



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

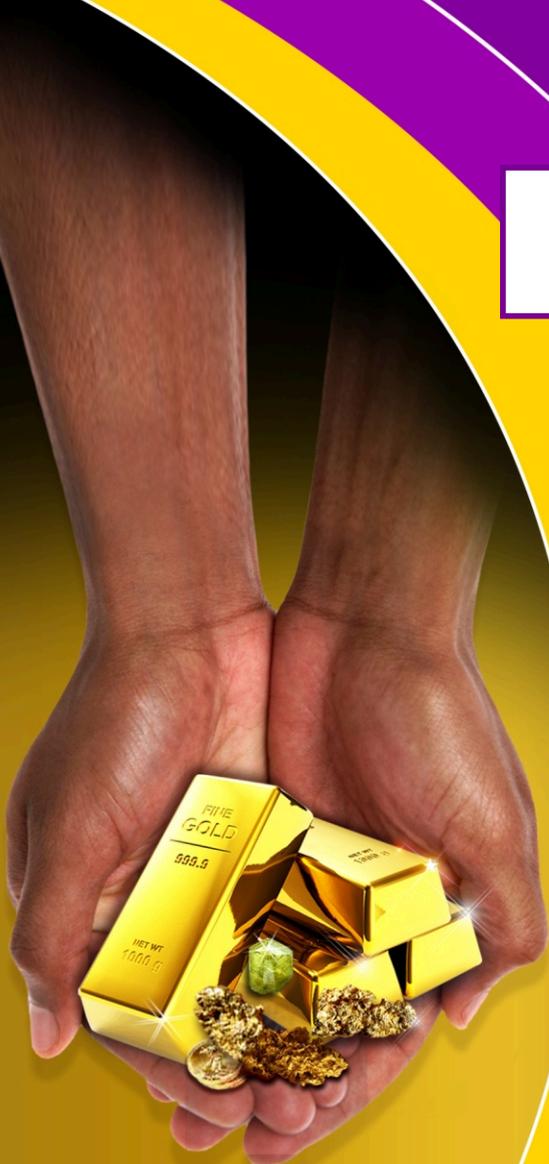
# GHEITI REPORT

on the

## MINING SECTOR

2012 AND 2013

December, 2014



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**GHEITI**

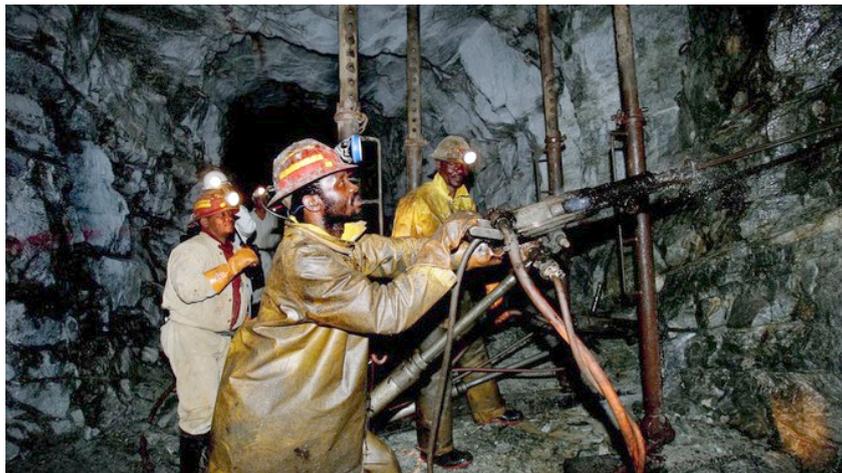
**MINISTRY OF FINANCE**  
GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE  
(GHEITI)



REPUBLIC OF GHANA

**GHEITI REPORT**  
ON THE  
**MINING SECTOR**

**FOR 2012 AND 2013**  
**December 2014**



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## **LIST OF ABBREVIATIONS/ACRONYMS**

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

## EXECUTIVE SUMMARY

The Extractive Industries' Transparency Initiative (EITI) seeks to improve development outcomes from benefit payments made by mining companies to governments. Thus the initiative aims at enhancing transparency in the payments, receipts, disbursements and utilization of these benefits.

Regular publication of extractive industry payments and government receipts is a requirement of the initiative.

The Ministry of Finance has engaged Messrs Boas and Associates to undertake the reconciliation of the mining sector payments and government receipts for 2012 and 2013.

The summary of activities and findings made during the implementation of the assignment are indicated in this section.

### List of Reporting Entities (Participants)

The following companies were selected participants of the reconciliation process.

#### *List of Participants for 2012/2013 reconciliation*

	Mine/Company	Location	Mineral Mined
1	AngloGold Ashanti(Ghana) Ltd	Obuasi, Ashanti Region	Gold
2	AngloGold(Iduapriem) Ltd	Iduapriem, Western Region	Gold
3	Adamus Resources Ltd	Nkroful, Western Region	Gold
4	GSR(Wassa)Ltd	Akyempim, Western Region	Gold
5	GSR(Prestea/Bogoso)Ltd	Bogosu, Western Region	Gold
6	Gold Fields (Gh) Ltd	Tarkwa, Western Region	Gold
7	Abosso Goldfields (Gh) Ltd (Damang)	Damang, Western Region	Gold
8	Chirano Gold Mines Ltd	Chirano, Western Region	Gold
9	Newmont Ghana Gold Ltd	Kenyase, Brong Ahafo	Gold
10	Newmont Golden Ridge Ltd <sup>1</sup>	Abirem, Eastern Region.	Gold
11	Ghana Bauxite Company Ltd	Awaso, Western Region	Bauxite
12	Ghana Manganese Co. Ltd	Nsuta, Western Region	Manganese
13	Perseus Mining(Ghana)Ltd	Ayanfuri, Central Region	Gold
14.	Noble Mining Ltd	Bibiani, Western Region	Gold
15	West African Quarries	Oterkpolu/Eastern Region	Limestone
16	Prestea Sankofa Ltd	Prestea, Western Region	Gold

<sup>1</sup> Newmont Golden Ridge Ltd commenced gold production in 2013.

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

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

### Benefit Streams

- *Mineral Right Licences (Reconnaissance; Prospecting and Mining Lease)*
- *Ground Rent*
- *Property rate*
- *Mineral Royalty*
- *Corporate tax*
- *Mining Lease*

### 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.

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

- *Data Collection*
- *Analysis*
  - ✓ Ascertaining the correctness of computations and payments received by each of the agencies with respect to the revenue or benefit streams.
  - ✓ Ascertaining the correctness of transfers of mineral royalty to District Assemblies and the Mineral Development Fund.
  - ✓ Assessing the utilization of funds transferred to the District Assemblies.
- *Reconciliation:* Templates completed for Government and Mining Companies were compared and reconciled.

## RESULTS OF RECONCILIATION; OBSERVATIONS AND RECOMMENDATIONS

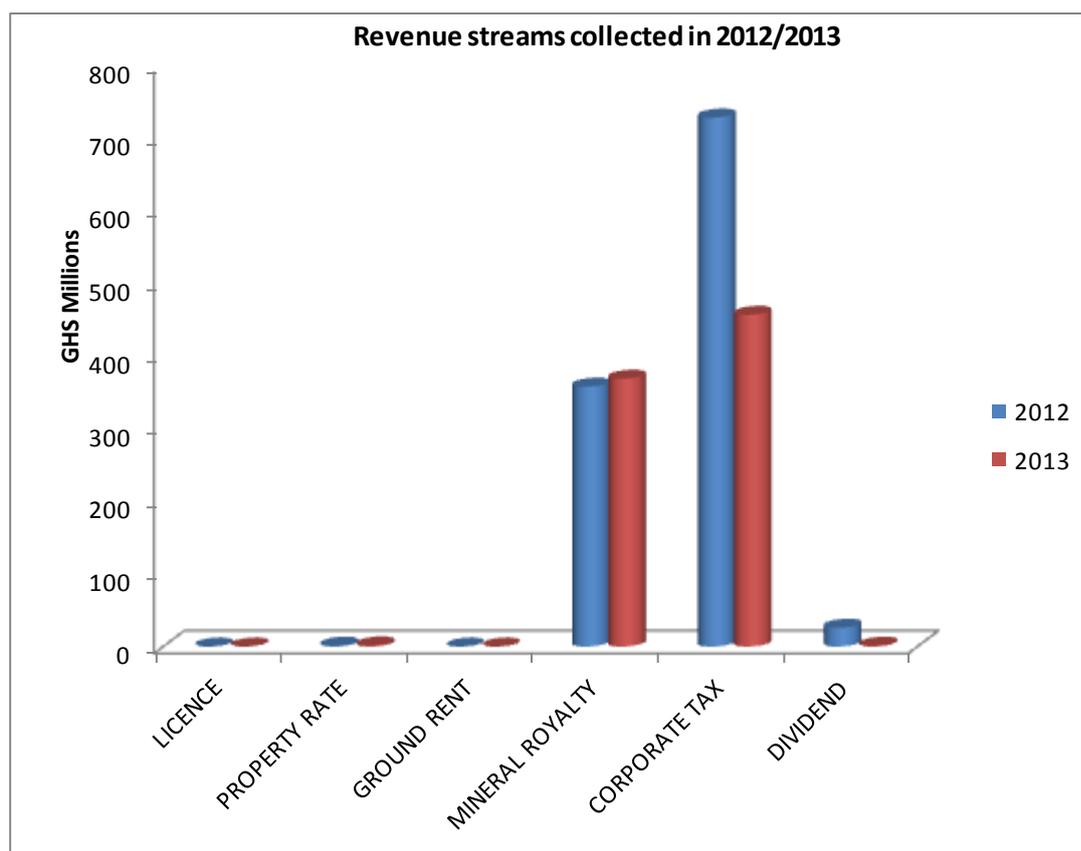
Total Government receipts after the resolution of discrepancies amounted to GHS 1,113,293,362 and GHS828, 430,763 in 2012 and 2013 respectively.

There are discrepancies in both 2012 and 2013. In 2012 there was a net discrepancy of **GHS-3,161,945**, whereas in 2013 the net discrepancy was **GHS 3,100,577**.

Revenue Stream	Company Reported Payments (GHS) A	Government Reported Receipt (GHS) B	Over Reporting (A-B) (A>B)	Under Reporting (A-B) (A<B)	Resolved	Final Company	Final Government	Unresolved
<b>2012</b>								
Mineral Right Licence	0	0	0	0	0	0	0	0
Property Rate	1,127,532	1,263,964	62,921	-199,353	(29,817)	1,127,532	1,293,781	-166,249
Mineral Royalty	326,821,961	357,851,654.00	14,260,708	-45,290,401.00	31,886,606.39	358,708,567	357,851,654	856,913
Ground Rent	0	0	0	0	0	0	0	0
Corporate Tax	681,733,788	728,268,496	23,372,709	-69,907,417	46,690,756	728,424,544	728,268,496	156,048
Dividend	21,870,774	25,879,431	872,165	-4,880,822	0	21,870,774	25,879,431	-4,008,657
<b>Total</b>	<b>1,031,554,055.00</b>	<b>1,113,263,545.00</b>	<b>38,568,503.00</b>	<b>(120,277,993.00)</b>	<b>78,547,545</b>	<b>1,110,131,417.39</b>	<b>1,113,293,362.00</b>	<b>(3,161,945)</b>
<b>2013</b>								
Mineral Right Licence	0	0	0	0	0	0	0	0
Property Rate	1,898,917	1,688,763	812,674	-602,520		1,898,917	1,688,763	210,154
Mineral Royalty	298,293,385	368,864,143	6,294,020	-103,454,940	64,695,461.00	362,988,846	368,864,143	-5,875,297
Ground Rent	0	0	0	0	0	0	0	0
Corporate Tax	398,252,101	456,747,172	8,314,689	-66,809,760	60,860,460	459,112,561	456,747,172	2,365,389
Dividend	1,329,862	1,130,685	199,177			1,329,862	1,130,685	199,177
<b>Total</b>	<b>699,774,265</b>	<b>828,430,763</b>	<b>15,620,560</b>	<b>-170,867,220</b>	<b>125,555,921</b>	<b>825,330,186</b>	<b>828,430,763</b>	<b>-3,100,577</b>

The unresolved discrepancies are 0.28% and 0.37% of total receipts by government Agencies in 2012 and 2013 respectively.

Corporate taxes overtook royalties in both 2012 and 2013 as most of the companies have utilized capital allowances granted them as a result of their initial investment.



## Significant observations and recommendations;

1. Small scale and Artisanal Mining accounted for 34% of gold production in 2012 and 2013.  
*Recommendation:* There is the need to design schemes aimed at earning some revenues from the sector.
2. Lack of On-line Cadastral system at the Minerals Commission.  
*Recommendation:* For effective management of the mining resources, it necessary for the commission to establish a fully fledged cadastre system.
3. Mineral Royalty Payments by Prestea Sankofa Ltd for 2012/2013 were in respect of arrears Thus in 2012 and 2013 no royalty payments were made.  
*Recommendation*  
 The GRA should investigate and retrieve outstanding amounts approximately GHC 6.6 million due the state.
4. Asutifi North District Assembly is currently required to request for the release of mineral royalty from the Regional Coordinating Council in Brong Ahafo.

*Recommendation*

It is recommended that the OASL releases the amount due to the Asutifi North District Assembly without recourse to any request or order from the Regional Coordinating Directorate.

5. There was no disbursement of mineral royalty to the District Assemblies in 2013.

*Recommendation*

In order to ensure the continual use of the funds on capital expenditure, regular disbursement is required

6. Recommendation made in the 2010 and 2011 report on lack of regularization of royalty payment frequency resulting in split quarterly payments is outstanding.

*Recommendation:* GRA is urged to follow through on this to ensure standardization and adherence to procedures for royalty payments to promote compliance.

7. GRA is to investigate the merger of Adamus Resources Ltd and Endeavor Mining which was completed in December 2011 several months after commencement of gold operations in Ghana with the possibility of capital gains tax liability.

## 1.0 BACKGROUND

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The Extractive Industries' Transparency Initiative (EITI) was launched at the World Summit on Sustainable Development in Johannesburg, September, 2002.

The main objective of the Extractive Industries Transparency Initiative (E.I.T.I) is to enhance transparency around the generation and spending of revenues from the extractive sector so as to improve development outcomes, reduce the potential for corruption or large-scale embezzlement of funds by host governments; and to stimulate debate about the uses to which these revenues are put.

It is believed that the prudent use of natural resources has the potential to provide the basis for sustainable economic growth and development.

The Government of Ghana associated itself with EITI in 2003, when it signed on to the initiative in London.

The Initiative encourages governments, extractive companies (publicly and privately owned), International Agencies and NGOs to work together to develop a framework to promote transparency in payments in the extractive industries.

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

Ghana commenced the publication of extractive industries' payments and government receipts with that of the mining sector. GHEITI has published Reconciliation reports from 2004 to 2011.

This presentation is the final report on the assignment.

### 1.1 BRIEF ON EITI IN GHANA

The EITI Steering Committee is the governing body of the EITI in Ghana. Various stakeholders in the Extractive industry are represented on the committee.

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

*Ministry of Finance*

*Ministry of Land and Natural Resources*

*Minerals Commission*

*Ghana National Petroleum Company*

*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 Energy and Petroleum*

The EITI also has an implementation Secretariat at the Ministry of Finance.

The Ghana Extractive Industries' Transparency Initiative (GHEITI) has extended the initiative to the Oil and Gas sector (Ghana commenced commercial production of oil in 2010).

GHEITI has already published aggregated/reconciled reports for the years 2004 to 2011.

## 1.2 CONTENTS AND OBJECTIVES OF THE REPORT

The Ghana Extractive Industries' Transparency Initiative (GHEITI) has engaged Messrs Boas & Associates to reconcile the payments made by Mining Companies and receipts by the government of Ghana for 2012 and 2013.

The contents of the report include:

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

The objectives of the assignment are:

- To collect, analyze and aggregate payments made by Selected Mining companies to Government of Ghana.
- Reconcile Mining Companies submissions of payments to those received by Government.
- Analyse 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 made up of representatives from the government, extractive industry companies and civil society reviews the reconciled information before EITI publication.

## 2.0 SCOPE OF WORK

### 2.1 MATERIALITY

The participating companies included all producing mining companies with large scale mining leases which were part of the entities that paid up to 99% of mineral royalties for 2012 and 2013 and with annual minimum mineral royalty payment of GHS 400, 000<sup>2</sup>.

### 2.2 REPORTING

#### *2.2.1 Basis of Reporting/ Currency*

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

#### *2.2.2 Auditing*

All the participating companies had their financial statements audited by Independent Auditors for 2012 and 2013. 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 2012 and 2013.

The Audit Service of Ghana is the Supreme Auditing Institution of the Republic of Ghana and is a member of the International Organization of Supreme Audit Institution (INTOSAI). The Audit Service monitors the use and management of all Public funds and report to Parliament annually

## 2.3 BENEFIT STREAMS

### *2.3.1 Background to the Recent Changes in Ghana's Fiscal Regime*

During the budget speech presented by the Minister of Finance of Ghana on 16 November 2011, certain changes to the current tax regime relating to mining companies were proposed. These proposals were passed by the Ghanaian Parliament on 1 February 2012.

The changes were subsequently gazetted on 9 March 2012, effective from 5 March 2012, and include an increased tax rate for mining companies from 25% to 35% and, from calendar 2012, capital allowances on mining assets would be granted at the rate of 20% per year for a period of five years on the cost base of the assets so incurred versus the previous 80% allowance in year one with the remaining 25% (20% of cost and an upliftment allowance of 5%) to be claimed on a reducing balance method.

<sup>2</sup> Average exchange rate of US\$: GHS; 1:1.7958 in 2012 and 1:1.9542 in 2013.

In addition, the national stabilisation levy of 5% expired with effect from 1 January 2012.

Since 2012, mining companies operating in Ghana have been subject to the following other taxes: • Corporate tax: 35 percent • Capital gains tax: 15 percent • Withholding tax: 15 percent for foreign resident companies. In addition, the mining companies are required to pay a royalty of 5 percent of their total revenues.

In July 2013 the National Fiscal Stabilisation Levy (NFSL) was reinstated for a period of 18 months. This special levy imposes a 5 percent tax on the profits of certain companies, including those in the mining sector.

The government of Ghana also introduced a bill in Parliament that sought to impose a “windfall profit tax” of 10% on windfall profits of mining companies. The bill was later withdrawn from Parliament, and it is not clear if or when it will be returned to Parliament and passed into law.

The government however extends some tax incentives to miners. In terms of the Minerals and Mining Act, 2006, the holder of a mineral right may be exempted from paying ‘customs import duty for plant, machinery, equipment and accessories imported specifically and exclusively for the mineral operations,’ staff may be granted exemption from the payment of income tax if furnished accommodation is provided at the mine site, and expatriate employees may be exempted from tax payable on money they transfer out of the country.

The amendments made to the Mining and Minerals Act 2006, Act 703; The Internal Revenue Act, 2000; Act 592 and related provisions within the mining fiscal regime during the period under consideration are shown below:

*Table 2.0: Mining Fiscal Regime 2006-2012*

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

Benefit streams for the reconciliation assignment are stated in the Terms of Reference. They include the following:

*Table 2.1: Benefit Streams for 2012/2013 reconciliation*

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. In general, reconnaissance licences do not permit drilling, excavation, or other physical activities on the land, except where such activity is specifically mentioned by the licence.</p> <p>Reconnaissance licence is granted for an initial period of not more than twelve months with a renewable option for another twelve months for land area ranging between one block and five thousand blocks. (A block is 21 hectares).</p>
3	<i>Prospecting Licence</i>	<p>Prospecting licence which covers the second stage of mining operations entitles the holder to search for stipulated minerals and to determine their extent and economic value.</p> <p>This licence is granted for an initial period of three years for a land area not exceeding 750 contiguous blocks. The prospecting licence may be extended for a period not exceeding three years in respect of all or for any number of blocks subject for prospecting.</p>
4	<i>Mining Lease</i>	<p>When a holder of a reconnaissance licence or a prospecting licence has established that the mineral(s) indicated in the licence is/are present in commercial quantities, an application for a mining lease may be applied for before the expiration of the current licence.</p> <p>The mining lease is granted for an initial period of thirty (30) years or less as may be agreed upon with the applicant and may be renewed for an additional period of thirty (30) years.</p>
5	<i>Ground Rent</i>	<p>This is the annual payment made by mining companies and other companies to the owners of the land.</p> <p>The participating mining companies operate on stool lands and therefore pay their ground rent to the Office of the</p>

		<p>Administrator of Stool Lands.</p> <p>The amount payable as ground rent depends on the size of the concession.</p>
6	<i>Property Rate</i>	<p>Property rates as the name indicates are levies that are imposed on buildings, and plants that are fixed to the ground.</p> <p>Property rates are determined by the District Assemblies after applying a formula (Rate impost) to valuation figures. The valuation figures for properties are determined by the District Valuation Board with approval from the Regional Valuation Board.</p> <p>The District Assemblies collect property rates directly from the mining companies.</p> <p>Some mining companies divide the amount payable into four parts and pay in four installments.</p> <p>District Assemblies apply property rates from mining companies as internally generated funds. It is generally used for recurrent expenditure</p>
7	<i>Mineral Royalty</i>	<p>It is a production based tax which is levied on the basis of Section 25 of the Minerals and Mining Act, 2006; ACT 703 which states that 'A holder of a mining lease, restricted mining lease or small scale mining licence shall pay royalty that may be prescribed in respect of minerals obtained from its mining operations to the Republic, except that the rate of royalty shall not be more than 6% or less than 3% of the total revenue of minerals obtained by the holder.'</p> <p>An amendment to section 25 of ACT 703; passed in March 2010, provided royalty payment at 5% of the gross revenue of minerals mined.</p> <p>Mining Companies are liable to pay royalties immediately they commence mineral production in the country.</p> <p>Payment of mineral royalties is made quarterly by all Mining Companies.</p>
8	<i>Corporate Tax</i>	<p>Corporate tax is currently fixed at 35% of Net Profit. All the mining companies under consideration are on self-assessment.</p> <p>Self-assessed companies are allowed to forecast their profits for the year and pay some deposits based on their own assessment.</p> <p>Companies on self-assessment are however required to submit their yearly returns four months after the end of the accounting year.</p>

		<p><b>Capital allowance</b> is 20% per annum on a straight line basis. For the purposes of computing capital allowances for mining entities, the following are considered as Assets.</p> <p>i) Mineral Exploration rights</p> <p>ii) Building, structures and works of a permanent nature which are likely to be of little or no value when the rights are exhausted or the prospecting, exploration, or development ends.</p> <p>iii) Plant and machinery used in mining operations.</p> <p>iv) Costs incurred in respect of mineral prospecting, exploration and development (are treated as if they were incurred in securing the acquisition of assets).</p> <ul style="list-style-type: none"> <li>• <b>Carry forward of losses.</b></li> </ul> <p>Mining companies are allowed to carry forward losses arising in any year to the next year for offset against the profit.</p> <p>The loss must however be deducted within five years following that in which the loss occurred.</p>
8	<i>Dividend</i>	<p>The Republic of Ghana retains a 10% non-contributing shareholding in every mining lease holder. The government's percentage holding (10%) may be altered in circumstances where special agreements exist.</p> <p>The Government's share of dividends when declared by the companies is collected by the Non Tax Revenue Unit of the Ministry of Finance.</p>

### 2.3.2 Benefit streams and National/International Revenue Classification systems.

The following are the classifications of the revenue streams according to the National Budget and the International Monetary Fund Government Finance Statistics. (IMF GFS)<sup>3</sup>

*Table 2.1.1 Classification of Benefit Streams*

REVENUE STREAM	NATIONAL BUDGET	IMF GFS	REMARKS.
<i>Mineral Right fees</i>	<i>N/A</i>	<i>114521E</i>	<i>Internally generated fund by the Minerals Commission</i>
<i>Ground rent</i>	<i>N/A</i>	<i>116E</i>	<i>Pay to District Assemblies, Traditional Authorities and Stools</i>
<i>Property Rate</i>	<i>N/A</i>	<i>113E</i>	<i>Internally generated fund – District Assemblies</i>
<i>Mineral Royalty</i>	<i>Taxes on income and property</i>	<i>1415E1</i>	
<i>Corporate Tax</i>	<i>Tax on income &amp; Property</i>	<i>1112E1</i>	
<i>Dividends</i>	<i>Non- Tax Revenue</i>	<i>1412E2</i>	

### 2.3.3: Revenue Flow within the Mining Sector

The Agencies and revenues collected are shown in Fig 2.1 shows the flow of the revenues.

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

**Mineral Rights Payments** and **Property rates** are used by the recipient agencies, i.e. Minerals Commission and District Assemblies respectively as internally generated funds.

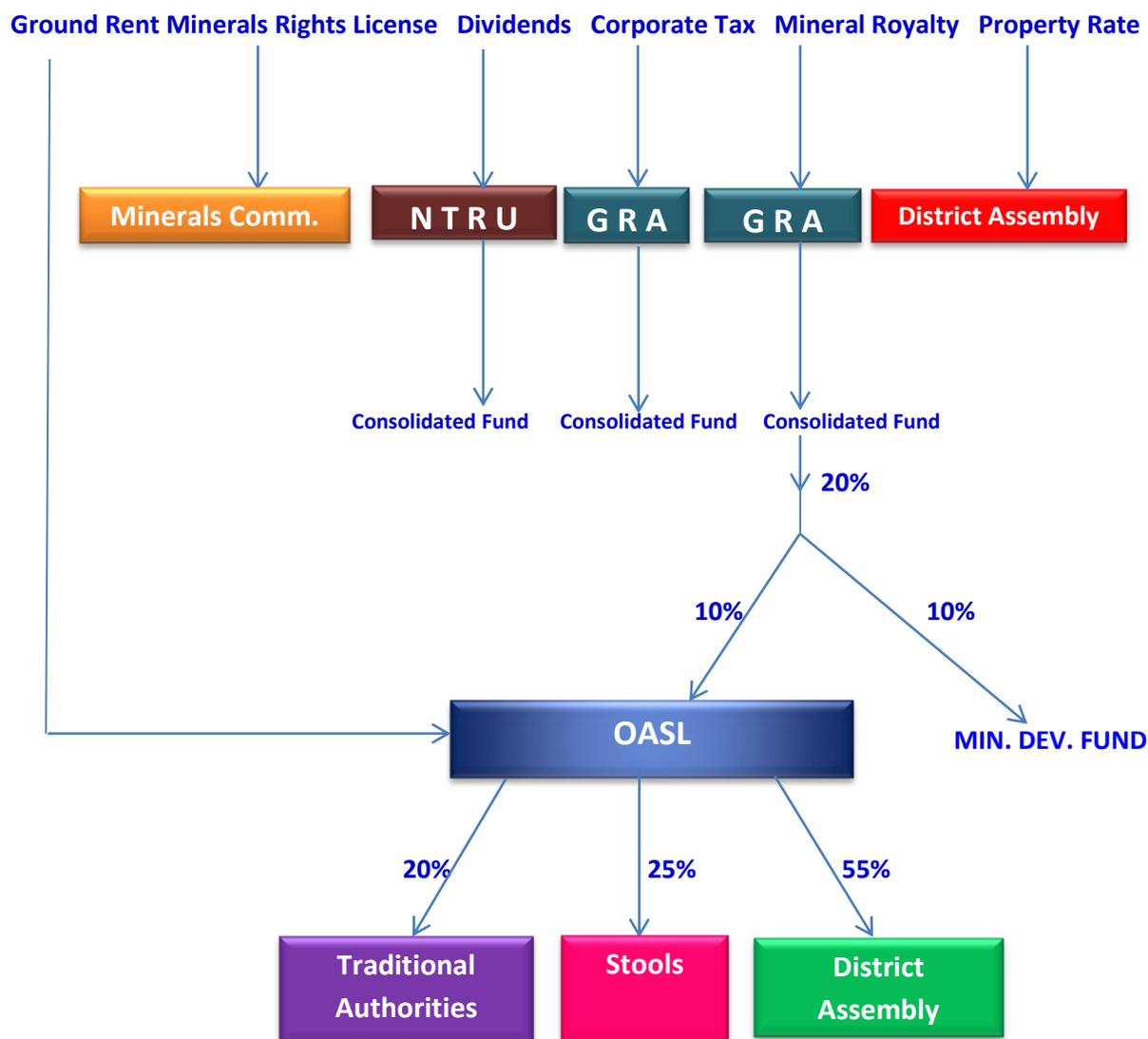
**Mineral Royalty** is first paid into the consolidated Fund. 20% of the mineral royalty receipts is thereafter released to the Minerals Development Fund and the OASL. (*See Fig 2.1 and section 6.0 on disbursements*).

