	Private	AngloGold Ashanti Ghana Ltd – 100% shareholding	AngloGold Ashanti Limited Link <sup>42</sup>	South Africa	Financial. – 100 % Shareholding – 100%	76 Rahima Moosa Street, Newtown, Johannesburg, 2001, South Africa	No
<b>Ghana Bauxite Company Ltd</b>	Private	Ofori-Poku Company Ltd – 80% Shareholding	Yet to be disclosed to ORC	Yet to be disclosed to ORC	Yet to be disclosed to ORC	Yet to be disclosed to ORC	NA
		Ghana Integrated Aluminium	Yet to be disclosed ORC	Yet to be disclosed to ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	NA

<sup>40</sup> <https://www.nyse.com/quote/XNYS:NEM>

<sup>41</sup> <https://gse.com.gh/listed-company/anglogold-ashanti-limited/>

<sup>42</sup> <https://gse.com.gh/listed-company/anglogold-ashanti-limited/>

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
		Development Corporation – 20% shareholding					
<b>Adamus Resources Ltd</b>	Private	Nguvu Mining Ltd – 90% shareholding	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	
		Government of Ghana – 10% shareholding	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	
<b>Golden Star (Wassa) Ltd</b>	Private	Wasford Holdings – 90% shareholdings	Chifeng Jilong Gold Mining Company Plc – Listed on Shanghai Stock Exchange	Chinese	Indirect shareholding interests – 90% Voting rights – 90% Right to appoint and remove majority of directors	House No, Deila Court, 19 Patrice Lumumba St, Accra	
		Government of Ghana – 10% shareholding	Government of Ghana	Ghanaian	Shareholding – 10% Voting rights – 10%		No
<b>Asanko Gold Mining</b>	Private	Galiano Gold (Isle of Man) Ltd – 45% Shareholding	Galiano Gold Inc. Listed on NYSE and Toronto Stock Exchange	Canadian	Shareholding – 45%	4 Sir. Arku Korsah Rd, Accra	

*Source: GHEITI's construct based on data from ORC*

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
<b>(Ghana) Ltd</b>			Link <sup>43</sup>		Voting rights – 45%		
		GFI Netherlands B.V – 45% Shareholding	Gold Fields Limited Listed on Johannesburg Stock Exchange Link <sup>44</sup>	South African	Financial Voting rights – 45% Right to appoint and remove majority of director	150 Helen Road Sandown Sandton Johannesburg 2196	No
		Government of Ghana – 10% shareholding	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC		NA
<b>Abosso Goldfields Ltd</b>	Private	Gold Fields Holdings Company Limited 90% Shareholdings	Gold Fields Limited Listed on Johannesburg Stock Exchange Link <sup>45</sup>	South African	Financial Voting rights – 90% Right to appoint and remove majority of directors	150 Helen Road Sandown Sandton Johannesburg 2196	No
		Government of Ghana – 10% shareholding	Government of Ghana	Ghanaian	Shareholding – 10%		

*Source: GHEITI's construct based on data from ORC*

<sup>43</sup> <https://www.nyse.com/quote/XASE:GAU/QUOTE>

<sup>44</sup> <https://clientportal.jse.co.za/companies-and-financial-instruments/issuer-profile?issuermasterid=1069>

<sup>45</sup> <https://clientportal.jse.co.za/companies-and-financial-instruments/issuer-profile?issuermasterid=1069>

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
					Voting rights – 10%		
Gold Fields (Ghana) Ltd	Private	Gold Fields Holdings Company Limited 90% Shareholdings	Gold Fields Limited Listed on Johannesburg Stock Exchange Link <sup>46</sup>	South African	Financial Voting rights – 90% Right to appoint and remove majority of directors	150 Helen Road Sandown Sandton Johannesburg 2196	No
		Government of Ghana – 10% shareholding	Government of Ghana	Ghanaian	Shareholding – 10% Voting rights – 10%		
Chirano Gold Mines Ltd		Red Back Mining Ghana Ltd – 90% Shareholding	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	NA
		Government of Ghana – 10% shareholding	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	Yet to be disclosed ORC	NA

Source: Office of the Registrar of Companies (2022)

<sup>46</sup> <https://clientportal.jse.co.za/companies-and-financial-instruments/issuer-profile?issuermasterid=1069>

### 2.5.1 Opening Extractives Programme

64. Ghana accepted to join the Opening Extractives Programme (OEP) in July 2021 and officially launched the programme in September in the same year. The OEP is a global programme aimed at transforming the availability and use of beneficial ownership data for effective governance of the extractive sector. The OEP is implemented by the EITI International Secretariat and Open Ownership.
65. The programme seeks to achieve the following by the end of 2025:
1. Ensure government, industry, and civil society actors have greater access to comprehensive and reliable information on the ultimate owners of extractive industry companies;
  2. Enable government, industry, and civil society actors to easily identify and address corruption and mismanagement risks associated with hidden ownership; and
  3. Advance beneficial ownership transparency in the extractive industries and beyond in a post-COVID-19 context, by documenting and communicating the impact and outcomes of the programme.

#### Update on OEP Implementation

- **Support on Generation of Accurate BO information** – OEP implemented capacity building workshops for ORC staff in Accra, Takoradi and Kumasi on the technical aspects of BO concept, interpretation of the legislation and on the BO regulations
- **Support on BO data use** - OEP implemented a data use training for media and civil society in Ghana, with the aim to enhance BO data use.
- **Support Industry Players** - OEP implemented a one-day workshop with the legal representatives of members of the Chamber of Mines to brief them on BO legal requirements.
- **Support to Regulators:** OEP hosted online and in person capacity building meetings for petroleum commission and minerals commission to enhance their capacity on the use of BO in conducting due diligence
- **International Experience Sharing:** OEP created multiple platforms (including in Senegal, Ghana, and Norway) for Ghana to share their BO implementation experiences and learn from other countries to enhance same.

## 2.6 STATE PARTICIPATION

### 2.6.1 State Interests in Ghanaian Mining Industry- Definition of SOEs

66. For EITI implementation, GHEITI MSG defines State Owned Enterprises (SOEs) as commercial entities engaged in extractive activities which are wholly, or majority owned by the government. The State Interests and Governance Authority (SIGA) Act, 2019 (Act 990) grants the Authority oversight of all entities which the State holds interests. These are collectively termed 'Specified Entities' and include:
- **State Owned Enterprises (SOEs):** Entities, whether incorporated under the Companies Act or established by statute; and whether wholly owned or majority owned. SOEs are primarily commercially oriented.

- **Joint Venture Companies (JVCs):** Entities in which the government holds either majority (50 percent + voting interest) or minority (up to 10 percent) ownership. Majority stake includes special arrangements such as 'golden shares' ensuring government control.
- **Other State Entities (OSEs):** State-owned entities, not classified as SOEs, designated as Specified Entities in accordance with Ghanaian law.

67. Companies with government majority shares or wholly owned by government include:

- Precious Mineral Marketing Company (PMMC)
- Ghana Integrated Aluminum Development Corporation (GIADEC)
- Ghana Integrated Iron and Steel Development Corporation (GIISDEC)
- Prestea Sankofa Gold Limited (PSGL)

68. Following are details of the entities:

#### 2.6.1.1 Precious Mineral Marketing Company (PMMC)

##### **Evolution of the Precious Minerals Marketing Company**

- **1963 - Establishment:** The Ghana Diamond Marketing Board is established to manage diamond trade within Ghana.
- **1965 - Formal Incorporation:** The Corporation is established under Legislative Instrument 401 (L.I. 401).
- **1989 - Transformation and Expanded Role:** The Precious Minerals Marketing Corporation Act (PNDCL 219) establishes the Precious Minerals Marketing Corporation, encompassing a broader mandate beyond diamonds. This Act also revokes the previous Diamond Marketing Corporation Instrument (L.I. 916)
- **2000 -Current Status:** The Statutory Corporations (Conversion to Companies) Act, (Act 461) converts the PMMC into a Public Limited Liability Company regulated under the Companies Act, 2019 (Act 992).

##### **Key Mining Activities:**

- Government Assayer (primary role)
- Introduction of vault services for safe deposit



**Table 2.4: Financial Relationship between PMMC and State**

<b>EITI Requirements 2.6</b>	<b>Legislative<sup>47</sup> Requirement</b>	<b>In Practice<sup>48</sup> in 2021</b>	<b>In Practice in 2022</b>
<b>Ownership Structure</b>	100% Government of Ghana ownership	100% Government of Ghana ownership	100% Government of Ghana ownership
<b>Governance Structure</b>	Board of Directors: 6 members (including 1 woman)	Board of Directors: 6 members (including 1 woman)	Board of Directors: 6 members (including 1 woman)
<b>Government transfers</b>	No legislative requirement for government transfers	No government transfers	No government transfers
<b>Revenues</b>	Converted into a Limited Liability Company	No Revenues to Government	No Revenues to Government
<b>Assets</b>	Not Applicable	Not Applicable	Not Applicable
<b>Profits</b>	Not Applicable	Not Applicable	Not Applicable
<b>Borrowing and issuance of debt and securities</b>	Not Applicable	Not Applicable	Not Applicable
<b>Subsidiaries/ JVs</b>	Allow to establish subsidiaries	PMMC Jewellery Ltd (PJL) - PMMC's Jewellery-Marketing Division	PMMC Jewellery Ltd (PJL) - PMMC's Jewellery-Marketing Division
<b>Financial relationship on behalf of subsidiaries and JVs</b>	Permissible <sup>49</sup>	No Financial transfers	No Financial transfers
<b>Transfers to Government (Dividend)</b>	Permissible	There were no transfers to Government	There were no transfers to Government
<b>Retained Earnings</b>	Permissible	No Retained Earnings	No Retained Earnings
<b>Reinvestments</b>	Permissible	No Reinvestments	No Reinvestments
<b>Third party financing (Loans and guarantees on behalf of other government agencies)</b>	Not legally required	Yes (MLNR)	Yes (MLNR)

Source: PMMC

<sup>47</sup> It means what are the statutory provision with regards to the Sub indicators under EITI Requirement 2.6

<sup>48</sup> It means what actually happened in practice in 2021. It allows readers to know whether there have been a deviation from the legislative requirement.

<sup>49</sup> Permissible means the company operates under Companies Act as a Limited Liability Company and has the authority to decide to pay dividends, finance subsidiaries or decide on reinvestments. Hence not statutorily required.

## 2.6.1.2 GHANA INTEGRATED ALUMINIUM DEVELOPMENT CORPORATION

### **Ghana Integrated Aluminum Development Corporation (GIADEC): Strategic Asset Portfolio and Industry Development**

69. GIADEC is a state-owned enterprise established under the GIADEC Act, 2018 (Act 976), and mandated to develop and promote Ghana's integrated aluminum industry development. Its strategic asset base includes:
  70. **Bauxite Reserves:** In line with Act 978, By virtue of the provisions of Act 978, GIADEC holds the Government of Ghana's interest in all the bauxite reserves in Ghana (estimated at Nine Hundred Million Metric Tonnes (900MMT)). Currently GIADEC has assigned Blocks B and C of the Nyinahin Hills to Rocksure International and Mytilineos SA.
  71. **Legacy Assets:** Holds 100% shares in VALCO (Ghana's aluminum smelting company) and 20% interest in Ghana Bauxite Company Limited, an active mine with an 80-year operating history.
  72. **Equity Expansion:** GIADEC may secure equity stakes in newly established mines and refineries through strategic partnerships in accordance with section 3(f) of the GIADEC Act (Act 978).
73. **Processing Initiatives:**
  1. **Awaso Expansion:** GIADEC is in the process of developing an MoU with Ofori-Poku Company Ltd (OPCL), who took over the GBC mine from the Bosai Minerals Group in 2021, to significantly scale up operations as follows for Project 1A for the existing mine:
    - Mine capacity to increase to 5 million MT/annum from the existing 1 million MT/annum.
    - Construction of a 1.6 million MT/annum alumina refinery plant.
  2. Project 2: GIADEC has signed preliminary agreements with Rocksure International to develop a 5 million MT/annum capacity mine and a refinery solution subject to obtaining the relevant statutory approvals.
74. **Key Mining and Downstream Related Activities In 2021 and 2022**
  - (i) GIADEC held 164 and 91 community engagements in 2021 and 2022 respectively to develop long-term relationships with local communities.
  - (ii) GIADEC Signed Heads of Terms (HoT) for Project 2 with Rocksure International in 2021 to develop Project 2 (Development of mine at Nyinahin -Mpasaaso and a refinery solution)
  - (iii) GIADEC, in partnership with Rocksure, commenced MRE works for Nyinahin Block B (Hills 4-6) in 2021; and as of December 2022, drilling works were completed, and assaying was 90% complete.
  - (iv) The biodiversity and hydrological baseline study of Atewa, commissioned under the auspices of the EPA in October 2020 was completed in May 2021 and the draft report submitted to the review committee.
  - (v) GIADEC commissioned a biodiversity and hydrology baseline study for Tano Offin Forest reserve under the auspices of EPA in 2022 to inform GIADEC's decisions regarding the development of the mining operations in the area.
  - (vi) Developed the VALCO Recovery plan in 2021.

*Table 2.5: Financial Relationship between GIADEC and the State*

<b>EITI Requirements 2.6</b>	<b>Legislative Requirement [1]</b>	<b>In Practice in 2021[2]</b>	<b>In Practice in 2022</b>
Ownership Structure	100% Government of Ghana ownership	100% Government of Ghana ownership	100% Government of Ghana ownership
Governance Structure	Board of Directors:	Board of Directors:	Board of Directors:
	11 members (including 1 woman)	11 members (including 2 woman)	11 members (including 2 woman)
Government transfers	Transfers from government is allowed under GIADEC Act	No government transfers	No government transfers
Revenues	Government Subvention Internally generated funds  Grants, loans and other moneys approved by the Minister for Finance	· Government Subvention · Internally Generated Funds (IGF)	· Government Subvention · Internally Generated Funds (IGF)
Assets	Not explicitly stated in the law.		
Profits	Not explicitly stated in the law.	No declaration of profits.	No declaration of profits.
Borrowing and issuance of debt and securities	Allowed to borrow subject to parliamentary approval.		
Subsidiaries and JVs	Allow to establish subsidiaries and JVs	Volta Aluminium Company (100% owned)  Ghana Bauxite Company (20%)	Volta Aluminium Company (100% owned)  Ghana Bauxite Company (20%)
Financial relationship on behalf of subsidiaries and JVs	Yes	No	No
Transfers to Government (Dividend)	Yes	No	No
Retained Earnings	Not explicitly stated in the law.	No	No
Reinvestments			
Third party financing (Loans and guarantees on behalf of other government agencies)			

*Source: GHEITI's construct*

### 2.6.1.3 GHANA INTEGRATED IRON AND STEEL DEVELOPMENT CORPORATION

75. The Ghana Integrated Iron and Steel Development Corporation (GIISDEC) was established by the Ghana Integrated Iron and Steel Development Corporation Act, 2019 (Act 988), with a mandate to promote and develop an integrated iron and steel industry in Ghana. GIISDEC may apply for and hold mineral rights in its name or enter a joint venture with another legal entity to hold a mineral right. GIISDEC operates as a commercial entity without regulatory powers. in its name or enter a joint venture with another legal entity to hold a mineral right. GIISDEC operates as a commercial entity without regulatory powers.
76. **Legal Framework:** The Ghana Integrated Iron and Steel Development Act, 2019 (Act 988) governs contractual relationships between the state, GIISDEC, and investors across the entire iron and steel value chain.
77. **Scope of Mining Sector Activities:** The scope of activities undertaken by GIISDEC encompasses activities from exploration for iron ore, mining, and processing through to the manufacture of iron and steel products for industrial and economic growth.
78. **Strategic Partnerships:** GIISDEC will engage in public-private partnerships for commercial operations in the Opon-Mansi and Sheini mines and other iron ore deposit areas found to be commercially viable through the exploration and Mineral Resources measurements.
79. **Exploration Efforts:** Feasibility studies continued in 2021 and 2022 at Gyumurume-Santrokofi-Akpafu Iron-ore concession site in Oti – region, Pudo (Upper West Region) and Akpafu (Oti Region), where the Ghana Geological Survey Authority (GGSA) identified significant inferred iron ore reserves. Work is currently ongoing. However, data validation for the Opong-Manso and Sheini in the northern region have been completed.

#### **Key Mining Related Activities in Financial Years 2021 and 2022**

- (i) GIISDEC produced a report for Mineral Resource data validation on Opon-Manso and Sheini;
- (ii) GIISDEC produced a Strategic Master Plan document for the Iron and steel industry in Ghana; and
- (iii) GIISDEC acquired Geo-technical and customized drill rig to assist with speed data collection and analysis.

**Table 2.6: Financial Relationship between GIISDEC and the State**

EITI Requirements 2.6	Legislative Requirement <sup>50</sup>	In Practice in 2021 <sup>51</sup>	In Practice in 2022
<b>Ownership Structure</b>	100% Government of Ghana ownership	100% Government of Ghana ownership	100% Government of Ghana ownership
<b>Governance Structure</b>	Board of Directors: 9 members (including 1 woman)	Board of Directors: 9 members (including 1 woman)	Board of Directors: 9 members (including 1 woman)
<b>Government transfers</b>	Transfers from government is allowed under GIISDEC Act		
Revenues	<ul style="list-style-type: none"> <li>• Transfers from government</li> <li>• Internally generated funds</li> <li>• Grants, loans and other moneys approved by the Minister for Finance</li> </ul>	Transfers from government GHS	Transfers from government
Assets	Allowed to hold assets		
Profits	State Enterprise – profit oriented	No profits declared.	No profits declared.
Borrowing and issuance of debt and securities	Permitted		
Subsidiaries and JVs	Allow to establish subsidiaries and JVs	No subsidiaries established.	No subsidiaries established.
Financial relationship on behalf of subsidiaries and JVs	Yes	No	No
Transfers to Government (Dividend)	Permitted	No	No
Retained Earnings	Permitted	No	No
Reinvestments	Permitted		
Third party financing (Loans and guarantees on behalf of other government agencies)	Permitted		

**Source: GHEITI's Construct**

#### 2.6.1.4 PRESTEA SANKOFA GOLD LTD

80. Through the intervention of GNPC, the following major works and upgrades were done to the Plant between 2019 and June 2021 in readiness for the Company's reopening: Refurbishment of the Plant; Test runs on the tailings from Bondaye (a suburb of Prestea); Sub-production to change the mail liners; Repair to the elution tanks; and major work to raise the tailings parameter.

<sup>50</sup> It means what are the statutory provision with regards to the Sub indicators under EITI Requirement 2.6

<sup>51</sup> It means what happened in practice in 2021. It allows readers to know whether there has been a deviation from the legislative requirement.

81. PSGL resumed operations on 1st July 2021 after it had been shut down in 2016. Following the resumption of operations, revenue increased from GHS37.8 million (July – December) in 2021 to GHS154.1 million in 2022, representing a 308% increase. The gross loss decreased from GHS2.1 million in 2021 to a gross profit position of GHS36.9 million in 2022, representing a 1,857 percent increase. Net loss for 2022 further slumped by approximately GHS50 million to GHS97.1 million from the net loss of GHS47.2 million recorded in 2021. The high General and Administrative (G&A) expenses during the year under review accounted for the net losses.
82. In 2022, the Company secured a one-year loan of US\$600,000 from GNPC, out of which US\$400,000 was used to extend the Tailing Storage Facility (TSF) by 1.5 metres. The remaining US\$200,000 was used to support its operations. However, in the span of a year, the extended TSF has reached its full capacity again and for this reason construction of a new TSF is required to avoid punitive action by EPA and the MinCom. Management estimates the cost of constructing a new TSF to be about US\$4 million. It is worth noting that the Company has repaid US\$310,950.42 (principal and interests) towards the GNPC loan. Management confirmed on 17<sup>th</sup> October 2023 that as at the end of the third quarter of 2023, the outstanding loan balance (principal and interests) was US\$310,950.42.
83. In its bid to curb the high costs associated with G&A expenses, management has acquired two excavators to replace the rented excavators it previously used. The purchase of the excavators has led to a significant reduction in rental cost, and it is expected that the purchase costs will be recouped within five months of the purchase. The Company now rents only one excavator to support its operations. Management plans to purchase another excavator in the next year to further reduce the high costs associated with G&A.

#### **PSGL Finances**

84. PSGL is financed by GNPC and the company's operations, as Government's 10 percent interest is carried (non-contributory).

#### **STATE CONTROL**

85. There are no companies in the mining sector in which the state exercises direct ownership and control. GIADEC and GIISDEC are two companies primarily engaged in the mining industry on behalf of government. These are holding companies with equity holdings in mining leases on behalf of the state. GIADEC holds government 20 percent equity share (with the potential of increasing to 30 percent) in the Ghana Bauxite Company and GIISDEC.

#### **2.6.2 State Participation in Mining**

86. Ghana's mineral governance has undergone revolutionary changes, particularly since independence (1960s). In the 1960s, the Government of Ghana nationalised majority of the mining companies through the State Mining Corporation which acquired five out of seven mining companies previously under the British Crown. Before 1983, the State continued to explore and went on to acquire majority shares in the other mines that remained under private control. Following significant decline in the mining sector up to 1983/1984, the Government of Ghana deregulated the sector and further privatised most of the mines under the Economic Recovery Programme based on the advice of the World Bank and the IMF. Government owned mining companies were divested to private entities.

87. In 1986, PNDCL Law 153 revamped Ghana's mineral governance framework to introduce 10 percent free carried interest for the government in all mineral operations. This allowed the government to acquire the carried interest in all producing mines without upfront financial investment. Further, the Artisanal and small-scale mining (ASM) was formalised and reserved exclusively for Ghanaian citizens in 1989 by the Small-Scale Gold Mining Law, 1989 (PNDCL 218).
88. The Government of Ghana retains a non-contributory shareholding of 10 percent in all mining operations in the country as stipulated by Section 43(1) of the Minerals and Mining Act, 2006 (Act 703) except for Newmont and AngloGold Ashanti operations. The Government rather has a 10 percent cashflow interest in Newmont operations. Regarding AngloGold Ashanti, Government holds an equity interest in its global operations.

**Newmont/ AngloGold Ashanti Carried Interest at end Financial Year 2021**

89. Additional to royalty payment, the government has a notional, non-cash and non-equity carried interest in the operations of both Ahafo and Akyem, which means that the government is entitled to receive 10 percent of a project's net cash flow after reaching specific production milestones.
90. According to Newmont Annual Financial Report, in 2021, Newmont paid US\$90 million in royalty payments, consisting of US\$50 million for Akyem and US\$40 million for Ahafo. This includes approximately US\$24 million of carried interest payment (\$5 million for Ahafo and \$19 million for Akyem)<sup>52</sup>.
91. In the case of AngloGold Ashanti operations in Ghana, the Ghana government has equity holding in AngloGold Ashanti's parent company. As at the end of 2021, the Government of Ghana's shareholding<sup>53</sup> stood at 0.01 % in Anglogold in 2021 and 0.04 percent in 2022.

*Table 2.7: Shareholder spread of AngloGold Ashanti as of 31 December 2021*

Class of Shareholder	No. of Shareholders	% of shares In issue	No. of shares Held	% of total Shareholders
<b>Public Shareholders</b>	24,722	99.96%	417,156,030	99.92%
<b>Non-Public Shareholders</b>	8	0.03%	172,772	0.04%
<b>Strategic holding- Government of Ghana</b>	1	0.01%	172,650	0.04%
	24,731	100%	417,501,452	100%

Source: Annual Report<sup>54</sup>, 2021

92. The Government is however not precluded from any other or further participation in mineral operations that may be agreed with the holder.

<sup>52</sup> Newmont Integrated Report 2021

<sup>53</sup> AGA Annual Report 2021

<sup>54</sup> <https://www.aga-reports.com/21/wp-content/uploads/2022/03/AGA-AFS21.pdf>

93. As of 2022, Government had the following non-contributing shareholdings in mining companies. Dividends for 2021 and 2022 have been shown in Table 2.8

**Table 2.8: Government shareholding in Mining companies**

Company	% Share	Dividends/Net Cash Flow received in 2021 (GHS)	Dividends/Net Cash Flow received in 2022 (GHS)
AngloGold Ashanti (Obuasi) Limited	0.04	437,179.51	495,288
AngloGold Ashanti Iduapriem Limited	0.04		
Adamus Resources Limited	10	-	-
Golden Star Wassa Limited	10	-	-
Golden Star Bogoso Prestea Limited	10	-	-
Gold Fields Ghana Limited	10	407,135,282	212,567,186.00
Abosso Goldfields Limited	10		
Chirano Gold Mines Limited	10	-	-
Ghana Bauxite Company Limited	20	-	-
Ghana Manganese Company Limited	10	-	-
Perseus Mining (Ghana) Limited	10	-	-
Prestea Sankofa Gold Limited	10	-	-
<b>Total</b>		<b>547,761,216</b>	<b>435,099,624</b>

Source: Revenue Policy Division – Non-Tax Policy Unit (RPD/NTPU), Ministry of Finance

#### 2.6.2.1 Ghana Bauxite Company

94. The Awaso bauxite mine is managed by Ghana Bauxite Company (GBC). GBC is jointly owned by a Ghanaian Consortium, Ofori Poku Company Limited (OPCL)<sup>55</sup> and Government of Ghana. The Government of Ghana’s interest in Ghana Bauxite Company is held by GIADEC.<sup>56</sup>

<sup>55</sup> The consortium replaces Bosai Minerals Group from China which had managed the company from February 2010 to February 2022.

<sup>56</sup> GIADEC website: <https://giadec.com/existing-operations/>



### 2.6.2.2 GHANA INFRASTRUCTURE INVESTMENT FUND (GIIF) INVESTMENT IN MINING

95. Ghana Infrastructure Investment Fund (GIIF) was established by the Ghana Infrastructure Investment Fund Act, 2014 (Act 877) as amended by the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063).
96. The Fund’s object is to mobilise, manage, coordinate and provide financial resources for investment in a diversified portfolio of infrastructure projects in Ghana for national development. It is mandated to leverage its resources to spearhead the development of critical infrastructure in Ghana.

### 2.6.2.3 SOEs’ equity interests in subsidiaries, joint-ventures and other extractives companies

97. PMMC Jewellery Ltd (PJM) is a joint venture between PMMC and ADITAN which manufactures jewellery. PJM manufactures and markets both hand-made and machine-made jewellery in gold, diamond, silver and other precious minerals and gemstones.

*Table 2.9 SOEs’ Equity Interest in Extractives*

No.	SOE	Subsidiary (minerals sector)	Equity Interest
1	GNPC	Prestea Sankofa	100
2.	PMMC	PMMC Jewellery Ltd	50
3.	PMMC	Royal Ghana Gold <sup>57</sup>	20
4.	GIADEC	VALCO	100

*Source: GHEITI’s Construct*

### Terms associated with each of the equity interests held by the state or SOE

98. Free carried interest of Government in mining ventures. The state is entitled to 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 by Government<sup>58</sup>. It can also exercise a right to further increase its stake in mining enterprises in Ghana.<sup>59</sup>

### 2.6.3 Changes to State Participation in 2021 and 2022

99. There was no change to Government’s participation in any of the mining operations in 2020.

#### 2.6.3.1 Trans-shipment of Gold by PMMC

100. The Minerals Commission has classified the shipment of gold by PMMC as an illegal activity since PMMC has stopped the transshipment of gold. PMMC has been assigned by the Ministry of Lands and Natural Resources to issue the Kimberly Process Certificate and regulate all diamond trade in Ghana.

<sup>57</sup> There are ongoing discussions to transfer that to Bank of Ghana

<sup>58</sup> Section 43(1) of Act 703 states that “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 by Government.” (2) Subsection (1) does not preclude the Government from any other or further participation in mineral operations that may be agreed with the holder.

<sup>59</sup> Section 43(2) provides subsection (1) “does not preclude the Government from any other or further participation in mineral operations that may be agreed with the holder”.

### 2.6.3.2 GRANT OF GOLD & DIAMOND BUYERS LICENCES

101. PMMC has been assigned by the Ministry of Lands and Natural Resources to issue the Kimberley Process certificate and regulate all diamond trade in Ghana.
102. PMMC grants licences for the purchase of diamonds produced by small scale miners while the Minister for Lands and Natural Resources on the recommendation of the Minerals Commission grants licences for the purchase of gold produced by small-scale miners.

### 2.6.4 Dividends to Government

103. There were no dividend payments from PMMC, VALCO, GIADEC, GIISDEC and PSGL in 2021 and 2022.

### 2.6.5 Statutory Financial Relations Between SOEs and Government

104. GIISDEC and GIADEC are entitled to receive budget transfers or subventions. In line with section 18 of the GIADEC Act, 2018 (Act 976), the source of fund for the corporation are:
  - Moneys approved by parliament;
  - IGFs; and
  - Grants, loans, and other moneys approved by the Minister responsible for Finance.
105. The Boards of Directors of these SOEs have the mandate to decide on when dividend payments should be made from profits. The SOEs can seek third-party financing (either debt or equity) with the government's approval

### 2.6.6 Financial Relations Between SOEs and Government

106. In 2021 and 2022, PMMC's financial relations with government was in line with the rules. This conclusion is drawn based on the analysis of the company's reporting template and annual financial statements.
107. PMMC did not receive any budget transfers, subventions or other forms of capitalization from the State in 2021 and 2022. GIADEC and GIISDEC, however, received some transfers from the budget in 2020 as indicated under section 2.6 on SOE finances. PMMC did not declare or pay any dividends in 2021 and 2022.

### 2.6.7 SOE loans and guarantees to Mining Companies

108. There were no loans advanced or loan guarantees from SOEs to other SOEs in the mining sector, SOEs to government, and government to SOEs during the period under review.

### 2.6.8 Publication of SOE Financial Statements

109. The financial statements of SOEs, comprising balance sheet, profit and loss, and cash flow statements are incorporated into the consolidated State Ownership Enterprise Annual Report<sup>60</sup> published by the State Interest and Governance Authority (SIGA).

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<sup>60</sup> [https://mofep.gov.gh/sites/default/files/news/2020\\_State\\_Ownership\\_Report.pdf](https://mofep.gov.gh/sites/default/files/news/2020_State_Ownership_Report.pdf)

110. The 2020 financial analysis for the SOEs is based on audited financial statements for Financial Year 2020, which was prepared in line with International Financial Reporting Standards (IFRS).
111. The rules and practices related to SOEs procurement are guided by the Public Procurement Act, 2003 (Act 663) as amended by Act 914.

**Table 2.10: Status of SOE AFS submitted to SIGA**

SOE	2018	2019	2020	2021	2022
<b>PMMC</b>	Audited	Draft	Management Accounts	Management Accounts	Management Accounts
<b>GIADEC</b>	N/A	Audited	Audited	Audited	Audited
<b>GHSDEC</b>	N/A	N/A	Management Accounts	Audited	Audited
<b>VALCO</b>	Audited	Audited	Audited	Work in Progress	Work in Progress

*Source: SOE Report 2020*

### **Minerals Income Investment Fund (MIIF)**

112. The Minerals Income Investment Fund (MIIF) is a sovereign wealth Fund, established by the Minerals Income Investment Fund Act, 2018 (Act 978) as amended by the MIIF (Amendment) Act, 2020 (Act 1024). The Fund was set up to manage Government of Ghana’s equity interest in mining entities operating in Ghana and to hold and manage all mineral royalties except bauxite. The Fund plays a strategic role of maximising the dividends and royalties from the mining sector for sustainable national development. The Minerals Income Investment Fund works closely with the Ghana Revenue Authority (GRA) to ensure that minerals income (dividends and royalties) due the Republic are adequately assessed and paid directly to the designated accounts of the Fund by mining companies.

### **Objects of the Fund**

113. The Fund has three (3) core objects as stipulated by its establishing Act to:
- (i) maximise the value of the income due the Republic from the mineral wealth of the country for the benefit of its citizens;
  - (ii) monetise the minerals income accruing to the Republic in a beneficial, responsible, transparent, accountable and sustainable manner; and
  - (iii) develop and implement measures to reduce the budgetary exposure of the Republic to minerals income fluctuations.

### **GHEITI’s Observation**

#### **GHEITI’s Observation**

114. The MIIF Act exempts bauxite royalties from the revenues to be collected by MIIF. This is collected by GRA and received into the Consolidated Fund. The consequence of bauxite royalties bypassing MIIF and going into the Consolidated Fund is that communities miss out on their due share of the royalties as provided for in the MIIF Act, a situation which amounts to inequitable treatment of mining host communities. that could significantly enhance their socio-economic conditions.

## Recommendations

1. GHEITI recommends that communities' share of bauxite royalties are **deducted** and transferred to the MDF for onward disbursements to affected host **communities** after it has been received into the **Consolidated Fund**
2. Strengthen transparency mechanisms to ensure that all mineral royalties, including bauxite, are accounted for. This will build trust among stakeholders and ensure that funds intended for community development are effectively utilized.

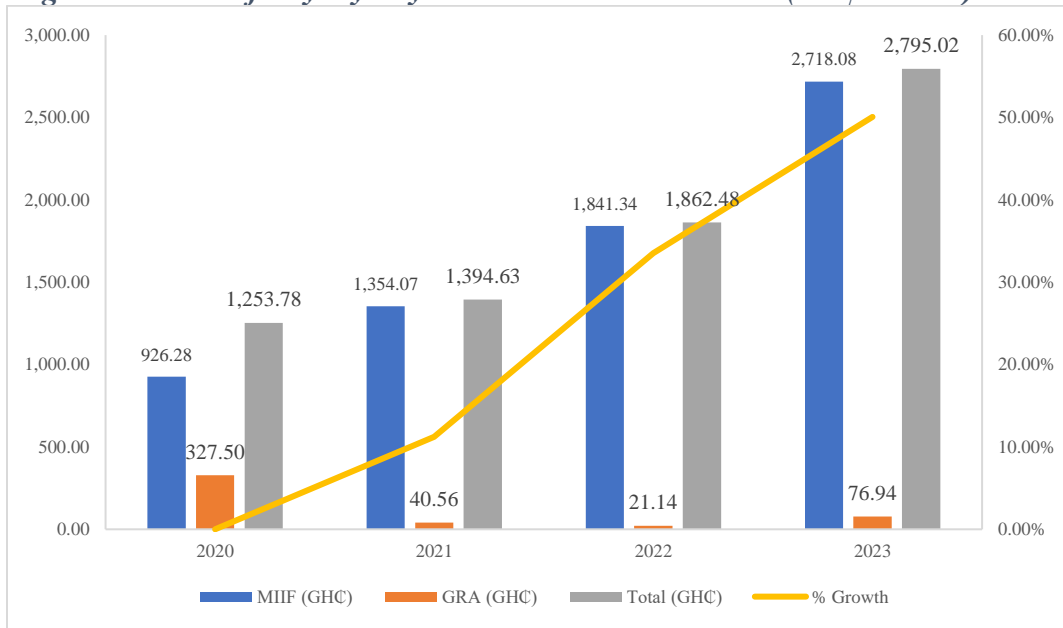
## Sources of Income

115. MIIF has two (2) primary sources of revenue:
  - (i) Mineral royalties as stipulated in section 28 of the MIIF Act and section 25 of the Minerals and Mining Act, 2006 (Act 703).
  - (ii) Dividends from mining companies in line with section 30 (1) of the MIIF Act, as amended; and
  - (iii) Other incomes.
116. Since its inception, the Fund has initiated innovative approaches to mineral royalties' collection, including the establishment of an Inter-Agency Committee to enhance compliance with royalties' payment. The Committee is made up of representatives from the Economic and Organised Crime Office (EOCO), Ghana Revenue Authority (GRA), Ghana Standards Authority (GSA), Minerals Commission and MIIF. For the first time, gravel is included in the mineral types for which royalties are being paid into the Fund.
117. The significant increase in royalties' receipts by over 50 percent in 2023, was largely due to an expansion of the royalty's basket, specifically, following the enforcement of compliance<sup>61</sup> with respect to industrial minerals, forex gains and strong performance of gold prices. Compliance with the law has increased over time resulting in a higher rate of royalty collection by MIIF as highlighted in the Figure 6

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<sup>61</sup> Payment from industrial minerals was increased due to enhanced enforcement by an inter-agency committee involving Minerals Commission, Ghana Revenue Authority, Economic and Organised Crime Office, Mineral Income Investment Fund, and Ghana Standard Authority.

