



MINISTRY OF FINANCE  
GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE-(GHEITI)

# GHEITI REPORT

## ON THE MINING SECTOR 2015



APRIL, 2018

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REPUBLIC OF GHANA



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**GHEITI**

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## LIST OF ABBREVIATION

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

## EXECUTIVE SUMMARY

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The Ghana Extractive Industries Transparency Initiative (GHEITI) engaged Messrs Boas & Associates to produce EITI report on mining payments and receipts for the period covering Jan-Dec 2015.

Boas and Associates had earlier undertaken a scoping study to determine the parameters for the 2015 report.

Ghana is endowed with substantial mineral resources and has a well-established mining sector, which contributes significantly to the economy of the country.

The country has large-scale mining companies producing gold, diamonds, bauxite and manganese. There is also significant small scale and artisanal mining activities in Ghana.

In 2015 the Mining industry accounted for 1.2 % of the country's GDP and minerals made up 31% of total exports, of which gold contributed about 96% of the total mineral exports. Gold remains the leading mineral in revenue generation.

The mining sector contributed GH¢1,285 million to Government revenue in 2015 as against GH¢1,193 million in year 2014. This represented an increase of 7.79% over the previous year's figure.

Earnings from minerals exported during the year 2015 amounted to US\$3,322.61 million compared to US\$ 4,516.29 million earned in year 2014. This shows a decrease of 26.43%.

Of the total earnings from mineral exports in 2015 (US\$ 3,322.61), gold accounted for US\$ 3,212.59 million (96.68%), bauxite exports was US\$ 41.06 million (1.24%), whilst diamonds contributed US\$ 4.22 million (0.31%) and Manganese brought in US\$ 64.74 million (1.95%)

In 2015 small scale mining contribution to gold exports was 28.45% compared to 33.79% in 2014<sup>1</sup>.

### Approach and Methodology

The assignment had two main phases;

- i) Preliminary information gathering stage which involved document review, scoping study/ determination of scoping parameters for reporting including the provision of contextual information.
- ii) The reconciliation phase, which involved data collection, initial reconciliation and the production of the report

---

<sup>1</sup> Source: Minerals Commission 2018

## Reconciliation

**Materiality:** The participating entities included any mining company with large-scale mining lease, which paid a minimum of 5 million Ghana cedis of the relevant revenue streams in 2015.

## Revenue Streams

The revenue streams that were considered for reconciliation included the following: Mineral Rights (reconnaissance licence, prospecting licence, mining Lease); ground rent, property rate; mineral royalty; corporate tax; dividend and environmental permitting fees.

## Reporting Companies

Thirteen companies were selected based on the materiality threshold. Additionally Prestea Sankofa Gold Mine was requested to report as it is a state gold mining company (*See table below*)<sup>2</sup>.

No.	Name of Company
1	ANGLOGOLD ASHANTI(GHANA) LTD
2	ANGLOGOLD ASHANTI (IDUAPRIEM)LTD
3	ADAMUS RESOURCES(GHANA)LTD
4	GSR(WASSA)LTD
5	GSR(PRESTEA/BOGOSU)
6	GOLD FIELDS(GH) LTD
7	ABOSSO GOLDFIELDS LTD
8	CHIRANO GOLD MINES LTD
9	NEWMONT GOLDEN RIDGE LTD
10	NEWMONT GHANA GOLD LTD
11	GHANA BAUXITE CO. LTD
12	GHANA MANGANESE CO LTD
13	PERSEUS MINING( GHANA) LTD
14	PRESTEA SANKOFA GOLD LTD

## Results of reconciliation

In 2015, government receipts amounted to GHS 846,331,439 whilst company payments came to GHS 810,937,918 creating a net discrepancy of GHS -35,393,521 representing 4.18% of government receipts. (*See Tables A and B*)

<sup>2</sup> Prestea Sankofa Gold Ltd ceased operations in 2017

Table A: Reconciliation by Revenue Stream

No.	Revenue Stream	Company			Government			Unresolved			
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	(under)
	<b>MINING</b>										
1	Mineral Right Licence	1,696,450	-	1,696,450	-	-	-	1,696,450	-	1,696,450	-
2	Property Rate	2,450,243	-	2,450,243	1,671,019	-	1,671,019	2,450,243	1,671,019	1,351,438	(572,214)
3	Ground Rent	5,141,185	-	5,141,185	5,750,627	-	5,750,627	5,141,185	5,750,627	647,652	(1,257,094)
4	Mineral Royalty	489,580,008	-	489,580,008	481,268,960	-	481,268,960	489,580,008	481,268,960	19,042,947	(10,731,899)
5	Corporate Tax	293,860,983	-	293,860,983	308,604,762	-	308,604,762	293,860,983	308,604,762	41,447,196	(56,190,975)
6	Dividends	17,685,000	-	17,685,000	49,036,072	-	49,036,072	17,685,000	49,036,072	-	(31,351,072)
7	Environmental Permit Fee	524,049	-	524,049	-	-	-	524,049	-	524,049	-
	<b>TOTAL</b>	810,937,918	-	810,937,918	846,331,439	-	846,331,439	810,937,918	846,331,439	64,709,732	(100,103,253)

Table B: Reconciliation by companies

No.	Revenue Stream	Company			Government			Company	Government	(Over)	under
		Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final				
	<b>MINING</b>										
1	AngloGold Ashanti(Ghana) Ltd	13,764,000	0	13,764,000	13,670,849	0	13,670,849	13,764,000	13,670,849	935,561	(842,409)
2	AngloGold Ashanti (Iduapriem)Ltd	24,211,199	0	24,211,199	22,911,610	0	22911609.54	24211199	22911609.54	1,299,589	-
3	Adamus Resources(Ghana)Ltd	24,818,070	0	24,818,070	27,939,652	0	27939651.88	24818070	27939651.88	1,277,537	(4,399,119)
4	Golden Star Wassa Limited	20,953,214	0	20,953,214	24,147,302	0	24147301.93	20953214	24147301.93	164,557	(3,358,645)
5	Golden Star Bogoso Prestea Limited	30,204,717	0	30,204,717	29,663,970	0	29663970.17	30204717	29663970.17	540,747	-
6	Gold Fields Ghana Ltd	312,883,887	0	312,883,887	284,915,504	0	284915504.4	312883887	284915504.4	54,301,042	(26,332,660)
7	Abosso Goldfields Ltd	37,511,703	-	37,511,703	37,507,202	-	37,507,201.99	37511703	37,507,201.99	4,501	-
8	Chirano Gold Mines Ltd	133,810,703	0	133,810,703	135,452,245	0	135452244.6	133810703	135452244.6	425,140	(2,066,682)
9	Newmont Golden Ridge Ltd	52,136,784	0	52,136,784	52,341,307	0	52341307.24	52136784	52,341,307	27,851	(232,374)
10	Newmont Ghana Gold Ltd	104,049,959	0	104,049,959	156,137,204	0	156137204.5	104049959	156137204.5	637,046	(52,724,291)
11	Ghana Bauxite Co. Ltd	1,924,558	0	1,924,558	5,929,132	0	5929132.05	1924558	5929132.05	-	(4,004,574)
12	Ghana Manganese Co Ltd	11,532,162	0	11,532,162	17,621,620	0	17621620.06	11532162	17621620.06	-	(6,089,458)
13	Perseus Mining( Ghana) Ltd	43,136,962	0	43136962	38,093,842	0	38093842.34	43136962	38093842.34	5,096,162	(53,042)
14	Prestea Sankofa Gold Ltd	0	0	0	-	0	0	0	0	-	-
	<b>Total</b>	<b>810,937,918</b>	<b>0</b>	<b>810,937,918</b>	<b>846,331,439</b>	<b>0</b>	<b>846,331,439</b>	<b>810,937,918</b>	<b>846,331,439</b>	<b>64,709,732</b>	<b>-100,103,253</b>

## Observation and Significant Findings

### Data from the Minerals Commission

The data from the Minerals Commission included amounts that have been categorized as suspense. There were also amounts labeled as considerations for mineral rights, but not attributable to any company. Again, in determining materiality for reconciliation, companies that made significant payments could be overlooked because some of their payments may not have been correctly allocated to them.

### Recommendation

All payments should be attributed correctly in order to ensure funds are not missing. This will also assist in ensuring the materiality determinations are properly made, as all the extractive entities will have the full complement of their payments.

**Data from the GRA:** Some revenue streams found in the GRA database included capital gains tax inspection Fee, Management & Technical Services, Registration Fees, Other Royalties, Gift Tax, Dividend Tax, Interest Tax Commission Tax, Rent Tax, Penalties, Airport Tax and National Fiscal Stabilization Levy/National Reconstruction Levy were in aggregated format and were therefore excluded in determining materiality threshold for reporting entities.

### Recommendation

The GRA database system should be designed to ensure that any revenue stream could be provided in disaggregated format and also for specific sector of the economy, i.e. the extractive sector. This will assist in effectively analyzing the revenues obtained by government.

### Disbursement of mineral royalty to District Assemblies

In 2015, there were two disbursements of mineral royalty in October 2015 and December 2015<sup>3</sup>. However, some mining districts did not receive any mineral royalties.

**Recommendation:** The OASL should endeavour to pay royalty receipts to District Assemblies, as quickly as possible. This will provide the necessary confidence for the District Assemblies to use these funds for development projects, as contractors engaged on such projects shall be paid promptly.

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<sup>3</sup> However, some District Assemblies in Ashanti and Western Region did not receive the disbursements in 2015.

## **Dividend Payment**

### **Observation**

Only two companies paid dividends during the period under review, namely Gold Fields Ghana Ltd and Ghana Manganese Company Ltd, out of about 15 large scale companies engaged in the exploitation of minerals.

Year on year only two to three companies have consistently been paying dividends. Dividend as a source of revenue has not provided regular and substantial revenue for government.

**Recommendation:** The government needs to review the policy of acquiring a non-contributory shareholding in all mining enterprises, if the purpose for instituting that measure was to earn extra income. It may be replaced with a more reliable source of revenue.

## 1.0 INTRODUCTION

---

The Extractive Industries Transparency Initiative (EITI) is an international initiative among governments, companies and civil society groups to promote transparency in the flow of revenues from extractive companies to host country governments based on a set of criteria for transparent reporting on the revenue streams and other benefits.

The purpose of the initiative is to encourage greater transparency in the extractive sector. This would enable citizens to make informed demands for the fair and sustainable use of revenues generated through the exploitation of natural resources.

The EITI requires implementing countries to prepare and publish an annual report disclosing company payments and government revenues from the extractive sector.

The Ghana Extractive Industries' Transparency Initiative (GHEITI) has engaged Messrs Boas & Associates to reconcile the payments made by Mining Companies and receipts by the government of Ghana for 2015.

The report also covers an overview of the mining sector in Ghana as well registers; exploration, production and exports; beneficial ownership; contract transparency; state participation in the extractive sector; revenue collection (including reconciliation and allocation; social and economic spending; and the outcomes and impact of the EITI in Ghana. The report also provides recommendations for observations made.

**The report was prepared based on the terms of reference provided by the GHEITI MSG.**

**This report is prepared for the use of the Steering Committee of the EITI, and is not intended for any other purpose.**

### 1.1 Brief on EITI in Ghana

The EITI Multi Stakeholder Group (MSG) is the governing body of the EITI in Ghana. Various stakeholders in the Extractive industry are represented on the committee.

The members of the MSG comprise of representatives from the under listed agencies or bodies:

- ❖ *Ministry of Finance*
- ❖ *Ministry of Land and Natural Resources*
- ❖ *Minerals Commission*
- ❖ *Ghana National Petroleum Corporation*
- ❖ *Ghana Chamber of Mines (representing the mining companies)*
- ❖ *Office of the Administrator of Stool Lands*
- ❖ *Ghana Revenue Authority*
- ❖ *Civil Society Organizations (led by ISODEC)*
- ❖ *Ministry of Petroleum*

## 1.2 Objectives of the Report

The objectives of the assignment include;

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

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

## 2.0 APPROACH AND METHODOLOGY

---

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

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

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

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

There were interactions with the MSG in order to:

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

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

### ❖ Document Review

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

Documents identified that were studied included the following:

- a. Reporting Templates
- b. Mineral and Mining Act, 2006
- c. Ghana Chamber of Mines Annual Reports.
- d. Feasibility Studies of participating Mining Companies
- e. Annual reports of participating mining companies
- f. Financial statements of mining companies for 2014.

- ❖ **Reconciliation phase:** This involved initial reconciliation, resolution of discrepancies and the establishment of final amounts. The activities undertaken at this phase of the assignment are detailed in section 7.0

### 3.0 OVERVIEW OF THE MINING INDUSTRY IN GHANA

Ghana is endowed with substantial mineral resources and has a well-established mining sector, which has grown considerably in recent years to represent an important pillar of the Ghanaian economy.

The country has large-scale mining companies producing gold, diamonds, bauxite and manganese. There is also significant small-scale and artisanal mining activities in Ghana.

Large-scale Mining provides a source of employment for an estimated 16,000 people and supports a further 66,000 jobs indirectly (ICMM, 2015), its contribution to labour is far lower than that of the ASM, which directly supports over one million people. Mining and Metals (ICMM). <http://pubs.iied.org/pdfs/16618IIED.pdf>

The **Mining industry** accounts for 1.2<sup>4</sup>% of the country's GDP and minerals make up 31% of total exports, of which gold contributes about 96% of the total mineral exports in 2015. Gold remains the leading mineral in revenue generation.

The mining sector contributed GH¢1,285 million to Government revenue in 2015 as against GH¢1,193 million in year 2014. This represented an increase of 7.79% over the previous year's figure.

Pay As You Earn (PAYE) from the mining sector contributed GHC 478.1 million in 2015 as against GHC 291.73 million in 2014 representing a 63.88% increase.

In 2015, a total of GHC 485.63 million was paid as mineral royalties. This represents a 3.24% increase over the 2014 value of GHC 470.37 million. It is however worthy to know that, corporate income tax paid by mining companies decreased by (25.28%) from GHC 429.53 million in 2014 to GHC 320.94 million in 2015.

Earnings from minerals exported during the year 2015 amounted to US\$ 3,322.61 million compared to US\$ 4,516.29 million earned in year 2014. This shows a decrease of 26.43%.

Of the total earnings from mineral exports in 2015 (US\$ 3,322.61), gold accounted for US\$ 3,212.59 million (96.68%), bauxite exports was US\$ 41.06 million (1.24%), whilst diamonds contributed US\$ 4.22 million (0.31%) and Manganese racked up US\$ 64.74 million (1.95%)

In 2015 small scale mining contribution to gold exports was 28.45% compared to 33.79% in 2014<sup>5</sup>.

<sup>4</sup> Ghana Statistical Service Annual GDP Estimates, September 2017 Edition ([http://www.statsghana.gov.gh/docfiles/GDP/GDP2016/September/Annual\\_2016\\_GDP\\_September%202017\\_Edition.pdf](http://www.statsghana.gov.gh/docfiles/GDP/GDP2016/September/Annual_2016_GDP_September%202017_Edition.pdf))

<sup>5</sup> Source: 2015 Industry Statistical Report, Minerals Commission

According to the Bank of Ghana total merchandise export earnings in 2015 were US\$10,356.70 million compared to US\$ 12,983.16 million in year 2014. The contribution of minerals to the earnings for the year was 31.0% of the total merchandise exports.

In 2015, collections from the Mining sector accounted for over 14 % of total GRA collection, a reduction of about 2% from the 2014 figure of 16.06%. (*See Table 3.1.*)

*Table 3.1: Mining collections vrs GRA collection*

Year	Total Mining Income(GHc)	Total GRA collection (GHc)	Total Mining/ Total GRA collection	Contribution of Mining to GDP
2012	1,461,202,977	5,403,032,412	27.04%	2.0
2013	1,104,047,314	5,880,322,065	18.78	1.8
2014	1,192,692,542	7,426,082,366	16.06%	0.8
2015	1,285,581,291	9,091,116,859	14.14%	1.4

*Source: Minerals Commission*

## 4.0 LEGAL AND INSTITUTIONAL FRAMEWORK

### 4.1 Legal Regime

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

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

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

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

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

The main laws and regulations governing mining sector are:

*Table 4.1 Laws and regulations in the Mining Sector*

- (a) The Constitution of Republic of Ghana, 1992
- (j) The Minerals Commission Act, 1993 (Act 450)
- (k) The Environmental Protection Agency Act, 1994 (Act 490);
- (l) The Environmental Assessment Regulations, 1999 (L.I. 1652).
- (b) Minerals and Mining Act, 2006 (Act 703) as amended by the Minerals and Mining (Amendment) Act, 2010 (Act 794).
- (c) Minerals and Mining (General) Regulations, 2012 (L.I 2173);
- (d) Minerals and Mining (Support Services) Regulations, 2012 (L.I 2174);
- (e) Minerals and Mining (Compensation and Settlement) Regulations, 2012 (L.I 2175);
- (f) Minerals and Mining (Licensing) Regulations, 2012 (L.I 2176);
- (g) Minerals and Mining (Explosives) Regulations, 2012 (L.I 2177);
- (h) Minerals and Mining (Health, Safety and Technical) Regulations, 2012 (L.I 2182)
- (i) The Internal Revenue Act, 2000 (Act 592) as amended in Act 896) and Act 900 of 2015

#### 4.1.1 Minerals and Mining (Amendment) Law, 2015, Act 900

Parliament passed the Minerals and Mining (Amendment) Law, 2014 in 2015. The object of the law is to amend the Minerals and Mining Act, 2006 (Act 703). The amendments are two-fold, first to make regulations to prescribe a rate for royalty payments and the second is to provide for the confiscation of equipment used in illegal small scale mining.

The new law amends section 25 of Act 703 removing the fixed rate of five per cent in respect of royalty payment and provides that the payment has to be made to the state at the rate, and in a manner as prescribed.

Just like Act 703, the law criminalizes illegal small scale mining, popularly known as galamsey, but unlike the old law, it expressly criminalizes mining by foreigners and Ghanaians without a permit.

