

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



**REPORT**

ON THE

**AGGREGATION/RECONCILIATION  
OF MINING SECTOR PAYMENTS AND  
RECEIPTS:2006**

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### **List of Abbreviations/Acronyms**

CEPS	Customs Excise and Preventive Service
DA	District Assembly
EITI	Extractive Industries Transparency Initiative
IRS	Internal Revenue Service
MDF	Mineral Development Fund
MOFEP	Ministry of Finance and Economic Planning
MUN/DIST ASMBL	Municipal/District Assembly
NTRU	Non -Tax Revenue Unit.
OASL	Office of the Administrator of Stool Lands

## **EXECUTIVE SUMMARY**

### **Introduction**

The Extractive Industries Transparency Initiative (EITI) aims to promote transparency around the generation and spending of revenues from the extractive sector to improve development outcomes. Additionally, the Initiative seeks to reduce the potential for corruption or large-scale embezzlement of these benefits.

The above objectives are to be achieved by enhancing transparency in payments, receipts, disbursements and utilization of mining benefits

Aggregated Reports provide the avenue to ascertain if transparency has been achieved.

To this end Messrs Boas and Associates was engaged by the Ministry of Finance and Economic Planning to collect, analyze and aggregate payments, receipts, disbursements and utilization of mining benefits for the years 2006-2008.

The firm was engaged in 2006 to provide the 2004 and 2005 aggregated reports.

This is the 2006 Aggregated Report which is one of three reports to be issued under the assignment.

### **Approach/Methodology**

Eleven companies that contributed 99% of mineral royalty receipts were selected. The payments that were examined included Mineral Right Licence; Mineral Royalty; Ground Rent; Property rate; Corporate Tax and Dividend.

All the eleven selected mining companies had their royalty payments thoroughly scrutinized. To this end refining certificates were obtained and checked against revenues declared.

Various operating cost components of all the participating mining entities were scrutinized and checked against declared operation costs.

Final returns for the year 2005 and self assessments for 2006 were scrutinized to determine the correctness of corporate tax payments for year 2006 by the mining entities.

Financial statements and annual reports for the years 2005 and 2006 were examined to identify dividends declared for the year 2006 by the mining companies. The Dividend payments of these companies were verified against dividends received by the oversight government agency, NTRU.

Ground rent payable for 2006 was determined from mining concessions and applicable rates obtained from the Minerals Commission.

Payments made by Mining Companies and receipts by Government Agencies were reconciled.

## **Mineral Development Fund.**

Documentations on Minerals Development Fund were collected from Minerals Commission and Ministry of Lands, Forestry and Mines. Royalties ceded and withdrawals into and out of the MDF account was analyzed.

### **Disbursements and utilisation**

Disbursements of mineral royalties by IRS to OASL were analyzed and checked for correctness.

Channels in downstream disbursements of royalties initiated from OASL head office through OASL regional offices to the district levels were scrutinized.

Independent computations of these disbursements were made to assess the correctness of disbursements along the disbursement chain.

Finally documentations, processes and procedures for utilization of mining benefits at the district levels were also reviewed to assess efficiency of utilization.

## **KEY FINDINGS AND RECOMMENDATIONS**

- Capitalization of pre-production costs of two companies that commenced operations in 2006 appears not to have received approval from the oversight agency, as legally required.
- Payments to the districts from Regional OASL offices did not strictly correspond to transfers from OASL head office. Payments were made in tranches instead of lump sums as disbursed from OASL head office.

### **Recommendations:**

- There is the need to review capitalized pre-production costs to ensure compliance with The provisions in ACT 703.
- Regional OASL offices should promptly pay all amounts due to a district as and when received from the Head Office. Part payment of amount due to district Assemblies should be discouraged.

## **1.0 Introduction:**

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.

The Government of Ghana associated itself with the Extractive Industries' Transparency Initiative 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 publication of extractive industry payments and government receipts is a requirement of the initiative. Ghana commenced the publications with that of the mining sector.

The Ghana Extractive Industries' Transparency Initiative (GHEITI), has indicated its intention to extend the initiative to the Oil and Gas industry (Ghana has recently discovered oil in commercial quantities), forestry and the fisheries sub sectors.

The Ghana Extractive Industries Transparency Initiative (GHEITI) has already published three aggregated/reconciled reports. These include two half year reports for 2004 and a full year's report for 2005.

Messrs Boas and Associates was selected by the Ministry of Finance and Economic Planning after a competitive bidding, to undertake the aggregation and reconciliation of mining sector payments and receipts for the years 2006-2008.

## **2.0 OBJECTIVES OF THE REPORT.**

The main objectives of this assignment are:

- a) To check if the payments by mining companies have been appropriately made.
- b) To ascertain if all revenues received by government Agencies have been fully accounted for.
- c) To aggregate payments and receipts and reconcile mining companies submissions to government receipts.
- d) Ascertain the correctness of disbursements to the District Assemblies and to the Minerals Development fund.
- e) Check the utilization of the funds disbursed to the District Assemblies and to the Mineral Development fund.
- f) To utilize lessons learnt from the reconciliation/aggregation to enhance transparency in the payments, receipts, disbursements and utilization of mining benefits.

## **3.0 SCOPE OF WORK:**

### **3.1 Aggregation/reconciliation:**

**3.1.1 Time Period/Accounting basis:** This report contains the aggregated and reconciled benefits for the period January-December 2006.

These figures are compiled using cash payments and receipts as the basis of accounting.

### **3.1.2 Mining benefits**

Mining benefits considered in this report are:

- i) Mineral Right Licences;
- ii) Ground Rent;
- iii) Property rate;

iv) Mineral Royalties;

v) Corporate Tax;

vi) Dividends;

### 3.1.3 Mining Companies:

The companies that provided data and participated in the aggregation process are indicated below.

**Table 1: Selected companies for aggregated/reconciled report**

<b>MINE/COMPANY</b>	<b>LOCATION</b>	<b>MINERAL MINED</b>
<b>Anglo gold Ashanti</b>	<b>Obuasi, Ashanti Region</b>	<b>Gold</b>
<b>Anglo gold Ashanti</b>	<b>Iduaprim, Western Region</b>	<b>Gold</b>
<b>Abosso Goldfields Ltd</b>	<b>Damang, Western Region</b>	<b>Gold</b>
<b>Central African Gold</b>	<b>Bibiani, Western Region</b>	<b>Gold</b>
<b>Chirano Goldmines</b>	<b>Chirano, Western Region</b>	<b>Gold</b>
<b>Goldfields (Ghana)Ltd</b>	<b>Tarkwa, Western Region</b>	<b>Gold</b>
<b>GSR(Wassa) Ltd</b>	<b>Akyempim, Western Region</b>	<b>Gold</b>
<b>GSR (Prestea/Bogosu)</b>	<b>Prestea/Bogosu, Western Region</b>	<b>Gold</b>
<b>Newmont (Ghana) Ltd</b>	<b>Kenyasi, Brong Ahafo Region</b>	<b>Gold</b>
<b>Ghana Manganese Ltd</b>	<b>Nsuta, Western Region</b>	<b>Manganese</b>
<b>Ghana Bauxite Company</b>	<b>Awaso, Western Region</b>	<b>Bauxite</b>

These companies paid over 99% of mineral royalties paid during the year. Other companies were engaged in mining activities and paid royalties. (see Appendix 2A-2L)

### **3.2 TERMS OF REFERENCE (TOR):**

Under the terms of reference for the assignment the obligations of the aggregator shall include the following:

The Aggregator shall perform both process and financial audit.

The Aggregator shall analyse the historical documentation on production, exports and payment of royalties for minerals produced in the country.

In carrying out his mandate the Aggregator shall have access to the company's lease, stability or development agreements with government.

More specifically the Aggregator shall undertake the following activities:

1. Aggregator shall check the correctness of the computation of payments in order to determine the appropriateness of the revenues received as mineral royalty, dividends and tax on profit.
2. The aggregator shall also analyze the tax deductions claimed by the companies to ensure that only proper claims are made.
3. Check the disbursements made from the revenues received and ascertain if they are in conformity with legislation.
4. Scrutinize the payment made to District Assemblies, Traditional Authorities and Stools within the operational areas of mines.
5. Ascertain the appropriateness of payments made with regards to mineral royalties; ground rent; dividends; taxation on profits and for mineral rights.
6. Where applicable the aggregator shall check if the declarations of quantities of minerals declared are in conformity with the declarations made to the Mineral Commission and refinery certificates.
7. Review financial statements for consistency for both companies and institutions. Specifically, for companies the aggregator shall review company capital investments and operating cost.
8. Review the capital investments in order to assess the actual amount of the investment and to determine if the amortization and depreciation declared is correct and does not improperly reduce the amount of taxable profit of the mining companies.
9. The aggregator shall check claimed operating costs to ensure that only actual and qualifying operational expenses are claimed.

- 10 Review feasibility reports of Mining Companies in order to compare the projected production with the actual production.
11. Reconcile the data so collected to ascertain if there is any disparity between the governments reported template and the aggregated companies reporting template.
12. The aggregator shall be expected to report on amounts accruing to the Minerals Development Fund.

#### **4.0 APPROACH AND METHODOLOGY.**

##### **4.0.1 PRODUCTION/MINERAL ROYALTY PAYMENT.**

- All the eleven mining companies had their quarterly royalty payments thoroughly scrutinized for possible underpayment. For this determination, refining certificates were obtained and all bullion shipments individually checked for correctness of gross weights, bullion fineness and revenues.
- All shipments identified by bullion bars numbers on gold delivery notes were serially checked with those on refining certificates.
- Gold content ounces declared at the mine were recalculated and the its variance with refinery ounces determined for reasonableness.
- Silver revenues accounted for by the refineries though relatively small in value were also totaled as part of export proceeds for which royalties are to be paid.
- Manganese and ballast sales reports were reviewed for accuracy. Manganese pricing was thoroughly discussed with Ghana Manganese executives for greater transparency in view of the sensitive nature of their product marketing.
- Documentation on bauxite shipments for the period (January 2006-December 2006) were examined, and compared with company declarations.
- Post recovery monthly bauxite production statistics were also obtained for review against other submissions to government agencies.

Proceeds from sales declared for royalty payments were checked to ascertain if freight, insurance, refinery and other charges were excluded as royalties are paid on gross revenues.

