



# **MINERALS COMMISSION 2019 ANNUAL REPORT**



**AUGUST 2020**

# Table of Contents

FOREWORD-----	IV
EXECUTIVE SUMMARY-----	VI
PART A: THE MINERALS COMMISSION, ITS STRUCTURE AND ACTIVITIES-----	1
1.0 INTRODUCTION-----	1
2.0 THE GOVERNING BOARD-----	1
2.1 FUNCTIONS OF THE MINERALS COMMISSION-----	1
2.2 THE SECRETARIAT OF THE COMMISSION-----	3
2.3 ADMINISTRATIVE MATTERS-----	3
2.3.1 Human Resource Analysis-----	3
2.3.2 Staff Training and Development-----	4
2.3.3 New Recruitment and National Service Personnel-----	5
2.3.4 Separation-----	6
3.0 MAIN ACTIVITIES OF THE COMMISSION-----	7
3.1 MONITORING OF MINING AND EXPLORATION COMPANIES-----	7
3.1.1 State of Monitoring of Exploration Activities-----	7
3.1.2 State of Monitoring of Operating Mines-----	11
3.1.3 Monitoring of Industrial Minerals-----	14
3.1.4 Monitoring of Explosives Manufacturers and Suppliers-----	145
3.1.5 Safety, Health and Environmental Issues-----	155
3.1.6 Inspections Conducted-----	146
3.1.7 Competency Examinations-----	146
3.1.8 Issuance of Operating Permits-----	146
3.1.9 Occupational Health and Safety Performance-----	147
3.1.10 2019 National Inter Mines Safety and First Aid Competitions-----	148
3.2 LOCAL CONTENT AND LOCAL PARTICIPATION ACTIVITIES-----	290
3.2.1 Monitoring Expatriate Quota Levels and Approval of Localisation Plans-----	20
3.2.2 Local Procurement-----	21
3.2.3 Performance of Mine Support Service Companies-----	28
3.2.4 Beneficiation of Minerals before Export-----	28
3.3 ARTISANAL AND SMALL-SCALE MINING-----	29
3.3.1 Monitoring of Small Scale Mining and Industrial Minerals-----	29
3.3.2 Activities of District Mining Committee against Illegal Mining (DCIM)-----	29
3.3.3 Policy Initiatives-----	29
3.3.4 Community Mining Scheme-----	31
3.3.5 Processing of Small Scale Mining and Industrial Minerals Applications-----	31
3.4 PUBLIC RELATION ACTIVITIES-----	32
3.4.1 Media Relations & Publicity-----	32
3.4.2 Stakeholder Encounters-----	33
3.4.3 Mining Conferences and Exhibitions-----	334
3.4.4 Information Technology (IT) Activities-----	34
3.5 PROCESSING OF MINERAL RIGHT APPLICATIONS-----	34

3.5.1 Types of Mineral Rights-----	35
3.5.2 Mineral Titles-----	35
3.6 PROJECTS-----	40
3.6.1 Alternative Livelihood Projects (ALP) in Mining Communities-----	40
PART B: PERFORMANCE OF THE MINING SECTOR-----	42
4.0 GENERAL PERFORMANCE-----	432
4.1 MINERAL PRODUCTION BY MINING COMPANIES-----	43
4.1.1 Gold-----	43
4.1.2 Diamonds-----	44
4.1.3 Manganese-----	44
4.1.4 Bauxite-----	44
4.2 INVESTMENT INFLOW INTO THE MINING SECTOR-----	46
4.3 LABOUR-----	47
4.4 CONTRIBUTION TO GOVERNMENT REVENUE-----	47
4.5 CONTRIBUTION TO TOTAL DOMESTIC TAX COLLECTION-----	48
4.6 CONTRIBUTION OF MINING TO TOTAL MERCHANDISE EXPORT EARNINGS---	48
4.7 GOLD PRICE-----	49
5.0 CHALLENGES-----	51
6.0 CONCLUSIONS-----	XIII
6.1 OUTLOOK FOR 2020 (PROGRAMMED TOP PRIORITIES)-----	xiv
PART C: STATISTICAL OVERVIEW OF THE MINING INDUSTRY IN 2019-----	XVI
APPENDIX I: STATISTICAL OVERVIEW OF THE MINING INDUSTRY. <b>ERROR! BOOKMARK NOT DEFINED.</b> XVI	
APPENDIX II: MINE AUDIT AND MINE SAFETY PERFORMANCE-----	XX
PART D: AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2019-----	XXI

## **FOREWORD**

The 2019 Annual Report of the Minerals Commission is based on the Minerals and Mining Policy as well as the broad policy objectives of Government in line with the Sector Medium Term Development Plan (SMTDP) 2018 - 2021. It also captured Government policy as outlined in the 2019 Budget Statement for the Natural Resources Sector.

For the mining sector, the policy objectives considered under the SMTDP (2018 - 2021) are:

- Ensure sustainable extraction of mineral resources; and
- Ensure the mining sector is linked with the rest of the economy.

The average price of gold in 2019 (US\$ 1,393.34/oz) was higher than that of 2018 (US\$ 1,268.49/oz). The improvement in gold price had positive impacts especially, for Ghana because gold is the country's flagship mineral which accounts for about 93% of total mineral exports.

The year was generally characterized by an increase in the price of gold with an annual high gold price of US\$1,546.10/ounce recorded in September and annual low gold price of US\$1,269.50/ounce recorded in April based on the London Post Meridian (PM) fixtures.

This relative stability in the gold price supported operations in Ghana's mining industry. Large scale mining operators indeed recorded 6.43% increase in their production relative to the 2018 values. Investments made to improve production in 2018 and the mining methods applied by the operators finally bore fruits in 2019 for a number of them. Small-Scale mining operations (SSM) however, recorded a 21.17% decrease in production in 2019.

In 2019, the sector contributed 12.12% to Ghana Government Revenue in the form of domestic tax as reported by the Ghana Revenue Authority. This was higher than the 2018 value of 8.68%. The sector

also employed 31,571 people in the large-scale mining sub-sector in 2019 as against 23,894 people who were engaged in 2018.

In 2019, Ghana produced 4,673,974 oz of gold. This resulted in a 5.46% decrease in gold production when compared to the 4,944,069 oz produced in 2018. The total gold produced in 2019 resulted in US\$ 6.68 billion export proceeds. Ghana still remained the leading gold producer in Africa.

It is also significant to note that small scale miners contributed 35.93% (1,679,203 ounces) of the total gold production in 2019. Total Foreign Direct Investment (FDI) into the minerals and mining sector in 2019 amounted to some US\$969.41 million.

It is our hope that the numerous interventions being implemented by Government through the Minerals Commission will go a long way to addressing the challenges in the mining industry to ensure that the industry continues to contribute to the structural transformation of Ghana's economy.

Addae Antwi-Boasiako  
(Chief Executive Officer)

## **EXECUTIVE SUMMARY**

### **The Governing Board**

His Excellency, the President of the Republic of Ghana, in consultation with the Council of State and in accordance with Section 3 of the Minerals Commission Act, 1993 (Act 450) appointed a nine (9)-member Board of the Minerals Commission which was inaugurated on November 13, 2017. During the year under review, the Board provided strategic guidance to ensure that the Minerals Commission effectively implements its medium-term development strategies as outlined in the Sector Medium Term Development Plan, SMTDP (2018-2021).

### **Human Resource Analysis**

The Minerals Commission had total staff strength of two hundred and sixty-three (263) made up of two hundred (200) males and sixty-three (63) females as at 31<sup>st</sup> December 2019. Under the direction of the Chief Executive Officer, the staff played various roles in the implementation of mining sector objectives under the Sector Medium Term Development Plan, SMTDP (2018-2021).

### **Monitoring of Exploration and Mining Companies**

In line with the Commission's constitutional mandate of regulating and managing the country's mineral resources, exploration and production companies were monitored during the year under review for compliance with the appropriate laws and regulations and also with the objective of collecting relevant data relating to their activities for policy analyses and decision making.

A number of companies engaged in exploration activities during the year under review. A number of Ghanaian-owned companies also entered into Joint Ventures (JV) with foreign-controlled companies.

The major field activities which were undertaken by exploration companies in 2019 included: Auger Drilling, Diamond Drilling, Reverse

Circulation Drilling, Rock, Soil and Stream sediment sampling, Pitting, Trenching and ground Geophysics.

### **Mineral Production**

Fifteen (15) large scale producing mining companies operated during the review year. Out of these, thirteen (13) produced gold whilst one (1) each produced bauxite and manganese.

The operating mines for the year under review included Gold Fields Ghana Limited (Tarkwa and Damang), AngloGold Ashanti Limited (Obuasi and Iduapriem), Golden Star Resources Limited (Bogoso/Prestea and Wassa), Newmont Gold Ghana Limited (Ahafo), Newmont Golden Ridge Limited (Akyem), Chirano Gold Mines Limited (Chirano), Adamus Resources Limited (Nkroful), Perseus Mining Ghana Limited (Ayanfuri), Asanko Gold Mines Limited (Manso Nkran), X'tra Gold Mining Limited, Ghana Manganese Company Limited (Nsuta) and Ghana Bauxite Company Limited (Awaso).

The year 2019 witnessed a mixed mineral production performance. Gold and Diamond production saw 5.46% and 68.66% decreases respectively whilst bauxite and manganese production witnessed a 10.39% and 20.74% increases when compared to volumes produced in 2018.