**4.1.2 The Income Tax Act, 2015 (Act 896)** assented on 1st September 2015 comes into effect on 1st January 2016. This replaces the Internal Revenue Act, 2000, (Act 592) and any other laws to the extent that they are inconsistent with the provisions of this Act.

Highlights of Act 896 are:

1. Capital Gains and Gifts received by business and/or employees are now treated as business income and employment income respectively.
2. Deductions allowed, (relating to losses, capital allowance, repairs and improvements, financial cost and foreign currency translation ) have been modified
3. Thin capitalization ratio has been changed from 2:1 to 3:1
4. Capital allowance computations relating to additions and disposals have been modified
5. Capital allowance cannot be deferred
6. Individuals to suffer Withholding Tax of 1% on interest earned
7. Individuals operating as business enterprises are to withhold tax as corporate entities.
8. Individual tax rates remain unchanged
9. Changes in administrative sanctions for non-compliance of tax laws

#### 4.2 Fiscal Regime

The fiscal regime is a royalty tax model. Thus the benefits that are obtained from mining concessions are largely from mineral royalty and corporate income tax.

The corporate tax rate is 35% with a capital allowance regime of 20% straight line.

Losses are carried forward for 5 years (*See Table 4.2*)

Table 4.2 Mining Sector Fiscal Regime

Items	Remarks	
<b>Incentives and Taxes</b>		
<b>Mineral Right(Mining lease)</b>	Annual payment	<i>Minerals &amp; Mining Licences Regulations 2012; LI 2176; Effective September 2013.</i>
<b>Capital Allowance</b>	20% ; Straight line	<i>Act 839; Third schedule to IRA, Act 592 amended.</i>
<b>Carried forward Losses for purposes of taxation</b>	5yrs	
<b>Corporate Income Tax Rate</b>	35%	
<b>Mineral Royalty</b>	5%	<i>On Gross Revenue; except for some companies with stability/development agreements in which case royalty is 3% to 5% on gross revenues.</i>
<b>Gov't Equity Participation</b>	10% free carried interest.	

#### 4.2.1 Fiscal Decentralization

The Local Government Act 1993 empowers Metropolitan, Municipal, District Assemblies (MMDAs) to administer and collect property rates in respect of mining companies operating in their jurisdictional areas. This rate impost is chargeable annually based on the value of the property. There is also a business operating permit (BOP) chargeable on all enterprises and it is usually a fixed rate depending on the business category.

#### 4.3 Role of government agencies

The Agencies within the Mining sector and the various roles they play in the sector are described below.

##### 1. The Ministry of Lands and Natural Resources

The ministry is responsible for the management of Ghana's land, forests, wildlife and mineral resources. The Ministry of Lands and Natural Resources (Ghana) oversees all aspects of Ghana's mineral sector and is responsible for granting mining and exploration licences

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

##### 2. Minerals Commission: The Minerals Commission was established under the Minerals Commission Act, 1993(Act 450). The Minerals Commission as the main promotional and regulatory body for the minerals sector in Ghana is responsible for the regulation and management of mineral resources of Ghana and the coordination of

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The Local Government Act 1993 has been replaced by local Governance Act, 2016 (Act 936).

policies relating to the mining industry. The Minerals Commission is responsible for administering the Mining Act, recommending mineral policy, promoting mineral development, advising the government on mineral matters, and serving as a liaison between industry and the government <http://www.osscc.gov.gh/index.php/mda-services/minerals-commission>.

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

### 3. Ghana Revenue Authority (Domestic Tax Revenue Division)

The Domestic Tax Revenue Division of the Ghana Revenue Authority is responsible for the collection of taxes including: income tax, royalties, capital gains tax, corporate tax and gift tax. GRA implements the Income Tax Act, 2015 (Act 896). <https://egovonline.gegov.gov.gh/EghanaWeb/GRAHome/eghana.portal>

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

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

### 4. Ghana Revenue Authority (Customs Division)

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

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

<http://www.gra.gov.gh/index.php/divisions/customs>

### 5. Non Tax Revenue Unit

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

<https://www.mofep.gov.gh/divisions/rpd/overview>

### 6. Office of the Administrator of Stool Lands (OASL)

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

The OASL is responsible for collecting ground rent.

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

The OASL also receives mineral royalty ceded to district Assemblies and communities affected by mining and distributes same

(See <http://ghanalap/gov.gh/index.php/fees>).

## 7. Ministry of Finance

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

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

## 8. Ministry of Local Government & Rural Development

The Ministry of Local Government & Rural Development has overall responsibility for policy on local government through the District Assemblies.

As the focus of planning and development within the communities that come under them, the District Assemblies are empowered to ensure individual, community or district endorsement or objection of applications for mineral rights. The Assemblies are also required to ensure, through District Environmental Committees, that mining operations are carried out in an environmentally acceptable manner. The Assemblies are required to provide economic and social infrastructure from mineral royalties that accrue to them.

District Assemblies that participated in the reconciliation exercise are shown in [Table 7.4](#) these are the governing Assemblies in the operational areas of the mines. These District Assemblies collect property taxes from extractive companies operating in their areas of jurisdiction, and also receive mineral royalties disbursed by the OASL as well as a proportion of the ground rent paid by the extractive companies

## 9. Ministry of Environment, Science & Technology

The Ministry of Environment, Science & Technology is responsible for formulating national policy on environmental protection.

## 10. Geological Survey Authority

The Authority is responsible for the provision of reliable and up-to-date geological information for national development through geological mapping, research and investigations.

#### 11. Precious Minerals Marketing Company Ltd.

The company provides official marketing services for small-scale gold and diamond miners. It also promotes the development of precious minerals and jewelry industries in Ghana and handles the export of all diamonds produced in Ghana.

#### 12. Environmental Protection Agency

The Agency sets guidelines for the compliance of environmentally permissible mining activities. The Agency maintains close liaison with the Minerals Commission to ensure that the latter's promotional, regulatory and superintending roles over mining operations are consistent with the country's environmental requirements.

#### 13. Forestry Commission

The Forestry Commission is responsible for the sustainable management of the country's forestry resources. It maintains close liaison with the Minerals Commission to ensure that mining operations are carried out with due regard to the laws and regulations that govern the forestry sector.

#### 14. Water Resources Commission

The Water Resources Commission is responsible for ensuring the sustainable use of the country's water resources. In particular, the Commission's role is important in determining alternative water uses that recognize the important attributes of water as both an economic as well as social good.

#### 15. Lands Commission

The Lands Commission is responsible for land use management. Through its Land Valuation Division it helps to determine the level of compensation to people displaced or otherwise affected by mining operations. The Survey and Mapping Division of the Commission is responsible for demarcation, mapping and certification of land boundaries, whilst the Land Registration Division manages land titles.

#### 16. Bank of Ghana

The Bank of Ghana determines the monetary policy in conjunction with the Ministry of Finance and Economic Planning.

### 4.3 Licence allocations

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

### ***4.3.1 Acquisition of Mineral Right***

The prospective investor must identify the area and the mineral to apply for. The Applicant must also identify which right he intends to apply for –reconnaissance (12 months), prospecting (up to 3 years), mining lease (up to 30 years), restricted reconnaissance or prospecting licence for industrial minerals (12 months and 3 years respectively) or restricted mining lease (up to 15 years)<sup>i</sup>. A search is subsequently done at the Minerals Commission to find out whether the area to be applied for is free or encumbered. An official search report is issued in this respect. The report consists of a map with coordinates for the area requested and surrounding concessions indicating the names of holders.

### ***4.3.2 Reconnaissance and Prospecting Licences***

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

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

### ***4.3.3 Technical Committee on Mineral Titles***

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

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

The applicant undertakes the necessary registration with the Lands Valuation Board and the Lands Registry. An environmental permit and a covering letter together with a signed agreement between the company and government is then submitted to the Chief Inspector of Mines for the issuance of operating permit before the commencement of operations on the concession.

#### 4.3.4 Grant of Mining Lease

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

Companies applying for mining leases are required to submit

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

**4.3.5 Technical and financial criteria:** The Minerals Commission is mandated to ensure licensee exploitation of the nation's minerals resources and need to be satisfied that no licensee will block exploitation through a lack of technical or financial capacity or unable to meet the liabilities and obligations of the commission.

Section 11(a) (b) of Act 703 mandates the Minerals Commission to enter into agreements with requisite technical competence and financial capability. It requires all applications for a mineral right submitted to the Minerals Commission to show evidence of financial and technical resources available to the applicant for the proposed mineral operations as well as an estimate of the amount of money proposed to be spent on the operations.

There are, therefore, financial criteria which require Minerals Commission to carry out financial checks on the licensee and, where appropriate, on the corporate group to which the licensee belongs.

There is no set guidance on the determination of financial capabilities yet apart from background checks on licensee or its parent company other criteria such as technical including the licensee's managerial competence is required.

Request for the qualification and experience of senior management is to be complied.

**4.3.6 Recipients Information:** See Section on Registry for some information on license holders in 2015

**Table 4.3.** The Minerals Commission issued 1,261 permits in 2015 compared to 1,366 in 2014 to regulate various mineral operations as detailed below.

Table 4.3 Permits granted by Mineral Commission in 2015

LICENSE/PERMIT	No. OF PERMITS(2015)				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
Mining Operating Permit	29	5	1	0	35
Salt Operating Permit	3	0	1	0	4
Clay / Kaolin Operating Permit	0	0	1	0	1
Quarry Operating Permit	52	16	5	7	80
Sand / Gravel Winning Permit	91	14	18	3	126
Gold / Diamond Digging Permit	47	28	28	9	112
Prospecting Permit	37	38	9	6	90
Permit to Purchase Explosives	57	20	8	4	89
Permit to Store Explosives	112	19	6	0	137
Permit to Transfer Explosives	91	95	111	73	370
Explosives Transport	3	0	0	0	3
Explosives Manufacture	4	0	0	0	4
Mining Services Operating Permit	109	26	29	8	172
Explosives Truck / Van Operating Permit	37	0	1	0	38
Mercury License	0	0	0	0	0
<b>TOTAL</b>	<b>672</b>	<b>261</b>	<b>218</b>	<b>110</b>	<b>1,261</b>

**4.3.7 Companies covered in the EITI Report:** No new licenses were awarded in 2015. The Mining companies covered in the 2015 Report obtained their licenses prior to the period under review. All these companies had licenses granted to them on first come first served basis. There were no licenses relinquishments and transferred licenses in those held by 2015 for In Scope mining companies.

#### 4.3.8 Legal and institutional Framework on Licensing

Under Section 1 of Minerals and Mining Act 2006, Act 703, every mineral in its natural state in, under or upon land in Ghana, rivers, streams, water-courses 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 in trust for the people of Ghana.

Sections 100 (1) and (2) mandate 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.

Reconnaissance, Prospecting and Mining Leases are granted by the Minister following recommendation by the Minerals Commission. The legal and institutional framework have been outlined by the Ghana Investment Promotion Authority on their website <http://www.gipcghana.com/invest-in-ghana/sectors/mineral-processing/investing-in-this-sector.html>

**4.3.8.1 Deviations from the applicable legal and regulatory framework:** There were no deviations from Minerals and Mining Act 703 significantly known or reported on during

2015 as well as any regulation which seeks to prevent some companies from making full disclosures of their activities.

*4.3.8.2 Efficiency:* The first come first served system is not that efficient as it has the tendency of giving concessions to entities with less financial resources and technical capability. Such entities may hang on to the concessions without much exploration and development. Open tendering system which is more open is the likely cure for such situations.

#### *4.3.9 License Registry*

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

Section 103(2) of Act 703 requires that the register be open to public inspection on payment of a prescribed fee and members of the public shall upon request to the Commission and on payment of the prescribed fee, be given a copy of the records.

Pursuant to Sections 103 and Section 8 (1) of Act 703, the Minerals Commission delineates and holds a registry of blocks of concessions being surface of the Earth divided in accordance with the co-ordinates represented in the official maps of Ghana at a scale of 1:50,000 or as stipulated by Section 8(3) fractions of blocks.

##### *4.3.9.1 On line Register*

As at the end of 2015, the Minerals Commission has not introduced on-line register for mining licence holders in the country since the Commission is yet to introduce a computerised cadastral system in its operations. The Commission was working on this and plans to introduce the cadastre system for easy and comprehensive reference in the foreseeable future<sup>6</sup>.

For the listing of major mining lease holders and relevant concession data please see the *Table 4.4 below*

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<sup>6</sup> At the time of compiling this report, an online cadastre system has been launched: see <http://ghana.revenuesystems.org>

Table 4.4 Major mining lease holders in 2015

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

In accordance with Section 8, of Act 703, the Mining Registry is open to the public. The information recorded in the registry is public and could be accessed upon payment of a minimal fee.

*4.3.9.2 Legal or practical barriers:* There are no legal barriers to the comprehensive disclosure of information on the register. The GHEITI Bill has provisions on the promotion of information transparency by all extractive companies.

Section 20(2) of the Minerals and Mining Act, 2006 enjoins holders of minerals rights to grant the public access to information, the records, documents and reports furnished or attained shall be made available for inspection and copy by the public,

Section 20(3) stipulates that nothing prohibits the disclosure of confidential information (a) where the disclosure is necessary for the purposes of this Act or an enactment

## **4.4 Contracts**

### *4.4.1 Government Disclosure Policies and Practices*

The Ministry of Lands and Natural Resources does not have contract disclosure practice. The Ministry does not have any plan of disclosing contracts in the future as a policy.

### *4.4.2 Model Contract disclosures*

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

### *4.4.3 Company Disclosure Policies and Practices*

Security laws and regulations affect contract disclosures of foreign companies. Stock Exchanges require disclosure, in various forms, of “material contracts” or “material transactions.”

Large scale mining companies which are covered in the 2015 Reconciliation are publicly listed in home countries and the Ghanaian stock exchanges and have terms of contract/licence publicly accessible.

Some mining Contracts are publicly displayed by a non- governmental organization African Centre for Energy Policy (ACEP)

The following eight contracts have been displayed by ACEP

1. Xtra Gold Mining Limited  
<https://new-acep-static.s3.amazonaws.com/contracts/XTRA+GOLD+MINING+LIMITED.pdf>
2. Revised Investment Agreement Between Ghana And Newmont  
<https://new-acep-static.s3.amazonaws.com/contracts/revised+investment+agreement+ghana+and+newmont.pdf>

3. Nsuta Gold Mining  
<https://new-acep-static.s3.amazonaws.com/contracts/Nsuta+Gold.pdf>
4. Newmont Golden Ridge Agreement 2015  
<https://new-acep-static.s3.amazonaws.com/contracts/Newmonts+new+Agreement.pdf>
5. Central Ashanti Gold Limited December 2009  
<https://new-acep-static.s3.amazonaws.com/contracts/central+ashanti+gold.pdf>
6. Newmont Golden Ridge Limited  
<https://new-acep-static.s3.amazonaws.com/contracts/akyem+mining+leases.pdf>
7. Asanko Mining Limited 2008  
<https://new-acep-static.s3.amazonaws.com/contracts/ASANKO+MINING+LIMITED.pdf>
8. Adamus Resource Limited  
<https://new-acep-static.s3.amazonaws.com/contracts/adamus+resource+limited+mining+lease.pdf>

**4.4.4 Legal Provisions:** Section 20 (1) of the Minerals and Mining Act, 2006 stipulates that records, documents and information on mineral rights shall be accessed the public as long as the holder or the holder's successor-in-title retains the mineral right. Such information on mineral rights shall be made available for inspection and copy by the public

Act 703 has provisions and objectives which are intended to promote contract disclosure. Hence there are no barriers to the disclosure of contracts in the mining sector.

**4.4.5 Disclosure practice:** There is no government's policy on disclosure of mining contracts.

**4.4.6 GHEITI Plans:** There is no known timeframe for the publication of mining contracts.

#### **4.4.7 Stability agreement**

Section 48 (1) of Minerals and Mining Act, 2006 enjoins the minister as a part of a mining lease to enter into a stability agreement with the holder of the mining lease, to ensure that the holder of the mining lease will not, for a period not exceeding fifteen years from the date of the agreement be (a) adversely affected by a new enactment (b) adversely affected by subsequent changes to the level of and payment of royalties, taxes, fees and other fiscal imports, and laws relating to exchange control, transfer of capital and dividend remittance.

#### **4.4.8 Development agreement/Investment Agreements**

In 2012, corporate income tax was increased from 25% to 35%, eliminated the National Fiscal Stabilization Levy, and changed capital allowances to 20% over 5 years from the previously allowed 80% deduction in year one and then 50% per year on the remaining balance

In 2012, the government of Ghana established a Mining Review Committee to review fiscal regimes and mining agreements with a view to ensuring that Ghana benefits adequately and fairly from the mining sector.

Subsequently, in December 2015, Parliament ratified the Revised Investment Agreements with key changes including a change in tax stabilization from life of mine to 15 years from commercial production for each mine. After the stability period expires, an extension is possible if the Company commits to invest at least \$300m per mine in mining projects.

Section 49 (1) of Act 703 also stipulates that the Minister may enter into a development agreement under a mining lease with a person where the proposed investment by the person will exceed US\$ five hundred million.

#### *4.4.8.1 Status of Newmont Development Agreement as at Dec 2015*

In December 2003, Parliament ratified an Investment Agreement between Newmont and the government of Ghana which established a fixed fiscal and legal regime for the life of any Newmont project in Ghana. This entitled Newmont to pay corporate income tax not exceeding 32.5% and fixed gross royalties on gold production of 3.0% (3.6% for any production from forest reserve areas). The government of Ghana was also entitled to receive 10% of a project's net cash flow after investment had been recouped and could acquire up to 20% of a project's equity at fair market value on or after the 15th anniversary of such project's commencement of production.