- Provisional payments representing 99% of gold exports values were also closely checked for their corresponding balance repatriation since there is usually a delay of about three weeks which time other shipments would have been made and down payments duly received.
- For those companies that employ Bank of Ghana cedi exchange rate based on the 20% retention in computing cedi proceeds, each rate applied was checked and its cumulative values for royalty payments determined.

- To ascertain whether companies were required to pay more than 3% of their gross revenues as royalties', computations of operational ratios were performed.
- For bauxite, sales Ledger account for foreign remittances to determine the actual revenues were also checked.

Returns to mineral commission on production indicating shipping tonnages and revenues for all bauxite exports were also compared with royalty payment computations.

#### **4.0.1.2 DECLARATIONS:**

Technical information and other submissions to the Minerals Commissions on monthly and quarterly returns, eg tonnages of ore mined and milled, Mill Head Grade and residue grades were duly examined for the entire 2004.

Metallurgical audit of all processing units ie crushing, milling, dewatering, leaching and smelting was carried out to confirm tonnages and gold content ounces at each stage of the processing route up to the gold room.

Bullion ounces and revenues declared at the Internal Revenue Service (IRS) for the purposes of royalty payment were reconciled with those at the Minerals Commission information.

Activated carbon fines retrieved in gold processing were isolated and checked. Export proceeds of the carbon fines followed were through to ensure royalties were paid.

#### **4.1.0 OPERATING COST AUDIT.**

Declared operation costs for all participating companies were checked as well as various elements constituting these costs. Reference was also made to similar figures declared by other companies with similar ore body characteristics , mining strategy and processing routes.

Much effort was concentrated on determining the accuracy of declared operating cost. Unit costs for drill and Blast, Load and Haul , and General Pit contracts were examined and compared for some of the participating companies.

Other direct mining costs such as for grade control, Fuel and lubricants, ore handling and general pit maintenance were scrutinized.

Unit costs for plant and processing items such as lime, cyanide, activated carbon, process acids, steel balls, fluxes and reagents were examined.

Customs records were also checked for compliance with the 'mining list' i.e, if the companies had obtained exemptions from the custom duties for items other than those on the mining list.

#### **4.1.1 Process Audit**

The process audit involved the following three phases:

- Mining and Production Process Audit
- Transportation Process Audit
- Sales and Accounting Process Audit

A walk-through of the various process phases were carried out to gain a better understanding of each of the processes. Process mapping of the various process phases were carried out to define the lower and upper boundaries of each of the three phases. The various activities performed under each of the processes were mapped out to outline the process steps of each of the phases.

##### **4.1.1.1 Mining and Production Process Audit**

1. In the mining and production process audit the following processes were audited:
2. Drilling and blasting of ore which are later hauled to plant site for primary and secondary crushing;
3. Crushed ores are pumped into agitation tanks for the dissolution of gold
4. Crushed ores are later pumped into leaching tanks with carbon to absorb the gold.
5. Periodic testing is performed to determine gold content level. At high gold content level the gold is stripped out from the carbon and water is poured on the gold.
6. The gold is pumped through electrolysis where steel wool captures the actual gold. Cyanide is later added to dissolve the steel wool to leave out the gold.
7. The gold is further heated to the required temperature to burn out any steel wool in the mixture. At this stage the gold drops like liquid.
8. The gold is later poured into crucibles (bars) and later cleaned.
9. Samples are taken to determine lab purity
10. The gold bars are given codes, weighed and boxed in the presence of resident custom officer and the company's departmental heads.
11. The resident custom officer finally seals the boxes with custom seals.

#### **4.1.1.2**

- **Transporting/Process Audit**

- The gold is packed in bullions and transported to the airport accompanied by company officials and security personnel
- At the airport custom officers provide the necessary documentations for airlifting to the designated refinery.

#### **4.1.1.3 Sales and Accounting Process Audit**

- Part payment for gold received is transferred into the Mining Company's account by the Refinery which is then entered into the company's accounting books.
- Final payment is made by the refinery when submitting final certificate of refinery to the company.

#### **4.1.2 CORPORATE TAXES**

As all the companies were on self assessment, the payment of corporate tax in the year 2006 was mainly related to the 2005 and 2006 assessment years. Final returns for the year 2005 and self assessments for 2006 were scrutinized particularly for non-allowable deductions.

Capital allowance computations were checked against Fixed Asset Schedules in the financial statement to ensure that appropriate rates have been applied for the different classes of Assets.

The rates for capital allowances applied for computers, plant and machinery and mining assets were scrutinized to ensure they conform to the schedules provided in the Internal Revenue Act 2000, ACT 592.

Capital allowances brought forward. Utilized /granted and carried forward were all examined.

Capital investments by the companies for the years 2005 and 2006 were also scrutinized by analyzing the Asset Registers and the Fixed Asset Schedules of the companies.

#### **4.1.3 DIVIDEND.**

The shareholding structure of the companies were obtained from the mining companies and confirmed with the Non Tax Revenue Unit of the Ministry of Finance, with special attention paid to the Government of Ghana's shareholding.

Financial statement and annual reports for the years 2005 and 2006 were checked for declaration of dividends. Where dividends were declared the amount declared was noted. Government share of the dividend declared were then compared with the amount received by the Non Tax Unit of the Ministry of Finance.

Further clarifications were sought from companies and Non-Tax Revenue Unit were dividend payments and receipts seemed not to agree with declared dividends in financial statements.

Registrars of shareholders of the various companies (where appropriate) were contacted to ascertain the correctness of the declarations in the financial statements.

#### **4.1.4 GROUND RENT:**

To assess the ground rent payable:

- a) Details of concessions held by the mining companies were obtained from the Minerals Commission.
- b) The rate of ground rent payment applicable in 2006 was obtained and together with the sizes of the concessions, the amounts payable were computed. (see Table 4)
- c) Requests were made to the relevant OASL offices to ascertain the amount paid in the year.
- d) Mining companies were also required to indicate ground rent payments on the templates.

#### **4.1.5 MINERAL RIGHTS LICENCES:**

Mineral right Licences i.e. Reconnaissance; Prospecting and Mining leases.

- To ascertain the licences paid for the period, a request was made to the Minerals Commission for details of mineral right licences granted for the period.
- Mining companies were requested to indicate mineral right licences paid during the year.

#### **4.1.6 PROPERTY RATES:**

To ascertain the property rates payable/paid the following activities were undertaken:

- a) Property rates payable for the period by the mining companies were obtained from the District Assemblies.
- b) Mining companies were requested to indicate property rates paid on the company template supplied.

#### **4.1.7 RECEIPTS:**

Mineral royalty receipts by the Internal Revenue Service were compared to:

- i) The payments made by the mining companies.
- ii) The declarations of mineral royalty receipts made by the internal revenue Service to the Ministry of Finance and the Office of the Administrator of Stool Lands (OASL)
- iii) Corporate tax and dividend payments received by the IRS and NTRU respectively were compared to the payments made by the companies.
- iv) Property rates received by the District Assemblies were compared to those paid by the mining entities.

#### **4.1.8 AGGREGATION/RECONCILIATION**

Details of mining benefits received by government Agencies were aggregated and consolidated as the Government Template.

Completed templates of the selected Mining Companies were aggregated and consolidated as a composite Mining Company Template

The two templates, the Composite Mining Company Template and the Government Template were reviewed/analysed and reconciled.

#### **4.2.0 DISBURSEMENTS**

In Ghana the royalties paid are distributed in a prescribed format. Of the total amount received the central government retains 80%. Of the remaining 20%:

- 10% is paid to the Administrator of stool lands for disbursement to the district assembly, the traditional Council and the stool within the mining entity's area of operation, after the Administrator has taken care of administrative expenses.
- 10% is paid to the Mineral Development Fund to be used by the mining sector agencies for research and for Special Projects.

#### **4.2.1 OASL**

- The disbursements from the Internal Revenue Service were checked to that received by the OASL (Head Office).

Disbursements from the OASL head office to their regional offices were checked by

applying 9% to the sum of royalties received for the related months.

Disbursements to the districts were analyzed by applying the relevant formula or the appropriate percentages to the mineral royalties paid by the mining companies.

Receipts of mineral royalties by District Assemblies were then checked against payments made by the regional OASL.

#### **4.2.2 MINERAL DEVELOPMENT FUND.**(For mining sector agencies/research)

- ii) Details of mineral royalty collections from the Internal Revenue Service (IRS) for the periods under consideration were obtained.
- iii) Disbursements made into the **Mineral Development fund** for the year 2006 were obtained from the Minerals Commission.
- iv) Disbursements were scrutinised to ensure that they have been made accordingly.

#### **4.3 UTILISATION**

Where District Assemblies have dedicated Bank accounts for mineral royalty receipts, the accounts were checked for the receipt of transfers from the OASL.

Budgets (where they existed) for the utilization of mineral royalties were assessed. List of projects undertaken during the year 2006 where obtained and where possible physically inspected.

List of contractors that worked on the mineral royalty contracts were then matched against executed projects.

Details of projects undertaken with the funds transferred to the Mineral Development Fund (For the mining sector) were obtained from the Minerals Commission.

## 5.0 RESULTS OF AGGREGATION/RECONCILIATION.

Payments made by mining companies and government receipts for the year 2006 are shown in Tables 2 and 3 below.

**Table 2: Company Aggregated Template**  
COMPANY TEMPLATE

**2006 AGGREGATED REPORT**  
PERIOD: JANUARY 2006-DECEMBER 2006  
ALL AMOUNTS IN GHANA CEDIS

COMPANIES	LICENCE	PROPERTY	GROUND	MINERAL ROYALTY	CORPORATE TAX	DIVIDEND	TOTAL
		RATE	RENT				
Anglogold-Obuasi		400,436		5,962,066			<b>6,362,502</b>
Anglogold –Iduaprim		27,511		3,165,506	725,000		<b>3,918,017</b>
Anglogold –Bibiani			0	529,725			<b>529,725</b>
**						3,400,884	3,400,884
Bogosu Gold Ltd		15,159	-	1,709,490			<b>1,724,649</b>
Ghana Bauxite CO.		7,466	3,954	608,614			<b>620,034</b>
Ghana Manganse Co.		11,429	-	1,019,488		24,596	<b>1,055,513</b>
Goldfields –Tarkwa		159,184	-	11,097,676	13,928,380	1,840,000	<b>27,025,240</b>
Goldfields-Abosso		27,339	-	3,513,063	6,177,611	2,760,000	<b>14,777,553</b>
GSR-Wassa		17,869		1,464,248			<b>1,482,117</b>
Chirano Gold Mines Ltd		35,000	3,070	1,495,487			1,533,557
Newmont Gold Ghana Ltd				1,304,324			1,304,324
<b>TOTAL</b>	<b>0</b>	<b>701,393</b>	<b>7,024</b>	<b>31,869,687</b>	<b>20,830,991</b>	<b>8,025,480</b>	<b>61,434,575</b>

**Table 3: Government Template.**

PERIOD: JANUARY 2006-DECEMBER 2006.