A total of 4,673,974oz of gold was therefore produced in 2019 as compared to 4,944,069oz which was produced in 2018.

Manganese production recorded positive growth of 20.74% in 2019. A total of 5,401,093MT of manganese was produced in 2019 as compared to 4,473,192MT produced in 2018.

Diamond production experienced a decrease in 2019. A total of 31,444 carats of diamonds were produced in 2019 as compared to 100,328 carats which were produced in 2018.

Bauxite production however, witnessed a significant increase of 10.39% in 2019. A total of 1,116,334MT of bauxite was produced in 2019 as compared to 1,011,302MT produced in 2018. Table I below shows a comparative mineral production statistics for 2018 and 2019.

Table I: Comparative Mineral Production Statistics for 2018 and 2019

<b>MINERAL</b>	<b>2018 PRODUCTION</b>	<b>2019 PRODUCTION</b>	<b>% VARIANCE</b>
GOLD (Oz)	4,944,069	4,673,974	(5.46%)
DIAMOND (Ct)	100,328	31,444	(68.66%)
BAUXITE (MT)	1,011,302	1,116,334	10.39%
MANGANESE (MT)	4,473,192	5,401,093	20.74%

### **Safety, Health and Environmental Issues**

The Minerals Commission serves as a member of the Technical Review Committee for the Extractive Industry which was set-up by the Environmental Protection Agency (EPA). In 2019, the Commission participated in the review of Scoping Reports, Environmental Impact Statements, Environmental Management Plans and Preliminary Environmental Reports as a member of the Technical Review Committee for the Extractive Industry.

During the year, a number of exploration and mining activities were monitored to ensure compliance with the mining regulations regarding safety, health and environmental management. In all, a total of 1,656 routine inspections were carried out in 2019 as compared to the 1,605 inspections which were carried out in 2018. Inspections carried out were geared towards ensuring safe and congenial conditions at the workplace as well as ensuring that safe methods were adopted in the execution of all tasks.

Three (3) fatal accidents were recorded in 2019 as compared to six (6) fatal accidents which were recorded in 2018. This showed



improvement in safety issues in the mines during the year under review.

Furthermore 2,310 personnel registered and passed the industry competency certificate examinations which were conducted during the period under review. In 2018, 1,783 personnel registered and passed the same exams.

### **Mine Labour**

Mine labour increased from 23,894 in 2018 to 31,571 in 2019. This shows an increase of 32.13%.

### **Local Procurement List**

Under the Minerals and Mining (General) Regulations, 2012 (L.I. 2173), mine support service providers, holders of mineral rights and holders of license to export or deal in minerals are required to submit a 5-year Procurement Plan to the Minerals Commission for approval taking into account items on a Local Procurement List which shall be published by the Commission.

The Third Edition of the Local Procurement List which was available in 2019 contained twenty-nine (29) goods/services which are to be procured in Ghana by players in the mining industry. The items on the list are as shown in the table below.

Table II: Third Edition of Local Procurement List

<b>THIRD EDITION OF LOCAL PROCUREMENT LIST</b>	
Grinding media	Metal/PVC Core Trays
HDPE/PVC Pipes	Overalls and Work Clothes
General Lubricants	Haulage Services
Heavy Duty Electric Cables	Catering Services
Quick/Hydrated Lime	Legal Services (Exclusive Ghanaians)
Explosives	Insurance Services (Strictly Incorporated in Ghana)
Tyre-retreading	Financial Services (Strictly Incorporated in Ghana)
Cement	Contract Mining (Strictly Incorporated in Ghana)
Bolts and Nuts	Fuel (Exclusive Ghanaian Directors and Shareholders)

Crucibles	Activated Carbon
Plastic Sample Bags	Cable Bolt and Accessories, Split Setts, Rebars, Mining Mesh
Calico Bags	Cupels
Bullion Boxes	Chain Linking Fencing/Wire Netting/Barbed Wire
Conveyor Rollers	Wear Resistant Plates e.g.; Hardox Etc.
Security Services (Exclusive Ghanaian Directors and Shareholders)	

### **Alternative Livelihood Project**

During the year under review, the Alternative Livelihood Programme (ALP) took place in six (6) Municipalities/Districts in the Eastern Region. These are Abuakwa South, West Akyem District, Akuapem North, Birim North, Denkyembour and Kwaebibrim. The set targets for the period under review were as follows:

1. To nurse and supply a total of 600,000 oil palm seedlings by Richie Plantations Limited
2. To plant a total of 600,000 seedlings on 10,000 acres of land by Project Beneficiaries (disaggregated by gender).

The project successfully distributed 750,000 seedlings to 3,145 beneficiary farmers in one hundred and twenty (120) Communities within six municipalities/districts. A total of 12,500 acres of oil palm plantation was thus established.

### **Gold Price**

The year was generally characterized by an increase in the price of gold with an annual high gold price of US\$1,546.10/ounce recorded in September and annual low gold price of US\$1,269.50/ounce recorded in April based on the London Post Meridian (PM) fixtures. Consequently, the average price of gold in 2019 (\$1,393.34/ounce) was higher than that of 2018 (US\$ 1,268.49).

### **Contribution of Mining to Government Revenue**

In 2019, the mining sector's contribution to the total merchandise exports was 42.63%. The sector also contributed to the Ghana Government's domestic tax revenue in the following area:

- Corporate Tax - GH¢581,772,700,000.00

- Mineral Royalties - GH¢1,006,648,240,000.00
- Pay-As-You-Earn - GH¢310,244,544,000.00
- Miscellaneous - GH¢521,181,000.00

### Financial Performance of the Commission

Table III below shows the financial performance of the Commission. Details of the audited account are attached as Appendix D.

Table III: Financial Performance of the Commission

2019 MINERALS COMMISSION					
Source	Budget Item	Approved Budget (GH¢)	Actual Expenditure (GH¢)	Actual Receipt (GH¢)	Variance
IGF	Revenue	<b>101,193,679</b>	-	<b>134,270,588</b>	33,076,909
	Compensation of Employees	63,559,333	47,527,587	-	16,031,746
	Use of Goods & Services	27,756,267	33,885,548	-	(6,129,281)
	Capex	9,878,079	6,510,690	-	3,367,389
	TOTAL	<b>101,193,679</b>	<b>87,923,825</b>		13,269,854
MDF		14,166,636	7,867,388	12,313,332	(1,853,304)

In the opinion of the external auditors, proper accounting records had been kept and the financial statements which were in agreement therewith, gave a true and fair view of the financial position of the Commission.

### Conclusions

The year 2019 witnessed a mixed mineral production performance. Gold and Diamond production saw 5.46% and 68.66% decreases respectively whilst bauxite and manganese production witnessed a

10.39% and 20.74% increases when compared to volumes produced in 2018.

Government has identified a number of programmes that would reform the mining sector in the country. The Commission has collaborated with key stakeholders in the past and will continue to do so to ensure that the programmes are successfully implemented in 2020.

It is hoped that with these programmes, the challenges confronting the mining sector will be addressed to ensure that mining enhances its contribution to sustainable development.

## **PART A: THE COMMISSION, ITS STRUCTURE AND ACTIVITIES**

### **1.0 INTRODUCTION**

Consistent with its constitutional mandate, the Minerals Commission continued to play its role of promoting, regulating and monitoring mining activities in the country to enhance contribution of the mining sector to national development. This was achieved through the organization of promotional activities, effective monitoring of exploration and mining operations, participation in local and international conferences and the organization of country wide sensitization programmes to educate stakeholders on the legislative framework governing mining, among others. The Commission, also through submission of returns and other reports by mining companies, intensified data collection on the operations of industry players to guide policy formulation and national decision-making.

### **2.0 THE GOVERNING BOARD**

His Excellency, the President of the Republic of Ghana, in consultation with the Council of State and in accordance with Section 3 of the Minerals Commission Act, 1993 (Act 450) appointed a nine (9)-member Board of the Minerals Commission which was inaugurated on November 13, 2017. The members were appointed to replace members of a previous Board whose term came to an end during 2016.

The membership of the Commission as at December 31, 2019 was as follows:

- |                             |   |            |
|-----------------------------|---|------------|
| 1) Hon. S.K. Boafo          | - | Chairman   |
| 2) Hon. Joseph Quarm        | - | Member     |
| 3) Dr. Adam Tettey-Larbie   | - | Member     |
| 4) Togbe Awusu III          | - | Member     |
| 5) Mr. James Koligu Ataki   | - | Member     |
| 6) Mrs. Esther Dey          | - | Member     |
| 7) Mrs. Judy Nakuor Crayem  | - | Member     |
| 8) Mrs. Lydia Alhassan      | - | Member     |
| 9) Mr. Addae Antwi-Boasiako | - | CEO/Member |

## **2.1 FUNCTIONS OF THE MINERALS COMMISSION**

The functions of the Commission are:

- To formulate recommendations of national policy for exploration and exploitation of mineral resources with special reference to establishing national priorities having due regard to the national economy;
- To advise the Minister of Lands and Natural Resources on matters relating to minerals;
- To monitor the implementation of laid down Government policies on minerals and report on this to the Minister;
- To monitor the operations of all bodies or establishments with responsibility for minerals and report to the Minister;
- To receive and assess public agreements relating to minerals and report to Parliament;
- To secure a firm basis of comprehensive data collection on national mineral resources and the technologies of exploration and exploitation for national decision making; and
- To perform such other functions as the Minister may assign to it.