The maximum corporate income tax rate remains at 32.5%. The Revised IAs introduced a sliding scale royalty system that is based on monthly gold prices. The rates range from 3% to 5% of revenues. The additional 0.6% for ounces mined in the forest reserve area, as described above, remains in effect

Ghana is also entitled to receive 1/9th of the total amount paid as dividends to Newmont shareholders. Advanced payments on these amounts of 0.6% of total revenues are paid to the government when the average quoted gold price exceeds \$1,300 per ounce within the calendar year. Source:

[http://s1.q4cdn.com/259923520/files/doc\\_financials/annual/2015/newmont-2015-AR.pdf](http://s1.q4cdn.com/259923520/files/doc_financials/annual/2015/newmont-2015-AR.pdf)

Newmont Ghana Gold Ltd and Newmont Golden Ridge Ltd were required to pay under section 6.7 (Payment of Prior year entitlements) and section 6.8 (Additional payment to be made to the Government).

A total of \$27.2m (US\$4m was in respect of NGRL) was paid to the Government of Ghana on 18<sup>th</sup> December 2015. \$15.2 million was in respect of the 10% government carried Interest (Prior years entitlements and \$12 million in consideration of exemptions from Taxes and Duties and the special treatment of certain items for tax purposes retained in the agreements.

#### 4.4.8.2 Gold Fields Development Agreement with Ghana Government

Gold Fields Limited has also concluded a development agreement with the Government of Ghana for both the Tarkwa and Damang mines. The highlights of the agreement include:

- ❖ A reduction in the corporate tax rate from 35.0% to 32.5%, effective 17 March 2016.
- ❖ A change in the royalty rate from a flat 5% of revenue to a sliding scale royalty based on the gold price (as per table below), with effect from 1 January 2017.

#### 4.4.9 Sliding Royalty Rate

Table 4.5: Sliding scale

Royalty Rate	Gold Price	Remark
3.0%	US\$ 0 – 1,300.00/oz	
3.5%	US\$ 1,300 – 1,449.99/oz	
4.0%	US\$ 1,450 – 2,299.99/oz	
5.0%	US\$ 2,300/oz – unlimited	

The term of the agreement, effective from 17 March 2016, will be for a period of 11 years for Tarkwa and nine years for Damang, each renewable for an additional five years

Source: <https://www.prnewswire.com/news-releases/gold-fields-limited---development-agreement-concluded-in-ghana-573808531.html>

- ❖ Gold Fields also committed to fund the construction of the Damang-Tarkwa road.

#### 4.5 Beneficial Ownership

There is currently no publicly accessible beneficial ownership information on mining companies<sup>7</sup>

**4.5.1 Disclosure Practice:** Companies disclose their preliminary ownership structure in their Annual Reports but usually fall short significantly on actual beneficially ownership.

**4.5.2 Plans & GHEITI Roadmap on Beneficial Ownership:** The Registrar General's Department (RGD) will update the existing company's registration forms to include a section on Beneficial Ownership and keep a register of beneficial owners.

GHEITI will also continue to collect beneficial ownership information from companies and other government stakeholders, if available until the abovementioned mechanism becomes fully operational. Although the EITI Standard's deadline for beneficial ownership disclosure is 2020, GHEITI expect the RGD Beneficial Ownership disclosure mechanism to be fully operational before 2020.

GHEITI will ensure all data provided by companies in the interim are endorsed by company's senior official or a senior legal counsel.

<sup>7</sup> At the time of compiling this report the companies amendment Act has been passed. This Act lays a firm basis for collecting and maintaining a national database on beneficial owners and the nature of their interests in Ghana.

Details of the roadmap for the implementation of full beneficial ownership of extractive companies can be found at GHEITI website.

[https://eiti.org/sites/default/files/documents/ghanas\\_eiti\\_beneficial\\_ownership\\_road\\_map.pdf](https://eiti.org/sites/default/files/documents/ghanas_eiti_beneficial_ownership_road_map.pdf)

## 4.6 State Participation

### 4.6.1 Government Interest in Mining

The government of Ghana retains a non-contributing shareholding of 10% equity (free carried) in mining entities.

Section 43(1) of the Minerals and Mining Act, 2006 (Act703) 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.

However this may be altered in some situations. For example the government has no shareholding in any of Newmont Corporation's two mines in Ghana, i.e. Newmont Golden Ridge Ltd (Akyem Mine) and Newmont Ghana Gold Ltd (Ahafo Mine (see Table 4.6).

In the case of AngloGold Ashanti operations in Ghana, the Ghana government has its equity shareholding in AngloGold Ashanti (international). As at the end of 2015, the government of Ghana's shareholding stood at 1.57%<sup>8</sup>.

The government is however not precluded from any other or further participation in mineral operations that may be agreed with the holder. In 2015 Government has the following non-contributing shareholdings in mining companies. (*See Table 4.6*)

Table 4.6 Government shareholding in Mining companies

Company	% Share	Dividend Payment in 2015
AngloGold Ashanti (Obuasi) Limited <sup>9</sup>	0	NIL
AngloGold Ashanti Iduapriem Limited <sup>10</sup>	0	NIL
Adamus Resources Limited	10	NIL
Golden Star Wassa Limited	10	NIL
Golden Star Bogoso Prestea Limited	10	NIL
Gold Fields Ghana Limited	10	Dividend paid
Abosso Goldfields Limited	10	NIL
Chirano Gold Mines Limited	10	NIL
Newmont Golden Ridge Limited <sup>11</sup>	0	NIL
Newmont Ghana Gold Limited	0	NIL
Ghana Bauxite Company Limited	20	NIL
Ghana Manganese Company Limited	10	Dividend paid
Perseus Mining (Ghana) Limited	10	NIL
Prestea Sankofa Gold Limited	10	NIL
Mensin Gold	10	NIL
Med Mining	10	NIL
Owere Mines	10	NIL

#### 4.6.2 Special Share

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

The Special Share right has not been exercised and was not applicable in 2015. The free carried interest is separate from the right to a special share. The Government is entitled to the free carried interest and the special share is required to be issued, when called for.

#### 4.6.3 Mining SOE in Ghana

1. Precious Mineral Marketing Company though not into active mining provides marketing outlets for small-scale miners in Ghana is classified by the State Enterprises Commission as a State Owned Enterprise in mining.
2. Prestea Sankofa Limited a subsidiary of GNPC is engaged in mining and treatment of tailings from large and small-scale mining enterprises.

<sup>10</sup> As at the end of 2015, Ghana Gov't share in AngloGold Ashanti (international) was 1.57%. Source: AngloGold 2015 Annual Report [https://thevault.exchange/?get\\_group\\_doc=143/1502782044-2015Intergratedreport.pdf](https://thevault.exchange/?get_group_doc=143/1502782044-2015Intergratedreport.pdf)

<sup>11</sup> Newmont has 100% shareholding in Ahafo Mine and Golden Ridge per their investment Agreement.: MOF SOE Annual Report

#### 4.6.3.1 SOE Governance

Multiple institutions including the Ministry of Finance, the State Enterprises Commission (SEC) and sector Ministries manage government's ownership interests in mining companies.

The SEC was established in 1987 under PNDC Law 170, to fill the role of a central agency with oversight responsibility for Government's interests in SOEs.

#### 4.6.4 Financial Management of SOE.

At the end of 2015, a draft bill on public financial Management was under review and has been subjected to public consultation.

#### 4.6.5 Fiscal Support to the SOE

Government as part of its efforts to support the SOE sector including mining and make them more efficient in their service delivery, has in the past provided guarantees and subsidies to SOEs as well as borrowed on behalf of the SOEs and on-lent to them. (Source: SOE Annual Report, 2016)

#### 4.6.6 Transfer of Dividend and Surpluses to GoG

Government, as a shareholder, expects SOEs to pay dividend and/ or surplus. For PMMC, the payment of dividend/ surplus is a key indicator of their performance under SEC's current performance monitoring system.

However, PMMC has recorded consistent losses in 2014 and 2015, making it impossible for them to pay dividend or surplus to Government.

#### 4.6.7 Precious Mineral Marketing Company

The PMMC was established in 1963 with the responsibility for the purchase and marketing of the country's diamonds. In 1965, by Legislative Instrument (LI) 401, the Company was incorporated as a State Owned Enterprise (SOE). In 2000, it was converted by Act 461 to a Limited Liability Company as Precious Minerals Marketing Company Limited.

The Precious Minerals Marketing Company (PMMC) Limited buys and sells precious minerals such as diamonds and gold. To develop and add value to the jewelry industry in Ghana, the PMMC does manufacture jewelry mainly in Traditional African designs.

The authorized businesses of PMMC are:

- ❖ To grade, assay, value and process precious minerals;
- ❖ To buy and sell precious minerals;
- ❖ To appoint licensed buyers for the purchase of precious minerals produced by small – scale miners;
- ❖ To promote the development of precious minerals and the jewelry industry in Ghana.

- ❖ To do all such things as are indicated or conducive to the attainment of its objectives and functions.
- ❖ To export gold on behalf of third parties for a commission.

**Currently, the company has discontinued the purchase and export of gold thus concentrating on the assay of licensed gold miners' exports.**

Government of Ghana is the only shareholder with 100% shareholding.

*4.6.7.1 Governance:* The Company's Board comprised of six (6) members. The senior management team of the company was made up 7 people.

#### *4.6.7.2 Financing*

The PMMC over the three years financed its operations mainly with short term bank facilities as its current assets were woefully inadequate to meet the growing short-term obligations. This was further aggravated by the adverse gearing. The company pays an amount of GHS 880,000 per month as interest on overdraft facilities.

There was a decline in gold exports as recorded by PMMC, rough diamond exports, jewellery sales and polished diamond sales attributed to PMMC's deemphasizing its gold purchase and export operations, fluctuations in world market prices for rough diamond, introduction of 3% withholding tax, shut down of the jewellery department and lack of funds to import bigger polished diamond stones. (*Source: SOE Annual Report, 2016*)

The strategies adopted by the company to address the challenges include:

- a) Exploring the possibility of securing long term capital to forestall the company's reliance on short term facilities which leads to high finance costs;
- b) Entering into a joint agreement with an investor, Aditan Enterprise from Indian to expand and enhance their jewellery operation;
- c) Adopting prudent cost control measures to increase profitability;
- d) Lobbying for the Assay of large scale gold mining companies to be undertaken at the National Assay Centre managed by PMMC.

*Table 4.7 Financial Standing of PMMC (2014-2015)*

Indicator	2015 (GHC'million)	2014(GHC'million)
Revenue	52	136
Net Profit	(20)	(7)
Total Assets	39.0	50.0
Current Assets	13	22
Current Liabilities	44	35
Total Liabilities	48	38
Equity	(9)	12

The financial activities of the PMMC shall be reconciled in the 2015 report but its payments to the government shall not be reconciled as it is not a mining company by the definition of EITI (i.e. not engaged in removing materials from the earth crust)

#### *4.6.8 Prestea Sankofa Gold Limited*

Prestea Sankofa Limited was incorporated in 1994. The Company is now essentially a Ghanaian gold mining company extracting gold mainly from old tailings and waste ore dumped as a result of 100 years mining activity in the Prestea Gold belt.

Prestea Sankofa Gold is a 90% owned subsidiary of GNPC which is a state owned enterprise in the energy sector and also Ghana's national oil company (NOC). Challenges have resulted in operational shut down since second half of 2017.

*4.6.8.1 Governance:* Prestea Sankofa has mine site management structure as well as skeletal staff at its head office in Accra. Major decisions bordering on corporate governance are carried out by GNPC general management.

#### *4.6.8.2 Financing*

Prestea Sankofa is financed through short and medium term support from financial institutions. On occasion its parent company GNPC secures long term financing for its operations.

As at Dec 2015, an amount of GHS 6,480,923 which relate to a long term loan granted to Prestea Sankofa Gold Ltd, by its bankers repayable over a sixty- month period secured by the subsidiary's landed property, plant and machinery, vehicles is outstanding in the books of its parent company GNPC.

The activities of Prestea Sankofa had been reported and reconciled.

*4.6.8.3 Retained Earnings:* Prestea Sankofa Ltd has not declared dividend for the past three years due to operational difficulties.

*4.6.8.4 Related party transaction:* An outstanding balance at the December 2015 of GHS 2.4m for Prestea Sankofa Gold Ltd can be found in the books of its parent company GNPC. This is unsecured, interest free and settlement occurs in cash. (Source: GNPC 2015 Audited Accounts)

*4.6.8.5 Changes in ownership during 2015:* There was no change in the ownership structure of Prestea Sankofa Ltd.

#### *4.6.8.6 Loans & Loan Guarantees*

An amount of GHS 6,480,923 relating to a long term loan granted to Prestea Sankofa Gold Ltd (PSGL), by its bankers repayable over a sixty-month period.

## 4.7 Overview of Artisanal and Small Scale Mining (ASM) in Ghana

ASM is one of the most complex economic sectors in Ghana. It is largely informal and unstructured. ASM gold and diamond Exports in 2015 was about US \$1.2bn. It contributed an impressive 11.6% of the total Merchandise Export in 2015.

Table 4.8 ASM's Contribution to National Exports (US \$ 000)

Item	2010	2011	2012	2013	2014	2015
<b>A. Total Merchandise Export</b>	7,960.09	12,785.4	13,541.4	13,017.8	12,983	10,356
<b>B. Minerals Export</b>	4,900	5062.8	5768.8	5138.89	4,516	3,,322
<b>C. ASM Export</b>	951.2	1,553.64	2,283.3	1,919.9	1,913 <sup>12</sup>	1,204
<b>ASM % (Mining Sector) (C/B)</b>	19.4	30.6	39.5	37.4	42.3	36.2
<b>ASM % (Total Exports) (C/A)</b>	<b>11.9</b>	<b>12.2</b>	<b>16.9</b>	<b>14.7</b>	<b>14.7</b>	<b>11.6</b>

Source: Minerals Commission/Bank of Ghana/Boas

Diamond revenues have persistently reduced from \$15m in 2011 to a paltry \$4.2m in 2015. Gold Revenues from ASM was \$1.2m in 2015

Table 4.9 ASM Gold and Diamond Production & Revenue (2007-2015)

Year	Gold Output ( oz)	Gold Revenue (US \$ m )	Diamond (ct)	Revenue (US \$)
<b>2007</b>	388,594	270.22	865,610	27,860,000
<b>2008</b>	418,943	365.30	624,870	20,000,000
<b>2009</b>	555,737	540.37	367,060	7,320,000
<b>2010</b>	767,196	939.45	324,220	11,780,000
<b>2011</b>	978,611	1,537.91	281,240	15,740,000
<b>2012</b>	1,495,329	2,272.14	194,947	11,163,106
<b>2013</b>	1,578,441	1,912.43	160,622	7,563,562
<b>2014</b>	1,512,515	1,913.33	203,606	9,100,000
<b>2015</b>	1,031,176	1,199.46	115,731	4,220,000

Source: Minerals Commission

### 4.7.1 ASM Laws and Regulations

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

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

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

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

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

#### **4.7.2 ASM Classification and Registration Criteria**

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

*Table 4.10 Small -scale Mining Regulatory Framework*

#### **General Mining Laws**

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

Internal Revenue Act 2000 (Act 592)

#### **Regulations**

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

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

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

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

Mining Explosives Regulations, 2012 (L.I 2177)

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

Precious Minerals Marketing Corporation Law, 1989 (PNDCL 219)

Minerals Commission Act, 1993 (Act 450)

Environmental Protection Agency Act, 1994 (Act 490)

Water Resources Commission Act, 1996 (Act 552)

The Constitution, 1992

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

Code of Practice for Small-scale Gold-mining Operations

Ghana's Mining and Environmental Guidelines

#### **4.7.3 Licensed Gold Buying Agreements**

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

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

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

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

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

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

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

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

The District Chief Executive causes a publication of the application to be made at the offices of the District Assembly, the Local Information Centre, Post Office, Magistrate Court and such other places as may deem necessary for a period of 21 days. This is to afford the chiefs, land owners and the general public in the host area the opportunity to examine the application and to respond. The District Chief Executive or representative is also required by Act 703 to serve as the chairperson of the District Small Scale Mining Committee established in all small scale mining areas in Ghana.

#### *4.7.6 ASM Fiscal Regime*

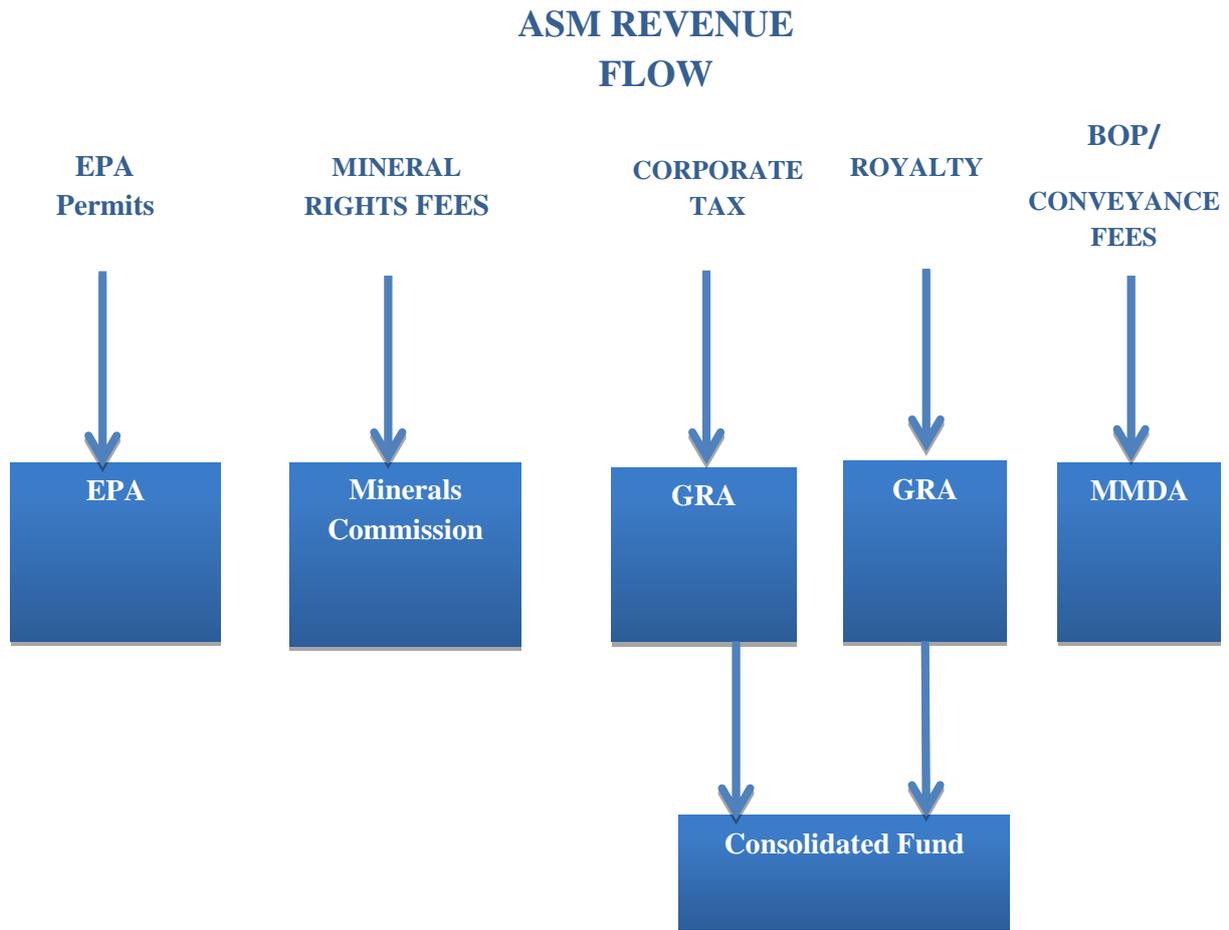
*Table 4.11: Summary ASM Fiscal Regime*

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

#### *4.7.7 Collection Agencies & Revenue flow*

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

Fig. 4.1 ASM Revenue Flow



## 5.0 EXPLORATION, PRODUCTION AND EXPORTS

### 5.1 Exploration – New Projects

1. The **Homase/Akrokerri** project located near AngloGold Ashanti's Obuasi mine is owned by GoldStone an AIM listed exploration company. The JORC compliant gold resource for the **Homase/Akrokerri** project presently is 602,000 ounces at an average grade of 1.77 grams per tonne and includes 100,000 ounces in oxide material.