**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

<sup>3</sup> Source: IMF Government Finance Statistics Manual 2014(GFSM 2014)

and 20% to Traditional Authorities within the jurisdiction of the paying mining company)

Fig: 2.1 Revenue flow in the mining sector



## 2.4: REPORTING ENTITIES

### 2.4.1 Participating Companies

The selected companies for the reconciliation exercise are shown below (See Table 2.2 for details of participating companies).

*Table 2.2: List of companies participating in the 2012/2013 Reconciliation*

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

<sup>4</sup> Newmont Golden Ridge Ltd commenced gold production in 2013.

### 2.4.1.1 Company Background and General Information

General information on the participating companies is provided below:

<p>AngloGold Ashanti Iduapriem and Obuasi</p>	<p>The Government of Ghana holds a 1.58% direct interest in AngloGold Ashanti, whose assets in Ghana are Iduapriem and Obuasi.</p> <p>The Obuasi mine is located approximately 60km south of Kumasi. Its operations are primarily underground to a depth of 1.5km with multiple shaft systems currently in operation for the transport of material and personnel and the hoisting of rock. There exists also surface mining activities in the form of open pit and tailings reclamation.</p> <p>The Iduapriem asset comprises of the Iduapriem and Teberebie properties in a 110km<sup>2</sup> concession and is located some 70km north of the coastal city of Takoradi and 10km southwest of the Tarkwa mine. Iduapriem is an open-pit mine and its processing facilities include a carbon-in-pulp (CIP) plant. Iduapriem has been wholly owned by AngloGold Ashanti since September 2007, Royalty payments have been accurately determined and paid.</p> <p>At Obuasi, there exists a metallurgical plant, with a monthly capacity of 180,000t, treats sulphide ores from both an underground mine and sulphide tailings.</p> <p>For AngloGold Ashanti operations, it is estimated that as at 31 December 2013, the total Mineral Resource was 33.73Moz and the Ore Reserve 10.11Moz, equivalent to 14% and 15% of the group's total attributable Mineral Resource and Ore Reserve respectively.</p> <p>AngloGold Ghana had its capital expenditure in 2013 totaling \$224m. This brings to \$957m the amount AngloGold Ashanti has invested in its Ghana operations in the past five years.</p>
<p>Golden Star Bogoso/Prestea &amp; Wassa</p>	<p>Golden Star is an international gold mining company with operating mines in Ghana and exploration properties in other parts of West Africa and Brazil.</p> <p>Golden Star holds a 90% equity interest in Golden Star (Wassa) Limited and Golden Star (Bogoso/Prestea) Limited which, respectively own the Wassa and the Bogoso open-pit gold mines and processing plants in Ghana.</p> <p>In addition, Golden Star has a 90% interest in the currently inactive underground mine in Prestea, Ghana ("Prestea Underground"). It is listed on the Toronto Stock Exchange (TSX: GSC), New York Stock Exchange MKT (NYSE MKT:GSS) and the Ghana Stock Exchange (GSE: GSR)</p> <p>The Wassa gold mine has a single non-refractory carbon –in-leach processing plant with a capacity of 2.7 million tonnes per annum.</p>

	<p>As at December 2013, Wassa had Mineral Reserves of 2.0 million ounces at an average grade of 1.75 g/t Au. Measured and Indicated Mineral Resources as at December 2013, inclusive of Proven and Probable Reserves, were 3.3 million ounces at an average grade of 2.02 g/t Au</p>
<p>Golden Star Bogosu /Prestea Operation</p>	<p>Prestea/ Bogoso mine is located about 35 kilometers west of its Wassa mine. The operation has both a Carbon- in- leach and a Bioxidation plants with capacities of 1.5 mtpa and 2.7 mtpa, respectively. Bogoso produced and sold 145,000 ounces of gold in 2013.</p> <p>As at December 2013, Bogoso had Mineral Reserves of 2.0 million ounces at an average grade of 3.2 g/t gold. Measured and Indicated Mineral Resources as at December 31, 2013, inclusive of Proven and Probable Reserves, were 3.0 million ounces at an average grade of 3.3 g/t gold</p> <p>Golden Star also owns the Prestea underground gold mine which is currently non-operational but feasibility Study completed in 2013 demonstrates positive economics for the extraction of the high-grade but narrow vein deposit.</p> <p>Cash operating costs at Prestea are estimated at \$734 per ounce over the six year life of mine and initial capital expenditure is estimated to be \$91 million.</p> <p>A settlement community of about 2,500 people lives in the small Dumasi township, with whom a resettlement agreement was signed in February 2013 in anticipation of the construction of an open pit mine.</p>
<p>Newmont Ghana – Ahafo and Golden Ridge Ltd</p>	<p>Newmont Mining Corporation is a gold producer with operations and/or assets in the United States, Australia, Peru, Indonesia, Ghana, New Zealand and Mexico. Of the 2013 consolidated gold production, approximately 36% came from North America, 19% from South America, 31% from Australia, 1% from Indonesia, and 13% from Africa essentially Ghana.</p> <p><i>Newmont Mine in the Asutifi District:</i> Ahafo (100% owned) is located in the Brong-Ahafo Region of Ghana, approximately 180 miles (290 kilometers) northwest of Accra. It operates four open pits at Ahafo with reserves contained in 11 pits and an underground mine presently in development. Commercial production in the fourth pit at Amoma, began in October 2010. The process plant consists of a conventional mill and carbon-in-leach circuit. Ahafo produced 570,000 ounces of gold in 2013, and at December 31, 2013, we reported 10.1 million ounces of gold reserves.</p> <p><i>Golden Ridge Ltd, Akyem:</i> Akyem under legal entity named Newmont Golden Ridge is (100% owned) I and located approximately 80 miles (125 kilometers) northwest of Accra. The</p>

processing plant was commissioned in late August 2013 and ramped up to full commercial production in October 2013, producing 129,000 ounces of gold in 2013.

Gold production is expected to be approximately 350,000 to 450,000 ounces per year for the first five years of the mine's operating life of approximately 19 years (based on current gold reserves). At December 31, 2013, 7.2 million ounces of gold reserves is reported

#### *Stabilisation Agreement*

*In December 2003, the Parliament of Ghana ratified an Investment Agreement with Newmont which establishes a fixed fiscal and legal regime, including fixed royalty and tax rates, for the life of any Newmont project in Ghana.*

*Under the Investment Agreement Newmont will pay corporate 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 state is also entitled to receive 10% of a project's net cash flow after investment has been recouped and may 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 Investment Agreement also contains commitments with respect to job training for local Ghanaians, community development, purchasing of local goods and services and environmental protection.

As stipulated in the Investment Agreement, the increase in the corporate income tax rate from 25% to 35% for all mining companies would in the case of Newmont be limited to 32.5% and capital allowances remain at the old rates.

Newmont is currently in discussions with the new Mining Review Committee on certain aspects of the Investment Agreement which the Review Committee would like to be reviewed.

#### Gold Fields (Gh) Ltd – Tarkwa and Damang Operations

Gold Fields (Gh) Ltd Limited is a globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. Gold Fields (Gh) Ltd has a primary listing on the Johannesburg Stock Exchange, with secondary listings on the New York Stock Exchange ('NYSE'), NASDAQ Dubai Limited, Euronext in Brussels ('NYX') and the Swiss Exchange ('SWX').

Ghana has a non-controlling interest in Gold Fields (Gh) Ltd (Tarkwa) and Abosso Goldfields (Gh) Ltd (Damang) (Damang) stands 10% at the end of 2013. Gold Fields (Gh) Ltd ('GFG') owns the Tarkwa operations in Ghana. The accumulated non-controlling interest of GFG at 31 December 2013 amounts to (US\$108.7 million) (2012: or US\$109.8 million)

*Gold Fields (Gh) Ltd operation has had a modest impact on government revenue for on 23<sup>rd</sup> October 2013, for the fourth consecutive year Gold Fields (Gh) Ltd Ghana was announced as the leading taxpayer in the country, paying over US\$250 million in corporate taxes, dividends and royalties to government last year.*

Gold Fields (Gh) Ltd is a significant producer of gold and a major holder of gold reserves in South Africa, Ghana, Australia and Peru. Gold sales at the West African operations decreased by 11% from 885,300 ounces to 785,300 ounces in 2013.

At the West African operations, gold sales at Tarkwa decreased by 12% from 718,800 ounces to 632,200 ounces mainly due to cessation of crushing operations at the South heap leach facility at the end of December 2012, as well as the industrial action at the beginning of the June 2013 quarter.

Damang's gold sales decreased by 8% from 166,400 ounces to 153,100 ounces mainly due to lower yield following on from the closure of the original Damang pit for safety considerations.

At the West African operations, operating costs decreased by 4% from US\$674 million in 2012 to US\$645 million in 2013. This decrease of US\$29 million was mainly due to decreased power costs and business process re-engineering at both operations partially offset by normal inflationary increases and annual wage increases.

At Tarkwa, operating costs decreased by 4% from US\$494 million to US\$474 million and at Damang, operating costs decreased by 4% from US\$179 million to US\$171 million.

In regard of cost competitiveness, the West African operations total cash cost increased by 16% from US\$744 per ounce to US\$863 per ounce. This increase was partly due to the decrease in production at both Tarkwa and Damang.

Capital expenditure for the Ghana Group operations decreased from US\$352 million in 2012 to US\$257 million in 2013:

Tarkwa's expenditure decreased from US\$260 million to US\$207 million mainly due to decreased expenditure on the purchase of mining fleet Damang decreased from US\$92 million to US\$50 million mainly due to decreased expenditure on pre-stripping costs.

#### Chirano Mines

Chirano is owned by Kinross, a Canadian-based gold mining company with mines and projects in Brazil, Canada, Chile, Ghana, Mauritania, Russia and the United States.

Kinross maintains listings on the Toronto Stock Exchange (K) and the New York Stock Exchange (:KGC).

Kinross acquired its 90% interest in the Chirano mine on September 17, 2010 upon completing its acquisition of Red Back. Chirano is located in southwestern Ghana, approximately 100 kilometres southwest of Kumasi. A 10% carried interest is held by the government of Ghana.

### Operating Statistics

Tonnes of ore mined decreased by 20% compared with 2012 as a result of planned reduction in open pit mining activity, partially offset by tonnes mined from the Paboase and Akwaaba underground deposits. Grades decreased by 7% compared with 2012, primarily due to planned mine. Gold equivalent ounces produced decreased by 6% compared with 2012, primarily due to the decrease in grades and tonnes processed, partially offset by a slight increase in recoveries

	2013	2012
Tonnes ore mined (000's)	3,786	4,728
Tonnes processed (000's)	3,360	3,381
Grade (grams/tonnes)	2.71	2.91
Recovery	93.8%	93%
Gold equivalent Ounces:		
Produced	275,402	293,235
Sold	278,171	298,651
Financial Data (in millions)		
Metal sales	\$ 387.8	\$ 497.7
Production cost of sales	211.7	215.3

Gold equivalent ounces sold decreased by 7% compared with 2012 due to a decrease in gold equivalent ounces produced and timing of shipments. Metal sales decreased by 22% compared with 2012 due to a decrease in gold equivalent ounces sold and metal prices realized.

Production cost of sales were lower by 2% compared with 2012, primarily due to a decrease in gold equivalent ounces sold, lower royalties, and lower fuel and contractor costs as a result of the transition to owner mining, partially offset by higher labour and power costs.

## Perseus Mining – Ayanfuri

Perseus Mining is a company limited by shares that is incorporated and domiciled in Australia. . Perseus Mining and its controlled assets constituting a Group owns a 90% interest in the Edikan Gold Mine (EGM) with the remaining 10% a free carried interest owned by Ghana Government

The EGM is located on the Ayanfuri and Nanankaw mining leases spanning the border between the Central and Western Provinces of the Republic of Ghana, in West Africa. These mining leases, together with the adjoining exploration license areas of Grumesa, Kwatechi, Dunkwa, Nsuaem and Nkotumso that are also held by the group, cover a total area of about 650 square kilometers.

Following the completion of construction of the EGM in 2011, the first gold pour and the first receipt of revenue from gold sales took place on 21 August 2011 and on 28 September 2011 respectively.

On 1 January 2012 commercial production was declared. By 30 June 2013, the group had produced 345,742 ounces of gold.

EGM had 52% increase in gold production in 2013, relative to the corresponding period in 2012, represents Perseus's first full year of production after the commissioning of the EGM processing plant.

In 2013 gold production for the period was 208,444 ounces at an all-in site cash cost (including production, royalties, development and sustaining capital) of US\$1,150/oz.

Total mill throughput for the period was 5,647,000 tonnes of ore grading 1.4g/t of gold. This annual throughput represented a 35% increase over the prior period. Gold recovery of 83.3% resulted in the production of 208,444 ounces of gold. The 209,450 ounces of gold poured during the year included all recovered gold plus an incremental amount of gold in circuit at the end of the prior period.

Parameter	Unit	2013	
2012(Accounting year)			
Ore Mined	kt	6,999	7,308
Ore Milled	kt	5,647	3,688
Head grade	g/t gold	1.4	1.4
Gold Recovery%		83.3	83.5
Gold Produced Ounces		208,444	137,298

### Sankofa Gold – Prestea

Prestea Sankofa Gold Limited was incorporated in 1994 with Samax Limited based in the UK owning 50.4 percent, Ghana National Petroleum corporation (GNPC) owning 39.6 percent and the Government of Ghana with the remaining 10.0percent. Samax Limited, which traded on the Canadian stock exchange, was taken over by Ashanti Gold Fields (Gh) Ltd Company (AGC) in September 1998. Since the Prestea project did not fit into AGC corporate portfolio, it released the 50.4 percent share it owned in November 2000 to GNPC (after only two years).

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.

The Prestea Sankofa Gold Limited (PSGL) operation is located at Prestea, within the Prestea Huni Valley District in the Western Region of Ghana.

Prestea Sankofa produced 21,237 ounces of gold in 2012 at total revenue of US \$ 36,012,936 (GHC 64,789,333). Royalty payable on the revenue is GHS 3,239,466.68. The GHC 1,037,988.39 paid as royalties to GRA in November 2012 was in respect of 2011 payment arrears.

Additionally, 2013 production was 22,853 ounces of gold at revenue of US\$ 31,760,747.60 (GHC 68,806,427). Royalty payable on the revenue is GHS 3,440,321.85. The total of GHC 409,095 paid in 2013 cover outstanding payment in 2011.

Thus, GRA is requested to recover approximately GHC 6.6 million as outstanding royalties to the state.

<p><i>Adamus Resources</i></p>	<p>Nzema Gold Mine is located on the southern end of the Ashanti Gold Belt in south western Ghana, approximately 280km west of Ghana's capital city, Accra. Endeavour holds a 90% interest in the Nzema Gold Mine through Ghanaian subsidiaries. The remaining 10% is held by the Government of Ghana.</p> <p>Endeavor entered into a definitive Merger Implementation Agreement ("MIA") to combine through an all-stock merger of equals transaction creating a new growth focused West African gold producer (the "Merged Entity"). Endeavour intends to invest at least US\$160 million from its current cash balance to relieve the constraints of Adamus' Nzema project finance structure, including repayment of the US\$60 million project loan and at least US\$100 million towards reduction of hedged gold volumes.</p> <p>GRA is to investigate the merger which was completed in December 2011 several months after commencement of gold operations in Ghana with the possibility of capital gains tax liability.</p>
<p><i>Ghana Bauxite Company Ltd</i></p>	<p>Bauxite is an aluminum ore that has to be processed into alumina before the alumina can be transformed into aluminum by electrolysis. Bauxite has been mined in Ghana since the 1940s; currently Chinese corporations are the most prominent in the industry through Bonsai Minerals Group's ownership of Ghana Bauxite Company. Bosai Minerals Groups, owns (80 percent) and the Ghana government controlling the remaining 20 per cent stake. It is the sole producer of bauxite ore in Ghana.</p> <p><i>Ghana Bauxite Company Limited (GBC) at Awaso produces bauxite ores by open pit technology.</i></p> <p><i>Ghana Bauxite Company registered an increase from the shipment of bauxite of 16 percent, from US\$ 28,495,592 in 2012 to US\$ 32,923,689 in 2013 due to an increase in shipments from 752,771 tonnes in 2012 to 826, 994 tonnes in 2013.</i></p>
<p><i>Ghana Manganese Company</i></p>	<p>Manganese ores from GMC is the metamorphic carbonate-type deposit, discovered in 1914 and mined from an open pit since 1917. The deposit also consists of an underlying manganese carbonate zone discovered in 1968.</p> <p>Manganese is an important component of a number of metal alloys, including steel (which accounts for most of the global demand for manganese) and aluminum. GMC is the only operating manganese mine in Ghana and belongs to Consolidated Minerals (Consmin), a Jersey-based company.</p> <p>Manganese reserves are still high, with Consmin estimating that only 3 percent of its concession has been mined as of June 2011 the company estimated reserves of manganese carbonate at 24.4</p>

million tons, with a manganese content of 29 percent.

Consmine, through its wholly owned subsidiaries, owns 90% of Ghana Manganese Company Limited (GMC). The remaining 10% is owned by the Government of Ghana.

GMC owns and operates the Nsuta manganese mine. GMC holds a mining concession for manganese over an area of 175 square kilometres in and around Nsuta in the Western Region of Ghana, less than 3% of which has been mined to date.

GMC ore is one of the highest manganese-to-iron ratio ores in the market (Mn:Fe ~31) and is low in phosphorous, alumina and other heavy metal impurities, making it well-suited for both alloy and manganese metal production.

The mine is located close to the major port of Takoradi, which is approximately 63km by rail or 92km by road. At Takoradi, GMC owns and operates its own ship loading infrastructure

**Reserves & Resources:**

Category	Mt	Mn%
Total Reserves	21.8	29%
Total Resources	41.8	28%

Ghana Manganese Company Ltd mines a very pure and high-quality carbonate ore with unique product specifications.

*Source: Companies' Annual Reports*

## ❖ BENEFICIAL OWNERSHIP

### GOLD FIELDS (GH) LTD TARKWA & DAMANG

Gold Fields (Gh) Ltd and Goldfields Abooso Ltd own 90% stake in their respective mines. They are both wholly owned by Gold Fields Ghana Holdings (BVI) which is also an indirect subsidiary of Gold Fields Limited, South Africa. Ghana Government retains the remaining 10% stake. Gold Fields (Gh) Ltd S.A has a primary listing on the Johannesburg Stock Exchange (JSE:GFI), with secondary listings on the New York Stock Exchange (NYSE:GFI), NASDAQ Dubai Ltd (GFI) , Euronext (“ NYX:GFLB”) in Brussels and the Swiss Exchange.

### ANGLOGOLD ASHANTI OBUASI & IDUAPRIEM

Headquartered in Johannesburg, South Africa, AngloGold Ashanti owns the Obuasi and Iduapriem mines with Ghana Government holding direct shares in the Group structure. AngloGold Ashanti have five listings globally namely: Ghana Stock Exchange, (GSE:AGA), Johannesburg Stock Exchange( JSE: ANG), New York Stock Exchange (NYSE: AU), London Stock Exchange ( LSE:AGG), Australia Stock Exchange (ASX:AGG), Euronext( ANG).

Its directors include Messrs Mboweni, Srinivasan, and Venkatakrisnan.

### GOLDEN STAR RESOURCES, WASSA & PRESTEA/BOGOSO

Through two separate 90% owned subsidiaries, Golden Star (Wassa) Limited, and Golden Star (Bogoso/Prestea) Limited, Golden Star Resources own and operate the Wassa and Bogoso gold mining operations. It also has a 90% interest in the Prestea Underground mine in Ghana.

Golden Star Resources Ltd. is a Canadian federally incorporated, international gold mining and exploration Company headquartered in Toronto, Canada. The Company’s shares are listed on the Toronto Stock Exchange (“the TSX”) under the symbol GSC, the New York Stock Exchange (“the NYSE MKT”) under the symbol GSS and the Ghana stock exchange under the symbol GSR.

The Company’s registered office is located at 150 King Street West, Sun Life Financial Tower, Suite 1200, Toronto, Ontario, M5H 1J9, Canada.

### NEWMONT MINING CORPORATION, NEWMONT GHANA & GOLDEN RIDGE LTD

Newmont mining Corporation owns 100% of Newmont Ghana which operate the Ahafo Mine and Golden Ridge Ltd which controls the Akyem operations. It is traded on the New York Exchange as (NYSE:NEM)

### **PERSEUS MINING, ANYANFURI,**

Perseus Mining is incorporated and domiciled in Australia. The company together with its controlled assets constitutes a group which owns 90% in the Edikan Gold Mine, with the remaining 10% owned by the Government of Ghana. It is traded on the Toronto Stock Exchange (TSX:PRU) and Australian Stock Exchange as (ASX:PRU)

### **ADAMUS RESOURCES LTD**

Adamus Resources Ltd which owns 90% of the Nzema Mine was formerly traded on the Australian Stock Exchange as (ASX:ADU) and Toronto Stock Exchange as (TSX-V:ADU), and Frankfurt (FSE:AXM). In December 2011, it merged with Endeavor Mining thus trading on the Toronto Stock Exchange as (TSX: EDV) and Australian Stock Exchange as (ASX: EVR) Its company secretary is Ian Cunningham.

### **GHANA MANGANESE COMPANY**

Through its subsidiary, Ghana Manganese Company Ltd, the company is 90% owned by the ultimate parent Company Consolidated Minerals Limited (CML).

Consolidated Minerals Limited is headquartered in Jersey and the address of its office is Commercial House, 3 Commercial Street, St Helier, Jersey, Channel Islands, JE2 3RU.

Its directors include:

Mr. Peter Allen

Mr Vyacheslav Anishchenko

Mr Steven Bowen

Ms Jackie Callaway (resigned 23rd July 2013)

Mr Andreas Marangos

Mr Malcolm McComas

Mr David Slater (appointed 6th December 2013)

Andreas Marangos (a director of the Company) holds 9,999,000 of the Company's (CML) ordinary shares and the remaining 1,000 ordinary shares are held by Grizal Enterprises Limited ('Grizal'), a related party in which Gennady Bogolyubov has a 100% interest.

Both Andreas Marangos and Grizal hold the shares as trustees for Gennady Bogolyubov, the sole ultimate beneficial owner of the shares of the Issue

### **GHANA BAUXITE COMPANY LTD**

Ghana Bauxite Company Ltd is 80% owned by Bosai Minerals Group and the remaining 20% held by Ghana Government.

Bosai Minerals Group is a privately owned company based in China. It has its headquarters in

World Trade Center, 47th floor, 131 Zourong Road, Yuzhong District, Chongqing, China

Its directors include Yuan Zhilun Chairman of the Board & Managing Director Steven Ma Manager, Overseas Business and Bill Holroyd Sales Director, Europe.

### **CHIRANO GOLD MINING LTD**

Chirano Gold Mine is 90% owned by KINROSS, a Canadian-based gold mining company.

Kinross maintains listings on the Toronto Stock Exchange and the New York Stock Exchange.

### **PRESTEA SANKOFA GOLD**

Prestea Sankofa Gold Limited is 90% owned by Ghana National Petroleum Company. The Government of Ghana holds the remaining 10%.

Source: GNPC website

### **NOBLE GOLD**

Noble Gold is 90% owned by Noble mineral Resources Ltd and is listed as (NMG:Australian Stock Exchange Ltd)

Its top compensated officers include:

Mr. Erik Palmbachs

Mr. Mark Laing

Mr. Roger Bannister

Mr. Peter Williams

### **WEST AFRICA QUARRIES**

The West African Quarries Limited (WAQL), is a subsidiary of Ghacem Limited.

Ghacem was established by the Government of Ghana in collaboration with Norcem AS of Norway on August 30, 1967. In 1993, the Ghana Government sold 35 % of its shares to Scancem (formerly Norcem). Scancem as a result had 59.5 %, leaving it with 40 % and 0.5 % going to a local investor. In 1997, the Ghana Government sold 5 % of its 40 % shareholding to the workers of the company.

The remaining 35 % shares of the Ghana Government was sold to Scancem in 1999 thus Scancem having 93.1 % shares in the company, Ghana Government have 5 % shares and

1.9 % owned by Dr. J. A. Addison, a local investor. In 1999, Heidelberg Cement took over Scancem, thus making it a subsidiary.

#### ❖ CORPORATE SOCIAL RESPONSIBILITIES

In 2012 and 2013, there were no material social expenditures that were mandated by law. The steering Committee however agreed that discretionary social expenditures should be disclosed by describing the projects or activities undertaken by the companies. Valuations of projects and activities are however to be excluded. The following activities and projects were undertaken by the companies<sup>5</sup>.

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<sup>5</sup> The Administrator did not independently confirm these activities and projects.