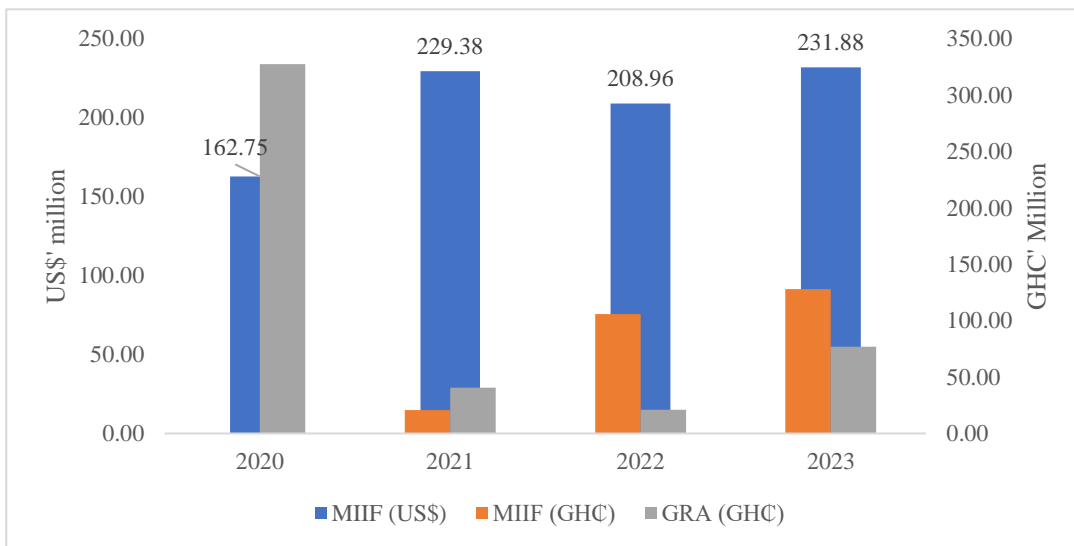
**Figure 6: Trend of Royalty Payment to MIIF/Government (GH¢ million)**



Source: MIIF/BoG Forex Mid-Rate

118. MIIF continues to engage companies to realign all royalties’ payments directly to MIIF. The Figure below presents yearly receipts of royalties in Ghana Cedis and US\$ over the period by GRA and MIIF

**Figure 7: 2020 Yearly Breakdown of Royalty Receipts by MIIF and GRA**



Source: MIIF

119. The Tables below present the month-on-month receipts from mining companies for 2021, 2022 and 2023 financial years.

**Table 2.11: 2021 Breakdown of Royalty Receipts by MIIF**

Month	MIIF (US\$)	MIIF (GHC)	GRA (GHC)
January	19,040,500.55	24,428.09	2,623,715.31
February	18,381,960.93	215,730.00	936,904.25
March	14,971,312.35	15,800.00	438,327.79
April	34,222,322.18	1,056,598.18	2,682,630.18
May	16,040,013.16		240,516.87
June	18,657,386.43		14,566,227.62
July	17,418,508.87	1,944,962.57	3,038,978.98
August	17,435,616.97	1,161,715.59	692,342.05
September	17,609,545.27	150,548.25	913,303.05
October	20,649,031.56	666,835.04	227,776.56
November	17,300,577.18	1,229,390.13	873,514.79
December	17,649,476.66	14,222,097.28	13,323,176.92
<b>Total</b>	<b>229,376,252.11</b>	<b>20,688,105.13</b>	<b>40,557,414.37</b>

Source: MIIF

**Table 2.12: 2022 Breakdown of Royalty Receipts by MIIF**

Month	MIIF (US\$)	MIIF (GHC)	GRA (GHC)
January	20,678,501.09	1,600,901.47	2,623,715.31
February	14,492,100.55	894,174.19	384,154.77
March	13,346,404.39	381,594.15	275,100.32
April	17,000,399.69	1,447,474.25	10,686,249.41
May	22,648,523.82	1,546,337.09	
June	17,588,775.84	728,937.95	64,667.48
July	22,964,144.42	2,387,594.77	7,103,957.28
August	15,748,090.71	4,366,306.52	
September	17,633,449.24	1,280,804.59	
October	14,372,986.41	31,928,305.26	
November	15,691,472.83	21,411,334.12	
December	16,795,421.90	37,877,192.89	
<b>Total</b>	<b>208,960,270.89</b>	<b>105,850,957.25</b>	<b>21,137,844.57</b>

Source: MIIF

**Table 2.13: 2023 Breakdown of Royalty Receipts by MIIF**

Month	MIIF (US\$)	MIIF (GHC)	GRA (GHC)
January	13,398,905.61	3,804,157.36	
February	29,662,608.17	1,897,538.26	
March	14,613,642.90	2,495,934.76	
April	16,965,550.46	2,291,728.46	
May	20,986,423.80	12,777,673.80	
June	18,129,520.42	4,078,502.69	35,787,840.79
July	23,007,515.59	2,349,396.64	
August	15,545,325.99	9,991,588.34	
September	19,374,375.28	4,796,010.46	5,521,529.45
October	21,148,941.75	14,345,948.33	
November	18,772,818.84	25,730,008.39	
December	20,276,319.49	43,512,217.55	35,633,159.01
<b>Total</b>	<b>231,881,948.30</b>	<b>128,070,705.04</b>	<b>76,942,529.25</b>

Source: MIIF

120. Currently, dividends accruing to the State from the operations of mining companies in which the State has free carried interest are paid to the Ministry of Finance (MoF). The Fund is working with the Ministry to realign the dividend income payment to MIIF to fully operationalise section 30 (1) of the MIIF Act, as amended, which states that all mineral interests, rights, and liabilities emanating from the mineral equity interest of the Government in mining operations are transferred and shall vest in the Fund. The table below indicates dividend payments by mining companies to the Republic in 2021, 2022 and financial years.

**Table 2.14: 2021, and 2022 dividend payments to Government/MIIF**

Name	MIIF-GoG	2021	2022
Anglogold Ashanti Limited	1.5% Free carried Interest	437,179.51	495,288.00
Chirano Gold Mines Limited	-	-	-
Abosso Goldfields Limited	-	-	-
Goldfields Ghana Limited	-	-	-
Newmont Ghana Gold Limited	-	110,781,444.50	37,352,706.00
Newmont GoldRidge	-	29,407,310.14	184,684,444.00
<b>TOTAL</b>		<b>140,625,934.15</b>	<b>222,532,438.00</b>

Source: MoF

### **GHEITI's Observation**

121. GHEITI disclosed under section 4.1.1 of its 2020 report (published in 2022) that dividends, along with corporate income tax were being lodged in the Consolidated Fund i.e. the Central Government's Treasury. This apparently, was in contravention of Section 4(b) of the Minerals Income Investment Fund Act, 2018 (Act 978), which assigns MIIF the authority to hold and manage government's equity interest in mining on behalf of the state, and by extension entitles MIIF to receive dividends in respect of the said equity interest.
122. GHEITI did not take issue with the situation at the time because it had received assurances that the anomaly of paying dividends into the Consolidated Fund rather than to MIIF was in the process of being rectified. The fact that two years on, in 2024, dividends are still being paid into the Consolidated Fund constitute a breach of law and raises grave accountability concerns.

### **GHEITI's Recommendation**

123. The Minister for Finance is advised to take urgent steps to ensure compliance with the MIIF Act and to direct all payments in respect of the state's equity in mining to MIIF.

### **Investment Policy**

124. To achieve the objectives of the Fund, MIIF has developed key operational policies, including the MIIF Investment Policy and Guidelines (IPG) and Investment Risk Management and Liquidity Policy (IRMLP)<sup>62</sup>. The focus of these policies is to ensure that the Fund asset classes are well diversified and managed with a high level of financial prudence to avoid unpredictable impacts on the performance of the Fund by a single asset class as well as achieving the desired returns from investments.
125. It is worth noting that the Fund currently cannot undertake credit transactions, either marketable or nonmarketable as an asset class. The Fund will be working with the relevant stakeholders to expand the scope of its financial interventions in growing the mining sector in Ghana.

### **Investment Approval Processes & Corporate Governance**

126. These processes take into consideration the provisions of the MIIF Act regarding investments operations of the Fund.

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<sup>62</sup> <https://miif.gov.gh/investment-risk-management-and-liquidity-policy/>



Figure 8: Investment Approval Processes & Corporate Governance



Source: MIIF

### Investment Portfolio

127. The Minerals Income Investment Fund (MIIF) default holds 10 percent free carried interest in all mining operations. In addition, the Fund can acquire further stakes in mining companies locally and internationally in furtherance of its objects. As of 31<sup>st</sup> March 2024, the market value of MIIF's investments amounted to GH¢1,811.69 million in Asante Gold Corporation, Atlantic Lithium, Electrochem Ghana Limited, Injaro Ghana Venture Capital Fund and Gold Trade Program as shown in the table below.

Table 2.15: Summary of MIIF Investments as of 31<sup>st</sup> March 2024

Sn.	Description	Investment Type	Commitment (Million)	Disbursement (Million)	Market Value (GHC'million)
1	Asante Gold Corporation	Ordinary Shares	US\$40	US\$40	404.53
2	Atlantic Lithium	Ordinary Shares	US\$32.9	US\$5	60.62
3	Electrochem Ghana Limited	Preference Shares	US\$30	GHC120	120.79
4	Injaro Ghana Venture Capital Fund	Private Equity	GHC25	GHC25	25
5	MIIF-Gold Trade	Gold	US\$70	US\$70	1,200.76
	<b>Total</b>				<b>1,811.70</b>

Source: MIIF

128. The following presents highlights of the investments to date.

**Asante Gold Corporation (US\$40 million)**

129. Asante is a gold exploration, development and operating company with a high-quality portfolio of projects and mines in Ghana. Asante is currently operating the Bibiani and Chirano Gold Mines with a combined production capacity of approximately 400,000 ounces per year. The Company is listed on the Canadian Securities Exchange, the Frankfurt Stock Exchange and the Ghana Stock Exchange.
130. Asante commenced mining at Bibiani in late February 2022 with the first gold pour announced on 7<sup>th</sup> July 2022. Commercial production was announced on 10<sup>th</sup> November 2022. The Chirano mine is an operating open pit and underground mine located in the Western North Region of Ghana.
131. MIIF played a significant role in reviving the Bibiani Gold Mine by investing US\$20 million in March 2022 through subscribing to 14,514,286 common shares of Asante Gold. This represented 4.62 percent of the company at the time of the investment. Subsequently, on 6<sup>th</sup> April 2023, MIIF closed a non-brokered placement of another US\$20 million pursuant to which the company issued a total of 18,232,000 units of the company to MIIF. As part of the terms negotiated, Asante listed on the Ghana Stock Exchange. The goal is to deepen the local capital market and provide investment opportunities for Ghanaians, both institutional and retail investors.
132. The market value of MIIF's direct investments in Asante amounted to GH¢404.53 million, representing about 7.35 percent of the company on undiluted basis as of 31<sup>st</sup> March 2024.

**Atlantic Lithium**

133. Atlantic is an Australian company incorporated on 24<sup>th</sup> August 2007 with subsidiaries in Ghana. It focuses on lithium exploration and development. It is working to deliver Ghana's first lithium mine. In 2023, MIIF proposed investing a total of US\$32.9 million in the company, out of which US\$5 million was earmarked for investment in Atlantic Lithium parent company. MIIF completed the US\$5 million investment in January 2024, becoming the third largest shareholder in the company which is listed on the London Stock Exchange, Australian Exchange and the Ghana Stock Exchange. Mine development and production are expected to commence by the second quarter of 2025. Table 2.16 below gives a summary of the key terms of MIIF-Atlantic Lithium transactions.

**Table 2.16: Summary of the Key Terms Of MIIF-Atlantic Lithium Transactions.**

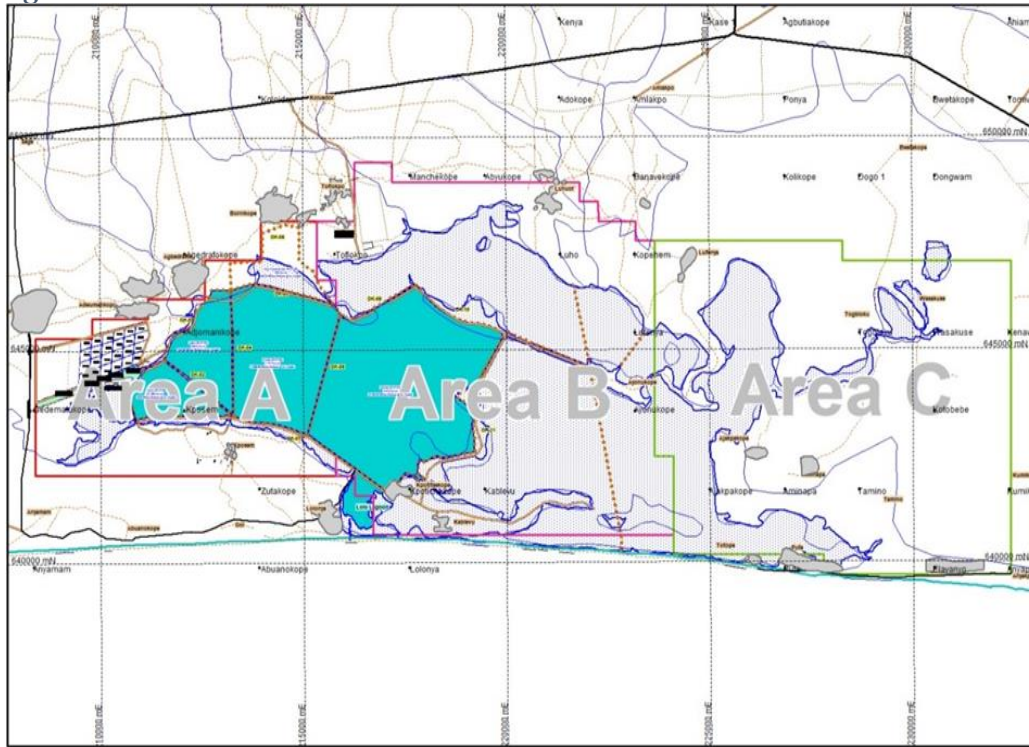
MIIF investment in Atlantic Lithium	
Ticker: LSE: ASX GSE	ALL A11 ALLGH
Assets of Atlantic Lithium (Ghana & Cote d'Ivoire)	3% equity.
Potential Reserves & Resources of Ewoyaa (Ghana)	35.3Mt @ 1.25 % Li <sub>2</sub> O & 25.6Mt @ 1.22 % Li <sub>2</sub> O
NPV of Ewoyaa	US\$1.5 billion
IRR of Ewoyaa	105%
Projected Revenues	US\$6.6 billion
Life of Mine ( LoM)	12 years
Mining Lease	15 years
MIIF Investment Type	Ordinary Shares
Royalty Rate	10%
GoG Free Carried Interest	13%
MIIF Proposed Investment Amount Ghana Portfolio: US\$27.9 million Global Holding: US\$5 million	US\$32.9 million
Lithium spodumene Offtake Option	up to 40%
Expected GoG/MIIF holdings	
GoG Free Carried Interest	13.00%
MIIF direct Invest-Ghana Portfolio	6.00%
MIIF direct Invest-Parent Company	3.06%
Warrant (In 18 months)	
Number of Ordinary Shares	9,600,000
Price (US\$)	0.36
Other Conditions Subsequent	
List on the Ghana Stock Exchange	
Community Development Levy (Gross Revenue)	1.00%

134. On 13<sup>th</sup> May 2024, Atlantic Lithium listed on the Ghana Stock Exchange (GSE).

#### **Electrochem Ghana Limited**

135. Electrochem Ghana Limited is a private limited liability company, registered on 8<sup>th</sup> September 2017. The company manages the Songor saltworks in the Ada West District of Ghana under a 15-year renewable lease over the concession. The Salt Project covers over 41,000 acres. The asset has the potential to produce over 1 million metric tonne (mt) of salt per annum at full capacity and is regarded as one of the largest saltworks in Africa.
136. The Restricted Mining Lease is made up of three (3) Areas (A, B & C). This is presented on the map below.

**Figure 9: Electrochem Ghana Limited Concession**



**Source: Electrochem**

137. The global salt market has been increasing over the years, from approximately US\$28.4 billion in 2020 to approximately US\$29.8 billion in 2022 and is projected to grow year-on-year. The major causes of the increase in global demand for salt are industrial development (chemical industry) and global population expansion and its corresponding need for salt in food.
138. Considering the demand potentials of West African countries in the salt industry, the Songor salt asset is strategic and stakeholders including MIIF believe that the project must be developed to a commercial level with the participation of the local community. According to the Minerals Commission’s data, Ghana has an estimated solar salt production capacity of about 2.9 million metric tonne (mt) per annum. However, due to underinvestment and operational constraints, the country produces between 250,000 to 350,000 metric tonnes (mt) of solar salt per year. Nigeria is West Africa’s top importer of salt and over 92% of its imports are from Brazil<sup>63</sup>.
139. MIIF plans to invest Ghana cedi equivalent of US\$30 million, structured as preference shares in Electrochem to further its infrastructural investments in the project. The asset is expected to become a major foreign exchange earner and will have positive impact on the local economy of Ada and Ghana at large. The disbursement shall be in tranches with specific milestones to be achieved by the company. Apart from the dividend income from the investment, MIIF will also receive minerals royalties of 5 percent on the gross revenue of the company.

<sup>63</sup> <https://trendeconomy.com/data/h2/Nigeria/2501>

140. In terms of direct employment, Songor Saltworks can potentially employ over 6,000 skilled and unskilled workers, and Government of Ghana will also benefit from other tax types from the asset. The Songor Lagoon is also an important landmark. It was designated a Ramsar Wetland site of international importance on 14<sup>th</sup> August 1992. In 2011, UNESCO approved the Songor Biosphere Reserve as part of the world network of biosphere reserves.
141. MIIF's conditions for investment in the project include, but limited to:
- Significant corporate governance strengthening at the Board and Management levels of the company.
  - The conduct of a feasibility study and development of jetty to facilitate salt haulage by sea across borders to meet international demand, and
  - Preparations to list on the Ghana Stock Exchange within three (3) years.

#### **Injaro Ghana Venture Capital Fund**

142. Injaro Ghana Venture Capital Fund (IGVCF) is a Cedi-denominated Venture Capital investment vehicle set up by Injaro Capital Investments to invest equity in Small and Medium-sized Enterprises (SMEs). In September 2023, MIIF invested GH¢25 million into the Fund. The key highlights of the IGVCF are:
- (i) The 10-year GH¢215.9 million Fund, with a hurdle rate of 20 percent, a Gross IRR between 30 – 35 percent, and a projected net IRR due Limited Partners (LPs) of 26 percent;
  - (ii) The investment holding period is a minimum of 10 years (Fund Life), with investors open to exit early via secondary sales;
  - (iii) The IGVCF charges a management fee of 2.5 percent of Assets Under Management (AUM);
  - (iv) It does not permit withdrawals, although Secondary sales may be permitted; and
  - (v) Target Sectors of the Fund: Food and agribusiness, Education, Health Care, Manufacturing and Mining Support Services.

#### **MIIF Gold Trade Programme**

143. The Minerals Income Investment Fund (MIIF) commenced its Gold Trade Programme on 16<sup>th</sup> August 2023. The Programme is aimed at:
- (i) Supporting the Government's Gold for Oil Programme;
  - (ii) Supporting the Chamber of Bulk Oil Distributors (CBOD) with forex from the proceeds of the Gold Trade;
  - (iii) Building gold reserves as underlying assets for the MIIF-ETF product Programme, which is currently under development; and
  - (iv) Optimising investment returns for the Fund.
144. The Fund currently works with two (2) partners and has deployed a total of US\$70 million for the trade operations. The Trade has attracted total inflows of US\$394 million into the Ghana economy between 16<sup>th</sup> August 2023, and 31<sup>st</sup> March 2024, from the export of about 199,309.29 ounces of gold doré. The Programme is significantly reducing the market needs of BDCs for forex.

145. The annualised return in cedis is 32.66 percent as at the end of the first quarter of 2024 under the Gold Trade Programme.
146. The Fund is currently working on projects targeting the Small-Scale Mining Sector, graphite deposits and launching a gold back ETF on the Ghana Stock Exchange.

#### **GHEITI's Observation on MIIF's Investments and Partner Selection**

147. As a sovereign wealth fund, MIIF has the potential to catalyse national development through investments in the mining sector, with emphasis on forward and backward linkages. Leveraging its investments in Injaro Ghana Venture Capital Fund to support small-scale mining operations has the potential to help eliminate informal pre-finance arrangements, often entered into by foreigners with local miners, and which facilitate gold smuggling and illicit financial flows.
148. Similarly, MIIF's investments in gold mining, lithium and solar salt production could lead to greater value retention for the country. However, the criteria for identifying or selecting a private sector partner is not publicly available, and the selection process is not open to public scrutiny.

#### **GHEITI's Recommendation**

149. To avoid the risk of state capture and cronyism, MIIF is encouraged to open up its processes for identifying or selecting partners in whose businesses it invests its resources. As much as possible the processes must be open and competitive, and where support for small-scale operators is concerned, the over-riding consideration should be, those whose operations are formalised, meet all statutory obligations, and upholding the highest sustainability standards. That way, the Fund will be helping to raise role models for others to emulate.

### **3 EXPLORATION AND PRODUCTION**

150. This section covers disclosures related to exploration and production, enabling stakeholders to understand the potential of the sector. The EITI Requirements related to transparency in exploration and production activities include: (3.1) information about exploration activities; (3.2) production data; and (3.3) export data.

#### **3.1 EXPLORATION**

151. Exploration activities are key drivers of sustainability of mining operations. Exploration can either be greenfield or brownfield. Greenfield exploration helps bring new mines to operation whilst brownfields or near-mine exploration focuses on mine life extension. As depletable resources, exploration activities help extend the operating life of mines by replacing depleted mineral reserves. The section provides updates on significant exploratory activities in the mining sector as indicated in the table below:
152. A total of US\$104.87 million was spent on various exploratory activities including Geological mapping, Soil geochemistry, Ground geophysics, Trenching, Rotary Air Blast (RAB), Reverse Circulation, Auger, and Diamond Drilling.

**Table 3.1: Significant Exploration Activities**

Sn.	Company Name	Type & Extent of Activity	Location	Amount Spent (US\$)
1	Azumah Resources (Ghana) Limited	4,282 Auger holes drilled with total of meters 19,909	Basabile, Lawra North,Duri,	4,438,352.42
2	Cardinal Resources Limited	377 Auger holes @ 2,232 meters.	Kandiga-Atibabisi, Bongo, Zoko-Tarongo, Yameriga, Subin Kaso	2,202,509.23
		72 Reverse Circulation holes @ 7, 476 meters.		
		21 Diamond drill holes @ 2,339 meters		
3	Diamond Cement	99 Reverse Circulation holes @ 2,970 meters	Langbinsi, Tuna	164,372.97
4	JH Resource Limited	Geological mapping, Soil geochemistry, Geophysics IP,20 Reverse Circulation holes@2,000 meters, 13 Diamond drill holes @3,046 meters.	Bomburi	229,646
5	Sigurusem Resource Limited	Rock Chip sampling, Airborne Geophysics, 1 Diamond Drill @ 150 meters.	Zongoiri	125,499.74
6	FGM Resources Limited	24 Diamond drill holes @ 5,098 meters	Nyafoman/Noyem, Eastern Region	115,290
7	Kibi Goldfields Limited (Kyebi)	33 Trench holes @ 2050 meters	Pusupusu, Fanteakwa, Eastern Region	342,995.53
8	Xtra Gold Company Limited	64 Diamond drill holes @ 11,396.7 meters	Pameng/Kwabeng, Eastern Region	768,161.38
9	Newmont Golden Ridge Limited	40 Rotary Air Blast holes @ 1,629 meters, 20 Reverse Circulation holes @3,846, 81 Diamond drill holes @24,300	Ntronang	3,240,801.30
10	Golden Star Wassa Limited	18 Reverse Circulation holes @8,071 meters, 81 Diamond drill holes@15,423.2 meters	Benso	6,376,819.79
11	Adamus Resources Limited	Soil geochemistry, geological mapping, trenching, 512 Reverse Circulation holes @ 28,789.2, 21 Diamond drill holes @ 1,875.7 meters	Salman, Ankobra & Akango	3,138,671.64
12	Cape Coast Resources Limited	Geological mapping, soil geochemistry, trenching, Reverse Circulation and Diamond drill	Enkye, Sewum,	3,104,152.60
13	Perseus Ghana Mining Limited	41 Reverse Circulation holes @2,868 meters, 6 RCD holes@1,004.7 meters	Ayamfuri	1,939,808.59
14	Iron Ridge Resources Limited	Geological mapping, soil geochemistry, 1297 Auger holes @7,129 meters, Reverse Circulation and Diamond drill 1,297	Mankessim, Cape Coast & Saltpond	1,895,923.90

Sn.	Company Name	Type & Extent of Activity	Location	Amount Spent (US\$)
		Auger holes giving a total of 7,129 meters. v 27 Diamond drill holes giving a total of 177.24 meters.		
15	AngloGold Ashanti (Idiapriem) Limited	10 Reverse Circulation holes@338 meters, 49 Diamond drill holes @9,258.8 meters	Idiapriem, Tarkwa	1,283,778.14
16	Abosso Goldfields Limited	6 Diamond drill holes@1,250 meters	Damang Mine	271,352
17	Divine Timing Limited	Soil geochemistry, geological mapping	Anyinabrim, W/R	42715.61
18	Bonza Fields Ghana Ltd	Soil geochemistry, geological mapping	Mpohor, W/R	17,412.97
19	Arise Mining Company Limited	Soil geochemistry, geological mapping	Amuni & Anakum, W/R	14,334.13
20	Newmont Ghana Gold Limited	Geological mapping, Soil geochemistry, Geophysics, 90 Rotary Air Blast holes@4,500m, 31 Reverse Circulation holes@4,600m, 183 Diamond drill holes@64,771 meters	Ahafo	21,226,088.63
21	Mensin Gold Ghana Gold Limited	Geological mapping, Soil Geochemistry, Ground geophysics, 142 Reverse Circulation holes@15,993 meters, 100 Diamond drill holes@20,520.4meters.	Bibiani	17,113,879.44
22	Adansi Gold Company (Gh) Limited	Geological mapping, Soil geochemistry, Trenching, Reverse Circulation, and Diamond drill	Dunkwa-Gymigya, Datano ML, Abore ML	7,531,367.35
23	Chirano Gold mine Limited	Geological mapping, soil geochemistry, Geophysics IP, 33 Reverse Circulation holes@11,071meters, 103 Diamond drill holes@28,608.3 meters	Chirano	7510912.44
24	Rocksure International Limited	1,422 Auger holes@23,399 meters, 164 Rotary Air Blast holes@2,866, 129 Diamond drill holes @2,466	Nyinahin	5446390.54
25	AngloGold Ashanti (Ghana) Limited	93 Diamond drill @14,870 meters	Obuasi	2,519,334.28
26	Northern Ashanti Mines Company Limited	Geological mapping, Soil geochemistry, 3 Trench holes @150 meters, 54 Reverse Circulation holes @3,658 meters, 11 Diamond drill holes@2,164.9 meters.	Konongo & Kurofa	1,583,488.47
27	Red Back Mining Ghana Ltd	Geological mapping, Soil geochemistry, 17 Reverse Circulation holes@2,983 meters,5 Diamond drill holes @344.3	Ahwiam	1,365,041.66
28	Goldstone Akrokerri/Homase Limited	Soil geochemistry, 6 trenches @788 meters, 481 Auger holes@1,287.5 meters, 37 Reverse Circulation holes@2,102 meters, 20 Diamond drill holes @2,642.1	Homase & Akrokerri	837,539.85



Sn.	Company Name	Type & Extent of Activity	Location	Amount Spent (US\$)
29	Emiral Resources Ghana Limited	Geological mapping, soil geochemistry, 18 trench holes@1100 meters	Mpasaso, Ohiapae, Wioso	756,382.69
30	Owere mines limited	25 Reverse Circulation holes@2,142 meters, 3 Diamond drill holes@698.4 meters	Konongo, Krofa	486,186.25
31	BSD Mining Limited	Geological mapping, soil geochemistry, 56 trench holes @300 meters, 3 Reverse Circulation holes@218meters	Nkawie	316,896.84
32	Pelangio Ghana Limited	24 Auger drill holes @197 meters	Subriso, Twabidi & Sempekrom	287,811.41
33	Opam Stone Limited	Soil geochemistry, stream sediment sampling, rock chip sampling	Sefwi-Asarfo	265,876.00
34	Switchback Mining Company Limited	Geological mapping, Soil geochemistry, & Trenching	Gyagyatreso	138,818.03
35	Hawanah Resources Limited	Geological mapping, Soil geochemistry	Amoaman	136,339.60
36	Sky Gold Mining Company	Geological mapping, Soil geochemistry	Nyinahin	102,308.03
37	Asanko Gold Ghana Limited	Geological mapping, Soil geochemistry, Trenching, 307 Reverse Circulation holes @47,115 meters, 52 Diamond drill holes @10,051.6meters.	Miradani, Pomaakrom & Asumura	7,531,367.35
			<b>Total</b>	<b>104,868,626.80</b>

Source: GHEITI's Construct

### 3.2 MINERAL PRODUCTION

153. This section covers the main minerals that are produced in Ghana, namely: gold, diamond, bauxite, and manganese<sup>64</sup>. The production and sale of these minerals are the primary sources of revenue attributable to the mining sector. Table 1.0 shows the production volume of the traditional minerals in 2021 and 2022.

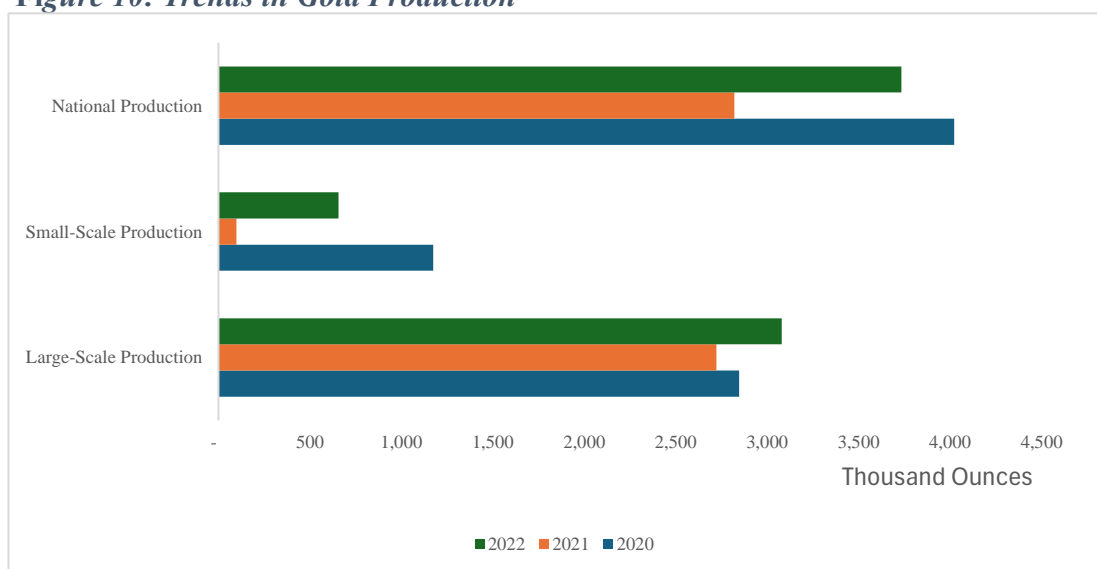
**Table 3.2: Mineral Production Outturns**

Mineral	2021	2022	% Change
Gold (Ounces)	2,820,305	3,735,252	32%
Manganese (Tonnes)	3,336,273	3,171,722	-5%
Bauxite (Tonnes)	839,465.00	773,213	-8%
Diamonds (Carats)	54,174	82,252	52%

Source: Ghana Chamber of Mines (2023), Minerals Commission (2023), PMMC (2023)

154. Gold, which is the country’s foremost mineral, is produced by large-scale as well as artisanal and small-scale producers (ASM)<sup>65</sup>. The country’s aggregate gold output rose from 2.820 million ounces in 2021 to 3.735 million ounces in 2022. The 32% growth in production was due to a concurrent growth in the output of both large-scale and ASM producers as shown in Figure 10.

**Figure 10: Trends in Gold Production**



Source: Ghana Chamber of Mines (2023), PMMC (2023), and Minerals Commission (2023)

155. The large-scale gold sector is highly formalised, organised, and regulated. The total number of operating gold mines in 2022 was 19 relative to 15 in 2021. The output of these mines were obtained directly from reports submitted to the Minerals Commission, Precious Minerals Marketing Company (PMMC), the Ghana Chamber of Mines, EITI reporting templates, and

<sup>64</sup> Other minerals produced include sand, salt, aggregate, and limestone.

<sup>65</sup> In Ghana, the mining statutes refer to artisanal and small-scale gold producers as small-scale producers. For purposes of this report and international nomenclature, ASM and small-scale mining are used interchangeably.

company reports (for listed companies). The MSG triangulated the production statistics to ensure consistency and accuracy, and by extension, validate fiscal revenue payments that are dependent on production, such as mineral royalty. In Ghana, these mines are standalone projects, and could therefore be construed as projects. Thus, the terms “mine” and “project” are identical in this section<sup>66</sup>.

156. The total volume of gold produced by the large-scale mines improved from 2.722 million ounces in 2021 to 3.079 million ounces in 2022, representing an increase of 13 percent. The upturn in the sub-sector’s production was primarily due to fresh output from new and restarted mines and expansion in output of some existing mines. The mines that contributed fresh production in 2022 are Mensin Gold Bibiani Ltd, Akroma Gold Company Ltd, GoldStone Akrokerri Mines Ltd, Golden Team Mining Ltd, Prestea Sankofa Gold Limited, and Earl International Gold Limited.
157. The Mensin Gold Bibiani Mine was put under care and maintenance by its then owners, Resolute Mining Limited, in 2014. Following its acquisition by Asante Gold Corporation in 2021, the mine was restarted and reached the milestone of commercial production in July 2022<sup>67</sup>. The total quantum of gold produced by the mine in 2022 was 52,175 ounces. Further, Prestea Sankofa Gold Limited, which is a subsidiary of the national oil company, Ghana National Petroleum Corporation (GNPC), resumed operations in 2022 after suspending operations in 2014 on the back of liquidity challenges<sup>68</sup>.
158. The mine’s output in 2022 was 9,311 ounces. On the other hand, GoldStone Akrokerri Limited, which is owned by GoldStone Resources Ltd, announced commercial production in November 2021<sup>69</sup>. Its full-year output in 2022 was 5,189 ounces. Golden Team Mining Ltd, another new mine, recorded an output of 409 ounces in its first year of operation in 2022. Further, Earl International Gold Limited attained the milestone of commercial production in 2022 and produced 12,727 ounces of gold in the same year. The mine was formed from the unitisation of the concessions of 36 small-scale mines in 2021 following the government’s decision to award the area to a large-scale mine. In turn, the Government’s decision was informed by the deep-seated nature of ore bodies in the area and the inability of the small-scale miners to raise resources to optimally extract the deposits<sup>70</sup>.
159. Regarding the existing operating mines, the Obuasi Mine of AngloGold Ashanti recorded a safety-related event that led to the precautionary suspension of stoping activities in 2021 and consequently, a lower output of 108,015 ounces in the same year. After the resumption of routine stoping activities, the mine’s production increased to 250,061 ounces. This is equivalent to a year-on-year upturn of 132 percent.

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<sup>66</sup> See section 4.7 for a discussion on the level of disaggregation used in this report

<sup>67</sup> <https://asantegold.com/asante-gold-to-commence-trading-on-the-ghana-stock-exchange/>

<sup>68</sup> <https://thebftonline.com/2023/06/05/prestea-sankofa-gold-mine-bounces-back/>

<sup>69</sup> This was essentially “cold commissioning” of the processing plant.

<sup>70</sup> See this article for more information on the history of the mine:

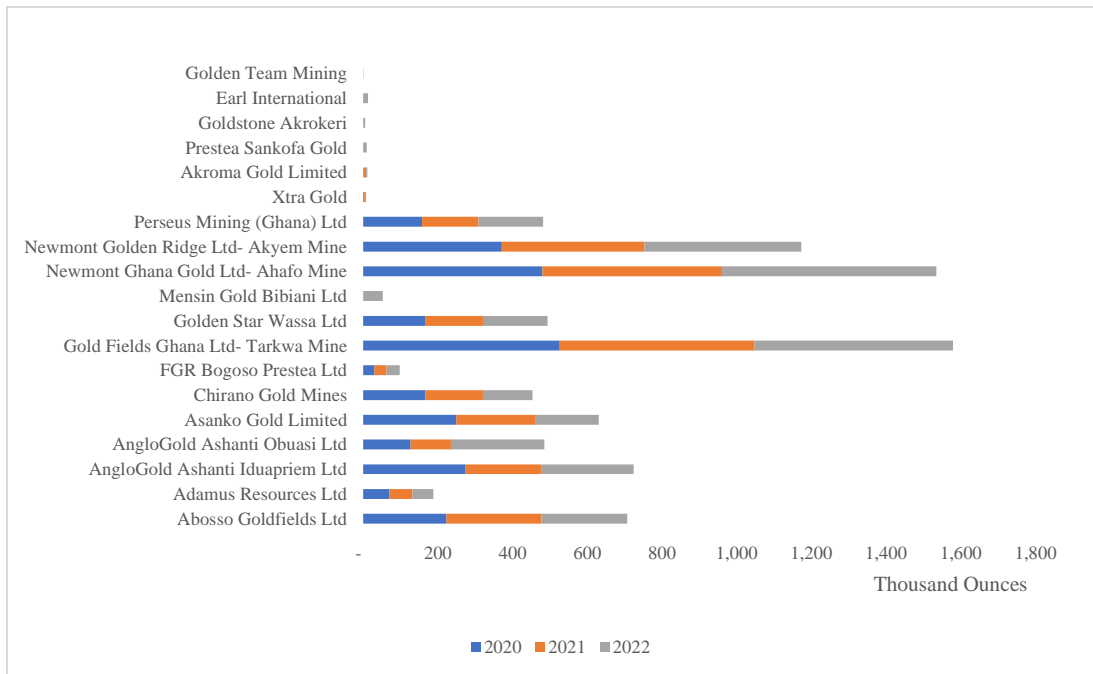
<https://www.businessghana.com/site/news/general/299622/Gold-discovery-in-Talensi%3B-blessing-or-curse>

160. Similarly, the Iduapriem Mine of AngloGold Ashanti also recorded an expansion in output, from 201,669 ounces in 2021 to 248,075 ounces in 2022. The 23 percent rise in production was mainly due to a combination of an increase in the volume of gold processed and an improvement in the grade of ore milled.
161. Further, the output of the Ahafo Mine of Newmont, which is formally incorporated as Newmont Ghana Gold Ltd, improved from 480,708 ounces in 2021 to 573,936 ounces in 2022. The 19 percent growth rate in production led to the mine displacing the Tarkwa Mine of Gold Fields as the country's largest mining project. The increase in production was primarily a function of higher ore grade milled and mill throughput.
162. In the same vein, the second project of Newmont in Ghana, Newmont Golden Ridge Ltd, produced 420,554 ounces of gold in 2022. This was 10 percent higher than the output of 381,494 ounces recorded in 2021 and was largely attributable to a drawdown of in-circuit inventory relative to a build-up in the previous year, as well as an increase in mill throughput and ore grade milled.
163. The Edikan Mine of Perseus Mining (Ghana) Ltd also reported a rise in its production, from 150,330 ounces in 2021 to 173,235 ounces in 2022. On an annual basis, this translates into a growth rate of 15 percent. The upswing in production was due to an increase in ore mined, average mill head grade, and mill recovery rate.
164. The quantum of gold attributable to Golden Star Wassa Mine grew by 10 percent. The expansion in the mine's output from 155,411 ounces in 2021 to 170,724 ounces in 2022 was on the back of the commencement of surface mining operations, which supplied fresh output to supplement production from the underground deposits. In addition, the mine's average mill head grade and recovery rate increased year-on-year. The Wassa Mine was acquired by Chifeng Jilong from Golden Star Resources in 2022.
165. Likewise, the output of FGR Bogoso Prestea Mine, which is owned by Blue International Holdings Ltd, rose from 32,725 ounces in 2021 to 35,278 ounces in 2022. The 8 percent upturn in production was mainly driven by an increase in the volume of ore mined and processed, which offset the output-reducing effects of a decline in the mill recovery rate.
166. For Goldfields, the output of its Tarkwa Mine rose from 521,688 ounces in 2021 to 531,595 ounces in 2022. This is analogous to a 2 percent growth in output and was occasioned by an upturn in mill throughput and recovery rate.
167. Conversely, the Damang Mine, which is also operated by Gold Fields, reported a 10 percent year-on-year decline in production. The mine's output fell from 254,409 ounces in 2021 to 230,001 ounces in 2022 due to the completion of a cutback in its main pit and processing of relatively low-grade ore.
168. The quantum of gold produced by Chirano Gold Mines fell from 154,430 ounces in 2021 to 132,783 ounces in 2022. The 14 percent downturn in output resulted from the reduction in the

volume of ore processed and average mill head grade. The Chirano Gold Mines was acquired by Asante Gold Corporation from Kinross in 2022.