GOVERNMENT RECEIPTS::

ALL AMOUNTS IN GHANA CEDIS

GOVT AGENCY	MIN.COMM	MUN/DIST PROPERTY	OASL	IRS	IRS	NTRU	
COMPANY	LICENCE	RATE	GROUND RENT	MINERAL ROYALTIES	CORPORATE TAX	DIVIDEND	TOTAL
Anglogold-Obuasi		405,236		5,962,066			6,367,302
Anglogold –Iduaprim		27,511		3,165,506	725,000		3,918,017
Anglogold- Bibiani/CAG		15,900		851,122			867,022
***						2,569,956	2,569,956
GSR-Prestea/Bogosu		13,795		1,709,490			1,723,285
Ghana Bauxite CO.		7,000	3,954	608,614			619,568
Ghana Manganse Co.		10,556		1,019,488		24,596	1,054,640
Goldfields –Tarkwa		159,184		11,097,676	13,928,380	1,840,000	27,025,240
Goldfields-Abosso		23,714		3,513,063	6,177,611	2,760,000	12,474,388
GSR-Wassa Chirano Gold Mines Ltd		21,369		1,464,248			1,485,617
		15,000	3,070	1,495,487			1,513,557
Newmont Gold Ghana Ltd				1,304,324			1,304,324
<b>TOTAL</b>	<b>0</b>	<b>699,264</b>	<b>7,024</b>	<b>32,191,084</b>	<b>20,830,991</b>	<b>7,194,552</b>	

### 5.1 Mineral right licences.

All the mining companies selected were already engaged in production. Mining lease Licences were paid before commencement of mineral production.

### 5.2 Ground Rent:

**Table 4: Concession Ground Rent:**Amount payable in 2006

Mine/Company	Concession size(km) <sup>2</sup>	Amount(GHC)*
Anglogold Ashanti-Obuasi	334.27	167.14
Anglogold Ashanti-Bibiani	49.82	24.91
Anglogold Ashanti-Iduaprim	31.00	15.50
GSR-Prestea/Bogosu	224.05	112.03
Goldfields(Ghana)Ltd-Tarkwa	204.22	102.11
Abosso Goldfields Ltd	49.00	24.50
Ghana Manganese Ltd	175.93	87.97
Ghana Bauxite Co. Ltd	29.39	14.70
GSR(Wassa)/Wexford	50.00	25.00

\*concession size multiplied by GHC0.5/sqkm.

### 5.3 Mineral Royalty.

The Mineral Royalty received by the Government from the selected mining companies amounted to Thirty two million four hundred and thirteen thousand six hundred and thirty five Ghana cedis .GHC(32,191,084 ).

All mining companies paid royalties at the rate of 3% of gross revenue.

### 5.4 Property rates:

With the exception of Newmont Ghana Ltd all the companies paid property tax in the year to District/Municipal Assemblies within their areas of operation.

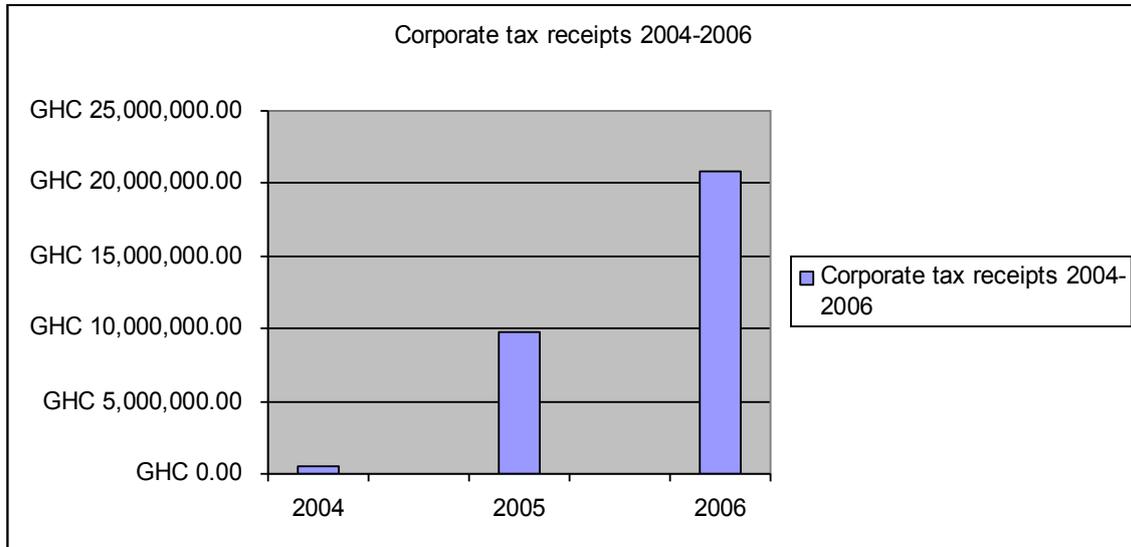
### 5.5 Corporate tax:

Three companies namely Goldfields Ghana (Tarkwa); Anglogold Ashanti (Iduaprim) and Abosso Goldfields Ltd paid corporate taxes in the year 2006.

Corporate tax payment by selected companies since 2004 is illustrated below.

This may be due to increases in the price of gold compared to 2004 and 2005. Again companies may have exhausted their capital allowances accumulated in earlier years.

Fig 1 :Corporate tax by selected companies from 2004-2006



## 5.6 Dividends

The Government received dividends from Ghana Manganese Co Ltd; Goldfields (Ghana) Ltd; Abooso Goldfields and Anglo gold Ashanti International.

The payment made by Anglo gold Ashanti was in respect of government of Ghana's share in Anglo gold Ashanti international.

According to the Minerals and Mining Act, 2006, ACT 703 , where a mineral right is for mining or exploitation, the Government of Ghana shall acquire a ten percent free carried interest in the rights and obligations of mineral operations in respect of which financial contribution shall not be paid by Government. However mining companies with investments over US\$500million may negotiate fiscal instruments including government shareholdings.(see Newmont and Anglogold Ashanti –Table 5).

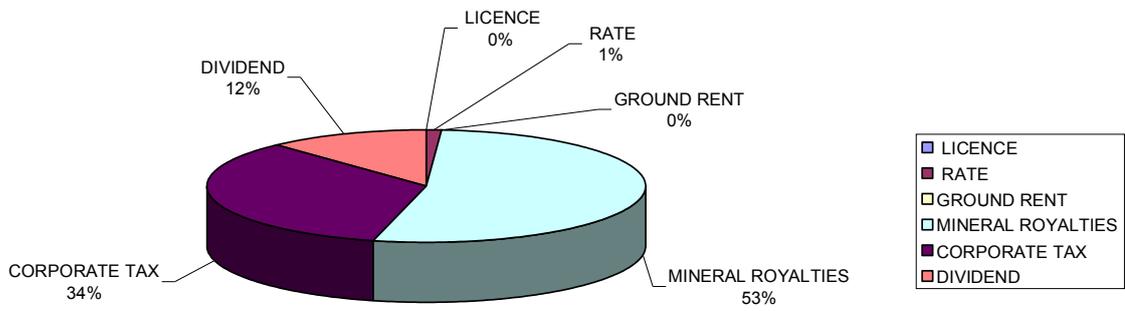
The Government's shareholdings in the selected companies are shown in Table 5 below.

**Table 5:** Government shareholding in selected companies.

Company	GoG Shares %
Goldfields (Abooso)	10
GSR ( Prestea/Bogosu) Goldfields	10
Goldfields (Tarkwa)	10
Ghana Bauxite	20
Ghana Manganese	10
Anglo Gold Ashanti (Inter	3.41
GSR(Wassa)	10
Chirano Gold Mine	10
Newmont Ghana Ltd	Nil

**N/B;** In 2006 Anglo gold Ashanti operated 3 mines ( Iduaprim, Bibiani and Obuasi) in Ghana.

MINING RECEIPTS FROM SELECTED COMPANIES IN 2006



## 6.0 RECONCILIATION.

The Summary for company payments and Government Receipts are shown below.

Table 6: Reconciliation of Company payments and Government Receipts.

<b>Benefit/Payments/Receipts</b>	<b>Company Payments(GHC)-A</b>	<b>Government Receipts(GH)-B</b>	<b>Deviation A-B</b>
Mineral Right Licence	0	0	0
Property Rate	701,393	699,264	2129
Ground Rent	7,024	7,024.	0
Mineral Royalty	31,869,687	32,191,084	(321,397)
Corporate Tax	20,830,991	20,830,991	0
Dividends	8,025,480	7,194,552	830928
Total	<b>61,434,575</b>	<b>60,922,915</b>	<b>511660</b>

### 6.1 DISCREPANCIES:

The discrepancy between Government receipts and company payments was mainly due to the following:

- Receipts of Mineral Royalty of GHC 321,397 by the Internal Revenue Service could not be confirmed by AngloGold Ashanti/Central African Gold.
- Dividend payment of GHC 830,928.06 by AngloGold Ashanti in March 2006 was not indicated as government receipt by the Non Tax Revenue Unit.(NTRU) (see Appendix 1c)

**7.0 DISBURSEMENTS:  
FROM OASL HEAD OFFICE TO THE REGIONS.**

The following disbursements from the Head Office of OASL were made in the year 2006 to the Ashanti, Brong-Ahafo and Western Regions.