Together the Akrokeri and Homase permits cover an area of approximately 83.24 square km GoldStone holds a 90% economic interest in the Homase license and a 100% interest in the Akrokeri Licence.

2. Castle Peak Mining Ltd. (TSX-V: CAP), a Canadian-based explorer has published an inferred mineral resource estimate of 275,000 tons at 8.6 g/t Au for a total of 76,000 contained ounces.
3. Phase 2 expansion will integrate the Esaase deposit with the Phase 1 Obotan project to create one large, multi-pit mine producing an average of 411,000 ounces of gold over a 10.5 year Life of Mine.
4. Azumah Resources Limited is a Perth-based, ASX-listed (ASX: AZM) exploration company focused on a new and highly prospective gold province in the Upper West Region of Ghana, West Africa.

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

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

Table 5.1 Prospective Mining Projects in 2018-2019

No	Company Name	Tonnage	Grade (g/t)	Contained gold (oz.)	Mine Life (yrs.)		
		Measured & Indicated (MT), cu.m*				2018	2019
1	Azumah Resources	6,800,000	2	429,000.00	10	21,450.00	42,900.00
2	Adansi Gold (Nkran)	30,300,000	2.3	2,250,000.00	10	90,000.00	225,000.00
3	GCDGL*	6,290,996		98,012.51	5	9,801.25	19,602.50
4	Narawa*	855,720		40,830.00	5	4,083.00	8,166.00
5	Bugudon*	804,438	0.4	10,345.00	5	1,034.50	2,069.00
6	Dharani*	5,200,000	0.65	108,669.00	6	9,055.75	18,111.50
7	Lali*	855,720	1.53	42,749.00	6	3,562.42	7,124.83
8	Pallazzo*	3,900,000	0.4	50,567.00	8	3,160.44	6,320.88
9	Romex*	5,200,000	0.4	65,834.00	7	4,702.43	9,404.86
10	Soon Mining*	6,500,000	0.37	85,264.00	7	6,090.29	12,180.57

Table 5.1 Prospective Mining Projects in 2018-20119

No	Company Name	Tonnage	Grade (g/t)	Contained gold (oz.)	Mine Life (yrs.)		
		Measured & Indicated (MT), cu.m*				2018	2019
11	Ultimate Mining*	3,719,000	0.627	74,969.50	8	4,685.59	9,371.19
Total				3,281,315.01		158,879.41	362,758.83

Source: Minerals Commission

## 5.2 Development projects – Producing Companies

### 1. Newmont Ahafo Mine

Ongoing development projects include Subika Underground, Ahafo Mill Expansion, Ahafo North and Apensu Deeps. The Subika Underground is currently in Definitive Feasibility Study Stage and is being evaluated for full funds approval in the second half of 2016. The Ahafo Mill Expansion has the potential to expand the existing plant by 3.2 million tonnes per year through the installation of a new crusher, coarse ore stockpile, a single stage SAG mill and two leach tanks.

The expansion would maximize synergies between the Ahafo Mill expansion and Subika underground project at Ahafo and allow for a staged execution approach.

There is opportunity for Apensu Deeps to develop into an independent underground mine leveraging existing and planned infrastructure as well as site and regional overheads.

### 2. Newmont Golden Ridge Ltd

Exploration efforts at Akyem are focused on defining the extension of the known mineralization below the planned pit shell. As at December 31, 2015, Akyem reported 3.7 million ounces of gold reserves.

### 3. AngloGold Ashanti Obuasi

No exploration was conducted at Obuasi Mine. Development of a decline from surface to the existing underground mining blocks progressed. This decline is expected to allow development of the infrastructure necessary for the mechanization of operations and to debottleneck the mine. By year end, the decline had reached an overall distance of 3,000m, allowing access to Sansu 3 and Block 8L, from where the bulk of early ore extraction is expected to be done once operations resume. Work continued on a feasibility study into the redevelopment of the mine.

### 4. AngloGold Ashanti Iduapriem

Exploration at Iduapriem Mine during the first half of the year focused on Mineral Resource infill drilling at Block 5 to upgrade the Inferred Mineral Resource to Indicated. Reconnaissance exploration (soil geochemistry, mapping and limited trenching) was also completed over the Bankyem, Mile 5 and Ajopa northwest targets. In the latter half of 2015, drilling was initiated at Bankyem, Block 4S and Mile 5. A total of 6,924m drilling was completed in 2015.

## 5. Goldfields Damang

During 2015, infill drilling was completed at Huni-Saddle Bridge, Amoanda, Tomento North and Tamang with extensional drilling done at Juno East. Updates on the Damang Complex, Rex, Amoanda and Tomento North models were completed. The Damang Complex model was updated based on new drilling information, as well as reinterpretation of the existing five fault block model into six fault blocks.

A comprehensive reassessment of the site's full potential was initiated late in 2015 to identify the best option to take the mine forward to meet the Group's strategic targets. The review identified that the future of Damang had to return focus on the higher-grade core of the Main Damang ore body, where grades of more than 2g/t have been mined historically.

## 6. Goldfields Tarkwa

Brownfield exploration focused on the search for oxide ore sources, hydrothermal style mineralization and additional palaeoplacer opportunities – PFS on the Kobada Hill hydrothermal prospect could lead to a starter pit in H2 2017.

The current Life of Mine extends to 2031 (15 years).

## 7. Golden Star Wassa Ltd

Wassa Underground has exploration upside through extension drilling of B Shoot North, step out drilling on B Shoot South, step out drilling on the 242 Trend and the extension of the F Shoot. This work is expected to increase the mine life of Wassa Underground in the short, medium and long term.

## 8. Golden Star Prestea/Bogoso Ltd

Prestea Underground has exploration upside through the extension and definition of the West Reef ore body, with the objective of increasing the supply of high grade ore to the processing plant in the near term. Other focuses of the exploration program include initial testing of the Main Reef and South Gap areas, which have the potential to add ore to the mine plan in the medium to long term.

## 5.3 Production

The year 2015 witnessed a mixed performance in the production of the traditional minerals. Gold and Diamonds production witnessed a significant fall whilst manganese and bauxite saw increases in production. A total of 3,623,740 ounces of gold was produced representing 18.96% decrease over 2014 production of 4,471,573 ounces. The reduction in production is partly due to suspension of mining activities by AngloGold Obuasi; general price decline in gold prices; persistent power outages and its consequential impacts on the cost of doing business in Ghana.

Small scale miners' contribution to total national production amounted to 1,031,176 ounces (28.46%). The reduction in production was mainly attributed to the poor performance of the gold price on the world market during 2015.

Diamond production for the review year was 174,364 carats. This represents a significant decrease of 27.72% over 2014 figure of 241,235 carats.

In 2015, 1,014,605 metric tonnes of bauxite was produced compared to 798,114 metric tonnes in 2014. This represents an increase of 216,491 metric tonnes (27.13%) over the previous year.

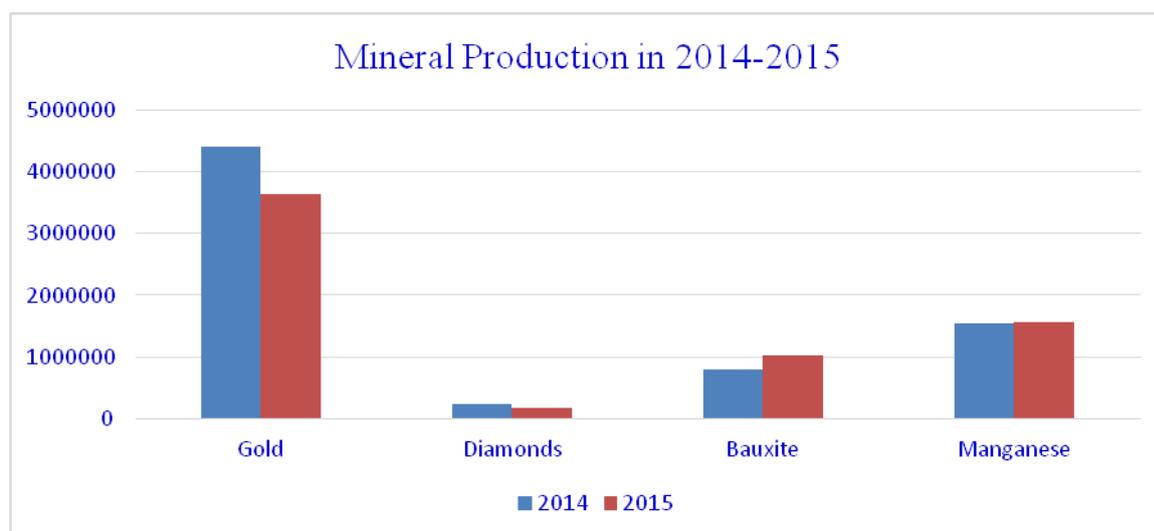
Manganese production also increased marginally by 2.01%, from 1,531,394 metric tonnes in 2014 to 1,562,769 metric tonnes in 2015.

Table 5.2 Production figures for 2013-2015

Mineral	2013 Volume	2014 Volume	2015 Volume	2015 Value (\$'000)
<b>Gold (oz)</b>	4,396,897	4,397,304	3,623,740	4,187,537
<b>Diamond(ct)</b>	160,821	241,235	174,364	6,314.64
<b>Bauxite(mt)</b>	908,586	798,114	1,014,605	41,060.00
<b>Manganese(mt)</b>	1,724,417	1,531,394	1,562,769	69,236.93

Source: Minerals Commission/Boas

Fig. 5.1 Mineral Production in 2014-2015



## 5.4 Exports

In 2015 Gold exports realised \$ 3,212million. Diamond exports dipped in 2015 to \$4.22. However, Bauxite exports increased appreciatively to \$ 41.06 million in 2015

Table 5.3 Mineral Exports in 2015

Mineral	2015 Export Volume	2015 Export Value(\$'m)
<b>Gold</b>	2,761,844	3,212.59
<b>Diamond</b>	115,731	4.22
<b>Bauxite</b>	1,026,251	41.06
<b>Manganese</b>	1,197,049	64.75

Source: Minerals Commission

### 5.4.1 Merchandise Exports

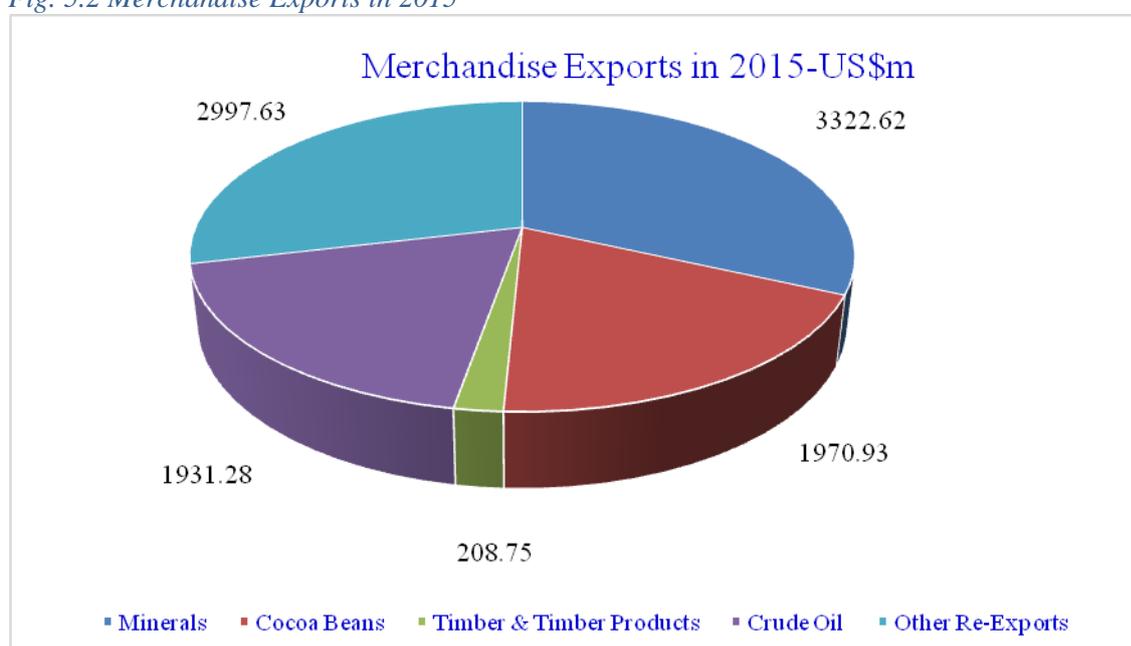
Minerals exports, principally gold accounted for 31.8% of the total Merchandise Export in 2015

Table 5.4 Total Merchandise Exports in 2015

Commodity	2015		
	Volume(T)	Value(\$m)	% of Export Totals
<b>GOLD(oz)</b>	2,761,844	3,212.59	30.8
<b>Other Minerals</b>		110.03	1.05
<b>Total Minerals</b>		3,322.62	31.8
<b>COCOA BEANS</b>	666,521	1,970.93	18.9
<b>TIMBER &amp; TIMBER PRODUCTS</b>	359,127	208.75	2.0
<b>CRUDE OIL</b>	<b>37,167,225</b>	<b>1,931.28</b>	<b>18.5</b>
<b>OTHER EXPORTS</b>		2,997.63	28.7
<b>TOTAL</b>		<b>10,431.21</b>	<b>100</b>

Source: Bank of Ghana

Fig. 5.2 Merchandise Exports in 2015



## 6.0 REVENUE COLLECTION

### 6.1 Revenue Flow within the Mining Sector

Table 6.1 Revenue flow in Mining Sector

Paying Entity	Type of Payment	Receiving Entity
Mining Companies	Mineral Rights Fees (Reconnaissance; Exploration and Mining Lease Fees); Mining operating permit	Minerals Commission
	Mineral Royalty, Corporate Tax; Withholding Tax; Pay-As-You-Earn; ; Value Added Tax; Import Duty, Capital Gain tax and Stamp Duty; Customs Processing Fee ,Destination Inspection Fee. Mgt & Tech Services,	Ghana Revenue Authority
	Registration Fees	
	Other Royalties	
	Gift Tax	
	Dividend Tax	
	Interest Tax	
	Commission Tax	
Property rate	District Assemblies	
Ground rent	OASL	
Dividends	Non Tax Revenue Unit (Revenue Policy Division), Ministry of Finance	
Environmental Permitting Fees Processing fees	Environmental Protection Agency(EPA)	

The Agencies and revenues collected are indicated in *Table 6.1*

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

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

**6.1.3 Mineral Royalty** is first paid into the consolidated Fund. 20% of the mineral royalty receipts is thereafter released to the Minerals Development Fund and the OASL. (*See Table 6 and Section on disbursements*). The remaining 80% stays in the consolidated fund.

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

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

Detailed explanation of the revenue streams are indicated in *Table 5.2* below.