## 1. NEWMONT GHANA LTD & GOLDEN RIDGE LTD

- a. Newmont Ahafo Development Fund (NADeF) has built community libraries, teachers quarters, water system facilities, micro-credit schemes and awarded scholarships to over 3,091.
- b. Newmont's Golden Ridge Ltd has constructed Nurses quarters, female and maternity wards and provided a 275 KVA generator for Akyem Government Hospital. Others include construction of two six-unit classroom blocks and 176 latrines for various households in the community.
- c. In partnership with the Ministry of Food and Agriculture, the company has supported over 5, 000 farmers in its Ahafo Mine host communities.
- d. Newmont's Agricultural Improvement and Land Access Program (AILAP) also gives farmers increased land access, extension services and modern farm inputs.
- e. The Ahafo Linkage Program, a local content development program by Newmont Ghana has trained over 100 local suppliers and entrepreneurs
- f. Other infrastructure projects include construction of a new police station and barracks, upgrading of water and sanitation facilities, improvements in local schools and hospitals and housing in support of the company's resettlement programmes.
- g. Under education, a new school for the Ntotroso Resettlement Community has been built. New fully furnished six-classroom school block, office and store, library and washroom facility for Dokyikrom was constructed, supported the Otumfuo Education Fund and Junior Achievement Ghana and donations to University of Mines and Technology.

*Source: Newmont Ghana*

## 2. GOLDFIELDS TARKWA & DAMANG

### a. Education

Continuing Support to PHDA Teacher Training Support Scheme  
 Provision of Educational Materials to Schools, Sponsorship of Mathematics  
 Work Camp Teachers Support Programme  
 Renovation of Akoon Primary School Block  
 Construction of 3 Classrooms, ECDC for Huni-Valley

Construction of 3 Classrooms, Office and Store JSS Block Subri  
 Construction of 3 Classrooms, Office and Store JSS Block, Bompieso  
 Renovation of five Unit Classroom Blocks for Bosomtwe R/C School Aboso  
 Construction of Teachers Bungalow Huni-Valley

Renovation of NAMS Computer Laboratory Damang  
Renovation of Six Units Classroom Blocks Koduakrom  
Supply of Classroom Furniture Damang

*b. Water and Sanitation*

Construction of Small Town Water System in three Communities New  
Atuabo, Brahabobom and Pepesa Road (Phase II) Samahu  
Tarring of section of New Atuabo Town Roads Abekoase  
Rehabilitation of UMaT Pepesa  
Construction of Mechanized Borehole Tebe  
Provision of Four Refuse Containers to Tarkwa/Nsuaem Municipal and  
Prestea/Huni-Valley Assemblies  
Construction of a Ten Seater WC Facility for Aboso-Aposso  
Construction of Boreholes and Installation of Hand Pumps at Rex Area  
Deepening of Hand Dug Well and Supply of Pump at Bompieso  
Construction of Water System for Damang Clinic  
Construction of KVIP for Aboso Anglican School

*c. Enterprise Development*

SEED Agricultural Programme  
Abekoase Agribusiness Project Abekoase  
Gold Fields Cage Culture Project Tarkwa  
Awudua Oil Palm/Pepper Project Awudua

*d. Community development*

Tarring of Samahu-  
Junction – Brahabebom Road Abekoase  
Rehabilitation of Abekoase-Tebe Road Tebe  
Renovation of Municipal Labour Office – Phase 2 Tarkwa  
Tarring of a Section of Samahu – Pepesa Road Samahu – Pepesa  
Construction of Community Centres Tebe Tebe  
Construction of Septic Tank for New Atuabo School New Atuabo  
Sponsorship of Medeama Sporting Club Tarkwa  
Renovation of Damang Community Centre  
Construction of a Community Centre at Kyekyewere

*Source: The Gold Fields Ghana Foundation*

### **3. ANGLOGOLD ASHANTI OBUASI & IDUAPRIEM**

- a. Supported Malaria Control in Obuasi. The Indoor Residual Spraying (IRS) has been acclaimed as the one of the strategies in combating the malaria resulting in sustained reduction of about 76% in malaria cases in Obuasi.
- b. National Malaria Control Programme (NMCP), Ministry of Health (MoH)
- c. Ghana Health Service (GHS) and Ministry of Local Government and Rural Development expressed interest in collaborating with AGA especially in replicating it in other districts in the country within a span of five (5) years.

- d. AGA is helping achieve the Millennium Development Goals (MDGs) reducing infant mortality, reducing maternal mortality and combating HIV/AIDS, malaria and other diseases respectively.
- e. AGA through this intervention has employed and trained 750 spray operators in 2012, 1,400 in 2013 and the threshold will be increased to 3,000 by 2015
- f. Iduapriem Mine (AAI) Community Trust Fund has commenced construction of three-unit classroom block and a 32-seater aqua privy toilet facility for three communities.

#### **4. GOLDEN STAR RESOURCES – PRESTEA/BOGOSO & WASSA**

##### *Education*

- a. Construction of school classroom blocks at Akyempim and Adamanso
- b. Construction of the Information and Communication Technologies Centre at Himan.
- c. School block electrification at Akyempim and Old Subri
- d. Construction of a bus stop at Bogoso

##### *Water and Sanitation*

- a. Upgrade and extension of potable water supply systems throughout the catchment communities, with poly-tanks at Dumasi, Prestea, and Bondaye, and a number of hand dug wells, as well as construction of borehole facilities at Awunakrom.
- b. Construction of aqua-privy / toilet facilities at Mpohor, Awunakrom, Adamanso, and Juabeng.

##### *Economic Development and Poverty Reduction*

- a. Construction of a community centres at Ehyireso and Benso communities
- b. Construction of an open market centre at Beppoh.

##### *Health and Wellbeing*

- a. Furnishing of the Bondaye clinic and floor tiles at the Prestea Government Hospital
- b. Commencement of the Bondaye Nsuta Mbease electricity provision project.

## 5. ADAMUS RESOURCES

- a. The Salman Village Resettlement involves over 2,000 people, nearly 500 structures and 19 public buildings, all resettled at a site approximately 1km to the east of planned mining at the Nzema Gold Project's Salman Central pits.
- b. Community buildings completed including: Community and Health Centre, Community Health Nurses Accommodation, Salman Junior and Middle School, Salman School Library, Police Station and residential quarters.
- c. Construction of a palace for the chiefs and people of Teleku Bokazo in the Ellembelle District.

## 6. CHIRANO MINING

- a. Chirano Gold Mine sponsored Breast Cancer Screening for women
- b. Development projects included a state-of-the-art market, boreholes and palace etc.

### *2.4.2 Other Companies:*

Other companies that were engaged in the extraction of minerals in 2012 and 2013, but did not participate in the reconciliation included: Raym construct, Mansco Stone Quarry Ltd, Med Mining, Cedar Quarry Ltd, Edinam Salt Industry Ltd, Cedar Products and Modern Kosa Company Ltd .

### *2.4.3 Government Reporting Entities*

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

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

Table 2.3: Government Agencies and provision of relevant data

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

#### 2.4.4 District Assemblies

The District Assemblies that participated in the reconciliation exercise are shown in Table 2.4; these are the governing Assemblies in the operational areas of the mines.

*Table 2.4: District Assemblies of selected Mining Companies for 2012/2013 Reconciliation*

No.	Mining Company	District(s) Assemblies.	Municipal/District Capital	Region
1	AngloGold Ashanti	Obuasi Municipal: Adansi South; Adansi North Amansie Central	Obuasi New Edubiase Fomena Jacobu.	Ashanti Ashanti Ashanti Ashanti
2	AngloGold Ashanti Iduapriem	Tarkwa Nsuaem	Tarkwa	Western
3	Adamus Resources Ltd	Ellembele	Nkroful	Western
4	Abosso Goldfields (Gh) Ltd (Damang)	Prestea Huni Valley	Bogosu	Western
5.	Gold Fields (Gh) Ltd(Tarkwa)	Tarkwa Nsuaem/Prestea Huni Valley	Tarkwa	Western
6	Golden Star Wassa Ltd	Mpohor Wassa East	Daboase	Western
7	Golden Star Bogoso Prestea	Prestea Huni Valley	Bogosu	Western
8	Ghana Bauxite Co. Ltd	Bibiani Ahwiaso	Bibiani	Western
9	Ghana Manganese Co Ltd	Tarkwa Nsuaem	Tarkwa	Western
10	Chirano Gold Mines Ltd	Bibiani/Ahwiaso; Sefwi District Assembly	Bibiani Sefwi Wiawso	Western
11	Newmont Ghana Gold Ltd-Ahafo	Asutifi District Assembly	Kenyasi	Brong Ahafo
12	Newmont Golden Ridge Ltd	Birim North Assembly	Abirem	Eastern Region

## 3.0 APPROACH AND METHODOLOGY

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

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

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

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

There was interaction with the Steering committee in order to

- i) Elaborate on the details of the terms of reference
- ii) Determine fully the responsibility of the Independent Administrator regarding provision of contextual information, i.e. to confirm that the Administrator has to provide all the contextual information
- iii) Agree on the reporting template.

Preliminary meetings were also held with the representatives of the participants of the reconciliation exercise. Focal persons for the provision of data were determined.

### ❖ Data Collection & Analysis

In order to ensure the speedy collection of data the SAP (IT) system was deployed alongside the Administrators data collection system.

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

### ❖ Credibility of data

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

- a) A senior Company or government official attest to the completeness and accuracy of the completed template by signing off.
- b) Detailed payment by payment data or supporting document so that each transaction is reconciled separately.

The above two were chosen to ensure that the process moves smoothly and speedily. This is due to the fact that management sign offs are obtained timeously. That facilitated timely initial reconciliation. The participants also provided payment by payment supporting documentation.

#### ❖ *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 2012 and 2013.

#### ❖ *Initial Reconciliation*

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

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

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

#### ❖ *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 supported document and explanations.
- iii) The original database was amended with the new information and final figures were produced.

## 4.0 OVERVIEW OF THE MINING INDUSTRY IN GHANA

The Mining industry in Ghana makes significant contribution to the economy. The minerals Sector accounted for over 27% of fiscal receipts by the Ghana Revenue Authority (GRA) in 2012. However in 2013, the sector contributed 19% to GRA'S fiscal receipts due to decline in gold price. *(See Table 4.1)*

Under the Article 256 of the 1992 Constitution, every mineral in its natural state in, under or upon any land in Ghana, rivers, streams, water courses throughout the country, the exclusive economic zone and any area covered by territorial sea or continental shelf is the property of the Republic of Ghana and is vested in the President in trust for the people of Ghana.

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

*Table 4.1: Receipts from the mining industry / Total GRA collection*

Year	Total Mining Income(GHS)	Total GRA collection (GHS)	Total Mining/Total GRA collection	Contribution to GDP (%)*
2009	354,367,142	1,790,557,800	19.79%	2.1
2010	555,095,469	2,338,542,674	23.74%	1.8
2011	1,050,436,681	3,705,747,795	28.35%	1.7
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

*Source: Minerals Commission.*

\*The above figures were based on Ghana rebased GDP.

Gold accounts for around 90 percent of total mineral output in Ghana. The gold mining sector continues to rake in billions of dollars every year. *(See Table 4.2 & Fig 4.1)*

Gold is a commodity in demand. Gold generally is used for fabrication or investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors buy gold bullion, official coins and jewelry.

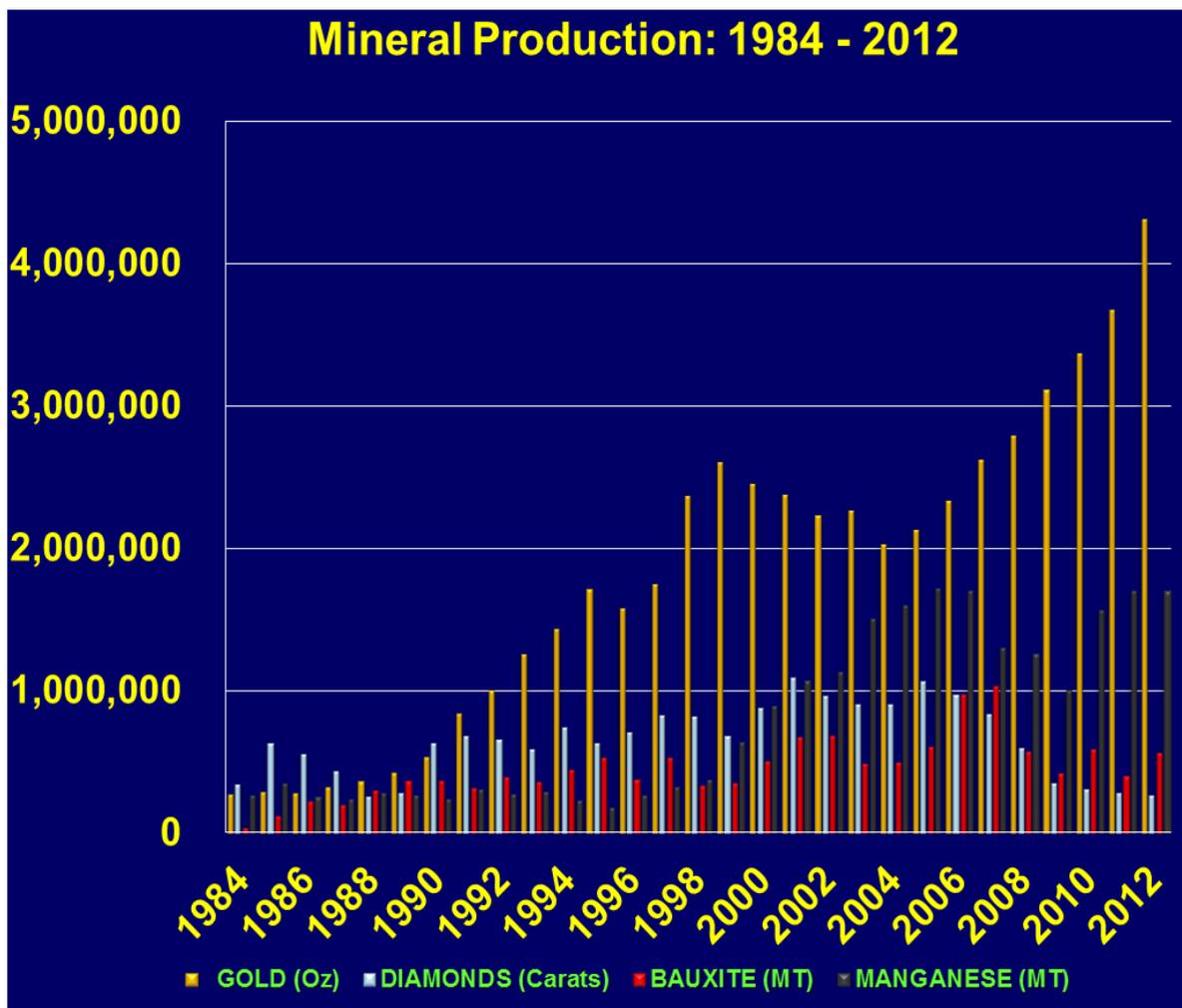
A combination of current mine production, recycling and draw-down of existing gold stocks held by governments, financial institutions, industrial organizations and private individuals make up the annual gold supply.

*Table 4.2: Gold Production and Avg. Gold [1980 - 2013]*

Year	Gold (Oz)	Diff	% Change in Prod	Avg. Gold Price	Diff	% Change in Price
1980	342,904			612.56		
1981	338,042	(4,862)	-1.42	460.03	(152.53)	-24.90
1982	337,754	(288)	-0.09	375.67	(84.36)	-18.34
1983	285,291	(52,463)	-15.53	424.35	48.68	12.96
1984	282,299	(2,992)	-1.05	360.48	(63.87)	-15.05
1985	299,615	17,316	6.13	317.26	(43.22)	-11.99
1986	287,124	(12,491)	-4.17	367.26	50.00	15.76
1987	328,926	41,802	14.56	446.46	79.20	21.57
1988	373,937	45,011	13.68	436.94	(9.52)	-2.13
1989	429,476	55,539	14.85	381.44	(55.50)	-12.70
1990	541,147	111,671	26.00	383.51	2.07	0.54
1991	847,559	306,412	56.62	362.11	(21.40)	-5.58
1992	1,004,625	157,066	18.53	343.82	(18.29)	-5.05
1993	1,261,890	257,265	25.61	359.77	15.95	4.64
1994	1,438,483	176,593	13.99	384.00	24.23	6.73
1995	1,715,867	277,384	19.28	384.17	0.17	0.04
1996	1,583,830	(132,037)	-7.70	387.77	3.60	0.94
1997	1,752,452	168,622	10.65	330.98	(56.79)	-14.65
1998	2,371,108	618,656	35.30	294.24	(36.74)	-11.10
1999	2,608,102	236,994	10.00	278.88	(15.36)	-5.22
2000	2,457,152	(150,950)	-5.79	279.11	0.23	0.08
2001	2,381,345	(75,807)	-3.09	271.04	(8.07)	-2.89
2002	2,236,833	(144,512)	-6.07	309.73	38.69	14.27
2003	2,274,627	37,794	1.69	363.38	53.65	17.32
2004	2,031,971	(242,656)	-10.67	409.72	46.34	12.75
2005	2,138,944	106,973	5.26	444.74	35.02	8.55
2006	2,337,784	198,840	9.30	603.46	158.72	35.69
2007	2,628,290	290,506	12.43	696.39	92.93	15.40
2008	2,796,955	168,665	6.42	871.96	175.57	25.21
2009	3,119,832	322,877	11.54	972.35	100.39	11.51
2010	3,374,427	254,595	8.16	1224.53	252.18	25.94
2011	3,676,223	301,796	8.94	1571.52	346.99	28.34
2012	4,324,255	648,032	17.63	1668.98	97.46	6.20
2013	4,396,987	72,732	-2.871.68	1411.23	(257.75)	-15.44

Source: Mineral Commission

Fig 4.0

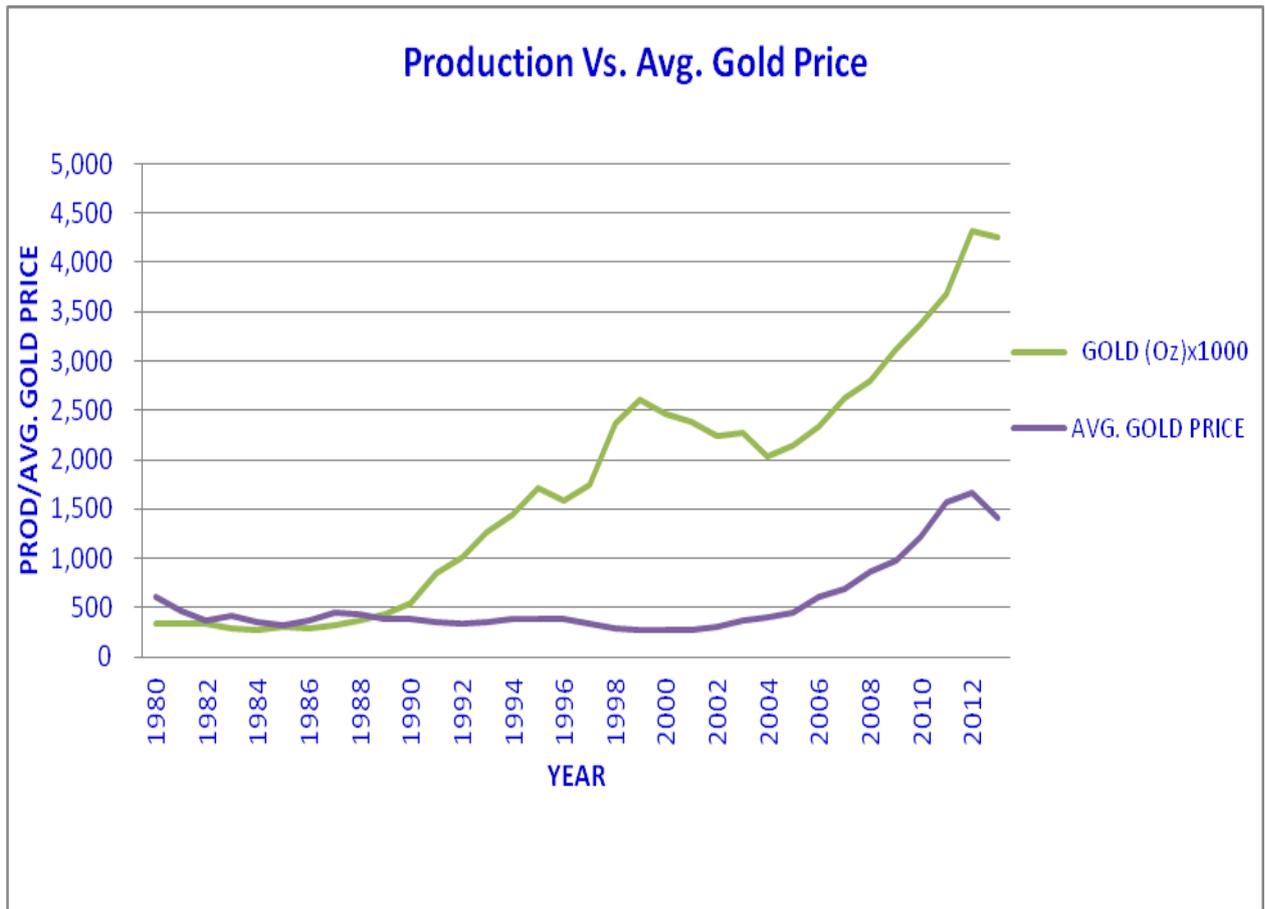


Source: Minerals Commission

Ghana's gold production climbed to a record 4.3 million ounces in 2012 from 3.6 million ounces the previous year after prices reached a record high in September 2011 (See Table 4.2).

Ghana is the world's 10th and Africa's second largest producer of gold, with 2012 production estimated at 4.3 million ounces of gold. High gold prices have resulted in recent significant increase in expenditure on gold exploration in Ghana. (See Table 4.2)

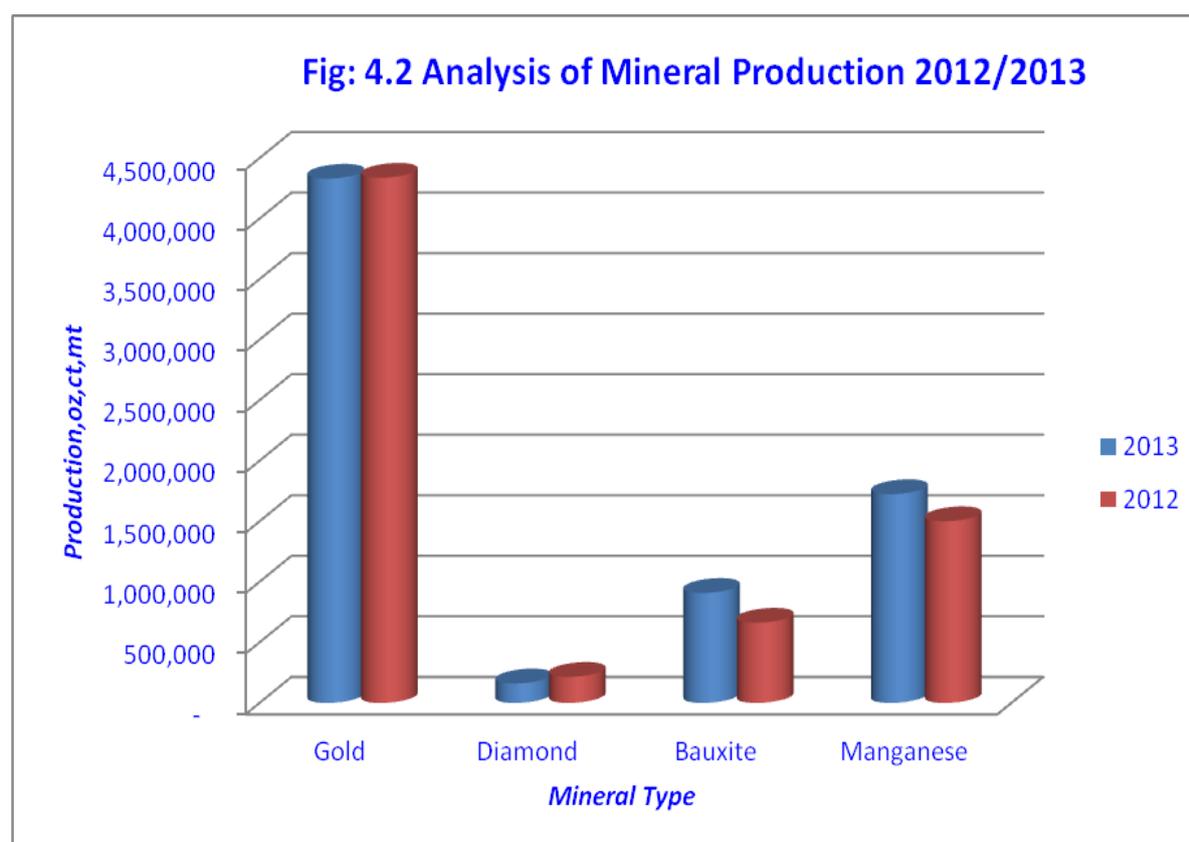
Fig 4.1



Source: Minerals Commission.

Generally, mining companies in Ghana obtained competitive prices for gold in 2012 and 2013 as their sales prices agree favorably with the industry figures.

The production of gold and other minerals in Ghana in 2012/2013 is shown below.



Details of mineral production in 2012 and 2013 are provided in section 5.5 and 5.6–Production.

#### 4.1 CONTRIBUTION OF THE GOLD INDUSTRY TO THE ECONOMY IN 2012

For 2012, there was a direct correlation between the positive performances of the Gold sub-sector and the contribution to the economy. Gold mining contributed significantly to the economy in 2012. For example, according to the Bank of Ghana, the mining industry contributed 43% to total merchandise export earnings in 2012 and the Ghana Statistical Service data shows that the mining sub-sector grew by 23.5% in 2012 up from 18.8% in 2011.

Data from the Ghana Revenue Authority indicates that, the mining sub-sector maintained its position as the leading contributor to the Authorities domestic tax collection mobilizations in 2012. Total receipts from the Mining Sector were approximately 1.5 billion Ghana Cedis representing 27% over collections for 2011.

Receipts from the mining sub-sector in 2012 represents an increase of 45% over the 2011 collections which was 1.03 Billion Ghana Cedis. The growth was due partly to the increase in Gold price and partly due to the marginal increase in total Gold production.

Corporate Tax, Withholding Tax, Levies and other taxes contributed 894 Million Ghana Cedis to Ghana Revenue Authority Total Collections. This represents 37% of total company tax collections in 2012. Mining sector maintained its position as the single largest contributor of company tax for the year 2012.

The major mining companies returned over 50% of their revenue to the country. Of the contribution, 15% was directly returned to the economy through the Central Bank and some 55% through other banking outlets. According to the Ghana Chamber of Mines, their members in 2012 spent approximately 30% of their revenues to purchase local inputs for their operations and a further 9% used to cater for employee remuneration, salaries and other benefits.

Analysis of data from the Ghana Chamber of Mines indicates that mining revenue by major mining companies grew by 14 percent in 2012 over 2011 figures at US \$5,447,306,422 and US \$4,761,748,688 respectively.

#### 4. 2 CONTRIBUTION OF THE MINING SUB-SECTOR TO THE ECONOMY OF GHANA IN 2013

On the whole, growth in the extractive sector slowed down from 16.4 % in 2012 to 11.7% in 2013. In the case of the Gold Industry, there was a marginal decline in investment for the year 2013 compared to 2012 in line with the global trend.