Table 7: **ASHANTI REGION.**

PERIOD	DATE	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHC)
OCT-DEC 05	08/03/06	ASL/DB/	537134	104,404.36
JAN-MARCH 06	24/07/06	ASL/DB/10/06	537142	126,979.29
APRIL-MAY 06	05/10/06	ASL/DB/14/06	537146	135,560.77
JUNE -AUG 06	29/12/06	ASL/DB/21/06	537154	160,234.38

Table 8: **BRONG AHAFO REGION.**

PERIOD	DATE	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHC)
OCT-DEC 05	08/3/06		537136	980.94
JAN-MARCH 06	24/07/06	ASL/DB/09/06	537141	30,760.93
APRIL-MAY 06	05/10/06	ASL/DB/18/06	537150	38,757.73
MARCH-AUG 06(Revised)	29/12/06	ASL/DB/22/06	537155	1,238.37

Table 9: **WESTERN REGION.**

PERIOD	DATE	VOUCHER NO.	CHEQUE NO.	AMOUNT(GHC)
OCT-DEC 05	08/3/06		537133	422,595.33
JAN-MARCH 06	24/07/06	ASL/DB/07/06	537139	458,846.96
APRIL-MAY 06	05/10/06	ASL/DB/20/06	537153	537,621.59
APRIL-AUG 0	29/12/06	ASL/DB/23/06	537156	611,782.81

The District Assemblies within the jurisdiction of the selected mining companies are shown below.

Table 10: District Assemblies of selected mines -2006

No.	Mining Company	District(s) Assemblies.	Municipal/District Capital	Region
1	Anglogold Ashanti(Obuasi)	Obuasi Municipal; Adansi South; Adansi North; Amansie East/Bekwai Municipal; Amansie Central	Obuasi New Edubiase Fomena  Bekwai Jacobu.	Ashanti “ “ “ “ “
2.	Anglogold Ashanti (Iduaprim)	/Wassa West	Tarkwa	Western
3.	Abosso Goldfields Ltd	Wassa West	Tarkwa	Western
4.	Goldfields (Tarkwa)	Wassa West	Tarkwa	Western  Western
5	GSR Wassa Ltd/Wexford	Mpohor Wassa East	Daboase	Western
6.	GSR Prestea/Bogosu	Wassa West	Tarkwa	Western  Western
7.	Ghana Bauxite Co.Ltd	Bibiani Ahwiaso	Bibiani	Western
9	Central African Gold	Bibiani Ahwiaso Atwima District	Bibiani	Western
10	Chirano Gold Mines Ltd	Bibiani/Ahwiaso;	Bibiani	Western  Western
11	Newmont Gold Ghana Ltd	Asutifi	Kenyasi	Brong Ahafo

### 7.1 REGIONS TO DISTRICT/MUNICIPAL ASSEMBLIES:

### 7.2 ASHANTI REGION.

The amounts due to the relevant District Assemblies in 2006 from royalties paid by AngloGold Ashanti Obuasi are indicated below.

Details of releases and payments due are indicated in Appendix .

Table 8.

DA/MONTH OF RELEASE/ AMOUNT DUE.	OBUASI MUNICIPAL	ADANSI SOUTH	ADANSI NORTH	AMANSIE EAST	AMANSIE CENTRAL
MARCH 2006	30,312.24	8,660.64	4,330.32	4,443.07	7,580.56
AUGUST 2006	37,584.90	10,738.54	5,369.27	5,963.36	8,945.04
OCTOBER 2006	37,850.95	10,514.55	5,407.28	6,823.47	12,672.16
DECEMBER 2006	38,077.33	10,879.24	5,439.62	6,864.28	12,747.95
<b>Total(2006)</b>	<b>143,825.42</b>	<b>40,792.97</b>	<b>20,546.49</b>	<b>24,094.18</b>	<b>41,945.71</b>

Table 9: Amount due/received by District Assemblies in 2006.

District Assembly	Amount due	DA Receipts(GHC)
Obuasi Municipal	143825.42	129,119
Adansi South	40,792.97	38,020
Adansi North	20,546.49	
Amansie East	24,094.24	
Amansie Central	41945.71	40,500

### 7.3 BRONG AHAFO REGION:

Mineral royalty disbursed to the Brong Ahafo Region did not include the payment made by Newmont Ghana Gold Ltd. Newmont Gold Ghana Ltd made its first royalty payment in October 2006.

## 7.4 WESTERN REGION

Payments due to the Wassa West District Assembly out of disbursements in 2006 is indicated against the total amount received in the year. See Appendix..

Table 10:Region to District Disbursement.

<b>Amount Due GHC</b>	<b>Amount received GHC</b>
936,482.42	728,638

Disbursement made in December 2006 was not received in 2006. The amount due Wassa West District Assembly from the December 2006 release amounted to GHC 270,275.64.

## 8.0 UTILIZATION.

With the exceptions of Wassa West District Assembly and the Obuasi Municipal Assembly, all the remaining districts applied the Mineral Royalty receipts as internally generated fund(IGF).

These districts did not have dedicated Bank Accounts for mineral royalty receipts. It was therefore difficult monitoring the use to which these receipts have been applied.

The Obuasi Municipal Assembly and the Wassa West District Assembly however had dedicated Bank Accounts and prepared budgets for the utilization of Mineral royalty receipts.(see Tables 11 and 12 )

Table 11: Obuasi Municipal Assembly: Utilization of Mineral Royalty Receipts(2006)

No.	Details	Budget(GHC)	Expenditure(Amount)GHC)
1.	Scholarship	40,000	18,915
2	Adansi South District	10,000	10,000
3	Construction of 7 unit Barracks type Quarters for CKC	20,000	
4	Pavement of Plantain Market	20,000	
5	Construction of 7 unit Barracks type for Obuasi Sec Tech.	20,000	

6	Construction of Fence Wall at Obuasi Sec Tech .	15,000	
7	Construction of Fence Wall at CFC.	15,000	
8	Waste Management	-	24,033.72
	Total	<b>140,000</b>	<b>52,948.72</b>

**Table 12: Wassa West District Assembly:Utilization of Mineral Royalty Receipts.**

<b>Expenditure Item</b>	<b>Budget(GHC)</b>	<b>Actual(GHC)</b>
ECONOMIC	397,760	323,692
SOCIAL	228,214	89,119
ADMINISTRATION	99,700	476,499
ENVIRONMENTAL	191,530	166,858
<b>TOTAL</b>	<b>917,204</b>	<b>1,056,168</b>

## **9.0 MINERAL DEVELOPMENT FUND.**

The Mineral Development Fund (MDF) was established in 1992, by an administrative arrangement, to provide financial resources for the direct benefit of mining communities to address some harmful effects of mining on affected communities and persons.

The fund was also meant to promote local economic development project for alternative livelihood in communities; to fund research, training and special projects aimed at promoting the mining industry and where necessary to supplement the operating budget of the sector Ministry and institutions.

When the Fund was set up, the Government funded it with 20% of mineral royalties and was administered by the Minerals Commission under the supervision of the Minister in charge of Mines.

However in 1999 the Government decided to relieve the Minerals Commission of its duties of administering funds to mining communities, in favour of the Office of the Administrator of Stool Lands (OASL) because the OASL has considerable expertise and resources to administer the funds, as it was already concerned with administering stool land revenue, and disbursing the funds according to a formula that was prescribed by the Constitution. The decision to use the OASL in this regard was solely for administrative reasons because the disbursement under the MDF, though conventional in practice at the time, was not backed by any legislation.

The OASL keeps ten percent (10%) of the money it receives to cover its administrative expenses, and disburses the remaining 90% as follows:

- 25% to Stools
- 20% to Traditional Authorities, and
- 55% to District Assemblies

The MDF is not backed by any legislative instrument however an MDF Bill has been approved by cabinet and is to be placed before Parliament for passing. The Bill only seeks to regularize the existing administrative arrangement.

### **9.1 Procedure for Funds Withdrawal**

The account of the MDF is located at Bank of Ghana. Five officials of Minerals Commission are signatories of the MDF account. These are the Chief Executive Officer, Director Policy Planning Monitoring and Evaluation, Director of Finance, Principal Finance Officer and Solicitor Secretary. Any two (2) of the above mentioned signatories are authorized to approve for cash withdrawal from the account.

Withdrawal of funds from the account is initiated by the Sector Ministry i.e. Ministry of Lands, Forestry and Mines. The Ministry submits funds release request to the Ministry of Finance & Economic Planning (MOFEP).

MOFEP sends funds release request to the Controller and Accountant General with a copy of the Ministry of Lands, Forestry and Mines letter attached. MOFEP also copies the Chief Executive Officer of Minerals Commission about the request.

The Accountant General will send Bank Transfer Advice to the Director, Banking Department for the transfer of the funds requested.

At Minerals Commission a cheque requisition form is raised for approval and a cheque prepared in favour of the beneficiary completed for authorization.

## 9.2 : Lodgments and Payments from MDF Account :

Table 14 shows royalties paid into MDF account at Bank of Ghana by MOFEP and monies expended from the account in 2006.

Table 14: Lodgements and Payments from MDF Account.

Date	MDF Lodgment	Source	Payments	Conference	Refurbishment	Service Activities
19/05/2006			7,990.07	Refund for MC participation in Ghana-Jamaica conference		
26/05/2006	38,120.75	C & AG	38,120.75		Refurbishment – GSD lab	
24/05/2006	7,990.07	C & AG				
05/06/2006	40,000.00	C & AG				
31/05/2006			1.00			Bank Charges
15/06/2006			40,000		Monitor open pit mines etc by Mines Department	
12/07/2006	126,461.02	C & AG				
20/07/2006			126,461.02		Refurbishment – Ada Songhor Salt Project	
05/09/2006	155,472.40	C & AG				
06/09/2006	29,387.20	C & AG				
07/09/2006			29,387.20		Refurbishment work – GSD lab	
08/09/2006			155,472.40			Funds for GSD first quarter service activities
11/09/2006			155,472.40			
06/12/2006	29,455.06	C & AG				
07/12/2006			29,455.06			
13/12/2006	49,084.80	C & AG				Funds for Mines Dept first quarter service activities

19/12/2006			49,084.84			Funds for Jewelry College
22/12/2006	18,591.12	C & AG				
<b>Total</b>	<b>494,562.42</b>		<b>475,972.34</b>	<b>7,990.07</b>	<b>233,968.97</b>	<b>234,013.30</b>

Total bank lodgments made into MDF account at Bank of Ghan in 2006 was GHC494,562.42. Withdrawals made from the account amounted to GHC475,972.34. The expenditure analysis indicates that GHC7, 990 was spent on conferences, GHC233, 968 was spent on refurbishment activities and GHC234, 013 spent on service activities.