In fulfilling its functions, the Commission engages in the following activities;

- Investigate the background of applicants, process applications for mineral rights and recommend the grant or otherwise of mineral rights to the Minister of Lands and Natural Resources;
- Review agreements relating to minerals;
- Collect, collate and analyse data on the operations of mining companies for decision making and for dissemination;
- Organise and attend workshops/seminars/conferences, as well as issue publications to promote mineral sector activities;
- Liaise with other governmental agencies, notably the Bank of Ghana, the Ghana Revenue Authority (GRA) among others to ensure that the sector's fiscal regime is optimised;
- Liaise with other governmental agencies, notably the Ghana Geological Survey Authority and the Environmental Protection

Agency, to monitor and ensure the adherence of mining companies to the terms and requirements of mineral rights granted to them;

- Liaise with Ghana Immigration Service to ensure compliance with expatriate levels approved for mining companies;
- Undertake visits to reconnaissance, prospecting and mining areas to enforce compliance with safety, health and environmental regulations. These include
  - o Inspection of explosive magazines on mines and advising on explosives' storage;
  - o Inspection of the area of mineral operations to ascertain whether a nuisance is created in the area by the mineral operations;
  - o Conduction of both destructive and non-destructive tests on winding ropes and pipes of winding equipment;
  - o Conduction of Pressure Vessel tests as well as crack detection tests;
  - o Conduction of analysis of emissions into mine environment and analysis of effluents - surface and below-ground;
- Conduct certificate of competency examination for mine officials;
- Issuance of permits and way bills for conveyance of building and industrial minerals.

## **2.2 THE SECRETARIAT OF THE COMMISSION**

The Minerals Commission is governed by "The Commission/Board" who is appointed by the President. The Secretariat of the Commission is however headed by a Chief Executive Officer (CEO) who is a member of the Commission. The Secretariat comprises four (4) major divisions namely: Office of the CEO, Promotion and Development, Regulations and Compliance and Support Services Division.

## 2.3 ADMINISTRATIVE MATTERS

### 2.3.1 Human Resource Analysis

The Commission had total staff strength of two hundred and sixty-three (263) as at 31<sup>st</sup> December 2019. Under the direction of the Board and Management, the staff contributed to the implementation of the objectives under the Sector Medium Term Development Plan (SMTDP). Tables 2.1 to 2.3 show the distribution of human resources of the Commission classified under the various categories - grades, sex and age.

Table 2.1 Breakdown of Staff into Grades

#	Grade	Number Of Staff
1	Chief Executive Officer	1
2	Deputy Chief Executive Officer	2
3	Director	5
4	Manager	1
5	Deputy Manager	4
6	Assistant Manager	9
7	Principal Officer	27
8	Senior Officer	33
9	Officer	44
10	Assistant Officer	60
11	Junior Officer	77
	<b>Total</b>	<b>263</b>

Table 2.2 Breakdown of Staff into Age Distribution

Range	Frequency
21-25	7
26-30	35
31-35	38
36-40	44
41-45	49
46-50	36
51-55	30
56-60	24
<b>Total</b>	<b>263</b>

Table 2.3 Staff Age Distribution into Gender

Range	Female Frequency	Male Frequency
21-25	2	5
26-30	11	24
31-35	13	25



36-40	10	34
41-45	10	39
46-50	9	27
51-55	4	26
56-60	4	20
<b>Total</b>	<b>63</b>	<b>200</b>

### 2.3.2 Staff Training and Development

The Commission sponsored a number of staff to undertake various training programmes during the course of the year. The aim was to help staff pursue careers related to their job schedules and also to enhance overall performance.

In all, sixty-four (64) staff members attended various local short courses to enhance their skills during the year under review. Some of the short courses undertaken included the following:

- Creation and Administering Fixed Asset Register
- Workforce Analytics Workshop
- Effective Leadership in Management and Administration
- Effective Office Management and Administration
- Effective Business Communication Skills
- Stores and Inventory Management
- Technical Report Writing
- Managerial Leadership Training
- Supervisory Management
- Industrial Relations
- Payroll Administration
- Arbitration and Dispute Resolution
- Toyota Technician's Programme
- Defensive Driving
- Physical Training and Effective Guarding
- Road Safety Management Course
- Transport Management for Chief Drivers
- Fleet Mechanics
- Effective Frontline Management
- Electronic Document Management

- Effective Executive Personal Assistant

### 2.3.3 New Recruitment and National Service Personnel

In 2019, the Commission employed seventy-one (71) persons of various grades into permanent roles to augment its staff strength. Other persons were also engaged on temporary basis and on various terms as indicated in the table below:

Table 2.4 Breakdown of Non-Permanent Staff

#	CATEGORY	NUMBER
1.	Contract staff	40
2.	Temporary Staff ( as vacation relieving appointments)	16
3.	NABCO Trainees	8
4.	National Service	19

### 2.3.4 Separation

Ten (10) members of staff exited the Commission through compulsory retirement, termination and death as indicated in Table 2.5 below:

Table 2.5: Staff Separation

NAME	POSITION	REASON	DATE
Benjamin N.A. Aryee	Advisor MLNR	Retirement	29/04/2019
Twumasi Obiri-Yeboah	Chief Inspector of Mines	Retirement	19/02/2019
Appiah-Arthur Michael	Assistant Manager	Retirement	02/06/2019
Darkoh Daniel Bismark	Driver	Retirement	15/02/2019
Appiah Patrick	Security Man	Retirement	01/07/2019
Tetteh Kofi Orlands	Head, Small Scale Mining Department	Retirement	26/07/2019
Tawiah Amponsah	Deputy Chief Inspector of Mines	Retirement	24/08/2019
Gambah Thomas	Chief Clerk	Retirement	02/09/2019
Aboagye Yaw Joseph	Deputy Chief Executive Officer	Retirement	20/09/2019
Donkoh Jonathan Nkansah	Security Man	Retirement	24/12/2019
Joseph Bassaw	Senior Officer (Assay	Retirement	10/03/2019

	Laboratory)		
Charles Afeku	Assistant Manager	Resignation	31/03/2019
Linus Kpikpi	Security Man	Death	06/01/2019
Seth Obeng Frimpong	Head, Finance	Death	20/09/2019

### **3.0 MAIN ACTIVITIES OF THE COMMISSION**

#### **3.1 MONITORING OF MINING AND EXPLORATION COMPANIES**

One of the core functions of the Commission is to monitor the operations of companies undertaking large and small-scale mining as well as mine support services through field visits and analyses of periodic returns and reports which are submitted by the companies.

The targets set for the year 2019 include the following:

- Review and make recommendations on all technical reports (Terminal Reports, Annual Reports, Progress Reports, Feasibility Study Reports etc.,) submitted to the Commission by mineral right holders.
- Receive, review and capture all quarterly returns submitted to the Commission by mineral right holders for data analysis and interpretation based on identified trends in exploration.

##### **3.1.1 State of Monitoring of Exploration Activities**

Large scale companies which engaged in exploration activities in Ghana have been categorised into three (3) groups namely:

- Major international mining companies;
- Junior international mining and exploration companies; and
- Ghanaian-controlled exploration companies.

The major international mining companies with interests in Ghana include; Gold Fields of South Africa, Newmont and Golden Star Resources from the USA, AngloGold of South Africa, Kinross of Canada and Endeavour of Australia among others.

The junior international companies are mainly from Canada, South Africa and Australia. These companies usually conduct exploration with the objective of quickly blocking out enough ore reserves to support a bankable feasibility study to raise funds for production or for disposal of the upgraded property to major companies.

The monitoring of the activities of exploration companies took the form of review of reports and field visits.

#### **(a) Review of Technical Reports**

In all, sixty-one (**61**) Technical Reports were reviewed as part of performance evaluation of mineral right holders and various recommendations were made for different application requests. These reports were submitted to support justifications for renewal, extensions or conversions of mineral rights applications. Summary of the Technical Reports which were reviewed in 2019 are as shown in the Table 2.6.

Table 2.6 Summary of the Technical Reports Reviewed in 2019

<b>TYPE OF REPORT REVIEWED</b>	<b>NUMBER</b>
Work Programme	3
Annual Progress Report	5
Terminal Reports and Application for renewal of Prospecting License	43
Feasibility Studies Reports and Application for a Mining Lease	6
Mining Lease Extension Application	4
<b>Total</b>	<b>61</b>

## **(b) Quarterly Prospecting Returns**

During the period under review, a total of three hundred and fifty-three (**353**) quarterly prospecting returns were submitted by active exploration companies to the Commission.

The reports revealed that the exploration activities which were undertaken by the exploration companies included Mapping, Geophysical Surveys, Geochemistry (stream sediments, soil and rock chip sampling), Pitting, Trenching and Drilling. Summary of the various activities are provided below:

### **i. Mapping**

In 2019, a total of 3,764.70 km<sup>2</sup> was mapped by exploration companies. This number includes Regolith mapping and Geological Mapping on both Reconnaissance and Prospecting Licenses. The breakdown is as shown in Table 2.7.

Table 2.7 Summary of the Mapping Undertaken by Exploration Companies

<b>ACTIVITY</b>	<b>AREA (KM<sup>2</sup>)</b>
Geological Mapping: Reconnaissance Licenses	614.50
Geological Mapping: Prospecting Licenses	2,098.00
Geological Mapping: Regolith Reconnaissance and Prospecting License	1,052.20
<b>Total</b>	<b>3,764.70</b>

### **ii. Geophysical Surveys**

In 2019, a total of 33,548.63 line kilometers were surveyed. The breakdown on the geophysical surveys which were carried out by the exploration companies during the period is as shown in the Table 2.8.