Despite these, Ghana's output in terms of Gold in 2013 increased by 2.1 percent over 2012 figures to 97.8 tons.

Despite the increment in gold production in 2013 to 3,192,648 ounces from 3,166,483 ounces in 2012, earnings from exports fell by 13% to US \$3,192,648 in 2013 attributed to the global fall in price.

The mining and quarrying subsector's contribution to GDP<sup>6</sup> increased from 9.5 % in 2012 to 9.8% largely on account of increased production.

The industry continued to make strong impact on the economy in the year contributing 37.6 percent of total merchandise exports compared to 43% in 2012. The mining the sub-sector continued to be the leading contributor to domestic revenue. According to the Ghana Revenue Authority, the sub-sector contributed approximately 1.1 Billion Ghana Cedis. This represents 18.7% of direct tax and 14.3% of total domestic revenue collected by the Authority in the year 2013.

According to data from the Bank of Ghana, payments by the mining companies in 2013 had positive and of course ripple effects across the country. The payments had positive impact on the currency, inflation and interest rate and monetary policy regime in general. The share of mineral revenue returned to the economy of Ghana through the Central Bank was 68%.

<sup>6</sup> These figures are before the rebasing of the GDP.

An amount of 2.1 Billion Ghana Cedis was repatriated through the Commercial Banks whilst approximately 1.0 Billion Ghana Cedis was paid through the Central Bank. Compensation, wages and salaries to personnel in the mining industry amounted to US \$670m

#### *4.2.1 Employment*

The total workforce in the large scale mineral mining industry stood at 17,103 at the end of the year. This was made up of 16,819 Ghanaians and 289 expatriates. The total number of people employed in the mining and quarrying sector is estimated to be 260,662<sup>7</sup>. This represents 2.12% of the total number of people employed which was 12.3 million within the period.<sup>8</sup> The majority of the industry is conducted in remote and regional areas of the western, Ashanti and Eastern Regions of the country, with most occurring in the Tarkwa Nsuaem and Prestea Huni Valley Districts, and with the Ellembelle district becoming a regional area of growth.

The minerals industry is a significant private sector employer of Indigenous people. Most operations in remote and regional locations prefer local workers and are committed to increased employment of local Indigenous people who can meet their employability requirements. However, many Indigenous people located in these areas have low levels of literacy, numeracy and fitness for work attributes which precludes them from taking up training opportunities. For improved transparency and transmission of company information to host communities effort to recruit skilled labour from among the indigenous people must be particularly encouraged.

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<sup>7</sup> Source: Ghana Living Standards survey 6 conducted by the Ghana Statistical Service from 18<sup>th</sup> October 2012 to 17<sup>th</sup> October 2013.

<sup>8</sup> Ghana Living Standards survey 6 conducted by the Ghana Statistical Service from 18<sup>th</sup> October 2012 to 17<sup>th</sup> October 2013

Table 4.3 Employme

Name of Company	YEAR	STAFF	CONTRACTORS	REMARK
Chirano Gold Mines	2013	1116	950	8 Expatriates
Golden Star Resources (Wassa) Mine	2013	720	130	10 Expatriates
Golden Star (Bogoso/Prestea) Ltd	2013	920		19 Expatriates
Newmont Ghana Ltd Ahafo	2013	660	1130	66 Expatriates
Endeavor Mining (Adamus Resources)	2013	250	450	4 Expatriates
Perseus Mining	2013	450	850	23 Expatriates
Gold Fields (Gh) Ltd, Tarkwa	2013	2250	1820	48 Expatriates
Gold Fields (Gh) Ltd, Damang Mine	2013	2000	550	16 Expatriates
AngloGold Ashanti Iduapriem	2013	670	2450	4 Expatriates
AngloGold Ashanti Obuasi	2013	4250	850	45 Expatriates
Ghana Manganese Co. Ltd	2013	681		8 Expatriates
Ghana Bauxite Ltd	2013	230	720	4 Expatriates

### 4.2.2 Investment

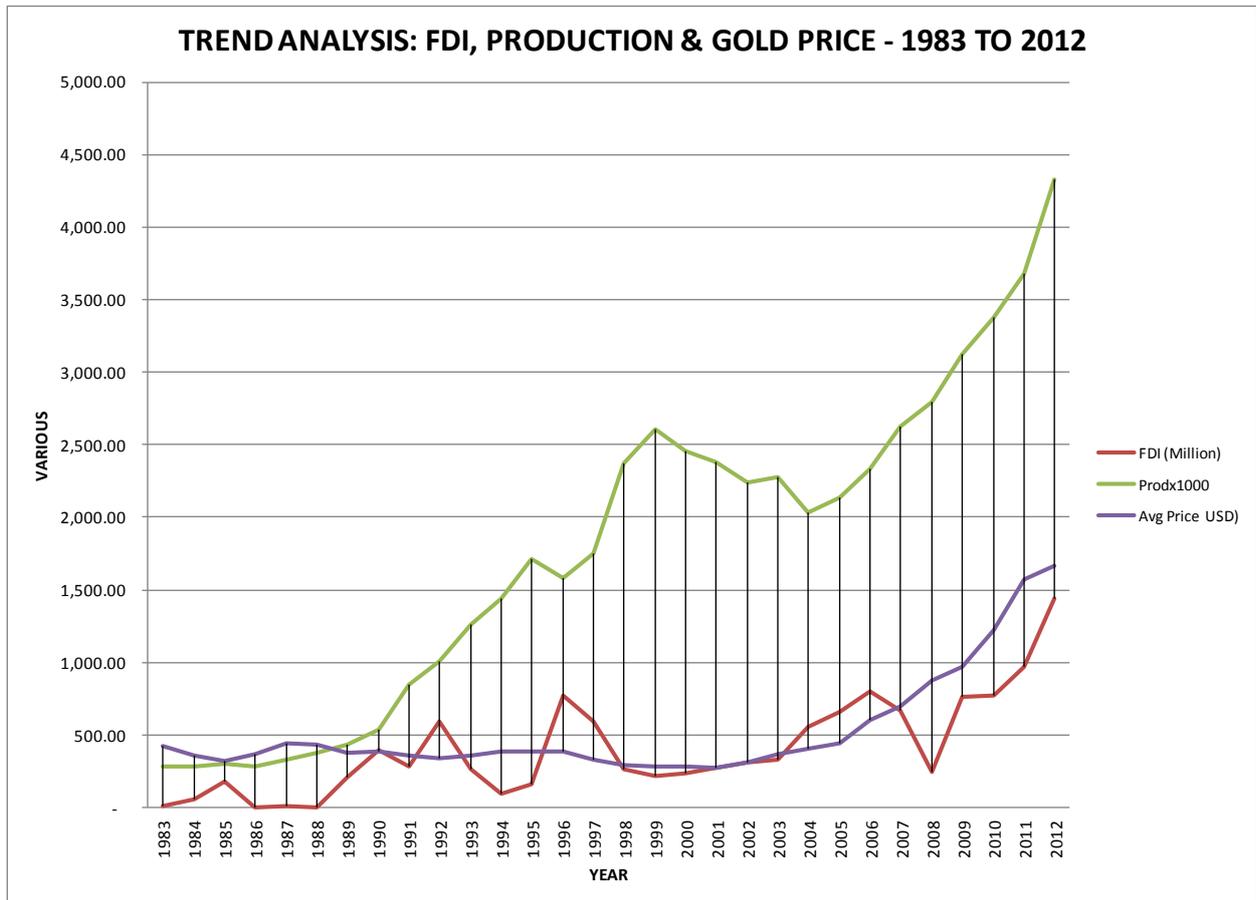
The Minerals Commission of Ghana figures show that, in 2012 the Mining Industry attracted over US\$1bn in total investment inflows in Ghana comprising of Mining Support Services,

Exploration and Production Systems.

Although investments in 2013 also exceeded US1bn million, there was a slight decrease in 2013.

Investments in the mining sector are indicated in Fig 4.3 below. *(See also Table 4.4)*

*Fig 4.3: FDI, PRODUCTION & GOLD PRICE-1983-2012*



Source: Minerals Commission

*Table 4.4: Mining sector investments in 2012/2013*

Year	Producing Companies US\$m	Exploration Companies US\$m	Support Service Companies US\$m	TOTAL US\$m
2010	508.20	231.00	30.80	770.00
2011	513.50	242.00	24.50	780.00
2012	1,170.90	246.20	26.90	1,444.00
2013	896.70	235.10	22.30	1,154.10

*Source: Minerals Commission*

#### *4.2.3 Mine Capital Expenditure (US Million Dollars)*

According to the World Investment report 2013 released by UNCTAD, Ghana was ranked the fifth-largest recipient of inflows into Africa in 2012. Foreign Direct Investment inflows into the Ghanaian economy increased to US\$3.3 billion in 2012, up 2.2 percent from US\$ 3.2 billion received in 2011.

The recent declines in the price of gold may put some expansion projects in the mining industry on hold. Despite the above concerns, the outlook for FDI in Ghana in the long term remains strong. Capital expenditures documented in their annual reports by mining companies in Ghana showed a decrease in 2013.

*Table 4.5 Capital expenditure (US\$ million by some selected mines in Ghana)*

Name of Company	2013	2012
Chirano Gold Mines	96.1	100.3
Golden Star Wassa Mine	33.6	49.3
Golden Star Bogoso/Prestea	69.1	67.4
Newmont Ghana Ltd Ahafo	169	228
Newmont Golden Ridge Ltd.	236	388
Gold Fields (Gh) Ltd Tarkwa	207.0	259.9
Gold Fields (Gh) Ltd Damang Mine	50.1	92.1
AngloGold Ashanti Iduapriem	28	95
AngloGold Ashanti Obuasi	196	185

*Source: 2012/2013 Annual Reports of Companies*

### 4.3 EXPORTS

The export of minerals from Ghana in 2012 and 2013 is shown in Table 4.6 below.

*Table 4.6 Exports of minerals from Ghana in 2012 and 2013*

Mineral Exported	2012	2013
	US\$m	US\$m
Gold	5,643.27	4,965.71
Diamonds	10.38	6.93
Bauxite	24.62	32.56
Manganese	92.37	133.69
<b>Total Mining</b>	<b>5,770.64</b>	<b>5,138.89</b>

*Source: Minerals Commission*

Thus Mining sector exports accounted for 42.6% and 37.3% of total exports in 2012 and 2013 respectively<sup>9</sup>.

### 4.4 LICENCING

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 with enhanced geo-scientific information, considered highly prospective but deficient of extensive geological data.. The Minerals Commission intends to enhance the existing practice with the tender process in the immediate future.

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

<sup>9</sup> According to the Bank of Ghana, total exports in 2012 and 2013 amounted to US\$ 13,542.65m and US\$13,762.11m respectively.

## 4.5 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.

### *4.5.1 Reconnaissance and Prospecting Licences*

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

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

### *4.5.2 Technical Committee on Mineral Titles.*

A technical committee comprising representatives from the Minerals Commission, the Environmental Protection Agency (EPA), Land Commission, Water Resources Commission 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.

#### *4.5.3 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 responsible for 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.

#### *4.5.4 Contract Disclosure*

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

#### 4.6. SOME EXPLORATION AND NEW GOLD PROJECTS IN GHANA

According to the Minerals Commission, the under listed exploration companies are expected to commence production on the date indicated below.

*Table 4.7 New Producing Companies to Come on Stream*

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

*Source: Minerals Commission*

In 2012 and 2013 exploration continued in earnest as well as project acquisitions to give new life to moribund projects. These include the following:

1. Pinecrest Resources Ltd has provided an update on the acquisition of a 100% legal and beneficial interest in the **Enchi gold project** with resources of approximately 750,000 ounces of gold in Ghana from Edgewater Exploration Ltd. which holds 51% of the Project and Red Back Mining Ghana Ltd.

Red Back, a wholly-owned subsidiary of Kinross Gold Corporation, holds 49% of the Enchi project.

2. Asanko Gold Inc. (AKG.TO)(NYSE MKT:AKG) has announced the Mineral Resource Estimate for Phase 1 of the **Asanko Gold Mine** in Ghana, the newly discovered Dynamite Hill deposit and Nkran, Adubiaso, Abore, and Asuadai deposits and Phase 2 comprising the Esaase deposit.

Phase 1 is expected to produce 200,000 ounces of gold per annum at steady state starting in 2016.

Phase 1 developing the **Obotan Gold Project**, First gold is targeted in Q1 2016 and steady state production of 200,000oz/ya of gold anticipated in Q2 2016.

Inferred Resource Estimate of 20.6 Mt grading 1.13 g/t Au Containing 749,000 Ounces

The operation will consist of a 3Mt/ya carbon-in-leach (CIL) processing plant. The primary source of feed material for the CIL plant is the Nkran pit with satellite pits at Adubiaso, Abore, Dynamite Hill and Asuadai providing supplemental feed.

Phase 2 anticipates the inclusion of the adjacent **Esaase deposit**, which is located only 25km from the plant site.

Perth-based gold explorer and developer Azumah Resources Limited (ASX:AZM) has reported a 45% increase in Ore Reserves to 624,000oz to confirm an initial seven-year mine life for its **Wa Gold Project** in North West of Ghana. Thus Azumah's objective of delivering a Feasibility Study for 100,000oz per year is on course.

3. At **Bibiani Gold project** in Ghana, Resolute Mining will undertake a Feasibility Study for an underground operation. As part of this study, which is expected to take up to 24 months, work will start promptly on a 20,000m drill program to better define the underground resource whilst Bibiani will continue under care and maintenance while the Feasibility Study is progressed.

As ruled by Ghanaian High Court, the former employees of Noble Gold will be paid their entitlements by Resolute Mining, which will also settle Noble's indebtedness to local creditors.

*Source: World Mining Releases*

*Table 4.8 Processing details of some selected Mining Companies*

Name of Company	Process Tonnage	Grade (g/t)	Recovery %	Production (Oz)
Chirano Gold Mines	3,360,000	2.71	93.8	275,402
Golden Star Wassa Mine	2,695,000	2.29	94.5	185,807
Golden Star Bogoso/Prestea	2,507,000	2.09	94.6	145,000
Endeavor Mining (Adamus Resources)	1,954,000	1.9		105,215
Perseus Mining	5,647,000	1.79	83.3	198,608
AngloGold Ashanti Iduapriem	4,800,000	1.43		220,658
AngloGold Ashanti Obuasi	1,700,000	4.94		239,052

*Source: 2012/2013 Annual Reports of Companies*

#### 4.7 PROVEN AND PROBABLE GOLD RESERVES IN GHANA

Proven and probable reserves for Ghana's major companies as demonstrated by preliminary or feasibility studies are shown below. Changes in the proven and probable minerals reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, goodwill, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

The United States Geological Survey estimates Ghana's gold reserves at 1,600 tons in 2013, worth US\$ 64.4 billion at the 26 November 2013 spot price of US\$1,252 per ounce

*Table 4.9: Proven and Probable Reserves of Some Selected Mines in Ghana*

Name of Company	Volume (MT)	Grade (g/t)	Ounces (oz)
Chirano Gold Mines	16,949,000	2.89	1,573,000
Golden Star Wassa Mine	51,336,000	2.02	3,327,000
Golden Star Bogoso/Prestea	28,724,000	3.28	3,029,000
Newmont Ghana Ltd -Ahafo Mine	177,000,000	1.77	10,120,000
Newmont Golden Ridge Ltd-Akyem Mine	144,300,000	1.55	7,100,000
Endeavor (Adamus Resources)	38,400,000	1.4	1,700,000
Perseus Mining	162,500,000	1.1	5,696,000
Gold Fields (Gh) Limited, Tarkwa Mine	275,700,000	1.16	10,291,000
Gold Fields (Gh) Ltd, Damang Mine	95,800,000	2.14	6,579,000

*Source: 2013 Annual Reports of Companies*

## 4.8 REGULATION OF THE MINING SECTOR

- The governing legislation for Ghana's mining sector is the Minerals and Mining Act, 2006, (ACT 703) and its amendments as well as its related regulations such as the Health and Safety; Explosives and Crops compensation. The relevant provisions of the Environmental Assessment Regulations LI1652 also govern the mining sector.

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

- The 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.
- The Internal Revenue Act 2000, ACT 592 and its amendments.

Table 4.10: Details of Concessions

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	08-Apr-98	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	05-Sep-97	Ashanti	05-Sep-97		
5	Newmont Ghana Gold Ltd	516G000001	"	Gold	386.33	1840	03-Jun-01	12-Jun-31	Brong Ahafo	13-Jun-01	Newmont Ghana Gold	100
	"	"	"	Gold	78.60	374	03-Jun-01	12-Jun-31	Brong Ahafo	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		
	"	"	"	Gold	47.80	228	31-Dec-12	30-Dec-17	Western	02-Jul-02		
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 Company 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	27-Feb-95	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		

## 5.0 RESULTS OF RECONCILIATION

Discrepancies are described as positive, if the reported company payment exceeds the reported government receipt for the same revenue stream. If government reported receipt exceeds company reported payment, then the discrepancy is negative.

The reconciliation between reported payments and receipts for 2012 and 2013 is shown in Table 5.0 below. The details of the reconciliation for companies with individual revenue streams are shown in Appendix 4. Table 5.0 shows reconciliation with revenue stream as the basis.

*Table 5.0: 2012/13 Reconciliation by revenue streams*

Revenue Stream	Company Reported Payments (GHS) A	Government Reported Receipt (GHS) B	Over Reporting (A-B) (A>B)	Under Reporting (A-B) (A<B)	Resolved	Final Company	Final Government	Unresolved
<b>2012</b>								
Mineral Right Licence	0	0	0	0	0	0	0	0
Property Rate	1,127,532	1,263,964	62,921	-199,353	(29,817)	1,127,532	1,293,781	-166,249
Mineral Royalty	326,821,961	357,851,654.00	14,260,708	-45,290,401.00	31,886,606.39	358,708,567	357,851,654	856,913
Ground Rent	0	0	0	0	0	0	0	0
Corporate Tax	681,733,788	728,268,496	23,372,709	-69,907,417	46,690,756	728,424,544	728,268,496	156,048
Dividend	21,870,774	25,879,431	872,165	-4,880,822	0	21,870,774	25,879,431	-4,008,657
<b>Total</b>	<b>1,031,554,055.00</b>	<b>1,113,263,545.00</b>	<b>38,568,503.00</b>	<b>(120,277,993.00)</b>	<b>78,547,545</b>	<b>1,110,131,417.39</b>	<b>1,113,293,362.00</b>	<b>(3,161,945)</b>
<b>2013</b>								
Mineral Right Licence	0	0	0	0	0	0	0	0
Property Rate	1,898,917	1,688,763	812,674	-602,520		1,898,917	1,688,763	210,154
Mineral Royalty	298,293,385	368,864,143	6,294,020	-103,454,940	64,695,461.00	362,988,846	368,864,143	-5,875,297
Ground Rent	0	0	0	0	0	0	0	0
Corporate Tax	398,252,101	456,747,172	8,314,689	-66,809,760	60,860,460	459,112,561	456,747,172	2,365,389
Dividend	1,329,862	1,130,685	199,177			1,329,862	1,130,685	199,177
<b>Total</b>	<b>699,774,265</b>	<b>828,430,763</b>	<b>15,620,560</b>	<b>-170,867,220</b>	<b>125,555,921</b>	<b>825,330,186</b>	<b>828,430,763</b>	<b>-3,100,577</b>

*Source: Company /government reported payments/receipts*

Table 5.01 Collections from participants as a percentage of total GRA Mining Collection

Item	2012			2013		
	Collection from Participating Companies (GHS)	Total GRA collection from Mining Sector (GHS)	% Participants/ Total GRA Mining Collections	Collection from Participating Companies (GHS)	Total GRA collection from Mining Sector (GHS)	% Participants/ Total GRA Mining Collections
Revenue Stream						
Mineral Royalty	357,851,654	359,392,853	99.57%	368,864,143	364,673,038 <sup>10</sup>	1.01%
Corporate tax	728,268,496	893,773,828	81.48%	456,747,172	518,545,259	88.08%

<sup>10</sup> Total GRA collection is abnormally lower than the collection from participating companies.

**5.1 RECONCILIATION BY COMPANIES:** The summary reconciliations using companies as the subject of reconciliation and after resolving some of the discrepancies are shown in Tables 5.1 and 5.2 below:

Noble Mining did not report as it is currently under care and maintenance. Prestea Sankofa Ltd did not provide data for 2012.

*Table 5.1: 2012 Reconciliation by company.*

Participant	Initial Amounts		Initial Discrepancies		Resolve		Final Amounts		Unresolved	
	Company Payments	Govt Receipts	over	under	company	Govt	Company	Govt	over	under
Anglogold-Obuasi	25,744,142	25,703,679		40,463		29817	25,744,142	25,733,496	10,646	
Anglogold -Iduaprim	31,072,200	31,437,445		(365,245)			31,072,200	31,437,445		(365,245)
***	6,034,221	5,162,056	872,165				6,034,221	5,162,056	872,165	
Adamus Resources Lt	15,218,826	16,284,814		(1,065,988)	1,037,988		16,256,814	16,284,814		(28,000)
GSR-Prestea/Bogosu	25,817,401	22,852,965	2,964,436				25,817,401	22,852,965	2,964,436	
Ghana Bauxite CO.	2,770,000	1,996,845	773,155				2,770,000	1,996,845	773,155	
Ghana Manganese Co.	29,004,364	28,905,152	99,212		-99,212		28,905,152	28,905,152		-
Goldfields -Tarkwa	434,380,216	407,078,895	27,301,321		-32,184,284		402,195,932	407,078,895		(4,882,963)
Abosso Goldfields Ltd	40,275,020	39,489,624	785,396		8,800		40,283,820	39,489,624	794,196	
GSR(Wassa)Ltd	21,626,530	21,828,134		(201,604)			21,626,530	21,828,134		(201,604)
Chirano Gold Mines Ltd	106,346,386	192,122,239		(85,775,853)	85,762,557		192,108,943	192,122,239		(13,296)
Newmont Ghana Gold	291,695,091	291,273,113	421,978				291,695,091	291,273,113	421,978	
Perseus Mining Co Ltd.	-	24,051,513		(24,051,513)	24,051,513		24,051,513	24,051,513		-
Newmont Golden Ridge	-	-		-			-	-		-
West African Quarries L	1,569,658	1,226,624	343,034				1,569,658	1,226,624	343,034	
Noble Gold Ltd	-	756,091		(756,091)			-	756,091		(756,091)
Prestea Sankofa Gold L	-	3,094,356		(3,094,356)			-	3,094,356		(3,094,356)
<b>TOTAL</b>	<b>1,031,554,055</b>	<b>1,113,263,545</b>	<b>33,560,697</b>	<b>(115,270,187)</b>	<b>78,577,362</b>	<b>29,817</b>	<b>1,110,131,417</b>	<b>1,113,293,362</b>	<b>6,179,610</b>	<b>(9,341,555)</b>

*Table 5.2 2013 Reconciliation by Company*

Participant	Initial Template Figures		Initial Discrepancies		Resolved		Final Amounts		Unresolved	
	Company Payments	Govt Receipts	over	under	comp	Govt	Company	Govt	over	under
Anglogold-Obuasi	26,435,602	23,982,926	2,452,676				26,435,602	23,982,926	2,452,676	
Anglogold -Iduaprim	20,618,127	22,679,409		(2,061,282)			20,618,127	22,679,409		(2,061,282)
***	-	-	-				-	-		-
Adamus Resources Ltd	14,962,118	14,953,065	9,053				14,962,118	14,953,065	9,053	
GSR-Prestea/Bogosu	26,707,832	23,472,243	3,235,589				26,707,832	23,472,243	3,235,589	
Ghana Bauxite CO.	3,731,794	3,419,198	312,596				3,731,794	3,419,198	312,596	
Ghana Manganese Co.	37,134,567	37,134,557	10				37,134,567	37,134,557	10	
Goldfields -Tarkwa	102,689,091	210,641,044		(107,951,953)	107,677,219		210,366,310	210,641,044		(274,734)
Abosso Goldfields Ltd	13,721,409	28,177,714		(14,456,305)	11,704,758		25,426,167	28,177,714		(2,751,547)
GSR(Wassa)Ltd	73,810,812	74,088,073		(277,261)			73,810,812	74,088,073		(277,261)
Chirano Gold Mines Ltd	123,155,911	122,492,800	663,111				123,155,911	122,492,800	663,111	
Newmont Ghana Gold L	220,440,188	226,405,055		(5,964,867)	5,964,849		226,405,037	226,405,055		(18)
Perseus Mining Co Ltd.	26,590,162	27,624,584		(1,034,423)			26,590,162	27,624,584		(1,034,423)
Newmont Golden Ridge	8,343,000	8,342,795	205				8,343,000	8,342,795	205	
West African Quarries Ltd	1,433,653	1,648,196		(214,543)			1,433,653	1,648,196		(214,543)
Noble Gold Ltd	-	2,957,223		(2,957,223)			-	2,957,223		(2,957,223)
Prestea Sankofa Gold Ltr	-	411,881		(411,881)	209,095		209,095	411,881		(202,786)
<b>TOTAL</b>	<b>699,774,266</b>	<b>828,430,763</b>	<b>6,673,240</b>	<b>(135,329,738)</b>	<b>125,555,921</b>		<b>825,330,187</b>	<b>828,430,763</b>	<b>6,673,240</b>	<b>(9,773,817)</b>

## 5.2 DISCREPANCIES.

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Discrepancies reported have largely resulted from one or more of the following reasons.

- i) Some of the companies that paid royalty and corporate tax in dollars reported in the same currency, i.e. dollars instead of cedis,
- ii) Companies that paid royalty and corporate tax in dollars but reported in cedis using internally generated exchange rates instead of amounts stated on the cedi receipts issued by the GRA.
- iii) The application of the accruals concept instead of the cash or actuals basis required.

In 2012 there was an initial net discrepancy of GHS 81,709,490, as against initial net discrepancy of GHS-155,246,660 in 2013.

The inability of Noble Mining Ltd and Sankofa to report appropriately contributed to the discrepancies.

Differences between the figures provided by Gold Fields (Gh) Ltd, Chirano Mines and Abooso Goldfields (Gh) Ltd (Damang), Golden Star Resources Ltd, AngloGold (Obuasi) and Newmont Ghana and those by the GRA with respect to Mineral royalty and corporate tax caused significant portions of the discrepancies. *(See*

*Appendix 4 for details).*

Accrual accounting and the use of wrong currencies by some companies contributed to the initial discrepancies. Some companies inadvertently reported in US dollars.

After the resolutions, unresolved net discrepancies of GHS (3,161,945) (absolute of GHS 15,521,165) was obtained in 2012, whilst a net discrepancy of GHS (3,100,577) and an absolute amount of GHS16,447, 057 was obtained in 2013 *(See resolution of discrepancies).*

## ❖ Resolutions of Discrepancies

The resolutions of the discrepancies have been described in tables 5.1.1 and 5.1.2.