## **10.0 OBSERVATIONS/SIGNIFICANT FINDINGS.**

### **10.1 Pre-production costs were not approved by the Minerals Commission.**

Two companies namely Newmont and Chirano Gold Mines commenced mining in 2006.

The amounts capitalized as pre-production costs were not stated with the advice of the Minerals Commission.

#### **10.1.1 Recommendation:**

Pre-production costs according to the Internal Revenue Act, ACT 592, is categorised in the same way as the acquisition of Assets. The capitalised costs qualify for capital allowances which reduce corporate tax payment.

According to Section 28 of the Mining and Minerals ACT, 2006, ACT 703; the capitalization of pre-production costs should be approved by the Minister of Lands and Natural Resources. on the advise of the Minerals Commission. This section should be strictly adhered to, in order to ensure that only qualifying costs are allowed.

### **10.2 Concession Ground Rent:**

Most mining companies did not pay anything for concession ground rent. The amount payable is very low at GHC0.50 per square kilometre.

#### **10.2.1 Recommendation:**

The amount payable as concession ground rent should be reviewed upwards.

### **10.3 Disbursements: Lack of Dedicated Bank Accounts and Budget.**

With the exception of Wassa West District Assembly and the Obuasi Municipal Assembly, district Assemblies receiving mineral royalty did not have dedicated bank accounts and budgets for the utilization of mineral royalty receipts.

#### **10.3.1 Recommendation:**

District Assemblies should be encouraged to have dedicated bank accounts for Mineral royalty receipts. This together with budgets for royalties will ensure effective monitoring of the utilization of royalty receipts.

### **10.4 Payments from regions to districts were paid in tranches.**

Total Amounts due to districts are not fully transferred to the Districts by the regional OASL Offices.

For example although there were four disbursements from the Head Office of OASL to the Districts in 2006, the Wassa West District Assembly received payments on seven (7) different occasions in 2006.

The Ashanti Region OASL paid an amount of GHC 37,850 due Obuasi Municipal Assembly in two tranches of GHC 30,000 and GHC 7,850 on 15/10/2006 and 20/10/2006 respectively.

#### **10.4.1 Recommendation:**

Regional OASL offices should promptly pay all amounts due to a district Assembly from royalty payments as and when received from the Head Office.

Part payment of amount due should be discouraged.

### **10.5: The OASL does not have information on how much has been paid to the IRS by the mining companies**

#### **10.5.1 Recommendation:**

There is the need to improve communication between the OASL and the mining companies. Most mining communities have OASL offices at the district level. Payments of mineral royalties by mining companies could be communicated to the OASL offices.

## **10.6:Mineral Development Fund(MDF)**

It appears funds lodged into the account were less than 10% of total collections Amount transferred into the account was GHC494,562.42. This was even less than 10% of the the collections from the selected companies ie GHC3,219,108.40 (**see Table 3**)

### **10.6.1:Recommendations**

There is the need to reconcile amounts ceded and lodgments made between Minerals Commission, the OASL and the IRS and the Controller and Accountants' General Department.

## **11.0: CONCLUSION:**

The submissions of this report indicate the various benefits the Government of Ghana received from key mining entities in the country for 2006.

Unlike the aggregation/reconciliation exercise undertaken in the years 2004, and 2005 there were delays in submissions of data by the participating agencies and entities. This may be due to the timing of the exercise which coincided with the external auditing of the mining entities.

- ◆ There was a discrepancy of GHC(511,660) between payments by companies and government receipts.
- ◆ All the mining companies paid royalties at 3%.
- ◆ The major benefit received by the government was mineral royalty, accounting for a 53% of total benefits in 2006.

This was followed by Corporate Tax receipt which formed 34% of total benefits received by the government, indicating significant improvement in corporate tax receipts over the entire aggregation period from 2004 to 2006.

- ◆ There is the need to reconcile MDF transfers made by IRS to Minerals Commission.
- ◆ Data capture for payments made by the Mining Companies at IRS should be improved.
- ◆ To improve transparency at the district levels, disbursements transferred from OASL head office to Regional OASL offices should be communicated to district beneficiaries by sending them copies of disbursement letters.
- ◆ Efforts should be made to publicize the formulae for disbursements of mineral royalties for each district .
- ◆ Guidelines for the use of mineral royalties at the District Assembly levels are also required for effective utilization and monitoring.

## **EXECUTIVE SUMMARY**

### **Introduction**

The Extractive Industries Transparency Initiative (EITI) aims to promote transparency around the generation and spending of revenues from the extractive sector to improve development outcomes. Additionally, the Initiative seeks to reduce the potential for corruption or large-scale embezzlement of these benefits.

The above objectives are to be achieved by enhancing transparency in payments, receipts, disbursements and utilization of mining benefits

Aggregated Reports provide the avenue to ascertain if transparency has been achieved.

To this end Messrs Boas and Associates was engaged by the Ministry of Finance and Economic Planning to collect, analyze and aggregate payments, receipts, disbursements and utilization of mining benefits for the years 2006-2008.

The firm was engaged in 2006 to provide the 2004 and 2005 aggregated reports.

This is the 2006 Aggregated Report which is one of three reports to be issued under the assignment.

### **Approach/Methodology**

Eleven companies that contributed 99% of mineral royalty receipts were selected. The payments that were examined included Mineral Right Licence; Mineral Royalty; Ground Rent; Property rate; Corporate Tax and Dividend.

All the eleven selected mining companies had their royalty payments thoroughly scrutinized. To this end refining certificates were obtained and checked against revenues declared.

Various operating cost components of all the participating mining entities were scrutinized and checked against declared operation costs.

Final returns for the year 2005 and self assessments for 2006 were scrutinized to determine the correctness of corporate tax payments for year 2006 by the mining entities.

Financial statements and annual reports for the years 2005 and 2006 were examined to identify dividends declared for the year 2006 by the mining companies. The Dividend payments of these companies were verified against dividends received by the oversight government agency, NTRU.

Ground rent payable for 2006 was determined from mining concessions and applicable rates obtained from the Minerals Commission.

Payments made by Mining Companies and receipts by Government Agencies were reconciled.

## **Mineral Development Fund.**

Documentations on Minerals Development Fund were collected from Minerals Commission and Ministry of Lands, Forestry and Mines. Royalties ceded and withdrawals into and out of the MDF account was analyzed.

### **Disbursements and utilisation**

Disbursements of mineral royalties by IRS to OASL were analyzed and checked for correctness.

Channels in downstream disbursements of royalties initiated from OASL head office through OASL regional offices to the district levels were scrutinized.

Independent computations of these disbursements were made to assess the correctness of disbursements along the disbursement chain.

Finally documentations, processes and procedures for utilization of mining benefits at the district levels were also reviewed to assess efficiency of utilization.

## **KEY FINDINGS AND RECOMMENDATIONS**

- Capitalization of pre-production costs of two companies that commenced operations in 2006 appears not to have received approval from the oversight agency, as legally required.
- Payments to the districts from Regional OASL offices did not strictly correspond to transfers from OASL head office. Payments were made in tranches instead of lump sums as disbursed from OASL head office.

### **Recommendations:**

- There is the need to review capitalized pre-production costs to ensure compliance with The provisions in ACT 703.
- Regional OASL offices should promptly pay all amounts due to a district as and when received from the Head Office. Part payment of amount due to district Assemblies should be discouraged.

## APPENDICES

**A. Input Template For Host Government Reporting Entity**

Host country reporting on: LARGE TAXPAYER UNIT OF GRA

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value G#F
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	20,830,991
1b)	Royalties	ii.	
-	in cash		32,191,084
-	in kind		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent	iii.	
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
2	Scope 2 Benefit Streams (Voluntary disclosure):	

**Host Government Sign Off**

We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

• \_\_\_\_\_ ; Edmond Gyamba AUDIT LARGE TAXPAYER UNIT (L.T.U.)  
 • \_\_\_\_\_ ; **Name** **Signature**  
 • \_\_\_\_\_ ; CHIEF INSPECTOR OF TAXES 27/9/06  
**Position** **Date**

**Official stamp**

LARGE TAXPAYER UNIT  
 TAX INFORMATION FOR EITI AGGREGATION  
 CORPORATE TAX

2006

	NAME OF COMPANY & TIN	YEAR OF ASSESSMENT	DATE OF RECEIPT	AMOUNT GH¢	RECEIPT NO.
1.	Anglogold Ashanti 721G000012	2004	31/08/2006	59,102.58	D 4526635
2.	Anglogold Iduapriem Ltd 421G000014	2006	02/11/2006	725,000.00	C 4528739
3	Goldfields Ghana Ltd. 565G0000001	2006	27/03/2006	4,094,991.00	C 4521379
		2006	30/06/2006	2,928,070.00	C 4525336
		2006	03/11/2006	1,128,325.24	C 4528742
		2006	29/09/2006	2,089,506.00	C 4528579
		2006	29/12/2006	3,687,488.00	D 0651521
4	Abosso Goldfields Ltd 614G0000005	2006	24/03/2006	819,375.30	C 4521377
		2006	30/06/2006	4,026,096.80	C 4525337
		2006	20/09/2006	687,337.50	C 4528580
		2006	29/12/2006	644,801.50	D 0651454

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**APPENDIX D**  
**A. Input Template For Host Government Reporting Entity**

Host country reporting on: OBUASI MUNICIPAL ASSEMBLY

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1			
Benefit Streams from International and National State-owned Company			
1a)	i.		
Corporate taxes			
1b)	ii.		
Royalties			
-			
in cash			
-			
in kind			
1c	iii.		
license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent			
1d	vi.		
Signing bonuses and production bonuses			
1e)	vii.		
Dividends			
1f)	iv, v, vii		
Other payments to Host Governments, specified as (including Payment made through production entitlement):			
			400435.61
<u>PROPERTY RATE</u>			

**Exclude:**

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
2		
Scope 2 Benefit Streams (Voluntary disclosure):		