169. Further, the attributable output of Xtra-Gold Resources reduced from 4,113 ounces in 2021 to 4,037 ounces in 2022. This translates into a 2 percent downturn in production.
170. Asanko Gold Mine’s production declined by 19 percent to 170,342 ounces in 2022 from 210,421 ounces in 2021. The main reason for the descent in production was the conclusion of mining in two of its pits, Esaase and Akwasiso, which in turn led to a decline in the volume of ore mined, mill head grade, and mill recovery rate. The Asanko Mine is a joint venture project between Galiano and Gold Fields.
171. Adamus Resources Ltd reported a decrease in its output from 61,372 ounces in 2021 to 55,416 ounces in 2022. The 10 percent reduction in output was ascribed to a decline in the volume of ore mined and processed as well as mill head grade. The offsetting influence on the downturn in production was the improvement in the average grade of ore mined and mill recovery rate. Figure 2.0 summarises the gold production out-turn of large-scale mines from 2020 to 2022.

**Figure 11: Gold Output of Mining Projects**

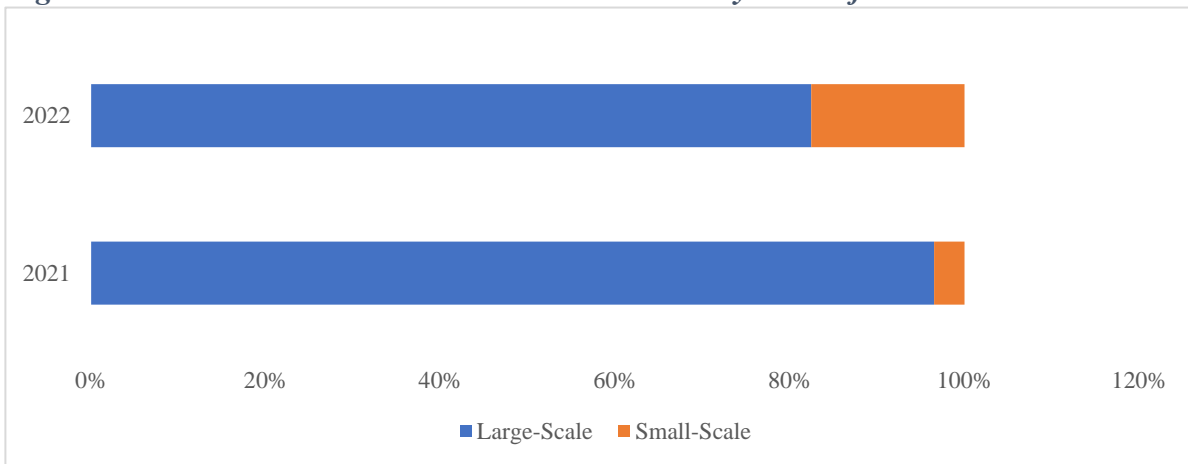


172. The artisanal and small-scale gold mining sub-sector is expansive, loosely organised, and largely informal. These peculiar characteristics make it onerous for the sector’s regulator, Minerals Commission to obtain accurate information on mineral production by licensed ASMs. To remedy this challenge, exports of gold by Licensed Gold Exporting Companies (LGECs) through the state assayer, Precious Minerals Marketing Company (PMMC), tend to be used as a proxy for ASM production. The rationale for this methodology is based on the assumption that the ASM output is sold to LGECs, and in turn, the LGECs export their entire purchases through PMMC. While this approach is reasonable, it is also more likely to result in

understating actual gold production by artisanal and small-scale miners. The potential sources of leakage in the previously cited methodology include smuggling, domestic consumption, and inventory gold. With this caveat, the report relies on the statistical convention, that is the equivalence between LGECs exports and ASM production, to estimate gold production in the ASM sub-sector.

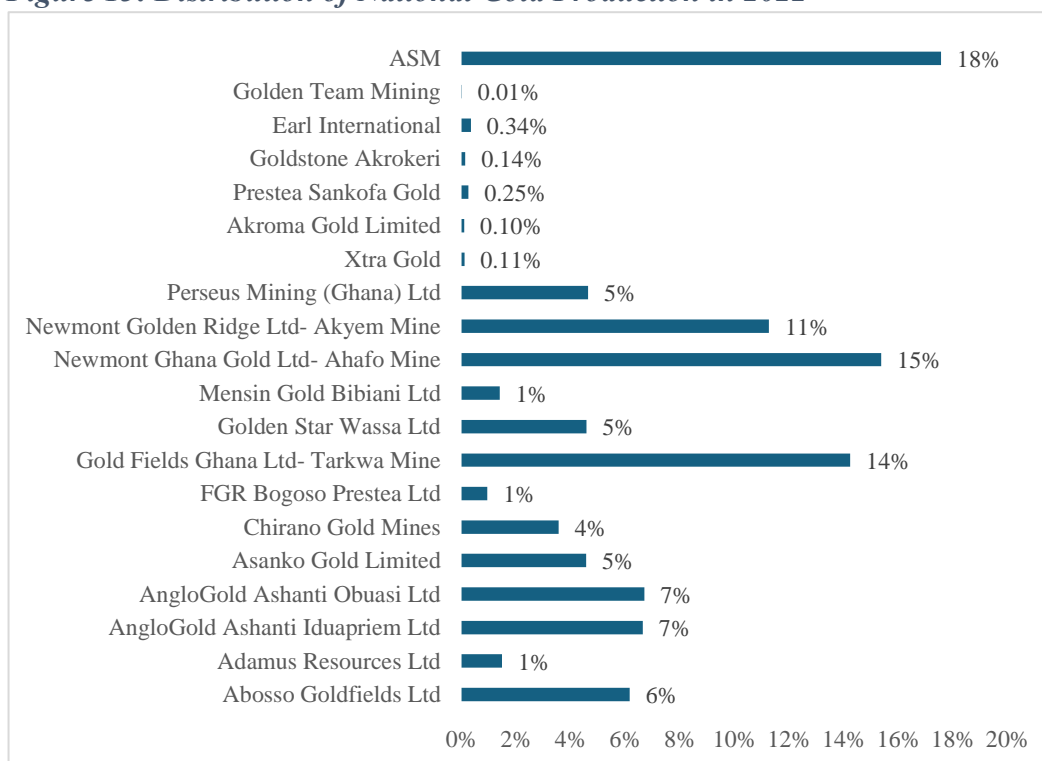
173. The attributable gold output of the ASM sub-sector increased from 98,001 ounces in 2021 to 655,656 ounces in 2022, representing a growth rate of 569 percent. The rise in production was primarily a reflection of the sub-sector’s response to the government’s decision to halve the withholding tax on unprocessed gold, from 3 percent in 2021 to 1.5 percent in 2022. Although the impost’s reduction led to an expansion in production, it remains below the levels recorded in the period preceding the introduction of the withholding tax. This suggests that the sub-sector is yet to fully recover from the shocks induced by the introduction of the withholding tax and therefore requires more support.
174. On account of its higher production growth, the contribution of ASM to national gold production increased from 3 percent in 2021 to 18 percent in 2022. Conversely, the share of large-scale gold producers in aggregate gold output reduced from 97 percent in 2021 to 82 percent in 2022 as denoted in Figure 12.

**Figure 12: Contribution to National Gold Production by Scale of Producer**



*Source: Ghana Chamber of Mines (2023)*

**Figure 13: Distribution of National Gold Production in 2022**



**Source: Ghana Chamber of Mines (2023), Minerals Commission (2023), and PMMC (2023)**

175. The bulk minerals, manganese, and bauxite are produced by large-scale mines whose activities are highly structured and regulated. The output of the mineral producers was obtained from reports submitted to the Minerals Commission, Ghana Chamber of Mines, and EITI report templates. The statistics in these reports were juxtaposed against each other to confirm their accuracy and expected imposts from production. The MSG did not find significant discrepancies in these reports.
176. With respect to manganese, it is produced by only one mine, Ghana Manganese Company Ltd. In 2022, the mine produced 3,171,722 tonnes of manganese relative to 3,336,273 tonnes in 2021. This connotes that output fell by 5 percent and was ascribed to a lower-than-expected volume of ore mined and processed.
177. Similarly, the sole producer of bauxite, Ghana Bauxite Company Ltd, recorded an 8 percent reduction in production. The decline in the mine’s output from 839,465 tonnes in 2021 to 773,213 tonnes in 2022, was mainly due to operation-related setbacks.
178. For diamonds, they are produced solely by artisanal winners whose activities are informal and loosely regulated. These miners tend to sell their output to licensed buying agents who in turn declare and export their purchases through PMMC. The latter also submit annual reports to the Kimberly Process as the country is a signatory to the initiative<sup>71</sup>. The statistics on diamond

<sup>71</sup> [https://kimberleyprocessstatistics.org/public\\_statistics](https://kimberleyprocessstatistics.org/public_statistics)

production are based on the local convention that the export volume is equal to the production volume. While this methodology provides a reasonable estimate of diamond production, it is subject to a downward bias, that is, under-reporting. This is so because the methodology overlooks the quantum of diamonds consumed locally and retained in inventory. Nonetheless, the convention is considered robust as the known incidences of local consumption are relatively minimal. The MSG triangulated the data submitted to the previously cited institutions to ensure the accuracy of the statistics and production-based fiscal payments. There were no material discrepancies in the reports.

179. The volume of diamonds produced in 2022 was 82,252 carats, which was a 52 percent increase over the previous year's (2021) out-turn of 54,174 carats. The upswing in production suggests an increase in recoveries by artisanal producers. Table 3.3 summarizes the various projects' mineral production out-turns in 2021 and 2022.

**Table 3.3: Production of Mining Projects in 2021 and 2022**

Company	2021	2022	% Change
	Gold (Ounces)		
Abosso Goldfields Ltd	254,409	230,001	-10%
Adamus Resources Ltd	61,372	55,416	-10%
AngloGold Ashanti Iduapriem Ltd	201,669	248,075	23%
AngloGold Ashanti Obuasi Ltd	108,015	250,061	132%
Asanko Gold Limited	210,421	170,342	-19%
Chirano Gold Mines	154,430	132,783	-14%
FGR Bogoso Prestea Ltd	32,725	35,278	8%
Gold Fields Ghana Ltd- Tarkwa Mine	521,688	531,595	2%
Golden Star Wassa Ltd	155,411	170,724	10%
Newmont Ghana Gold Ltd- Ahafo Mine	480,708	573,936	19%
Newmont Golden Ridge Ltd- Akyem Mine	381,494	420,554	10%
Perseus Mining (Ghana) Ltd	150,330	173,235	15%
Xtra Gold Ltd	4,113	4,037	-2%
Mensin Gold Bibiani Ltd		52,175	
Akroma Gold Limited	7,456	3,749	-50%
Prestea Sankofa Gold Ltd		9,311	
Goldstone Akrokeri Ltd		5,189	
Earl International		12,727	
Golden Team Mining		409	
Sub-Total (Large-Scale)	2,724,242	3,079,597	13%
ASM	98,001	655,656	569%
Total (National)	2,822,243	3,735,252	32%
	Manganese (Tonnes)		
Ghana Manganese Company Ltd	3,336,273	3,171,722	-5%



Company	2021	2022	% Change
	Gold (Ounces)		
	Bauxite (Tonnes)		
Ghana Bauxite Company Ltd	839,465	773,213	-8%
	Diamonds (Carats)		
PMMC	54,174	82,252	52%

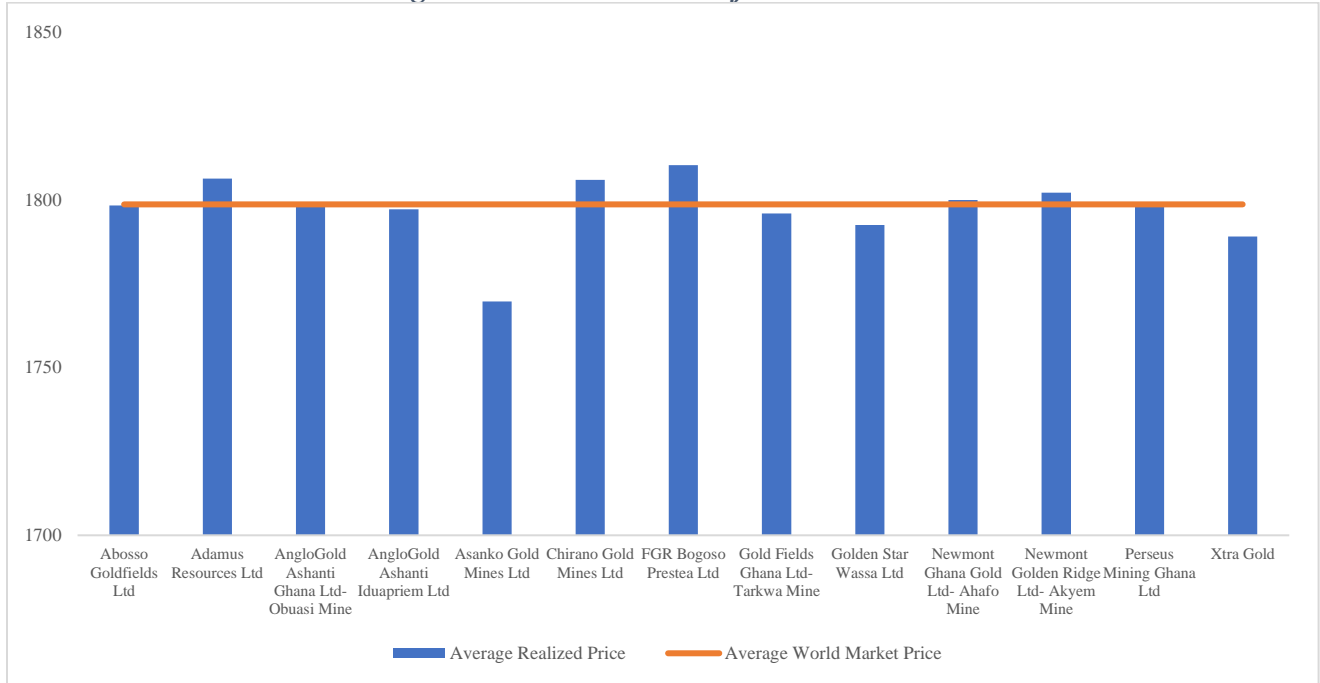
*Source: Ghana Chamber of Mines (2023), Minerals Commission (2023), and PMMC (2023)*

180. In terms of the volume and value of minerals realised from the sale of minerals produced by the various projects, the MSG relied on company reports submitted to the Secretariat of GHEITI and refinery reports shared with the Ghana Chamber of Mines, PMMC, and Minerals Commission. There were no material discrepancies among the aforementioned sources.
181. For gold, the realized volume refers to the quantity of gold recovered after refining (with silver as a by-product) and the realised mineral value refers to the receipts from the sale of the recovered minerals (gold and silver). In the context of Ghana, the refining process usually involves the recovery and delineation of metals that are deemed to have economic value, that is gold and silver<sup>72</sup>. The other by-product metals, such as lead, copper, and iron are considered uneconomic and therefore not part of the revenue.
182. Overall, the total quantity of gold sold by large-scale mines and the associated realised revenue was 2.71 million ounces and US\$4.876 billion respectively in 2021. This translates into a realised average price of US\$1,794 per ounce of gold sold, compared to the world market's average gold price of US\$1,799 per ounce in 2021. In 2022, the total volume and value of gold sold by large-scale mines was 3.06 million ounces and US\$5.45 billion respectively. This yields an average price of US\$1,786 per ounce, compared to the world market's average price of US\$1,800 per ounce.
183. On a company-by-company basis, the average realised price of gold recorded by some mines diverged significantly from the world market's average price of gold. As shown in Figures 3.5 and 3.6, some mines' average realised sale price was significantly lower, and in some cases higher, than the world market's average price of gold. This is largely due to the timing of exports and the relative ratio of gold to silver in a given doré shipment<sup>73</sup>.

<sup>72</sup> Silver occurs in relatively small quantities and the actual quantities may vary from mine to mine. Therefore, the mineral revenue could be construed to include revenue from the sale of silver.

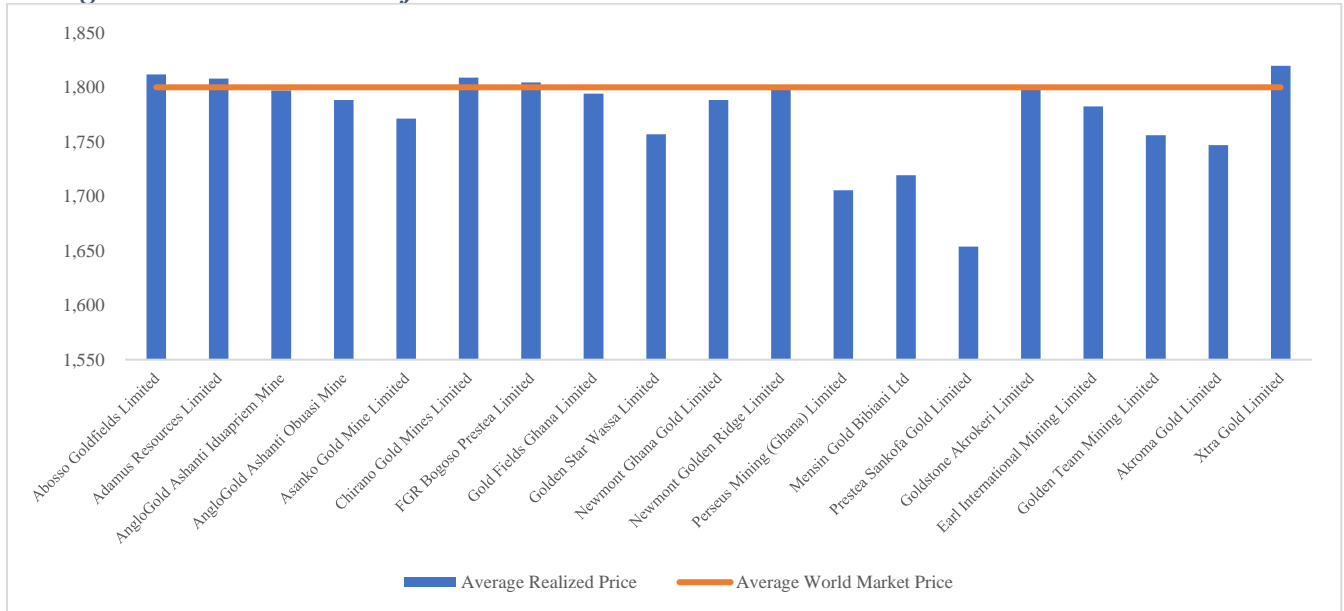
<sup>73</sup> A weighted average rather than a simple arithmetic mean yields a result (price) that is consistent with the achieved price of the company and therefore rules out the possibility of under-reporting. More so, the valuation is also corroborated by PMMC.

**Figure 14: Outturn of Companies' Average Realized Gold Price of Large-Scale Mines and Average World Market Price of Gold in 2021**



Source: GHEITI's construct based on data from World Gold Council and Ghana Chamber of Mines.

**Figure 15: Outturn of Companies' Average Realized Gold Price of Large-Scale Mines and Average World Market Price of Gold in 2022**



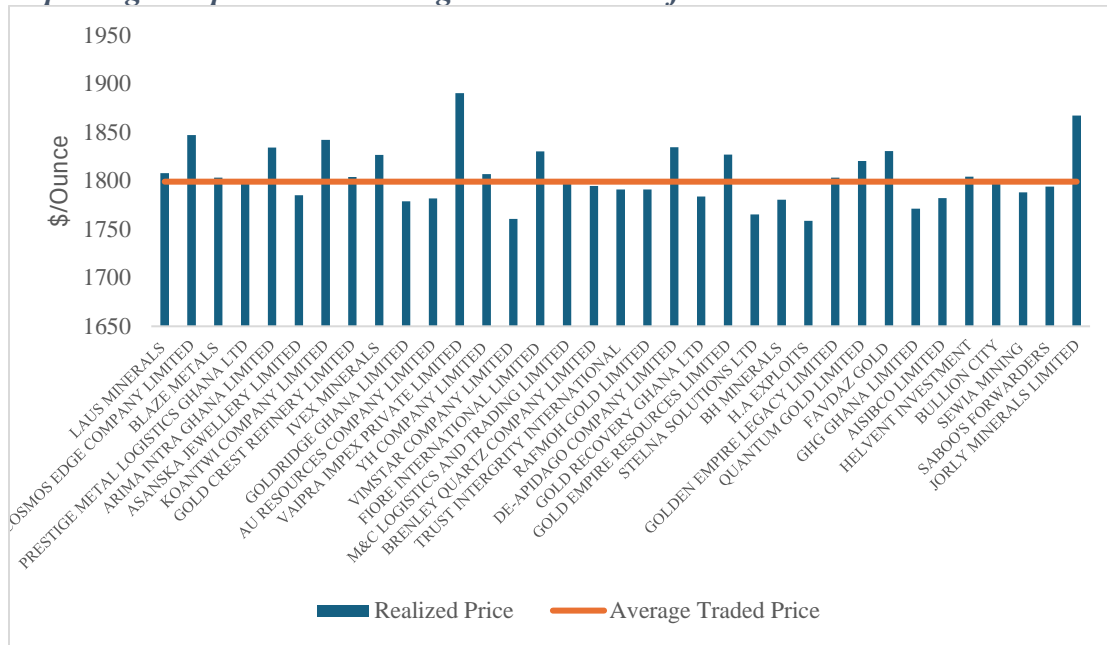
Source: GHEITI's construct based on data from World Gold Council and Ghana Chamber of Mines.

184. Further, the volume of gold sold by Licensed Gold Exporting Companies was 98,001 ounces with an associated revenue of US\$176.9 million in 2021. This translates into an average realised price of US\$1,805 per ounce, compared to the world market's average price of

US\$1,799 per ounce in 2021. The corresponding value and quantity in 2022 were US\$1.17 billion and 655,656 ounces. The average realised price of US\$1,780 per ounce compared to the world market average price of US\$ 1,800 per ounce in 2022.

185. Figure 3.7 compares the average realised gold price of each LGEC with the average price of gold on the world market. While most of the realised prices are within range, there are a few outliers that result from a combination of the timing of sales or relatively high quantities of silver in the gold doré. The possibility of under-reporting by LGECs who export through PMMC is minimal since the entire gold doré is assayed and valued by PMMC<sup>74</sup>.

**Figure 16: Outturn of Companies Average Realized Gold Price of Licensed Gold Exporting Companies and Average Traded Price of Gold in 2021**



Source: GHEITI's construct based on data from World Gold Council and PMMC.

186. Regarding manganese and bauxite, the price at which the mineral is sold is determined contractually, that is, between the buyer and seller, since the commodities are not widely traded and do not have a uniform spot market price. The Ghana Revenue Authority (GRA) reviews and approves the contractual price of each mine at the beginning of each year. The product of the price and output is used in determining revenue as well as the associated production-based fiscal payments, such as mineral royalties.
187. In the reporting period, one of the manganese buyers was a related party to the producing mine (Ghana Manganese Company), a situation that elevates the risk of transfer pricing. However, this was partly remedied through GRA's oversight of the sale price and transfer pricing audits. The quantum of manganese sold in 2021 was 2,753,467 tonnes and that of 2022 was 3,088,186 tonnes. Its nominal value was US\$146,141,291 and US\$186,980,667 respectively. These translate into a realised price of US\$53.1 per tonne in 2021 and 60.5 per tonne in 2022. Likewise, the monetary values of bauxite sold in 2021 and 2022 were US\$22,041,943 and

<sup>74</sup> In the large-scale sector, PMMC assays samples of gold doré bars to be exported rather than the gold doré bars.

US\$18,710,825 respectively whereas the quantities sold were 760,067 tonnes in 2021 and 534,595 in 2022. The average nominal price was US\$29 per tonne in 2021 and US\$35 per tonne in 2022.

188. The revenue from the sale of diamonds is based on PMMC's valuation of exports by licensed diamond exporting companies. This implies that the value and volume of diamond exports are equivalent to the volume and value of production. The value of diamonds sold in 2021 and 2022 was US\$1,612,979 and US\$3,891,372 respectively while the corresponding quantity was 54,174 carats and 82,252 carats.

### ***Box 1: Mechanism for Monitoring Production***

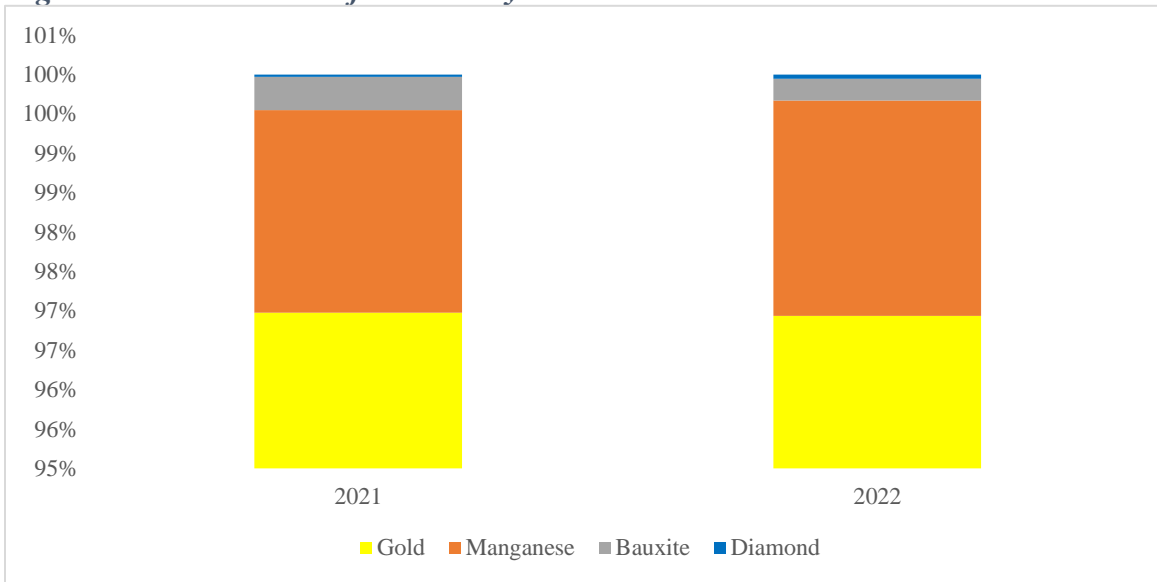
There are distinct mechanisms for monitoring the production and export-related activities of small-scale and large-scale mines. In addition to the routine visits of officers of the Minerals Commission, the activities of large-scale mines are also overseen by PMMC and the Ghana Revenue Authority. The latter institutions deploy their representatives to the gold room of large-scale mines to supervise the production of gold doré. As the national assayer, PMMC takes samples of the doré and transports them to its laboratory for analysis. The scope of its analysis includes corroborating the weight and quantity, determining the metal composition through assay, and estimating the value. After refining, a large-scale mine shares a report from its refinery (usually a third-party refinery) with PMMC and other mining sector parastatals. The refinery report contains information on the weight, metal constituents and their assay values, recovery rate, and fees, among others. PMMC reconciles the information on the refinery report with its independent analytical report to assure the government of revenues reported by large-scale mining firms. In the event of significant discrepancies, a third-party firm is invited to assay samples of the doré. The fee of the umpire is paid by the losing party, that is the party whose results are found to be inaccurate. The dispute settlement mechanism is yet to be activated because the reports of the mining companies' refineries are largely consistent with that of PMMC.

On the other hand, GRA's oversight role borders on the prevention of diversion of the doré produced. The representative of GRA, usually a Customs Officer, is present in the gold room of a large-scale mine during smelting and shipment activities. The officer completes the relevant paperwork and corroborates the mine's declaration on official export records, which is formally known as the Bullion Shipment Document. The details on the official export records are also duplicated on the national export gateway system, which is also known as the Integrated Customs Management System (ICUMS). The Customs officer accompanies the doré to the airport and hands over the documents and doré to a senior officer who processes them for export.

### **3.3 EXPORTS**

189. In the context of this report, export refers to the minerals produced by resident mining firms and sold offshore by the mining firms or Licenced Exporting Companies. The key minerals that were exported in 2021 and 2022 are gold, manganese, bauxite, and diamond. The data on export volume and value was sourced from the Bank of Ghana.
190. Total receipt from the export of minerals was US\$6.82 billion in 2022 relative to US\$5.24 billion in 2021. The upturn in mineral receipts was driven primarily by the growth in proceeds from the export of gold, diamonds, and manganese. Figure 17 depicts the share of each mineral in gross mineral revenue.

**Figure 17: Contribution of Commodity to Gross Mineral Revenue**



191. The volume of gold exports rose from 2.82 million ounces in 2021 to 3.73 million ounces in 2022. This is equivalent to an increment of 34 percent and was on account of the simultaneous expansion in exports by both large-scale and LGECs, which in turn mirrored expansion in their respective output. The quantum of gold exports attributable to large-scale mines stood at 3.15 million ounces in 2022 with an associated revenue of US\$5.50 billion. The comparable outturn for LGECs is 624,391 ounces and US\$1.11 billion in 2022. In the previous year (2021), the quantum and revenue from the export of gold by LGECs were 98,001 ounces and US\$176.9 million respectively. Conversely, the export proceeds and volume of the large-scale gold producers amounted to US\$4.91 billion and 2.72 million ounces in 2021 respectively.
192. Regarding diamonds, the total export volume increased from 54,174 carats in 2021 to 82,252 carats in 2022. This translates into a growth rate of 52 percent, which also resulted in the expansion of export proceeds from US\$1.61 million in 2021 to US\$3.89 million in 2022. The increase in exports of diamonds was mainly due to increased production and drawdown on stockpile which may have been influenced by increase in the world market prices.
193. The total volume of manganese exported in 2022 was 3.09 million tonnes as compared to 2.52 million tonnes in 2021. The upturn in export volume occasioned a 38 percent rise in export revenue, from US\$134.8 million in 2021 to US\$186.4 million in 2022. The primary reason for the increase in the quantum of exports was a higher drawdown on stockpile relative to the preceding year, which offset the year-on-year reduction in production.
194. Lastly, the gross receipts from the export of bauxite declined from US\$22.04 million in 2021 to US\$18.7 million in 2022. The 15 percent reduction in revenue was mainly due to the fall in the quantum of bauxite exports from 0.76 million tonnes in 2021 to 0.53 million tonnes in 2022. This outturn was on the back of a contraction in production. Tables 3.4 to 3.11 summarize the value and quantity of exports of each project or entity.