Table 2.8 Summary of Geophysical Surveys

<b>ACTIVITY</b>	<b>LINE KM</b>
Geophysics: Airborne EM frequency domain	31.00
Geophysics: Airborne EM transient	2,090.00
Geophysics: Airborne magnetics	2,858.75

Geophysics: Ground IP/resistivity	28,526.88
Geophysics : Ground magnetics	42.00
<b>Totals</b>	<b>33,548.63</b>

### iii. Geochemistry

In 2019, a total of 31,252 geochemical soil, stream sediments and rock chip samples were taken during for analysis. The breakdown of the different types of samples which were taken is provided in Figure 1.

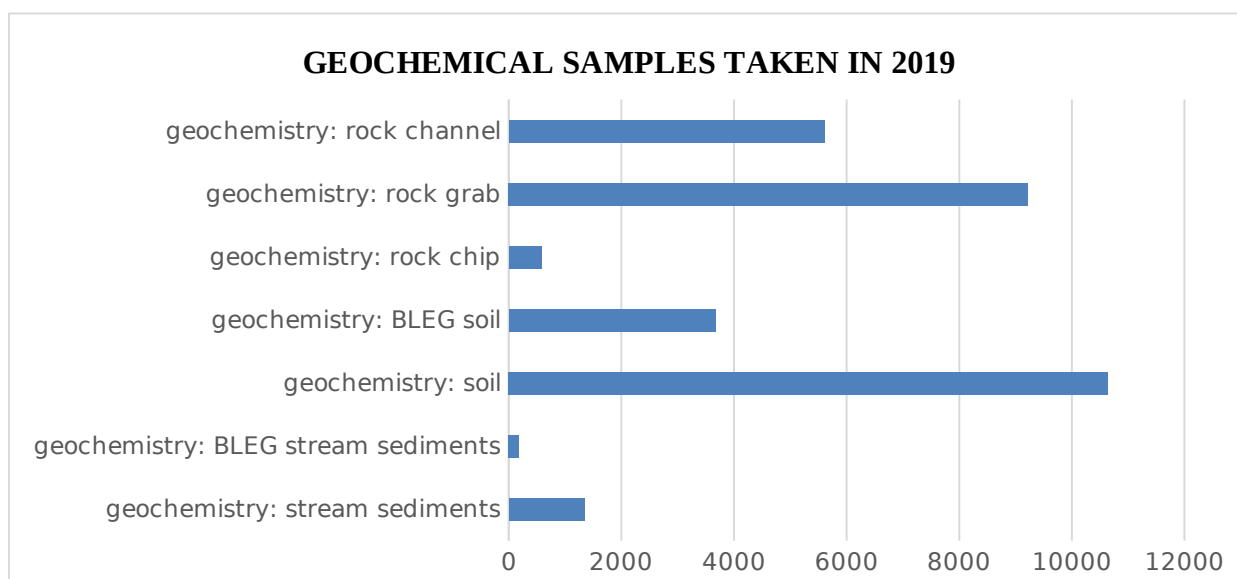


Figure 1 Geochemical Samples taken by Exploration Companies in 2019

### iv. Pitting and Trenching

In 2019, seventy-four (**74**) pits and two hundred and seventy-one (**271**) trenches were dug by exploration companies. The breakdown of the number of pits and trenches are as shown in Table 2.9.

Table 2.9: Summary of Pits & Trenches excavated by Exploration Companies in 2019

ACTIVITY	NUMBER OF SAMPLES	NUMBER OF ITEMS	DEPTH/LENGTH (M)
pits: newly dug	108	74	370
trenches: newly dug	4,089	271	1000
<b>Total</b>	<b>4,197</b>	<b>345</b>	<b>1,000</b>

### v. Drilling

In 2019, a total of 1,384 holes were drilled giving a total meterage of 45,172.96m. In all, a total of 33,076 samples were also taken for analysis.

The types of drilling which were undertaken on one hundred and two (102) concessions in 2019 are as shown in Figure 2.

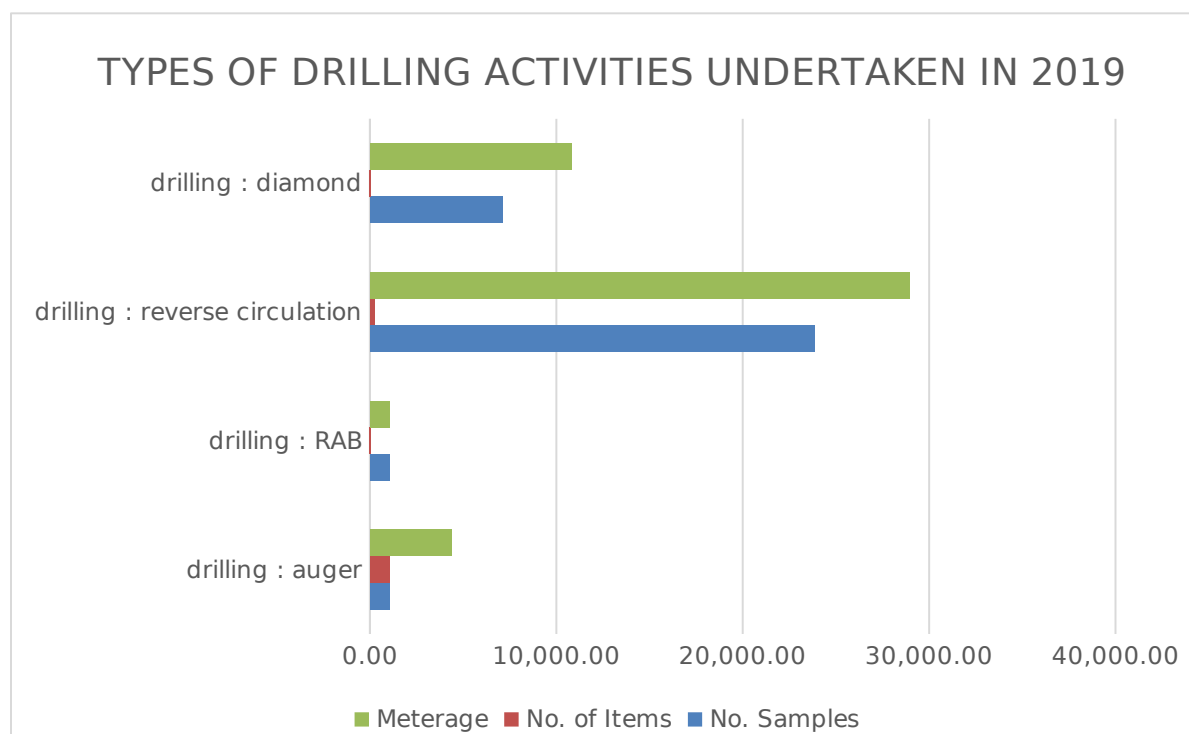


Figure 2 Types of Drilling Activities undertaken by Exploration Companies in 2019

### (c) Exploration Expenditure

In 2019, the total amount spent by exploration companies on their operations was in excess of US\$46,963,320.24. The breakdown of the total expenditure incurred is as shown in Table 2.10.

Table 2.10 Expenditure incurred on Exploration by Exploration Companies in 2019

TYPE	FOREIGN COST (US\$)	LOCAL COST(GHC)	TOTAL VALUE(US\$)
Operating Cost	11,678,574.01	187,449,391.19	46,821,708.17
Capital Cost	98,900.00	224,900.70	141,612.07
<b>Total Cost</b>	<b>11,777,474.01</b>	<b>187,674,291.89</b>	<b>46,963,320.24</b>

Average exchange rate applied is 1US\$:GH¢5.334.

### 3.1.2 State of Monitoring of Operating Mines

During the year under review, fifteen (15) large scale mines operated. Out of these, thirteen (13) produced gold, whilst one (1) each produced bauxite and manganese.

The producing mines included Gold Fields Ghana Limited (Tarkwa and Damang), AngloGold Ashanti Limited (Obuasi and Iduapriem), Golden Star Resources Limited (Bogoso/Prestea and Wassa), Newmont Ghana Gold Limited (Ahafo), Newmont Golden Ridge Limited (Akyem), Chirano Gold Mines Limited (Chirano), Adamus Resources Limited (Nkroful), Perseus Mining Ghana Limited (Ayanfuri), Asanko Gold Ghana Limited (Manso Nkran), X'tra Gold Mining Limited, Ghana Manganese Company Limited (Nsuta) and Ghana Bauxite Company Limited (Awaso).

The information on the producing mines in respect of the nature of operations and locations are provided in Table 3.1. The statistics on gold produced in Ghana in 2018 and 2019 have been provided in Tables 3.2 and 3.3.