**Host Government Sign Off**

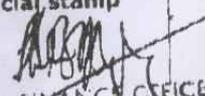
We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Name

Signature

Official stamp



MUNICIPAL FINANCE OFFICE  
 OBUASI MUNICIPAL ASSEMBLY  
 P. O. BOX 32  
 OBUASI

# APPENDIX 1C

## A. Input Template For Host Government Reporting Entity

Host country reporting on: NON-TAX REVENUE UNIT

Reporting period: JANUARY - DECEMBER 2006

### Scope 1 Benefit Streams

Line Ref	Guidelines section 6 Ref	Volume	Value
1	Benefit Streams from International and National State-owned Company		N/A
1a)	Corporate taxes	i	N/A
1b)	Royalties	ii.	
-	in cash		N/A
-	in kind		N/A
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent	iii.	N/A
1d	Signing bonuses and production bonuses	vi.	N/A
1e)	Dividends	vii	GH¢ 7,194,549.64
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
			N/A
			N/A
			N/A

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

### Scope 2 Benefit Streams

Line Ref	Volume	Value
2	Scope 2 Benefit Streams (Voluntary disclosure):	
		N/A
		N/A
		N/A

### Host Government Sign Off

We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_; EMOCH H. COBRINAH  
 \_\_\_\_\_; **Name** [Signature]  
 \_\_\_\_\_; **Signature**  
 \_\_\_\_\_; P. E. O  
 \_\_\_\_\_; **Position** 13/9/10  
 \_\_\_\_\_; **Date**



2006

**A. Input Template For Host Government Reporting Entity**

Host country reporting on: 2006 - MPOHOR WASSA EAST DISTRICT ASSEMBLY  
 Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	
1b)	Royalties	ii.	
	- in cash		
	- in kind		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent <u>PROPERTY RATE</u>	iii.	2,369.00
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
	_____		
	_____		
	_____		
Exclude:			
- Tax levied on consumption (e.g. VAT/GST/sales taxes)			
- Pay as you earn (PAYE) income taxes			
- Social payments (unless statutory requirement)			

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
2	Scope 2 Benefit Streams (Voluntary disclosure):	
	_____	
	_____	
	_____	

**Host Government Sign Off**

We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_; S.A. Binney \_\_\_\_\_  
 \_\_\_\_\_; [Signature] \_\_\_\_\_  
 \_\_\_\_\_; Accountant \_\_\_\_\_  
 \_\_\_\_\_; \_\_\_\_\_ \_\_\_\_\_

34

for



# APPENDIX 1F

## A. Input Template For Host Government Reporting Entity

Host country reporting on: TARKWA NSUAEM MUNICIPAL ASSEMBLY / WASSA WEST

Reporting period: 2006

### Scope 1 Benefit Streams

Line Ref	Guidelines section 6 Ref	Volume	Value
1			
Benefit Streams from International and National State-owned Company			
1a)	i.		
Corporate taxes			
1b)	ii.		
Royalties			
1c	iii.		234,758
License fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent <u>PROPERTY RATE</u>			
1d	vi.		
Signing bonuses and production bonuses			
1e)	vii.		
Dividends			
1f)	iv, v, vii.		
Other payments to Host Governments, specified as (including Payment made through production entitlement):			

- Exclude:
- Tax levied on consumption (e.g. VAT/GST/sales taxes)
  - Pay as you earn (PAYE) income taxes
  - Social payments (unless statutory requirement)

### Scope 2 Benefit Streams

Line Ref	Volume	Value
2		
Scope 2 Benefit Streams (Voluntary disclosure):		

### Host Government Sign Off

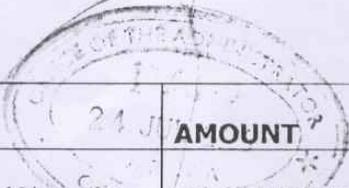
We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_; ALBERT A. ANDERSON *[Signature]*  
 Name Signature  
 \_\_\_\_\_; MUN. FINANCE OFFICER *[Signature]*  
 Position Date

Official stamp  
 MUNICIPAL FINANCE OFFICER  
 Tarkwa Nsu Municipal Assembly  
 T A R K W A

January 2006

(3)



REGION	COMPANY	AMOUNT	TOTAL
Ashanti	Anglogold Ashanti (Obuasi)	13,858,809,913	13,858,809,913
Western	Anglogold Ashanti (Iduapriem)	6,914,055,063	14,141,606,840
	Bogoso Gold Ltd	3,983,587,613	
	Anglogold Ashanti (Bibiani)	3,243,964,164	
Brong Ahafo	Taysec Construction Ltd	25,483,163	25,483,163
Others	-	-	-
<b>Total</b>		<b>28,025,899,916</b>	<b>28,025,899,916</b>

Feb 2006

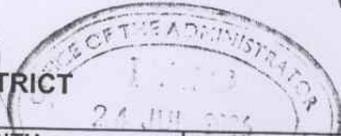
(2)



REGION	COMPANY	AMOUNT	TOTAL
Greater Accra	Sonitra Ltd	34,639,000	172,440,921
	C. P. Concrete Products	137,801,921	
Western	Goldfields Ghana Ltd	21,935,338,191	36,841,388,434
	Abosso Goldfields Ltd	7,890,488,143	
	Ghana Bauxite Comp. Ltd	1,323,204,436	
	Wexford Goldfields	3,182,763,520	
	Ghana Manganese	2,509,594,144	
Others	-	-	-
<b>Total</b>		<b>37,013,829,355</b>	<b>37,013,829,355</b>



INTERNAL REVENUE SERVICE, ACCRA  
MINERAL ROYALTY COLLECTION 2006. KINBU DISTRICT



REGION	COMPANY	MONTH	AMOUNT
B/A	CHIRANO GOLDMINES LTD	FEBRUARY	3,392,398,092.72
GAR.	SONGHOR SALT	FEBRUARY	146,531,265
ASH.	KAS PRODUCTS LTD.	FEBRUARY	50,000,000.00
ASH.	KAS PRODUCTS LTD.	FEBRUARY	100,000,000.00
E/R	SAND AND STONE CONTRACTORS	FEBRUARY	400,000.00
		<b>TOTAL</b>	<b>3,689,329,357.72</b>
GAR.	MYROCK SALT INDUSTRIES	MARCH	4,006,200.00
GAR.	TWIN ROCK QUARRY	MARCH	30,000,000.00
ASH.	KAS PRODUCTS LTD.	MARCH	100,000,000.00
		<b>TOTAL</b>	<b>134,006,200.00</b>
		<b>GRAND TOTAL</b>	<b>3,823,335,557.72</b>

PREPARED BY M. R. Barden

CERTIFIED BY S. J. Large (L.T.O.)  
INTERNAL REVENUE SERVICE  
Tampara's Office (L.T.O.)

S. M. S.  
ACCOUNTANT  
KALLAI W.M.

APPENDIX 2C

DETAILS OF ROYALTY PAYMENTS - MARCH (Revised \*)

REGION	COMPANY	AMOUNT	TOTAL
Greater Accra	Bigleb Constuction & Crushing Eastern Quarries Ltd	30,738,525 47,200,590	77,939,115
Upper East	Upper Quarries	60,000,000	60,000,000
Brong Ahafo*	Taysec Constr, Ltd	77,939,216	77,939,216
Others	-	-	-
<b>Total</b>		<b>215,878,331</b>	<b>215,878,331</b>



(2)

**DETAILS OF ROYALTY PAYMENTS – APRIL (Revised \*)**

REGION	COMPANY	AMOUNT	TOTAL
Ashanti	Anglogold Ashanti (Obuasi)	14,862,308,153	14,862,308,153
Western	Anglogold Ashanti (Iduapriem)	7,699,668,769	✓
	Ghana Bauxite Co. Ltd	1,387,996,364	
	Goldfields Ghana Ltd	28,968,428,453	
	Ghana Manganese Co Ltd	2,504,422,502	
	Abosso Goldfields Ltd	9,320,025,750	
	Bogoso Gold*	3,139,964,072	53,020,505,910
Greater Accra	Construction Pioneers Concrete Sonitra*	144,732,093 20,221,000	164,953,093
Others		-	-
<b>Total</b>		<b>68,047,767,156</b>	<b>68,047,767,156</b>



## DETAILS OF TAXPAYER – MAY 2006 (Revised \*)

REGION	COMPANY	AMOUNT	TOTAL
Eastern	Ghacem	181,584,535	181,584,535
Western	Wexford Goldfields Anglogold Ashanti (Bibiani)	3,667,062,670 2,312,354,878	5,979,417,548
Ashanti*	P. W. Ghana Ltd	17,019,739	17,019,739
Others	-	-	-
<b>Total</b>		<b>6,178,021,822</b>	<b>6,178,021,822</b>



APPENDIX 2F

June/July 2006

# INTERNAL REVENUE SERVICE

## MEMORANDUM

TO:- CHIEF INSPECTOR OF TAXES (REVENUE)

FROM:- DISTRICT ACCOUNTANT (KINBU)

17<sup>TH</sup> AUGUST 2006

### ROYALTY REVENUE COLLECTION - 2006

NAME	LOCATION	MONTH	AMOUNT	AMOUNT	AMOUNT
✓ Nartey Salt Ind. Ltd	GAR	June	1,605,000	₹	₹
✓ Kas Product Ltd	Ashanti Region	June	57,922,950		
✓ Kas Product Ltd	Ashanti Region	June	<u>42,077,050</u>		101,605,000
✓ Spiro Jokayem & Sons	GAR	July	10,000,000		
✓ Kam Quarry Ltd.	GAR	July	3,000,000		
Kas Product Ltd	Ashanti Region	July	00,000,000		
✓ Med. Mining Co. Ltd	Eastern Region	July	43,476,000		
✓ Chirranano Gold Mines Ltd	<del>Brong-Ahafo Region</del>	July	<u>3,429,935.691</u>		<u>3,586,411.691</u>
<b>GRAND TOTAL</b>					<b>3,688,016,691</b>



*Will B. Williams*

INTERNAL REVENUE SERVICE  
Large Taxpayers Unit (L.T.O.)