**Table 3.4: Volume and Value of Gold Exports by Large-Scale Mines in 2021**

Company	Quantity (Ounces)	Value (\$)
Abosso Goldfields Limited	261,695	472,031,247
Adamus Resources Ghana Limited	60,887	109,812,856
AngloGold Ashanti (Ghana) Ltd	109,722	201,821,043
AngloGold Ashanti (Iduapriem) Ltd	204,714	369,206,035
Asanko Gold Ghana Limited	213,342	383,828,542
Chirano Gold Mines Limited	145,455	261,986,694
Gold Fields Ghana Limited	528,901	952,512,066
Golden Star (Bogoso/Prestea) Ltd	35,195	63,714,851
Golden Star (Wassa) Limited	153,407	276,371,060
Newmont Ghana Gold Limited	481,246	865,802,402
Newmont Golden Ridge Limited	375,107	674,645,345
Perseus Mining (Ghana) Limited	147,722	266,106,728
Prestea Sankofa Gold Limited	2,477	4,435,664
Xtra-Gold Mining Limited	4,318	7,900,031
<b>Total</b>	<b>2,724,187</b>	<b>4,910,174,563</b>

Source: Bank of Ghana (2024)

**Table 3.5: Volume and Value of Gold Exports by Large-Scale Mines in 2022**

Company	Quantity (Ounces)	Value (\$)
Abosso Goldfields Limited	235,195	414,073,006
Adamus Resources Ghana Limited	57,527	104,104,231
AngloGold Ashanti (Ghana) Ltd	256,525	433,735,877
AngloGold Ashanti (Iduapriem) Ltd	263,811	441,543,481
Asanko Gold Ghana Limited	170,312	308,347,047
Chirano Gold Mines Limited	129,848	234,893,533
Gold Fields Ghana Limited	558,537	963,541,271
Golden Star (Bogoso/Prestea) Ltd	38,936	66,588,449
Golden Star (Wassa) Limited	173,519	300,069,835
Newmont Ghana Gold Limited	576,836	1,030,899,249
Newmont Golden Ridge Limited	413,941	743,851,797
Perseus Mining (Ghana) Limited	191,212	307,126,534
Prestea Sankofa Gold Limited	10,009	16,501,800
Xtra-Gold Mining Limited	2,623	4,924,911
Akroma Gold Company Limited	8,111	14,150,605
Earl International Group (Gh) Gold Limited	11,870	21,060,293
Goldstone Akrokeri Limited	5,478	9,508,733
Golden Team Mining Company Limited	395	690,916
Mensin Gold Bibiani Limited	49,053	84,726,323
<b>Total</b>	<b>3,153,738</b>	<b>5,500,337,892</b>

Source: Bank of Ghana (2024)

**Table 3.6: Volume and Value of Gold Exports by LGECs in 2021**

Company	Quantity (Ounces)	Value (\$)
<b>A. U. Resources (Gh) Limited</b>	5,633	10,033,037
<b>Aisibco Limited</b>	15	26,493
<b>Ampsel Commodities Limited</b>	21	39,033
<b>Arima Intra Ghana Limited</b>	4,401	8,027,891
<b>Asanska Jewellery Limited</b>	10,186	18,242,142
<b>B.H. Minerals Limited</b>	2,526	4,496,056
<b>Blaze Metal Resources</b>	10,076	18,176,804
<b>Brenley Quartz Company Ltd</b>	193	346,312
<b>Bullion Resources Ltd</b>	589	1,061,280
<b>Cosmos Edge Investment Company Limited</b>	7,924	14,555,244
<b>Favdaz Gold Limited</b>	64	118,010
<b>Fiore International Limited</b>	312	571,705
<b>GHG Company Limited</b>	91	163,301
<b>Gold Crest Refinery Limited</b>	2,074	3,706,200
<b>Gold Empire Resources Limited</b>	55	99,674
<b>Golden Empire Legacy Limited</b>	577	1,045,474
<b>Goldridge Ghana Limited</b>	4,058	7,217,736
<b>Gold Recovery Ghana</b>	1,615	2,838,175
<b>H.A Exploits Gold &amp; Commodities Supply Limited</b>	182	319,161
<b>Helvent Investment Limited.</b>	17	30,848
<b>Ivex Minerals Company Limited</b>	1,768	3,228,681
<b>Jorly Minerals Limited</b>	484	904,224
<b>Koantwi Company Limited</b>	3,939	7,200,591
<b>Laus Mineral Solutions Limited</b>	14,731	26,678,659
<b>M&amp;C Logistics and Trading Limited</b>	1,285	2,313,166
<b>Prestige Metals Logistics Ghana Limited</b>	12,336	22,172,349
<b>Quantum Gold Limited</b>	1,496	2,722,112
<b>Rafmoh Gold Limited</b>	2,861	5,103,888
<b>Saboos Forwarders and Logistics Services Limited</b>	30	53,097
<b>Sewia Mining Limited</b>	60	106,837
<b>Stelna Solutions Limited</b>	781	1,380,173
<b>Trust Integrity International Limited</b>	771	1,381,396
<b>Vaipra Impex Private Limited</b>	899	1,703,972
<b>Vimstar Limited</b>	1,091	1,920,274
<b>YH Company Limited</b>	2,778	5,023,699
<b>Total</b>	<b>95,917</b>	<b>173,007,693</b>

Source: Bank of Ghana (2024)

**Table 3.7: Volume and Value of Gold Exports by LGECs in 2022**

Company	Quantity (Ounces)	Value (\$)
A. U. Resources (Gh) Limited	108,505	192,794,487
Adfat Company Limited	64	110,425
Akku Resources Gh Limited	68,180	118,324,546
Alfagi Gh Ltd	59	108,431
Ampsel Commodities Limited	8,927	16,673,440
Arima Intra Ghana Limited	2,052	3,849,474
B.H. Minerals Limited	19,491	34,294,865
Blaze Metal Resources	1,036	1,893,922
Bullion Resources Ltd	1,615	2,869,129
Builtwell Mining and Construction Limited	7,411	13,110,196
De - Apidago Company Limited	60	97,047
Devault Premium Ltd	54	97,090
Dunamisplast Company Limited	876	1,514,058
Energy And Resources Company Limited	5,700	9,938,962
Erigo Precious Metal Ltd	148	269,525
Favdaz Gold Limited	1,493	2,563,152
Gold Crest Refinery Limited	2,738	5,007,792
Gold Empire Resources Limited	2,400	4,103,997
Golden Empire Legacy Limited	88	159,028
Goldridge Ghana Limited	1,558	2,646,622
Gold Recovery Ghana	2,639	4,767,033
Gold Stock Ghana Limited	806	1,548,873
Goldstrom Ghana Limited	260	464,408
H.A Exploits Gold & Commodities Supply Limited	13,003	24,383,503
Helvent Investment Limited.	30	51,265
Ivex Minerals Company Limited	209	382,593
Koantwi Company Limited	707	1,245,083
Kingsby Gold Limited	5,346	9,493,965
Laus Mineral Solutions Limited	35,340	63,301,924
M&C Logistics and Trading Limited	3	6,202
Magnate Precious Metals Trading Limited	1,890	3,198,796
Paramount Minerals Ltd	15,807	27,659,014
Precious Minerals Marketing Company Limited	12,899	22,911,096
Prestige Metals Logistics Ghana Limited	9,370	16,920,549
Quantum Gold Limited	13,121	23,334,743
Rafmoh Gold Limited	8,776	15,324,244
Redsaphyre Ghana Ltd	262,770	466,531,795
Sewia Mining Limited	29	49,303



Company	Quantity (Ounces)	Value (\$)
Stelna Solutions Limited	696	1,281,767
Trustabu Company Limited	7,879	14,179,986
Vaipra Impex Private Limited	189	341,629
YH Company Limited	108	184,525
<b>Total</b>	<b>624,330</b>	<b>1,107,988,487</b>

Source: PMMC

**Table 3.8: Volume and Value of Diamond Exports by Licensed Companies in 2021**

Company	Quantity (Carats)	Value (\$)
Balaji Gemlust	7,225	31,675
Godmarks Company	11,202	302,495
Harsh Gems	-	-
Kriom Exports	7,160	181,183
Rushita Gems	28,588	1,097,627
<b>Total</b>	<b>54,174</b>	<b>1,612,979</b>

Bank of Ghana (2024)

**Table 3.9: Volume and Value of Diamond Exports by Licensed Companies in 2022**

Company	Quantity (Carats)	Value (\$)
Balaji Gemlust	1,521	86,958
Godmarks Company	18,934	633,093
Harsh Gems	4,515	159,846
Kriom Exports	28,647	1,319,019
Rushita Gems	28,635	1,692,456
Total	82,252	3,891,372

Bank of Ghana (2024)

**Table 3.10: Volume and Value of Bulk Minerals in 2021**

Company	Mineral	Quantity (Tonnes)	Value (\$)
Ghana Manganese Company Ltd	Manganese	2,521,094	134,810,253
Ghana Bauxite Company Ltd	Bauxite	760,067	22,041,943

Bank of Ghana (2024)

**Table 3.11: Volume and Value of Bulk Minerals in 2022**

Company	Mineral	Quantity (Tonnes)	Value (\$)
Ghana Manganese Company Ltd	Manganese	3,088,187	186,421,235
Ghana Bauxite Company Ltd	Bauxite	534,595	18,710,825

Bank of Ghana (2024)

### **Box 2: Observations on Discrepancies in Export Data**

The Bank of Ghana is the repository of official statistics on exports of minerals even though GRA and PMMC play various roles in the generation of the national mineral export records. The statistics used by the Bank of Ghana are sourced from the database of ICUMS, which provides information on the value and quantity of minerals exported by each company. With respect to gold, the information in the database relates to doré rather than bullion. The former is semi-refined gold and may contain other metals, such as copper, iron, and lead. On the other hand, bullion is refined gold, and it is the output of a refinery process. A mine's fiscal obligations are based on bullion as it represents the actual quantity of gold produced. Generally, the quantity of gold recorded at the semi-processed stage (doré) is higher than that of the refining phase. The shortfall, which should ordinarily be miniscule, arises from differences in weight, assay values, and refining efficiency. It is therefore anticipated that the Bank of Ghana's data on gold exports by large-scale mines would be higher than those obtained from company reports submitted to Minerals Commission, PMMC, and the Ghana Chamber of Mines. However, this challenge would not be applicable to unprocessed minerals, such as gold exports by licenced companies, as well as exports of diamond, bauxite, and manganese. This implies the Bank of Ghana's export statistics on the previously cited minerals are expected to be identical to that of the ICUMS database.

In 2021, there were significant variations in the volume and value of gold exports reported by the Bank of Ghana and companies/licenced companies. The Bank's data on gold exports of large-scale mines was 10,561 ounces and US\$34.6 million more than that reported by companies. Further analysis suggests that the discrepancies in the data not only emanate from the type of data being captured but also from human errors. For instance, the Bank of Ghana records show that Prestea Sankofa Gold Ltd exported 2,477 ounces of gold in 2021. However, both the Minerals Commission and PMMC did not report any information on gold exports by the aforementioned company. In a similar vein, the Bank's data on gold exports of LGECs' is lower than that of PMMC/Minerals Commission by 2,083 ounces and US\$3.9 million. Again, these variances are more due to clerical errors than technical-related issues. On the whole, the BoG overstated the country's gold exports by 8,477 ounces and US\$30.66 million in 2021.

Likewise, the BoG overstated the country's gold exports by 66,343 ounces and US\$17.89 million in 2022. The discrepancy arose from the Bank reporting a higher outturn of exports by large-scale mines and a lower quantum of exports by licenced companies. In a striking case, the Bank reported Xtra Gold's export volume as 2,623 ounces, which was markedly lower than PMMC/Minerals Commission's outturn of 3,749. In its financial reports, Xtra Gold reported that it sold 3,778 ounces of gold in 2022<sup>75</sup>. A detailed analysis of each entity's reported gold exports and that of the Bank of Ghana is shown in Appendix 1.

As shown in Tables 3.12 and 3.13, there were also discrepancies in the export value of diamonds in 2022 and manganese export volume and value in 2021 as well as in 2022 (value only). The net effect of the discrepancy was that revenue from the export of minerals was overstated by US\$19.34 million in 2021 and understated by US\$18.61 million in 2022. These significant variances impact the credibility of the country's balance of payments statistics and economic policy formulation in general. In line with the recommendation in previous reports, the MSG reiterates its position that PMMC should be the primary source of data on gold exports given its role as the national assayer, which is essentially a revenue assurance function for the state.

<sup>75</sup> [www.xtragold.com/\\_resources/financials/Q4-2022-MDA.pdf?v=0.228](http://www.xtragold.com/_resources/financials/Q4-2022-MDA.pdf?v=0.228)

**Table 3.12: Data Triangulation of Export Data of Bank of Ghana and Company Reports- 2021**

		Quantity			Value (\$)		
Entity	Mineral	Company Reports	Bank of Ghana	Variance	Company Reports	Bank of Ghana	Variance
Large-Scale Producers	Gold (ounces)	2,713,626	2,724,187	-10,561	4,875,602,177	4,910,174,563	-34,572,386
Licensed Gold Exporters	Gold (ounces)	98,001	95,917	2,083	176,913,874	173,007,693	3,906,181
Total	Gold (ounces)	2,811,627	2,820,104	-8,477	5,052,516,051	5,083,182,256	-30,666,205
Licensed Diamond Exporters	Diamond (Carats)	54174.13	54174.13	0	1612978.85	1612978.85	0
Ghana Manganese Company Ltd	Manganese (Tonnes)	2,753,467.02	2,521,093.86	232,373	146,141,291	134,810,253	11,331,038
Ghana Bauxite Company Ltd	Bauxite (Tonnes)	760,067	760,067	0	22,041,943	22,041,943	0
Net Discrepancy							-19,335,167

*Source: Bank of Ghana, PMMC, Minerals Commission and The Ghana Chamber of Mines (2021)*

**Table 3.13: Data Triangulation of Export Data of Bank of Ghana and Company Reports- 2022**

		Quantity			Value (\$)		
Entity	Mineral	Company Reports	Bank of Ghana	Variance	Company Reports	Bank of Ghana	Variance
Large-Scale Producers	Gold (ounces)	3,056,129.64	3,153,737.83	-97,608.18	5,459,024,540	5,500,337,892	-41,313,352
Licensed Gold Exporters	Gold (ounces)	655,655.90	624,390.70	31,265.20	1,167,294,245.87	1,108,087,414	59,206,832
Total	Gold (ounces)	3,711,785.55	3,778,128.53	-66,342.98	6,626,318,786	6,608,425,306	17,893,480
Licensed Diamond Exporters	Diamond (Carats)	82,252	82,252	0	3,891,372	3,731,372	160,000
Ghana Manganese Company Ltd	Manganese (Tonnes)	3,088,187	3,088,187	0	186,980,667	186,421,235	559,432

Entity	Mineral	Quantity			Value (\$)		
		Company Reports	Bank of Ghana	Variance	Company Reports	Bank of Ghana	Variance
Ghana Bauxite Company Ltd	Bauxite (Tonnes)	534,595	534,595	0	18,710,825	18,710,825	0
Net Discrepancy							<b>18,612,912</b>

*Source: Bank of Ghana, PMMC, Minerals Commission and The Ghana Chamber of Mines (2021)*

### 3.3.1 MINERAL PRODUCT MARKETING

195. The marketing of minerals is generally regulated by the Minerals and Mining Act, 2006 (Act 703), as amended. Section 6 of Act 703 requires a person (mining lease and non-mining lease holder) to obtain a licence before the export, sale, or disposal of a mineral. Section 97 of Act 703 regulates the sale of minerals including diamonds won by small scale miners, whilst section 104 provides for licence to buy and deal in minerals. To give effect to the general legal framework, regulations 3 and 4 of the Minerals and Mining (General) Regulations, 2012 (L.I.2173) prescribe the requirements for obtaining licences for marketing minerals other than diamonds.
196. Regulation 6 requires licence to export industrial minerals. Ghana is a member of the Kimberley Process Certification Scheme (KPCS) for diamond trade. The marketing of diamonds is regulated by section 97(3) of Act 703 and subject to the KPCS.
197. PMMC implements the Kimberley process on behalf of the Government of Ghana, and as part of that function, issues relevant licences to all dealers, supervises operations and certifies exports of diamonds produced in Ghana.

### 3.3.2 ASM PRODUCT MARKETING

198. Gold, diamonds, and industrial minerals (limestones, granites, quarry stones, sand, salt, etc.) are significantly exploited by the artisanal and small-scale miners. Sections 99 and 104 of the Minerals and Mining Act, 2006 (Act 703), as amended, require mineral right holders and registered businesses to acquire licence for the purpose of dealing in minerals including marketing.
199. Entities were issued with gold exporters' licence to buy gold from small-scale miners mainly for exports. Prior to export of the gold, the licenced exporters are required to assay their gold using the National Gold Assayer (PMMC).
200. Under the Gold4Oil programme, PMMC became the sole agent who buys the gold produced by the small-scale miners until recently (2024) when some Licenced Gold Exporters have been permitted to export alongside PMMC.

## 4 REVENUE COLLECTION

201. This section presents information on company payments and government revenues from the mining sector including, fiscal revenues and non-fiscal revenues.
202. All fiscal revenues (Corporate Income Tax, Withholding Tax, PAYE, etc.), except for mineral royalties, from the mining sector are collected and deposited into the Consolidated Fund. Non fiscal revenues including license fees, processing fees and administrative charges are reserved as Internally Generated Funds (IGF) by relevant government agencies and mining sector regulators.
203. The Income Tax Act, 2015 (Act 896) and its amendments, and the MIIF Act, 2018 (Act 978), provides the legal basis for the collection of all fiscal revenues in the mining sector. Under the MIIF Act, mineral royalties and dividends from the government’s equity share in mining, except for bauxite mines, are expected to be paid to MIIF. In practice, mineral royalties are paid to MIIF, but dividends are still paid to the Ministry of Finance’ Non-Tax Revenue Policy unit.
204. Twenty percent of revenue collected by MIIF is distributed to the Minerals Development Fund (MDF) in accordance with the MDF Act, 2016 (Act 912).

### 4.1 COMPREHENSIVE DISCLOSURE OF TAXES AND REVENUES

205. Revenues from the mining sector include taxes, royalties, fees, and other payments received by the Government from mining companies. This section also provides details on any social responsibility payments made by mining companies to local communities including funds for infrastructure development, education, healthcare, or other community initiatives.

#### Materiality and Reporting Entities

206. The MSG’s final relevant scoping decision has been summarized in table 4.3

*Table 4.1: Scoping Parameters for 2021 and 2022 GHEITI Reconciliation Report*

PARAMETERS	Decision	
	2021	2022
<b>Total government preliminary receipts</b>	GH¢ 5,523,543,791.71	GH¢7,414,232,015.84
<b>Materiality Threshold for Mining sector report</b>	GH¢6,467,246.81	GH¢ 3,914,781.93
<b>Coverage: in-scope(material) companies’ payments to total receipts</b>	100%	100%
<b>Coverage: In-scope companies’ payments to total receipts (including PAYE and Withholding Taxes)</b>	99.91%	99.35%
<b>Number of In Scope companies for Mining</b>	13	13

PARAMETERS	Decision	
	2021	2022
<b>Reporting Companies</b>	Newmont Golden Ridge Ltd.	
	Newmont Ghana Gold Ltd.	
	Goldfields Ghana ltd - Tarkwa	
	Abosso Goldfields ltd – Damang mine	
	AngloGold Ashanti (Iduapriem) ltd.	
	AngloGold Ashanti (Obuasi) ltd.	
	Perseus mining Gh. Ltd.	
	Golden Star (Wassa) Ltd.	
	Ghana Manganese Company ltd	
	Chirano Gold mines ltd.	
	Asanko Gold Gh ltd.	
	Adamus Resources ltd.	
	Ghana Bauxite Co. Ltd	
<b>Government reporting entities</b>	Ghana Revenue Authority (GRA)	
	Minerals Income Investment Fund (MIIF)	
	Environmental Protection Agency (EPA)	
	Office of the Administrator of Stool Lands (OASL),	
	Minerals Commission (Mincom), Selected district assemblies	

**Materiality Statement:**

207. Any large-scale mining company which paid minimum amount of GH¢ 6,467,246.81 in 2021 and GH¢ 3,914,781.93 in 2022 of corporate income tax and or mineral royalty revenue streams is required to report for the reconciliation. There were no sufficient records of payments made by the small-scale mining (ASM) companies to the governments or to the sub-national authorities. The MSG is also of the view that the one and half (1.5) percent withholding taxes collected by the government on export of gold by any ASM operator may not meet the materiality threshold and therefore no ASM license holder qualified for reconciliation for the reporting years 2021 and 2022.
208. Thirteen (13) mining companies were selected based on the agreed materiality threshold for the respective reporting years. The payments from these companies constituted 100 percent of the corporate income tax and mineral royalty received by the government in the reporting years. The cumulative weight of payments by these 13 companies of the total preliminary revenue receipts were 99.91 percent for 2021 and 99.35 percent for 2022.

**Table 4.2: Material (In-Scope) Companies for 2021 Reconciliation**

Name of Company	TIN	Total paid to Government (GH¢)	Weight%	Cumulative Weight %
Goldfields Ghana ltd - Tarkwa	C0003136973	1,146,515,890.83	20.76	20.76
Newmont Golden Ridge ltd	C0003257630	1,118,778,616.98	20.25	41.01
Newmont Ghana Gold ltd.	C0003268071	851,804,869.52	15.42	56.43
Abosso Goldfields ltd – Damang mine	C0003278263	589,092,521.16	10.67	67.1
AngloGold Ashanti (Iduapriem) ltd	C000327828X	382,487,570.51	6.92	74.02
Golden Star (Wassa) ltd	C0003137007	323,266,167.69	5.85	79.88
Perseus mining Gh. Ltd	C0003257673	293,816,845.45	5.32	85.19
Chirano Gold mines ltd	C000366497X	201,938,753.88	3.66	88.85
Ghana Manganese Company ltd	C0004056450	200,516,507.56	3.63	92.48
AngloGold Ashanti (Obuasi) ltd	C0003278271	179,233,510.13	3.24	95.73
Asanko Gold Gh ltd	C0004524764	167,078,007.67	3.02	98.75
Adamus Resources ltd	C0003278484	53,324,303.47	0.97	99.72
Ghana Bauxite Co. Ltd	C0002862646	10,520,087.76	0.19	99.91

Source: GHEITI's construct based on preliminary data submitted by GRA

**Table 4.3: Material (In-Scope) Companies for 2022 Reconciliation**

Newmont Golden Ridge ltd	C0003257630	1,806,588,139.73	24.37	24.37
Goldfields Ghana ltd - Tarkwa	C0003136973	1,478,663,166.91	19.94	44.31
Newmont Ghana Gold ltd.	C0003268071	1,337,894,744.88	18.04	62.36
AngloGold Ashanti (Iduapriem) ltd	C000327828X	744,693,310.58	10.04	72.4
Abosso Goldfields ltd – Damang mine	C0003278263	481,286,972.51	6.49	78.89
Golden Star (Wassa) ltd	C0003137007	382,990,116.40	5.17	84.06
AngloGold Ashanti (Obuasi) ltd	C0003278271	319,135,390.30	4.3	88.36
Perseus mining Gh. Ltd	C0003257673	273,850,645.43	3.69	92.05
Asanko Gold Gh ltd	C0004524764	216,201,390.12	2.92	94.97
Chirano Gold mines ltd	C000366497X	168,603,764.46	2.27	97.24
Ghana Manganese Company ltd	C0004056450	83,667,257.86	1.13	98.37
Adamus Resources ltd	C0003278484	61,744,462.72	0.83	99.21
Ghana Bauxite Co. Ltd	C0002862646	10,578,026.78	0.14	99.35

Source: GHEITI's construct based on preliminary data submitted by GRA



**Reconciliation cut-off point**

209. The MSG decided to maintain the 2020 cut off point of 0.14 percent of total government revenue for the 2021 and 2022 reconciliation, at which resolution of discrepancies ceases.

**Revenue Streams**

210. Any revenue stream that recorded more than GH¢ 6,467,246.81 in 2021 and GH¢ 3,914,781.93 in 2022 was reconciled subject to relevant conditions on data reconciliation.

211. The following revenue streams were approved by the MSG for reconciliation:

**Table 4.4: Revenue streams approved for 2021 and 2022 reconciliation**

Revenue Streams
Corporate Income Tax
Mineral Royalty
Withholding Income Tax (WIT)
Pay AS You Earn (PAYE)
Dividend tax
Property rates
Ground rent
Mineral Right Licence – Mining lease (Production)

**Table 4.5: Government Agencies and provision of relevant data**

Institutions	Revenue Streams	Purpose
Minerals Commission	Mineral Rights (Licences) - Mining lease (production)	Mineral rights licences and other fees received are used internally by the Commission.
	Mineral Right Licences (Reconnaissance, Prospecting, and Mining Lease)	
	Operating permit	
	Other Fees and Licences	
	Production and other costs	
	details of companies	
District Assemblies	Property Rate	District Assemblies within the jurisdiction of operating mines receive revenues from property rates and Business operating permits. These revenues are used as part of the internally generated fund of the assemblies.
	Business operating permit	
	Mineral royalty received/utilised.	
Office of Administrator of Stool Lands (OASL)	Ground Rent	OASL receives ground rent paid by mining companies and also pays out portions of Mineral royalty received from MDF. Amount received is distributed according to the disbursement formulae.
	Amount of Mineral Royalties disbursed to District Assemblies, Traditional Authorities and Stools.	
		Revenue Flow)
Ghana Revenue Authority (GRA)	Mineral Royalty	Amounts received are paid to MIIF excluding bauxite royalties which is paid into the Consolidated Fund (Government Treasury).
	Corporate Income Tax	
Ministry of Finance	Dividend received	Dividend in respect of Government carried interest in

Institutions	Revenue Streams	Purpose
		Mining operations are received by the Ministry of Finance.
Precious Minerals Marketing Company (PMMC)	Assaying Services fees	Assaying Services fees on gold and other minerals.
Environmental Protection Agency (EPA)	Environmental permitting fees	Payment by extractive companies for environmental related operations.
Municipal and District Assemblies within the areas of operation of the mines covered under the assignment	Property rates	Property rates and business operating permits are assessed and collected by the district assemblies and are used as internally generated funds.
	Business operating permit	
	Mineral royalties received and disbursement.	

#### 4.1.1 Treatment/Use of the Revenues

- **Mineral Rights Payments and Property Rates** are utilised and regarded as Internally Generated Funds (IGF) by the collecting bodies, which are the Minerals Commission and District Assemblies, respectively.
- **Dividend payments** are required by law to be paid to MIIF, even though in practice the Ministry of Finance still collects it.
- **Corporate Income Tax payments** are made by mining companies into the Consolidated Fund also known as the Central Government Treasury.
- **Environmental Processing fees, Permitting Fees, and administrative related charges (including penalties)** are received by the Environmental Protection Agency (EPA) as Internally Generated Funds (IGF).
- **Ground Rent** is collected by the OASL and disbursed to District Assemblies (55%), Stools (25%) and Traditional Authorities (20%) under its jurisdiction in line with Article 267(6) of the 1992 Constitution.
- **Mineral Royalties** In accordance with Section 28 of the MIIF Act, 2018 (Act 978), and as amended, 100 percent of mineral royalties is collected by MIIF and thereafter, 20 percent of the receipts is released to the Minerals Development Fund and the OASL for further disbursements. The remaining 80 percent stays in the account of MIIF for investments to maximise, monetise and seek the best possible financial returns on investments having regard to internationally recognised best practices.

212. Details of Revenue Stream is listed in the Table 4.6 Below.

**Table 4.6: Revenue Streams existing**

Sn.	Revenue Stream	Particulars
1	Mineral Rights	<p>The Ministry of Lands and Natural Resources grants the state's vested mineral rights.</p> <p>The licenses under consideration are those that grant the holder the authority to enter the property and carry out particular duties.</p> <p>The holder is authorized to perform reconnaissance, prospect for, or mine specific minerals under three consecutive categories. The Minerals Commission is in charge of collecting the license fees.</p>
2	Reconnaissance License	<p>The holder of a reconnaissance license, which covers the initial phases of mining operations, is permitted to use geological, geophysical, and geochemical methods to look for certain minerals.</p> <p>Except in cases where the license expressly permits it, reconnaissance licences generally prohibit drilling, excavation, and other physical activities on the land.</p> <p>A reconnaissance license may be obtained for a land area of one block to five thousand blocks for a maximum of twelve months. The license may be renewed for an additional twelve months. A block is twenty-one hectares.</p>
3	Prospecting Licence	<p>A prospecting license that covers the second phase of mining operations gives its holder the right to look for certain minerals and assess their quantity and worth.</p> <p>This license is given for a land area not to exceed 750 contiguous blocks for a first period of three years. Any or all of the blocks that are subject to prospecting may have their prospecting license extended for a maximum of three years.</p>
4	Mining Lease	<p>An application for a mining lease may be made prior to the current licence expiring if the holder of a reconnaissance licence or a prospecting licence has demonstrated that the mineral(s) specified in the licence is(are) present in commercial quantities.</p> <p>Depending on the reserve available, the mining lease may be issued for a maximum of thirty (30) years initially, and it may be renewed for a further thirty (30) years.</p>
5	Mineral Royalty	<p>The Minerals and Mining Act, 2006 (Act 703), as amended, contains a production-based tax. Section 25 of the act states that a holder of a mining lease, restricted mining lease, or small-scale mining licence must pay the Republic any royalty that may be prescribed for minerals obtained from their mining operations. The rate of royalty, however, cannot be greater than 6% or less than 3% of the total revenue of minerals obtained by the holder.</p>

Sn.	Revenue Stream	Particulars
		<p>Act 703's section 25 was amended in March 2010 to set the royalty payment at 5% of the gross earnings from the mining of minerals.</p> <p>As soon as mining companies start producing minerals in the nation, they are required to pay royalties.</p> <p>Environmental and Ecological Services Commitment: Businesses who operate in productive forest reserves contribute an additional 0.6% of their gross revenue from winning minerals to the Forestry Commission's Liaison Group account. The Liaison Group is in charge of managing the fund administration.</p> <p>All mining corporations pay their mineral royalties on a quarterly basis. The royalty rate as outlined in regulations is currently provided by the Minerals and Mining (Amendment) Act, 2014.</p>
6	Ground Rent	<p>This is the yearly payment that mining and other businesses give to the landowners.</p> <p>The Office of the Administrator of Stool Lands receives the ground rent from the participating mining firms because they operate on Stool Lands.</p> <p>The concession's size and license type determine how much ground rent is due. For mining leases, the fee is GH₵ 778,38 per cadastral unit or GH₵15 per acre.</p>
7	Property Rates	<p>As the name suggests, property rates are charges levied against structures and ground-based plants.</p> <p>District Assemblies set property rates by factoring valuation figures through a formula known as the Rate Impost. The District Valuation Board determines property valuation amounts after receiving approval from the Regional Valuation Board.</p> <p>The mining companies pay property charges directly to the District Assemblies.</p> <p>Some mining companies pay in four installments, dividing the total sum due into four pieces.</p> <p>Mining companies' property rates are applied as IGF by district assemblies. It is typically used to ongoing expenses.</p>
8	Corporate Income Tax	<p>Currently, the corporate income tax rate is set at 35% of net profit. or 32.5% in the case of mining firms that have agreements for development or investment. Every mining</p>

Sn.	Revenue Stream	Particulars
		<p>company that is being evaluated has completed their self-evaluation.</p> <p>Self-assessed businesses are permitted to project their annual earnings and make certain contributions in accordance with their own evaluation.</p> <p>Four months following the end of the accounting year, businesses must file their annual returns.</p> <p>The annual capital allowance is calculated using a straight-line method.</p> <p>The following are deemed assets for the purposes of calculating capital allowances for mining entities:</p> <ol style="list-style-type: none"> <li>1. Mineral Exploration rights</li> <li>2. Buildings, buildings, and permanent works that, when the rights are used up or prospecting, exploration, or development stops, are probably going to be little or nothing.</li> <li>3. Plant and machinery used in mining operations.</li> <li>4. Expenses related to prospecting, exploring, and developing minerals (which are regarded as if they were incurred in order to secure the acquisition of assets).</li> </ol> <p><b>Carry forward of losses</b></p> <p>Mining companies are permitted to carry over their losses from one year to the next in order to deduct them from their profits. Nonetheless, the loss must be subtracted within five years after the loss's occurrence.</p>
9	Dividends	<p>Unless otherwise specified in the mining agreement, the Republic of Ghana maintains a 10% non-contributing interest in each mining lease. As previously mentioned, the Ministry of Finance and MIIF are currently in talks to realign dividend payments in accordance with the MIIF Act.</p>
10	Environmental Processing and Permitting Fees	<p>These are the costs incurred in order to obtain environmental licenses for the many mining operations that the corporations engage in.</p>

#### 4.1.2 Revenue Disclosure and Reconciliation

##### 4.1.2.1 Scope of the 2021/2022 GHEITI Mining Report

213. Any large-scale mining company which paid minimum amount of GH¢ 6,467,246.81 in 2021 and GH¢ 3,914,781.93 in 2022 of corporate income tax and or mineral royalty revenue streams is required to report for the reconciliation. There were no sufficient records of payments made by the small-scale mining (ASM) companies to the governments or to the sub-national authorities. The MSG is also of the view that the one and half (1.5) percent withholding taxes collected by the government on export of gold by any ASM operator may not meet the materiality threshold and therefore no ASM license holder qualified for reconciliation for the reporting years 2021 and 2022.

214. Thirteen (13) mining companies were selected based on the agreed materiality threshold for the respective reporting years. The payments from these companies constituted 100 percent of the corporate income tax and mineral royalty received by the government in the reporting years. The cumulative weight of payments by these 13 companies of the total preliminary revenue receipts were 99.91 percent for 2021 and 99.35 percent for 2022.
215. The Table 4.1 list the government preliminary revenues that the MSG used during the scoping stage to determine the materiality threshold.

**Table 4.7: Total Preliminary Government receipts in 2021 and 2022 used during the scoping stage.**

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022	Reconciliation status
<b>1. Payments made to GRA:</b>			
Corporate Income Tax	2,990,265,186.84	3,673,166,108.17	Reconciled
Withholding income taxes on goods and services (WIT)	487,161,701.22	589,153,616.67	Reconciled
Employees Pay As You Earn (PAYE)	667,878,032.16	1,049,540,154.58	Reconciled
Mineral Royalty (Bauxite)	6,467,246.81	3,914,781.93	Reconciled
Dividend Tax	-	-	-
Value Added Tax (VAT)	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Withholding VAT (W-VAT)	-	-	-
National Health Insurance Levy (NHIL) & Ghana Education Trust Fund Levy (GETFL)	-	-	-
COVID-19 Recovery Levy (CRL)	-	-	-
Capital Gains Tax (CGT)	-	-	-
Stamp Duty	-	-	-
National Fiscal Stabilization Levy (NFSL)/ Growth and Sustainability Levy (GSL)	-	-	-
Import duties and taxes	-	-	-
<b>Sub-total of payments to GRA</b>	<b>4,151,772,167.03</b>	<b>5,315,774,661.35</b>	
<b>2. Payments made to Mining Income Investment Fund (MIIF)</b>			
Mineral Royalty	1,371,771,624.68	2,098,457,354.49	Reconciled
<b>3. Payments made to Minerals Commission</b>			
Consideration fees - Mining Lease	113,615,592.45	70,517,849.91	Reconciled
Consideration fees - Gold Export License	0	11,038,580.70	Not reconciled
Restricted Prospecting License	0	0	Not reconciled
Examination fees	7,787,658.00	11,962,110.13	Not reconciled
Mining permit	0	0	
Explosive permit fees	3,653,525.60	5,988,595.65	Not reconciled

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022	Reconciliation status
Reconnaissance fee	145,932.00	311,328.00	Not reconciled
Processing fees	613,670.40	1,903,785.69	Not reconciled
Resident permit fees	1,077,445.00	0	Not reconciled
Rope test fees	325,500.00	266,000.00	Not reconciled
Search form	0	0	
Service fees	16,578,540.28	35,868,197.66	Not reconciled
<b><i>Sub-total of payments to Minerals Commission</i></b>	<b>143,797,863.73</b>	<b>137,856,447.74</b>	
<b>4. Payments made to Ministry of Finance (MoF)</b>			
Dividend	427,958,154.13	435,099,624.00	Reconciled
<b>5. Payments made to Forestry Commission</b>			
Environmental and Ecological Services Commitment	0	0	
<b>6. Payments made to Office of Administrator of Stool Lands (OASL)</b>			
Ground rent	5,329,400.25	5,887,646.70	Reconciled
<b>7. Payments made to District Assemblies</b>			
Property rates			
Business Operating permits	576,500.00	661,227.00	Reconciled
<b><i>Sub-total of payments to District Assemblies</i></b>			
<b>8. Payments to Environmental Protection Agency (EPA)</b>			
Environmental Permitting fees	-	-	
Environmental Processing fee	-	-	
<b><i>Sub-total of payments to EPA</i></b>			
<b>9. Payments made to Precious Minerals Marketing Company (PMMC)</b>			
Assaying Services Charges	-	-	
<b>10. Payments made to Ghana Railways Company Ltd</b>			
Transportation revenues	-	-	
<b>Grand total government preliminary revenue</b>	<b>6,101,205,709.82</b>	<b>7,993,736,961.28</b>	

Source: GHEITI construct



**Table 4.8: Total preliminary receipts for 2021 and 2022 reconciliation**

GOVERNMENT AGENCY/REVENUE STREAM	Amount received (GH¢ - 2021)	% Weight (GH¢) - 2021	Amount received (GH¢) - 2022	% Weight (GH¢) - 2022	Reconciliation Status
<b>Payments to GRA</b>					
1. Corporate Income Tax	2,990,265,186.84	54%	3,673,166,108.17	50%	Reconciled
2. Withholding Income Tax	487,161,701.22	9%	589,153,616.67	8%	Reconciled
3. PAYE	667,878,032.16	12%	1,049,540,154.58	14%	Reconciled
<b>Payments to MIIF</b>					
4. Mineral Royalty	1,378,238,871.49	25%	2,102,372,136.42	28%	Reconciled
<b>Total revenues</b>	<b>5,523,543,791.71</b>	<b>100%</b>	<b>7,414,232,015.84</b>	<b>100%</b>	

Source: GHEITI's construct based on preliminary data submitted by GRA for scoping

216. All the four revenue streams, Corporate Income tax, Mineral royalty, withholding tax and PAYE, provided by GRA were considered for scoping and reconciliation. The decision of the MSG to include Withholding taxes and PAYE in the 2021 and 2022 reconciliation is a departure from its previous position to exclude them on the basis that they were payments made to government by reporting companies on behalf of third-party service providers of goods and services, and company employees.
217. The MSG deemed its current position to include these payments as progressive by the reason that the two payments are part of direct annual revenue inflows to government and in total constitute 22 percent of the preliminary receipts. Moreover, the inclusion of these revenues in the reconciliation will afford the MSG the opportunity to provide its observations and policy recommendation towards improving the assessment, collection, and accounting for these revenues.
218. From Table 4.2, the total preliminary amounts reported as payments from extractive entities in the reporting years 2021 and 2022 were GH¢5,523,543,791.71 and GH¢ 7,414,232,015.84 respectively.
219. The materiality assessment was based on these four reconcilable revenue streams available at the time of scoping. Thresholds were not established on individual revenue streams. Other revenues such as VAT and its associated levies (National Health Insurance levy, Ghana Education trust fund levies, and Covid-19 recovery levies), dividend, carried interests and payments to other governmental agencies and subnational revenues were received by data templates submitted after the scoping and materiality were determined.
220. Other material revenues that were reconciled after the scoping stage were dividend, carried interest, mining lease, ground rent, business operating permit and property rates.

### Threshold Analysis Used for Companies' Selection

221. The MSG maintained the 2020 threshold of **GH¢16 million** for companies that made relevant payments. However, it made exception for Ghana Bauxite whose payments were below the threshold for the reporting years 2021 and 2022. This is because it is the only producing bauxite company in Ghana and was intended to give an idea of its performance. In all 13 companies were selected for reconciliation. See table 4.9 for details.

#### 4.1.2.2 Scoping Outcomes

##### Materiality and Reporting Entities

222. The MSG's final relevant scoping decision has been summarized in table 4.26

**Table 4.9: Scoping Parameters for 2021 and 2022 GHEITI Reconciliation Report**

Parameters	Decision	
	2021	2022
<b>Materiality Threshold for Mining sector report</b>	GH¢ 4,349,029,951.40	GH¢ 5,775,538,244.59
<b>Coverage: in-scope(material) companies' payments to total receipts (excluding PAYE and Withholding Taxes)</b>	100%	100%
<b>Coverage: In-scope companies' payments to total receipts (including PAYE and Withholding Taxes)</b>	79.02%	77.90%
<b>Number of In Scope companies for Mining</b>	13	13
<b>Reporting Companies</b>	<ul style="list-style-type: none"> <li>• NEWMONT GOLDEN RIDGE LTD</li> <li>• GOLDFIELDS GHANA LTD-TARKWA</li> <li>• NEWMONT GHANA GOLD LIMITED</li> <li>• ABOSSO GOLDFIELDS LIMITED – DAMANG MINE</li> <li>• ANGLOGOLD ASHANTI (IDUAPRIEM) LIMITED</li> <li>• PERSEUS MINING GH LTD</li> <li>• GOLDEN STAR (WASSA) LTD</li> <li>• GHANA MANGANESE COMPANY LIMITED</li> <li>• CHIRANO GOLD MINES LIMITED</li> <li>• ASANKO GOLD GH LTD</li> <li>• ANGLOGOLD ASHANTI (OBUASI) LIMITED</li> <li>• ADAMUSRESOURCES LTD</li> <li>• GHANA BAUXITE CO. LTD</li> </ul>	
<b>Government reporting entities</b>	GRA, MIIF, EPA, OASL, Minerals Commission, Selected district assemblies .	

**Materiality Statement:**

223. Any mining company with large-scale mining lease, which paid a minimum of GHS 16,007,023 of the relevant revenue streams in 2021 to 2022 is required to report for the reconciliation.
224. Thirteen (13) mining companies were selected based on the agreed materiality threshold of GHS16,007,023. Their payments to the Government constituted 90.45 percent in 2021 and 92.15 in 2022 of the total preliminary receipts.