Table 3.1: Large Scale Mines Operating in Ghana and their type of Operation

<b>COMPANY</b>	<b>SURFACE OPERATIONS</b>	<b>UNDERGROUND OPERATION</b>	<b>LOCATION/ REGION</b>
Adamus Resources Limited	√		Western
AngloGold Ashanti (Idiapriem) Limited	√		Western
AngloGold Ashanti (Obuasi) Limited	√	√	Ashanti
Asanko Gold Ghana Limited	√		Ashanti
Chirano Gold Mines Limited	√	√	Western
Ghana Bauxite Company Limited	√		Western
Ghana Manganese Company Limited	√		Western
Goldfields Ghana Limited - (Damang Mine)	√		Western
Goldfields Ghana Limited - (Tarkwa)	√		Western
Golden Star (Bogoso /Prestea) Limited	√		Western
Golden Star (Wassa) Limited	√		Western
Newmont Ghana Gold Limited - (Ahafo)	√	√	Brong Ahafo
Newmont Golden Ridge Limited (Akyem)	√		Eastern
Perseus Mining Ghana Limited	√		Central/W
X'tra Gold Mining Ltd	√		Eastern



Table 3.2: Production Statistics of Gold Producing mines for the year 2018 and 2019.

<b>GOLD (OZ)</b>	<b>2018 Annual Total</b>	<b>2019 Annual Total</b>	<b>Variance</b>	<b>% Variance</b>
<b>ANGLOGOLD GROUP</b>				
AngloGold Ashanti (Ghana) Limited	NA	6,877	6,877	
AngloGold Ashanti (Iduapriem) Limited	253,484.65	274,666	21,181.35	8.36
<b>TOTAL (AGA GROUP)</b>	<b>253,484.65</b>	<b>281,543</b>	<b>28,058.35</b>	<b>11.07</b>
<b>GOLD FIELDS GROUP</b>				
Gold Fields Ghana Ltd	524,869.45	519,072	-5,797.45	(1.10)
Abosso Goldfields Limited	180,851.00	208,483	27,632	15.28
<b>TOTAL (GOLD FIELDS GROUP)</b>	<b>705,720.45</b>	<b>727,555</b>	<b>21,834.55</b>	<b>(3.09)</b>
<b>GOLDEN STAR GROUP</b>				
Golden Star (Bogoso/Prestea) Limited	80,523.68	48,516	-32,007.68	(39.75)
Golden Star (Wassa) Limited	144,431.00	156,169	11,738	8.13
<b>TOTAL (GOLDEN STAR GROUP)</b>	<b>224,954.68</b>	<b>204,685</b>	<b>-20,269.68</b>	<b>(9.01)</b>
<b>OTHER LARGE-SCALE GOLD MINES</b>				
Newmont Ghana Gold Limited	436,104.78	643,067	206,962.22	47.46
Chirano Gold Mines Limited	226,370.00	201,037	-25,333	(11.19)
Adamus Resources Limited	104,680.00	82,456	-22,224	(21.23)
Perseus Mining (Ghana) Limited	217,218.00	182,136	-35,082	(16.15)
Asanko Gold Ghana Limited	223,153	251,043	27,890	12.50
Newmont Golden Ridge Limited	419,301	418,640	-661	(0.16)
Noble Gold Bibiani Limited	-	-	-	-
Prestea Sankofa Gold Limited	-	-	-	-
X'tra-Gold Mining Limited	2,927.79	2,609	-318.79	(10.88)
<b>Total Large-Scale Production</b>	<b>2,813,913.80</b>	<b>2,994,770.88</b>	<b>180,857.08</b>	<b>6.43</b>
<b>Total Small-Scale Production</b>	<b>2,130,155.66</b>	<b>1,679,203.15</b>	<b>-450,952.51</b>	<b>(21.17)</b>
<b>TOTAL GOLD</b>	<b>4,944,069.46</b>	<b>4,673,974.03</b>	<b>-270,095.43</b>	<b>(5.46)</b>
<b>DIAMOND (CARATS)</b>				

Great Consolidated Diamonds Ghana Limited	-	12.00	<b>12.00</b>	-
Licensed Diamond Winners	100,328.92	31,432	-68,896.92	(68.67)
<b>TOTAL (DIAMONDS)</b>	<b>100,328.92</b>	<b>31,444</b>	<b>-68,884.92</b>	<b>(68.66)</b>
<b>BAUXITE (MT)</b>				
<b>Ghana Bauxite Company Limited</b>	<b>1,011,302</b>	<b>1,116,334</b>	<b>105,032</b>	<b>(10.39)</b>
<b>MANGANESE (MT)</b>				
<b>Ghana Manganese Company Limited</b>	<b>4,473,192</b>	<b>5,401,093</b>	<b>927,901</b>	<b>20.74</b>

Source: Various reports submitted to Minerals Commission

Table 3.3: Comparative Mineral Production Statistics for 2018 and 2019

<b>MINERAL</b>	<b>2018 PRODUCTION</b>	<b>2019 PRODUCTION</b>	<b>% VARIANCE</b>
GOLD (Oz)	4,944,069	4,673,974	(5.46%)
DIAMOND (Ct)	100,328	31,444	(68.66%)
BAUXITE (MT)	1,011,302	1,116,334	10.39%
MANGANESE (MT)	4,473,192	5,401,093	20.74%

Source: Various reports submitted to Minerals Commission

### 3.1.3 Monitoring of Industrial Minerals

Industrial minerals e.g. sand, gravel, granite, laterite etc. continued to be in high demand in the year mostly as a result of Governments' many developmental/constructional projects being undertaken over the period across the country.

All licensed operating sites were regularly visited and inspected during the period under review. Almost all legalized companies that operated during the year procured Industrial Minerals Waybills to cover their operations.

Clay, Feldspar and Talc minerals have in recent times become the most sought-after minerals for supply to companies for tiles production especially, in the Western Region. Quarrying in granitic and metamorphic rocks was carried out in the respective concessions during the period. Some of the active quarry and salt companies are Sam Warner, CDH, Jacobens, Asal Ventures PW Quarry, Eastern Quarry, West Coast Construction Ltd, Asaman Manual Quarry, Derby Quarry, Cedar Quarry, Eastern Quarry, Gokay Quarry, Omini / MX, Coastal Quarry, Westrock, Hagar Nkrumah, Caleb Louis Ansah, TCM Crew Enterprise, Melliss, GN, GDC, Justmac, CHEC 1 & 2, Cheshire, HR & MM, Skyline, TT, Twin Rock Quarries, Agyeman Bediako, CK Mining, Pengsheng, Kenshen Quarry, Atlantic Quarry, Pilot Quarry, Eagle Star Enterprise, CDH, Coastal, Kweku Suleman, Hagar Nkrumah, Sam Warner, Jacobens, Caleb Louis Ansah, Osam Duodo, Prime Stone, China Railway Wuju, First Sky, HDS Quarry, Atlantic Rock, Sarcon, Kantaka, West Rock, TER, Agyapaddo Construction, West Coast Quarry, Agyemang Bediako, Big Stone Quarry, GS Quarry, Nendo Quarry, Asal Venture Quarry, Paul Addae Quarry,

Greenfield Feldspar, OM Metals Company, Derby Quarry, Generex Quarry, Executive Quarry, Nsokot Quarry, EMS, Mansco, Ussuya, Cedar, Fletcher International, RCP, White Pinnacle, Day Shine, Asaman, Prime Stone, CK Mining, E & H, Day Shine, Manko, Quality, Pure Construction, Pengsheng, Hao Xin, Amadi, Atlantic, Nsokot, Flavour Company, Vina Sun, Atlantic Concrete, West Africa Quarries, etc.

#### **3.1.4 Monitoring of Explosives Manufacturers and Suppliers**

Three (3) explosives manufacturing companies namely; African Explosives Limited (AEL), Maxam Ghana Limited and Orica Ghana Limited operated during the year. Besides these companies, Wileb Ghana Limited, West Coast Construction Limited, Akayet Mining Services, Xamrock Mining, Master Stone Thrower Ghana Limited, Premier Rock Blasting Limited, Xingwang Mining Services Limited, Auxin Ghana Mining Services and Trading Company Limited, Aky Mining Services Limited, Buckdorn Company Limited, Taiji Build IT Ghana Limited, New Century Mining Services Limited, China-Ghana Shunyuan Chemical Company Limited and Solar Nitro Ghana Limited also supplied explosives and their accessories to the mining industry. The suppliers also offered blasting services to mining and civil operations.

Additionally, Schlumberger, Haliburton, Baker Hughes Oil Field, Bajfreight Logistics Limited offered blasting services to some oil and gas exploration companies during the year under review.

#### **3.1.5 Safety, Health and Environmental Issues**

The Minerals Commission is a member of the Technical Review Committee for the Extractive Industry which has been set up by the Environmental Protection Agency (EPA). In 2019, the Commission participated in the review of Scoping Reports, Environmental Impact Statements, Environmental Management Plans and Preliminary Environmental Reports which were submitted to EPA by various proponents for environmental permits.

During the year, a number of exploration and mining activities were monitored to ensure compliance with the existing mining regulations on safety, health and environmental management.

### 3.1.6 Inspections Conducted

The total number of routine inspections conducted during the year was one thousand, six hundred and fifty-six (1,656) as against one thousand, six hundred and five (1,605) in 2018. The inspection visits afforded the Commission the opportunity to know the operations of the companies and also to ensure that they operate within the confines of the law. The breakdown of the number of inspections is as shown in Table 3.4.