*Will B. Williams*  
ACCOUNTANT

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APPENDIX 2G

July 2006

REGION	COMPANY	AMOUNT	TOTAL
Eastern	Ghacem	248,942,418	248,942,418
Western	Ghana Manganese Anglogold Ashanti (Iduapriem) Abosso Goldfields Ltd Goldfields Ghana Ltd Ghana Bauxite Co.	2,416,454,554 8,301,595,975 9,593,848,425 30,225,771,739 1,496,470,880	52,034,141,573 ✓
Others	-	-	-
<b>Total</b>		<b>52,283,083,991</b>	<b>52,283,083,991</b>



3

DETAILS OF ROYALTY PAYMENTS - AUGUST 2006

REGION	COMPANY	AMOUNT	TOTAL
Ashanti Western	Anglogold Ashanti (Obuasi)	14,951,197,930	14,951,197,930
	Anglogold Ashanti (Bibiani)	1,510,033,504	
	Wexford Goldfields	3,798,310,189	
Greater Accra	Bogoso Gold	4,063,482,730	9,371,826,423
	Eastern Quarries	56,006,475	
Others			56,006,475
<b>Total</b>		<b>24,379,030,828</b>	<b>24,379,030,828</b>



780

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MINES  
2006  
480 57

	x
5	✓

(3)

## DETAILS OF ROYALTY PAYMENTS – SEPTEMBER 2006

REGION	COMPANY	AMOUNT	TOTAL
Brong Ahafo	Taysec Conctsruction Ltd	60,469,600	60,649,600
Upper East	Upper Quarry Ltd	100,000,000	100,000,000 ✓
Greater Accra	El Din Salt Mill Ltd	8,646,615	8,646,615
Others	-	-	-
<b>Total</b>		<b>169,116,215</b>	<b>169,116,215</b>

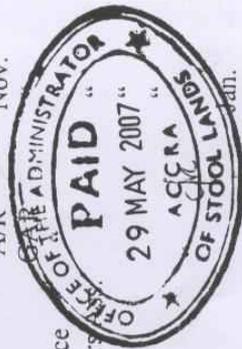


# INTERNAL REVENUE SERVICE MEMORANDUM

TO:- CHIEF INSPECTOR OF TAXES (REVENUE)  
 FROM:- DISTRICT ACCOUNTANT (KINBU)  
**ROYALTY REVENUE COLLECTION**

12<sup>th</sup> February, 2007

NAME	LOCATION	MONTH	AMOUNT(€)	SUB-TOTAL(€)	TOTAL AMOUNT(€)
Clay & Metal Products	GAR	Sep.	810,000.00		
Modern Ghana Builders	GAR	"	6,673,620.00		
Modern Salt Ind. Ltd	"	"	3,474,300.00		
Twin Rock Lid	"	"	12,000,000.00	22,957,920.00	
West Coast Const. Ltd.	"	Oct	8,000,000.00		
Myroc Salt Ind. Ltd	"	"	9,838,380.00		
Nii Oman Mensah	"	"	2,000,000.00		
Chirano Goldmines Ltd	<del>BAR</del> w/l	"	4,256,759.614.00	4,276,597,994.00	
Kas Product Ltd.	A/R	Nov.	100,000,000.00		
Modern Ghana Builders	<del>GAR</del>		99,000.00		
Salt Dev't Pro. Task Force			90,928,020.00		
Sand & Stone Contractors			604,000.00		
Nsemere Quarry Ltd			50,000,000.00		
Med. Mining Co. Ltd			94,866,000.00		
Edinaman Salt Ind. Ltd.			13,282,410.00	349,779,430.00	
Myroc Salt Ind. Ltd			5,705,340.00		
Chirano Goldmines Ltd.	<del>GAR</del> w/l		5,239,278,725.00		
Songor Salt Project	"		165,375,144.00	5,410,359,209.00	
<b>GRAND TOTAL</b>					<b>10,059,694,553.00</b>



PREPARED BY ..... DISTRICT ACCOUNTANT .....  
 DISTRICT MANAGER .....

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## DETAILS OF ROYALTY PAYMENTS – OCTOBER 2006

REGION	COMPANY	AMOUNT	TOTAL
Western	Anglogold Ashanti (Iduapriem)	8,739,741,089	55,550,454,155
	Goldfields Ghana Ltd	29,847,225,202	
	Wexford Goldfields	3,994,346,290	
	Abosso Goldfields Ltd	8,326,266,813	
	Ghana Manganese Company	2,764,408,034	
	Ghana Bauxite	1,878,466,727	
Ashanti	Anglogold Ashanti (Obuasi)	15,948,348,150	16,169,444,412
	P.W. Ghana Ltd	221,096,262	
Greater Accra	C. P. Concrete Products	144,771,412	144,771,412
Brong Ahafo	Newmont	13,033,310,388	13,033,310,388
Others	-	-	-
<b>Total</b>		<b>84,897,980,367</b>	<b>84,897,980,367</b>



## DETAILS OF ROYALTY PAYMENTS - NOVEMBER 2006

REGION	COMPANY	AMOUNT	TOTAL
Western	Bogoso Gold Anglogold Ashanti (Bibiani)	✓5,907,868,966 1,444,862,463	7,352,731,429
Eastern	Ghacem Ltd	405,144,356	405,144,356
Greater Accra	Eastern Quarries	37,934,330	37,934,330
Others			
Total		7,795,810,115	7,795,810,115 ✓



2

## DETAILS OF ROYALTY PAYMENTS - DECEMBER 2006

REGION	COMPANY	AMOUNT	TOTAL
Ashanti	P.W. Ghana Ltd	173,747,516	173,747,516
Brong Ahafo	Taysec	60,384,450	60,384,450
Others	-	-	-
<b>Total</b>		<b>234,131,966</b>	<b>234,131,966</b>



**B. Input Template For Company Reporting Entities**

Company reporting on: ANAGOLD ASHANTI (BIBIAN) LTD.

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value GHC
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	
1b)	Royalties	ii.	
	- in cash		529,725
	- in kind/ Sponsorships i.e sports etc.		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.	
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
	<u>PROPERTY RATE</u>		

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
3	Scope 2 Benefit Streams (Voluntary disclosure):	

**Management Sign Off**

We acknowledge {or On behalf of the Board of Directors (or similar body) we acknowledge} our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_ ; Peter Okul  
 \_\_\_\_\_ ; \_\_\_\_\_  
 \_\_\_\_\_ ; \_\_\_\_\_  
 \_\_\_\_\_ ; \_\_\_\_\_

Name Signature  
 Position Date

Financial Rep. Officer 21/5/10

Official stamp  
**C. A. G. GHANA LTD.**  
[Signature]  
 SNR. FINANCIAL ACCOUNTANT

**B. Input Template For Company Reporting Entities**

Company reporting on: ANGLOGOLD ASHANTI - OBUASI

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1 Benefit Streams from International and National State-owned Company			
1a) Corporate taxes	i		
1b) Royalties	ii.		
- in cash			\$59,620,633,146.16
- in kind/ Sponsorships i.e sports etc.			
1c license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.		Gh. \$400,436
1d Signing bonuses and production bonuses	vi.		
1e) Dividends	vii		
1f) Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii		
_____			
_____			
_____			

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
3 Scope 2 Benefit Streams (Voluntary disclosure):		
_____		
_____		
_____		

**Management Sign Off**

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_; EMMANUEL APPIAH \_\_\_\_\_  
 \_\_\_\_\_; **Name** Signature  
 \_\_\_\_\_; CHIEF ACCOUNTANT \_\_\_\_\_  
 \_\_\_\_\_; **Position** Date



**B. Input Template For Company Reporting Entities**

Company reporting on: ANGLOGOLD ASHANTI (IDUAPRIEM) LTD

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	
1b)	Royalties	ii.	
	- in cash		3,165,506.09
	- in kind/ Sponsorships i.e sports etc.		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate ✓	iii.	27,511.29
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
	_____		
	_____		
	_____		

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
3	Scope 2 Benefit Streams (Voluntary disclosure):	

**Management Sign Off**

We acknowledge {or On behalf of the Board of Directors (or similar body) we acknowledge} our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

• \_\_\_\_\_; ROSE AMOAH \_\_\_\_\_  
 • \_\_\_\_\_; **Name** **Signature**  
 • \_\_\_\_\_; AG. FINANLIAL CONTROLLER 30/08/10  
 \_\_\_\_\_; **Position** **Date**

**Official stamp**  
 ANGLOGOLD ASHANTI  
 IDUAPRIEM LIMITED



**B. Input Template For Company Reporting Entities**

Company reporting on: **GOLD FIELDS GHANA LIMITED-TARKWA MINE**

Reporting period: **CY 2006**

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	ValueGHC
1	Benefit Streams from International and National State-owned Company		N/A
1a)	Corporate taxes	i	13,928,380
1b)	Royalties	ii.	11,097,676
	- in cash		
	- in kind/ Sponsorships i.e sports etc.		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.	159,184
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	1,840,000
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	N/A
Exclude:			
- Tax levied on consumption (e.g. VAT/GST/sales taxes)			
- Pay as you earn (PAYE) income taxes			
- Social payments (unless statutory requirement)			

**Management Sign Off**

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*GARY HAMMOND*  
 Name \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Position \_\_\_\_\_  
 Date 24/9/06

Stamp: I hereby declare that the information contained in this report is true and correct to the best of my knowledge and belief. Gary Hammond, Financial Manager, Gold Fields Ghana Ltd.

Official stamp

**B. Input Template For Company Reporting Entities**

Company reporting on: ABOSSO GOLDFIELDS LIMITED.