*Table 4.10: Material (In-Scope) Companies for 2021 Reconciliation*

Name of Company	TIN	Total GRA Receipts (GH¢)	Weight%	Cumulative Weight %
NEWMONT GOLDEN RIDGE LTD	C0003257630	1,043,236,725.87	23.9878%	23.99%
GOLDFIELDS GHANA LTD-TARKWA	C0003136973	849,114,456.67	19.5242%	43.51%
NEWMONT GHANA GOLD LIMITED	C0003268071	665,866,864.50	15.3107%	58.82%
ABOSSO GOLDFIELDS LIMITED – DAMANG MINE	C0003278263	520,915,336.70	11.9777%	70.80%
ANGLOGOLD ASHANTI (IDUAPRIEM) LIMITED	C000327828X	327,051,335.99	7.5201%	78.32%
PERSEUS MINING GH LTD	C0003257673	251,920,984.26	5.7926%	84.11%
GOLDEN STAR (WASSA) LTD	C0003137007	245,146,063.91	5.6368%	89.75%
GHANA MANGANESE COMPANY LIMITED	C0004056450	160,945,333.71	3.7007%	93.45%
CHIRANO GOLD MINES LIMITED	C000366497X	98,899,496.71	2.2741%	95.72%
ASANKO GOLD GH LTD	C0004524764	93,107,843.39	2.1409%	97.87%
ANGLOGOLD ASHANTI (OBUASI) LIMITED	C0003278271	53,721,454.85	1.2353%	99.10%
ADAMUSRESOURCES LTD	C0003278484	32,636,808.03	0.7504%	99.85%
GHANA BAUXITE CO. LTD	C0002862646	6,467,246.81	0.1487%	100.00%

*Source: GHEITI's construct based on data submitted by government and reporting companies*

Table 4.11: Material (In-Scope) Companies for 2022 Reconciliation

Name of Company	TIN	Total GRA Receipt (GH¢)	Weight%	Cumulative Weight %
<b>NEWMONT GOLDEN RIDGE LTD</b>	C0003257630	1,684,163,686.27	29.16%	29.16%
<b>GOLDFIELDS GHANA LTD-TARKWA</b>	C0003136973	1,129,823,843.00	19.56%	48.72%
<b>NEWMONT GHANA GOLD LIMITED</b>	C0003268071	1,042,213,748.63	18.05%	66.77%
<b>ANGLOGOLD ASHANTI (IDUAPRIEM) LIMITED</b>	C000327828X	376,476,608.08	6.52%	73.29%
<b>ABOSSO GOLDFIELDS LIMITED – DAMANG MINE</b>	C0003278263	637,549,902.82	11.04%	84.33%
<b>GOLDEN STAR (WASSA) LTD</b>	C0003137007	241,097,587.21	4.17%	88.50%
<b>PERSEUS MINING GH LTD</b>	C0003257673	210,539,532.29	3.65%	92.14%
<b>ANGLOGOLD ASHANTI (OBUASI) LIMITED</b>	C0003278271	172,708,351.77	2.99%	95.14%
<b>ASANKO GOLD GH LTD</b>	C0004524764	113,391,201.18	1.96%	97.10%
<b>CHIRANO GOLD MINES LIMITED</b>	C000366497X	92,650,554.59	1.60%	98.70%
<b>ADAMUSRESOURCES LTD</b>	C0003278484	41,028,795.21	0.71%	99.41%
<b>GHANA MANGANESE COMPANY LIMITED</b>	C0004056450	29,979,651.61	0.52%	99.93%
<b>GHANA BAUXITE CO. LTD</b>	C0002862646	3,914,781.93	0.07%	100.00%

Source: GHEITI's construct based on data submitted by government and reporting companies

### Revenue Streams

225. Any revenue stream that recorded more than GH¢ 6,467,246.81 in 2021 and GH¢ 3,914,781.93 in 2022 was reconciled subject to relevant conditions on data reconciliation.
226. The following revenue streams were approved by the MSG for reconciliation:

Table 4.12: Revenue streams approved for 2021 and 2022 reconciliation

Revenue Streams
Corporate Income Tax
Mineral Royalty
Withholding Income Tax (WIT)
Pay AS You Earn (PAYE)
Dividend tax
Property rates
Ground rent
Mineral Right Licence – Mining lease (Production)

#### 4.1.2.3 Government Reporting Entities

227. The following government entities were required to provide templates for reconciliation:

**Table 4.13: Government Entities required to provide templates for reconciliation**

Revenue Streams
Ghana Revenue Authority (GRA)
Mineral Income Investment Fund (MIIF)
Minerals Commission
Municipal and District Assemblies within the areas of operation of the mines covered under the assignment
Ministry of Lands and Natural Resources (MLNR)
Ministry of Finance
Precious Minerals Marketing Company (PMMC)
Environmental Protection Agency (EPA)
Office of the Administrator of Stool Lands (OASL)
Forestry Commission

#### 4.1.2.4 Basis of Reporting/ Currency

228. The cash accounting basis of reporting was employed. Thus, only payments or revenues actually paid or received in cash were considered for the purpose of revenue reconciliation. This basis of reporting receipts and payment aligns with the government accounting system. Thus, revenues and payments from reporting companies which were reported on an accrual basis were adjusted accordingly. The reporting currency is the local currency i.e., Ghana Cedi (GH¢).

229. The Bank of Ghana Inter Bank FX rate<sup>76</sup> on transaction date was used to convert payments done in the United States Dollars (US\$). Where the dates of the transaction were not easily ascertainable, the average annual exchange rate of the respective reporting years, 2021 and 2022 were used for the translation.

#### 4.1.2.5 Public Financial management System

230. The Public Financial Management (PFM) system requires revenues raised in the form of taxes, grants, loans, and other finances to be deposited in the Consolidated Fund.

231. Expenditures to be made from the revenues paid into the Consolidated Fund are to be approved by Parliament in an Appropriation Act. Without this authority, any expenditure made from the Fund is considered irregular and illegal.

232. Article 187(2) of the 1992 Constitution of Ghana empowers the Auditor-General to carry out the audit of public accounts and to report thereon to Parliament.

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<sup>76</sup> Provide link to BoG FX

233. The Auditor-General and the Audit Service had undertaken the audit<sup>77</sup> of all participating government agencies for the reporting years 2021 and 2022. The Ghana Audit Service is a member of the International
234. Organisation of Supreme Audit Institutions (INTOSAI) and African Organisation of Supreme Audit Institutions (AFROSAI) and applies the International Standards of Supreme Audit Institutions (ISSAI) issued by INTOSAI in its auditing work.
235. None of the government agencies required to provide data had a qualified audited financial statement in 2021 and 2022.

#### 4.1.2.6 Reporting Companies

236. Section 128 of the Companies Act, 2019 (Act 992), requires Directors of a Company to cause to be prepared and circulated to members, auditors' report in accordance with Section 137 of the Act. The Act requires that the audited Financial Statements (including comprehensive statement of income and the Statement of Financial Position) should be sent to members and debenture holders of any company.
237. Apart from Adamus Resources Ltd, Ghana Manganese Company Ltd and Ghana Bauxite Company Ltd, the remaining eleven companies selected for the 2021 and 2022 reconciliation exercise are quoted on the stock exchange or have parent companies that are quoted on the stock exchange.
238. Asanko Gold Ghana Ltd, Golden Star (Wassa) Ltd<sup>78</sup> Ltd, Chirano Gold Mines Ltd and Perseus Mining (Ghana) Ltd are required to disclose their payments to Government entities under the Extractive Sector Transparency Measures Act (ESTMA) of Canada, because these companies are incorporated in Canada or are listed on the Canadian Stock Exchange. Thus, majority of the companies are subjected to stringent regulations with regards to data.
239. All the selected companies have had their 2021 and 2022 financial statements audited by independent auditors. These auditors employed auditing standards issued by the International Auditing and Assurance Standards Board. The MSG examined the audited Financial Statements of the reporting companies, with the exception of Adamus which was not available.

#### 4.1.2.7 Reconciliation Activities

240. Activities undertaken at reconciliation included the following:
- **Data Collection and Analysis** - Reporting templates were supplied to participating companies and government agencies. The GHEITI secretariat assisted in the collection of data. The cutoff date for the collection of data was set at Friday, 2<sup>nd</sup> February 2024 but some entities submitted their data at a later date.

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<sup>77</sup> Insert link to 2021 and 2022 Auditor General's report.

<sup>78</sup> Future Global Resources (FGR) acquired GSR (Bogoso/Prestea) Mine in 2021 and changed the name to FGR (Bogoso/Prestea) Ltd

- **Data Credibility and Quality** - For data credibility and assurance in accordance with Requirement 4.9(b), the participants were tasked to provide the following information as part of the completed template. These have been informed by the nature of companies (majority are listed on international stock exchanges and the audit of government agencies by the Auditor General).

A Senior Company or Government official attests to the completeness and accuracy of the completed template by signing off.

Detailed payment data and supporting document to facilitate reconciliation are included. The senior management sign off on behalf of the Board of Directors.

- **Data Reliability Check** - All templates collected were scrutinised to ensure that they fully met the requirements set out for the completion of templates. Data reliability was checked against the following criteria:
  - a. **Completeness** - Templates submitted by reporting entities were checked to ensure that all requisite responses have been thoroughly completed.
  - b. **Relevance** - Attached documentation 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 documentation provided. Also, figures on receipts were summed up to ensure they tally with the figures provided on the templates. Financial Statements of all the Companies were examined to assure accuracy and 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.

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.

#### 4.1.2.8 Investigation of Discrepancies

241. In situations where discrepancies were identified, the following steps were undertaken to investigate the differences:
  - a. Clarifications were sought from the reported entities on discrepancies; and discrepancies were amended as a result of the submission of relevant supporting documents.
  - b. Validation workshop was organized by the GHEITI secretariat on 4<sup>th</sup> June 2024 for all the reporting companies and government agencies, which afforded them the avenue to review and validate data reported about them.

#### 4.1.2.9 Results of Reconciliation

##### **Companies**

- i. All the thirteen (13) companies required to participate in the reconciliation exercise submitted templates. Golden Star (Wassa) and Ghana Bauxite Company could not submit data<sup>79</sup> for 2022. The MSG took decision to unilaterally use the government data submitted for corporate income tax, mineral royalty, withholding income tax and PAYE with necessary adjustment for wrong entries, receipts falling outside 2021 and 2022 and amounts not supported by relevant government receipts.
- ii. Reporting companies provided documents for all material payments to support the amounts stated on the templates.
- iii. All the templates provided passed the data reliability tests (see Appendix xxxx)

##### **Government Agencies**

242. All government agencies, districts and municipal Assemblies submitted reporting templates. All the submitted templates passed the data reliability test.

##### **Supporting documents**

- i. The GRA submitted its templates with some supporting documents. Detailed ledger entries for all the selected companies were also provided by the GRA. The ledger entries facilitated easy reconciliation with the corresponding data submitted by companies on taxes.
  - ii. The companies provided the bulk of the supporting documents. Receipts provided by Government Agencies were added to reporting templates.
  - iii. All the amounts stated as Corporate Income Tax, Mineral Royalty, withholding income tax and PAYE had supporting documents from either GRA or the Companies, with the companies providing most of the documents. There was proof of payments for the other payments and receipts.
  - iv. Overall, the data used for the reconciliation exercise was of high quality.
243. The coverage was comprehensive as all the material in-scope companies submitted reporting templates. The reconciled figures were supported by documents, mostly receipts from the GRA, details of funds transfer to MIIF and evidence of payments to government Agencies.
244. Table 4.10 and Table 4.11 provide details of 2021 and 2022 reconciliation by revenues and companies respectively.

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<sup>79</sup> Golden Star (Wassa) and Ghana Bauxite Company submitted data for the year 2021 only. The MSG therefore took a decision to unilaterally disclose for 2022.



**Table 4.14: 2021 Reconciliation by Revenue streams**

2021 Reconciliation by Revenue streams											
No.	Revenue Types	Company			Government			Final Amounts		Unresolved	Unresolved
		Initial Amount (GH¢)	Resolved discrepancy (GH¢)	Final (GH¢)	Initial Amount (GH¢)	Resolved discrepancy (GH¢)	Final (GH¢)	Company (GH¢)	Government (GH¢)	Over (GH¢)	Under (GH¢)
<b>1</b>	<b>Ministry of Finance (MoF)</b>										
	Dividend	378,603,293.13	32,686,332.82	411,289,625.95	427,958,154.13	(16,668,528.18)	411,289,625.95	411,289,625.95	411,289,625.95	0	0
	Carried Interest	-	29,407,310.14	29,407,310.14	-	29,407,310.14	29,407,310.14	29,407,310.14	29,407,310.14	0	0
<b>2</b>	<b>Payments made to Ghana Revenue Authority (GRA)</b>										
	Corporate Income Tax (CIT)	2,683,640,649.47	(87,697,870.54)	2,595,942,778.93	2,990,265,186.84	(394,322,407.91)	2,595,942,778.93	2,595,942,778.93	2,595,942,778.93	0	0
	Withholding Tax	461,947,148.96	(14,261,962.73)	447,685,186.24	485,416,099.60	(37,730,913.36)	447,685,186.24	447,685,186.24	447,685,186.24	103,243.00	50,000.00
	Pay-As-You-Earn (PAYE)	677,564,045.93	(17,712,346.70)	659,851,699.23	664,453,494.68	(4,601,795.45)	659,851,699.23	659,851,699.23	659,851,699.23	395,826.53	574,408.00
	Mineral Royalties(Bauxite)	6,168,287.67	(1,916,559.71)	4,251,727.96	6,467,246.81	(2,215,518.85)	4,251,727.96	4,251,727.96	4,251,727.96	0	0
<b>3</b>	<b>Payment to MIF</b>										
	Mineral Royalties	1,246,329,553.70	87,468,540.24	1,333,798,093.93	1,371,771,624.68	(37,973,530.75)	1,333,798,093.93	1,333,798,093.93	1,333,798,093.93	0	0
<b>4</b>	<b>Payment to Minerals Commission (MC)</b>										
	Mining lease (production)	114,546,381.63	(7,544,393.23)	107,001,988.40	113,615,592.45	(6,613,604.05)	107,001,988.40	107,001,988.40	107,001,988.40	0	0
	Operating permit										
<b>5</b>	<b>Payment to PMMC</b>										
	Assaying Services fees										
<b>6</b>	<b>Payment to District Assemblies</b>										
	Business Operating Permits	1,358,170.13	(501,730.13)	856,440.00	576,500.00	279,940.00	856,440.00	856,440.00	856,440.00	103,243.00	50,000.00
	Property Rates	8,295,109.59	(391,342.02)	7,903,767.57	8,113,175.57	181,934.02	7,903,767.57	7,903,767.57	7,903,767.57	395,826.53	574,408.00
<b>7</b>	<b>Payments made to Forestry Commission</b>										
<b>8</b>	<b>Payment made to Ghana Railways</b>										
<b>9</b>	<b>Payment made to OASL</b>										
	Ground rent	11,569,933.86	(4,175,559.51)	7,394,374.35	5,329,400.25	2,064,974.10	7,394,374.35	7,394,374.35	7,394,374.35	6,679.10	103,796.00
	<b>Total</b>	<b>5,590,022,574.06</b>	<b>15,360,418.64</b>	<b>5,605,382,992.70</b>	<b>6,073,966,475.01</b>	<b>(468,192,140.29)</b>	<b>5,605,382,992.70</b>	<b>5,605,382,992.70</b>	<b>5,605,382,992.70</b>	<b>1,004,818.16</b>	<b>1,352,612.00</b>

Source: GHEITI's reconciliation report – 2021/2022

**Table 4.15: 2022 Reconciliation by Revenue streams**

2022 Reconciliation by Revenue streams											
No.	Revenue Types	Company			Government			Final Amounts		Unresolved	Unresolved
		Initial Amount (GH¢)	Resolved discrepancy (GH¢)	Final (GH¢)	Initial Amount (GH¢)	Resolved discrepancy (GH¢)	Final (GH¢)	Company (GH¢)	Government (GH¢)	Over (GH¢)	Under*** (GH¢)
<b>Ministry of Finance (MoF)</b>											
	Dividend	432,958,944.44	(0.44)	432,958,944.00	435,099,624.00	(2,140,680.00)	432,958,944.00	432,958,944.00	432,958,944.00	0	495,288.00
	Carried Interest	-	37,352,706.00	37,352,706.00	-	37,352,706.00	37,352,706.00	37,352,706.00	37,352,706.00	0	0
<b>Payments made to Ghana Revenue Authority (GRA)</b>											
	Corporate Income Tax (CIT)	3,446,531,761.26	103,711,487.22	3,550,243,248.48	3,673,166,108.17	(122,922,859.69)	3,550,243,248.48	3,550,243,248.48	3,550,243,248.48	0	97,823,409.33
	Withholding Tax	564,205,713.01	48,600,706.82	612,806,419.83	567,585,983.03	45,220,436.80	612,806,419.83	612,806,419.83	612,806,419.83	0	31,126,304.01
	Pay-As-You-Earn (PAYE)	817,646,362.50	104,734,199.46	922,380,561.97	1,022,773,161.06	(100,392,599.09)	922,380,561.97	922,380,561.97	922,380,561.97	0	0
	Mineral Royalties (Bauxite)	-	-	-	3,914,781.93	-	3,914,781.93	-	3,914,781.93	0	0
<b>Payment to MIF</b>											
	Mineral Royalties	2,102,372,136.42	(302,884,841.59)	1,799,487,294.83	2,098,457,354.49	(302,884,841.59)	1,795,572,512.90	1,799,487,294.83	1,795,572,512.90	0	147,188,959.81
<b>Payment to Minerals Commission (MC)</b>											
	Mining lease (production)	70,994,178.68	(476,328.77)	70,517,849.91	70,517,849.91	-	70,517,849.91	70,517,849.91	70,517,849.91	0	3,664,608.27
	Operating permit										
<b>Payment to PMMC</b>											
	Assaying Services fees										
<b>Payment to District Assemblies</b>											
	Business Operating Permits	1,245,871.13	(584,644.13)	661,227.00	661,227.00	-	661,227.00	661,227.00	661,227.00	100,277.00	-
	Property Rates	13,653,658.28	(395,553.73)	13,258,104.55	8,977,151.07	4,280,953.48	13,258,104.55	13,258,104.55	13,258,104.55	395,826.53	-
<b>Payments made to Forestry Commission</b>											
	Payment made to Ghana Railways										
<b>Payment made to OASL</b>											
	Ground rent	5,293,025.08	594,621.62	5,887,646.70	5,887,646.70	-	5,887,646.70	5,887,646.70	5,887,646.70	-	-
	<b>Total</b>	<b>7,454,901,650.80</b>	<b>(9,347,647.54)</b>	<b>7,445,554,003.26</b>	<b>7,887,040,887.36</b>	<b>(441,486,884.09)</b>	<b>7,445,554,003.26</b>	<b>7,445,554,003.26</b>	<b>7,445,554,003.26</b>	<b>496,103.53</b>	<b>280,298,569.42</b>

Source: GHEITI's reconciliation report – 2021/2022

\*\*\* High values of discrepancy reported due to non-submission of data by Golden Star (Wassa) and Ghana Bauxite Company for 2022.

#### 4.1.2.10 Discrepancies

245. Discrepancies are differences between Government revenues and Company payments. They are positive (over) if for the same revenue stream, the amount reported by a company exceeds that amount reported by the Government Agencies as receipt. If the amount received by a Government Agency exceeds payment by a company for the same revenue stream, the resulting discrepancy is negative (under).
246. In 2021, the amount of unresolved discrepancies (positive variance) were GH¢ 1,004,818.16, which is 0.018 percent of the total preliminary receipts amount of GH¢5,518,373,652.61 of the 13 in-scope companies used in determining the materiality thresholds. The unresolved government receipts were GH¢1,352,612.00 which represents 0.025 percent.
247. In 2022, the amount of unresolved discrepancies (positive variance) was GH¢ 496,103.53, which represents 0.007 percent of the total preliminary receipts amount of GH¢ 7,365,897,388.68 of the 13 in-scope companies used in determining the materiality thresholds.
248. The unresolved government receipts were GH¢ 280,298,569.42 which represents 3.805 percent. The high unresolved percentage of the government receipt in 2022 was because Golden Star (Wassa) and Ghana Bauxite did not submit a data for reconciliation. Thus, the MSG included the government receipts without corresponding data from these two companies.

**Table 4.16: Unresolved Discrepancies**

Analysis of unresolved government receipts and Company Payments	2021	2022
Total preliminary receipts for materiality	GH¢5,518,373,652.61	GH¢7,365,897,388.68
Unresolved Companies payments	GH¢1,004,818.16	GH¢ 496,103.53
Unresolved Government receipts	GH¢1,352,612.00	GH¢280,298,569.42
Percentage of unresolved Companies discrepancy	0.00018	0.00007
Percentage of unresolved Government discrepancy	0.00025	0.04

*Source: GHEITI's reconciliation report – 2021/2022*

#### **The main causes of the discrepancies are:**

- i. The non-adherence to the cash basis for disclosing data. Thus, some companies recorded amounts due for payment for the period, instead of what was actually paid. The GRA also included amounts of corporate income tax, mineral royalties, withholding income tax and PAYE that were for 2021 year of assessment in that year even though they were received in 2022 and some amounts included in 2022 were actually received in 2023.
- ii. Some companies used exchange rates that were different from what the government agencies such as GRA and MinCom used. The GRA and Mincom used rate quoted on the date of receipt by the Bank of Ghana Interbank FX rates platform.
- iii. Misclassification of payments. This was prevalent in the revenue streams associated with the Minerals Commission. Mining leases and mining permits were sometimes interchanged. Payments for Business operating permits, Property rates and Ground rents were also sometimes comingled by the reporting companies and the MMDAs. Payments

by common shareholder for different licenses were often commingled by the government agencies in their receipt reporting. For example, mining lease payments by Newmont Golden Ridge Ltd (NGRL) and Newmont Ghana Gold Ltd (NGGL) were paid by separate cheques and issued with separate receipts but were reported as a single payment for Newmont Ghana Gold. Similarly, a single dividend payment was made by NGRL, but the Ministry of Finance shared the amount paid between NGRL and NGGL. Dividend payments and payments for government carried interests in NGRL and NGGL were also comingled for the two entities during the 2021 and 2022 reporting years.

- iv. Omission of receipt from main reporting system. This was mainly associated with PAYE on final bonus tax and casual workers' final tax. The final taxes amounts were not captured and reported in GRA main data.
- v. The MSG did not exclude withholding VAT amounts which was part of withholding taxes on goods and service reported by Newmont Golden Ridge and Newmont Ghana Gold. The GRA considers this amount as part of VAT which it did not report for reconciliation.
- vi. Credit adjustment in GRA taxpayers account included as part of the total receipts. These credit adjustments were not actual monetary payment but a system entry to reverse a wrong debit transaction in a taxpayer account. VAT credit offset against corporate income tax liability between Goldfields Ghana Ltd - Tarkwa and GRA in 2022. This amount was reported as payment by the company but was not reported as receipt by GRA.
- vii. Duplication of amounts, incorrect completion of data template and omission of payment on template.

#### 4.1.2.11 Resolution of Discrepancies

249. The resolution of discrepancies involved adjustments to:
  - i. Revenue streams paid by companies to government.
  - ii. Reported receipts by government Agencies.
250. The resolution of discrepancies was aided primarily by receipts, invoices, bank statements, financial statements and other supporting documents. Table 4.13 and table 4.14 show the amounts resolved and the associated revenue streams for company payments and government agencies' receipts.

**Table 4.17: Adjusting for the Revenue Streams Paid by Companies to Government & agencies**

Company	Revenue Streams	2021 Resolutions/Adjustments (GH¢)	2022 Resolutions/Adjustments (GH¢)
Goldfields Ghana ltd - Tarkwa	Corporate tax		47,000,000.00
Newmont Golden Ridge ltd	Mineral Royalties	17,214,534.16	
	Withholding Tax	3,574,153.15	14,921,091.40
Newmont Ghana Gold limited	Withholding Tax	1,398,120.13	
Abosso Goldfields Limited – Damang mine	Dividend	11,863,461.47	
	Corporate tax	23,457,200.00	

Company	Revenue Streams	2021 Resolutions/Adjustments (GH¢)	2022 Resolutions/Adjustments (GH¢)
	Mineral Royalties	9,564,150.04	
	Business Operating permit		500
	Mining lease		665,514.23
Asanko Gold Gh ltd	Withholding Tax	6,439,263.49	
	Pay-As-You-Earn	3,219,137.37	
	Mining lease		395,200.00
Ghana Manganese Company limited	Mineral Royalties	18,079,029.94	
			29,979,651.61
	Pay-As-You-Earn	6,223,138.25	
	Property Rates		272.8
	Business Operating permit		10
	Withholding Tax		19,033,927.81
	Mining lease (Production)		2,982,652.00
AngloGold Ashanti (Obuasi) limited	Withholding Tax	3,111,492.89	
	Pay-As-You-Earn	2,250,647.04	
	Mineral Royalties		56,663,265.38
AngloGold Ashanti (Iduapriem) ltd	Business Operating permit		490
	Property rates		56,000.00
	Corporate tax		52,888,077.89
Golden Star (Wassa) ltd	Mineral Royalties	137,059.79	143,274,177.88
	Pay-As-You-Earn	2,098,698.69	
			102,404,155.75
	Corporate tax		97,823,409.33
	Withholding Tax		29,767,581.95
Adamus Resources ltd	Pay-As-You-Earn	1,595,564.69	
	Property rates		485,347.13
	Ground rent		485,347.13
	Mineral Royalties		19,297,767.68
	Withholding Tax		584,710.76
	Mining lease (Production)		4,750,000.00
Chirano Gold Mines	Ground rent		1,869.00

Company	Revenue Streams	2021 Resolutions/Adjustments (GH¢)	2022 Resolutions/Adjustments (GH¢)
Perseus Mining (Ghana) Co. Ltd	Ground rent		20,668.18
	Mining lease		34,336.45
Ghana Bauxite Co. Ltd	Mineral Royalties	1,916,559.71	3,914,781.93
	withholding tax		383,908.85
	Pay-As-You-Earn		2,666,636.44
	Mining lease (Production)		1,482,000.00
<b>Total</b>		<b>112,142,210.80</b>	<b>631,963,351.58</b>

*Table 4.18: Adjusting for the Revenue Streams Received by Government*

Company	Revenue Streams	2021 Resolutions/Adjustments (GH¢)	2022 Resolutions/Adjustments (GH¢)
	Dividend	29,407,310.14	-
	Corporate tax	155,847,366.12	400,642,548.42
<b>Newmont Golden Ridge Ltd</b>	Mineral Royalties	20,089,831.24	84,802,133.46
	Withholding Tax	4,130,532.82	3,548,028.57
	Pay-As-You-Earn	8,951,760.81	6,717,759.76
<b>Goldfields Ghana Ltd - Tarkwa</b>	Dividend	-	35,707,314.00
	Corporate tax	5,380,188.16	176,619,794.21
	Mineral Royalties	-	39,890,770.43
	Withholding Tax	6,291,165.49	14,143,435.49
	Pay-As-You-Earn	-	37,626,042.07
<b>Newmont Ghana Gold Ltd.</b>	Dividend	110,781,444.45	37,352,706.00
	Corporate tax	89,969,788.22	64,046,362.26
	Mineral Royalties	14,937,474.10	97,654,757.61
	Withholding Tax	6,738,873.57	25,687,250.05
	Pay-As-You-Earn	4,796,545.19	14,868,243.91
	Carried interest	29,407,310.14	37,352,706.00
<b>AngloGold Ashanti (Iduapriem) Ltd</b>	Corporate tax	-	2,908,189.79
	Withholding Tax	2,317,122.81	6,379,715.60
	Pay-As-You-Earn	266,649.58	11,663,006.08
<b>Abosso Goldfields Ltd – Damang mine</b>	Dividend	13,175,961.47	-
	Corporate tax	5,538,750.06	138,311,769.95
	Mineral Royalties	-	13,794,070.66
	Withholding Tax	-	4,539,361.40
	Pay-As-You-Earn	-	15,178,249.33
<b>Golden Star (Wassa) Ltd</b>	Mineral Royalties	7,378,655.93	-

Company	Revenue Streams	2021 Resolutions/Adjustments (GH¢)	2022 Resolutions/Adjustments (GH¢)
	Withholding Tax	2,101,809.23	-
	Pay-As-You-Earn	2,101,809.23	9,720,791.49
<b>AngloGold Ashanti (Obuasi) Ltd</b>	Dividend	437,179.51	495,288.00
	Corporate tax	-	172,708,351.77
	Mineral Royalties	991,192.24	62,815,762.32
	Withholding Tax	16,519,977.96	-
	Pay-As-You-Earn	4,034,228.52	-
<b>Perseus mining Gh. Ltd</b>	Corporate tax	148,663,815.47	14,104,295.22
	Mineral Royalties	-	18,870,887.62
	Withholding Tax	1,064,527.12	828,105.30
	Pay-As-You-Earn	2,473,694.27	3,839,304.27
<b>Asanko Gold Gh ltd</b>	Mineral Royalties	25,491,784.06	16,074,288.05
	Withholding Tax	-	33,794,082.56
	Pay-As-You-Earn	5,491,474.64	12,291,573.55
<b>Chirano Gold mines ltd</b>	Corporate tax	-	15,638,381.40
	Mineral Royalties	19,474,106.93	6,987,861.33
	Withholding Tax	6,744,659.17	9,056,506.62
<b>Ghana Manganese Company ltd</b>	Mineral Royalties	41,524,652.71	-
	Pay-As-You-Earn	1,799,387.52	9,175,754.44
<b>Adamus Resources ltd</b>	Mineral Royalties	-	21,731,027.53
	Pay-As-You-Earn	1,847,025.18	-
<b>Ghana Bauxite Co. Ltd</b>	Mineral Royalties	2,215,518.85	-
	Withholding Tax	83,310.83	974,813.21
	Pay-As-You-Earn	335,832.51	2,637,886.35
<b>Total</b>		<b>798,802,716.24</b>	<b>1,681,179,176.09</b>

Source: GHEITI's reconciliation report – 2021/2022

#### 4.1.2.12 Unresolved Discrepancies

##### 2021 Revenue Streams

251. From table 4.14, at the end of the reconciliation of the 2021 relevant revenue streams, a total amount of GH¢6,402,508.46 (representing 0.11 percent of the total initial companies payments) of what the companies declared as paid over the government receipts remained unresolved. Similarly, an excess amount of GH¢21,504,669.99 (representing 0.35 percent of the total initial government receipts) of what the government declared as receipts over what the companies paid remained unresolved.
252. As shown in Table 4.15 the unresolved discrepancy involved five revenue streams, namely, Dividend, Business operating permit, Property rates, Ground rent and mining lease fee. Except

Newmont Golden Ridge, Newmont Ghana Gold and AngloGold Ashanti (Iduapriem), the other 10 in-scope companies had some level of unresolved discrepancies in the five revenue items.

253. In some situations, the companies had stated payments which were not corroborated by government agencies as receipts, and in other situations, the government agencies stated amounts which were not reported by the companies for reconciliation, and they could also not be verified by subsequent reconciliation exercise.

**Table 4.19: Unresolved Discrepancies by Companies – 2021**

Company	Amount by which declaration by company exceeds that by Government (GHS)	Amount by which declaration by government exceeds that by company (GHS)
Newmont Golden Ridge ltd	-	0.00
Newmont Ghana Gold ltd.	-	0.00
Goldfields Ghana ltd - Tarkwa	-	13,175,961.00
Abosso Goldfields ltd – Damang mine	-	45,500.00
Ghana Manganese Company ltd	-	4,485.00
AngloGold Ashanti (Iduapriem) ltd	309,440.00	0.00
AngloGold Ashanti (Obuasi) ltd	-	437,180.00
Chirano Gold mines ltd	9,856.00	-
Asanko Gold Gh ltd	5,004,240.00	578,204.00
Perseus mining Gh. Ltd	643,625.23	0.00
Adamus Resources ltd	435,347.13	6,734,558.40
Ghana Bauxite Co. Ltd	-	108,938.40
Golden Star (Wassa) ltd		419,843.70
<b>Total</b>	<b>6,402,508.46</b>	<b>21,504,669.99</b>

**Table 4.20: Unresolved discrepancy by revenue streams**

Company	Amount by which declaration by company exceeds that by Government (GHS)	Amount by which declaration by government exceeds that by company (GHS)
<b>Payment made to Ministry of Finance:</b>		
1. Dividend	-	13,613,141.00
<b>Payment made to MMDAs</b>		
2. Business operating permit	848,030.13	95,500.00
3. Ground rent	154,412.00	632,578.00
4. Property rates	395,826.53	578,893.00
<b>Payment to Minerals Commission</b>		
5. Mining lease (production)	5,004,240.00	6,584,558.00
<b>Total</b>	<b>6,402,508.46</b>	<b>21,504,669.99</b>

Source: GHEITI's reconciliation report – 2021/2022



## 2022 Revenue Streams

254. From table 4.16, at the end of the reconciliation of the 2022 relevant revenue streams, a total amount of GH¢1,139,751.41 (representing 0.02 percent of the total initial companies' payments for 2022) of what the companies declared as paid over the government receipts remained unresolved. Similarly, an excess amount of GH¢496,060.80 (representing 0.01 percent of the total initial government receipts in 2022) of what the government declared as receipts over what the companies paid remained unresolved.
255. As shown in the table 4.17, and similar to 2021, the unresolved discrepancy involved five revenue streams, namely, Dividend, Business operating permit, Property rates, Ground rent and mining lease fee.
256. The companies that have unresolved discrepancies were Abosso Goldfields ltd – Damang mine, Ghana Manganese Company ltd, AngloGold Ashanti (Iduapriem) ltd, Chirano Gold mines ltd, Asanko Gold Gh ltd and Perseus mining Gh. Ltd.
257. In some situations, the companies had stated payments which were not corroborated by government agencies as receipts, and in other situations, the government agencies stated amounts which were not reported by the companies for reconciliation, and they could also not be verified by subsequent reconciliation activities.
258. Ghana Bauxite Company and Golden Star (Wassa) did not submit data for 2022 reconciliation. Therefore, the MSG's decision was to make a unilateral declaration for the use of the government receipts with necessary adjustment for wrong entries, amounts which were not received in 2022 and also those which do not have a corresponding supporting receipt number.

**Table 4.21: Unresolved Discrepancies by Companies – 2022**

Company	Amount by which declaration by company exceeds that by Government (GHS)	Amount by which declaration by government exceeds that by company (GHS)
Newmont Golden Ridge ltd	-	0.00
Newmont Ghana Gold ltd.	-	0.00
Goldfields Ghana ltd - Tarkwa	-	-
Abosso Goldfields ltd – Damang mine	665,514.23	500.00
Ghana Manganese Company ltd	10.00	273.00
AngloGold Ashanti (Iduapriem) ltd	56,490.00	0.00
AngloGold Ashanti (Obuasi) ltd	-	495,288.00
Chirano Gold mines ltd	1,869.00	0.00
Asanko Gold Gh ltd	395,200.00	0.00
Perseus mining Gh. Ltd	20,668.18	0.00
Adamus Resources ltd	-	0.00
Ghana Bauxite Co. Ltd	-	0.00
Golden Star (Wassa) ltd	-	0.00
<b>Total</b>	<b>1,139,751.41</b>	<b>496,060.80</b>

*Source: GHEITI's reconciliation report – 2021/2022*

**Table 4.22: Unresolved discrepancy by revenue streams**

Company	Amount by which declaration by company exceeds that by Government (GHS)	Amount by which declaration by government exceeds that by company (GHS)
<b>1. Dividend</b>	0	495,288
Payment made to MMDAs		
<b>2. Business operating permit</b>	500	500
<b>3. Ground rent</b>	78,537	0
<b>4. Property rates</b>	0	273
Payment to Minerals Commission		
<b>5. Mining lease (production)</b>	1,060,714	0
<b>Total</b>	<b>1,139,751.41</b>	<b>496,060.80</b>

**Source: GHEITI's reconciliation report – 2021/2022**

#### 4.1.2.13 Contribution by Revenue Streams To Government Receipts

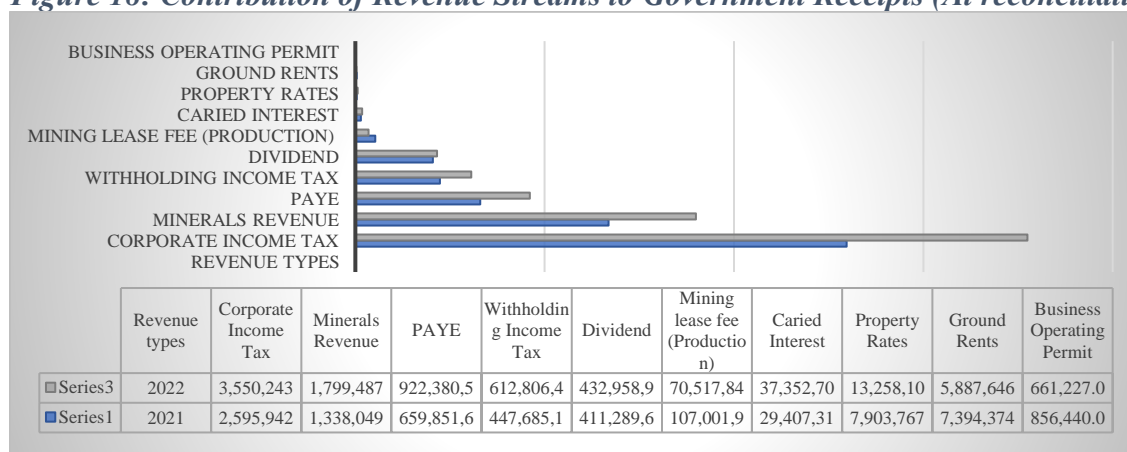
259. The contribution by revenue streams to government receipts are shown in table 4.17. The table shows that corporate income tax made the highest contribution of 46.31% in 2021 and 47.68% in 2022 of the 10 major revenue streams that were reconciled. The second highest revenue is Minerals royalty with a contribution of 23.87 percent and 24.17 percent in 2021 and 2022 respectively.
260. The Pay As You Earn (PAYE) monthly deductions from employees earnings of these in-scope companies contributed the third highest with 11.77 percent and 12.39 percent in 2021 and 2022 respectively. This was followed by withholding income tax on goods and services as the fourth highest contributor to the total reconciled revenue with 7.99 percent and 8.23 percent in 2021 and 2022.