Table 3.4 Number of Inspections Carried Out per Operation in 2019

<b>OPERATIONS</b>	<b>TOTAL NUMBER OF INSPECTIONS</b>
Underground mining	109
Surface mining	383
Exploration	24
Quarries and other industrial minerals	423
Explosives companies and magazines	108
Pre-Licencing	22
Machinery	104
Environmental	179
Call-outs	304
<b>TOTAL</b>	<b>1,656</b>

### 3.1.7 Competency Examinations

During the year under review, the total number of personnel who passed the industry competency certificate examinations which were conducted by the Commission was two thousand, three hundred and ten (**2,310**) as compared to one thousand, seven hundred and eighty-three (1,783) in 2018. The summary is captured in Table 3.5.

Table 3.5: Candidates who passed Competency Examinations in 2019

<b>CATEGORY</b>	<b>NUMBER OF PERSONNEL PASSED</b>
-----------------	-----------------------------------

Mining	421
Explosives	21
Quarry	0
Mechanical/Electrical Engineering	1,629
Health, Safety and Environmental	152
Metallurgical/Process/Plant	43
<b>Total</b>	<b>2,310</b>

### 3.1.8 Issuance of Operating Permits

The Commission issued a total of One thousand four hundred and nineteen (**1,419**) Operating Permits in 2019 to allow mineral right holders and mine support service operators to work during the year under review as compared to one thousand, five hundred and sixty (1,560) permits issued in 2018. The breakdown is as given in Table 3.6 below.

Table 3.6: Operating Permits issued in 2019

<b>OPERATION</b>	<b>TOTAL NUMBER OF PERMITS ISSUED</b>
Mining Operating Permit	43
Salt Operating Permit	1
Clay/Kaolin Operating Permit	1
Quarry Operating Permit	89
Sand/Gravel Winning Permit	88
Gold/Diamond Digging Permit	48
Prospecting Permit	67
Permit to Purchase Explosives	104
Permit to Store Explosives	115
Permit to Transfer Explosives	601
Explosives Transport	4
Explosives Manufacture	5
Mining Services Operating Permit	159
Explosives Truck /Van Operating Permit	93
Mercury Licence	1
<b>TOTAL</b>	<b>1,419</b>

### 3.1.9 Occupational Health and Safety Performance

The purpose of the inspections which were carried out was to ensure safe and congenial conditions at the various workplaces and also to enforce the use of safe methods in the execution of all tasks. Three (3) fatal accidents were recorded in 2019 as against six (6) fatal accidents that were recorded in 2018.

The number of accidents/incidents recorded on the various mines in 2018 is captured in Table 3.7.

Table 3.7: Accidents and Incidents Statistics for 2019

ACCIDENT/INCIDENT	NUMBER OF ACCIDENTS IN EACH QUARTER				
	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
Fatal Accidents	2	0	1	0	3
Serious Accidents	0	13	5	9	27
Minor Injuries	59	45	61	32	191
Non-casualty Incidents	53	90	125	51	319
Non-Employee (Fatality)	5	2	4	1	12

Source: Various reports received from companies

### 3.1.10 2019 National Inter Mines Safety and First Aid Competitions

The 2019 National Inter-Mines Safety and First Aid competition came-off successfully through the collaboration of the Ghana Chamber of Mines and the Inspectorate Division of the Minerals Commission. The event was held on 23<sup>rd</sup> November 2019 at the Kenyase No. 2 Durbar Grounds in the Ahafo Region and the host mine was Newmont Ghana Gold Limited. The theme for the occasion was: **“LIFE IS PRICELESS: DRIVE SAFELY”**. The main aim of these annual competitions is to educate workers as well as mine communities on the importance of health and safety in the mining operations. Details of the results of the competition are as shown in Tables 3.8 and 3.9.

The participating teams were the host mine and three (3) winners from the three (3) Zonal Competitions which were held earlier in the year. The participating mine teams were:

- Adamus Resources Limited
- Golden Star (Prestea/Bogoso) Limited
- Ghana Manganese Company Limited
- Newmont Ghana Gold Limited

The following Community Teams also competed for National Honours;

- Asanko Gold Ghana Limited, Manso Mine
- Goldfields Ghana Limited, Damang Mine

- Newmont Ghana Gold Limited, Ahafo Mine
- Golden Star (Wassa) Limited, Wassa Mine

Table 3.8 Results of the Mine Team Competition

<b>COMPANY/MINE TEAM</b>	<b>POSITION</b>
NEWMONT GHANA GOLD LIMITED	<b>1<sup>st</sup></b>
GOLDEN STAR WASSA LIMITED	<b>2<sup>nd</sup></b>
ADAMUS RESOURCES LIMITED	<b>3<sup>rd</sup></b>
GHANA MANGANESE COMPANY LIMITED	<b>4<sup>th</sup></b>

Table 3.9 Results of the Community Team

<b>COMPANY</b>	<b>POSITION</b>
GOLDEN STAR WASSA MINE	<b>1<sup>st</sup></b>
NEWMONT GHANA GOLD LIMITED AHAFO MINE	<b>2<sup>ND</sup></b>
ASANKO GOLD GHANA LIMITED MINE	<b>3<sup>RD</sup></b>
GOLDFIELDS GHANA LIMITED - DAMANG MINE	<b>4<sup>TH</sup></b>

The mines which received various awards in respect of the 2019 Mine Safety/First Aid Competitions are captured in Table 3.10.

Table 3.10: 2019 Mine Awards Winners

<b>AWARDS</b>	<b>NAME OF MINE</b>
BEST COMMUNITY TEAM <sup>1</sup>	GOLDEN STAR WASSA MINE
BEST IMPROVED MINE <sup>2</sup>	GOLDFIELDS GHANA LIMITED, TARKWA MINE
BEST MINE <sup>3</sup>	GHANA MANGANESE COMPANY, NSUTA MINE
BEST SAFE MINE <sup>4</sup>	NEWMONT GOLDEN RIDGE LIMITED, AKYEM MINE
BEST MINE TEAM <sup>5</sup>	NEWMONT GHANA GOLD LIMITED, AHAFO MINE

<sup>1</sup> Winner of the Mine Safety/First Aid Competition

<sup>2</sup> Based on Injury Frequency Rate

<sup>3</sup> Based on Occupational Injury Statistics

<sup>4</sup> Based on Mine Safety, Health and Environmental Audits

<sup>5</sup> Winner of the National Mine Safety/First Aid competition



## **3.2 LOCAL CONTENT AND LOCAL PARTICIPATION ACTIVITIES**

### **3.2.1 Monitoring Expatriate Quota Levels and Approval of Localisation Plans**

In 2019, out of 392 applications which were received for consideration for Work/Residence permits for expatriates in the mining industry; 372 representing 95.00% were approved, 15 representing 3.83% were deferred and 5 representing 1.28% was refused. The decision for the deferment of applications was largely due to non-submission of supporting documents such as curriculum vitae, job descriptions of the expatriates as well as tax clearance certificates of the expatriates in the case of renewal of permits.

The applications which were favourably recommended were made on condition that the expatriates will train their Ghanaian counterparts to take over from them over stipulated periods.

During the period under review, the Commission reviewed and approved Staffing Plans of a number of mine support service providers which have been contracted by some mineral rights holders in the country. The mine support service companies involved are as follows:

- a) Five (5) expatriates were approved for DRA Ghana Limited for the execution of the Asanko Gold Ghana Limited's Tetrem Resettlement Project.
- b) Two (2) expatriates were approved for Samdoe 2002 Limited for the execution of ECI works under the Newmont Ghana Gold Limited's Subika Underground Project.
- c) Twelve (12) expatriates were approved for DRA Ghana Limited for the execution of the Newmont Ghana Gold Limited's Subika Underground Phase II Refrigeration Project.
- d) Seventy-six (76) expatriates were approved for Underground Mining Alliance (UMA) for the execution of underground mining services for AngloGold Ashanti Obuasi Limited.
- e) Seventeen (17) expatriates were approved for Newmont Ghana Gold Limited for the execution of the company's Apensu Underground Project.
- f) Five (5) expatriates were approved for BBE Projects Ghana Limited for the execution of the Newmont Ghana Gold Limited's Subika Underground Phase II Refrigeration Project.
- g) Forty-one (41) expatriates were approved for African Underground Mining Services (AUMS) for the execution of the Newmont Ghana Gold Limited's Subika Underground contract.
- h) Two (2) expatriates were approved for Wayoe Engineering and Construction Limited for the execution of SSMP contract under the

Newmont Ghana Gold Limited’s Subika Underground Phase II Refrigeration Project.

### 3.2.2 Local Procurement

Under the Minerals and Mining (General) Regulations, 2012 (L.I. 2173), mine support service providers, holders of mineral rights and holders of licence to export or deal in minerals are required to submit a 5-Year Procurement Plan to the Minerals Commission for approval taking into account items on a Local Procurement List which shall be published by the Commission.

The Third Edition of the Local Procurement List which was available in 2019 contains twenty-nine (29) goods/products which shall be procured in Ghana. The items on the list are as shown in Table 3.11.