*Table 6.2 Major Revenue Streams existing in 2015*

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

5	<i>Mineral Royalty</i>	<p>It is a production based tax which is levied on the basis of Section 25 of the Minerals and Mining Act, 2006; ACT 703 which states that ‘A holder of a mining lease, restricted mining lease or small scale mining licence shall pay royalty that may be prescribed in respect of minerals obtained from its mining operations to the Republic, except that the rate of royalty shall not be more than 6% or less than 3% of the total revenue of minerals obtained by the holder.’</p> <p>An amendment to section 25 of ACT 703; passed in March 2010, provided royalty payment at 5% of the gross revenue of minerals mined.</p> <p>Mining Companies are liable to pay royalties immediately they commence mineral production in the country.</p> <p><b>Forestry Mineral Royalty:</b> Companies operating in the forest reserves pay an extra 0.6% of gross revenue of minerals won to the Forestry Commission.</p> <p>Payment of mineral royalties is made quarterly by all Mining Companies.</p> <p>The Minerals and Mining (Amendment) Law, 2014, now provides for royalty rate as stipulated in regulations.</p>
	<i>Ground Rent</i>	<p>This is the annual payment made by mining companies and other companies to the owners of the land.</p> <p>The participating mining companies operate on stool lands and therefore pay their ground rent to the Office of the Administrator of Stool Lands.</p> <p>The amount payable as ground rent depends on the size of the concession.</p>
7	<i>Property Rate</i>	<p>Property rates as the name indicates are levies that are imposed on buildings, and plants that are fixed to the ground.</p> <p>Property rates are determined by the District Assemblies after applying a formula (Rate impost) to valuation figures.</p> <p>The valuation figures for properties are determined by the District Valuation Board with approval from the Regional Valuation Board.</p> <p>The District Assemblies collect property rates directly from the mining companies.</p> <p>Some mining companies divide the amount payable into four parts and pay in four installments.</p> <p>District Assemblies apply property rates from mining companies as internally generated funds. It is generally used for recurrent expenditure</p>
8	<i>Corporate Tax</i>	<p>Corporate tax is currently fixed at 35% of Net Profit. All the mining companies under consideration are on self-assessment.</p> <p>Self-assessed companies are allowed to forecast their profits for the year and</p>

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

## 7.0 RECONCILIATION

### 7.1 Scope of the 2015 GHEITI Mining Report

The IA conducted a scoping study that outlined the scope of Ghana's 2015 EITI Report. Among other things, it provided alternatives for the MSG to select the materiality threshold for participating in the reconciliation exercise, the revenue streams that were used to establish the materiality thresholds, the government Agencies that received the revenues, as well as the processes involved in ensuring the credibility of the data to be used for reconciliation.

#### 7.1.1 Materiality

**The participating entities included all producing mining companies with large-scale mining leases, which paid a minimum of 5 million Ghana cedis in 2015.**

In determining the materiality for the mining sector, indirect payments such as withholding taxes, PAYE and VAT were excluded, as they are payments made by extractive companies on behalf of others.

Additionally the IA did not include the following revenue streams in the determination of materiality, as disaggregated data could not be obtained. The revenue streams are Capital Gain tax, Stamp Duty; Customs Processing Fee, destination Inspection Fee, Mgt & Tech Services, Registration Fees, Other Royalties, Gift Tax, Dividend Tax, Interest Tax Commission Tax, Rent Tax, Penalties, Airport Tax and N.F.S.L/N.R.L (Arrears).

The IA provided alternatives of the materiality thresholds (*See Table 7.2*) for the MSG. to choose from.

The alternatives for the determination of materiality were established from preliminary government receipts of **GHS877, 156,116.01**. (*See Tables 7.1, 7.2 and Appendix 1*)

*Table 7.1 Payments used for establishing materiality threshold*

PAYMENT MADE TO GRA			
	Amount		%
	Paid/Received		
Corporate Tax	340,506,461.76		38.82
Mineral Royalty	479,296,718.95		54.64
<b>Total payment to government through non-tax revenue unit(MOF)</b>			
Dividend	49,036,071.52		5.59
Payment made to Minerals Commission from mining entities	8,316,863.78		0.95
<b>GRAND TOTAL</b>	<b>877,156,116.01</b>		<b>100.00</b>

Table 7.2 Threshold Analysis and companies for 2015

Threshold	Number of Companies	Coverage - Cumulative wt (%)	Comments
Amount>GHS50m	4	71.30%	
Amount>GHS30m	7	83.29%	
Amount>GHS20m	10	91.37%	
Amount>GHS10m	13	96.30%	Includes one service company
Amount>GHS5m	15	98.06%	Includes one service company

### 7.1.2 Benefit Streams

The revenue streams that were considered for reconciliation included the following: **Mineral Rights (Reconnaissance licence, Prospecting licence, Mining Lease); Ground rent, property rate; Mineral royalty; corporate tax; Dividend and Environmental permitting fees.**

### 7.1.3 Reporting Companies

Thirteen companies were selected based on the materiality threshold. Additionally Prestea Sankofa Gold Mine was requested to report as it is a state gold mining company (see Appendix 1).

### 7.1.4 Government Reporting Entities

*The following government entities were required to report.*

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

Table 7.3 Government Agencies and provision of relevant data

<i>Name of Organization</i>	<i>Data</i>	<i>REMARKS</i>
<b>Minerals Commission</b>	<ul style="list-style-type: none"> <li>➤ Mineral Right Licences (Reconnaissance; Prospecting: Mining Lease)</li> <li>➤ Production and other costs details of companies</li> </ul>	<i>Mineral rights received are used internally by the Commission</i>
<b>District Assemblies</b>	<ul style="list-style-type: none"> <li>➤ Property tax</li> <li>➤ Mineral royalty received/utilized.</li> </ul>	<i>Property rates used internally by Assemblies</i>
<b>Administrator of Stool Lands- Head office/Relevant Regional Offices.</b>	<ul style="list-style-type: none"> <li>➤ Ground Rent</li> <li>➤ Amount of Mineral Royalties disbursed to District Assemblies; Traditional Authorities and Stools.</li> </ul>	<i>Amount received distributed according to formula.(See Fig 3.1 On Revenue Flow.</i>
<b>Ghana Revenue Authority (GRA).</b>	<ul style="list-style-type: none"> <li>➤ Mineral Royalty</li> <li>➤ Corporate Tax</li> </ul>	<i>Amounts received are paid into the consolidated Fund. (Gov't Treasury)</i>
<b>Ministry of Finance(Non-Tax Revenue Unit)</b>	❖ Dividends	<i>Paid into Consolidated Fund</i>
<b>Ministry of Land and Natural Resources.</b>	❖ Mineral Development Fund.	<i>The Mineral Development Fund is 10% of royalty paid by Mining Entities.</i>

### 7.1.5 Sub-national (District Assemblies)

The following district Assemblies participated in the reconciliation exercise.

Table 7.4 District Assemblies of selected Mining Companies for 2015 Reconciliation

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

<sup>13</sup> Newmont Golden Ridge Ltd paid mineral royalty in 2014, but the disbursement of royalty in 2014 covered only 2012 payments.

## 7.2 REPORTING

### 7.2.1 Basis of Reporting/ Currency

The basis of reporting is cash or actual. Thus only payments/revenues actually made and received in 2015 were reconciled. The reporting currency is the local currency i.e. Ghana cedi (GHS). The exchange rate employed was US\$: GHS 1: 3.72

### 7.2.2 Auditing

The financial statements for 2015 for all the participating companies have been audited by Independent Auditors appointed by the companies. These auditors employed auditing standards issued by the International Auditing and Assurance Standards Board. The IA examined the audited financial statements of reporting companies.

None of the Auditors' statements was qualified.

The Auditor General of Ghana and the Audit Service had completed the audit of all participating government Agencies for 2015. <https://www.ghaudit.org/gas/site/reports>

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

The Audit Service monitors the use and management of all public funds and report to Parliament annually. (*See revenue allocation in section 8.0*)

## 7.3 Reconciliation Activities

Activities undertaken at reconciliation included;

### 7.3.1 Data Collection & Analysis

Due to time constraints, the MSG/EITI Secretariat assisted in the collection of templates.

### 7.3.2 Credibility of data

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

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

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

### 7.3.3 Data Reliability Check

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

- a) **Completeness:** Templates submitted by participating candidates were checked to ensure that all requisite responses have been thoroughly completed.
- b) **Relevance:-** Attached documentations such as receipts and schedules were checked for their relevance to figures and periods provided on the templates.
- c) **Correctness/accuracy:-** Figures provided in the templates were checked for correctness against receipts or other documentations provided. Also figures on receipts were summed up to ensure they tally with the figures provided in the templates. Financial statements of all the companies were examined to assure consistency of figures provided on templates.
- d) **Certification:-** Templates were checked to ensure that they have been properly endorsed by completing officers with appropriate signatories and official stamps.

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.

### 7.3.4 Investigation of Discrepancies

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

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

### 7.3.5 Level of disaggregation.

The 2015 Report data has been presented by individual mining companies, government and government agencies for all revenues streams material in the year. Secondly the data is represented by revenue streams to facilitate understanding of the individual contributions to the mining sub-sector.

Project level presentation has not been applied in 2015 as all producing and service companies were registered as single entities.

## 7.4 Results of Reconciliation

### 7.4.1 Companies

- ❖ All in-scope mining companies except Prestea Sankofa submitted templates<sup>14</sup>.
- ❖ All the government entities except EPA provided information for scoping. Minerals Commission and EPA did not submit templates.
- ❖ Submitted templates were properly signed and duly endorsed with company/ entity stamps.
- ❖ Most of reporting companies provided supporting documents.
- ❖ All the submitted templates passed the data reliability tests.

### 7.4.2 Unilateral declaration

Prestea Sankofa Gold Ltd did not provide any template. However payments made by the company have been unilaterally declared by government Agencies as follows;

*Table 7.5 Unilateral declaration*

Company	Received by GRA (GHS)	Received by Prestea Huni Valley District Assembly	Total
<b>Prestea Sankofa Gold Ltd</b>	<b>819,656</b>	<b>7,850</b>	<b>827,506</b>

Table 7.6 presents the reconciliation by revenue streams, whilst Table 7.7 shows the reconciliation by extractive companies.

<sup>14</sup> Prestea Sankofa stopped operations in 2017

Table 7.6 Reconciliation by Revenue Streams<sup>15</sup>

No.	Revenue Stream	Company			Government			Company	Government	Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final			over	(under)
<b>MINING</b>											
1	Mineral Right Licence	1,696,450	-	1,696,450	-	-	-	1,696,450	-	1,696,450	-
2	Property Rate	2,450,243	-	2,450,243	1,671,019	-	1,671,019	2,450,243	1,671,019	1,351,438	(572,214)
3	Ground Rent	5,141,185	-	5,141,185	5,750,627	-	5,750,627	5,141,185	5,750,627	647,652	(1,257,094)
4	Mineral Royalty	489,580,008	-	489,580,008	481,268,960	-	481,268,960	489,580,008	481,268,960	19,042,947	(10,731,899)
5	Corporate Tax	293,860,983	-	293,860,983	308,604,762	-	308,604,762	293,860,983	308,604,762	41,447,196	(56,190,975)
6	Dividends	17,685,000	-	17,685,000	49,036,072	-	49,036,072	17,685,000	49,036,072	-	(31,351,072)
7	Environmental Permit Fee	524,049	-	524,049	-	-	-	524,049	-	524,049	-
	<b>TOTAL</b>	810,937,918	-	810,937,918	846,331,439	-	846,331,439	810,937,918	846,331,439	64,709,732	(100,103,253)

<sup>15</sup> The detailed company by company reconciliation has been included in Appendix 6

Table 7.7 Reconciliation by Companies

No.	Revenue Stream	Company			Government			Company	Government	(Over)	under
		Initial Amount US\$	Resolved	Final	Initial Amount US\$	Resolved	Final				
<b>MINING</b>											
1	AngloGold Ashanti(Ghana) Ltd	13,764,000	0	13,764,000	13,670,849	0	13,670,849	13,764,000	13,670,849	935,561	(842,409)
2	AngloGold Ashanti (Iduapriem)Ltd	24,211,199	0	24,211,199	22,911,610	0	22911609.54	24211199	22911609.54	1,299,589	-
3	Adamus Resources(Ghana)Ltd	24,818,070	0	24,818,070	27,939,652	0	27939651.88	24818070	27939651.88	1,277,537	(4,399,119)
4	GSR(Wassa)Ltd	20,953,214	0	20,953,214	24,147,302	0	24147301.93	20953214	24147301.93	164,557	(3,358,645)
5	GSR(Prestea/Bogosu)	30,204,717	0	30,204,717	29,663,970	0	29663970.17	30204717	29663970.17	540,747	-
6	Gold Fields(Gh) Ltd	312,883,887	0	312,883,887	284,915,504	0	284915504.4	312883887	284915504.4	54,301,042	(26,332,660)
7	Abosso Goldfields Ltd	37,511,703	-	37,511,703	37,507,202	-	37,507,201.99	37511703	37,507,201.99	4,501	-
8	Chirano Gold Mines Ltd	133,810,703	0	133,810,703	135,452,245	0	135452244.6	133810703	135452244.6	425,140	(2,066,682)
9	Newmont Golden Ridge Ltd	52,136,784	0	52,136,784	52,341,307	0	52341307.24	52136784	52,341,307	27,851	(232,374)
10	Newmont Ghana Gold Ltd	104,049,959	0	104,049,959	156,137,204	0	156137204.5	104049959	156137204.5	637,046	(52,724,291)
11	Ghana Bauxite Co. Ltd	1,924,558	0	1,924,558	5,929,132	0	5929132.05	1924558	5929132.05	-	(4,004,574)
12	Ghana Manganese Co Ltd	11,532,162	0	11,532,162	17,621,620	0	17621620.06	11532162	17621620.06	-	(6,089,458)
13	Perseus Mining( Ghana) Ltd	43,136,962	0	43,136,962	38,093,842	0	38093842.34	43136962	38093842.34	5,096,162	(53,042)
14	Prestea Sankofa Gold Ltd	0	0	0	-	0	0	0	0	-	-
	<b>Total</b>	<b>810,937,918</b>	<b>0</b>	<b>810,937,918</b>	<b>846,331,439</b>	<b>0</b>	<b>846,331,439</b>	<b>810,937,918</b>	<b>846,331,439</b>	<b>64,709,732</b>	<b>-100,103,253</b>

## 7.5 Discrepancies

Discrepancies are differences between government receipts and company payments.. Discrepancies are positive (over) if for the same revenue stream, the amounts reported by a company exceed that reported by the government agencies as receipts. If the amount received by the government agencies exceeds payment by a company, the resulting discrepancy is negative (under).

In 2015, government receipts amounted to GHS 846,331,439 whilst company payments came to GHS 810,937,918 creating a net discrepancy of GHS -35,393,521 representing 4.18% of government receipts.

The unresolved discrepancy is shown in table 7.7 below.

Table 7.8 unresolved discrepancies

No.	COMPANY	Amount by which company declaration exceeds that by government	Amount by which declaration by government exceeds that by government
1	AngloGold Ashanti(Ghana) Ltd	935,561	(842,409)
2	AngloGold Ashanti (Iduapriem)Ltd	1,299,589	-
3	Adamus Resources(Ghana)Ltd	1,277,537	(4,399,119)
4	GSR(Wassa)Ltd	164,557	(3,358,645)
5	GSR(Prestea/Bogosu)	540,747	-
6	Gold Fields(Gh) Ltd	54,301,042	(26,332,660)
7	Abosso Goldfields Ltd	4,501	-
8	Chirano Gold Mines Ltd	425,140	(2,066,682)
9	Newmont Golden Ridge Ltd	27,851	(232,374)
10	Newmont Ghana Gold Ltd	637,046	(52,724,291)
11	Ghana Bauxite Co. Ltd	-	(4,004,574)
12	Ghana Manganese Co Ltd	-	(6,089,458)
13	Perseus Mining( Ghana) Ltd	5,096,162	(53,042)
	Total	<b>64,709,732</b>	<b>-100,103,253</b>

The causes of the discrepancies included the following:

1. Some companies such as AngloGold Ashanti (Obuasi), AngloGold Ashanti (Iduapriem) and Newmont Ghana Gold Ltd reported in US dollars without stating the cedi equivalent of the payments as indicated on receipts provided by the GRA. The GRA reported in cedis as indicated on receipts given to companies. The GRA did not provide the dollar amounts paid by companies.

The IA was therefore unable to reconcile the figures. The dollar to cedi exchange rate used 3.72.

- 2 There was no reporting by government agencies on specific revenue streams.eg mineral rights.

- 3 Some companies did not provide figures on actual basis. In some instances, such companies have accounting periods which did not coincide with the calendar year.

## 7.6 Contribution of Revenue streams to government receipts

The contribution of revenue streams to government revenues are shown below in *Table 7.9*

*Table 7.9 Contribution of Revenue Streams to government revenues (At EITI reconciliation)*

Revenue Stream	Amount(GHS)	Percentage (%)
Mineral Royalty	481,268,960	56.93
Corporate Tax	308,604,762	36.50
Property Rate	1,671,019	0.20
Ground Rent	4,848,706	0.57
Mineral Right Licence	0	0.00
Dividends	49,036,072	5.80
Environmental Permit Fee	-	0.00
<b>TOTAL</b>	<b>845,429,518</b>	<b>100</b>

## 7.7 Contribution of Company payments to revenue streams

The contribution of company payments to government receipts is shown below

*Table 7.10 Contribution of company payments to government receipts*

Company	Amount paid(GHS)	Percentage contribution (%)
Gold Fields(Gh) Ltd	284,915,504	34
Newmont Ghana Gold Ltd	156,137,204	18
Chirano Gold Mines Ltd	135,452,245	16
Newmont Golden Ridge Ltd	52,341,307	6
Perseus Mining( Ghana) Ltd	38,093,842	5
Abosso Goldfields Ltd	36,605,281	4
GSR(Prestea/Bogosu)	29,663,970	4
Adamus Resources(Ghana)Ltd	27,939,652	3
GSR(Wassa)Ltd	24,147,302	3
AngloGold Ashanti (Iduapriem)Ltd	22,911,610	3
AngloGold Ashanti(Ghana) Ltd	13,670,849	2
Ghana Manganese Co Ltd	17,621,620	2
Ghana Bauxite Co. Ltd	5,929,132	1
Prestea Sankofa	0	0

## 7.8 Coverage

Table 7.11 EITI reconciliation against total collection

		<b>Government receipts at EITI Reconciliation</b>	<b>Total collection</b>	<b>percentage %</b>
Mineral Right Licence		0	8,316,863.00	0
Property Rate		1,671,019	1,671,019	100
Ground Rent		4,848,706	4,848,706	100
Mineral Royalty		481,268,960	479,296,718.75	100
Corporate Tax		308,604,762	340,506,461.76	91
Dividends		49,036,072	49,030,071.52	100
Environmental Permit Fee		0	-	0
<b>TOTAL</b>		<b>845,429,518</b>	<b>883,669,840.04</b>	<b>96</b>

The coverage of the report is recorded as 96%. This is very high. This compares favourably with the cumulative percentage of 99% obtained for the companies during scoping. *See appendix 1.*

## 7.9 Effect of non submission of template by Prestea Sankofa Ltd

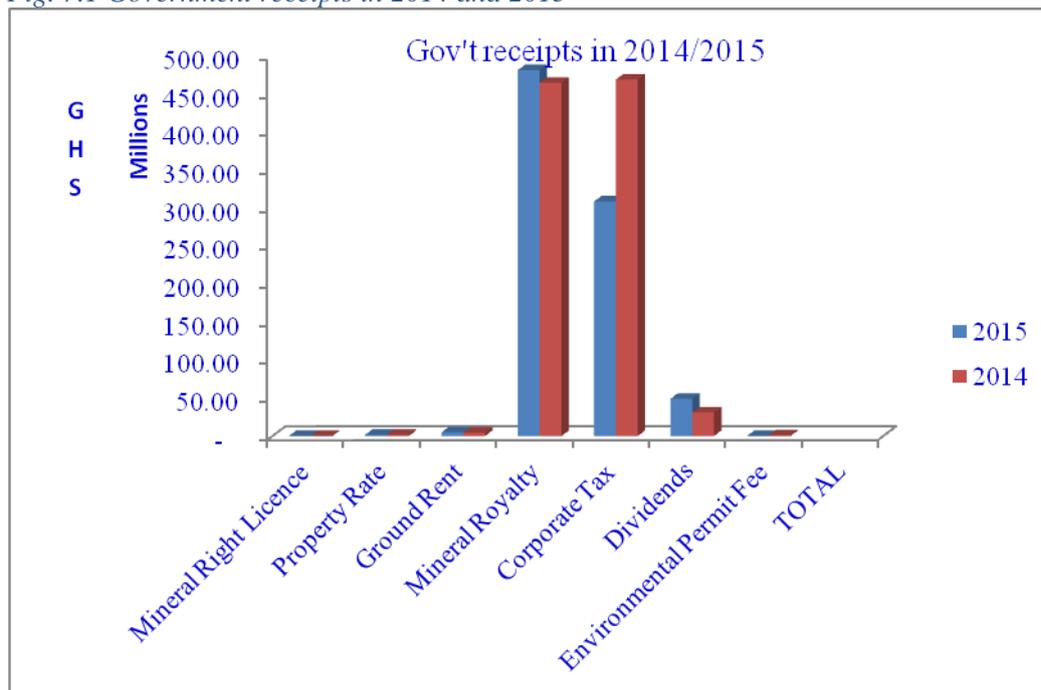
Prestea Sankofa according to the unilateral declaration by government Agencies paid an amount of GHS827, 506. This represents 0.098% of government receipts at reconciliation. This is insignificant and had no effect on the reconciliation.