**Table 4.23: Contribution of revenue streams to government receipts in percentages- 2021 & 2022**

Company	2021 Percentage (%) Contribution to Total reconciled Revenue	2022 Percentage (%) Contribution to Total reconciled Revenue
Corporate Income Tax	46.31	47.68
Minerals Royalty	23.87	24.17
PAYE	11.77	12.39
Withholding Income Tax	7.99	8.23
Dividend	7.34	5.81
Mining lease fee (Production)	1.91	0.95
Caried Interest (Newmont Ghana Gold Ltd)	0.52	0.5
Property Rates	0.14	0.18
Ground Rents	0.13	0.08
Business Operating Permit	0.02	0.01
<b>Total</b>	<b>100.00</b>	<b>100</b>

**Source: GHEITI's reconciliation report – 2021/2022**

**Figure 18: Contribution of Revenue Streams to Government Receipts (At reconciliation).**



Source: GHEITI's reconciliation report – 2021/2022

### Contribution of Company payments to government receipts

261. Table 4.19 shows the individual company contributions to total government reconciled revenues for 2021. Goldfields Ghana – Tarkwa made the highest payment with a percentage of 26.04 percent followed by Newmont Golden Ridge as second with 19.10 percent and Newmont Ghana Gold as third with 14.18 percent.
262. As shown also in Table 21 for the 2022 reconciliation, Goldfields Ghana ltd – Tarkwa, Newmont Golden Ridge ltd and Newmont Ghana Gold ltd were the first three major contributors to the total reconciled government receipts with 24.53 percent, 20.25 percent, and 16.73 percent respectively.

**Table 4.24: Contribution of Company payments to government receipts (at reconciliation)**

In - scope companies	Total payment at Reconciliation	Percentage (%) contribution to total reconciled government receipts
Goldfields Ghana ltd - Tarkwa	1,459,680,346.36	26.04
Newmont Golden Ridge ltd	1,070,473,810.42	19.10
Newmont Ghana Gold ltd.	795,032,882.46	14.18
Abosso Goldfields ltd – Damang mine	627,233,142.15	11.19
AngloGold Ashanti (Iduapriem) ltd	385,237,016.92	6.87
Golden Star (Wassa) ltd	313,989,237.00	5.60
Chirano Gold mines ltd	216,081,428.94	3.85
Asanko Gold Gh ltd	204,512,095.13	3.65
Ghana Manganese Company ltd	170,648,100.97	3.04
AngloGold Ashanti (Obuasi) ltd	160,674,521.19	2.87
Perseus mining Gh. Ltd	141,813,421.77	2.53
Adamus Resources ltd	52,012,625.42	0.93
Ghana Bauxite Co. Ltd	7,994,363.97	0.14
<b>Total</b>	<b>5,605,382,992.70</b>	<b>100.00</b>

Source: GHEITI's reconciliation report – 2021/2022

**Table 4.25: 2022 - Contribution of Company payments to government receipts (at reconciliation)**

In - scope companies	Total payment at Reconciliation	Percentage (%) contribution to total reconciled government receipts
Goldfields Ghana ltd - Tarkwa	1,826,413,075.14	24.53
Newmont Golden Ridge ltd	1,508,055,184.65	20.25
Newmont Ghana Gold ltd.	1,245,973,411.40	16.73
AngloGold Ashanti (Iduapriem) ltd	754,064,305.02	10.13
Abosso Goldfields ltd – Damang mine	616,609,110.22	8.28
Golden Star (Wassa) ltd	375,451,933.18	5.04
Perseus mining Gh. Ltd	267,768,705.47	3.60
AngloGold Ashanti (Obuasi) ltd	263,821,853.28	3.54
Asanko Gold Gh ltd	262,752,605.22	3.53
Chirano Gold mines ltd	189,757,097.32	2.55
Ghana Manganese Company ltd	81,190,612.83	1.09
Adamus Resources ltd	45,248,782.32	0.61
Ghana Bauxite Co. Ltd	8,447,327.22	0.11
<b>Total</b>	<b>7,445,554,003.26</b>	<b>100.00</b>

Source: GHEITI's reconciliation report – 2021/2022

#### 4.2 SALE OF THE STATE'S SHARE OF PRODUCTION OR OTHER REVENUES COLLECTED IN-KIND

263. Ghana has the option to elect to collect its mineral royalties in kind or in cash. In practice, mineral royalties are paid in cash, estimated based on the value of production. In 2021 and 2022, there was no evidence to suggest that the state received and sold any share of minerals produced by the mining firms in kind.

#### 4.3 INFRASTRUCTURE PROVISION AND BARTER ARRANGEMENTS

264. During the years under review, the MSG's confirmed that there were two transactions involving mineral related barter arrangements, including:

- Master Project Support Agreement - which involves bauxite/alumina in exchange for US\$2 billion worth of road; and
- Gold for Oil Programme which involves use a portion of the country's gold output, which it will purchase in Cedis (GHS) from both large-scale and small-scale producers, in barter arrangements to secure reliable and regular sources of affordable petroleum products for the country. Refer to chapter two under policy reforms on details for Gold for Oil.

##### 4.3.1 Master Support Facility Agreement

265. In 2019, the Government of Ghana entered into a US\$ 2 Billion Chinese loan Agreement in exchange for Bauxite/Alumina from the Atiwa Forest. According to the July 2018 Joint Memorandum to Parliament by the Hon.Minister for Finance, and Roads and Highways to Parliament, China is expected to finance US\$ 2 billion worth of rail, road and bridge networks

and in exchange China will be paid back by refined Bauxite/Alumina from Atiwa. The main partner under the MPSA is Sinohydro Corporation Limited.

#### 4.3.1.1 Terms and Conditions of the Master Support Facility Agreement

**Table 4.26: Terms and Conditions of the Master Support Facility Agreement**

Value of Barter Agreement	US\$2.00 Billion
<b>GoG's Contribution</b>	15 percent of the EPC Contract Price (to be pre-financed by Sinohydro)
<b>Agreement Tenure</b>	12 years
<b>Repayment Terms</b>	15 years
<b>Repayment Method</b>	receipts from refined Bauxite (alumina or aluminium)
<b>Interest rate</b>	US Libor + 2.8%-3.3% per annum
<b>Commitment fees</b>	1.00% per annum
<b>Management fee</b>	1.20%
<b>Flat Sinosure Premium</b>	7% - 9% Flat and Financed Upfront

#### 4.3.1.2 Updates on MPSA Projects

266. Following the delays in project implementation as reported in GHEITI's 2020 Report, the table below presents the updates and status of completion of road projects funded under the MPSA:

**Table 4.27: Updates and Status of Completion of Road Projects Funded Under the MPSA**

LOTNO.	DESCRIPTION	UNIT	SCOPE	SEPTEMBER 2023 PROGRESS (%)
1	Tamale Interchange Project	No.	1	100%
2	Western Region and Cape Coast InnerCity Roads	km	32.19	100%
3	Upgrading of Selected Feeder Roads in Ashanti and Western Regions	km	68	100%
4	Construction of Hohoe-Jasikan–Dodi-Pepesu	km	66.4	100%
5	Sunyani Inner City Roads	km	39	81%
6	PTC Roundabout Interchange Project, Takoradi	No.	1	80%
7	Kumasi Inner City Roads	km	100	20%

*Source: 2024 Budget Statement and Economic Policy, Ministry of Finance (2024)*

267. The Sinohydro MPSA requires that in the event that proceeds from refined bauxite (Alumina or Aluminium) is inadequate to cover repayment of the Sinohydro loan facility, other revenue sources would be used for repayment. As reported in the 2020 GHEITI report, out of the total Phase One MPSA valued at US\$671 million, an amount of US\$227 million was disbursed as at September 2022. Repayment of the loan was expected to start in June 2023 after a grace period of 12 months following the end of the disbursement period. At the time of the

commencement of repayment, government was yet to sign the bauxite agreement and was therefore not in a position to make repayment from proceeds of refined bauxite. As a result, the provision in the MPSA to use other revenue sources for repayment was triggered and the debt was reclassified to be paid from the Consolidated Fund.

268. With the initiation of the External Debt Service Suspension under the IMF supported program, all affected external public debts including the Sinohydro facility have been suspended for an interim period pending an orderly and consensual restructuring of those obligations. This also implies that the facility would cease to be classified as a barter arrangement and would therefore not be covered as such in subsequent GHEITI reports.

#### 4.4 SUBNATIONAL PAYMENTS

269. Mining companies are required under the Metropolitan, Municipal and District Assembly Bye Laws to pay property rate and Business Operating Permit (BOP) fees. Property rates are levies imposed on fixed assets such as buildings and plants within the jurisdiction of the MMDAs; whereas the BOP fees are surcharged on companies for the right to operate a business within the jurisdiction of the MMDAs.
270. The table below details information on mining companies' payments to MMDAs

*Table 4.28: Total Preliminary Government receipts in 2021 and 2022*

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022
<b>1. Payments made to GRA:</b>		
Corporate Income Tax	2,990,265,186.84	3,673,166,108.17
Withholding income taxes on goods and services (WIT)	486,505,644.48	589,153,616.67
Employees Pay As You Earn (PAYE)	667,878,032.16	1,049,540,154.58
Dividend Tax		
Value Added Tax (VAT)		
Withholding VAT (W-VAT)		
National Health Insurance Levy (NHIL) & Ghana Education Trust Fund Levy (GETFL)		
COVID-19 Recovery Levy (CRL)		
Capital Gains Tax (CGT)		
Stamp Duty		
National Fiscal Stabilization Levy (NFSL)/ Growth and Sustainability Levy (GSL)		
Import duties and taxes		
<b>Sub-total of payments to GRA</b>		

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022
<b>2. Payments made to Mining Income Investment Fund (MIIF)</b>		
Mineral Royalty	1,358,764,764.56	2,102,372,136.42
<b>3. Payments made to Minerals Commission</b>		
Consideration fees - Mining Lease		
Consideration fees - Gold Export License		
Restricted Prospecting License		
Examination fees		
Mining permit		
Explosive permit fees		
Processing fees		
Resident permit fees		
Rope test fees		
Search form		
Service fees		
<b>Sub-total of payments to Minerals Commission</b>		
<b>4. Payments made to Ministry of Finance (MoF)</b>		
Dividend Tax		
<b>5. Payments made to Forestry Commission</b>		
Environmental and Ecological Services Commitment		
<b>6. Payments made to Office of Administrator of Stool Lands (OASL)</b>		
Ground rent		
<b>7. Payments made to District Assemblies</b>		
Property rates		
Business Operating permits		

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022
<b>Sub-total of payments to District Assemblies</b>		
<b>8. Payments to Environmental Protection Agency (EPA)</b>		
Environmental Permitting fees		
Environmental Processing fee		
<b>Sub-total of payments to EPA</b>		
<b>9. Payments made to Precious Minerals Marketing Company (PMMC)</b>		
Assaying Services Charges		
<b>10. Payments made to Ghana Railways Company Ltd</b>		
Transportation revenues		
<b>GRAND TOTAL REVENUES TO GOVERNMENT</b>	<b>5,503,413,628.04</b>	<b>7,414,232,015.84</b>

*Table 4.29: Total preliminary receipts for 2021 and 2022 reconciliation*

GOVERNMENT AGENCY/REVENUE STREAM	AMOUNT RECEIVED (GH¢ - 2021	% WEIGHT (GH¢) - 2021	AMOUNT RECEIVED (GH¢) - 2022	% WEIGHT (GH¢) - 2022	RECONC. STATUS
<b>1. Payments to GRA</b>					
Corporate Income Tax	2,990,265,186.84	69%	3,673,166,108.17	64%	
<b>2. Payments to MIF</b>					
Mineral Royalty	1,358,764,764.56	31%	2,102,372,136.42	36%	
<b>TOTAL REVENUES</b>	<b>4,349,029,951.40</b>	<b>100%</b>	<b>5,775,538,244.59</b>	<b>100%</b>	

*Source: GHEITI's construct based on data submitted by government and reporting companies*

271. The revenues that were not considered for the purpose of determining materiality threshold are withholding income tax on goods and services (WIT), Pay As You Earn (PAYE) on employees' income, VAT, Withholding VAT (W-VAT), National Health Insurance Levy (NHIL), Ghana Education Trust Fund Levy (GETFL) and COVID-19 Recovery Levy (CRL) on consumption expenditures and supply of taxable goods and services. All other revenue streams that are listed in Table 4.25 were considered in the determination of materiality thresholds at the scoping stage. Revenue streams excluded were by the reason that the MSG considered that they were made by extractive companies on behalf of their employees, suppliers of goods and services, and other entities.



272. From Table 4.3, the grand aggregated amounts collected from extractive entities in the reporting years 2021 and 2022 were GH¢5,503,413,628.04 and GH¢ 7,414,232,015.84 respectively.
273. After the MSG excluded the payments made for WIT, PAYE, VAT, W-VAT, NHIL, GETFL and CRL the materiality decision was based on the aggregate amounts of GH¢ 4,349,029,951.40 and GH¢ 5,775,538,244.59 for the years 2021 and 2022 respectively.
274. The materiality assessment was based on the total reconcilable revenue streams available at the time of scoping. Thresholds were not established on individual revenue streams.

#### **Threshold Analysis Used for Companies' Selection**

275. The threshold analysis involved all the companies that made payments included in the determination of materiality. See Table 4.25.
276. Thirteen (13) companies made material payments during the 2021 and 2022 reporting period. The minimum payment made by an in-scope company in these reporting years were GH¢6,467,246.81 and GH¢ 3,914,781.93 respectively. The minimum payments in the two reporting years were made by Ghana Bauxite Co. Ltd, which is the country's sole bauxite company. Thus, the MSG considered its payment for materiality despite the relative contribution of the payments being very small and falling below thresholds set in the 2020 mining sector report, which was GH¢ 16million.

#### **Government Reporting Entities**

277. The following government entities were required to provide templates for reconciliation:

*Table 4.30: Ghana Revenue Authority*

<b>Revenue Streams</b>
<b>Ghana Revenue Authority (GRA)</b>
<b>Mineral Income Investment Fund (MIIF)</b>
<b>Minerals Commission</b>
<b>Municipal and District Assemblies within the areas of operation of the mines covered under the assignment</b>
<b>Ministry of Lands and Natural Resources (MLNR)</b>
<b>Ministry of Finance</b>
<b>Precious Minerals Marketing Company (PMMC)</b>
<b>Environmental Protection Agency (EPA)</b>
<b>Office of the Administrator of Stool Lands (OASL)</b>
<b>Forestry Commission</b>

#### 4.5 LEVEL OF DISAGGREGATION

278. According to the EITI a project is defined as operational activities that are governed by a single contract, licence, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. However, the Ghanaian law and practice depart slightly from the EITI definition.
279. A mining project is defined in the Income Tax Act, 2015 (Act 896) as “operational activities that are governed by a single contract, agreement, concession, license, lease, permit, title or mineral production activities (involving one or more contracts) that share a single processing facility and form the basis for payment liabilities with the Government (See Appendix 6).
280. Furthermore, Section 78 of the Income Tax Act, 2015 (Act 896) states that the following constitute a separate mining operation:
- a) A mineral operation pertaining to each mine; and
  - b) A mineral operation with a shared processing facility.
281. This means, if on the same concession there are more than one processing facility, then each processing facility shall be considered as a separate mineral operation or project. However, where a mining company owns several mining leases which are mined and transported to a central processing plant for concentration into gold bullions or beneficiation in the case of manganese, it shall be deemed to be a single project. Based on this definition, royalties to be paid on gross production are determined at the output end of the processing plant. At this point, mining outputs from various constituent mining leases are no longer determinable.
282. Mining companies that operate in production forest reserves pay an additional royalty of 0.6 percent of gross revenue known as Environmental and Ecological Services Commitment. This is determined and paid separately to the Forestry Commission on behalf of the Liaison Group. In 2022, four mining companies operated within forest reserves. These are Newmont Golden Ridge Ltd, Chirano Gold Mines Ltd, Koantwi Mining Company Limited and Savannah Cement Company.

##### 4.5.1 Revenue Stream Reporting

283. To the extent possible, Ground Rent, Environmental permitting fees, and Mineral right Licence (Mining Lease) are reported on project level basis (i.e. if the entity reported by projects as requested on the template) The total amounts per payments/revenue types were disaggregated by project.

#### 4.6 DATA TIMELINESS

284. The period of reporting for this assignment is from 1<sup>st</sup> January to 31<sup>st</sup> December 2021 and 2022. The data used for the compilation of the report is within the two-year permissible time lag stipulated by the EITI Standard. However, since this report is prepared under flexible dispensation, data updates are provided up to the current year (2024), where available but reconciliation is limited to the reporting period (2021 and 2022).

#### 4.7 DATA QUALITY AND ASSURANCE

285. The MSG affirms that this report has been produced based on data that has been audited in line with the International Financial Reporting Standards (IFRS). Further assurance of data credibility is provided through the following measures:
- In the case of companies, data requisition templates are required to be signed off by a Senior Manager, preferably, the Chief Executive Officer, the Managing Director or the Chief Financial Officer; and
  - For government agencies and SOEs, the completed reporting templates must be signed by a senior manager.
286. In either case, submission of supporting documents for amounts stated on the templates by companies and government agencies were demanded.

## 5 REVENUE ALLOCATIONS

287. This section provides information on the allocation of revenues from mining activities, which is done through the national budget, and in the case of sub-national transfers such as the MDF, and direct sub-national collections such as property rate, and ground rent, through the sub-national budgets, enabling stakeholders to understand how revenues are recorded and distributed.
288. The EITI Requirements related to revenue allocations are: (5.1) distribution of revenues; (5.2) subnational transfers; and (5.3) revenue management and expenditures.

### 5.1 DISTRIBUTION OF EXTRACTIVE INDUSTRY REVENUES

289. The distribution of mineral revenues in Ghana is subject to three broad legal instruments. These are: the Public Financial Management Act, 2016 (Act 921), enacted to regulate the management of public financial resources within a macro-economic and fiscal framework; the Minerals Income Investment Fund Act, 2018 (Act 978) as amended, enacted to establish a Fund to manage Government's equity interests in mining operations, receive mineral royalties, and other related income due the state from mining, and to provide for the management and investment of the assets of the Fund<sup>80</sup>; and the Minerals Development Fund Act, 2016 (Act 912), which established a fund to provide financial resources for the direct benefit of mining communities, holders of interest in land within a mining community, traditional and local government authorities within mining communities, and institutions responsible for the development of the mining sector.
290. Mineral Revenues that are directly subject to the PFMA are collected into the Consolidated Fund and allocated through the budget. These are: tax revenues collected by Ghana Revenue Authority and non-tax revenue collected by the Ministry of Finance.
291. Ordinarily, and in accordance with the provisions of the MIIF Act, dividend payments from the mining sector ought to be collected by MIIF, but these are still being collected by the Non-Tax Revenue Unit of the Ministry of Finance.
292. The MIIF Act exempts bauxite royalties from the revenues to be collected by MIIF. This is collected by GRA and received into the Consolidated Fund.
293. Internally Generated Funds (IGF) by agencies such as Minerals Commission, EPA, MMDAs etc. are retained by them and used to finance their operations especially recurrent expenditures. Retained revenues are reported at the end of the month with Auditor General and the Accountant General in copy.
294. Royalties are on cash basis, the MIIF Act allows for the payment of minerals in-kind. Where the Government elects for payment of royalty in minerals instead of cash, the value of the minerals in United States Dollars are reported and recorded by the Ghana Revenue Authority.
295. Table 5.1 provides details of revenues collected in the minerals sector by the state and sector agencies, and their allocation / treatment.

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<sup>80</sup> Sections 1 & 2 of the Mineral Income Investment Act, 2018 (Act 978)

*Table 5.1: Description of the distribution of revenues from the extractive industries*

REVENUE STREAM	IS IT RECORDED IN THE BUDGET?	ALLOCATION	NATIONAL REVENUE CLASSIFICATION	INTERNATIONAL CLASSIFICATION
Royalty	Yes	MIF	Taxes on Income & Property	1415E1
Corporate Tax	Yes	Consolidated Fund	Taxes on Income & Property	1112E1
Dividends	Yes	MIF	Non-Tax Revenue	1412E2
Mining License Fees	Yes	IGF	Non-Tax Revenue	114521E
Mining Permitting Fees	No	IGF	Non-Tax Revenue	116E
Environment Permitting Fees	No	IGF	Non-Tax Revenue	116E
Service Fees	No	IGF	Non-Tax Revenue	116E

Source: 2021 and 2022 Budget; Appendix 11F: Internally Generated Fund Retention (Expenditure) Breakdown by MDA

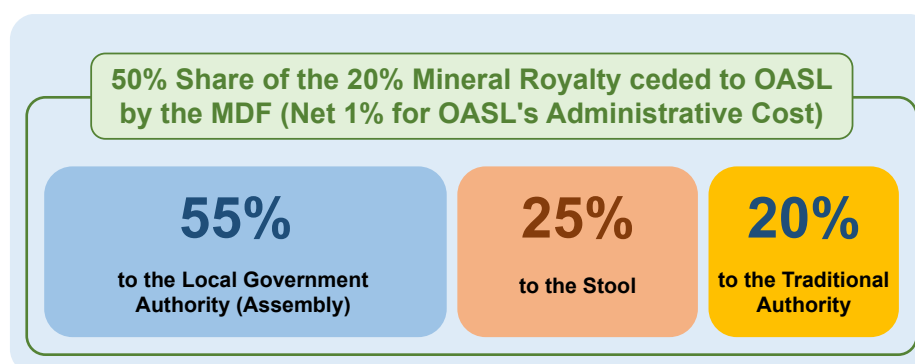
## 5.2 SUB-NATIONAL TRANSFER

296. Two main revenue streams, namely Ground Rent and Mineral Royalty are subject to Sub-national transfers.

### 5.2.1 Ground Rent

297. According to Section 23 of the Minerals and Mining Act, ACT 703, the holder of a mineral right license 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.
298. Ground rent received by the Office of the Administrator of Stool Lands is distributed as provided for in Article 267(6) of the 1992 Constitution of Ghana, and depicted in **Figure 19**

*Figure 19: Formula for the distribution of Ground Rent.*



299. The amount payable as ground rent for stool lands is GHS778.38 per cadastral unit, as stipulated in the Minerals and Mining (Ground Rent) Regulations, 2018 (L.I. 2357). This is equivalent to GHS 15 per acre.
300. Requirement 5.2 mandates the MSG to focus on transfers between national and subnational government entities, in this case, the OASL and District Assemblies. The only subnational government entity among the three beneficiaries (the Stool, Traditional Council, and the District Assembly) is the District Assembly.
301. Appendix 1 contains schedules of ground rent received and transferred to respective beneficiaries during the reporting years 2021 and 2022 by the OASL for mining districts. The appendix can be accessed through the link [https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&id=82:2022&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=82:2022&Itemid=54)

### 5.2.2 Mineral Royalty

302. Mineral royalties are payable by companies engaged in the production of minerals, to the Minerals Income Investment Fund (MIIF), except that of bauxite, which is paid into the Consolidated Fund, with the GRA assessing, and accounting for the payments as provided for by Section 28 (1) of the Minerals Income Investment Fund Act, 2018 (Act 978).
303. A rate of five percent on gross production in cash or in kind is paid as mineral royalty, except companies with Development Agreements<sup>81</sup> who pay between three percent and five percent, depending on the price of gold.
304. MIIF<sup>82</sup> is assigned the responsibility of managing and investing the royalties, in addition to managing the country's equity interests in mining companies, and other related income due the republic from mining operations.
305. The formular for the distribution of mineral royalties to the sub-national level is not different from that of ground rent. This is because both ground rent and the ceded mineral royalties for distribution to sub-national entities are treated as Stool Land Revenue by the OASL and the constitutionally mandated distribution formular is what applies in both cases. As required by the MIIF Act, 20 percent of mineral royalty paid by mining companies is ceded to the MDF for onward distribution in accordance with the provisions of the MDF Act 2016 (Act 912). Half of the ceded amount is distributed to host mining communities through the OASL, which withholds one percent (1 percent) to cover its administrative expenses. The District or Municipal Assembly then receives 55 percent (55 percent) of the remaining nine percent (9 percent), the Stool receives 25 percent (25 percent), and the Traditional Council, 20 percent (20 percent).
306. Furthermore, 20 percent (20 percent) of the remaining half of the ceded amount is disbursed to the Mining Community Development Scheme (MCDS) established by the MDF Act to

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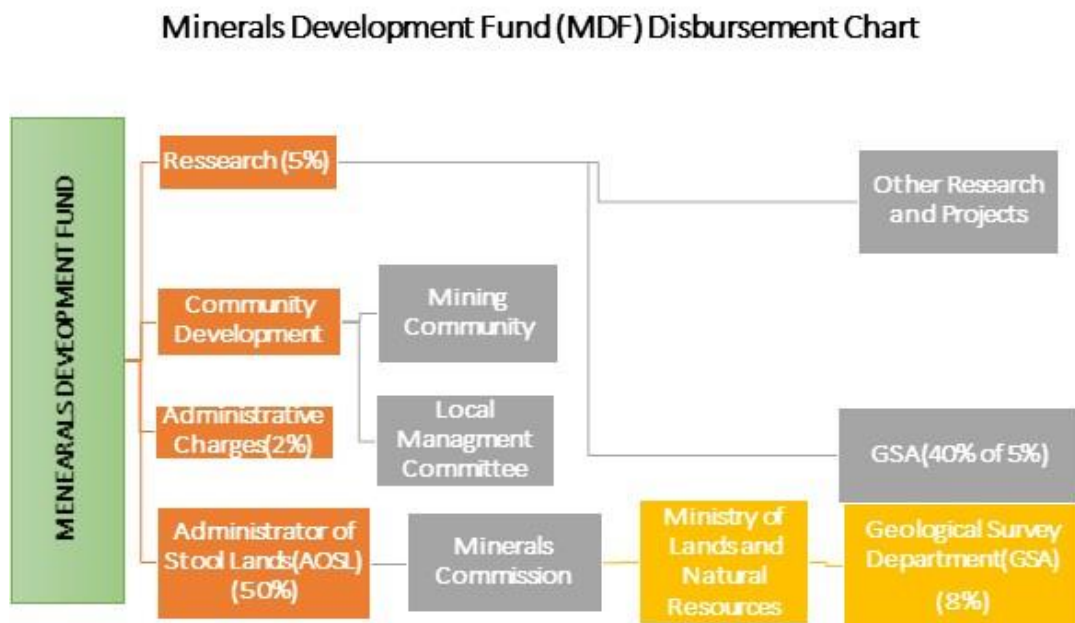
<sup>81</sup> Currently, AngloGold Ashanti, Newmont Ghana Gold Ltd, and Gold Fields Ghana Ltd and Abosso Goldfields have Development Agreements with the Government of Ghana

Pope to provide footnote on the traditional authorities

<sup>82</sup> <https://miif.gov.gh/minerals-income-investment-fund-act-2018-act-978/>

complement the Assemblies' efforts at dealing with the developmental challenges in the district or municipality. What is left is distributed to specified institutions in the mining sector through the MDF secretariat for the sustenance of the mining industry. Minerals Commission gets 13 percent (13 percent) to supplement the mining operations budget of the Minerals Commission to support the efficient and effective regulation of the industry. The Ghana Geological Survey Authority receives eight percent (8 percent) to supplement the geological investigations budget of the Authority and to help it perform its mandate of managing the country's geological resource information. The Ministry of Lands and Natural Resources receives four percent (4 percent) to support the policy coordination functions of the Ministry. Five percent (5 percent) is disbursed to support research, training, and projects aimed at the promotion of sustainable minerals development, of which at least forty percent (40 percent) is required to be allocated to the Ghana Geological Survey Authority.

**Figure 20: Depicts the Allocation and Distribution of Mineral Royalties to Sub-National Interest Holders**



307. Appendix 1 contains schedules of mineral royalties received and transferred to beneficiaries during the reporting years 2021 and 2022 by the OASL for mining districts. The appendix can be accessed through the link [https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&id=82:2022&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=82:2022&Itemid=54)

### 5.3 REVENUE MANAGEMENT AND EXPENDITURE

#### 5.3.1 Budget and audit processes and links to the publicly available information on budgeting, expenditures and audit reports.

308. Ghana's Annual Budget and Economic Policy Statement which derives its legal foundation from Article 180 of the 1992 Constitution and Section 23 of the Public Financial Management Act, 2016 (Act 921), constitute the framework for the allocation and spending of mineral revenues of the country.

309. Guidelines for the preparation of the Annual Budget is first issued consistent with Article 179 (1) of the 1992 Constitution and Section 20 of the Public Financial Management Act, 2016 (Act 921) and section 122 of the Local Governance Act, 2016 (Act 936) for the benefit of Ministries, Departments and Agencies (MDAs) as well as Metropolitan, Municipal and District Assemblies (MMDAs) not later than the 30th of June, every year. The guideline sets out the following indicators and criteria:

- 1) Revenue forecasts and Fiscal targets;
- 2) Medium-term fiscal framework;
- 3) The multiple year ceilings for each covered entity in line with the state's Fiscal Strategy Document;



- 4) The selection criteria for investment projects, including provision for linking forward recurrent expenditure estimates to investment;
  - 5) The ceilings for local government authorities; and
  - 6) Expenditure details for statutory funds and alignment with fiscal objectives.
310. In accordance with Section 13 (2) of the Public Financial Management Regulation, 2019 (L.I. 2378), the Ghana Integrated Financial Management Information System<sup>83</sup> is the core electronic platform for the preparation of the national budget and its execution. The Minister, in consultation with the relevant stakeholders, prepares the proposed annual budget not later than 1st October of each financial year; and submits the proposed annual budget to Cabinet for approval, not later than the 15th of October of each financial year. Cabinet communicates its decision on the proposed annual budget to the Minister, not later than the 30th of October of each final year. The Minister then, on behalf of the President, lays the estimates of the revenues and expenditures of the Government (the annual budget) for the ensuing financial year before Parliament not later than the 15th of November of each financial year.
311. The estimates of expenditure of all public offices and public corporations other than those set up as commercial ventures, shall (a) be classified under programmes or activities in the Appropriation Bill to be introduced into Parliament, and the Minister shall present the annual budget accompanied with the Appropriation Bill and any other Bill that is required to implement the annual budget; publish in the Gazette, the Appropriation Act on or before the 31st of December of each financial year. Parliament shall, by the 31st of December of each financial year, consider and approve (a) the annual budget and the correlative work plan of Government for the ensuing financial year; (b) the Appropriation Bill; and (c) any other Bill that may be required to implement the annual budget. The annual budget, approved by Parliament, takes effect from the 1st day of January of the ensuing year.

#### 5.3.1.1 Budget Implementation

312. Pursuant to Section 27 of the PFM Act, 2016 each Principal Account Holder shall, within the first quarter of the ensuing year after the Minister submits the annual budget to Parliament, submit to Parliament, a performance report on budget implementation for the preceding financial year. The Principal Account Holder shall submit a copy of the performance report required to the Minister indicating the achievements of the Principal Account Holder for the preceding financial year and the annual work plan comprising the objectives, outputs, outcomes, targets and performance indicators.

#### 5.3.1.2 Mid-Year Budget Review

313. The Minister shall, not later than the 31st of July of each financial year, prepare and submit to Parliament a mid-year fiscal policy review. The mid-year fiscal policy review shall include an analysis of the total revenue, expenditure and financing performance for a period up to the first six months of the financial year and a revised budget outlook for the unexpired term of the financial year, and the implication of the revised budget outlook for the Medium-Term Fiscal and Expenditure Framework if necessary; and where necessary plans for submitting a proposed supplementary budget for approval by Parliament.

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<sup>83</sup> See <https://mofep.gov.gh/sites/default/files/acts/PFM-Regulations-2019.pdf>

### 5.3.1.3 Internal and External Audit

314. The Internal Audit Unit of covered entities shall appraise and report on the soundness and application of the system of controls operating in the covered entity and provide assurance on the efficiency, effectiveness in the administration of the programmes and evaluate compliance of a covered entity with enactments, policies, standards, systems and procedures. In accordance with Section 83 (10) of the PFM Act, 2016, where the Internal Auditor of a covered entity suspects that a Principal Spending Officer is involved in fraud or misuse of public funds, the Internal Auditor shall report the matter to the Director-General of the Internal Audit Agency who shall in consultation with the chairperson of the relevant Audit Committee initiate investigations into the matter. The Auditor-General shall, within six months after the end of each financial year, examine and audit the public accounts submitted in accordance with Article 187 of the Constitution and the Audit Service Act, 2000 (Act 584).

## 6 SOCIAL AND ECONOMIC SPENDING

315. This section covers disclosures related to revenue management and expenditures, helping stakeholders to assess whether the extractive sector is leading to the desirable social and economic and environmental impacts and outcomes. The EITI Requirements related to revenue allocations include: (6.1) social and environmental expenditures by companies; (6.2) SOE quasi-fiscal expenditures; (6.3) an overview of the contribution of the extractive sector to the economy; and (6.4) the environmental impact of extractive activities.

### 6.1 SOCIAL AND ENVIRONMENTAL EXPENDITURES BY EXTRACTIVE COMPANIES

316. In the mining sector, Corporate Social Investments (CSI) are mandatory, pseudo-mandatory, and voluntary contributions. The mandatory contributions are prescribed by law, such as the Development Agreement between the Government of Ghana and AngloGold Ashanti (Ghana) Ltd. In section 8.1 of the Development Agreement, AngloGold Ashanti is required to set up a Trust Fund and contribute \$2 of every ounce of gold sold into the Fund<sup>84</sup>. Typically, the governance structure of the Fund is also provided for in the law.
317. On the other hand, pseudo-mandatory contributions are those CSI commitments that are not prescribed in law between the state and a mine but in a bilateral agreement between a mine and its host communities. Classic examples of such frameworks include the Newmont Ahafo Development Foundation and Newmont Akyem Development Foundation. The mines contribute \$1 per ounce of gold sold and 1% of net pre-tax income to their respective Foundations. The pseudo-mandatory CSI framework tends to have a well-structured governance regime, which is usually a board with representation drawn from the local community, company, and government.
318. The residual module, voluntary contributions, does not involve a covenant but an arrangement where a mine either commits a defined flow of revenue from its operations to fund community development or varies its funding for community development based on its profitability. This CSI framework may be accompanied by an elaborate bureaucracy for governance purposes, such as the Gold Fields Foundation. In the case of the Gold Fields Foundation, the Tarkwa and Damang Mines contribute \$1 of every ounce of gold sold and 1.5% of pre-tax profit into a Fund. For the latter vehicle, where the funding for CSI is not pre-determined, a mine may work with its host communities to identify and fund priority projects or devolve the decisions to opinion leaders in impacted communities. Examples of mines that subscribe to this module include Ghana Manganese Company Ltd and Mensin Gold Bibiani Ltd. Table 12.0 summarizes the social expenditures of mining companies in 2021 and 2022.

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<sup>84</sup> <https://www.mincom.gov.gh/wp-content/uploads/2021/06/AngloGold-Development-Agreement.pdf>

**Table 6.1: Social Expenditures of Mining Companies (\$)**

Company	2021	2022
Abosso Goldfields Limited	1,730,522.00	2,577,776.00
Adamus Resources Limited	113,467.00	119,744.00
AngloGold Ashanti Iduapriem Mine	469,023.00	1,493,644.00
AngloGold Ashanti Obuasi Mine	1,368,707.39	1,507,769.00
Asanko Gold Mine Limited	2,829,903.00	553,141.00
Chirano Gold Mines Limited	1,175,099.00	920,720.00
FGR Bogoso Prestea Limited	57,823.00	101,318.00
Ghana Manganese Company Ltd	583,594.00	407,958.00
Gold Fields Ghana Limited	6,587,098.00	5,452,999.46
Golden Star Wassa Limited	225,451.00	144,446.00
Newmont Ghana Gold Limited	8,250,739.00	10,188,548.00
Newmont Golden Ridge Limited	1,961,881.00	18,353,033.00
Mensin Gold Bibiani Ltd		483,627.00
Perseus Mining (Ghana) Ltd	386,268.00	989,317.00
<b>Total</b>	<b>25,739,575.00</b>	<b>43,294,041.00</b>

Source: Ghana Chamber of Mines (2024)

## 6.2 QUASI-FISCAL EXPENDITURES

319. In this report, the MSG adopted EITI’s definition of Quasi-Fiscal Expenditure as the framework for assessing whether expenditures by state-owned enterprises are quasi-fiscal.
320. “Quasi-fiscal expenditures include arrangements whereby SOEs undertake public social expenditure (such as payments for social services, public infrastructure, fuel subsidies, and national debt servicing, etc.) outside of the national budgetary process.” Replace with 2020 content.
321. In the reporting period, there is no evidence to suggest that a state-owned entity in the mining sector incurred quasi-fiscal expenditures based on a review of their financial reports.