Table 3.11 Third Edition of Local Procurement List

<b>THIRD EDITION OF LOCAL PROCUREMENT LIST</b>	
Grinding media	Metal/PVC Core Trays
HDPE/PVC Pipes	Overalls and Work Clothes
General Lubricants	Haulage Services
Heavy Duty Electric Cables	Catering Services
Quick/Hydrated Lime	Legal Services (Exclusive Ghanaians)
Explosives	Insurance Services (Strictly Incorporated in Ghana)
Tyre-retreading	Financial Services (Strictly Incorporated in Ghana)
Cement	Contract Mining (Strictly Incorporated in Ghana)
Bolts and Nuts	Fuel (Exclusive Ghanaian Directors and Shareholders)
Crucibles	Activated Carbon
Plastic Sample Bags	Cable Bolt and Accessories, Split Setts, Rebars, Mining Mesh
Calico Bags	Cupels
Bullion Boxes	Wear Resistant Plates e.g.; Hardox Etc.
Chain Linking Fencing/Wire Netting/Barbed Wire	Security Services (Exclusive Ghanaian Directors and Shareholders)
Conveyor Rollers	

In 2019, the Minerals Commission received the 2018 reports on the Implementation of Procurement Plans from the following mineral right holders whose Procurement Plans had earlier been approved:

- a) Newmont Ghana Gold Limited
- b) Newmont Golden Ridge Limited

- c) Golden Star Resources Limited (Bogoso)
- d) Golden Star (Wassa) Limited
- e) Adamus Resources Limited
- f) Goldfields Ghana Limited
- g) Abooso Goldfields Limited
- h) Chirano Gold Mines Limited
- i) Ghana Manganese Company Limited
- j) AngloGold Ashanti (Iduapriem) Limited
- k) AngloGold Ashanti Obuasi Limited
- l) Asanko Gold Ghana Limited
- m) Perseus Mining Ghana Limited

The Commission subsequently, reviewed the 2018 reports from the thirteen (13) mining companies. The summary of information in the implementation reports are as follows:

- A total amount of **US\$426,455,930.58** was spent on the procurement of 19 products/services by the 13 minerals rights holders in 2018. This amount is more than the **US\$394,686,191.54** which was spent on 19 items by 13 mineral rights holders in 2017.
- **US\$185,943,114.38** was spent on **haulage services** in 2018. This is more than the amount spent on any item on the procurement list. This is followed by expenditure on **explosives** (US\$94,025,915) and **grinding media** (US\$83,058,867.33).
- The total percentage **local procurement** achieved in 2018 was **92.41%**. Local procurement refers to procurement of items which were sourced from local manufacturers and local suppliers (who only import and supply).
- The overall percentage **true local procurement** achieved in 2018 was **59.31%**. True local procurement refers to procurement of items which were sourced from local manufacturers.
- In the case of **grinding media**, the true local procurement in 2018 was **38.50%**.

- In the case of **Haulage services**, the true local procurement in 2018 was **39.72%**.
- In the case of **heavy duty electrical cables**, the true local procurement in 2018 was **56.20%**.
- In the case of **Catering services**, the true local procurement in 2018 was **100%**.

Some of the challenges identified to be facing mineral right holders are as follows:

- Lack of adequate capacity to meet demand in the case of certain products
- Price non-competitiveness for some of the products
- Insufficient suppliers to provide competitive service in respect of some of the items on the approved list resulting in price hikes
- Unstable nature of local economy (unstable inflation rate, fluctuating exchange rate, high cost of energy with unstable power supply) which were disincentive to investors and local suppliers.
- High interest rates charges by commercial banks in Ghana
- Lead time/Delivery: Inability of some suppliers to deliver within the required timeframe

The information in the thirteen reports on the Implementation of Procurement Plans submitted by the thirteen (13) mineral right holders have been summarized in Tables 3.12, 3.13, 3.14 and 3.15.

**Table 3.12 Analyses of 2017 Implementation Reports submitted by Mineral Right Holders**

COMPANY	NEWMONT AHAFO	ABOSSO GOLDFIELDS	GSR WASSA	GSR BOGOSO	ASANKO GOLD	ANGLOGOLD OBUASI	GHANA MANGANES E	CHIRANO	PERSEUS MINING	ADAMUS RESOURCES	NEWMONT AKYEM	ANGLOGOLD IDUAPRIEM	GOLDFIELDS	TOTAL
<b>Grinding Media</b>	12,277,389.00	7,956,179.46	1,658,921.07	1,318,628.10	6,574,747.35	0.00	0.00	6,486,625	5,328,600.58	2,318,320.00	12,386,818	5,563,420	21,189,218.77	<b>83,058,867.33</b>
<b>Electrical Cables</b>	111,677.83	549,528.41	188,573.57	45,358.97	70,374.07	137,208	169,961.36	850,414	139,513.99	7,190.97	85,459.19	119,730.07	496,035.56	<b>2,971,025.99</b>
<b>HDPE/PVC Pipes</b>	1,587,242.85	138,080.86	321,169.73	158,706.95	156,486.41	67,439.00	59,030.96	317,102	626,782.37	97,338.59	1,584,482.19	86,634.96	429,525.49	<b>5,630,022.36</b>
<b>General Lubricants</b>	202,462.00	391,338.46	994,686.97	313,399.50	571,011.22	71,700.00	3,366,970.99	1,403,609	1,127,875.02	93,635.66	250,929	655,926.50	2,210,979.55	<b>11,654,523.87</b>
<b>Quick/Hydrated Lime</b>	1,442,533.00	816,763.93	744,937.64	987,475.66	1,985,943.96	5,677.00	0.00	1,059,065	331,647.04	1,068,278.50	2,262,744	1,114,051.54	3,019,820.32	<b>14,838,937.59</b>
<b>Explosives</b>	5,380,057.53	13,492,329.56	3,446,527.67	665,853.48	8,753,673.53	2,600	10,978,594.11	1,589,722	10,988,514.84	1,229,905.85	5,462,901.19	7,502,294.38	24,532,941.23	<b>94,025,915.37</b>
<b>Tyre-retreading</b>	29,800.00	0.00	0.00	0.00	0.00	0.00	0.00	109,700	0.00	31,195.23	8,319	0.00	0.00	<b>179,014.23</b>
<b>Cement</b>	14,805.95	10,492.36	69,332.74	47,303.80	4,333.40	5,550.00	38,819.74	188,749	26,203.19	N/A	1,296.45	25,337.08	0	<b>432,223.71</b>
<b>Bolts &amp; Nuts</b>	70,816.26	80,800.19	19,851.22	28,266.66	26,136.01	575	14,202.59	152,190	19,022.83	12,471.76	50,471.46	61,875.99	52,739.21	<b>589,419.18</b>
<b>Crucibles</b>	15,187.52	-		10,489.16	45,612.95	0	N/A	10,568	27,468.08	6,181.97	15,812.81	0	92,266.44	<b>223,586.93</b>
<b>Plastic Sample Bags</b>	44,734.86	108,629.74	76,456.63	13,303.80	66,717.43	0	77,484.23	16,013	99,363.36	67,958.07	35,073.07	33,884.80	78,467.45	<b>718,086.44</b>
<b>Calico Bags</b>	14,561.59	-		-	-	0	-	24,960	0	45,750.13	11,498.96	0	45,050.00	<b>141,820.68</b>
<b>Bullion Boxes</b>	0	-		-	-	N/A	N/A	21,390	0	0	0	0	3,971.66	<b>25,361.66</b>
<b>Chain Link Fencing</b>	0	-		-	17,683.41	112,222.00	N/A	9,700	0	25,775.67	0	3,995.25	-	<b>169,376.33</b>
<b>Conveyor Rollers</b>	27,772.19	81,328.81	13,921.24	12,842.88	90,927.98	0	206,692.98	39,227	21,332.39	28,315.30	53,495.21	44,406.46	128,328.46	<b>748,590.90</b>
<b>Metal/PVC Core Trays</b>	534,394.57	7,921.06		-	4,972.34	0	52,436.07	76,538	32,591.70	0	263,534.03	95,791.32	63,213.30	<b>1,131,392.39</b>
<b>Overalls &amp; work Clothes</b>	83,731.42	17,204.52	64,020.61	60,584.33	234,431.12	29,119.00	152,048.19	51,423	66,106.38	24,936.89	90,776.03	45,649.24	52,028.36	<b>972,059.09</b>
<b>Haulage Services</b>	2,138,999.00	1,455,801.62	1,304,188.14	9,021,579.00	1,642,288.49	445,998.00	35,405,115.29	779,843	98,357,643.57	2,860,308.65	1,565,499.00	28,735,106.21	2,230,744.41	<b>185,943,114.38</b>

<b>Catering</b>	2,239,017.4	1,528,580.3	1,532,967.33	711,280.00	3,044,172.75	277,423.00	1,917,130.47	3,403,358	2,594,168.34	606,711.56	1,411,562.66	735,977.42	3,000,243.27	<b>23,002,592.6</b>
<b>Services</b>	3	9												<b>2</b>
<b>TOTAL</b>	<b>26,215,18</b>	<b>26,634,979</b>	<b>10,435,554.5</b>	<b>13,395,072.</b>	<b>23,289,512.</b>	<b>1,155,511</b>	<b>52,438,486.</b>	<b>16,590,196</b>	<b>119,786,83</b>	<b>8,524,274.8</b>	<b>25,540,672</b>	<b>44,824,081</b>	<b>57,625,573.</b>	<b>426,455,930.</b>
	<b>3.00</b>	<b>.37</b>	<b>6</b>	<b>29</b>	<b>42</b>		<b>98</b>		<b>3.68</b>	<b>0</b>			<b>48</b>	<b>58</b>