*Table 5.1.1 Resolution of Discrepancies-2012*

<b>Resolutions of discrepancies.</b>	Resolved	Goldfields	Chirano	Adamus	Perseus	GMC	Abosso	Anglo Gold
<b>Mineral Royalty</b> Gold Fields (Gh) applied accruals instead of Cash or Actuals. Included last quarter of 2012 royalty payment made in 2013	-9,332,590	-9,332,590						
<b>Chirano used</b> dollar amounts instead of the cedi and also included amounts paid to the Forestry Commission. Dollar amounts same as those reported by the GRA. Resolved by using the cedi amount on receipts	16,129,695		16,129,695					
<b>Adamus Ltd. Omitted Royalty payment of US\$554,984.91 with cedi equivalent of GHS 1,037,988 made on 29/11/2012</b>	1,037,988.39			1,037,988.39				
<b>Perseus introduced Accruals used. Excluded 2014 q4 payment and included 2011 Q4</b>	24,051,513.00				24,051,513.00			
<b>Corporate Tax</b> Chirano Mines used a single exchange rate of 1.64 to translate all dollar payments into cedis instead of using amount stated on receipts. Dollar amounts same as those of the GRA	69,632,862		69,632,862					

Ghana Manganese Co. Ltd captured the 2012 final tax payment of GHS 99,211.68 made on 4/7/2013 as part of 2012 payment	(99,212)					(99,212)		
Gold Fields (Gh) Ltd, Tarkwa overstated 2012 payment by GHS 22,851,694	(22,851,694.00)	(22,851,694.00)						
Abosso Goldfields understated payment by GHS 8,800	8,800						8,800	
<b>Property Rate</b> Anglogold Obuasi, Amansie Central excluded from Government Initial template	(29,817)							(29,817)
<b>TOTAL</b>	78,547,545.39	-32,184,284	85,762,557	1,037,988.39	24,051,513.00	-99,212	8,800	(29,817)

Table 5.1.2 Resolution of Discrepancies-2013

Resolution of Discrepancies	Resolved	Gold Fields Tarkwa	Abosso	Newmont	Prestea
<b>Mineral Royalty</b> Gold Fields (Gh) Ltd provided dollar payments on accrual basis instead of cedis on cash basis. Resolved by replacing dollars with cedis as the individual payments in US dollars were same as those of GRA with same receipts numbers.	52,781,608	52,781,608			
Abosso Goldfields provided dollar payments on accrual basis	11,704,758		11,704,758		
Prestea Sankofa reported of royalty payment of 209,095	209,095				209,095
<b>Corporate Tax</b> Gold Fields Initial amount quoted in dollars instead of cedis	54,895,611	54,895,611			
Newmont Ghana Gold failed to report the final tax payment for 2012 which was paid in 2013	5,964,849			5,964,849	
<b>TOTAL</b>	<b>125,555,921</b>	<b>107677219</b>	<b>11,704,758</b>	<b>5,964,849</b>	<b>209,095</b>

## 5.3 REVENUE STREAMS

### 5.3.1 Mineral Right Licence

There were no payments of mining lease by the selected companies in 2012 and 2013.

Mining leases of all the selected companies were granted before the implementation of the Minerals and Mining Licences Regulations 2012, LI 2176 which requires annual payment of licence fees by mining lease holders. The implementation of that regulation was due to commence on September 2013.

The Mineral rights received by the Minerals Commission in 2012/2013 are indicated below:

*Table 5.3.1: Mineral Right Licence fees received by the Minerals Commission in 2012/2013.*

YEAR	2012		2013	
	No of Rights Granted	Amount Received GHS	No. of Rights Granted	Amount Received GHS
Mining Lease	11	1,197,964.50	13	781,540.00
Prospecting	140	5245197.22	110	2,120,419.70
Reconnaissance	65	1118791.00	25	246,841.00
Small Scale	447	446,015.71	382	308,550.00
Industrial Minerals	82	463,079.92	52	185,527.50
Support Service	106	1,667,524.84	108	1,003,276.00
<b>Total</b>		<b>10,138,573.19</b>		<b>4,646,154.00</b>

*Source: Minerals Commission*

### 5.3.2 Ground Rent

None of the selected companies paid ground rent for 2012 and 2013. Ground rent was revised as per the Fees and Charges amendment legislation LI 2191 in 2012 (became operative in January 2013) from GHS 0.50 per square kilometre to GHS 36.50 per acre translating to GHS9, 016 /sq. km. This rate is currently under review following a petition from the Chamber of Mines but no payments were made on account pending the rate review. The amounts payable in 2013 have been provided as guide. *(See Table. 5.3.2)*

Table 5.3.2: Ground rent Payable under L .I. 2191

Companies	Concession Size (Km2)	Amount payable
Gold Fields (Gh) Ltd	204.22	1,841,247.52
Abosso Goldfields Ltd	53.4	481,454.40
Ghana Manganese Company	175.94	1,586,275.04
AngloGold Ashanti Ltd (Iduapriem)	31.00	279,496.00
AngloGold Ashanti (Ghana) Ltd.	568.24	5,123,251.84
Newmont Ghana Gold Ltd	464.93	4,191,808.88
Newmont Golden Ridge Ltd	62.75	565,754.00
Chirano Gold Mines Ltd	36.34	327,641.44
Perseus Mining (Ghana)Co.	49.20	443,587.20
Golden Star Prestea/Bogoso	271.85	2,450,999.60
Golden Star (Wassa) Ltd	110.22	993,743.52
Ghana Bauxite Company Ltd	29.39	264,980.24
Adamus Resources Ltd	75.70	682,511.20
Noble Gold Mining Co.	49.00	441,784.00
Prestea Sankofa Gold Ltd	3.43	30,924.88
<b>Total</b>		<b>19,705,459.76</b>

Source: Minerals Commission/OASL

### 5.3.3 Property Rate

With the exception of Newmont Ghana Ltd<sup>11</sup>, all the companies were liable to pay property rate in 2012 and 2013.

### 5.3.4 Dividends

The NTRU reported receiving dividends from three companies in 2012. The companies were AngloGold Ashanti (Ghana) Ltd, Gold Fields (Gh) Ltd Ghana Company Ltd and Ghana Manganese Company Ltd.

In 2013 the NTRU reported dividends receipts from only AngloGold Ashanti Ltd. Although the Ghana Manganese Company Ltd, initially reported the payment of dividends in 2013, the payment was wrongly lodged at the GRA instead of NTRU.

The Government of Ghana's shareholdings in the companies were as follows.

<sup>11</sup> Newmont Ghana Gold Ltd and Newmont Golden Ridge Resources Ltd are not required to pay property rates per their agreement with the Government of Ghana.

*Table 5.3.4 Government shareholding in participating companies in 2012/2013*

Company	GoG Shares %	
	2012	2013
Abosso Goldfields Ltd	10	10
GSR ( Prestea/Bogosu)	10	10
Gold Fields (Gh) Ltd (Tarkwa)	10	10
Ghana Bauxite Company Ltd	20	20
Ghana Manganese Co Ltd	10	10
Anglo Gold Ashanti <sup>12</sup> (International)		
GSR(Wassa)Ltd	10	10
Chirano Gold Mines Ltd	10	10
Adamus Resources Ltd	10	10
Newmont Ghana Gold Ltd	Nil	Nil
Newmont Golden Ridge Co. Ltd	Nil	Nil
Perseus Mining Co. Ltd	10	10

*Source: NTRU/Minerals Commission*

- There was a merger of Adamus and Endeavor which was completed in December 2011 several months after commencement of gold operations in Ghana. No capital gains tax payment was reported in 2012

### *5.3.5 Corporate Tax*

Seven of the participating companies reported paying corporate tax in 2012. These were Gold Fields (Gh) Ltd, Abosso Goldfields (Gh) Ltd (Damang) and Newmont Ghana Gold Ltd.

Ghana Manganese Company Ltd, Chirano Goldmines Ltd, AngloGold Ashanti (Iduapriem) and West African Quarries Ltd.

In 2013 eight companies paid corporate tax, the only company amongst the eight that did not pay corporate tax in 2012 is Golden Star Resources (Wassa) Ltd for reason of accumulated capital allowance.

Capital allowances granted in 2012 ranged from US\$14,447 to US\$176,072,561, whereas in 2013 capital allowances granted were between US\$69,268 and US\$193,858,305.

All the companies that paid corporate tax claimed all of the available capital allowances.

<sup>12</sup> No. of shares held by the Government of Ghana in AngloGold Ashanti International stood at 6,373,650 as at 17th June 2013.

AngloGold Ashanti(Obuasi), Ghana Bauxite Co. Ltd, Newmont Golden Ridge Ltd, Adamus Resources and Perseus Mining Ghana Ltd had unutilized capital allowance in 2012 and 2013 and therefore did not pay any corporate tax.

The revenues earned by the companies in 2012 and 2013 are shown in table 5.4 below.

*Table 5.4: Revenue comparison of some selected companies 2012/2013*

NAME OF COMPANY	US \$M 2013	US\$M 2012	VARIANCE %
Chirano Gold Mines	387.8	492	(21.1)
Golden Star Wassa	263.1	263.9	(0.3)
Golden Star Bogoso/Prestea	204.7	286.6	(28.5)
Newmont Ghana Ltd Ahafo	793	874	(9.2)
Newmont Golden Ridge Ltd	164	-	
Endeavor(Adamus Resources)	143.2	182.0	(21.3)
Gold Fields (Gh) Ltd, Tarkwa	900	1199	(24.9)
Gold Fields (Gh) Ltd, Damang Mine	210	278	(24.4)
AngloGold Ashanti Iduapriem	301	304	(0.9)
AngloGold Ashanti Obuasi	341	468	(27.1)
Ghana Manganese Company	135.5	98.6	37.4
Ghana Bauxite Ltd	32.9	28.5	15.4

*Source: 2012/2013 Annual Reports of Companies*

## 5.4 OPERATING COSTS OF MINE

Until 2012, cash cost was the main cost measuring instrument for the mines. The World Gold Council however has developed other cost metrics.

### *Cash Cost*

Cash cost is measured as the sum of on-site mining costs, on-site general and administrative cost, royalties and production taxes, realized gains/losses on hedges due to operating cost, local community cost related to current operations, permitting costs related to current operations, third party smelting, refining and transport cost, site based non-cash remuneration, inventory write down, operational stripping costs, by-products credits.

The average cash cost, which is the operating cost of producing an ounce of gold in Ghana, grew from US\$ 809 per ounce in 2012 to US\$ 951 ounce in 2013, a hike of 18 percent.

### *All-in sustaining and total all-in cost*

The World Gold Council has worked closely with its member companies to develop definitions for “all-in sustaining costs” and “all-in costs”.

These measures are intended to provide additional transparency into the costs associated with producing and selling an ounce of gold.

The new standard was released by the World Gold Council on 27 June 2013. It is expected that these new metrics will be helpful to governments, local communities and other stakeholders in understanding the economics of gold mining. The “all-in sustaining costs” is an extension of existing “cash cost” metrics and incorporates costs related to sustaining current production. Few companies including Gold Fields (Gh) Ltd have estimated such costs in their publications.

### *Mineral Royalty*

Mineral royalty which for several years was the most significant of the revenue streams came next to corporate tax in 2012 and 2013. Although Perseus Mine was in its first year of production in 2012 and Newmont Golden Ridge Ltd also commenced production in 2013, their production volumes could not propel mineral royalty to the top spot. As corporate tax continues to overtake mineral royalty the maturity of the mines should be examined vis a vis the sustainability of current mining revenues.

## **5.5 PRODUCTION OF MINERALS IN 2012**

### **Gold Production**

For 2012, Gold Fields (Gh) Ltd, Tarkwa Mine maintained her position as the leading producer in the country with a marginal increase in output from 717,342 ounces in 2011 to 718,878 ounces in 2012 in spite of the closure of its relatively high cost South Heap Leach Operation in the last quarter of the year.

Gold Fields (Gh) Ltd Damang Mine witnessed a decrease in production by about 24% from 217,719 ounces in 2011 to 166,448 ounces in 2012 owing to moderation of the milling rate to enhance plant reliability.

Production dipped by 10% at AngloGold Ashanti Obuasi mine in 2012 at 280,084 ounces compared to 312,595 ounces produced in 2011 largely attributed to inadequate underground development resulting in the mine separating from its age long contractor and the efforts at engaging in owner mining.

AngloGold Ashanti Iduapriem's out turn declined by almost 10% from 199,004 ounces in 2011 to 180,238 ounces in 2012 attributed to low grade ore processing.

Gold production at Golden Star Bogoso Prestea increased by some 4% from 166,147 ounces in 2011 to 172,379 ounces in 2012 attributed to the re-commissioning of its oxide plant.

Contrary to Golden Star Prestea's trend, Golden Star Wassa's production dipped from 160,618 ounces in 2011 to 160,971 ounces in 2012.

The output at Newmont Ahafo Mines was almost constant at 561,356 ounces in 2012 and 572,256 ounces in 2011.

Adamus Resources in its 2<sup>nd</sup> year of production recorded a 37% increase in production in 2012 over 2011 figures 104,629 ounces in 2012.

**A new entrant in the business Perseus Mining Limited in 2012 recorded a production level of 193,852 ounces.**

The Precious Minerals Marketing Company made purchases and exports of Gold from small scale miners at a total of weight of 316,699 ounces in 2012 up from 2011 figures of 235,787 ounces.

In 2012, gold production from small scale/Artisanal mining accounted for 34% of total gold production in Ghana. *(See Fig 5.1 and Appendix 2)*

### **Manganese Production in 2012**

The export of manganese by the Ghana Manganese Company declined by 18% from 1,827,692 tons in 2011 to 1,484,738 tons in 2012. The shortfall was attributed to new developments to ensure easy maneuvering of mine equipment and also to enable the company to blend different grades of ore from different parts of the same pit.

Accordingly Manganese revenue declined in 2012 by 18% from 119,920,951 United States Dollars in 2011 to US \$98,605,393 in the midst of a stable market price of the mineral.

## Bauxite Production in 2012

Bauxite production and shipment increased significantly by 88% from 400,069 tons in 2011 to 752,771 tons in 2012. The increase in volumes contributed significantly to the growth in revenue from US \$ 13,406,433 up to US \$ 28,495,592 by 2012 year end.

## 5.6 MINERALS PRODUCTION IN 2013

### Gold Production

Gold Fields (Gh) Ltd Tarkwa and Gold Fields (Gh) Ltd Damang mines recorded a decline in production volumes attributed to the industrial actions, closure of the Damang mine due to safety concerns and closure of the Tarkwa's South Heap Leach

Tarkwa decrease from 718,878 ounces to 632,244 ounces whilst Damang declined from 166,448 ounces to 153,177 ounces

The operational challenges at the AngloGold Ashanti Obuasi mine encountered in 2012 had a toll on production reducing volumes from 280,084 ounces to 239,052 ounces in 2013. The AngloGold Iduapriem mine however saw production go up from 180,238 ounces to 212,465 ounces according to the figures by the Mineral Commission.

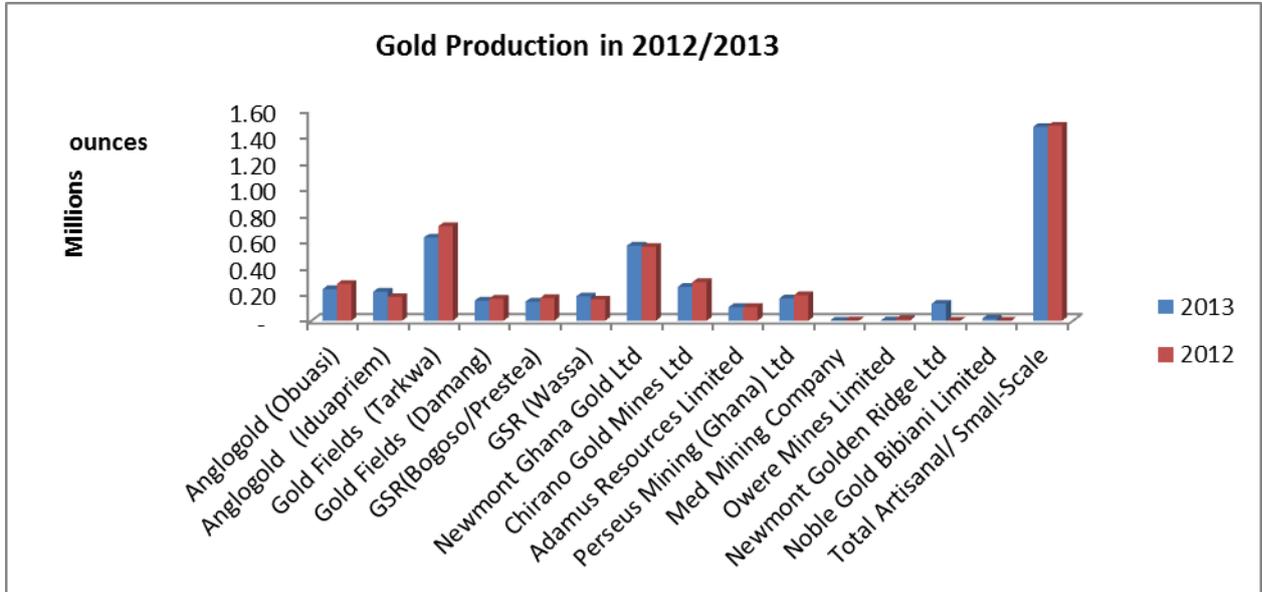
Golden Star Resources Prestea/Bogoso mines recorded a decrease in production by 16% in 2013. By the close of the year production decreased to 145,000 ounces from 2012 production figure of 172,379 ounces. The Wassa mine of the Golden Star Resources group however recorded an appreciable increase in production by 27% to 185,033 ounces.

Chirano Gold Mines output decreased to 275,402 ounces in 2012 attributed to lower mill grade of 2.71 g/t in 2013 compared to 2.91g/t in 2012. All tonnes processed also decreased by 1% but this was offset by a 1% improvement in recovery. Production from the Newmont Ahafo Mine grew marginally from 561,356 ounces in 2012 to 570,202 ounces in 2013. Production from the **new operations at the Newmont Golden Ridge of 129,211 ounces is particularly noteworthy.**

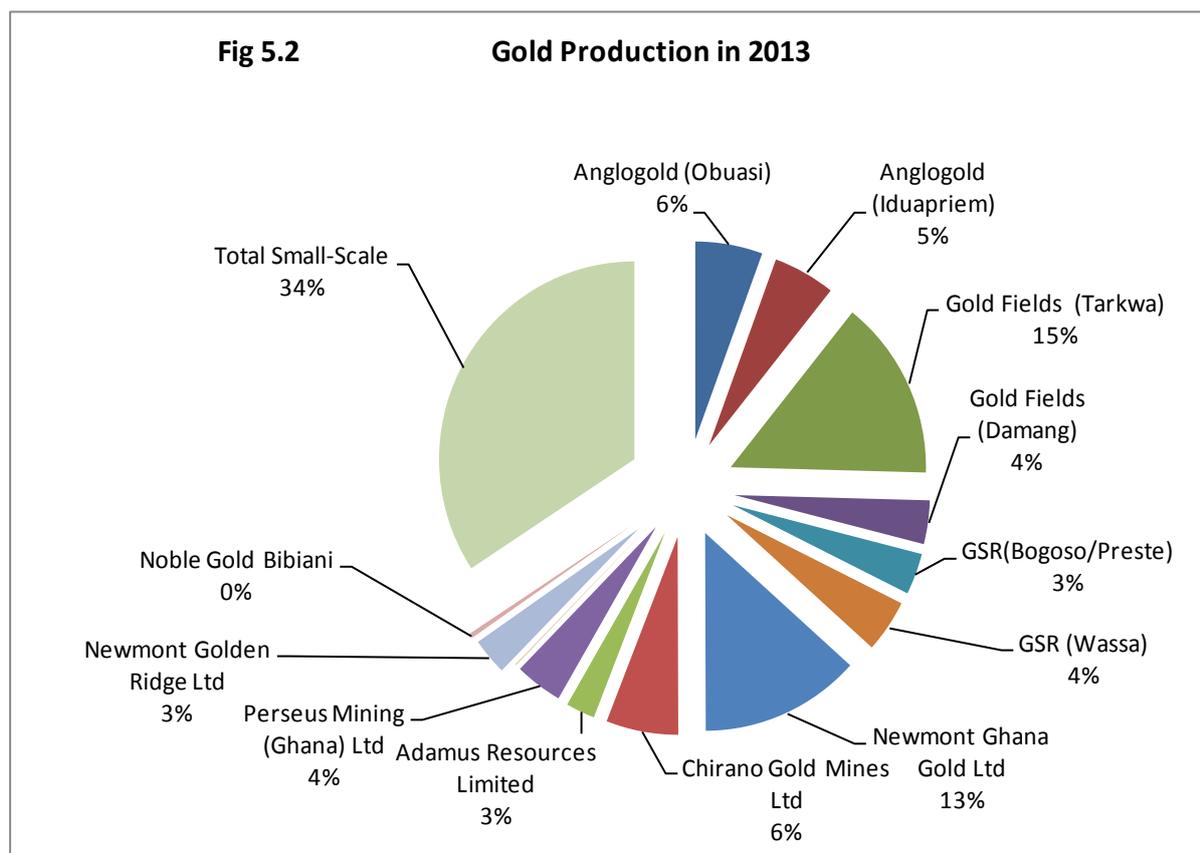
Gold exported by the Precious Minerals Marketing Company dipped from 316,699 ounces in 2012 to 216,381 ounces in 2013 attributed to the clamp down on illegal small scale mining by the Central Government and the Local Authorities. These also negatively affected the purchase and export of Diamond by the Company resulting in a 26% decline in exports of Diamond at 159,074 carats in 2013 down from 215,118 carats in 2012.

Overall 2013 gold production from small scale/artisanal mining accounted for 34% of total gold production. (See Fig 5.1)

Fig 5.1 Gold Productions in 2012/2013



Source: Minerals Commission



Source: Minerals Commission

### Manganese Production 2013

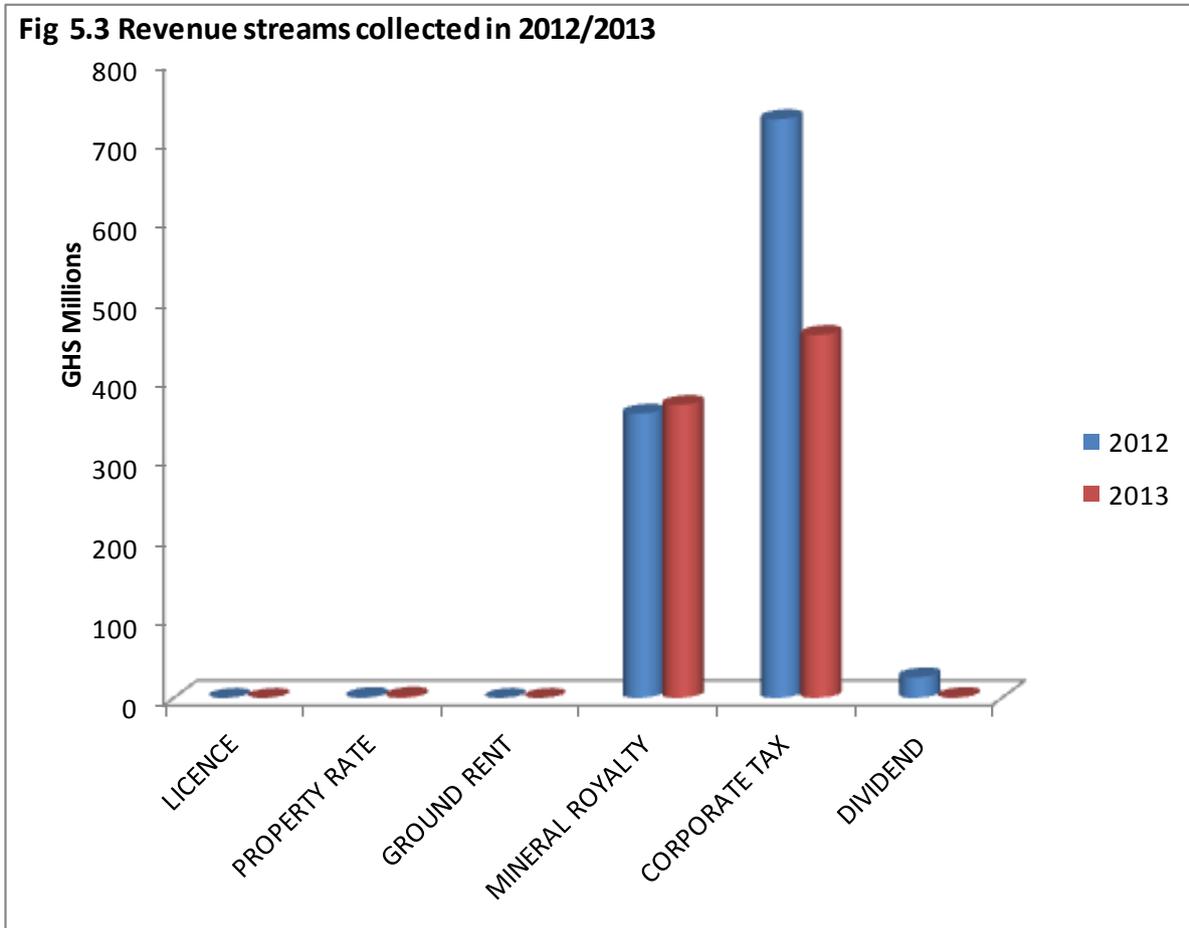
The Ghana Manganese Company recorded a giant leap in export in 2013 increasing from 1,484,738 tons in 2012 to 1,977,911 tons in 2013. This resulted in a corresponding increment in export revenue from United States Dollars 98,605,393 in 2012 to United States Dollars 135,475,558 in 2013.

### Bauxite Production in 2013

Production and Revenue from the Ghana Bauxite operation also increased significantly in 2013 by 16% from US\$ 28,495,592 in 2012 to US\$ 32,923,689 in 2013 directly attributed to the increased production of 826,994 tons in 2013 over 752,771 tons in 2012.

## 5.7 BENEFIT STREAMS RECEIVED

The collections of the revenue streams from the selected companies in 2012 and 2013 are indicated below. (See Fig 5.3)



The diagram indicates that in both 2012 and 2013 corporate tax receipts were higher than royalties. The fact that many of the companies have passed the initial investment recovery period and as such could not have enough available capital allowances to offset profits generated could be one of the reasons. The decline in Gold price in 2013 was a contributing factor that made corporate tax receipts in 2012 higher than that of 2013.

The share in percentages of benefit streams collected from participants in 2012 and 2013 are shown in Figures 5.4 and 5.5.