As a state owned enterprise however the operations of Prestea Sankofa has already being discussed under state owned enterprises.

## 7.10 Analysis of Reconciliation Results

The diagram below shows government receipts in 2014 and 2015.

Fig. 7.1 Government receipts in 2014 and 2015



- ❖ **Mineral Royalty** overtook corporate tax as the leading revenue stream. In 2014 corporate tax was the highest revenue earner in the mining sector. The production of gold by mining companies such as Perseus and Newmont Golden Ridge Ltd which are still in the investment recovery period but paying royalty is one reason for that development
- ❖ **Corporate tax** payment declined by over 30% between 2014 and 2015. The fact that some mining companies have made fresh investments and claiming capital allowances is a contributing factor.
- ❖ **Dividends Declarations**

Only Gold Fields Ghana Ltd and Ghana Manganese paid dividends in 2015. These two companies and on few occasions, Abosso Goldfields Ltd and AngloGold Ashanti have paid dividend in the past 5 years. If the intention of the government was to obtain extra revenue through the retention of the 10% non-contributory shareholding, then it is time to review the policy.

Companies have not paid dividends, either because they have made losses or failed to declare dividends.

#### ❖ Other Revenue streams.

The other revenue streams were insignificant as royalty, corporate tax and dividend formed over 99% of the revenues.

### 7.11 Sale of state's share of production or other revenues collected in kind.

The government does not share in production or collect any benefit in kind in the mining sector. Although in section 7(1) of Act 703, the government has the right of pre-emption on all minerals raised, won or obtained from any area covered by the territorial waters, exclusive economic zone or continental shelf of Ghana this right has not been exercised.

### 7.12 Sub national payments

In 2015 mining companies made payments to sub national entities including MMDA's and the Office of the Administrator of Stool Lands (OASL). Such subnational payments were in respect of property rates, ground rents and business operating permits. *See Reconciliation Table 7.7* For details of payments from individual mining companies.

### 7.13 Infrastructure Provisions and Barter Arrangements

Some extractive agreements might, according to the EITI Standard, involve "the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange

For oil, gas or mining exploration or production concessions or physical delivery of such commodities." Given that the scoping study did not find the existence of such exchanges, the 2015 report did not cover infrastructure provisions and barter arrangements.

### 7.14 Transportation Revenues

The EITI Standard requires disclosure of details of arrangements in situations where government agencies and state-owned enterprises are involved in the transportation of oil, gas and minerals. These details include the transported product(s), route(s), relevant companies and government uses the western corridor rail line (Tarkwa to Takoradi) to transport manganese to the Takoradi port for exports. Thus the Ghana Railways receive transportation revenues from Ghana Manganese Co. Ltd.

Ghana Manganese paid US\$5.45 per ton in 2015. An amount of 483,285 tons of manganese were hauled by Ghana Railways Co. Ltd in 2015, however the payment in 2015 included amount of GHS415,538.43 paid in 2015 for 23,836 tons hauled in 2014.

According to Ghana Manganese Company Ltd, in 2015 an amount of GHS10, 389,418 was paid to the Ghana Railway Co. Ltd for transporting manganese ore from Tarkwa to Takoradi. The IA did not receive any corroborative data from Ghana Railways Ltd as the MSG is currently working to bring them on board.

- ❖ The Ghana Railway Company Limited (GRCL) which is a state owned enterprise (SOE) in the transport sector has secured \$10 million from the Ghana Manganese Company Limited (GMCL) for rehabilitation works on a portion of the Western railway lines. GMCL transports manganese from the mine site to the Takoradi Port for transshipment overseas. The project, which is expected to be completed in March 2018, will focus on railway lines from Kojokrom to Tarkwa through Nsuta sections of the 330 km Western railway lines.

## 8.0 REVENUE ALLOCATION

Sections 22 to 25 of the Minerals and Mining Act, 2006 stipulate the revenues streams payable by mining companies to government.

Section 22 prescribes minerals right fees payable to the Minerals Commission

Section 23(2) prescribes the payment of annual ground rent to the owner 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, which shall be paid to the Office of the Administrator of Stool Lands, for application in accordance with the Office of the Administrator of Stool Lands Act 1994 (Act 481).

Section 25 prescribes the payment of royalty in respect of minerals obtained from its mining operations to the Republic, except that the rate of royalty shall not be more than 6% or less than 3% of the total revenue of minerals obtained by the holder.

Royalties and corporate taxes are paid to the Large tax unit of the Ghana Revenue Authority which then dispenses the money into the consolidated Fund. The identity of mineral royalties and corporate taxes are lost as they are merged with others and recorded respectively under non-tax and tax domestic revenues in the National Budget.

See the 2015 National Budget Statement from the Ministry of Finance. <http://www.mofep.gov.gh/sites/default/files/budget-statements/Budget-Statement-2015.pdf>

### 8.1 Distribution of Extractive revenues

- i) **Dividend and Corporate taxes** paid by mining companies are all lodged into the consolidated fund i.e. Central government's treasury.
- ii) **Mineral Rights Payments and Property rates** are used by the Recipient Agencies, i.e. Minerals Commission and District Assemblies respectively as internally generated Funds.
- iii) **Mineral Royalty** is first paid into the consolidated Fund. 20% of the mineral royalty receipts is thereafter released to the Minerals Development Fund and the OASL. (See Fig 2.1 and section 6.0 on disbursements).
- iv) **Ground rent** is received by the OASL and distributed in accordance with Article 267(6) of the 1992 constitution. (i.e. 55% to the District Assemblies; 25% to stools and 20% to Traditional Authorities within the jurisdiction of the OASL)
- v) **Environmental permitting fees** are collected by the EPA and used internally.

## **8.2 The Budgeting and Auditing Process in Ghana**

### **8.2.1 Budget Preparation**

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

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

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

### **8.2.2 Implementation**

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

### **8.2.3 Audit and Evaluation**

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

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

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

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

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

### 8.3 Sub National Payment

In 2015 mining companies made payments to sub national entities including MMDA's and the Office of the Administrator of Stool Lands (OASL). Such subnational payments were in respect of property rates, ground rents and business operating permits. *See Reconciliation Table 7.6.* For details of payments from individual mining companies

### 8.4 Sovereign Wealth Funds

There is no Sovereign Wealth Fund in the mining sector.

### 8.5 Subnational Transfers

There are basically two types of subnational transfers in Ghana. These are ground rent or concession rent and transfer of a share of mineral royalty receipts.

#### 8.5.1 Ground Rent

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

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

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

*Table 8.1 Disbursement of Ground Rent paid by mining companies and received by the OASL*

<b>Beneficiary</b>	<b>Share %</b>
The Administrator of stool Lands (takes 10% of the amount received to cover administrative expenses).The remaining amount is shared as per the percentages below.	10%
District Assemblies-55%	49.5%
Stools-25%	22.5%
Traditional Councils-20%	18.0%
<b>TOTAL</b>	<b>100%</b>

Amount payable as ground rent for stool lands is GHS15/acre (Fees and Charges (Amendment) Instrument, 2014 (L.I.2216).

### 8.5.2 Payment/Disbursement of Ground Rent in 2015

Mining Ground rent received and disbursed in the regions are indicated below.

#### 8.5.2.1 Ashanti Region

Table 8.2 Amount received from AngloGold in 2015

Date	Period	Mining Company	Released
31-07-15	2015	AngloGold Ashanti	564,659.00
<b>Total</b>			<b>564,659.00</b>

Table 8.3 Ashanti Region Disbursement of Ground rent in 2015

BENEFICIARIES (PAYEE)	AMOUNT DISBURSED	AMOUNT PAID	PAYMENT DATE	CHEQUE NUMBER	P. V. NUMBER
<b>OBUASI MUN. ASSEMBLY</b>	153,134.74	153,134.74	01-12-15	789584	5/12
<b>ADANSI SOUTH DISTRICT</b>	43,752.78	43,752.78	01-12-15	789585	6/12
<b>ADANSI NORTH DISTRICT</b>	21,876.40	21,876.40	01-12-15	789583	4/12
<b>BEKWAI MUNICIPAL</b>	21,259.80	21,259.80	01-12-15	789582	3/12
<b>AMANSIE CENTRAL</b>	39,482.48	39,482.48	01-12-15	789586	7/12
<b>ADANSI STOOLS</b>	99,438.15	99,438.15	11-11-15	789549	31/11
<b>ADANSI T/ COUNCIL</b>	79,550.51	79,550.51	11-11-15	789548	30/11
<b>BEKWAI STOOL</b>	18,407.67	18,407.67	12-10-15	789497	35/10
<b>BEKWAI T/ COUNCIL</b>	14,726.14	14,726.14	12-10-15	789496	34/10
<b>ADANKRANDJA STOOL</b>	9,202.46	9,202.46	12-10-15	789499	33/10
<b>ADANKRANDJA T/C</b>	7,361.97	7,361.97	12-10-15	789494	32/10
<b>90% APPORTIONABLE</b>	<b>508,193.10</b>				
<b>10% ADMIN CHARGES</b>	<b>56,465.90</b>				
	<b>564,659.00</b>				

### 8.5.2.2 Brong Ahafo Region

Table 8.4 Ground rent received in 2015

Mining Company	Amount (GHS)
<b>Newmont Ghana Gold</b>	1,852,713.40

The disbursements of this amount occurred in 2016, and is therefore not covered in this report

### 8.5.2.3 Eastern Region

Table 8.5 Ground rent received in 2015

Mining Company	Amount (GHS)
<b>Newmont Golden Ridge Ltd</b>	464,946.83
<b>Kibi Goldfields Ltd</b>	0
<b>Narawa Company Ltd</b>	10,000
<b>Extra Gold Mining Co Ltd</b>	0
<b>TOTAL</b>	474,946.83

Table 8.6 Disbursement of Ground rent received in the Eastern Region<sup>16</sup>:

Date Received	Name of Mining Company	Amount	Name of Beneficiary	Payment Date	PV number	Concession Rent paid
<b>20/2/2015</b>	Newmont Gold Ghana Ltd	<b>232,573</b>	<b>District Assembly</b>			
			Birim North	28/4/15	75/4/15	108,216.21

Source: OASL, Koforidua

<sup>16</sup> Other disbursements to Traditional Authorities and STOOLS were done in 2016.

## 8.5.2.4 WESTERN REGION

Table 8.7: Ground rent received in 2015

Mining Company	Amount (GHS)
AngloGold Ashanti (Iduapriem) Ltd	569,255.79
Gold Fields (Ghana) Ltd	381,461.97
Abosso Gold Fields Ltd	901,920.90
Golden Star Resources (Prestea/Bogosu)	446,188.00
Ghana Manganese Co Ltd	648,542.75
Perseus Mining (Ghana) Ltd	162,462.46
<b>Total</b>	<b>3,109,831.87</b>

Table 8.8: Statement of Concession Account

## Statement of Concession Account, 2015 for the Municipal &amp; District Assembly

			DISTRICT ASSEMBLY
	NAME OF ASSEMBLY	TOTAL	55%
Mar-15	TARKWA NSUAEM MUNICIPAL ASSEMBLY	451,264.21	248,195.32
Mar-15		645,658.86	355,112.37
Mar-15		204,932.08	112,712.64
Mar-15		137,326.31	75,529.47
			<b>791,549.80</b>
Jun-15	TARKWA NSUAEM MUNICIPAL ASSEMBLY	608,796.61	334,838.14
Jun-15		202,932.20	111,612.71
			<b>446,450.85</b>
Oct-15	TARKWA NSUAEM MUNICIPAL ASSEMBLY	200,784.60	110,431.53
Oct-15		200,784.60	110,431.53
			<b>220,863.06</b>
Nov-15	WASSA AMENFI EAST DISTRICT ASSEMBLY	146,369.21	<b>80,503.07</b>
		<b>2,798,848.68</b>	<b>1,539,366.77</b>

## 8.6 Transfer /Disbursements of Mineral Royalty

Host mining communities receive portions of mineral royalty paid by the mining companies. The formula for the disbursement is shown below: As at the end of 2015 there was<sup>17</sup> no law backing such transfers. The transfers are made in accordance with an administrative fiat established in 1999. *Administrative fiat of 1999 (letter no.AB.85/156/01)*

<sup>17</sup> At the time of compiling this report, the MDF Act has been passed. It will assist in the provision of resources to mining communities.

Table 8.9: Disbursement of Mineral Royalties

Beneficiary	Share (%) of Total Amount.
<b>Government in Consolidated Fund</b>	<b>80%</b>
<b>Minerals Development fund</b>	<b>10%</b>
<b>Office of the Administrator of Stool Lands</b>	10% Of Total Amount
❖ <b>The Administrator of stool Lands takes 10% of the amount received to cover administrative expenses. The remaining 90% is distributed as follows.</b>	<b>1%</b>
❖ <b>District Assemblies</b>	55% <b>4.95%</b>
❖ <b>Stools</b>	25% <b>2.25%</b>
❖ <b>Traditional Councils</b>	20% <b>1.80%</b>
<b>TOTAL</b>	<b>100%</b>

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

### 8.6.1 Disbursement from Head Office to Regions

#### 8.10: Ashanti Region

VOUCHER DATE	PERIOD COVERED	CHEQUE DATE	CHEQUE NO.	AMOUNT(GHS)
14/10/2015	Oct -Dec 2012 Part	19/10/2015	851189	194,344.04
14/12/2015	Dec.-June 2013 Part	15/12/2015	492602	740,745.94

#### 8.11 Brong Ahafo Region

VOUCHER DATE	PERIOD COVERED	CHEQUE DATE	CHEQUE NO.	AMOUNT(GHS)
14/10/2015	Oct-Dec. 2012 -Part	19/10/15	851188	566,070.50
14/12/2015	Dec.-June 2013 Part	15/12/15	851198	1,592,169.85

#### 8.12 Eastern Region

VOUCHER DATE	PERIOD COVERED	CHEQUE DATE	CHEQUE NO.	AMOUNT(GHS)
14/10/2015	Oct-June 2015 Full	19/10/2015	851193	4,089.95
14/12/2015	Dec-June 2013 Full	15/12/2015	851200	78,068.86

## 8.13 Western Region

VOUCHER DATE	PERIOD COVERED	CHEQUE DATE	CHEQUE NO.	AMOUNT(GHS)
14/12/2015	Oct-Dec. 2012 Part	19/10/2015	851190	3,381,844.40
14/12/2015	Dec-June 2013 Part	15/12/20115	851199	11,010,177.40

## 8.6. 1.1 Ashanti Region

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

Table 8.14: Royalty disbursement due /Amount received by District Assemblies in 2015<sup>18</sup>.

District Assembly	Amount due (GHS)	Amount received by District Assembly (GHS)
<b>Obuasi Municipal</b>	104,740.53	-
<b>Adansi South</b>	29,925.57	-
<b>Adansi North</b>	14,962.78	-
<b>Bekwai Municipal</b>	14,541.16	-
<b>Amansie Central</b>	27,004.75	-

Source: District Assemblies/OASL Ashanti/Boas' compilations

Amounts received included arrears which were not considered in the computations.

## 8.6.1.2 BRONG AHAFO REGION

The table 8.15 indicates amounts due Asutifi North District Assembly from Newmont Ghana Gold Ltd operations. The total amount received by the District Assembly has also been indicated.