## 6.3 CONTRIBUTION OF THE EXTRACTIVE SECTOR TO THE ECONOMY

### 6.3.1 Contribution to Gross Domestic Product (GDP)

322. According to the Ghana Statistical Service (GSS), the mining sector’s value added to Gross Domestic Product (GDP) declined from GH¢11.449 billion in 2020 to GH¢10.105 billion in 2021 and increased to GH¢13.025 billion in 2022. This implies that the sector declined by 11.7 percent between 2020 and 2021 and increased by 28.9 percent between 2021 and 2022. The sector’s mixed outturn mirrored production performance. Production of gold, the country’s dominant mineral, slumped in 2021 mainly due to the introduction of a 3 percent Withholding Tax on small-scale production of unprocessed precious minerals in the same year. In response to the fiscal measure, the official output level of the small-scale gold sector fell by 91.7 percent. The government’s decision to halve the rate of the impost, from 3 percent to 1.5 percent,

spurred a recovery in official records of the small-scale sector’s output in 2022<sup>85</sup>. As shown previously, the attributable gold output of small-scale producers rose by 569 percent between 2021 and 2022.

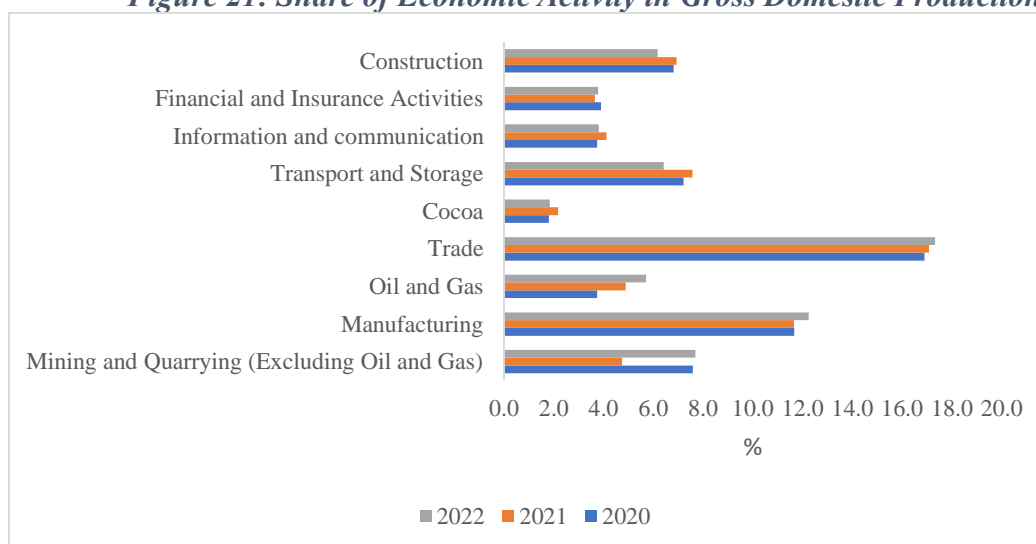
**Table 6.2: Selected Economic Indicators of the Mining and Quarrying Sub-Sector**

Parameter	2020	2021	2022
Growth Rate (%)	-14.00%	-11.70%	28.90%
Real Value Added (GHC Million)	11,449	10,105	13,025
Share in GDP	7.6	4.8	7.7

*Source: Ghana Statistical Service (2024)*

323. In line with the outturn of production, the share of mining and quarrying in GDP reduced from 7.6 percent in 2020 to 4.8 percent in 2021 and increased to 7.7 percent in 2022. Relative to the other sectors, the mining sector was the fifth and third largest economic activity by value in 2021 and 2022 as depicted in Figure 6.1.

**Figure 21: Share of Economic Activity in Gross Domestic Production**



*Source: Based on GSS data (2024)*

324. Data from GSS suggests that the share of informal activities in the country’s GDP was 25.7% in 2021 and 26.4% in 2022. The report, however, does not provide estimates for each sector of the economy and therefore makes it onerous to estimate the share of the informal mining activities in mining and quarrying. This is because the national average could deviate widely from some of the sectoral means. Notwithstanding, the national mean values are used as proxies for the size of informal mining sector activities since the outturns (averages) are nearly equivalent to the share of the small-scale sector in national gold production. The small-scale gold sector is largely informal and the most dominant economic activity in the informal mining and quarrying sub-sector. Against this backdrop, the share of informal mining and quarrying

<sup>85</sup> See page 55 of the 2020 Mining Sector Reconciliation Report for a detailed discussion of the impact of the fiscal measure on small-scale gold production. Available at <https://www.gheiti.gov.gh>

sector activities in GDP are estimated to be 1.2% in 2021 and 2.0% in 2022. The corresponding nominal values are GHC 5.278 billion and GHC 11.702 billion.

### 6.3.2 Contribution of Mining and Quarrying Sector to Government Revenue

325. The main fiscal payments that are made by mining firms to the national government are Corporate Income Tax (CIT), mineral royalties, income tax or Pay-As-You-Earn (PAYE), dividends, and a residual stream that is classified by the Ghana Revenue Authority (GRA) as self-employed. The corporate income tax, PAYE, and residual fiscal stream are paid to the GRA while payments for dividends and mineral royalties are received by the Non-Tax Revenue Unit (NTRU) of the Ministry of Finance and Minerals Income Investment Fund (MIIF) respectively. Table 6.3 summarizes the mining sector’s fiscal payments from 2020 to 2022.

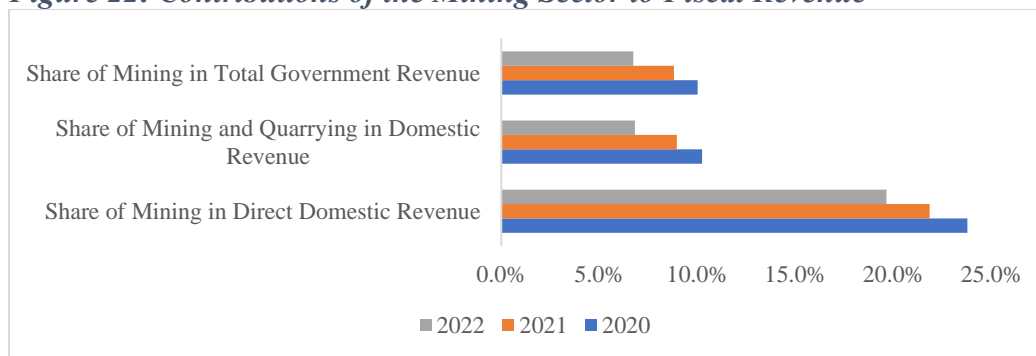
**Table 6.3: Fiscal Payments of the Mining and Quarrying Sector (GHC)**

Fiscal Stream	2020	2021	2022
Corporate Income Tax	3,146,143,318.76	3,394,946,713.25	3,580,669,840.02
Mineral Royalties	1,389,658,461.23	1,369,641,684.01	1,796,206,746.19
PAYE	760,400,577.08	977,820,635.64	1,002,945,678.32
Others (Self-employed)	557,867.43	1,006,270.87	1,108,437.91
Dividends	224,836,599.14	427,958,154.13	124,178,885.04
<b>Total</b>	<b>5,521,596,823.64</b>	<b>6,171,373,457.90</b>	<b>6,505,109,587.48</b>

Source: Ghana Revenue Authority (2024) and Ministry of Finance (2024)

326. The mining sector’s payments to the government increased from GHC5.52 billion in 2020 to GHC 6.2 billion in 2021 and to GHC 6.5 billion in 2022. This translates into a growth rate of 11.8 percent between 2020 and 2021 and 5.4 percent between 2021 and 2022. In relative terms, the mining sector’s contribution to direct domestic revenue stood at 21.8 percent in 2021 and 19.6 percent in 2022, making it the largest source of fiscal revenue from economic activities. The mining sector’s fiscal payments constitute 9 percent and 6.8 percent of domestic revenue and total government revenue in 2021 respectively. The analogous outturns in 2022 are 6.8 percent and 6.7 percent as shown in Figure 21.

**Figure 22: Contributions of the Mining Sector to Fiscal Revenue**



Source: Based on data from GRA (2024) and Ministry of Finance (2024)

### 6.3.3 The Contribution of the Mining Sector to Merchandize Exports

327. In 2021 and 2022, the minerals produced and exported by resident mining firms and licensed mineral buyers were gold, diamond, bauxite, and manganese. According to the Bank of Ghana, the proceeds from the export of the aforementioned minerals increased from US\$5.2 billion in 2021 to US\$6.8 billion in 2022. This represents a year-on-year growth rate of 30 percent. The receipts from the exports of the various minerals are shown in Table 6.4.

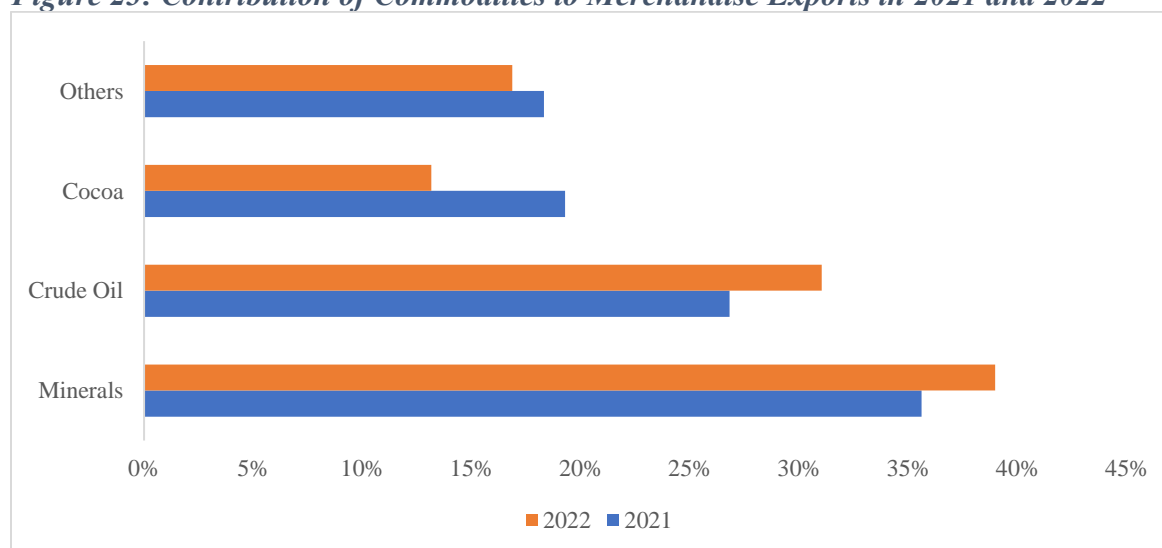
**Table 6.4: Mineral Export Revenue of Mining Companies and Licensed Mineral Exporters (US\$ Million)**

Mineral Type	2021	2022	% Change
Gold	5,083.10	6,608.40	30%
Manganese	134.8	186.4	38%
Bauxite	22	18.7	-15%
Diamond	1.6	3.7	131%
<b>Total</b>	<b>5,241.60</b>	<b>6,817.30</b>	<b>30%</b>

Source: Bank of Ghana (2024)

328. The mineral export proceeds represent 36 percent and 39 percent of total merchandise exports in 2021 and 2022, which was more than the contributions of the other major forex earners; cocoa, and crude oil. Specifically, the share of cocoa in gross merchandise exports stood at 19 percent in 2021 and 13 percent in 2022 while the corresponding proportion of crude oil was 27 percent and 31 percent in the same period as depicted in Figure 6.3. In nominal terms, the revenue from the export of cocoa was US\$ 2.8 billion in 2021 and US\$ 2.3 billion in 2022. Likewise, the revenue realised from the export of crude oil was US\$3.9 billion in 2021 and US\$5.4 billion in 2022.

**Figure 23: Contribution of Commodities to Merchandise Exports in 2021 and 2022**



Source: Based on data from the Bank of Ghana (2023)

#### 6.3.4 Contribution to Employment

329. The mining industry creates employment directly by engaging people in the mineral production process and indirectly through its relationships with vendors embedded in its supply chain. The suppliers also have relationships with other suppliers, leading to several rounds of employment generation in the inter-relationship between suppliers. Empirically, the mining sector's multiplier effect in employment generation is estimated to be 1:15, which implies that for every direct job created on the mine, 15 jobs are created indirectly through the relationships between a mine and its suppliers and between a mine's supplier and the mine supplier's supplier<sup>86</sup>.
330. At the end of 2023, the total population of direct employees in the mining industry, including contractors, stood at 33,109. This comprised 10,087 direct employees of the Chamber's producing member companies and 22,022 employees of contractors<sup>87</sup>. In relative terms, the contractors represent 69.5 per cent of the Chamber's producing member companies' workforce whereas the residual proportion of 30.5 per cent are direct employees of the Chamber's producing members. The total number of expatriate employees, including contractors, was 385 with the remaining 32,724 being Ghanaians. This also implies that the share of expatriates in the aggregate workforce of the Chamber's producing member companies was 1.2 per cent as of the end of 2023.
331. Of the total employee population, 3,246 are females and 29,863 are males, which translates into a gender distribution of 90.2 per cent males and 9.8 per cent females. Regarding direct employees, 1,127 were females and 8,960 were males. This implies that share of females in total direct employment attributable to the Chamber's producing member companies is 11.2 per cent while the equivalent share of males in direct employees is 88.8 per cent. The gender distribution of direct employment (Chamber's producing members) is shown in Figure 24 while the share of females in the total direct employment of each producing member of the Chamber is shown in Figure 25.

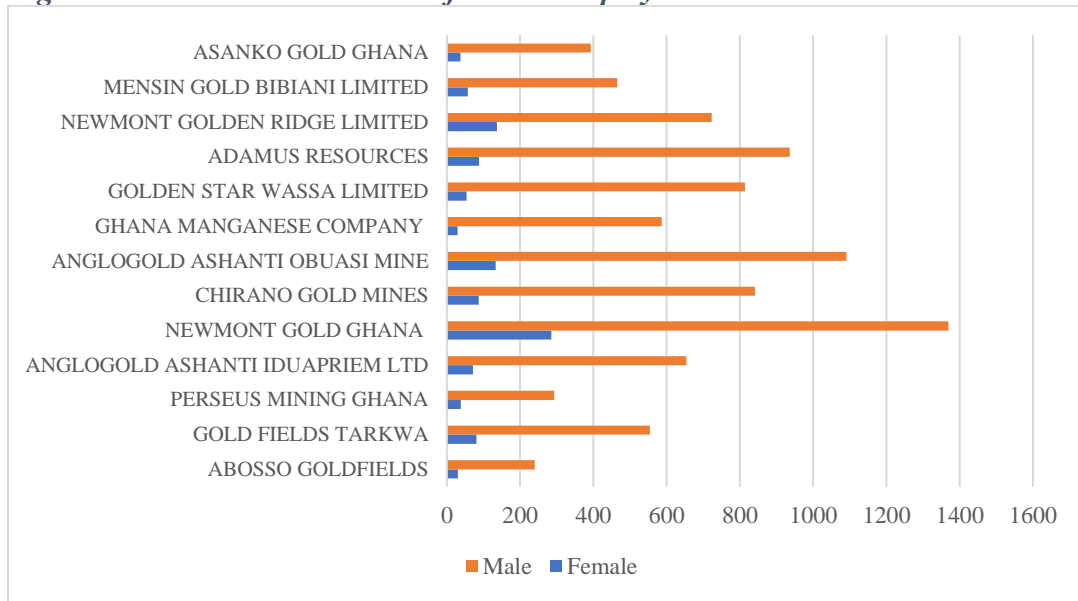
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<sup>86</sup> [https://ghanachamberofmines.org/wp-content/uploads/2023/05/2015\\_Mining\\_in\\_Ghana\\_What\\_future\\_can\\_we\\_expect.pdf](https://ghanachamberofmines.org/wp-content/uploads/2023/05/2015_Mining_in_Ghana_What_future_can_we_expect.pdf)

<sup>87</sup> This excludes FGR Bogoso Prestea Ltd as the company was not in operation at the time of populating this report.



**Figure 24: Gender Distribution of Direct Employment in 2023**



Source: Ghana Chamber of Mines (2024)

**Figure 25: Share of Females in Direct Employment in 2023**



Source: Ghana Chamber of Mine (2023)

### 6.3.5 Regional Distribution of Mineral Production

332. The four (4) traditional minerals are produced in 11 out of 16 regions. Diamond is produced exclusively by artisanal miners at Akwatia in the Eastern Region while manganese is produced at Nsuta in the Western Region and bauxite at Awaso in the Western North Region. Unlike the other minerals, gold is produced at multiple locations in the 11 regions. These are Ashanti, Western, Western North, Ahafo, Eastern, Central, Northeast, Savannah, Northern, Upper East and Upper West Regions.

333. Gold is produced by Artisanal and Small-Scale Miners (ASM) as well as large-scale miners. There are ASM activities in the previously cited 11 regions. In comparison, large-scale mining takes place in six (6) out of the 11 regions (Western, Western North, Ashanti, Ahafo, Central, Upper East, and Eastern Regions). The informal nature of ASM makes it nearly impossible to obtain data on actual gold production. To obviate this challenge, the volume of gold purchased from small-scale miners and exported by Licensed Gold Exporting Companies (LGECs) is used as a proxy for ASM production in the national mineral accounts. The LGECs are aggregators who buy gold from intermediaries located in the mining communities and are therefore unable to trace the origin of their purchases. The rest of this section therefore focuses on the regional distribution of the large-scale sector’s gold production.
334. With eight (8) large-scale gold mining companies in 2022, the Western Region is the largest contributor to national gold production<sup>88</sup>. It accounted for 51 percent and 47 percent of the large-scale sector’s gold production in 2021 and 2022 respectively. The Ahafo Region hosts one gold mine, which is also the country's largest operating mine. The Region’s share in production attributable to the large-scale sector was 18 percent in 2021 and 19 percent in 2022. On the other hand, the number of large-scale mines operating in the Eastern Region increased from three (3) in 2021 to four (4) in 2022. Its contribution to large-scale production was unchanged at 14 percent in 2021 and 2022. The Ashanti Region had two (2) mines in 2021 and three (3) mines in 2022. The Region accounted for 12 percent of large-scale gold production in 2021 and 14 percent in 2022. The Upper East Region hosts a mine while the number of mines in the Western North region improved from 1 in 2021 to 2 in 2022. The Western North Region’s share of large-scale production was 6 percent in 2021 and 2022 and the equivalent outturn for the Upper East Region in 2022 was 0.4 percent as shown in Table 6.5.

**Table 6.5: Regional Distribution of Gold Production in 2021 and 2022**

Region	2021		2022	
	Number of Large-Scale Mines	Share in Production	Number of Large-Scale Mines	Share in Production
Western Region	8	51%	8	47%
Eastern Region	3	14%	4	14%
Western North Region	1	6%	2	6%
Upper East Region	0	0%	1	0.40%
Ashanti Region	2	12%	3	14%
Ahafo Region	1	18%	1	19%

*Source: Ghana Chamber of Mines (2024) and Minerals Commission (2024)*

<sup>88</sup> In 2021, Prestea Sankofa Gold Ltd was under “care and maintenance”.

## 6.4 ENVIRONMENTAL IMPACT OF EXTRACTIVE ACTIVITIES

### 6.4.1 The Environmental Protection Agency (EPA) Act

The Environmental Protection Agency<sup>89</sup> Act, 1994 (Act 490) established the Environmental Protection Agency (EPA) as the lead agency for environmental management and protection in Ghana. The Agency has a mandate to oversee, coordinate and regulate all issues regarding the environment.

335. There is currently a Bill which seeks to repeal the EPA Act, 1994 (Act 490). The object of the bill is to amend and consolidate the laws relating to environmental protection, establish the Environmental Protection Authority (EPA) to regulate, protect and manage the environment; to provide for pesticide control and regulation; provide for the control, management and disposal of hazardous waste, electrical and electronic waste and also to provide for climate change matters. This bill when passed into law, will have impact on the extractive sector. Pursuant to Section 62 (28) of Act 490, the Environmental Assessment Regulations, 1999 (LI 1652) was enacted to give effect to Section 12 of the Act. The LI 1652 provides the necessary specific and complete legal backing for Environmental Impact Assessment (EIA) administration in Ghana. The Agency is further mandated under LI 1652 to ensure compliance with laid down EIA procedures in the planning and execution of development projects, including mining. Further information can be accessed via the link<sup>90</sup>
336. Depending on the type of undertaking and likely impact scale of its operation, the First and Second Schedules of LI 1652 provide guidance on the appropriate level of environmental assessment that a proposed undertaking must be subjected to, to form the basis for sound decision making.
337. Artisanal and Small- Scale Mining (ASM) entities are categorised as those listed under the First Schedule of the LI 1652 for which a screening of the concession by EPA officers forms a critical part of the decision making in the request for an environmental permit. An application for a permit has some documentary requirements for consideration which do not include an EIA.
338. The general requirements necessary for permitting small to medium impact scale undertakings can be found online<sup>91</sup>. For mining applications however, some sector specific requirements may apply.
339. Other new mining entities are expected to conduct a Preliminary Environmental Assessment (PEA) or an Environmental Impact Assessment. Conventionally, when there is an aggregation of several contiguous ASM concessions belonging to the same owner or an identifiable group, whose impacts are projected to go beyond small- impact scale, a PEA becomes the basis on which a decision is taken.

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<sup>89</sup><http://www.epa.gov.gh/epa/sites/default/files/downloads/environmental%20protection%20agency%20act%201994.pdf>

<sup>90</sup> <http://www.epa.gov.gh/epa/sites/default/files/u26/LI%201652.pdf>

<sup>91</sup> <http://www.epa.gov.gh/epa/regulations/permits-small-medium-scale>

340. Given the impacts likely to be caused by large-scale mining and related activities, they are typically categorised as those listed under Second Schedule projects/ undertakings of the L.I 1652 for which an EIA<sup>92</sup> is a pre-requisite (mandatory) to permitting. The general requirements for permitting these undertakings can be found online but for mining applications however, some sector specific requirements may apply.
341. The project impact assessment study report of an EIA, the Environmental Impact Statement (EIS) shall be publicly accessible through the Metropolitan, Municipal and District Assemblies (MMDAs) within which the undertaking will be carried out as well as the Regional EPA Offices and the library situated within the Head Office of EPA and in some instances on the EPA website.
342. Further to these, the Fifth Schedule of LI 1652 contains a descriptive list of environmentally sensitive areas for which extra caution must be duly exercised in the consideration of proposed undertakings falling in such areas. One of such environmentally sensitive areas is forest reserves and for those specific mining entities that have the requisite permits and approvals to undertake some mining related activities in the country's forest reserves, the relevant environmental and social commitments further apply as per the Environmental Protection (Mining in Forest Reserves) Regulations, 2022 (LI 2462).

#### 6.4.2 Public Participation

343. The Agency provides opportunity for all stakeholders to be involved in its decision-making processes regarding undertakings that may impact them one way or the other. LI 1652 sets out guidelines for public consultations and engagements and these include:
- concerns of the public, if any, and in particular concerns of immediate residents are recorded as an important part of screening First Schedule undertakings.
  - in respect of proposed Second Schedule undertakings including mining activities:
    - publication of notices in respect of Scoping studies (Third Schedule), as well as Environmental Impact Assessments (Fourth Schedule),
    - making available copies of these Scoping reports and Environmental Impact Statements (EIS) at designated locations (including relevant MMDAs, EPA Regional Offices and Head Office, EPA Website for selected reports), as well as
    - providing mediums for collating and incorporating concerns relating to these proposed undertakings in the Agency's decision making.
  - condition(s) that trigger the need for a Public Hearing in respect of a proposed undertaking (Regulation 17 of LI 1652), which are stated as follows:
    - great adverse public reaction to the commencement of a proposed undertaking upon a public notice issued under Regulation 16 of LI 1652;
    - one causing the dislocation, relocation, or resettlement of communities; or

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<sup>92</sup> <http://www.epa.gov.gh/epa/regulations/permits-large-scale>

- one which the Agency considers could have extensive and far-reaching effect on the environment.
344. There also exist, channels for the incorporation of the key issues contained in the report (Communique) of the Public Hearing to be included with the comments of the Technical Review Committee on Extractives regarding the project EIS<sup>93</sup> for the requisite measures to be instituted by the mining entity.
345. In addition, there are several other general and targeted consultations with key stakeholders including communities within the mine catchment areas prior to the issuance of permits and over the life of mine as outlined in the draft Public Participation Guidelines in Environmental Assessment. These guidelines provide stakeholders with the opportunity to participate by ensuring that their concerns and inputs are considered as part of project planning at the earliest stages of development. LI 1652 did not only set out modalities for compliance in respect of proposed undertakings but also in respect of projects that were in existence (including several large-scale mines) prior to the coming into force of these regulations.

#### 6.4.3 Environmental Management Plan

346. Existing companies are required to prepare an Environmental Management Plan (EMP) leading to the issuance of an environmental certificate in respect of the following:
- any undertaking which was in operation prior to the coming into force of the LI 1652 in 1999; and
  - any undertaking for which a Preliminary Environmental Report (PER) or Environmental Impact Statement (EIS) was approved, within eighteen (18) months of commencement of operations and thereafter updated and submitted to the Agency every three (3) years.
347. The Environmental Management Plan sets out steps that are intended to be taken to manage any significant environmental impact(s) that may result from the operation of the undertaking within the three (3) year certification period and contains an Environmental Action Plan (EAP) which indicates the specific actions, timelines, budgetary allocations, among others necessary for mitigating identified impacts against which routine monitoring is undertaken to ensure compliance.
348. An environmental permit or certificate issued to a company includes a schedule of conditions to the permit or certificate and outlines the various actions necessary to ensure compliance during the specified validity period for the permit. Key among the conditions are:
- Submission of periodic (monthly, quarterly, semi-annually, and annually) environmental quality (air, water, effluent, noise) monitoring reports;
  - Submission of health assessment baseline/ report;
  - Submission of Environmental Management Plan;
  - Submission of Annual Environmental Reports;
  - Submission of quarterly third-party Environmental Audit Reports of Tailings Storage Facilities (TSFs);
  - Submission of Closure Plans two years to a mining entity's closure;

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<sup>93</sup> <http://www.epa.gov.gh/epa/sites/default/files/u26/EA%20flowchart.pdf>

- Submission of Emergency Preparedness Plans;
- Posting of Reclamation Bonds (in the case of mining); and
- Establishment of complaints and grievance redress mechanisms.

### **Monitoring**

349. Officials of the Agency undertake routine monitoring visits for the underlisted reasons:
- Ensure general compliance with the LI 1652, conditions of the environmental permit or certificate, as well as specific actions contained in the project approved environmental assessment reports with respect to the key identified impacts;
  - Confirm the validity of impact predictions (where applicable) ie whether the predicted impacts and proposed mitigation measures occur as defined in the project approved environmental assessment report;
  - Identify any unpredicted impacts/ unforeseen effects/ failed mitigation measures; and
  - Determine whether remedial action is required through the development of Action Plans.
350. Non-compliance with permit conditions constitutes an offence and various sanctions can be applied as prescribed in both the Act 490 and LI 1652, such as the issuance of enforcement notices to stop action and provide remedial actions within a stipulated timeframe, imposition of administrative charges, fines/penalties and suspension, revocation, or cancellation of environmental permits/ certificates among others.
351. Mining entities are required to submit monitoring report as specified in the accompanying schedules to the environmental permit or certificate.

### **Grievance Redress Mechanism**

352. Grievances are typically lodged in person or via correspondence, at the Agency's Head Office as well as its Regional and Area Offices. In furtherance to its quest to promote transparency and accountability as well as increase stakeholder involvement in sound environmental management, the Agency has established an online<sup>94</sup> Grievance Redress Mechanism (GRM) that assists its clients and the general public to resolve environmentally related complaints and grievances in a prompt, effective and efficient manner.
353. All grievances once received are recorded and referred to the relevant unit, department, area office or jurisdictional region for investigation following which feedback on resolution or referral to the appropriate institutions for resolution are communicated.
354. Grievances/ complaints against undertakings remain a critical indicator for assessing a company's compliance and environmental performance, thus very important to the Agency.

### **Reclamation Bond**

355. Typically, any undertaking in the extractive sector in respect of which a reclamation plan is submitted, is compulsorily required by Regulation 23 of the LI 1652 to post a reclamation bond based on an approved work plan for the reclamation. In fulfilment of this requirement, the Agency initiated actions for instituting the reclamation bond mechanism in the year 2000 by developing a set of reclamation criteria in collaboration with industry and other key partners.

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<sup>94</sup> <http://www.epa.gov.gh/epa/grievance-redress-mechanism>

This culminated in what is now referred to as the Reclamation Security Agreement (RSA) which specifies three thematic areas namely the legal, financial, and the technical regimes that any large scale mine must commit to before the commencement of mining operations. The RSA spells out the specific criteria that must be met for a mining entity to be deemed as having attained primary completion, land use completion and ultimately, final completion.

356. An RSA is signed between each individual large-scale mining entity and the Agency. A local reputable bank hosts the escrow account that is jointly held by the mining entity and the Agency. The security comprises a cash component, as well as a bank guarantee or insurance premium. The RSA is based on the principle of concurrent or progressive reclamation and so it is periodically revised to reflect the corresponding changes to the project in relation to the level or degree of reclamation completion attained relative to the disturbed areas. If either primary completion, land use completion or final completion has been achieved in respect of any tract of disturbed land, the amount of the Security reduction will be calculated based on an established percentage.
357. At closure, or when final completion is achieved, the mining entity is released from all environmental responsibilities, obligations, and liability in relation to the mining lease land or the relevant tract of the disturbed land. The cash component of the security is released only upon meeting all the relevant post closure monitoring benchmarks including the applicable/ relevant timelines.

#### **Implementation of the reclamation bond system for small- scale mining sub-sector**

358. For the past twenty-three (23) years, the Agency has been implementing the posting of bond for large-scale mining companies with the guiding documentation being the Reclamation Security Agreement (RSA). Whilst it is in the process of reviewing the reclamation bond administration, the Agency has seized the opportunity to expand the scope of the undertakings that require the posting of reclamation bond to include the small-scale mining sub-sector.
359. There are ongoing consultations with the Ghana National Association of Small- Scale Miners (GNASSM) and selected financial institutions in this regard. Currently, a draft generic RSA for alluvial and hard rock mining within the sub-sector has been submitted to the operators for review. In addition, a Working Group with representatives from selected local banks as well as GNASSM has concluded its task and come up with the modalities that will govern the financial regime of the RSA for the small-scale mining sub-sector. These modalities have been validated at a meeting of the three parties and it is envisaged that this will provide the necessary framework for the posting of reclamation bonds towards enhanced environmental management.
360. The Agency is currently awaiting some outstanding information from GNASSM to enable us to jointly undertake some field assessments to verify the minimum proposed amounts to be posted as reclamation bonds for alluvial and hard rock operations.

### **Fees and Charges**

361. There are legal provisions for the payment of fees in respect of the grant of environmental permits or certificates for multi-sector undertakings, including the extractive sector as stated in Act 490 and LI 1652 and the determination of which, are set out in a separate Fees and Charges Instrument which is periodically reviewed and approved by the Parliament of Ghana. The current applicable fees are as specified in the Fees & Charges (Miscellaneous Provisions) Act, 2022 (Act 1080). The information on the fees can be accessed via the [link](#)<sup>95</sup>
362. These fees cover the various stages of the project lifecycle (exploration, development, exploitation, and decommissioning) for which an environmental permit or certificate will be issued. The Fees and Charges Schedule also includes administrative charges for non-compliance with the general provisions of LI 1652.  
For mining entities that have the requisite permits and approvals to undertake specific activities in the country's forest reserves, the applicable environmental and ecological services commitment further apply as contained in the Environmental Protection (Mining in Forest Reserves) Regulations, 2022 (LI 2462).

### **Institutional collaboration and coordination in respect of environmental management.**

363. Environmental issues are crosscutting in nature and therefore require a multi-sectoral approach to effectively address them. It is for this reason that one of the functions of the Agency is to act in liaison and co-operation with government agencies, district assemblies and other bodies and institutions to control pollution and generally protect the environment.  
In furtherance of the Agency's mandate relating to permitting and pollution control for mining and mineral processing, the Agency has constituted an Extractive Industries Technical Review Committee (TRC) comprising representation from other regulatory institutions as follows:
- Minerals Commission;
  - Inspectorate Division of the Minerals Commission;
  - Water Resources Commission; and
364. Where necessary, other institutions (e.g. Ghana Hydrological Authority, Ghana Geological Survey Authority, Universities, etc) are contacted to provide expert services relating to specific aspects of a proposed undertaking.  
The TRC aids in the evaluation/ review of environmental assessment reports such as Scoping reports and draft Terms of Reference as well as EISs, submitted in support of applications for environmental permits for proposed undertakings.

### **Environmental Management in the context of mining in forest reserves**

365. Ghana allowed limited exploration and exploitation of its mineral resources in some Production Forest Reserves from 1996. In 2001, Environmental Guidelines for Mining in Production Forest Reserves were formulated to comprehensively address the associated impacts of exploration and mining related activities in these environmentally sensitive areas.

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<sup>95</sup> [http://www.epa.gov.gh/epa/sites/default/files/downloads/Fees%20and%20Charges\\_2022.pdf](http://www.epa.gov.gh/epa/sites/default/files/downloads/Fees%20and%20Charges_2022.pdf) insert



In line with the provisions of these guidelines, a Liaison Group (LG) was set up to monitor the lifecycle of mining activities (exploration, development, exploitation, and decommissioning) in these Forest Reserves.

366. The May 2001 Environmental Guidelines for Mining in Production Forest Reserves have been converted into Environmental Protection (Mining in Forest Reserves) Regulations, 2022 (LI 2462). Membership of the LG is drawn from a total of nine (9) government institutions and agencies as follows:
- i. The Forestry Commission.
  - ii. The Forest Services Division.
  - iii. The Minerals Commission.
  - iv. The Inspectorate Division of the Minerals Commission.
  - v. The Water Resources Commission.
  - vi. The Ghana Geological Survey Authority.
  - vii. The Ministry of Lands and Natural Resources.
  - viii. The Ghana Chamber of Mines; and
  - ix. The Environmental Protection Agency.
367. Under the LI 2462, a Steering Committee composed of the heads of the LG institutions and agencies except for the Inspectorate Division of the Minerals Commission, oversees the LG which is also now referred to as the Mining in Forest Reserve Technical Committee. LI 2462 requires mining entities operating in forest reserves to pay 0.6 percent of the value of minerals mined as environmental and ecological services commitment. The disbursement of funds shall be based on a pre-agreed formula between the chiefs in the area of a forest reserve within which mining is being undertaken and the LG as well as has been specified in the Fourth Schedule of LI 2462.
368. Since 2001, various activities have taken place in the nine (9) underlisted forest reserves hosting the indicated minerals, namely:

**Table 6.6: Underlisted Forest Reserves Hosting the Indicated Minerals**

No.	Forest Reserve	Indicated minerals
1	Supuma Shelterbelt	Gold
2	Tano Suraw and Tano Suraw Extension	Gold
3	Ajenjua Bepo	Gold
4	Opon Mansi	Gold
5	Tano Offin	Gold
6	Apedwa	Gold
7	Afao Hills	Gold
8	Anhwiaso East Forest Reserve	Gold
9	Atewa Range and Atewa Range Extension	Gold and bauxite
10	Yakombo	Limestone

369. The outcome of these activities has resulted in the following mining phases:
1. Active mining:
    - Tano Suraw and Tano Suraw Extension by Chirano Gold Mines Limited.
    - Ajenjua Bepo by Newmont Golden Ridge Limited.
    - Yakombo Forest Reserves by Savanna Cement Company; and
    - Anhwiaso East Forest Reserve by Koantwi Mining Company Limited.
  2. Decommissioning and Rehabilitation:
    - Opon Mansi Forest Reserve by Golden Star (Bogoso/Prestea) Limited (FGR Bogoso/Prestea Limited; and
    - Supuma Shelter Belt Forest Reserve by Ashanti Goldfields Company Limited (now AngloGold Ashanti Limited).
  3. Licensing and permitting stages for Bauxite Mining (Ghana Integrated Aluminum Development Corporation) in the under listed forest reserves:
    - Tano Offin Forest Reserve;
    - Atewa Range Forest Reserve;
    - Atewa Range Extension Forest Reserve; and
    - Apedwa Forest Reserve. (to be verified by Justine)
    - 
    - Existing Bauxite Mining (Ghana Bauxite Company Limited- Awaso) in the:
      - Afao Hills Forest Reserve
      - Environmental Audit

### **Akoban Programme**

370. In line with its core mandate, the Agency instituted the flagship Akoben Programme which is an Environmental Performance Rating and Public Disclosure System to ensure environmental sustainability. Disclosure acts as the third pillar of Ghana's environmental regulatory system after EIA and legal enforcement and fines.

Akoban draws its roots from Ghana's tradition of Adinkra symbols and it stands for vigilance and alertness. The rating methodology incorporates the national regulatory performance goals as well as the traditional community relationship aspects that are unique to Ghana.

371. The environmental performance of mining entities is assessed annually using a five-colour rating scheme ranging from gold (excellent) to red (poor).