Fig 5.4

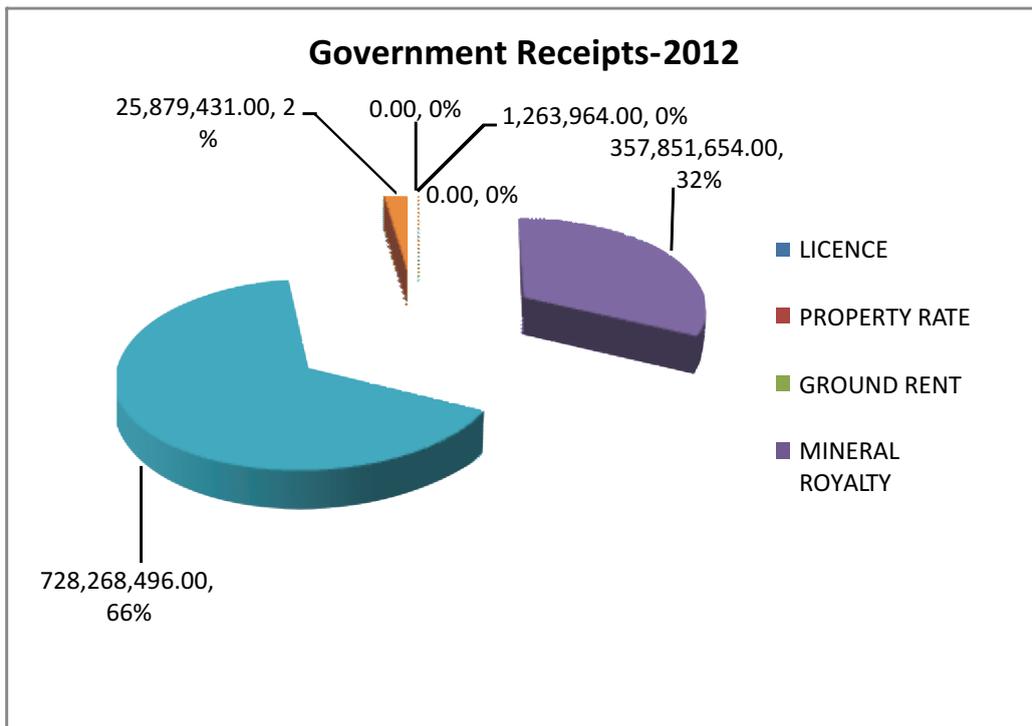
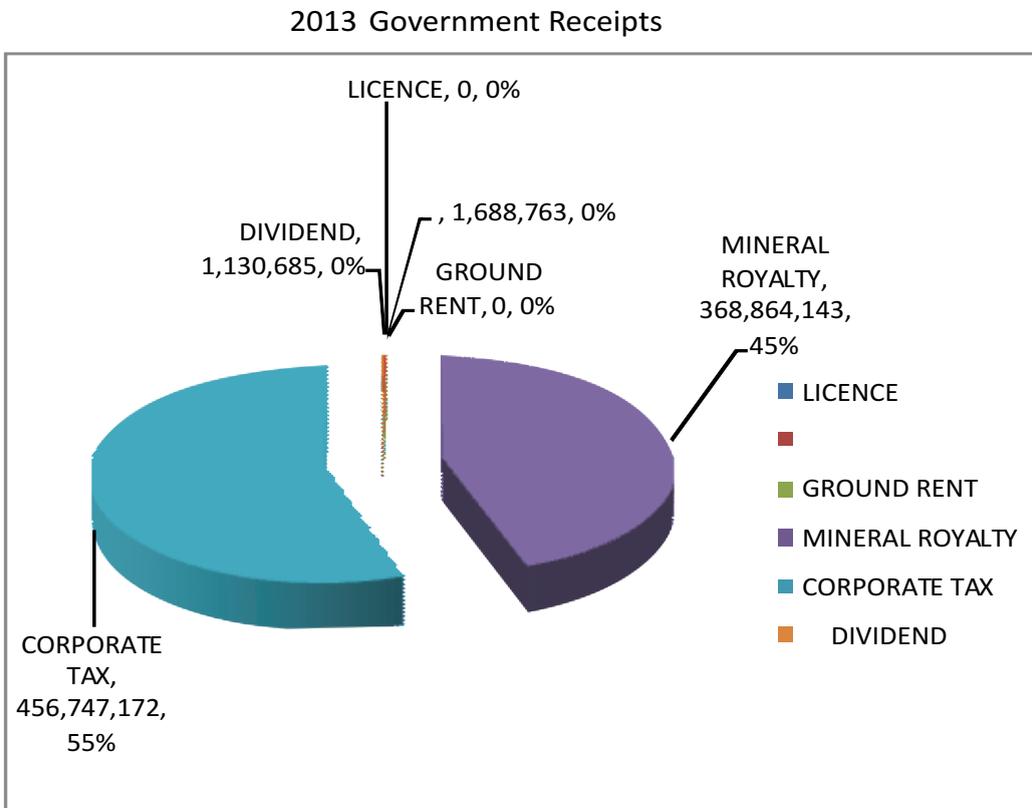


Fig 5



## 6.0 DISBURSEMENTS OF MINERAL ROYALTY

Communities within the operational areas of producing mining companies receive portions of mineral royalty paid by the mining companies. The disbursement of mineral royalty affected by mining communities is not backed by any law. The formula for the disbursement is shown below:

*Table 6.0: Disbursement of Mineral Royalties*

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

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

**6.1 DISBURSEMENT FROM HEAD OFFICE TO REGIONS:**

In 2012, the disbursements from the head office to the relevant regions were as follows:

There were no disbursements or transfers of mineral royalty receipts in 2013.

*Table 6.1 ASHANTI REGION*

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
16/01/2012	MAY-JULY 2011	ASL/DB/07/12	851152	534,285.88
16/07/2012	AUGUST-2011	ASL/DB/14/12	851159	82,988.14
16/07/2012	SEPT-DEC 2011	ASL/DB/23/12	851159	507,539.90
22/11/12	JAN-JUNE 2012	ASL/DB/29/12	851169	780,850.72

*Source: OASL Head Office*

*Table 6.2 BRONG AHAFO REGION*

DATE RECEIVED	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
1/16/2012	MAY-JULY 2011	ASL/DB/08/12	851153	957,712.39
7/16/2012	AUGUST 2011	ASL/DB/15/12	851164	487,057.90
7/16/2012	SEPT-DEC 2011	ASL/DB/20/12	851164	1,262,618.46
11/22/2012	JAN-JUNE 2012	ASL/DB/28/12	851168	1,814,459.14

*Source: OASL Head Office*

*Table 6.3 WESTERN REGION*

DATE OF PAYMENT	PERIOD COVERED	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHS)
1/16/2012	NOV-DEC 2010	ASL/DB/01/12	851148	1,217,599.18
1/16/2012	MAY-JULY 2011	ASL/DB/06/12	851149	3,852,616.42
7/16/2012	AUGUST 2011	ASL/DB/13/12	851162	630,386.72
7/16/2012	SEPT-DEC 2011	ASL/DB/25/12	851162	5,056,185.42
11/22/2012	JAN-JUNE 2012	OASL/DB/30/12	851170	8,632,941.25

## 6.2 TRANSFERS FROM REGIONAL OASL TO DISTRICT/MUNICIPAL ASSEMBLIES:

### ASHANTI REGION

Amounts due to the various district Assemblies from payments of mineral royalty by AngloGold Ashanti Co. Ltd are indicated below. Amounts received by the District Assemblies have also been shown. *(See also Appendix 6A)*

*Table 6.4 Royalty disbursement due /Amount received by District Assemblies in 2012*

District Assembly	Amount due(GHS)	Amount received by District Assembly (GHS)
Obuasi Municipal	645,756.59	570,787.21
Adansi South	184,501.66	163,082.00
Adansi North	92,250.02	80,600.88
Bekwai Municipal	89,650.56	99,241.78
Amansie Central	166,493.98	147,165.16

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

There were significant differences between amounts due and amounts received by the District Assemblies within the operational area of AngloGold Ashanti Co Ltd. The differences were due mainly to the disbursement of November 2012 which was for royalties paid between January 2012 and June 2012.

### BRONG AHAFO REGION

The table below indicates amounts due to the Asutifi North District Assembly from mineral royalty paid by Newmont Ghana Gold Ltd. The total amount received by the District Assembly has also been indicated. *(See Appendix. 6B)*

*Table 6.5: Amount due to Asutifi North District Assembly/Amount received by Asutifi North DA in 2012*

District Assembly	Amount due(GHS)	Amount received by District Assembly(GHS)
Asutifi North District Assembly	2,507,926.94	2,146,354.03

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

An amount of **GHS 340,862.28** was transferred to the Asutifi South District Assembly. This means that the total received by the Asutifi North and Asutifi South District Assemblies amounted to **GHS 2,487,216.31**.

Asutifi South and Asutifi North were created from the Asutifi District Assembly in June 2012. The operations of Newmont Ghana Gold Ltd are found in Asutifi North District Assembly.

The Asutifi North District Assembly requested for the release of mineral royalty from the Regional Coordinating Council. The requests were approved by the Coordinating Council with a letter copied to the Office of the Administrator of Stool Lands authorizing the release.

This practice is peculiar to the Brong-Ahafo Region. The independent Administrator did not observe that practice in the other regions.

## WESTERN REGION

*Table 6.6 Amounts due/ Receipts by District and Municipal Assemblies-2012*

District/Municipal Assembly:	Amount Due GHS	Amount received. GHS
Prestea Huni Valley	5,206,357.94	4,585,180.00
Mpohor Wassa East <sup>13</sup>	449,956.30	355,851.00
Tarkwa Nsuaem	2,900,376.04	2,741,956.00
Bibiani/Ahwiaso Bekwai	944,617.37	841,623.00
Sefwi Wiawso	1,085,504.86	1,183,321.00
Ellembelle	619,880.81	344,561.93

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

<sup>13</sup> The distribution formula for the second disbursement was used for the remaining disbursements.

## 7.0 UTILIZATION OF MINERAL ROYALTY RECEIPTS IN 2012

The utilization of mineral royalty receipts by Obuasi and Tarkwa Nsuaem Municipal Assemblies are indicated below.

These Municipal Assemblies have dedicated bank accounts for the lodgement of mineral royalty receipts. The utilization of mineral royalty receipts can be tracked using the bank accounts.

*Table 7.1 Obuasi Municipal Assemblies: Utilization of Mineral Royalty Receipts (2012)*

No.	Details	Expenditure(Amount)-GHS
1	Rehabilitation of 4-unit JHS Classroom Block at Awuradebasa school at Obuasi	13,459.01
2	Rehabilitation of 6-unit classroom Block at Boete	22,639.34
3	Construction of 8-unit classroom block at Boete.	55,485.10
4	Rehabilitation of 6-unit classroom Block at Estate Presby JHS.	25,832.55
5	Construction of 8-unit Classroom at Kokoteasua	55,485.20
6	Construction of Block Wall Fencing/ Security Post around Obuasi Senior High Technical School and Christ the King Catholic School.	27,441.51
7	Waste Management	104,026.00
	<b>Total</b>	304,368.71

*Source: Obuasi Municipal Assembly*

Table 7.2: Tarkwa Nsuaem -Utilization of Mineral Royalty Receipts (2012)

	EXPENDITURE HEAD	APPR. BURG. EST. FOR 2011	ACTUAL FOR EST. FOR 2011	APR. BUDG. EST. FOR 2012	ACTUAL FOR EST. FOR 2012
<b>A</b>	<b>MINERAL DEV'T FUND PROJECTS LOCAL GOVERNMENT PROJECT</b>				
76601	CONSTRUCTION OF ROADS	0.00	0.00	0.00	0.00
76602	COMM. INITIATED PROJECT	60,000.00	4,863.60	70,000.00	71,718.76
76603	CONSTRUCTION OF STORES	0.00	0.00	0.00	0.00
76604	CONST. OF ASS. BUILDINGS	0.00	65,565.57	120,000.00	223,983.01
76605	REHAB. OF ASS. BUILDINGS	52,600.00	53,733.75	70,000.00	125,567.72
76606	PURCH. OF OFFICE FURN.	0.00	18,251.00	0.00	7,550.10
76607	PURCH. & OVH OF VEHICLE	80,000.00	224,586.33	200,000.00	335,408.18
76608	PURCH. OF EQUIPMENT	0.00	40,727.64	20,000.00	43,931.19
76609	COMPENSATION	0.00	8,170.00	15,000.00	10,030.00
76610	CONST. OF MARKET SHED	89,100.00	10,035.00	738,629.88	12,694.10
76611	REHAB. OF ROADS	0.00	0.00	0.00	6,400.00
76612	PURCH. OF LOW COST HSE.	0.00	0.00	3,000.00	0.00
76613	CONST. OF CULVERTS	0.00	30,000.00	40,000.00	39,929.00
76614	CONSULTANCY	0.00	44,194.15	40,000.00	55,000.00
76615	ON-GOING PROJECTS	0.00	115,021.34	170,000.00	273,378.67
76616	CONST. OF MKT SHED & FAC.	85,500.00	35,000.00	50,000.00	25,000.00
76617	REHAB. OF MKT SHED & FAC.	16,000.00	6,326.00	16,000.00	0.00
76618	TRAINING & CAPACITY BUILDING	18,000.00	45,911.00	14,000.00	47,376.00
76619	FARMERS DAY ASSISTANCE	11,000.00	0.00	5,000.00	0.00
76620	IMMUNISATION PROG.	3,000.00	0.00	3,000.00	0.00
76621	STME WORKSHOP	3,000.00	0.00	0.00	9,280.00
76622	DEVELOPMENT PLAN	34,000.00	0.00	38,000.00	0.00
76623	DATA COLL/CRT OF D. BASE	15,000.00	65,549.00	5,000.00	47,390.50
76624	RESEARCH PROGRAMME	10,000.00	5,285.00	10,000.00	0.00
	<b>SUB TOTAL</b>	<b>477,200.00</b>	<b>773,219.38</b>	<b>1,627,629.88</b>	<b>1,334,637.23</b>
<b>B</b>	<b>EDUCATIONAL PROJECT</b>				
76701	CONST. OF C/ROOM BLOCKS	413,300.00	61,990.47	463,000.00	150,547.94
76702	REHAB. OF C/ROOM BLOCKS	3,750.00	21,563.10	95,000.00	60,021.78
76703	ON-GOING PROJECTS	26,175.17	8,000.00	0	14,880.00
76704	PROV. OF SCHOOL FURN.	0.00	0.00	0	0.00
76705	EDUCATIONL ASSISTANCE	3,000.00	0.00	3,000.00	1,800.00
76706	SCHOOL FEEDING	0.00	54,942.40	0.00	1,894.40
	<b>SUB TOTAL</b>	<b>446,225.17</b>	<b>146,495.97</b>	<b>561,000.00</b>	<b>229,144.12</b>
<b>C</b>	<b>WATER AND SANITATION</b>				
76801	EXT. OF WATER SUPPLY	20,000.00	1,694.00	25,000.00	25,200.00
76802	CONST. OF B HOLE/H.D.W	0.00	5,056.96	0	16,817.30
76803	CONST. OF WAER CLOSET T.	156,500.00	10,584.93	136,500.00	200,068.21
76804	CONST. OF AQUA PRIVY T.	135,000.00	0.00	140,000.00	0.00
76805	CONST. KVIP TOILETS	0.00	0.00	0.00	0.00
76806	PURCH. OF REFUSE CONT.	85,000.00	0.00	120,000.00	85,000.00
76807	PUSH/CLEAR & DISP. OF REF	28,000.00	89,453.50	60,000.00	293,427.00
76808	PURCH OF REFUSE TRUCK	110,000.00	60,000.00	0.00	0.00
76809	CONST. OF INCINERATORS	24,000.00	0.00	80,000.00	0.00
76810	ON-GOING PROJECTS	0.00	34,796.00	0.00	153,220.17
	<b>SUB TOTAL</b>	<b>558,500.00</b>	<b>201,585.39</b>	<b>561,500.00</b>	<b>773,732.68</b>
<b>D</b>	<b>OTHER CAPITAL PROJECTS</b>				
7646	INTERNATIONAL LAB. ORG	3,000.00	0.00	5,000.00	3,100.00
76901	COUNTERPART FUNDING	0.00	0.00	0.00	0.00
76902	RURAL ELECTRIFICATION	85,000.00	3,145.00	80,000.00	0.00
76903	DISASTER & EMERG RELIEF	0	11,818.00	0	2,165.00
76904	M'TCE OF COMM.EQUIPMENT	0	0	0	0
76905	CONTINGENCY	0	35,900.00	0	150,928.13
	<b>SUB TOTAL</b>	<b>88,000.00</b>	<b>50,863.00</b>	<b>85,000.00</b>	<b>156,193.13</b>

## 8.0 MINERAL DEVELOPMENT FUND

### 8.1 ROYALTY LODGMENTS AND EXPENDITURES

In 2012 the transactions carried out for mining activities were carried out in two separate accounts, all designated as MDF accounts. The two accounts were the MDF substantive account which had Minerals Commission as the signatory and the Ministry of Lands and Natural Resource sub-Consolidated Fund account for mining operating activities also termed MDF account at the Ministry.

Prior to 2012 the MDF account which has the Minerals Commission as the signatory received all yearly lodgments of royalty payments ceded to the Fund for mining related operational activities. However no royalty payments transfers were lodged in this account for 2012.

Instead some lodgments were made in the sub-consolidated Fund account at the Ministry of Lands and Natural Resources. The lodgments made were tailored to meet expenditures made on mining related activities by two institutions in the mining sector. *(See Table 8.0)*

*Table 8.0: Transactions Carried out of the MDF Substantive Account*

Particulars	Expenditure(GHS)	Lodgments(GHS)
Balance Brought Forward		5,830, 995.68
Salary Arrears	219,962.17	
Forestry Commission Activities	442,764.00	
Ministry of Lands activities	2,735,000.00	
Commission	61,031.53	
Miscellaneous	48,416.26	
Miscellaneous	<u>94,153.80</u>	<u>3,601,327.76</u>
Balance carried forward		2, 229, 667.92

*Source: MDF subsidiary Accounts*

At the end of 2011 there was an outstanding balance of GHS5, 830,995 in the MDF substantive account at Bank of Ghana which was brought forward as the beginning balance for 2012. No other lodgments were added to this amount throughout the year, 2012. *(See Appendix 7 for details)*

Out of this amount i.e. GHS5, 830, 995.68, total expenditures made from the account amounted to GHS3, 601, 327.76, leaving an outstanding balance of

GHS2, 229, 667.92. These included expenditures on service activities of the Ministry for Lands and Natural Resources (MLNR) and the Forestry Commission amounting to GHS3, 177, 764.

An amount of GHS219, 962 was expensed on salaries in arrears for Ghana Consolidated Diamond Ltd. The remaining expenditures of GHS203, 601.59 were for Commissions charged by Bank of Ghana and miscellaneous expenses incurred during the period.

## 8. 2. TRANSACTIONS CARRIED OUT OF THE SUB-CONSOLIDATED ACCOUNT

Transfers totaling GHS11, 123, 483.25 were paid into the Ministry's sub Consolidated Fund Account for disbursements to Geological Survey Department and University of Mines and Technology as mining sector expenditures. These payments were effected after interactions between the Ministry of Finance, Accountant Generals Department and the Ministry of Lands and Natural Resources.

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

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

*Table 8.1: Payments from subsidiary MDF account in 2012*

DATE	AMOUNT (GHS)	BENEFICIARY INSTITUTION	SERVICE TYPE
01/08/2012	1,132,643.01	Geological Survey Department	Drilling
24/08/2012	93,217.89	UMAT	Construction Works
03/09/2012	2,685,874.88	GSD	Drilling
-do-	63,918.95	-do-	Logistics
19/09/2012	2,682,222.62	UMAT	Construction Works
-do-	1,379,266.56	-do-	-do-
17/10/2012	44,723.89	-do-	-do-
07/11/2012	2,557,255.28	-do-	-do-
20/11/2012	343,322.65	GSD	-do-
29/11/2012	43,726.27	Lands Commission	Field Activities
11/12/2012	18,270.00	GSD	Construction Works
31/12/2012	79,041.25	UMAT	-do-
Total	11,123,483.25		

In 2013, as in 2012, no royalty transfers meant for mining sector activities were lodged into the MDF substantive account at Bank of Ghana. The only transfer that was lodged in the account apparently was the ten percent mineral development fund meant for OASL for disbursements to the mining districts where mining operations are carried out.

This may have been mistakenly lodged into the MDF mining sector related activities account and was therefore transferred same day to OASL. Both transactions, inflow and outflow, occurred on January 10, 2013 and the amount involved was GHS27, 567, 813.14.

There were also no transfers to the Ministry of Lands and Natural Resources sub-Consolidated Fund for mining sector expenditures in 2013.

### 8.3 STATUS OF THE MDF BILL

Information received by the Independent Administrator indicates that the Mineral Development Bill which was drafted in 2009 and placed before Cabinet for review has been completed and forwarded to the Attorney Generals Department. It was gathered that the Attorney Generals Department has also completed its review, and the Bill will soon be laid it before Parliament for debate and promulgation.

## **9.0 SAP IT SYSTEM**

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In the 2012/2013 reconciliation exercise, the SAP IT system was employed. The system has an enormous potential in assisting in the delivery of reports on time as data is gathered quickly. Again the fact that all the supporting documentations can be attached means that the Administrator will be able to access all relevant data by just pressing a button.

However due to high labor turnover of accounting staff in the mining sector and regular changes in the requirements of the EITI reporting system, there is the need to balance speed with accuracy.

In the 2012/2013 reconciliation, some accounting staff entered data speedily, but ended up applying the accruals system instead of cash/actuals and/or used the wrong currency, thereby prolonging the reconciliation exercise as time has to be spent in resolving discrepancies.

Again the capacity of the system Administrators should be built to enable them deliver responses promptly to changes in the reporting periods and EITI requirements.

## 10.0 UPDATE ON RECOMMENDATIONS MADE IN THE 2010/2011 REPORT

Table 10.1: Details of implementation of recommendations

Issue	Finding	Recommendation	Status	Remarks
<b>Receipting and reporting Currency for EITI</b>	Some companies reporting in dollars	Companies to maintain records of cedi receipts from GRA for EITI reconciliation	Partially complied	Some discrepancies resulting from non-archiving of cedi receipts
<b>Frequency of Royalty payment</b>	Split quarterly payments by some companies	Regularization of monthly and other split quarterly payments.	Companies engaged in such payment practice reduced.	Regularization of multiple payments is outstanding.
<b>Adamus Royalty payment on hedge figures</b>	Royalty computations on hedge gold prices instead of spot prices.	GRA to review royalty payments on spot prices.	Adamus paid GHC 213,995 to GRA in 2013 after the review.	
<b>Re-evaluation of Ghana Manganese (GMC) and Chirano royalty payments</b>	GMC skipped 3 <sup>rd</sup> quarter 2011 royalty payment to offset overpayment Chirano skipped 4th quarter 2011 payment.	GRA to reconcile over/under payments by GMC and Chirano	GMC Discrepancy resolved by GRA. Chirano not resolved.	
<b>Irregularities in OASL funds transfer to Districts Assemblies</b>	Transfers from OASL were in tranches	OASL to fully implement recommendations on funds transfer.	Transfers in 2012 were minimal. No transfer in 2013	2014 transfers from OASL to comply.
<b>Management of MDF</b>	Monitoring of MDF expenditures cumbersome	Appointment of MDF oversight agency.	Outstanding	Pending appointment of agency, MDF disbursements to be duly supervised.

## **11.0 OBSERVATIONS, SIGNIFICANT FINDINGS AND RECOMMENDATIONS**

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### **11.1 OBSERVATION: LICENSING REGIME**

The mode of awarding licences and concessions still remain, as first –come-first- served basis. The determination of who came first is left for only the Commission to determine.

#### *11.1.1 Recommendation*

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

### **11.2 OBSERVATION: CADASTRAL SYSTEM OF ACCESSING LICENCES**

As indicated in the earlier section 2.4, interested investors will have to conduct searches to find out if the concessions required have not been granted to others by paying some fees. However these searches are partially computerized. The system as currently used has these shortfalls. i) It is not available online. ii) The details provided do not include the coordinates of the concessions. iii) Transfers of mineral rights though documented are not computerized; iv) fees made on these concessions are also not provided.

#### *11.2.1 Recommendation*

In order to ensure transparency and the effective management of mineral rights licences, an online cadastral system should be introduced. This should include information on coordinates of concessions and transfers of mineral rights as well as fees paid.

The Minerals Commission should have official online cadastre map with details of licences. With the EITI requirement of documenting licence allocation and transfers, an online cadastral system will be of immense assistance.

### **11.3 OBSERVATION: SMALL SCALE MINING, GOLD PRODUCTION AND MINERAL REVENUES.**

According to the Minerals Commission, small scale producers accounted for over 34% of gold production. (*See section 2.4 on production*). However there was no mineral royalty payment by small scale gold.

With the growing significance of small scale production, efforts should be made to ensure some revenues are generated. The Mining and Minerals Act, 2006,

ACT 703 does not differentiate between small scale and large scale operations in terms of royalties and both are liable for royalty payment.

### *11.3.1 Recommendation*

Attempts should be made to obtain some revenue (royalty) from small scale mineral/gold producers. The rate of extraction of gold by the small scale and artisanal miners means the state is losing its resources without any compensatory revenue.

To begin with the rate at which royalty is paid may be differentiated between large scale and small scale holders

Because most small scale and artisanal miners may not have the requisite accounts and books, royalty payment may be instituted at the point of export.

Proper monitoring should be enforced to ensure that Gold is not smuggled out of the borders of Ghana. The system of royalty payment by small scale miners existing in the neighbouring countries should be studied and possibly harmonized.

## **11.4. OBSERVATION: DATA COLLECTION BY STATE AGENCIES, MINERALS COMMISSION AND GRA**

During the exercise a lot of effort was required in order to obtain data from the GRA and the Minerals Commission. For example information on corporate tax and royalty payments could not be obtained speedily from the GRA. In the same manner it took a long time before details of payments for the different categories of mineral rights i.e. Reconnaissance, Prospecting and Mining lease were obtained from the Minerals Commission.

The explanations received by the Administrator suggested that the system of data collection has not been designed to facilitate the retrieval of such details quickly.

### *11.4.1 Recommendation*

The provision of data such as that required by the EITI should be factored into the data collection system of the State institutions. In the meantime in order to facilitate the speedy provision of data for reconciliation, the Steering Committee should ensure that these institutions gather the necessary annual data long before the commencement of the reconciliation process. The SAPIT system could be employed. The necessary supporting documentation should be added.

### **11.5. OBSERVATION: REQUEST AND RELEASE OF MINERAL ROYALTY BY THE REGIONAL COORDINATING COUNCIL IN BRONG AHAFO**

It was observed that in the Brong Ahafo Region, the District Assembly had to request for the release of mineral royalty due to the Assembly from the Regional Coordinating Council. The regional Coordinating Council will then approve the request by asking the OASL to release the amount requested.

This practice used to exist in other regions, notably Ashanti and Western in some time past.