Table 8.15 Amount due to Asutifi North District Assembly/Amount received by Asutifi North DA in 2015

District Assembly	Amount due(GHS)	Amount received by District Assembly(GHS)
<b>Asutifi North District Assembly</b>	739,842.44	311,338.78*

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

\* Payment was made on 27<sup>th</sup> November 2015. Amount paid would be from the October 2015 disbursement only as payment was made before the December 2015 disbursement. However from our computations, the amount due for the October 2015 disbursement was GHS567, 238.45 (See Appendix 3)

<sup>18</sup> Mineral royalty disbursed in 2015 was paid to the Assemblies in 2016

**8.6.1.3 WESTERN REGION***Table 8.16 Amounts due/ Receipts by District and Municipal Assemblies-2015*

District/Municipal Assembly:	Amount Due*	Amount received <sup>19</sup> .
	GHS	GHS
<b>Prestea Huni Valley</b>	<b>3,087,239.70</b>	-
<b>Mpohor Wassa East</b>	176,835.57	-
<b>Tarkwa Nsuaem</b>	1,645,505.17	-
<b>Bibiani/Ahwiaso Bekwai</b>	639,120.77	-
<b>Sefwi Wiawso</b>	<b>675,061.11</b>	-
<b>Ellembele</b>	<b>233,138.51</b>	-

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

\*The IA used disbursement formula which was same as the 2014 formula, as the 2015 disbursement formula was not available.

<sup>19</sup> Mineral royalties disbursed in 2015 were received in 2016.

## 8.6.2. Mineral Development Fund – Utilization

Table 8.17 Prestea Huni Valley MDF Utilization 2015

DATE	CONTRACTOR	PROJECT	AMT GH¢
28/05/15	AIR & ANGEL LTD.	CONST. OF 1NO. BOX CULVERT @COMPOUND KESE-ABOSO	3,572,.84
26/02/15	EYIMAH CO. LTD.	REHABILITATION OF 1NO. MAGISTRATE BUNGALOW @PRESTEA	9,121.15
21/07/15	EYIMAH CO. LTD.	REHABILITATION OF 1NO. MAGISTRATE BUNGALOW @PRESTEA	9,763,.71
14/01/15	U.S CONSTRUCTION LTD.	CONST. OF 1NO. 4UNIT KG BLK FOR ST. MICHEAL CATH. SCH@BOGOSO	70,000.00
24/02/15	U.C CONSTUCTION LTD.	CONST. OF 1NO. 4UNIT KG BLK FOR ST. MICHEAL CATH. SCH@BOGOSO	26,260.82
21/05/15	U.C CONSTUCTION LTD.	CONST. OF 1NO. 4UNIT KG BLK FOR ST. MICHEAL CATH. SCH@BOGOSO	30,000.00
27/10/15	U.C CONSTUCTION LTD.	CONST. OF 1NO. 4UNIT KG BLK FOR ST. MICHEAL CATH. SCH@BOGOSO	60,392.00
20/05/15	20 <sup>TH</sup> PROGRSSION VEN	CONST. OF 1NO. 3UNIT CLASSROOM BLOCK PAVILION@PETEPOM	22,674.65
20/05/15	MAC-FO ENT.	CONST. 1NO. 8SEATER AQUA PRIVY@AFAMASE	8,751.17
20/05/15	MAC-FO ENT.	CONST. 1NO. 8SEATER AQUA PRIVY@AFAMASE	7,000.00
23/09/15	MAC-FO ENT.	CONST. 1NO. 8SEATER AQUA PRIVY@AFAMASE	3,000.00
27/10/15	MAC-FO ENT.	CONST. 1NO. 8SEATER AQUA PRIVY@AFAMASE	6,000.00
26/05/15	AFANQUA COP LTD.	CONST. 1NO. 12SEATER AQUA PRIVY TOILET@NTIAKOKROM	18,654.39
17/07/15	AFANQUA COP LTD.	CONST. 1NO. 12SEATER AQUA PRIVYTOILET@NTIAKOKROM	61,871.88
21/05/15	TIKKO ENT.	CONST. OF 1NO. BOX CULVERT@PETEPOM	18,868.89
28/05/15	AIR&ANGEL LTD.	CONST. OF 1NO. 4 CELL BOX CULVERT@PETEPOM	79,485.20
28/07/15	AIR&ANGEL LTD.	CONST. OF 1NO. 4 CELL BOX CULVERT@PETEPOM	57,807.42

Table 8.18 Tarkwa Nsuaem MDF Utilization

DATE	PAYEE	SANITATION	CAPACITY BUILDING	ADMINISTRATION	EDUCATION	HEALTH	OTHER PROJECTS	OTHERS	TOTAL
06/01/2015	LAWRENCE ADOM & OTHERS			1,280.00					1,280.00
06/01/2015	YUSIF ALHASSAN & OTHERS			2,790.00					2,790.00
06/01/2015	YUSIF ALHASSAN & OTHERS			645.00					645.00
06/01/2015	YUSIF ALHASSAN & OTHERS			925.00					925.00
06/01/2015	YUSIF ALHASSAN & OTHERS			6,755.65					6,755.00
06/01/2015	YUSIF ALHASSAN & OTHERS			2,310.00					2,310.00
06/01/2015	YUSIF ALHASSAN & OTHERS			1,345.00					1,345.00
06/01/2015	AUDREY SMOCK AMOAH			2,975.00					2,975.00
06/01/2015	MUNICIPAL FINANCE OFFICER		2,420.00						2,420.00
06/01/2015	MUNICIPAL FINANCE OFFICER		2,420.00						2,420.00
06/01/2015	JOSEPH ABBAN MENSAH & OTHERS			600.00					600.00
06/01/2015	KENNETH MENSAH & OTHERS			745.00					745.00
06/01/2015	SEIDU YAKUBU & OTHERS			3,439.00					3,439.00
06/01/2015	MOSES ACKAH & OTHERS			3,435.00					3,435.00
06/01/2015	PATRICK ACHEAPONG & OTHERS			5,105.00					5,105.00
06/01/2015	MUNICIPAL FINANCE OFFICER			10,000.00					10,000.00
06/01/2015	JOSEPH ABBAN MENSAH & OTHERS			3,765.00					3,765.00
06/01/2015	FRANK ASSAFUAH ENT			5,108.80					5,108.80
05/02/2015	KOJO DANQUAH-MWE BONSA SCHOOL				23,784.00				23,784.00
05/02/2015	KAKSON CONST. WORKS	9,675.00							9,675.00
05/02/2015	MUNICIPAL ENVRN. HEALTH	4,530.00							4,530.00
05/02/2015	MICHEAL DIZSI-URBAN ROADS						9,850.00		9,850.00
17/02/2015	MICHEAL DIZSI-URBAN ROADS						36,826.12		36,826.12
17/02/2015	FRANCIS BAGHR – NBSSI		17,000.00						17,000.00
25/02/2015	ELECTRICITY CO.			20,000.00					20,000.00
12/03/2015	TREDS ENVITECH	23,735.00							23,735.00
12/03/2015	CUMMIS GHANA LTD.	3,135.60							3,135.60
12/03/2015	ELKING GOSHEN ENT.	27,000.00							27,000.00
24/07/2015	BEN KOJO ARMAH – FEEDER ROADS	13,000.00							13,000.00

<b>30/07/2015</b>	SKAM CONST. LTD						7,675.00		7,655.00
<b>31/08/2015</b>	MUNICIPAL FINANCE OFFICER	15,000.00							15,000.00
<b>05/11/2015</b>	EDWARD BUCKMAN						3,422.00		3,422.00
	BANK CHARGES							786.65	
<b>TOTAL</b>		96,075.60	21,840.00	69,943.45	23,784.00	0	57,773.12	786.65	270,202.82
	<b>BALANCE CARRIED DOWN</b>								1,739.38

## 9.0 REVENUE MANAGEMENT & EXPENDITURES

The IMF in its report on external sector in 2015 showed a consistent decrease in export receipts. Estimates from Bank of Ghana indicates that the lower prices for gold and crude oil together with lower production volumes for gold and cocoa resulted in a 21.6 percent year-on-year decline in total export earnings.

Consequently, the trade deficit widened to US\$3.9 billion in 2015, compared with a deficit of US\$1.4 billion 2014.

In 2015, Industry was the best performing sector in terms of GDP categorization, growing by an estimated 17.7% on the back of higher-than-expected upstream oil production. The mining and quarrying segment, of which hydrocarbons is a significant contributor, was forecast to record year-end expansion of 52.3% in 2016. This underpins the importance of the mining sector to the Ghana's future economy<sup>20</sup>

## 10.0 CONTRIBUTION TO NATIONAL ECONOMY

### 10.1 Employment

According to the Ghana Labour Force Survey 2015, the total employed above 15 years in the mining and quarrying sub-sector which includes oil and gas was 74,663. The study estimates 257,606 people are engaged in household enterprises in the mining and quarrying sub-sector. The table 10.1 Indicates the total estimates compared with the national total. Segregated figures for mining only category was however unavailable.

*Table 10.1 Category of Employment to National Economy*

Category	Both Sexes	Male	Female	Remark
<b>Total Employment (15yrs &amp; Above)</b>	9,263,346	4,281,393	4,981,953	
<b>Mining &amp; Quarrying(incl. Oil and Gas)</b>	74,663	63,236	11,427	
<b>INFORMAL SECTOR</b>				
<b>Mining &amp; Quarrying(incl. Oil and Gas)</b>	64,534	53,107	11,000	

<sup>20</sup> Source: <https://oxfordbusinessgroup.com/news/ghana-year-review-2017>

## 10.2 Large Scale Mining Employment

There was a marginal decrease in the mine labour, from 21,922 in 2014 to 19,956 employees in 2015. This is as a result of the decline in gold price on the global commodities market. This is expected to dwindle further in 2016 unless the metal price goes up. It is noteworthy that, out of the total mine labour of 19,956 employees in 2015, expatriates represented 1.5% (291) compared to 1.6% (342) of a total mine labour of 21,922 in 2014.

## 10.3 Gross Domestic Product (GDP)

Table 10.2: Contribution of Economic Activities to National GDP

Economic Activity	2014	2015
<b>GDP Growth (2006)</b>	4.0	3.8
<b>GDP at Constant 2006 Prices (million cedis)</b>	<b>31,188</b>	<b>32,384</b>
<b>Mining &amp; Quarrying incl. Oil (millions cedis)</b>	<b>2834</b>	<b>2660</b>
<b>Distribution (%) Mining &amp; Quarrying incl. Oil</b>	8.0	5.3
<b>Oil (millions cedis)</b>	2058	2077
<b>Distribution (%) Oil</b>	7.2	4.1
<b>Mining ( millions cedis)</b>	<b>776</b>	<b>583</b>
<b>Distribution (%) Mining</b>	<b>0.8</b>	<b>1.2</b>

Source: Ghana Statistical Service, 2017

### 10.3.1 Informal Sector

The informal economy is estimated to account for 39% of Gross Domestic Product (GDP) in Ghana (Becker, 2004; and Economic and Social Research Foundation (ESRF), 2011). It is therefore estimated that the informal economy of the mining sector is 2.7% of 2015 GDP

#### 10.3.1.1 Contribution to Total Merchandise Exports

In 2015, the Mining sector, as represented by gold contributed 31.1% of the total merchandise export.

### 10.3.2 Total Merchandise Exports In 2015

Table 10.3 Total Merchandise Exports in 2015

Commodity	2015		
	Volume(T)	Value(\$m)	% of Export Totals
<b>GOLD</b>	2,761,844	3,212.59	31.1
<b>COCOA BEANS</b>	666,521	1,970.93	19.1
<b>TIMBER &amp; TIMBER PRODUCTS</b>	359,127	208.75	2.0
<b>CRUDE OIL</b>	<b>37,167,225</b>	<b>1,931.28</b>	<b>18.7</b>
<b>OTHER EXPORTS</b>		2,997.63	29.1
<b>TOTAL</b>		<b>10,321.18</b>	<b>100</b>

Source: Bank of Ghana

## 10.4 Investment Inflow

Total Direct Investment into the mining sector in 2015 amounted to US\$965 million. Out of this, US\$862 million (89.33%) went into mining; US\$84 million (8.70%) was spent on exploration projects, whilst US\$19 million (1.97%) was spent by Mine Support Services Companies.

Table below shows investment inflow by type of activity from 2000 to 2015.

Table 10.4 Investment inflow (2011-2015)

Year	Producing Mining (US\$m)	Exploration (US\$m)	Mine Support Service (US\$m)	TOTAL
2011	703.80	242.00	24.50	970.30
2012	1,170.90	246.20	26.90	1,444.00
2013	896.70	235.10	22.30	1,154.10
2014	796.00	135.00	19.40	950.40
2015	862.00	84.00	19.00	965.00

From 2013, the mining sector has recorded a dip in investments inflow, especially in exploration and production operations. The major reason can be attributed to the declining gold price. Among companies that invested significant amounts in the Ghanaian mining sector were Newmont Ghana Gold Limited, Adamus Resources Limited, Gold Fields Ghana Ltd, Chirano Gold Mines Ltd and Perseus Mining Company.

## 10.5 Contribution to Fiscal Collections

Of the GHC 1,285,581,291 recorded as payments from mining companies in 2015, royalties and corporate income taxes constituted 37.2% and 26.5% respectively.

Table 10.5 Contribution to fiscal collections

Fiscal Item	Amount (GHC)	% of the Total
Corporate Income Tax	340,506,461.76	26.5
Mineral Royalties	479,296,718.95	37.2
Dividend	49,036,071.52	3.8

## 10.6 Key regions/areas where production is concentrated

Most Mining Projects in Ghana are found along two major gold belts

1. The Sefwi-Bibiani Belt hosts Newmont Ahafo Mine, Noble Resources at Bibiani, Chirano owned by Kinross.
2. The Ashanti belt hosts Newmont Akyem, Obotan Gold, AngloGold Ashanti Obuasi, Perseus Mining at Ayanfuri, Golden Star Prestea/Bogoso, Golden Star Wassa, Goldfields Damang and Tarkwa and Endeavor's Nzema Mines.

## 11.0 OUTCOMES AND IMPACTS

The table below shows some of the EITI recommendations for the last five years and the implementation so far.

*Table 11.1 Update on recommendation made in 2010-14 Reports*

Issue	Recommendation	Status	Remark
<b>Receipting and reporting Currency for EITI</b>	Companies to maintain records of receipt currency by GRA for EITI Reconciliation	Complied	
<b>Frequency of Royalty Payments</b>	Regularization of monthly and split quarterly payments	Partially Complied	New Minerals and Mining Law 2015 addresses it
<b>Irregularities in OASL funds transfer to Assemblies</b>	OASL to fully implement recommendations on funds transfer	Complied	
<b>Management of MDF</b>	Appointment of MDF Oversight agency	Outstanding	MDF ACT not passed as at 2015 <sup>21</sup>
<b>Award of Mineral Right Licences</b>	Open and Transparent Bidding Process	Outstanding	Awaiting outcome of new committee on Mining Agreements
<b>Improvement in Mining Cadastral System</b>	On-line cadastre system		Outstanding as at 31 <sup>st</sup> Dec 2015 <sup>22</sup>
<b>Royalty on mineral output of Small Scale Mining</b>	Levying royalty on ASM Production to be attempted	Outstanding	Being discussed
<b>No Transfer of Mineral Royalty to Assemblies in 2013</b>	Regular transfer advocated	2013 Royalty Funds partly released	MDF Act to address such challenges

<sup>21</sup> MDF Act was passed in 2016

<sup>22</sup> The Mining Cadastral was launched in 2017

## 12.0 OBSERVATION AND SIGNIFICANT FINDINGS

### 12.1 Data from the Minerals Commission

There were amounts labeled as considerations for mineral rights, but not attributable to any company. In determining materiality for reconciliation, companies that made significant payments could be overlooked because some of their payments may not have been correctly allocated to them.

#### 12.1.1 Recommendation

All payments should be attributed correctly in order to facilitate matching of payments to the appropriate companies. **This will also assist in ensuring the materiality determinations are properly made, as all the extractive entities will have the full complement of their payments.**

**12.2 Data from the GRA:** Some revenue streams found in the GRA database including capital gains tax inspection Fee, Mgt & Tech Services, Registration Fees, Other Royalties, Gift Tax, Dividend Tax, Interest Tax Commission Tax, Rent Tax, Penalties, Airport Tax and N.F.S.L/N.R.L (Arrears) were in aggregated format and were therefore excluded in determining materiality threshold for reporting entities.

#### 12.2.1 Recommendation

The GRA data base system should be designed to ensure that any revenue stream could be provided in disaggregated format and also for specific sector of the economy, i.e. the extractive sector. This will assist in effectively analyzing the revenues obtained by the government.

### 12.3 Disbursement of mineral royalty to District Assemblies.

In 2015 there were two disbursements of mineral royalty in October 2015 and December 2015.

However, some district assemblies did not receive any payments in 2015. Specifically, District Assemblies in Ashanti and Western regions did not receive the disbursed amounts in 2015.

#### 12.3.1 Recommendation

The OASL should pay royalty receipts to District Assemblies, as quickly as possible. This will provide the necessary confidence for the District Assemblies to use these funds for development projects, as contractors engaged on such projects shall be paid promptly.

## **12.4 Dividend Payment**

Only two companies namely Goldfields (Ghana) Ltd and Ghana Manganese Company Ltd paid dividend in 2015 out of about 15 large-scale companies engaged in the exploitation of minerals.

Year on year only two to three companies have consistently been paying dividends. Dividend as a source of revenue has not provided regular and substantial revenue for the government.

### **12.4.1 Recommendation**

The government needs to review the policy of acquiring a non-contributory shareholding in all mining enterprises, if the purpose for instituting that measure was to earn extra income. It may be replaced with a more reliable source of revenue.

## **13.0 CONCLUSION**

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The 2015 reconciliation recorded government receipts of GHS 846,331,439 and company payments of GHS810, 937,918 with a net discrepancy of GHS -35,393,521.

Mineral royalty came out as the leading revenue stream in terms of government receipts, followed by corporate tax which was the highest revenue stream in 2014.

Dividend payment again occupied the third spot with only two companies making payments. The government needs a policy review of the acquisition of 10% non-contribution shareholding of mining enterprises, if it (policy) is intended to provide regular income.

The database on extractive industry payments at the Minerals Commission and the GRA need some restructuring to ensure the provision of concise and accurate data for decision making.