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	\$ 6,177,611
1b)	Royalties	ii.	\$ 35,130,629,130
	- in cash		
	- in kind/ Sponsorships i.e sports etc.		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.	\$ 27,339.00
1d	Signing bonuses and production bonuses	vi.	
1e)	Dividends	vii	\$ 25,000,000.00
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
	_____		
	_____		
	_____		
Exclude:			
- Tax levied on consumption (e.g. VAT/GST/sales taxes			
- Pay as you earn (PAYE) income taxes			
- Social payments (unless statutory requirement)			

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
3	Scope 2 Benefit Streams (Voluntary disclosure):	

**Management Sign Off**

We acknowledge {or On behalf of the Board of Directors (or similar body) we acknowledge} our responsibility for the fair present the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

• \_\_\_\_\_ ; A.W. Anubwa  
 • \_\_\_\_\_ ; \_\_\_\_\_  
 • \_\_\_\_\_ ; A. Finance  
 \_\_\_\_\_ ; \_\_\_\_\_

**Name**  
**Position**



**Official stamp**

**B. Input Template For Company Reporting Entities**

Company reporting on: GHANA BAUXITE COMPANY - YEAR 2006

Reporting period: \_\_\_\_\_

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
I Benefit Streams from International and National State-owned Company			-
Ia) Corporate taxes	i		-
Ib) Royalties	ii.		US\$
- in cash		884,589	668,996.16
- in kind/ Sponsorships i.e sports etc.			
Ic license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.		GH\$ 19,807.58
Id Signing bonuses and production bonuses	vi.		-
Ie) Dividends	vii		-
If) Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii		
<u>PROPERTY RATE</u>			-
			-
			-

**Exclude:**

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
3 Scope 2 Benefit Streams (Voluntary disclosure):		-
		-
		-

**Management Sign Off**

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

_____	Name	Signature	Official stamp
_____	<u>Hana Tw Agyemang</u>		
_____			

CHIEF ACCOUNTANT  
GHANA BAUXITE COMPANY  
SIGNATURE: \_\_\_\_\_

**B. Input Template For Company Reporting Entities**

Company reporting on: **GHANA MANGANESE COMPANY**

Reporting period: **2006**

**Scope 1 Benefit Streams**

Line Ref	Guidelines section 6 Ref	Volume	Value
1	Benefit Streams from International and National State-owned Company		
1a)	Corporate taxes	i	0
1b)	Royalties	ii.	
	- in cash		Ghc1,019,488
	- in kind/ Sponsorships i.e sports etc.		
1c	license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii.	GHe17,172
1d	Signing bonuses and production bonuses	vi.	0
1e)	Dividends	vii	\$17,321
1f)	Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii	
	DIVIDEND TAX		\$1,925
Exclude:			
- Tax levied on consumption (e.g. VAT/GST/sales taxes)			
- Pay as you earn (PAYE) income taxes			
- Social payments (unless statutory requirement)			

**Scope 2 Benefit Streams**

Line Ref	Volume	Value
2	Scope 2 Benefit Streams (Voluntary disclosure):	
	COMMUNITY ASSISTANCE	\$75,192

**Management Sign Off**

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

\_\_\_\_\_: DENNIS DE VRIES.....  
 \_\_\_\_\_: Name Signature  
 \_\_\_\_\_: DEPUTY MANAGING DIRECTOR.....  
 \_\_\_\_\_: Position Date



APPENDIX 1

B. Input Template For Company Reporting Entities

Company reporting on: CHIRANO GOLD MINES LIMITED

Reporting period: \_\_\_\_\_

Scope 1 Benefit Streams

Line Ref	Guidelines section 6 Ref	Volume	Value
Benefit Streams from International and National State-owned Company			
1a) Corporate taxes	i		
1b) Royalties	ii		
- in cash <u>Cheques (GHA)</u>			1,495,486.67
- in kind/ Sponsorships (i.e sports etc.)			
1c) License fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate - <u>GHA</u>	iii		38,070.00
1d) Signing bonuses and production bonuses	vi		
1e) Dividends	vii		
1f) Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii		
_____			
_____			
_____			

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

Scope 2 Benefit Streams

Line Ref	Volume	Value
3 Scope 2 Benefit Streams (Voluntary disclosure):		
_____		
_____		
_____		

Management Sign Off

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

• \_\_\_\_\_: CHARLES KINGSFORD DONICOR *[Signature]*  
 Name Signature Official stamp

• \_\_\_\_\_: CHIEF MINE ACCOUNTANT *[Signature]*  
 CHIRANO GOLD MINES LTD.  
 CHIEF MINE ACCOUNTANT

# Input Template For Company Reporting Entities

Company reporting on: NEWMONT GHANA GOLD LIMITED (NGGL)

Reporting period: 2006

## Scope 1 Benefit Streams

Line Ref	Guidelines section 6 Ref	Volume	Value
1 Benefit Streams from International and National State-owned Company			
1a) Corporate taxes	i		
1b) Royalties	ii.		
- in cash			\$1,414,860
- in kind/ Sponsorships i.e sports etc.			
1c license fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate -	iii.		\$117
1d Signing bonuses and production bonuses	vi.		
1e) Dividends	vii		
1f) Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii		

Exclude:

- Tax levied on consumption (e.g. VAT/GST/sales taxes)
- Pay as you earn (PAYE) income taxes
- Social payments (unless statutory requirement)

## Scope 2 Benefit Streams

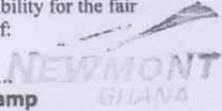
Line Ref	Volume	Value
2 Scope 2 Benefit Streams (Voluntary disclosure):		

### Management Sign Off

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

• ; .....  
 • ; **Name** **Signature/Official Stamp**  
 • ; .....  
 ; **Position**

Signed  
**ARVIRPOMENTA**  
 Emp. ID 2018962  
 Assistant Controller - Finance & Accounting  
 District: Africa Dept: Finance & Accounting  
 I have read this with section 5.3 of the Book Standard  
 NO INVOICE \$2,500  
 SO/CONTRACT INVOICE \$78,500 Date: J



**B. Input Template For Company Reporting Entities**

Company reporting on: GOLDEN STAR (WASSA) LIMITED

Reporting period: 2006

**Scope 1 Benefit Streams**

Line Ref.	Guidelines section & Ref	Volume	Value
Benefit Streams from International and National State-owned Company			
(i) Corporate taxes	i		
(ii) Royalties	ii		
			GH¢ 1,464,248
(k) License fees, rental fees, permitting fees and other considerations for licenses/concessions, ground rent, property rate	iii		17,869
(l) Signing bonuses and production bonuses	vi		
(m) Dividends	vii		
(n) Other payments to Host Governments, specified as (including Payment made through production entitlement):	iv, v, vii		
Exclude:			
- Tax levied on consumption (e.g. VAT/GST/sales taxes)			
- Pay as you earn (PAYE) income taxes			
- Social payments (unless statutory requirement)			

**Scope 2 Benefit Streams**

Line Ref.	Volume	Value
2 Scope 2 Benefit Streams (Voluntary disclosure):		

**Management Sign Off**

We acknowledge (or On behalf of the Board of Directors (or similar body) we acknowledge) our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

_____	:	<u>PRESTON ASAMAH</u>	:	_____
_____	:	<b>Name</b>	:	<b>Signature</b>
_____	:	<u>FINATKE MANABOC</u>	:	_____
	:	<b>Position</b>	:	<b>Date</b>

Official stamp  
GOLDEN STAR (WASSA) LTD.  
Finance Manager

**2006 PRODUCTION AND ROYALTY DATA**

<b>Name of Company</b>	<b>Prod(Oz)</b>	<b>Revenue(GHC)</b>	<b>Royalty (GHC)</b>
Anglogold Ashanti (Obuasi)	387,093	208,463,282	6,253,961
Anglogold Ashanti Iduaprim	183,534	108,646,580	3,259,430
Gold Fields (Gh) Ltd. Tarkwa	720,109	397,495,125	11,924,973
Abosso Goldfields Ltd. (Damang)	217,932	119,891,934	3,596,794
Golden Star Res. Bogosu/Prestea	109,651	59,308,374	1,779,269
Golden Star Res. Wassa	105,491	54,262,391	1,627,888
Central African Gold	43,213	24,052,355	657,862
Chirano Gold Ltd	126,707	56,005,173	1,680,172
Ghana Bauxite Co. Ltd	<b>734323(MT)</b>	20,561,061	616,838
Ghana Manganese Company	<b>1757379(MT)</b>	36,904,964	1,107,160

1. Royalty payments on production for 2006 calendar year (January -December) were used.
2. Production figures quoted for bauxite and manganese are in metric tonnes

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**DISBURSEMENTS FROM REGIONAL OFFICES OF OASL.**

YEAR: 2006

**ASHANTI REGION**

**DISTRIBUTION OF ANGLOGOLD ASHANTI'S MINERAL ROYALTY PAYMENT**

**COMPANY/MONTH:**

MONTH	ANGLOGOLD ASHANTI LTD - OBUASI			
	March Payment	July Payment	October Payment	December Payment
Oct-05	1,117,713.57			
Nov-05				
Dec-05				
Jan-06		1,385,880.99		
Feb-06				
Mar-06				
Apr-06			1,486,230.82	
May-06				
Jun-06				
Jul-06				
Aug-06				1,495,119.79
Sep-06				
Oct-06				
Nov-06				
Dec-06				
	<u>1,117,713.57</u>	<u>1,385,880.99</u>	<u>1,486,230.82</u>	<u>1,495,119.79</u>
Amount due				
, Obuasi Municipal	30,312.26	37,584.93	37,850.95	38,077.34
, Adansi South	8,660.66	10,738.57	10,814.559	10,879.24
, Adansi North	30,312.26	5,042.18	5,407.28	5,439.62
, Amansie East	4,443.05	5,963.31	6,823.54	6,864.35
, Amansie Central	7,580.58	8,945.09	12,672.09	12,747.88
	<b>81,308.80</b>	<b>68,274.07</b>	<b>73,568.43</b>	<b>74,008.43</b>

DISBURSEMENTS TO DISTRICT ASSEMBLIES  
 YEAR: 2006

DATE	WESTERN REGION					TOTAL
	WASSA WEST	DISTRICT ASSEMBLY:				
	GMC	GGL(TARKWA)	BOGOSU	ABOSSO	IDUAPRIM	
Oct-05		2,070,804.16		681,029.36	611,846.96	
Nov-05	259,555.28		348,929.65			
Dec-05						
1-Jan	250,959.41	2,193,533.82		789,048.81	691,405.51	
Feb-06			398,358.76			
Mar-06						
Apr-06	250,442.25	2,896,842.85	313,996.41	932,002.56	769,966.88	
May-06						
Jun-06						
Jul-06						
Aug-06	241,645.00	3,022,577.17	406,348.27	959,384.00	830,159.6	5,460,114.04
Total	1,002,601.94	10,183,758.00	1,467,633.09	3,361,464.73	2,903,378.95	
Amount due	49,628.80	504,096.02	72,647.84	166,392.50	143,717.26	936,482.42

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