#### *11.5.1 Recommendation*

It is recommended that the OASL releases the amount due to the Asutifi North District Assembly without recourse to any request or order from the Regional Coordinating Directorate. This process of requisition if allowed to continue may delay the execution of projects at the district assembly and will generate unnecessary bottlenecks with its attendant consequences,

### **11.6 OBSERVATION: NO TRANSFER OF MINERAL ROYALTY IN 2013**

There was no disbursement of mineral royalty to the District Assemblies in 2013. Some of the district Assemblies complained about lack of resources to continue projects started with mineral royalty funds.

#### *11.6.1 Recommendation*

On the inception of the EITI in Ghana, District Assemblies were using mineral royalty receipts on recurrent expenditure. Over the period the Assemblies have commenced applying substantial portions of the royalty receipts for capital expenditure. Guidelines have been prepared for the use of these funds. In order to ensure the continual use of the funds on capital expenditure, regular disbursement is required.

### **11.7 OBSERVATION: ROYALTY PAYMENT AND DISBURSEMENTS TO COMMUNITIES**

In 2012, gold production figures provided by the Minerals Commission included that of Owerri Mines. Although there was gold production by the company, the company did not have its name on returns made to the OASL by the GRA for royalty disbursement.

Enquiries made at the Asante Akyim Municipal Assembly, indicated that no mineral royalty has been received.

*Recommendation:* The GRA should monitor and report all royalty payments in Districts to ensure that the impacted communities receive their fair share of royalty disbursements.

## 11.8 OBSERVATION: MINERAL DEVELOPMENT FUND

In the absence of any law emphasizing, the objectives of the MDF, the fund risks deviating from its original purpose. Expenditures which are not strictly mining related may increase.

For example, disbursements to Forestry Commission and Lands Commission may not strictly qualify as expenditures on mining related activities.

No royalty lodgments were made into the Mineral Development Fund (substantive account) in 2012. Even though the convention in the past was to pay ten percent of the mineral royalty payments into the MDF substantive account for expenditures in mining sector activities, this changed in 2012 as more payments were made into the MDF sub Account.

Some of the expenditures incurred in the MDF substantive account were not well explained. For example, the payments indicated as miscellaneous in the MDF main account do not appear in the books of MLNR, the oversight agency for the account and therefore (MLNR) could not explain the components of the transaction.

### *11.8.1 Recommendation*

It is recommended that various stakeholders should organize a forum to address any misunderstanding regarding the use of the Mineral Development Fund to put it on a sound footing and to enable it achieve the objective for which it was set up.

The delay in passing the MDF bill is gradually stifling the efficient and effective running of the MDF facility. The application of the fund may gradually deviate from the purpose for which it was set up. ie Mining sector research and activities.

In the interim, an oversight agency should be appointed to run the Fund prior to the passing of the Bill to ensure transparency and independence.

## 11.9 OBSERVATION: MINERAL ROYALTY PAYMENT

Prestea Sankofa produced 21,237 ounces of gold in 2012 at total revenue of US \$ 36,012,936 (GHC 64,789,333). Royalty payable on the revenue is GHS 3,239,466.68. The GHC 1,037,988.39 paid as royalties to GRA in November 2012 was in respect of 2011 payment arrears.

Additionally, 2013 production was 22,853 ounces of gold at revenue of US\$ 31,760,747.60 (GHC 68,806,427). Royalty payable on the revenue is GHS 3,440,321.85. The total of GHC 409,095 paid in 2013 cover outstanding payment in 2011.

*Recommendation*

GRA is requested to investigate and reconcile the revenue to royalty payment, and to recover the probable difference of about GHS6.6 million due the state.

**11.10 OBSERVATION: FREQUENCY OF ROYALTY PAYMENT**

Recommendation made in the 2010 and 2011 report on lack of regularization of royalty payment frequency resulting in split quarterly payments is outstanding.

*Recommendation:* GRA is urged to follow through on this to ensure standardization and adherence to procedures for royalty payments to promote compliance.

## 12.0 CONCLUSION

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This presentation is the final report for the 2012/2013 reconciliation of mining sector payments and receipts.

There were discrepancies in both 2012 and 2013. In 2012 there was a net discrepancy of GHS-3,161,945, whereas in 2013 the net discrepancy was GHS3,100,577

The unresolved discrepancies are 0.28% and 0.37% of total receipts by government Agencies in 2012 and 2013 respectively.

For 2012 initial reported company payments and government receipts amounted to GHS 1,031,554,055 and GHS 1,113,263,545. After the resolutions of discrepancies the final amounts for companies and government receipts were GHS1,110,131,417 and GHS1,113,293,362 respectively.

Initial figures reported for 2013 were GHS699,774,266 and GHS828,430,763 as company payments and government receipts respectively.

Final amounts obtained for 2013 after the resolutions of discrepancies were GHS 825,330,187 and GHS828,430,763 for company payments and government receipts respectively.

In order to reduce the length of time required in the reconciliation process, finance managers at the mining companies should be encouraged to participate in EITI workshops.

The growing significance of the small scale and artisanal mining sector in gold production has been highlighted alongside the need to obtain some revenues from the sector.

Corporate tax has exceeded mineral royalty for three continuous years. This may require further investigation and actions to ensure the sustainability of mining revenues.

An Online cadastral system for the Minerals Commission should be given the necessary attention.

# **APPENDICES**

## **APPENDIX 1: TERMS OF REFERENCE (TOR)**

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Under the terms of reference for the assignment the obligations of the Administrator shall include the following contextual information about the Mining industry in Ghana;

- I. An overview of the extractive industry, including exploration activities, analysis of how large-scale mining production has developed overtime, levels of investments, confirmed reserves, level of employment, price developments and average cost developments.
- II. An overview of the relevant laws and regulations (legal framework and fiscal regimes) and information on roles and responsibilities of relevant government agencies.
- III. The contribution of the mining industry to the economy for the 2012 fiscal year i.e. size of the industry in absolute terms and as a percentage of GDP, including the informal sector activity. Production data including volumes and values by commodity for 2012 and total government revenues generated by the mining industry(including sales/export receipts, taxes, royalties, bonuses, fees and other payments) in absolute terms and as a percentage of total government revenues.
- IV. Mining sector revenue and expenditure budget management and outcomes, i.e. revenues earmarked for specific programmes or districts.
- V. State participation in the mining industry. Disclosures from State owned companies on their revenues, costs and expenditures such as payments for social services, public infrastructure, fuel subsidies and national debt servicing.
- VI. Tracks changes in the beneficial ownership structure of extractive companies operating in Ghana and establish whether or not capital gains tax opportunities that arise as a result of these changes have been seized upon by the revenue collection agencies.
- VII. Distribution of revenues from the extractive industries; sovereign wealth and development funds, sub national governments, state-owned companies, and other extra-budgetary entities.

- VIII. Information on the licensing processes, register and the allocation of licenses (licence holders, coordinates of the licence area, date of application, award, duration and community being produced).
- IX. Information on mining contracts: disclosure practices and policy of companies and government.
- X. Provide insight into the spending patterns of mineral revenues through the national budget.

In addition to the review of the relevant background information, the independent Administrator is expected to review the findings from any preliminary scoping work, and conclusions and recommendations from the previous EITI Reports and validations.

## PART II

1. Analyse documentation on production, exports, payments and receipts from solid minerals in the country.
2. Review feasibility reports of mining companies in order to compare projected production with the actual production.
3. Where applicable, check if quantities of solid minerals declared are in conformity with the declarations made to the regulatory institutions and refinery certificates.
4. Review the capital investment in order to assess the actual amount of investment and determine if the amortization and depreciation declared is correct and does not improperly reduce the amount of taxable profit of the mining companies.
5. Check the correctness of the computation of payments in order to determine the appropriateness of the revenues received as mineral royalty, dividends, tax on profit, property rate, ground rent and mineral rights.

6. Analyze all tax deductions claimed by the companies to ensure that only legitimate claims have been made.
7. Scrutinize the payments made to District Assemblies, Traditional Authorities and Stools within the operational areas of mines, and establish the correctness of computation in accordance with the operational formula.
8. Reconcile the data so collected to ascertain, where applicable, if there is any disparity between the government's reported template and the companies' reporting Templates and make appropriate recommendations to deal with the disparities.
9. Review financial statements for consistency for companies and institutions. Specifically, for companies the Administrator shall review company capital investments and operating cost.
10. The Administrator shall be expected to report on amounts accruing to the Minerals Development Fund, how the funds have been utilized, and whether or not the utilization is in accordance with provisions of its statute.
11. Reconcile the data so collected to ascertain if there is any disparity between the government's reported templates and the companies' reporting templates.

## APPENDIX 2: PRODUCTION DETAILS

GOLD (OZ)	Annual Total	
	2013	2012
<b>ANGLOGOLD GROUP</b>		
AngloGold Ashanti (Obuasi)	239,032.00	280,084.00
AngloGold Ashanti (Iduapriem)	212,465.27	180,238.00
<b>TOTAL (AGA GROUP)</b>	<b>451,497.27</b>	<b>460,322.00</b>
<b>GOLD FIELDS (GH) LTD GROUP</b>		
Gold Fields (Gh) Ltd (Tarkwa)	632,240.40	718,875.73
Gold Fields (Gh) Ltd (Damang)	153,117.00	166,448.00
<b>TOTAL (Gold Fields (Gh) Ltd Group)</b>	<b>785,357.40</b>	<b>885,323.73</b>
<b>GOLDEN STAR GROUP</b>		
Golden Star Res. (Bogoso/Prestea)	144,993.52	172,056.56
Golden Star Res. (Wassa)	185,033.00	160,971.00
<b>Total (Golden Star Group)</b>	<b>330,026.52</b>	<b>333,027.56</b>
<b>OTHER GOLD MINES</b>		
Newmont Ghana Gold Ltd	570,202.35	561,355.82
Chirano Gold Mines Ltd	256,571.00	292,534.00
Adamus Resources Limited	103,230.96	103,687.80
Perseus Mining (Ghana) Ltd	169,367.00	193,852.00
Med Mining Company	841.00	1,539.00
Owere Mines Limited	1,568.50	10,942.70
Newmont Golden Ridge Ltd	129,211.00	-
Noble Gold Bibiani Limited	16,750.54	-
Prestea Sankofa Gold Ltd	-	-
<b>TOTAL OTHER MINES</b>	<b>1,247,742.35</b>	<b>1,163,911.32</b>
<b>SMALL SCALE GOLD</b>		
Precious Minerals Marketing Co.	40,868.93	52,340.23

Local Buying Agents	175,512.55	263,683.01
Miramex	22,610.78	58,853.10
Asap Vasa Co. Limited	123,531.01	40,784.87
R.D.Ackahs & Partners	28,576.65	114,857.71
Gold Recovery Ghana Ltd.	4,171.34	76.02
SMAYAK Mining & Construction Ltd	-	-
Italtec Ghana Limited	-	704.73
Guldrest Resources Company Ltd	466,594.20	465,587.70
AsanSka Jewellery Limited	149,904.79	11,671.21
A. A. Minerals Limited	438,513.84	333,433.06
Finegold Impex Limited	1,172.76	60,200.61
K K Enterprise Limited	2,177.85	
Smagow Resources Ghana Ltd	84,184.30	8,334.12
BGC International DMCC Gh Ltd	26,220.55	84,802.23
<b>Total Small-Scale</b>	<b>1,564,039.55</b>	<b>1,495,328.59</b>
<b>TOTAL GOLD</b>	<b>4,330,320.02</b>	<b>4,337,913.20</b>
<b>DIAMOND (CARRATS)</b>		
Great Consolidated Diamonds Gh Ltd	1,746.23	-
Licensed Diamond Winners	159,074.35	215,117.91
<b>TOTAL DIAMOND-GHANA</b>	<b>160,820.58</b>	<b>215,117.91</b>
<b>BAUXITE (MT)</b>		
Ghana Bauxite Company Ltd	908,586.00	662,925.00
<b>MANGANESE (MT)</b>		
Ghana Manganese Company Ltd	1,724,417.00	1,501,033.00

## APPENDIX 3: ACQUISITION OF MINERAL RIGHTS

### PROCEDURE FOR OBTAINING RECONNAISSANCE/PROSPECTING LICENCES (SUMMARY)

<u>Activities</u>	<u>Operator</u>	<u>Requirement Medium</u>
Identify Area of Interest	Applicant	Maps, Geological Info (1:50,000)
Obtain search report	Applicant	Site Plan (1:50,000)
Apply for licence	Applicant	(a) 20 copies: application form, site form, site (b) Official search report (c) work programme, (d) Company Annual/Financial report. For new company-Certificate of incorporation/to Commence business, regulation.
Publication of application	Commission Secretariat	Public places, regional/district adm'n covered by s signature of DCE
Due Diligence on application	Commission Secretariat	Bank reference on principal and applicants
Evaluation of application	Tech Committee on Minerals titles	Background information on applicants
Recommendation to the board	Chief Executive	Memo/reports
Registering Undertaking at EPA	Applicant	(a) Registration Form (b) Obtain Environmental Permit
Offer letter to applicant	Commission Secretariat	(a) letter of acceptance (b) payment of consideration (c) payment of annual rent
Recommendation to the Minister	Chief Executive	Memos/reports
Grant of licence	Hon. Minister	Public agreement (Reconnaissance, prospecting)

## APPENDIX 4: DETAILS OF RECONCILIATION ON COMPANY BASIS

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: AngloGold Ash.-Obuasi  
 TIN: 721G000012  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	430,253.00		430,253.00	400,436.00	29817	430,253	430,253.00	430,253.00	-	
3	Ground Rent	OASL	0.00			0.00					-	
4	Mineral Royalty	GRA	25,313,889.00		25,313,889.0	25,303,243.00		25,303,243	25,313,889.00	25,303,243.00	10,646.00	
5	Corporate Tax	GRA	0		-	0					-	
6	Dividend	NTRU	-		-	-					-	
<b>TOTAL</b>			<b>25,744,142.00</b>		<b>25,744,142.00</b>	<b>25,703,679.00</b>		<b>25,733,496.00</b>	<b>25,744,142.00</b>	<b>25,733,496.00</b>	<b>10,646.00</b>	
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	671,126.00		671,126.00	430,253.00		430,253.00	671,126.00	430,253.00	240,873.00	
3	Ground Rent	OASL	0.00			-					-	
4	Mineral Royalty	GRA	24,434,614.00		24,434,614.00	22,421,988.00		22,421,988.00	24,434,614.00	22,421,988.00	2,012,626.00	
5	Corporate Tax	GRA	0		-	0					-	
6	Dividend	NTRU	1,329,862.00		1,329,862.00	1,130,685.00		1,130,685.00	1,329,862.00	1,130,685.00	199,177.00	
<b>TOTAL</b>			<b>26,435,602.00</b>		<b>26,435,602.00</b>	<b>23,982,926.00</b>		<b>23,982,926.00</b>	<b>26,435,602.00</b>	<b>23,982,926.00</b>	<b>2,452,676.00</b>	

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: AngloGold -Iduapriem  
 TIN: 421G000014  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	33,625		33,625.00	99,893		99,893.00	33,625.00	99,893.00		(66,268.00)
3	Ground Rent	OASL	0.00			0					-	
4	Mineral Royalty	GRA	15,680,601.00		15,680,601.00	15,713,823.00		15,713,823.00	15,680,601.00	15,713,823.00		(33,222.00)
5	Corporate Tax	GRA	15,357,974.00		15,357,974.00	15,623,729.00		15,623,729.00	15,357,974.00	15,623,729.00		(265,755.00)
6	Dividend	NTRU	-		-	0					-	
<b>TOTAL</b>			<b>31,072,200.00</b>		<b>31,072,200.00</b>	<b>31,437,445.00</b>		<b>31,437,445.00</b>	<b>31,072,200.00</b>	<b>31,437,445.00</b>		<b>(365,245.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	118,427.00		118,427.00	99,903.00		99,903.00	118,427.00	99,903.00	18,524.00	
3	Ground Rent	OASL	-		-	-		-	-	-	-	
4	Mineral Royalty	GRA	18,066,543.00		18,066,543.00	17,235,132.00		17,235,132.00	18,066,543.00	17,235,132.00	831,411.00	
5	Corporate Tax	GRA	2,433,157.00		2,433,157.00	5,344,374.00		5,344,374.00	2,433,157.00	5,344,374.00		(2,911,217.00)
6	Dividend	NTRU	-		-	-		-	-	-	-	
<b>TOTAL</b>			<b>20,618,127.00</b>		<b>20,618,127.00</b>	<b>22,679,409.00</b>		<b>22,679,409.00</b>	<b>20,618,127.00</b>	<b>22,679,409.00</b>	<b>849,935.00</b>	<b>(2,911,217.00)</b>

## GHEITI Report-Mining Sector for 2012 and 2013.

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Adamus  
TIN: 5249000234  
REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	0	-	-	28,000.00	-	28,000.00	-	28,000.00	-	(28,000.00)
3	Ground Rent	OASL	0.00	-	-	-	-	-	-	-	-	-
4	Mineral Royalty	GRA	15,218,826	1037988	16,256,814.00	16,256,814.00	-	16,256,814.00	16,256,814.00	16,256,814.00	-	-
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>15,218,826.00</b>	<b>1,037,988</b>	<b>16,256,814.00</b>	<b>16,284,814.00</b>		<b>16,284,814.00</b>	<b>16,256,814.00</b>	<b>16,284,814.00</b>		<b>(28,000.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	37,050.00	-	37,050.00	28000	-	28,000.00	37,050.00	28,000.00	9,050.00	-
3	Ground Rent	OASL	-	-	-	-	-	-	-	-	-	-
4	Mineral Royalty	GRA	14,925,068.00	-	14,925,068.00	14,925,065.00	-	14,925,065.00	14,925,068.00	14,925,065.00	3.00	-
5	Corporate Tax	GRA	-	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>14,962,118.00</b>		<b>14,962,118.00</b>	<b>14,953,065.00</b>		<b>14,953,065.00</b>	<b>14,962,118.00</b>	<b>14,953,065.00</b>	<b>9,053.00</b>	

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: GSR-Prestea  
TIN: 621G000008  
REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	39,239.00	-	39,239.00	39,239.00	-	39,239.00	39,239.00	39,239.00	-	-
3	Ground Rent	OASL	0.00	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	25,778,162	-	25,778,162.00	22,813,726.00	-	22,813,726.00	25,778,162.00	22,813,726.00	2,964,436.00	-
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>25,817,401.00</b>		<b>25,817,401.00</b>	<b>22,852,965.00</b>		<b>22,852,965.00</b>	<b>25,817,401.00</b>	<b>22,852,965.00</b>	<b>2,964,436.00</b>	
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	121,549.00	-	121,549.00	39,239.00	-	39,239.00	121,549.00	39,239.00	82,310.00	-
3	Ground Rent	OASL	0	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	26,586,283	-	26,586,283.00	23,433,004.00	-	23,433,004.00	26,586,283.00	23,433,004.00	3,153,279.00	-
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	0	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>26,707,832.00</b>		<b>26,707,832.00</b>	<b>23,472,243.00</b>		<b>23,472,243.00</b>	<b>26,707,832.00</b>	<b>23,472,243.00</b>	<b>3,235,589.00</b>	

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Ghana Bauxite  
TIN: 665G000003  
REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	13,000	-	13,000.00	11,576	-	11,576.00	13,000.00	11,576.00	1,424.00	-
3	Ground Rent	OASL	0.00	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	2,757,000	-	2,757,000.00	1,985,269.00	-	1,985,269.00	2,757,000.00	1,985,269.00	771,731.00	-
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>2,770,000.00</b>		<b>2,770,000.00</b>	<b>1,996,845.00</b>		<b>1,996,845.00</b>	<b>2,770,000.00</b>	<b>1,996,845.00</b>	<b>773,155.00</b>	
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	115,174	-	115,174.00	36,000	-	36,000.00	-	36,000.00	79,174.00	-
3	Ground Rent	OASL	-	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	3,616,620	-	3,616,620.00	3,383,198.00	-	3,383,198.00	-	3,383,198.00	233,422.00	-
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	0	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>3,731,794.00</b>		<b>3,731,794.00</b>	<b>3,419,198.00</b>		<b>3,419,198.00</b>	<b>-</b>	<b>3,419,198.00</b>	<b>312,596.00</b>	

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME:Manganese  
 TIN: 365G000002  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	50,643.00		50,643.00	50,643.00		50,643.00	50,643.00	50,643.00	-	-
3	Ground Rent	OASL	0.00		-	0		-	-	-	-	-
4	Mineral Royalty	GRA	10,114,274		10,114,274.00	10,114,274.00		10,114,274.00	10,114,274.00	10,114,274.00	-	-
5	Corporate Tax	GRA	17,171,072.00	-99212	17,071,860.00	17,071,860.00		17,071,860.00	17,071,860.00	17,071,860.00	-	-
6	Dividend	NTRU	1,668,375.00		1,668,375.00	1,668,375.00		1,668,375.00	1,668,375.00	1,668,375.00	-	-
<b>TOTAL</b>			<b>29,004,364.00</b>		<b>28,905,152.00</b>	<b>28,905,152.00</b>		<b>28,905,152.00</b>	<b>28,905,152.00</b>	<b>28,905,152.00</b>	-	-
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	-
2	Property Rate	DA	50,643.00		50,643.00	50,643		50,643.00	50,643.00	50,643.00	-	-
3	Ground Rent	OASL	0		-	0		-	-	-	-	-
4	Mineral Royalty	GRA	10,286,750		10,286,750.00	10,286,750.00		10,286,750.00	10,286,750.00	10,286,750.00	-	-
5	Corporate Tax	GRA	26,797,174.00		26,797,174.00	26,797,164.00		26,797,164.00	26,797,164.00	26,797,164.00	-	10.00
6	Dividend	NTRU	0		-	0		-	-	-	-	-
<b>TOTAL</b>			<b>37,134,567.00</b>		<b>37,134,567.00</b>	<b>37,134,557.00</b>		<b>37,134,557.00</b>	<b>37,134,567.00</b>	<b>37,134,557.00</b>	-	10

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Goldfields Tarkwa  
 TIN: 565G000001  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	-
2	Property Rate	DA	471,173		471,173.00	473,314		473,314.00	471,173.00	473,314.00	-	-
3	Ground Rent	OASL	0.00		-	0		-	-	-	-	-
4	Mineral Royalty	GRA	111,755,011	(9,332,590.00)	102,422,421.00	102,422,421.00		102,422,421.00	102,422,421.00	102,422,421.00	-	-
5	Corporate Tax	GRA	307,985,854.00	-22,851,694	285,134,160.00	285,134,160.00		285,134,160.00	285,134,160.00	285,134,160.00	-	-
6	Dividend	NTRU	14,168,178.00		14,168,178.00	19,049,000.00		19,049,000.00	14,168,178.00	19,049,000.00	-	-
<b>TOTAL</b>			<b>434,380,216.00</b>	<b>(32,184,284)</b>	<b>402,195,932.00</b>	<b>407,078,895.00</b>		<b>407,078,895.00</b>	<b>402,195,932.00</b>	<b>407,078,895.00</b>	-	-
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	-
2	Property Rate	DA	285,170.00		285,170.00	559,904.00		559,904.00	285,170.00	285,170.00	-	-
3	Ground Rent	OASL	0		-	-		-	-	-	-	-
4	Mineral Royalty	GRA	44,657,494	52,781,608	97,439,102.00	97,439,101.74		97,439,101.74	152,334,713.00	97,439,101.74	-	-
5	Corporate Tax	GRA	57,746,427.00	54,895,611	112,642,038.00	112,642,038.00		112,642,038.00	57,746,427.00	112,642,038.00	-	-
6	Dividend	NTRU	-		-	0		-	-	-	-	-
<b>TOTAL</b>			<b>102,689,091.00</b>		<b>210,366,310.00</b>	<b>210,641,043.74</b>		<b>210,641,043.74</b>	<b>210,366,310.00</b>	<b>210,366,309.74</b>	-	-

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Abosso  
 TIN: 614G000005  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	-
2	Property Rate	DA	13,708		13,708.00	57,608		57,608.00	13,708.00	57,608.00	-	(43,900.00)
3	Ground Rent	OASL	0.00		-	0		-	-	-	-	-
4	Mineral Royalty	GRA	25,870,194		25,870,194.00	25,032,098.00		25,032,098.00	25,870,194.00	25,032,098.00	838,096.00	-
5	Corporate Tax	GRA	14,391,118.00	8,800	14,399,918.00	14,399,918.00		14,399,918.00	14,399,918.00	14,399,918.00	-	-
6	Dividend	NTRU	-		-	0		-	-	-	-	-
<b>TOTAL</b>			<b>40,275,020</b>	<b>8,800</b>	<b>40,283,820.00</b>	<b>39,489,624.00</b>		<b>39,489,624.00</b>	<b>40,283,820.00</b>	<b>39,489,624.00</b>	<b>838,096.00</b>	<b>(43,900.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	-
2	Property Rate	DA	69,953		69,953.00	61,035.00		61,035.00	69,953.00	61,035.00	8,918.00	-
3	Ground Rent	OASL	0		-	0		-	-	-	-	-
4	Mineral Royalty	GRA	10,822,132.00	11,704,758	22,526,890.00	22,526,890.23		22,526,890.23	22,526,890.00	22,526,890.23	-	(0.23)
5	Corporate Tax	GRA	2,829,324.00		2,829,324.00	5,589,789.00		5,589,789.00	2,829,324.00	5,589,789.00	-	(2,760,465.00)
6	Dividend	NTRU	-		-	-		-	-	-	-	-
<b>TOTAL</b>			<b>13,721,409.00</b>		<b>25,426,167.00</b>	<b>28,177,714.23</b>		<b>28,177,714.23</b>	<b>25,426,167.00</b>	<b>28,177,714.23</b>	<b>8,918.00</b>	<b>(2,760,465.23)</b>

## GHEITI Report-Mining Sector for 2012 and 2013.

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: GSR Wassa

TIN: 324G000112

REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	31,680.00	-	31,680.00	0	-	-	31,680.00	-	31,680.00	-
3	Ground Rent	OASL	0.00	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	21,594,850	-	21,594,850.00	21,828,134.00	-	21,828,134.00	21,594,850.00	21,828,134.00	-	(233,284.00)
5	Corporate Tax	GRA	0	-	-	0	-	-	-	-	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>21,626,530.00</b>		<b>21,626,530.00</b>	<b>21,828,134.00</b>		<b>21,828,134.00</b>	<b>21,626,530.00</b>	<b>21,828,134.00</b>	<b>31,680.00</b>	<b>(233,284.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	429,825.00	-	429,825.00	56,000.00	-	56,000.00	429,825.00	56,000.00	373,825.00	-
3	Ground Rent	OASL	0	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	25,640,717.00	-	25,640,717.00	26,291,802.80	-	26,291,802.80	25,640,717.00	26,291,802.80	-	(651,085.80)
5	Corporate Tax	GRA	47,740,270.00	-	47,740,270.00	47,740,270.00	-	47,740,270.00	47,740,270.00	47,740,270.00	-	-
6	Dividend	NTRU	0	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>73,810,812.00</b>		<b>73,810,812.00</b>	<b>74,088,072.80</b>		<b>74,088,072.80</b>	<b>73,810,812.00</b>	<b>74,088,072.80</b>	<b>373,825.00</b>	<b>(651,085.80)</b>