# APPENDICES

*Appendix 1: List of extractive companies required to report for the 2015 GHEITI report.*

No.	Name of Company	Amount(GHS)	Percentage contribution	Cumulative %
1	GOLD FIELDS GHANA LIMITED	283,877,348.76	32.36	32.36337792
2	NEWMONT GHANA GOLD LIMITED	154,372,190.95	17.60	49.96254734
3	CHIRANO GOLD MINES LIMITED	135,302,244.58	15.43	65.3876515
4	NEWMONT GOLDEN RIDGE LTD	51,896,360.41	5.92	71.30408525
5	PERSEUS MINING GHANA LTD.	37,958,790.59	4.33	75.63156925
6	ABOSSO GOLDFIELDS LTD	36,629,373.55	4.18	79.80749334
7	GOLDEN STAR (BOGOSO/PRESTEA) LIMITED	30,564,572.17	3.48	83.29200101
8	GOLDEN STAR (WASSA) LIMITED	25,140,953.09	2.87	86.15819012
9	ADAMUS RESOURCES GHANA LIMITED	23,543,380.68	2.68	88.84224832
10	ANGLOGOLD ASHANTI (IDUAPRIEM) LIMITED	22,231,266.11	2.53	91.37671918
11	GHANA MANGANESE COMPANY LIMITED	16,921,921.69	1.93	93.30589933
12	ANGLOGOLD ASHANTI (GHANA) LIMITED	12,828,439.17	1.46	96.29999184
13	GHANA BAUXITE COMPANY LIMITED	5,875,132.05	0.67	98.06258675
14	PRESTEA SANKOFA GOLD LIMITED	819,656.00	0.09	99.18227279
		<b>877,156,116.01</b>		100

*Appendix 2: Mineral Royalty Disbursement- Computations of Amounts due in Ashanti Region*

<b>DISBURSEMENT TO DISTRICT ASSEMBLIES-2015 GHEITI REPORT</b>						
YEAR:	2012					
<b>ASHANTI REGION</b>		Payment from Anglo Gold Ashanti-Obuasi.				
		Oct-15	Dec-15			
DATE						Total
Oct-12		3862131.09				
Nov-12						
Dec-12						-
Jan-13						-
Feb-13						-
Mar-13						-
Apr-13						-
May-13						-
Jun-13						-
<b>Total</b>		3,862,131.09	-	-	-	3,862,131.09
<b>Amount due:</b>						
Obuasi Municipal		104,740.53	-	-	-	104,740.53
Adansi South		29,925.57	-	-	-	29,925.57
Adansi North		14,962.78	-	-	-	14,962.78
Bekwai Municipal		14,541.16	-	-	-	14,541.16
Amansie Central		27,004.75	-	-	-	27,004.75
<b>Total</b>		191,174.79	-	-	-	<b>191,174.79</b>

**Appendix 3: Mineral Royalty Disbursement- Computations of Amounts due in Brong Ahafo Region**

DISBURSEMENTS TO DISTRICT ASSEMBLIES.			2015 GHEITI REPORT		
YEAR:	2012				
		GHS			
<b>BRONG-AHAFO REGION</b>			NEWMONT PAYMENT DUE ASUTIFI DISTRICT ASSEMBLY.		
DATE			Oct-15	Dec-15	Total
Oct-12			3,481,887.17		
Nov-12			4,541,407.88		4,541,407.88
Dec-12			3,436,067.50		3,436,067.50
Jan-13				3,486,949.44	3,486,949.44
Feb-13					-
Mar-13					-
Apr-13					-
May-13					-
Jun-13					-
Total			11,459,362.55	3,486,949.44	-
Amount Due			567,238.45	172,604.00	-
					739,842.44

**Appendix 4: DISBURSEMENTS TO DISTRICT ASSEMBLIES.**

			2015 GHEITI REPORT		
YEAR:	2012				
<b>WESTERN REGION</b>					
PRESTEA/HUNI VALLEY DISTRICT					
	GGL(TARKWA)	GSR PRESTEA	ABOSSO	PRESTEA SANKOFA	Total
	DATE	BOGOSU	GOLDFIELDS		
Oct-12	26,292,655.79	6,202,457.36	6,181,829.15	0	38676942.3
Nov-12				1,322,117.86	1,322,117.86
Dec-12					0
Jan-13	30,353,532.91	7,560,378.52	7,113,982.63		45027894.06
Feb-13					0
Mar-13					-
Apr-13					-
May-13					-
Jun-13					-
<b>Total</b>	<b>56,646,188.70</b>	<b>13,762,835.88</b>	<b>13,295,811.78</b>	<b>1,322,117.86</b>	<b>85,026,954.22</b>
<b>Amount due</b>	<b>1,682,391.80</b>	<b>681,260.38</b>	<b>658,142.68</b>	<b>65,444.83</b>	<b>3,087,239.70</b>

**APPENDIX 5: DISBURSEMENT TO DISTRICT ASSEMBLIES**

TARKWA NSUAEM MUNICIPAL ASSEMBLY			GHEITI 2015 REPORT		
2012					
DATE					
	GMC	GGL(TARKWA)	A ASH(IDUAPRIM)	GSR WASSA	TOTAL
Oct-12	2,376,013.13	26,292,655.79	3,913,671.49	6,391,801.61	
Nov-12					-
Dec-12	1,593,011.37				1593011.37
Jan-13		30,353,532.91		6,471,803.91	36825336.82
Feb-13					0
Mar-13					-
Apr-13					0
May-13					0
Jun-13					-
<b>TOTAL</b>	3,969,024.50	56,646,188.70	3,913,671.49	12,863,605.52	
<b>Amount due</b>	196,466.71	1,121,594.54	193,726.74	133,717.18	1,645,505.17

**APPENDIX 6 DETAILS OF RECONCILIATION****ANGLOGOLD ASHANTI (OBUASI)**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	Unresolved
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	Under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate			0	519,275		519,275	0	519,275		-519,275
3	Ground Rent			0	323,135		323,135	0	323,135		-323,135
4	Mineral Royalty	13,764,000.00		13,764,000	12,828,439		12,828,439	13,764,000	12,828,439	935,561	
5	Corporate Tax			0	0		-	0	0	0	0
6	Dividends			0			-	0	0	0	0
7	Environmental Permit Fee			0			-	0	0	0	0
	<b>TOTAL</b>	<b>13,764,000</b>	<b>0</b>	<b>13,764,000</b>	<b>13,670,849</b>	<b>0</b>	<b>13,670,849</b>	<b>13,764,000</b>	<b>13,670,849</b>	<b>935,561</b>	<b>-842,409</b>

**ANGLOGOLD ASHANTI (IDUAPRIEM)**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)
	<b>MINING</b>									
1	Mineral Right Licence			0			0	-	0	-
2	Property Rate	159,044		159,044	141,088		141,088	159,044	141,088	17,957
3	Ground Rent	606,771		606,771	569,256		569,256	606,771	569,255.79	37,515
4	Mineral Royalty	23,445,383		23,445,383	22,201,266		22,201,266	23,445,383	22,201,266	1,244,117
5	Corporate Tax			0	0		0	-	0	-
6	Dividends			0			0	-	0	-
7	Environmental Permit Fee			0			-	-	0	-
	<b>TOTAL</b>	<b>24,211,199</b>	<b>-</b>	<b>24,211,198.60</b>	<b>22,911,610</b>	<b>-</b>	<b>22,911,610</b>	<b>24,211,199</b>	<b>22,911,609.54</b>	<b>1,299,589.06</b>

**ADAMUS RESOURCES LIMITED**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	Under
	<b>MINING</b>										
1	Mineral Right Licence	1,227,537		1,227,537.00			0	1227537	0	1,227,537	
2	Property Rate	50,000		50,000.00			0	50000	0	50,000	
3	Ground Rent			0			0	0	0	0	0
4	Mineral Royalty	23,540,533.23		23,540,533.23	27,939,652		27939651.88	23540533.23	27,939,652		(4,399,119)
5	Corporate Tax			0	0		0	0	0	0	0
6	Dividends			0			0	0	0	0	0
7	Environmental Permit Fee			0			0	0	0	0	0
	<b>TOTAL</b>	24,818,070	-	24,818,070	27,939,652	-	27,939,652	24,818,070	27,939,652	1,277,537	(4,399,119)

**GOLDEN STAR RESOURCES (WASSA)**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate	164,557		164,557			0	164557.02	0	164,557	
3	Ground Rent			0			0	0	0	0	0
4	Mineral Royalty	20,788,657		20,788,657	21,050,404		21,050,404	20,788,657	21,050,404		(261,747)
5	Corporate Tax			0	3,096,898		3,096,898	-	3,096,898		(3,096,898)
6	Dividends			0			0	0	0	0	0
7	Environmental Permit Fee			0			-	-	-	-	-
	<b>TOTAL</b>	20,953,214	-	20,953,214	24,147,302	-	24,147,302	20,953,214	24,147,302	164,557	(3,358,645)

**GOLDEN STAR RESOURCES (PRESTEA)**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	-	0	0	-
2	Property Rate	44,048		44,048			0	44,048	0	44,048	
3	Ground Rent	446,188		446,188	446,188		446,188	446,188	446,188	0	
4	Mineral Royalty	29,217,782		29,217,782	29,217,782		29,217,782	29,217,782	29,217,782	0	
5	Corporate Tax			0	0.00		0	-	0	0	
6	Dividends			0			0	-	0	0	
7	Environmental Permit Fee	496,699		496,699			0	496,699	0	496,699	
	<b>TOTAL</b>	<b>30,204,717</b>	<b>0</b>	<b>30,204,717</b>	<b>29,663,970</b>	<b>0</b>	<b>29,663,970</b>	<b>30,204,717</b>	<b>29,663,970.17</b>	<b>540,746.83</b>	<b>0</b>

**GOLD FIELDS (GH) LIMITED**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	Over	(under)
	<b>MINING</b>										
1	Mineral Right Licence			0			0	-	0	-	-
2	Property Rate	654,084		654,084	656,694		656,694	654,084	656,694		(2,610)
3	Ground Rent	381,462		381,462	381,462		381,462	381,462	381,462	-	-
4	Mineral Royalty	134,706,279		134,706,279	121,852,433		121,852,433	134,706,279	121,852,433	12,853,846	
5	Corporate Tax	159,457,062		159,457,062	118,009,866		118,009,866	159,457,062	118,009,866	41,447,196	
6	Dividends	17,685,000		17,685,000	44,015,050		44,015,050	17,685,000	44,015,050		(26,330,050)
7	Environmental Permit Fee			0			-	-	-	-	-
	<b>TOTAL</b>	<b>312,883,887</b>	<b>-</b>	<b>312,883,887</b>	<b>284,915,504</b>	<b>0</b>	<b>284,915,504</b>	<b>312,883,887</b>	<b>284,915,504</b>	<b>54,301,042</b>	<b>(26,332,659.81)</b>

**ABOSSO GOLD FIELDS GHANA LTD**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	Under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate	78,508		78,508	78,508		78,508	78,508	78,508	0.46	
3	Ground Rent	906,420.90		906,420.90	901,920.9			906,420.9	0	906,420.9	
4	Mineral Royalty	36,526,774.00		36,526,774	36,526,774		36,526,774	36,526,774	36,526,774	0.45	
5	Corporate Tax			0	0		0	0	0	0	0
6	Dividends			0			0	0	0	0	0
7	Environmental Permit Fee			0			0	0	0	0	0
	<b>TOTAL</b>	37,511,702.90	-	37,511,702.90	37,507,201.99	-	36,605,281.09	37,511,702.90	36,605,281.09	906,422	-

**CHIRANO GOLD MINES LIMITED**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate	175,000		175,000	150,000		150,000	175,000	150,000	25,000	
3	Ground Rent	400,140		400,140			0	400,140	0	400,140	
4	Mineral Royalty	55,561,822		55,561,822	57,628,503		57,628,503.3	55,561,821.77	57,628,503.32		(2,066,682)
5	Corporate Tax	77,673,741		77,673,741	77,673,741		77,673,741.3	77,673,741.26	77,673,741	-	-
6	Dividends			0			0	0	0	-	-
7	Environmental Permit Fee			-			0	-	-	-	-
	<b>TOTAL</b>	133,810,703	0	133,810,703	135,452,244.6	0	135,452,245	133,810,703	135,452,244.6	425,140	(2,066,682)

**NEWMONT GOLDEN RIDGE LTD.**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	(Over)
<b>MINING</b>											
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate			0			0	0	0	0	0
3	Ground Rent	232,573		232,573	464,946.83		464,946.83	232,573	464,946.83		-
4	Mineral Royalty	51,876,861		51,876,861.00	51,876,360		51,876,360	51,876,861	51,876,360	500.59	232,373.83
5	Corporate Tax			0	0		0	0	0	0	0
6	Dividends			0			0	0	0	0	0
7	Environmental Permit Fee	27,350		27,350			0	27,350	0	27,350	
	<b>TOTAL</b>	52,136,784	-	52,136,784	52,341,307	0	52,341,307	52,136,784	52,341,307	27,851	(232,374)

**NEWMONT GHANA GOLD LIMITED**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	Under
<b>MINING</b>											
1	Mineral Right Licence	431,549		431,549			0	431,549	0	431,549	
2	Property Rate			0			0	0	0	0	0
3	Ground Rent	2,058,210		2,058,210	1,852,713		1,852,713	205,8210.28	1,852,713	205,497	
4	Mineral Royalty	45,130,463		45,130,463	45,180,570.53		45,180,571	45,130,463	45,180,571		(50,107)
5	Corporate Tax	56,429,736		56,429,736	109,103,921		109,103,920.5	56,429,736	109,103,921		(52,674,184)
6	Dividends			0			0	0	0	0	0
7	Environmental Permit Fee			0			0	0	0	0	0
	<b>TOTAL</b>	104,049,959	-	104,049,959	156,137,204.45	-	156,137,204	104,049,959	156,137,204	637,046	(52,724,291)

## GHANA BAUXITE COMPANY LIMITED

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate	3670		3670.5	54,000		54,000	3670.4868	54,000		(50,329.51)
3	Ground Rent			-			-	-	-	-	0
4	Mineral Royalty	1,920,888		1,920,888	5,875,132		5,875,132	1920888	5,875,132		(3,954,244.05)
5	Corporate Tax			0	0		-	0	-	-	0
6	Dividends			0			-	0	-	-	0
7	Environmental Permit Fee			0			-	0	-	-	0
	<b>TOTAL</b>	<b>1,924,558</b>	<b>0</b>	<b>1,924,558</b>	<b>5,929,132</b>	<b>0</b>	<b>5,929,132</b>	<b>1924558.487</b>	<b>5,929,132</b>	<b>-</b>	<b>(4,004,574)</b>

## GHANA MANGANESE COMPANY LIMITED

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence			0			0	0	0	0	0
2	Property Rate	71,456		71,456	71,456		71,456	71,456	71,456	0	0
3	Ground Rent			-	648,543		648,543	-	648,543		-648542.75
4	Mineral Royalty	11,160,263		11,160,263	11,160,263		11,160,263	11,160,263	11,160,263	0	0
5	Corporate Tax	300,443		300,443	720,337		720,337	300,443	720,337		-419893.64
6	Dividends			0	5021021.52		5021021.52	0	5,021,021.52		-5021021.5
7	Environmental Permit Fee			-			-	-	-	0	0
	<b>TOTAL</b>	<b>11,532,162</b>	<b>-</b>	<b>11,532,162</b>	<b>17,621,620</b>	<b>-</b>	<b>17,621,620</b>	<b>11,532,162</b>	<b>17,621,620</b>	<b>-</b>	<b>(6,089,458)</b>

**PERSEUS MINING (GHANA) LIMITED**

No.	Revenue Stream	Company			Government			Final Amounts		Unresolved	
		Initial Amount GHS	Resolved	Final	Initial Amount GHS	Resolved	Final	Company	Government	(Over)	under
	<b>MINING</b>										
1	Mineral Right Licence	37,364		37,364			0	37364	0	37364	
2	Property Rate	1,049,876		1,049,876			0	1049876	0	1049876	
3	Ground Rent	109,420		109420	162,462		162462.46	109420	162,462.46		<b>-53042.46</b>
4	Mineral Royalty	41,940,302		41,940,302	37,931,380		37,931,380	41,940,302	37,931,380	4,008,922.12	
5	Corporate Tax			-	-		-	-	-	0	<b>0</b>
6	Dividends			-			-	-	-	0	<b>0</b>
7	Environmental Permit Fee			-			-	-	-	0	<b>0</b>
	<b>TOTAL</b>	<b>43,136,962</b>	<b>-</b>	<b>43,136,962</b>	<b>38,093,842</b>	<b>-</b>	<b>38,093,842</b>	<b>43,136,962</b>	<b>38,093,842</b>	<b>5,096,162</b>	<b>(53,042)</b>

**PRESTEA SANKOFA LIMITED**

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

**APPENDIX 7: Mineral Production in 2015**

<b>MINERAL PRODUCTION IN 2015</b>	<b>2015</b>
<b>MINING COMPANY</b>	
AngloGold Ashanti(Obuasi)Ltd	51,460
AngloGold Ashanti (Iduapriem)Ltd	190,809
Goldfields Ghana Ltd	586,050
Abosso Goldfields Ltd	167,579
Med Mining Company	492
Adamus Resources Limited	110,302
Perseus Mining Company	191,531
Chirano Gold Mines Ltd.	262,796
Newmont Golden Ridge Ltd	472,632
Golden Star Res. Bogoso/ Prestea	119,066
Golden Star Res. Wassa	108,266
Noble Gold Bibiani Limited	74
Newmont Ghana Gold Ltd	331,507
<b>Small Scale Miners</b>	<b>1,031,176</b>
<b>TOTAL GOLD</b>	<b>3,623,739</b>
Ghana Bauxite Company (Mt)	1,014,605
Licensed Diamond Winners	174,188.00
Great Consolidated Diamonds Gh Ltd	251.40
<b>Total Diamond (Ct)</b>	<b>174,439</b>
Ghana Manganese Company Limited(Mt)	1,562,769



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