The Agency's performance rating of mining entities has gone through an evolution since its inception in the year 1999 when their maiden performance based on basic criteria, including the posting of Reclamation Bonds, was disclosed. From the years 2000 to 2007, the Agency initiated a continuous environmental improvement award scheme while it piloted the performance rating and disclosure, based on a revised set of criteria. International expertise was brought to bear and led to a deepening of the concept from the year 2008 that culminated in the official launch of the Akoben programme in the year 2010 during which a disclosure of the ratings was made public. At its last public disclosure, mining entities were assessed using a seven-point criteria which includes quantitative and qualitative indicators as well as visual information listed below:

1. Legal requirements.
2. A: Hazardous waste on-site management.
3. B: Toxic waste on-site management.

4. A: Compliance rate- Toxic discharges.
  5. B: Compliance rate: Non-toxic and noise pollution & vibrations
  6. Monitoring and reporting rates.
  7. Best practices- environmental management.
  8. Complaints management.
  9. Corporate Social Responsibility (CSR).
372. In conceptual terms, blue, orange and red ratings pertain to regulatory compliance only, and these colors indicate the performance of a mine site relative to the mandatory national regulatory requirements related to environmental issues and the reclamation bond. In comparison, the green and the gold ratings indicate the quality of social and community initiatives undertaken by mining companies to further enhance its environmental and social performance.
373. An excellent performance of indicators 1 to 5 can only warrant a blue rating which is the third of the five-color rating scheme. The inclusion and importance of social issues (Complaints management and CSR) into the rating system ensures that it is only upon an optimal performance on these that an otherwise blue rating will be translated into a green or ultimately a gold rating.
374. A two- step procedure for disclosure of the ratings is usually followed. Firstly, the ratings are internally disclosed to the respective participating mining entities. The feedback from this initial disclosure then goes into the revision of the ratings prior to the final disclosure to the public. The Akoben contributed to improved environmental performance, increased transparency, strengthened institutional discipline, reduced risk of disputes by equalizing information across stakeholders, and finally, enhanced social license to operate.
375. The Akoben programme was faced with some administrative challenges and suspended in 2015 until its reactivation in the year 2019. In May 2022, the ratings for the year 2020 were internally disclosed for thirteen (13) selected large- scale mining companies. There have been other challenges for which reason the field audits for the years 2021 and 2022 were not undertaken. Plans are currently underway for the field audits of the year 2023 ratings to be undertaken in 2024. Conventionally, Akoben field audits are undertaken in a particular year for the preceding year.
376. Discussions are underway to expand the rating criteria to include climate change as well as human rights and security, to ensure even greater environmental stewardship. The Akoben Programme places an obligation on the Agency to conduct a comprehensive field verification and environmental audit every year as an input into the ratings.
377. To formalize, provide guidance to its officers and have a uniform process of inspections and audits, the Agency published an Inspection and Audit Manual in the year 2021.

#### 6.4.4 AKOBEN RATING METHODOLOGY

378. The Akoben rating methodology incorporates the national regulatory performance goals, the traditional community relationship aspects that are unique to Ghana as well as the practically feasible aspects of environmental and social performance guidelines of the various

international organizations including the World Bank and International Finance Corporation, Global Reporting Initiative (GRI), Programme for Pollution Control Evaluation and Rating (PROPER) of Indonesia, Australian and World Health Organizations guidelines.

379. Traditionally an analysis of environmental performance is limited to the assessment of whether a quantitative value of an environmental parameter has exceeded its numerical standards. At other times, regulators check if a mine site has followed the procedural requirements related to permits and reporting. These approaches are useful, but they fail to adequately capture some of the new concepts of environmental performance that include corporate social responsibility, voluntary over-compliance, and other non-regulatory environmental objectives. In short, a simple “In Compliance/Not in Compliance” type of assessment is too limited to provide a comprehensive picture of the complex environmental and ecological conditions one typically finds at mine sites.
380. Therefore, the Akoben rating methodology for the mining sector uses an approach that reflects the modern concepts of corporate environmental and social performance including ideas such as community relationships, public participation, conflict resolution and continual improvement.
381. Akoben’s methodology has several unique and innovative features that make it the first rating model of its kind for the mining sector. This rating methodology maps environmental performance of mining company into five color codes that is easy to communicate to the public. Further, this rating methodology uses quantitative, qualitative, and visual information to comprehensively evaluate the environmental performance of each mine site.
382. Akoben’s approach to environmental performance measurement is designed to be practical, and it also aims to minimize the use of controversial or vague indicators. Though the existing literature on environmental and social performance measurement is filled with innumerable ideas and concepts, Akoben’s rating system has narrowed it down to only those performance indicators that can be measured, verified and validated by a third party. Further, the focus of the rating system is on environmental outcomes that indicate various levels of environmental and health risks, the probability of restoration of environmental conditions in the long-term, and the quality of corporate commitment to social issues.
383. Using these principles, the Akoben rating system maps the environmental performance of mine sites using a five-color rating scheme. These colors are GOLD, GREEN, BLUE, ORANGE and RED, representing the best to the worst performance range with each of these color categories representing five specific levels of environmental performance. The exact criteria for each color code are subsequently explained. In conceptual terms, however, BLUE, ORANGE and RED ratings pertain to regulatory compliance only, and accordingly these colors indicate the performance of a mine site relative to the mandatory national regulatory requirements related to environmental issues and the reclamation bond. In comparison, the GOLD and the GREEN ratings indicate the quality of social and community initiatives undertaken by mining companies to further enhance its environmental and social performance.

Figure 26: Five Color Performance Rating Scheme

Rating Level	Performance	General Description
<b>GOLD</b>	Excellent	GREEN + mine site follows its corporate social responsibility policies
<b>GREEN</b>	Very Good	BLUE + adopts voluntary initiatives and is responsive to public complaints
<b>BLUE</b>	Good	Adequate compliance with environmental standards and reclamation bond criteria
<b>ORANGE</b>	Satisfactory	Exceedance of regulatory standards for non-toxics, weak environmental monitoring, and incomplete fulfillment of reclamation bond criteria.
<b>RED</b>	Poor	Failed to follow environmental regulations (LI 1652), shows pattern of chronic exceedances, and creates risks from toxics and hazardous wastes mismanagement and discharges.

## Ratings Rules and Criteria -Cut off Points

Methodology : Color Code Requirements		Fail on even one gets a RED rating	Fail on even one gets an ORANGE rating	Must meet all the benchmarks for the applicable rating categories to get a BLUE, GREEN or GOLD		
Rating Category		Red	Orange	Blue	Green	Gold
1.	Legal	<100%	N/A	= 100%	=100%	=100%
2.	Hazardous /toxic wastes-on-site management	<100%	N/A	= 100%	=100%	=100%
3A	Compliance rate-toxic discharges	<98%	N/A	≥98%	=100%	=100%
3B	Compliance rate-non-toxics and noise pollution & vibrations	N/A	<75%	≥75%	≥90%	=100%
4.	Monitoring and reporting rate	N/A	<75%	≥75%	≥90%	=100%
5.	Best practices-environmental management	N/A	<75%	≥75%	≥90%	=100%
6.	Complaints management	N/A	N/A	N/A	≥90%	=100%
7.	Corporate social responsibility	N/A	N/A	N/A	N/A	=100%

- Rating system follows a step-wise approach
- Must clear all RED and ORANGE criteria to achieve a BLUE
- Ratings gets more strict for GREEN
- GOLD means a perfect 100% score.

#### 6.4.5 MINING 2021-2022

Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Government Entity Yes/No	Template Stamped by Gov't Entity Yes/No	Signatory	Signatory's Position	E-mail Address
NTRU	Yes	Yes	Yes	Yes	Seidu Adams	Head, Non-Tax Policy Unit	Sadams@mofep.gov.gh
OASL Head Office	Yes	Yes	Yes	Yes	Joseph Ansah	Chief Accountant, OASL (HQTRS)	
OASL – Bono Region	Yes	Yes	Yes	Yes	Georgina Rockson	Regional Stool Lands Officer	grockson24@yahoo.com OASL BA <stoollandsba@gmail.com>
OASL – Western Region	Yes	Yes	Yes	Yes	Eric Baade Pogbekuu	Regional Stool Lands Officer	ericbaade1993@yahoo.com
OASL – Ashanti Region	Yes	Yes	Yes	Yes	Franklin Oppong-Obiri	Regional Stool Lands	frankthes@yahoo.co.uk  panin2@yahoo.com
OASL – Central Region	Yes	Yes	Yes	Yes	Patrick Amporful Antwi	Regional Accountant	Amporful2014@gmail.com
OASL – Eastern Region	Yes	Yes	Yes	Yes	Richard Aduam	Regional Accountant	<a href="mailto:Aduamr@yahoo.com">Aduamr@yahoo.com</a> ; aduamrichard1982@gmail.com
Tarkwa Nsuaem	Yes	Yes	Yes	Yes	Kwamina Essilfie	Municipal Finance Officer	callmeicetee@gmail.com
Ellembelle	Yes	Yes	Yes	Yes	Joel Barko	District Finance Officer	<a href="mailto:ellemebedist.treasury@gmail.com">ellemebedist.treasury@gmail.com</a> <a href="mailto:etatsu2010@gmail.com">etatsu2010@gmail.com</a> <a href="mailto:joelbarko.gh@gmail.com">joelbarko.gh@gmail.com</a>
Prestea Huni Valley	Yes	Yes	Yes	Yes	Thomas Ohene Dwira Asare	Municipal Finance Officer	agabus87@gmail.com

Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Government Entity Yes/No	Template Stamped by Gov't Entity Yes/No	Signatory	Signatory's Position	E-mail Address
NTRU	Yes	Yes	Yes	Yes	Seidu Adams	Head, Non-Tax Policy Unit	Sadams@mofep.gov.gh
OASL Head Office	Yes	Yes	Yes	Yes	Joseph Ansah	Chief Accountant, OASL (HQTRS)	
OASL – Bono Region	Yes	Yes	Yes	Yes	Georgina Rockson	Regional Stool Lands Officer	grockson24@yahoo.com OASL BA <stoollandsba@gmail.com>
OASL – Western Region	Yes	Yes	Yes	Yes	Eric Baade Pogbekuu	Regional Stool Lands Officer	ericbaade1993@yahoo.com
OASL – Ashanti Region	Yes	Yes	Yes	Yes	Franklin Oppong-Obiri	Regional Stool Lands	frankthes@yahoo.co.uk panin2@yahoo.com
OASL – Central Region	Yes	Yes	Yes	Yes	Patrick Amporful Antwi	Regional Accountant	Amporful2014@gmail.com
OASL – Eastern Region	Yes	Yes	Yes	Yes	Richard Aduam	Regional Accountant	<a href="mailto:Aduamr@yahoo.com">Aduamr@yahoo.com</a> ; adumrichard1982@gmail.com
Tarkwa Nsuaem	Yes	Yes	Yes	Yes	Kwamina Essilfie	Municipal Finance Officer	callmeicetee@gmail.com
Ellembelle	Yes	Yes	Yes	Yes	Joel Barko	District Finance Officer	<a href="mailto:ellembeledist.treasury@gmail.com">ellembeledist.treasury@gmail.com</a> <a href="mailto:etatsu2010@gmail.com">etatsu2010@gmail.com</a> joelbarko.gh@gmail.com
Prestea Huni Valley	Yes	Yes	Yes	Yes	Thomas Ohene Dwira Asare	Municipal Finance Officer	agabus87@gmail.com

Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Government Entity Yes/No	Template Stamped by Gov't Entity Yes/No	Signatory	Signatory's Position	E-mail Address
Mpohor District	Yes	Yes	Yes	Yes	Evans Mark Andoh	District Coordinating Director	Markandoh590@gmail.com
					Juliana Boaduwah Mensah	District Finance Officer	Mpohorda.treasury@yahoo.com
Bibiani Ahwiaso Bekwai District Assembly	Yes	Yes	Yes	yes	James Korsah Andoh	District Finance Officer	<a href="mailto:jkandoh1@gmail.com">jkandoh1@gmail.com</a>
Sefwi Wiawso Municipal Assembly	Yes	Yes	Yes	Yes	Sylvester Adiku	Municipal Finance Officer	sylvesteradiku@gmail.com
Adansi North District Assembly	Yes	Yes	Yes	Yes	George Kornu	District Finance Officer	Gorgekornu25@gmail.com
Adansi South District Assembly	Yes	Yes	Yes	Yes	Issah Abdulai Abdul-Rahman	District Finance Officer	issahabdulfo@gmail.com
Asutifi North District Assembly	Yes	Yes	Yes	Yes	Samuel Badu-Baiden	District Coordinating Director	Samuelbaiden715@gmail.com
Amansie Central Jacobu	Yes	Yes	Yes	Yes	Emmanuel Asaimah	District Finance Officer	Acdaaccountsdept@outlook.com
Amansie South District Assembly		Yes	Yes	Yes	Opoku Ababio	District Coordinating Director	Abaanicho75@gmail.com
Amansie West Jacobu	Yes	Yes	Yes	Yes	Kanyebui Fordjour Timothy	District Coordinating Director	kanyebui@gmail.com
Adansi South District Assembly	Yes	Yes	Yes	Yes	Issah Abdulai Abdul-Rahman	District Finance Officer	issahabdulfo@gmail.com



Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Government Entity Yes/No	Template Stamped by Gov't Entity Yes/No	Signatory	Signatory's Position	E-mail Addresses
Wassa East District Assembly	Yes	Yes	Yes	Yes	Jibreal Afadzi	District Finance Officer	jibrealafe@yahoo.com
Wassa East Amenfi District Assembly	Yes	Yes	Yes	Yes	Ishmael Anaman	Municipal Coordinating Director	Ishmealananman337@gmail.com
Birim North District Assembly	Yes	Yes	Yes	Yes	David Ankamah	District Finance Officer	david.ankomah@gmail.com
Upper Denkyira West District Assembly	Yes	Yes	Yes	Yes	Nana Boakye Owusu Agyapong	District Finance officer	<a href="mailto:mragya1@yahoo.com">mragya1@yahoo.com</a>
Obuasi Municipal Assembly	Yes	Yes	Yes	Yes	Zakaria Yahaya	Municipal Finance Officer	<a href="mailto:zak2002gh@gmail.com">zak2002gh@gmail.com</a>
Obuasi East Municipal Assembly	Yes	Yes	Yes	Yes	Akey Pelornorpe Kofi	District Finance officer	<a href="mailto:Akofi8927@gmail.com">Akofi8927@gmail.com</a> (DFO)

### MINING COMPANIES

Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Entity Yes/No	Template Stamped by Entity Yes/No	Signatory	Signatory's Position	E-mail Address
<b>Gold Fields Ghana Limited</b>	Yes	Yes	Yes	Yes	Nana Afua Okoh	Manager- Taxation and Corporate Finance	nana.okoh@goldfields.com
<b>Abosso Golfieds Ltd</b>	Yes	Yes	Yes	Yes	Nana Afua Okoh	Manager- Taxation and Corporate Finance	nana.okoh@goldfields.com
<b>AngloGold Ashanti (Iduapriem) Limited</b>	Yes	Yes	Yes	Yes	Rose Amoah (Mrs)	Senior Finance Manager	RAmoah@AngloGoldAshanti.com
<b>AngloGold Ashanti (Ghana) Limited</b>	Yes	Yes	Yes	Yes	Mr. Ishmeal Kusi	Financial Controller	ikusi@anglogoldashanti.com
<b>Golden Star (Wassa) Limited</b>	Yes	Yes	Yes	Yes	Robert Koomson	Chief Accountant	rkoomson@gsr.com
<b>Golden Star (Bogoso/Prestea) Limited</b>	Yes	Yes	Yes	Yes	Samuel Mireku	Financial Manager	smireku@fgr-bp.com
<b>Chirano Gold Mines Limited</b>	Yes	Yes	Yes	Yes	Frederick Yomaa Owusu	Financial Controller	<a href="mailto:frederick.owusu@chiranogold.com">frederick.owusu@chiranogold.com</a>
<b>AsankoGold Mine</b>	Yes	Yes	Yes	Yes	Simone K. Ayem	Manager, Finance and Accounting-Corporate	Simone.ayem@asanko.com

Entity	Soft Copy Received Yes/No	Hard Copy Received Yes/No	Template Signed by Entity Yes/No	Template Stamped by Entity Yes/No	Signatory	Signatory's Position	E-mail Address
<b>Ghana Manganese Limited</b>	Yes	Yes	Yes	Yes	Habib Iddrisu	Audit and Business Compliance Manager	hiddrisu@ghamang.com.gh
<b>Perseus Mining Ghana Limited</b>	Yes	Yes	Yes	yes	Dr. Stephen Kofi Ndede	General Manager and Director	Stephen.Ndede@perseusmining.com
<b>Adamus Resources Ghana Limited</b>	Yes	Yes	Yes	Yes	Isaac Osei Bonsu	Financial Controller	Iobonsu@adamusgh.com
<b>Ghana Bauxite Company Limited</b>	Yes	Yes	Yes	Yes	Frederick Sarkodie Peprah	General Manager	<a href="mailto:fspeprah@ghanabauxite.com">fspeprah@ghanabauxite.com</a>
<b>Newmont Ghana Gold Ltd – Kenyasi</b>	Yes	Yes	Yes	Yes	Frederick Asiedu	Regional Controller - Africa	frederick.Asiedu@newmont.com
<b>Newmont Golden Ridge Limited- Abirem</b>	Yes	Yes	Yes	Yes	Frederick Asiedu	Regional Controller - Africa	frederick.Asiedu@newmont.com

## 7 OUTCOMES AND IMPACTS

384. This section covers the outcomes and impacts of EITI disclosures, including how the disclosures contribute to wider public debates on resource governance and revenue management, as well as lessons learnt, and actions on EITI recommendations. The EITI Requirements under this section are: (7.1) Public debate; (7.2) Data accessibility and open data; (7.3) Recommendations from EITI implementation; and (7.4) Review of the outcomes and impacts of EITI implementation.

### 7.1 Public Debate

385. During the reporting period, the Ghana EITI undertook series of activities targeted at promoting public debate around the findings and recommendations of the Ghana EITI Report. The activities are done through engagements with diverse stakeholders, press releases, and other publications, among others.

386. The launch of the 2020 GHEITI Report by the EITI champion, then Hon. Minister of State for Finance in March 2023 to set the stage for the dissemination and awareness creation of the Reports. Participants at the workshop took issue with what they described as unambitious timelines (2070) for Ghana's energy transition and urged the Ministry of Energy to revise the timelines in order to take advantage of existing investment opportunities for the country's energy transition.

387. Recognising that the bulky nature of the report poses some accessibility challenges, the MSG in 2023 published an abridged, infographic version. Additionally, highlights of the Report were published in local newspapers to ensure greater accessibility for stakeholders who may not have the time to peruse the full report. The abridged version can be accessed via the link<sup>96</sup>

388. Again, in further addressing the accessibility gap, the MSG engages in regional dissemination outreach events that target stakeholders at the regional and subnational levels, as well as host communities. These close engagements reveal some of the peculiar issues that prevail at the subnational level and are important for policy and reforms at the national level. This bottom-top approach has proven useful in addressing the needs of the indigenous people in mining communities who are directly impacted by the extractive activities.

389. During the reporting years, the MSG held district and regional dissemination workshops in the Western Region (Takoradi), Bono Region (Sunyani), Ashanti Region (Kumasi) and Eastern Region (New Abirem). At each of these events, the MSG afforded opportunities for community people to engage with the Report through in-person interactions and interactive radio discussions in local languages. In these discussions, the MSG facilitated the participation of marginalised groups, such as persons with disability, women and the youth. Particularly, the 2020 report was also reproduced in brailled version to allow visually impaired persons to participate meaningfully in the discourse on extractives. Over 500 people directly participated in these stakeholder engagements and an estimated number of 22,000 indirectly via local radio discussions. Feedback received from stakeholders and communities is usually used to strengthen EITI implementation and feed into the workplan for the following year.

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<sup>96</sup>[https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&download=501:2020-oil-and-gas-report-abridged-version&id=67:2020&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=501:2020-oil-and-gas-report-abridged-version&id=67:2020&Itemid=54)

390. In February 2022 and November 2023, GHEITI in collaboration with Open Ownership, the International EITI Secretariat and the ORC held a capacity building workshop for institutions identified as competent authorities under the country's BO regime. These include National Security, National Investigation Bureau (NIB), Customs Division of Ghana Revenue Authority and Financial Intelligence Center (FIC), as well as the National Commission for Civic Education (NCCE), which is expected to sensitise the public on BO requirements. The focus of the workshop was to enable competent authorities better appreciate and use BO data in combating corruption in the extractive sector.
391. In the wake of Energy Transition and ongoing conversations around ensuring a just transition, GHEITI came to the fore with the publication of its report on the Critical Minerals and Energy Transition. The report was launched in September 2022 by the EITI Champion and the then Deputy Minister responsible for Energy, Hon. Mohammed Amin Adam. This launch of the report added a new dimension to the conversations around Energy Transition to include the often-neglected role of the critical minerals in the transition and their accompanying opportunities, risks and challenges.
392. In 2023, subnational platforms were created in Prestea Huni Valley, Obuasi and Ellembele. The creation of these sub-national platforms was intended to deepen local communities' participation in dialogues on energy transition, monitor the use of mineral revenue that accrues to sub-national entities and serve as a feedback loop to the national MSG.

## **7.2 Data Accessibility and Open Data**

393. The MSG is committed to the promotion of transparency in the extractive sector through an open and easy accessibility of data on the sector's activities. This commitment is expressed in the form of a policy statement. Furthermore, the MSG has taken steps to ensure that data from its 2020 reports are published on its website in an open data format.
394. As indicated in the 2020 reports, contract documents published on the Minerals Commission's website are in picture format and have not changed since it was brought to the attention of the Commission. This is because the original contracts were signed in hardcopy formats and digitalizing them has proven a challenge to the Commission.
395. The MSG can confirm that all summary data files for each fiscal year have been duly completed and disclosed in an open data format.

## **7.3 Implementation of EITI Recommendations**

396. Following the publication of every report, GHEITI writes to all the stakeholder institutions that are affected by the findings of the published reports to officially notify them and encourage them to take steps to implement the recommendations. Six months after the official notification, all the affected stakeholder institutions are engaged in a technical session to discuss progress and challenges associated with the implementation of the recommendations.
397. Table 7.1 highlights some of the key findings and recommendations from the last report (2020), as well as the status of their implementation by the various affected institutions.

#### 7.4 Review of the Outcomes and Impacts of EITI Implementation

398. Data relating to the extractive sector is disclosed systematically through the reports of Government entities and companies. As indicated in the previous year's report, GHEITI undertook a feasibility study to assess the capacity of existing systems to support routine disclosure of information as part of its mainstreaming efforts. The feasibility study can be accessed via the link<sup>97</sup>.

##### **EITI and its impact on policies and practices in the extractive sector**

399. The establishment of a BO disclosure regime in Ghana has helped to improve Customer Due Diligence (CDD) in the award of licences and has reduced the incentive for corruption in the extractive industry. Today, at a click of a button, the actual Beneficial Owners of those who seek licences to either operate mines or trade in minerals can be determined.
400. GHEITI's advocacy contributed to the Government's decision to reduce the withholding tax on unprocessed gold from 3 percent to 1.5 percent which has stemmed smuggling in the ASM sector and boosted the country's gold exports. GHEITI continues to work with the sector agencies to improve formalization and disclosures in the ASM sector.
401. GHEITI continues to engage the Ministry of Finance to vary the treatment of the country's free carried interest in large scale mines into equity participation. The only stumbling block now is for the MSG to provide the Ministry with data on the cash call implications of the proposal.
402. Through GHEITI's engagement with the Ministry of Energy, the time frame for the country's transition has been revised downwards from 2070 to 2060 within the framework of the investment plan. Furthermore, following promptings by GHEITI, the country's energy transition framework has been expanded to cover the minerals sector and focusing on how to leverage on the country's critical minerals to expedite the country's transition to green energy technologies.
403. GHEITI's advocacy contributed to the withdrawal of the Bank of Ghana from the Gold4Oil programme. The MSG continues to engage sector stakeholders to promote greater transparency and accountability in the Gold4Oil programme.

##### **How feedback from stakeholders beyond MSG have been considered in the review of the outcomes and impact of EITI implementation**

404. Some of the ways in which feedback from stakeholders beyond MSG members have been considered in the review of the outcomes and impact of EITI implementations are:
- Sharing the Annual Progress Report with external stakeholders for their feedback on the work of GHEITI,
  - GHEITI shares information at national and international conferences and receives feedback from the audience. For instance, GHEITI participated in the 2023 Ghana Mining and Energy Summit as a speaker and received critical feedback on its work,
  - Engagement with media houses and receiving feedback from viewers and listeners of the various media outlets,

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<sup>97</sup>[https://www.gheiti.gov.gh/site/index.php?option=com\\_phocadownload&view=category&id=15:implementation-reports&Itemid=54](https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=15:implementation-reports&Itemid=54)

- Feedback from presentations made at public events and fora; and
- Feedback from publications based on GHEITI’s data.

405. Date of MSG approval of this submission: 28th June 2024. Information on how the public can access GHEITI:

**Table 7.1: Mining Report 2021-2022**

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
<b>Production Estimation of ASM Gold Production in Ghana</b>	<p>Owing to the informality of the artisanal and small-scale gold mining (ASM) sub-sector, it is difficult to determine the output of ASM. However, most small-scale miners sell their output to Licenced Gold Exporting Companies (LGEC) which in turn export the mineral. It is, therefore, reasonable to use the quantum of exports by LGECs as a surrogate for production attributable to ASM. The equivalence between production and exports only holds if all ASM sell their output to LGECs and LGECs also export all their purchases through the national assayer, the Precious Minerals Marketing Company (PMMC). However, in practice, there is an undetermined quantity of gold that is sold on the local market for the purpose of domestic jewelry-making which renders the sole reliance on export data inaccurate in determining production volumes of the small-scale subsector. There is also the possibility that</p>	<p>The formula for the computation of ASM gold output should be based on reported export volumes and local consumption. The data points for local consumption should include purchases of ASM gold by PMMC for its jeweller enterprise and by local jewellery manufacturers obtainable from Goldsmiths and Jewellers Associations; and ASM reports submitted to the Minerals Commission.</p>	<p>A technical roundtable with relevant institutional stakeholders to resolve the issue has been scheduled for the third quarter of 2024.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>some of the LGECs export their gold through unapproved channels, which is akin to smuggling.</p>		
<p><b>Infrastructure and Barter Arrangements - Government's Gold4Oil Programme</b></p>	<p>Under the Gold4Oil programme, government plans to purchase the country's total ASM gold production. The arrangement is intended to secure reliable and regular sources of affordable petroleum products for the country. This is expected to ease the demand pressure for US Dollars, which has led to a heavy depreciation of the local currency.</p> <p>GHEITI's MSG has reviewed the proposal and made the following observations:</p> <ul style="list-style-type: none"> <li>• The programme will make PMMC the sole agent of the State for buying gold from the ASM subsector, hence, LGECs will cease exporting gold.</li> <li>• LGECs cannot buy gold unless they are made agents of the PMMC.</li> <li>• The Government did not indicate how it will raise money for the gold purchases, whether through loan syndication, Central Bank financing or</li> </ul>	<ul style="list-style-type: none"> <li>➤ Broader consultations are encouraged to identify the potential impact of the programme on diverse stakeholders, and to address same ahead of implementation. For instance, some ASM actors engage in pseudo forward sales with off-takers, including foreigners, who expect to receive doré in exchange for forex. This situation could increase the incidence of smuggling.</li> <li>➤ Government is also encouraged to subject the policy to periodic review and further stakeholder consultations to adjust and improve implementation.</li> <li>➤ Government should prioritise building up its gold reserves as a mechanism for dealing with the impact of the</li> </ul>	<p>The decision by the IMF to undertake a risk assessment of the Gold4Oil programme confirms GHEITI's apprehension about the programme as reflected in the 2020 report. Subsequent to the risk assessment, the Bank of Ghana has exited the programme.</p>



EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>government budgetary allocation.</p> <ul style="list-style-type: none"> <li>• If the directive is strictly enforced, ASM gold supplies will not be available to domestic jewellery manufacturers anymore, threatening their livelihoods and beneficiation activities.</li> <li>• The directive will centralise gold purchases from the ASM subsector, similar to what pertains in the cocoa sector, and give the country greater control over its gold exports.</li> <li>• There had not been any disclosure on the buyer and the supplier selection criteria for the sale of gold and the purchase of refined petroleum products, respectively.</li> <li>• Similarly, there has not been any disclosure on the pricing method (such as spot, futures, discount, margins etc.) for the gold sales and oil purchases.</li> <li>• There is no clarity whether or not the purchases from ASM will be refined before they are sold.</li> </ul>	<p>volatility associated with gold prices by predominantly stock piling gold when prices are low and selling when prices are high.</p> <ul style="list-style-type: none"> <li>➤ Additionally, government could enhance its gold stockpile by exercising the option of taking royalty</li> <li>➤ in-kind, in line with the provisions of the Development Agreements with Newmont, AngloGold and Gold Fields and Section 29 of the MIIF Act, 2018 (Act 978)</li> </ul>	

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>This has implication for the realisable value of gold sold.</p> <ul style="list-style-type: none"> <li>It is also not clear how the overall transaction cost under the programme would be covered.</li> </ul>		
<p><b>Infrastructure and Barter Arrangements – Government of Ghana and Government of China Master Project Support Agreement (MPSA)</b></p>	<p>In 2019, the Government of Ghana entered into a US\$ 2 Billion Chinese loan Agreement in exchange for Bauxite/Alumina from the Atiwa Forest.</p> <ul style="list-style-type: none"> <li>From GHEITI's reckoning, the grace period for the loan repayment has elapsed and Ghana would soon need to begin its repayment, however, mining in Atiwa has not started and there is no facility to begin processing Bauxite into alumina.</li> <li>The agreement provides that where refined bauxite is not sufficient for repayment of the loan, GoG shall use other sources. This therefore means that the repayment of the loan or the barter arrangement could be a contingent liability on government which could lead to an increase in the public debt.</li> </ul>		<p>The provision in the MPSA to use other revenue sources for repayment was triggered and the debt was reclassified to be paid from the Consolidated Fund. With the initiation of the External Debt Service Suspension under the IMF supported program, all affected external public debts including the Sinohydro facility have been suspended for an interim period pending an orderly and consensual restructuring of those obligations. This also implies that the facility would cease to be classified as a barter arrangement and would therefore not be covered as such in subsequent GHEITI reports.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<ul style="list-style-type: none"> <li>For Ghana to process Bauxite into Alumina, it will require huge amounts of competitively priced electricity which is currently unavailable.</li> </ul>		
<p><b>Disclosure of taxes and revenues - Capital Gains tax from the assignment or other disposal of interest in mineral right</b></p>	<p>In accordance with the Income Tax Act, 2015 (Act 896) as amended, Capital Gains are included as part of income and taxed at the applicable corporate income tax rate. Section 80 (d) of the Act states:” The following shall be included for the purpose of ascertaining the income of a person from mineral operation for a year of assessment: A Gain from the assignment or other disposal of an interest in the mineral right with respect to which the operation is conducted. This has the following effects:</p> <ol style="list-style-type: none"> <li>The gains from the assignment or other disposal are kept too long in the hands of the mining company that assigns or disposes its mineral rights. Over time, the gains are eroded by time value of money. For instance, if a company assigns or disposes of mineral rights in January 2021 and its financial year ends 31st December</li> </ol>	<ol style="list-style-type: none"> <li>It is recommended that that Section 80 of the Income Tax Act, 2015 (Act 896) be amended to exclude “a gain from the assignment or other disposal of an interest in the mineral right” of a company from income from mineral operations, and a separate Capital Gains tax provision be made to take care of gains from the assignment or disposal of interest in the mineral rights of a company.</li> <li>It is also recommended that Tax Returns on Capital Gains made from the assignment or disposal of interest in the mineral rights of a company be submitted and taxes paid within 30 days after the assignment or disposal is made.</li> </ol>	<p>There has been no change in status.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>2021, it has 11 months to account for the gains on the assignment or disposal. The returns on income become due after 6 months following the year in which the income is earned, that is, by 30th June 2022. In effect, the company has maximum of six months to pay tax on that profit on assignment or disposal of the mineral right in January 2021.</p> <p>2. Exploration companies that do not intend to continue business and have assigned or disposed off their mineral rights, could leave before submission of annual returns are due, thereby increasing the risk of tax loss. This results in significant loss of revenue to the State because the gains from such assignments or disposals are never taxed.</p> <p>3. The operation of the provision undermines the tax transparency and accountability in the reporting of Ghana's mineral revenue.</p>		
<b>Revenue Collection - Payment of Mineral</b>	Section 28(2) of the MIF Act, on Payment of mineral royalties	It is important to ensure consistency by amending the applicable regulations	Royalties are still being paid on a quarterly basis.

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
<p><b>Royalties: Regulatory Inconsistencies</b></p>	<p>portrays an intent of collecting mineral royalties on monthly basis. Meanwhile the applicable regulations, Regulation 3 of the Minerals (Royalties) Regulations of 1987 provides for quarterly payment of mineral royalties.</p> <p>According to the MIIF Act, <i>“The mineral royalties assessed as due from a mining company in each month, including any payments due for the late payment of mineral royalties, calculated in accordance with the applicable law, or any agreement between the relevant mining company and the Republic, shall be paid by the relevant company by direct transfer into the Fund”</i></p>	<p>to require payment of mineral royalties on monthly basis. Interestingly, we have a Minerals and Mining (Amendment Act) Act, 2015 (Act 900) which failed to prescribe the manner and time of payment of royalties, and therefore rendering the 1987 Regulations on royalties the applicable law</p>	
<p><b>Revenue Management – Dividends Payments</b></p>	<p>Section 35 of the MIIF Act on dividends payment stipulates that:</p> <p><i>“The mineral income paid to the Fund and the dividend payable by the Fund or a Special Purpose Vehicle (SPV) are not taxable”</i></p> <p>There is no established rationale or basis for tax exemption on dividends from commercial, possibly private activities, through the SPV. It constitutes tax expenditure for which a cost /</p>	<p>Any intended benefits from exempting dividends of the SPV from taxes ought to be juxtaposed against the cost.</p>	<p>The status quo remains. No steps have been made to revise the MIIF Act to address the concern.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	benefit analysis may be required.		
<b>Revenue Management-generational Interest and Transparency</b>	<p>Section 36 of the MIIF Act, deals with Transparency as a fundamental principle.</p> <p>The section acknowledges the inter-generational interest in the mineral, and therefore mineral royalties, but fails to demonstrate how the interest of future generation is catered for. Again, it commits to transparency, but fails to emulate the example of the petroleum sector, where a citizens-led public oversight body, the Public Interest and Accountability Committee (PIAC), provides information on half year, and annual basis on the management of petroleum revenues and petroleum funds to citizens.</p> <p>Provisions in the MIIF Act in respect of transparency are vague and non-prescriptive.</p>	<p>In respect of the intergenerational interest in the resource, the Fund should be obligated to transfer a portion of the returns on its investments into a trust fund for future generations. Furthermore, the creation of a citizens-led additional public oversight body, similar to PIAC will provide assurances of safeguards in respect of the national interest. Alternatively, GHEITI can be mandated and resourced to play that role.</p>	<p>The law is yet to be amended. The status quo remains.</p>
<b>Revenue Management – Stability Provisions</b>	<p>Section 40 of the MIIF Act, deals with general stability provisions.</p> <p><b>The MIIF Act Rendition:</b></p> <p>(1) The Minister may enter into a tripartite stability agreement with the Fund and a Special Purpose Vehicle</p> <p>(2) An agreement entered into under</p>	<p>There ought to be stated conditions / grounds upon which the stability agreements can be re-visited, at the instance of any of the parties, and include a sunset clause</p>	<p>There's been no change, the status quo remains.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>subsection (1) shall not be adversely affected by</p> <p>(i) a) a new enactment, rule, regulation, instrument, an order made, action taken or changes to an enactment,</p> <p>(ii) rule,</p> <p>(iii) regulation,</p> <p>(iv) instrument,</p> <p>(v) order made, that has the effect or purports to have the effect of imposing obligations on the Fund or Special Purpose Vehicle.</p> <p>(b) subsequent changes to</p> <p>i) the level and payment of royalties, taxes, fees and other fiscal imposts, and</p> <p>ii) laws relating to exchange control, transfer of capital and dividend remittance.</p> <p><b>Observation:</b> These are too broad, and locks the country into a deal, with no opportunity for remedying errors committed either deliberately or inadvertently.</p>		
<p><b>Disclosure of taxes and revenues – Stability Provisions</b></p>	<p>Section 40(3) dealing with Stability provisions in respect of the forms in which royalty is received.</p> <p><b>The MIF Act Rendition:</b></p> <p>(b) the Republic shall not exercise its rights to receive minerals income</p>	<p>Amend this provision, as it limits any future value addition needs of the country and inhibits the country's efforts at building its gold reserves.</p>	<p>There's been no change, the status quo remains.</p>

EITI Standard Requirement	Observations	Recommendations	Status of Implementation
	<p>in kind and shall instead continue to receive and have paid directly into the Fund minerals income in cash;</p> <p><b>Observation:</b> Even though Section 29 of MIIF Act, 2018 (Act 978) the Newmont, AngloGold, and Gold Fields Development Agreements (DAs) grant Ghana the option of taking royalties in-kind, Ghana has continued to take its royalties in cash. This may limit any value addition to gold and the country's initiative to build its reserves. The assurances that part of the returns from the SPV would be invested in value addition in the mining sector is comforting in this regard. However, Section 40(3) (b), appears to have limited that opportunity, as it freezes the current form (cash) in which royalties are taken in the event that MIIF signs a stability agreement.</p>		
<p><b>Revenue Collection-Dividend Payments</b></p>	<p>GHEITI observes that, dividend payments are sometimes made to the Ministry of Finance instead of MIIF.</p>	<p>SIGA should ensure that all dividends due government from mining operations are paid appropriately to MIIF as required by the MIIF Act.</p>	<p>There's been no change, the status quo remains.</p>







REPUBLIC OF GHANA

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