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Chirano

TIN: 109G000038

REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	44,211.00	-	44,211.00	57,507.00	-	57,507.00	44,211.00	57,507.00	-	(13,296.00)
3	Ground Rent	OASL	0.00	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	24,327,113.00	16,129,695	40,456,808.00	40,456,808.00	-	40,456,808.00	40,456,808.00	40,456,808.00	-	-
5	Corporate Tax	GRA	81,975,062.00	69,632,862	151,607,924.00	151,607,924.00	-	151,607,924.00	151,607,924.00	151,607,924.00	-	-
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>106,302,175.00</b>		<b>192,108,943.00</b>	<b>192,122,239.00</b>		<b>192,122,239.00</b>	<b>192,108,943.00</b>	<b>192,122,239.00</b>		<b>(13,296.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	0	-	-	175,000.00	-	175,000.00	-	175,000.00	-	(175,000.00)
3	Ground Rent	OASL	0	-	-	0	-	-	-	-	-	-
4	Mineral Royalty	GRA	34,664,595.00	-	34,664,595.00	42,141,163.19	-	42,141,163.19	34,664,595.00	42,141,163.19	-	(7,476,568.19)
5	Corporate Tax	GRA	88,491,316.00	-	88,491,316.00	80,176,637.00	-	80,176,637.00	88,491,316.00	80,176,637.00	8,314,679.00	-
6	Dividend	NTRU	0	-	-	0	-	-	-	-	-	-
	<b>TOTAL</b>		<b>123,155,911.00</b>		<b>123,155,911.00</b>	<b>122,492,800.19</b>		<b>122,492,800.19</b>	<b>123,155,911.00</b>	<b>122,492,800.19</b>	<b>8,314,679.00</b>	<b>(7,651,568.19)</b>

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Newmont Ghana Gold

TIN: 721G000012

REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government	
<b>2012</b>											
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	0	-	-	0	-	-	-	-	-
3	Ground Rent	OASL	0.00	-	-	0	-	-	-	-	-
4	Mineral Royalty	GRA	47,038,208	-	47,038,208.00	47,038,033.00	-	47,038,033.00	47,038,208.00	47,038,033.00	175.00
5	Corporate Tax	GRA	244,656,883.00	-	244,656,883.00	244,235,080.00	-	244,235,080.00	244,656,883.00	244,235,080.00	421,803.00
6	Dividend	NTRU	-	-	-	0	-	-	-	-	-
	<b>TOTAL</b>		<b>291,695,091.00</b>		<b>291,695,091.00</b>	<b>291,273,113.00</b>		<b>291,273,113.00</b>	<b>291,695,091.00</b>	<b>291,273,113.00</b>	<b>421,978.00</b>
<b>2013</b>											
1	Mineral Right Licence	Min. Comm.	-	-	-	-	-	-	-	-	-
2	Property Rate	DA	0	-	-	0	-	-	-	-	-
3	Ground Rent	OASL	0	-	-	0	-	-	-	-	-
4	Mineral Royalty	GRA	48,288,992.00	-	48,288,992.00	48,289,010	-	48,289,010.26	48,288,992.00	48,289,010.26	-
5	Corporate Tax	GRA	172,151,196	5,964,849	178,116,045.00	178,116,045.00	-	178,116,045.00	178,116,045.00	178,116,045.00	-
6	Dividend	NTRU	0	-	-	0	-	-	-	-	-
	<b>TOTAL</b>		<b>220,440,188.00</b>	<b>5,964,849</b>	<b>226,405,037.00</b>	<b>226,405,055.26</b>		<b>226,405,055.26</b>	<b>226,405,037.00</b>	<b>226,405,055.26</b>	<b>-</b>

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Perseus  
 TIN: 624V00318  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	-		-	0		-	-	-	-	
3	Ground Rent	OASL	-		-	0		-	-	-	-	
4	Mineral Royalty	GRA	-	24,051,513	24,051,513.00	24,051,513.00		24,051,513.00	24,051,513.00	24,051,513.00	-	
5	Corporate Tax	GRA	-		-	0		-	-	-	-	
6	Dividend	NTRU	-		-	0		-	-	-	-	
	<b>TOTAL</b>			<b>24,051,513</b>	<b>24,051,513.00</b>	<b>24,051,513.00</b>		<b>24,051,513.00</b>	<b>24,051,513.00</b>	<b>24,051,513.00</b>	-	
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	-		-	0		-	-	-	-	
3	Ground Rent	OASL	-		-	0		-	-	-	-	
4	Mineral Royalty	GRA	26,590,162.00		26,590,162.00	27,624,584		27,624,584.20	26,590,162.00	27,624,584.20		(1,034,422.20)
5	Corporate Tax	GRA	-		-	0		-	-	-	-	
6	Dividend	NTRU	-		-	0		-	-	-	-	
	<b>TOTAL</b>		<b>26,590,162.00</b>		<b>26,590,162.00</b>	<b>27,624,584.20</b>		<b>27,624,584.20</b>	<b>26,590,162.00</b>	<b>27,624,584.20</b>	-	<b>(1,034,422.20)</b>

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Newmont Golden  
 TIN:  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	-		-	0		-	-	-	-	
3	Ground Rent	OASL	-		-	0		-	-	-	-	
4	Mineral Royalty	GRA	-		-	-		-	-	-	-	
5	Corporate Tax	GRA	-		-	-		-	-	-	-	
6	Dividend	NTRU	-		-	-		-	-	-	-	
	<b>TOTAL</b>											
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	0		-	0		-	-	-	-	
3	Ground Rent	OASL	0		-	0		-	-	-	-	
4	Mineral Royalty	GRA	8,343,000		8,343,000.00	8,342,795		8,342,795.00	8,343,000.00	8,342,795.00		205.00
5	Corporate Tax	GRA	0		-	0		-	-	-	-	
6	Dividend	NTRU	0		-	0		-	-	-	-	
	<b>TOTAL</b>		<b>8,343,000.00</b>		<b>8,343,000.00</b>	<b>8,342,795.00</b>		<b>8,342,795.00</b>	<b>8,343,000.00</b>	<b>8,342,795.00</b>		<b>205.00</b>

DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: West Africa  
 TIN:  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	-		-	0		-	-	-	-	
3	Ground Rent	OASL	-		-	0		-	-	-	-	
4	Mineral Royalty	GRA	1,373,833.00		1,373,833.00	1,030,799.00		1,030,799.00	1,373,833.00	1,030,799.00		343,034.00
5	Corporate Tax	GRA	195,825.00		195,825.00	195,825.00		195,825.00	195,825.00	195,825.00		-
6	Dividend	NTRU	-		-	0		-	-	-	-	
	<b>TOTAL</b>		<b>1,569,658.00</b>		<b>1,569,658.00</b>	<b>1,226,624.00</b>		<b>1,226,624.00</b>	<b>1,569,658.00</b>	<b>1,226,624.00</b>		<b>343,034.00</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA	-		-	0		-	-	-	-	
3	Ground Rent	OASL	-		-	0		-	-	-	-	
4	Mineral Royalty	GRA	1,370,416.00		1,370,416.00	1,307,341		1,307,341.00	1,370,416.00	1,307,341.00		63,075.00
5	Corporate Tax	GRA	63,237.00		63,237.00	0		340,855.00	63,237.00	340,855.00		(277,618.00)
6	Dividend	NTRU	-		-	0		-	-	-	-	
	<b>TOTAL</b>		<b>1,433,653.00</b>		<b>1,433,653.00</b>	<b>1,307,341.00</b>		<b>1,648,196.00</b>	<b>1,433,653.00</b>	<b>1,648,196.00</b>		<b>(277,618.00)</b>

## GHEITI Report-Mining Sector for 2012 and 2013.

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Noble Gold  
 TIN: 524V018617  
 REPORTIN PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-	-	
2	Property Rate	DA				42,792.00		42,792.00	-	42,792.00		(42,792.00)
3	Ground Rent	OASL			-	0		-	-	-		
4	Mineral Royalty	GRA			-	713,299.00		713,299.00	-	713,299.00		(713,299.00)
5	Corporate Tax	GRA			-	0		-	-	-		
6	Dividend	NTRU			-	0		-	-	-		
	<b>TOTAL</b>					<b>756,091.00</b>		<b>756,091.00</b>	-	<b>756,091.00</b>		<b>(756,091.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-		
2	Property Rate	DA			-	150,000.00		150,000.00	-	150,000.00		(150,000.00)
3	Ground Rent	OASL			-	0		-	-	-		
4	Mineral Royalty	GRA			-	2,807,223		2,807,223.00	-	2,807,223.00		(2,807,223.00)
5	Corporate Tax	GRA			-	0		-	-	-		
6	Dividend	NTRU			-	0		-	-	-		
	<b>TOTAL</b>					<b>2,957,223.00</b>		<b>2,957,223.00</b>	-	<b>2,957,223.00</b>		<b>(2,957,223.00)</b>

### DETAILS OF RECONCILIATION ON COMPANY BASIS

COMPANY'S NAME: Prestea Sankofa  
 TIN:  
 REPORTING PERIOD: 2012/2013

No.	Revenue Stream/Year	Paid To	Company			Government			Final Amounts		Unresolved (Over)	Unresolved (Under)
			Initial Amount	Resolved	Final	Initial Amount	Resolved	Final	Company	Government		
<b>2012</b>												
1	Mineral Right Licence	Min. Comm.	-		-	-		-	-	-		
2	Property Rate	DA			-	2,956.00		2,956.00	-	2,956.00		(2,956.00)
3	Ground Rent	OASL			-	0		-	-	-		
4	Mineral Royalty	GRA			-	3,091,400.00		3,091,400.00	-	3,091,400.00		(3,091,400.00)
5	Corporate Tax	GRA			-	0		-	-	-		
6	Dividend	NTRU			-	0		-	-	-		
	<b>TOTAL</b>					<b>3,094,356.00</b>		<b>3,094,356.00</b>	-	<b>3,094,356.00</b>		<b>(3,094,356.00)</b>
<b>2013</b>												
1	Mineral Right Licence	Min. Comm.			-	-		-	-	-		
2	Property Rate	DA			-	2,786.00		2,786.00	-	2,786.00		(2,786.00)
3	Ground Rent	OASL			-	0		-	-	-		
4	Mineral Royalty	GRA		209,095	209,095	409,095		409,095.00	209,095.00	409,095.00		(200,000.00)
5	Corporate Tax	GRA			-	0		-	-	-		
6	Dividend	NTRU			-	0		-	-	-		
	<b>TOTAL</b>			<b>209,095</b>	<b>209,095.00</b>	<b>411,881.00</b>		<b>411,881.00</b>	<b>209,095.00</b>	<b>411,881.00</b>		<b>(202,786.00)</b>

**APPENDIX 5: 2012/2013 PRODUCTION AND ROYALTY**

<b>Name of Company</b>	<b>Prod(Oz) in Qtrs</b>	<b>Revenue(GHC)</b>	<b>Royalty (GHC)</b>
Anglogold Ashanti (Obuasi)	76,055	240,522,876	7,215,687
	49,455	178,090,549	5,342,717
	57,652	149,046,952	4,471,409
	68,479	172,990,712	5,189,722
<b>Total</b>	<b>251,641</b>	<b>740,651,089</b>	<b>22,219,535</b>
Anglogold Ashanti Iduaprim	43,784	142,947,586	4,288,428
	38,383	134,125,720	4,023,772
	51,011	140,807,419	4,224,223
	62,000	156,623,551	4,698,707
<b>Total</b>	<b>195,178</b>	<b>574,504,276</b>	<b>17,235,130</b>
Gold Fields (Gh) Ltd. Tarkwa	187,780	607,070,640	30,353,532
	170,118	527,874,960	26,393,748
	139,178	382,996,180	19,149,809
	162,942	430,840,220	21,542,011
<b>Total</b>	<b>660,018</b>	<b>1,948,782,000</b>	<b>97,439,100</b>
Abosso Goldfields Ltd. (Damang)	44,018	142,279,640	7,113,982
	43,376	134,811,680	6,740,584
	31,801	88,171,440	4,408,572
	32,594	85,275,000	4,263,750
<b>Total</b>	<b>151,789</b>	<b>450,537,760</b>	<b>22,526,888</b>
Golden Star Res. Bogosu/Prestea	47,178	151,207,560	7,560,378
	35,491	109,314,620	5,465,731
	34,315	93,441,480	4,672,074
	44,095	114,696,380	5,734,819
<b>Total</b>	<b>161,079</b>	<b>468,660,040</b>	<b>23,433,002</b>
-			
Golden Star Res. Wassa	37,460	129,436,060	6,471,803
	45,866	141,484,460	7,074,223
	50,000	138,633,140	6,931,657
	44,830	116,282,340	5,814,117
<b>Total</b>	<b>178,156</b>	<b>525,836,000</b>	<b>26,291,800</b>
Adamus Resources Ltd	26,662	94,197,360	4,709,868
	22,455	77,554,640	3,877,732
	24,053	61,644,840	3,082,242
	27,894	101,004,520	5,050,226
<b>Total</b>	<b>101,064</b>	<b>334,401,360</b>	<b>16,720,068</b>
Chirano Gold Ltd	85,947	280,582,260	14,029,113
	66,840	215,053,560	10,752,678
	57,014	162,448,300	8,122,415
	57,000	184,739,100	9,236,955
<b>Total</b>	<b>266,801</b>	<b>842,823,220</b>	<b>42,141,161</b>
Newmont Ghana Ltd (Ahafo)	123,263	362,188,897	10,865,668
	124,957	412,919,859	12,387,597
	138,777	352,009,798	10,560,295
	140,000	482,514,785	14,475,445
<b>Total</b>	<b>526,997</b>	<b>1,609,633,339</b>	<b>48,289,005</b>
<b>Newmont Ghana Ltd (Akyem)</b>	<b>129,211</b>	<b>278,093,106</b>	<b>8,342,794</b>
		-	
Ghana Bauxite Co.Ltd	172,831	18,911,880	945,594
	249,114	14,656,760	732,838
	193,876	9,405,860	470,293
	246,759	24,689,420	1,234,471
<b>Total</b>	<b>862,580</b>	<b>67,663,920</b>	<b>3,383,196</b>
Ghana Manganese Company	114,900	18,255,680	912,784
	434,240	53,721,140	2,686,057
	454,954	67,367,780	3,368,389
	368,727	66,390,360	3,319,518
<b>Total</b>	<b>1,372,821</b>	<b>205,734,960</b>	<b>10,286,748</b>

Production figures quoted for bauxite and manganese are in metric tonnes



## APPENDIX 6B

DISBURSEMENTS TO DISTRICT ASSEMBLIES.							
YEAR:	2012						
	GHS						
<b>BRONG-AHAFO REGION</b>			<b>NEWMONT PAYMENT DUE ASUTIFI DISTRICT ASSEMBLY.</b>				
DATE		January	July(1)	july(2)	November	Total	
May-11							
Jun-11							
Jul-11		9,838,902.58					9,838,902.58
Aug-11			3,789,261.31				3,789,261.31
Sep-11				3,547,197			3,547,197.00
Oct-11					3,727,791.85		3,727,791.85
Nov-11					3,416,157.11		3,416,157.11
Dec-11					3,337,947.80		3,337,947.80
Jan-12					714,672.39		714,672.39
Feb-12					6,323,518.21		6,323,518.21
Mar-12					3,121,757.48		3,121,757.48
Apr-12					5,232,839.38		5,232,839.38
May-12					3,333,507.11		3,333,507.11
Jun-12					4,281,638.54		4,281,638.54
Total		9,838,902.58	3,789,261.31	3,547,197.00	33,489,829.87		50,665,190.76
Amount Due		487,025.68	187,568.43	175,586.25	1,657,746.58		2,507,926.94

## APPENDIX 6C

<b>DISBURSEMENTS TO DISTRICT ASSEMBLIES.</b>					
YEAR:	2012				
<b>WESTERN REGION</b>					
PRESTEA/HUNI VALLEY DISTRICT					
	GGL(TARKWA)	GSR PRESTEA	ABOSSO	PRESTEA SANKOFA	Total
DATE		BOGOSU	GOLDFIELDS		
Nov-10		2,308,176.88			2,308,176.88
Dec-10					0
May-11					0
Jun-11					0
Jul-11	<b>20,412,717.77</b>	3,844,248.20	6,355,742.22		30,612,708.19
Aug-11				477,449.76	477,449.76
Sep-11					-
Oct-11	<b>23,594,384.00</b>	5,160,771.24	7,131,952.38		35,887,107.62
Nov-11					-
Dec-11					-
Jan-12	<b>23,238,729.58</b>	4,595,860.45	6,794,775.45		34,629,365.48
Feb-12					-
Mar-12					-
Apr-12	<b>26,129,982.07</b>	<b>5,750,878.87</b>	<b>6,286,440.42</b>	<b>447,164.43</b>	38,614,465.79
May-12					-
Jun-12					-
					-
					-
					-
					-
					-
					-
					-
<b>Total</b>	<b>93,375,813.42</b>	<b>21,659,935.64</b>	<b>26,568,910.47</b>	<b>924,614.19</b>	142,529,273.72
<b>Amount due</b>	<b>2,773,261.66</b>	<b>1,072,166.81</b>	<b>1,315,161.07</b>	<b>45,768.40</b>	<b>5,206,357.94</b>

## APPENDIX 6D

DISBURSEMENT TO DISTRICT ASSEMBLIES									
TARKWA NSUAEM MUNICIPAL ASSEMBLY									
2012									
DATE	GMC	GGL(TARKWA)	A ASH(IDUAPRIM)	GSR WASSA					TOTAL
Nov-10	856,668.58			1,906,354.40					2,763,022.98
Dec-10									0
May-11									0
Jun-11									0
Jul-11	2,152,591.83	20,412,717.77	2,683,565.30		4,353,410.67				29,602,285.57
Aug-11									0
Sep-11									0
Oct-11		23,594,384.00							23,594,384.00
Nov-11			3,947,403.31						3,947,403.31
Dec-11									0
Jan-12	1,915,563.83	23,238,729.58	3,707,042.29			4,549,917.54			33,411,253.24
Feb-12									0
Mar-12									0
Apr-12	1,702,227.79	26,129,982.07					5,074,366.86		32,906,576.72
May-12			3,877,732.71					3,194.54	3,880,927.25
Jun-12									0
									0
									0
<b>TOTAL</b>	<b>6,627,052.03</b>	<b>93,375,813.42</b>	<b>14,215,743.61</b>	<b>1,906,354.40</b>	<b>4,353,410.67</b>	<b>4,549,917.54</b>	<b>5,074,366.86</b>	<b>3,194.54</b>	<b>116,124,963.46</b>
<b>Amount due</b>	<b>328,039.08</b>	<b>1,848,841.11</b>	<b>703,679.31</b>	<b>19,816.55</b>	<b>67,231.92</b>	<b>70,266.67</b>	<b>78,366.01</b>	<b>49.33</b>	<b>2,900,376.04</b>

## APPENDIX 6E

<b>DISBURSEMENTS TO DISTRICT ASSEMBLIES.</b>			
YEAR:			
<b>WESTERN REGION</b>			
BIBIANI AHWIASO BEKWAI DISTRICT ASSEMBLY.			
DATE			
	<b>CHIRANO GOLD MINE</b>	<b>GHANA BAUXITE LTD</b>	<b>TOTAL</b>
Nov-10	8,083,334.75	374,345.26	8,457,680.01
May-11			-
Jun-11			-
Jul-11	2,504,506.50		2,504,506.50
Aug-11			-
Sep-11			-
Oct-11	9,093,074.55		9,093,074.55
Nov-11			-
Dec-11			-
Jan-12	8,997,187.13	301,175.74	9,298,362.87
Feb-12			-
Mar-12			-
Apr-12	11,193,517.15	465,429.23	11,658,946.38
May-12			-
Jun-12			-
			-
			-
<b>TOTAL</b>	<b>39,871,620.08</b>	<b>1,140,950.23</b>	<b>41,012,570.31</b>
			-
Amount Due	888,140.34	56,477.04	944,617.37

## APPENDIX 6F

DISBURSEMENT TO DISTRICT ASSEMBLIES						
WESTERN REGION						
MPOHOR WASSA EAST						
DATE			GSR (WASSA) LTD			Total
	January(1)	January(2)	July(1)	july(2)	November	
Nov-10	1,906,354.40					1,906,354.40
Dec-10						0
May-11			0.00	0.00	0	0
Jun-11						0
Jul-11		4,353,410.67				4,353,410.67
Aug-11						0
Sep-11						0
Oct-11						0
Nov-11						0
Dec-11						0
Jan-12					4,549,917.54	4549917.54
Feb-12						0
Mar-12						
Apr-12					5,074,366.86	5,074,366.86
May-12					3,194.54	3194.54
Jun-12						0
Total	1,906,354.40	4,353,410.67	-	-	9,627,478.94	15,887,244.01
Amount due	67,942.47	118,952.59	-	-	263,061.23	449,956.30

## APPENDIX 6G

<b>DISBURSEMENTS TO DISTRICT ASSEMBLIES.</b>			
YEAR:	2012		
<b>WESTERN REGION</b>			
SEFWI WIAWSO DISTRICT ASSEMBLY.			
DATE			
		<b>CHIRANO GOLD MINE</b>	
Nov-10		8,083,334.75	
May-11			
Jun-11			
Jul-11		2,504,506.50	
Aug-11			
Sep-11			
Oct-11		9,093,074.55	
Nov-11			
Dec-11			
Jan-12		8,997,187.13	
Feb-12			
Mar-12			
Apr-12		11,193,517.15	
May-12			
Jun-12			
<b>TOTAL</b>		<b>39,871,620.08</b>	
Amount Due		1,085,504.86	

## APPENDIX 6H

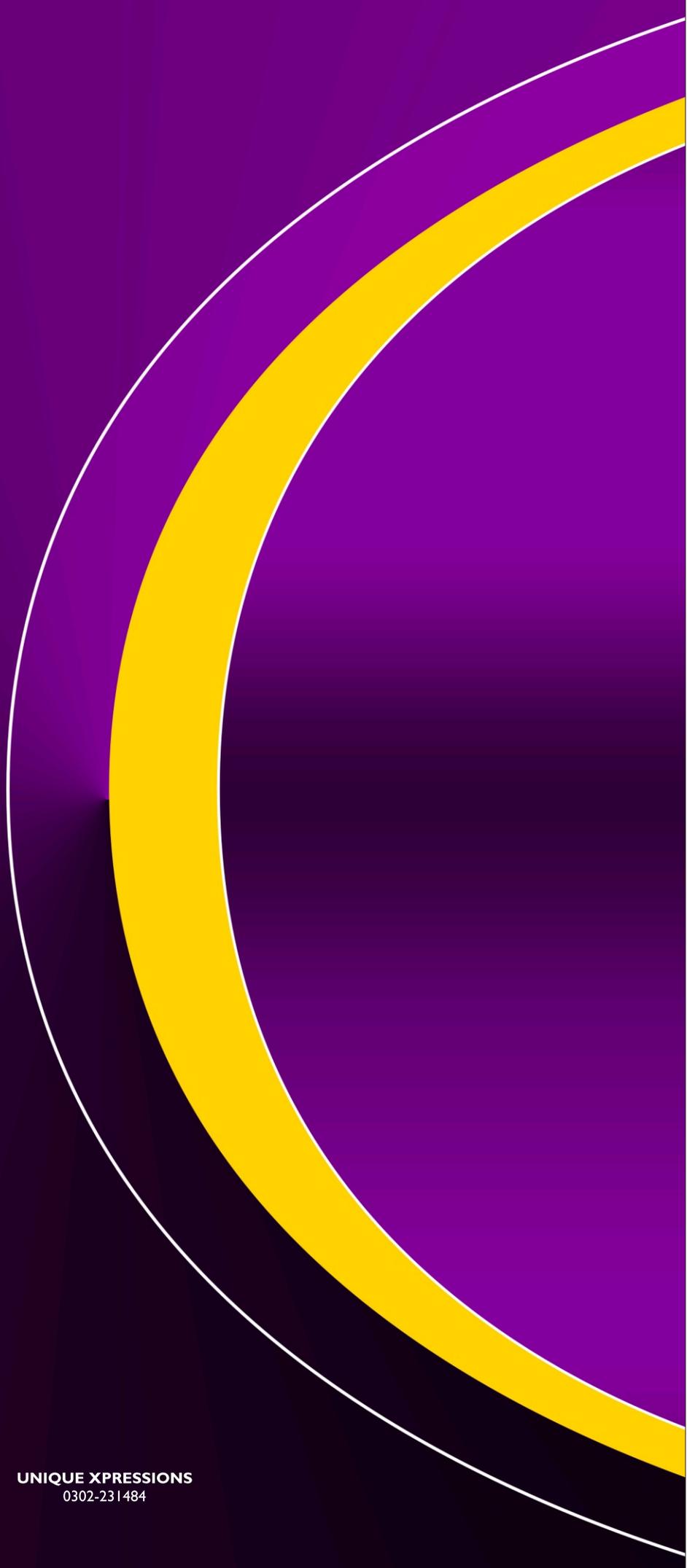
<b>DISBURSEMENTS TO DISTRICT ASSEMBLIES</b>			
<b>YEAR:</b>	2012		
<b>WESTERN REGION</b>			
<b>ELLEMELLE</b>			
	<b>ADAMUS RESOURCES LTD</b>		
<b>DATE</b>			
Nov-10			
May-11			
Jun-11			
Jul-11		2,464,489.59	
Aug-11			
Sep-11			
Oct-11		2,935,619.22	
Nov-11			
Dec-11			
Jan-12		3,290,930.30	
Feb-12			
Mar-12			
Apr-12		3,831,805.63	
May-12			
Jun-12			
<b>TOTAL</b>		<b>12,522,844.74</b>	
<b>Amount Due</b>		<b>619,880.81</b>	

## APPENDIX 7: MINERAL DEVELOPMENT FUND

### ROYALTY LODGMENTS AND EXPENDITURES

The table below shows royalty transfers and withdrawals from the MDF account at the Bank of Ghana in 2012.

DATE	MDF Lodgments	Source	Payments	Descriptions		
				Salaries	Service Activities	Others
01/01/2012	5,830,995.68	Balance Brought Forward				
16/01/2012			219,962.17	Salary Arrears (Ghana Consolidated Diamond Ltd)		
16/01/2012			442,764		Forestry Commission	
19/04/2012			2,735,000		Ministry of Lands and Forestry	
06/11/2012			20,749.82			Commission (BoG)
06/11/2012			40,281.71			Commission (BoG)
06/11/2012			48,416.26			Miscellaneous Debits
06/11/2012			94,153.80			Miscellaneous Debits
<b>Total</b>	<b>5,830,995.68</b>		<b>3,601,327.76</b>	<b>219,962.17</b>	<b>3,177,764</b>	<b>203,601.59</b>



**UNIQUE XPRESSIONS**  
0302-231484