**Table 3.13 Comparing 2014 - 2018 Overall/Total Procurement Values**

PRODUCT	2014 TOTAL PROCUREMENT (USD)	2015 TOTAL PROCUREMENT (USD)	2016 TOTAL PROCUREMENT (USD)	2017 TOTAL PROCUREMENT (USD)	2018 TOTAL PROCUREMENT (USD)
Grinding Media	67,947,404.46	62,283,571	60,595,146.96	63,081,057.10	83,058,867.33
Electrical Cables	2,292,580.52	1,350,579.89	1,451,848.79	1,778,316.14	2,971,025.99
HDPE/PVC Pipes	5,010,304.67	9,767,869.65	5,727,456.35	6,593,008.95	5,630,022.36
General Lubricants	12,641,802.22	11,221,521.45	13,817,800.04	15,473,514.09	11,654,523.87
Quick/Hydrated Lime	30,236,784.40	21,812,497.94	17,292,271.37	15,239,921.16	14,838,937.59
Tyre-retreading	1,441,519.40	751,665.99	707,735.50	678,900.64	179,014.23
Explosives	60,668,569.92	63,289,945.58	79,960,882.70	73,890,992.84	94,025,915.37
Cement	3,585,735.09	769,572	437,340.17	445,784.21	432,223.71
Bolts & Nuts		N/A	786,676.74	874,261.41	589,419.18
Crucibles		N/A	208,570.95	230,013.89	223,586.93
Plastic Sample Bags		N/A	644,404.85	565,790.45	718,086.44
Calico Bags		N/A	216,769.63	194,953.05	141,820.68
Bullion Boxes		N/A	7,632.38	38,607.57	25,361.66
Chain Link Fencing		N/A	206,133.83	66,187.25	169,376.33
Conveyor Rollers		N/A	535,481.62	651,712.31	748,590.90
Metal/PVC Core Trays		N/A	675,687.01	846,501.33	1,131,392.39
Overalls & work Clothes		N/A	1,021,486.37	1,338,148.68	972,059.09
Haulage Services		N/A	188,521,099.84	190,420,636.74	185,943,114.38
Catering Services		N/A	22,026,737.84	22,277,883.73	23,002,592.62
<b>TOTAL</b>	<b>183,824,700.68</b>	<b>171,247,224</b>	<b>394,841,162.94</b>	<b>394,686,191.54</b>	<b>426,455,930.58</b>

**Table 3.14 Comparing 2014 - 2018 Local Procurement Values**

PRODUCT	2014 LOCAL PROCUREMENT (USD)	2015 LOCAL PROCUREMENT (USD)	2016 LOCAL PROCUREMENT (USD)	2017 LOCAL PROCUREMENT (USD)	2018 LOCAL PROCUREMENT (USD)
Grinding Media	33,606,086.56	<b>28,125,101.45</b>	32,903,097.10	41,603,050.08	51,120,105
Electrical Cables	1,388,044.98	<b>949,490.36</b>	1,311,726.79	1,627,355.14	2,930,312.99
HDPE/PVC Pipes	5,010,304.68	<b>9,750,105.81</b>	5,727,456.35	6,593,008.95	5,630,022.36
General Lubricants	12,300,029.22	<b>10,930,109.71</b>	13,814,989.25	15,473,513.09	11,654,523.87
Quick/Hydrated Lime	30,236,784.40	<b>21,811,911.94</b>	17,292,271.37	15,239,921.16	14,838,937
Tyre-retreading	1,441,519.40	<b>751,665.99</b>	707,735.50	678,900.64	179,014.23
Explosives	60,668,569.92	<b>63,289,945.66</b>	79,960,882.70	73,890,992.84	94,025,915.37
Cement	3,585,734.71	<b>769,572.23</b>	437,340.17	445,784.21	432,223.41
Bolts & Nuts	N/A	N/A	765,612.52	852,481.63	565,325.31
Crucibles	N/A	N/A	102,991.74	90,576.19	139,555.49
Plastic Sample Bags	N/A	N/A	644,404.85	565,790.45	718,086.44
Calico Bags	N/A	N/A	216,769.63	194,953.05	141,759
Bullion Boxes	N/A	N/A	5,587.50	36,813.23	21,390.00
Chain Link Fencing	N/A	N/A	69,837.83	61,784.25	57,154.33
Conveyor Rollers	N/A	N/A	340,931.	398,223.05	587,983.48



			38		
Metal/PVC Core Trays	N/A	N/A	675,687.01	782,817.02	1,131,392.39
Overalls & work Clothes	N/A	N/A	1,018,860.94	1,338,148.68	972,059.09
Haulage Services	N/A	N/A	188,521,099.84	190,420,636.74	185,943,114.38
Catering Services	N/A	N/A	22,026,737.84	22,277,883.73	23,002,592.62
<b>TOTAL</b>	<b>148,237,073.87</b>	<b>136,377,903.15</b>	<b>366,544,020.31</b>	<b>372,572,634.13</b>	<b>394,091,466.54</b>

**Table 3.15 Comparing 2014 - 2018 True Local Procurement Values**

PRODUCT	2014 TRUE LOCAL PROCUREMENT (USD)	2015 TRUE LOCAL PROCUREMENT (USD)	2016 TRUE LOCAL PROCUREMENT (USD)	2017 TRUE LOCAL PROCUREMENT (USD)	2018 TRUE LOCAL PROCUREMENT (USD)
Grinding Media	30,022,809.56	17,892,166.25	25,594,409.75	27,528,368.00	31,977,925
Electrical Cables	172,698.22	488,000.66	1,065,441.96	612,104.70	1,669,619.04
HDPE/PVC Pipes	4,935,196.04	9,726,024.40	5,712,343.47	4,470,094.20	5,595,222.38
General Lubricants	12,300,029.22	10,930,109.71	13,814,989.25	15,431,541.67	7,739,067.68
Quick/Hydrated Lime	30,236,784.40	21,812,497.94	15,186,138.52	13,209,075.09	12,259,269
Tyre-retreading	1,441,519.40	751,665.99	707,735.50	678,900.64	179,014
Explosives	60,668,569.92	63,289,945.66	79,960,882.7	73,890,992.84	94,025,915

			9		
Cement	3,585,734.71	769,572.23	437,340.17	445,784.21	432,223.41
Bolts & Nuts	N/A	N/A	55,979.90	28,326.61	0
Crucibles	N/A	N/A	11,796.51	95.46	45,832.16
Plastic Sample Bags	N/A	N/A	644,404.85	552,309.38	718,086.44
Calico Bags	N/A	N/A	216,769.63	194,953.05	141,759
Bullion Boxes	N/A	N/A	5,587.50	36,813.23	0.00
Chain Link Fencing	N/A	N/A	14,085.79	37,749.25	3,851.67
Conveyor Rollers	N/A	N/A	327,958.24	282,421.60	486,837.31
Metal/PVC Core Trays	N/A	N/A	-	0.00	0.00
Overalls & work Clothes	N/A	N/A	929,798.86	1,075,966.26	793,343.09
Haulage Services	N/A	N/A	48,231,361.23	95,727,567.64	73,856,859.24
Catering Services	N/A	N/A	13,623,391.89	16,391,550.14	23,002,592.62
<b>TOTAL</b>	<b>143,363,341.47</b>	<b>125,659,982.84</b>	<b>206,540,415.81</b>	<b>250,594,613.97</b>	<b>252,927,418</b>

### 3.2.3 Performance of Mine Support Service Companies

During the period under review, one hundred and twenty-nine (**129**) new mine support service companies were registered while one hundred and fourteen (**114**) existing ones had their registration renewed up to the end of the year. Thus, the total mine support service providers which were active and in good standing in 2019 were two hundred and forty-three (**243**). Of this, a total of thirty-six (36) companies were registered to provide services that are reserved for Ghanaians only. The breakdown of the number of registered companies into registered classes and activities is as shown in Table 3.16.

Table 3.16 Breakdown of Registered Mine Support Service Companies into Classes

<b>CLASS OF MINE SUPPORT</b>	<b>REGISTERED SERVICES/ACTIVITIES</b>	<b>NUMBER OF REGISTERED COMPANIES</b>
<b>A</b>	Equipment Supply, Contract Mining, Drilling Services, Assay Laboratory	207
<b>B</b>	Haulage, Catering, Security	28
<b>C</b>	Sewage collection, Fumigation, Supply of toiletries, Weeding/grassing, Minor maintenance	8
<b>TOTAL REGISTERED COMPANIES</b>		<b>243</b>

During the period under review, a total of one hundred and twenty (120) annual reports were received from mine support service companies for review and capturing of relevant data.

### 3.2.4 Beneficiation of Minerals before Export

During the period under review, a total of two hundred and fifty (250) monthly returns which were received from gold buying and exporting companies were reviewed and the relevant data captured from them.

### **3.3 ARTISANAL AND SMALL-SCALE MINING (ASM)**

The contribution of ASM has been very significant in socio-economic terms. The subsector's contribution is reflected in the areas of poverty alleviation in rural areas; creation of job opportunities leading to curtailing rural-urban migration of the teeming unemployed youth. Artisanal and Small-scale mining also provides pathfinder clues for discovery of large deposits.

#### **3.3.1 Monitoring of Small Scale Mining and Industrial Minerals**

Though the ban on small scale mining activities had been lifted by 2019, activities were not immediately intense. This was partly due to loss of working capital of most of the small scale miners. On the average, about nine hundred and twenty (**920**) monitoring visits were undertaken to operating sites. The Commission undertook monitoring of the small scale mining activities to ascertain the level of compliance, provide technical support to the operators and monitor the level of illegal activities. Monitoring visits were also undertaken to some quarry sites.

#### **3.3.2 Activities of District Mining Committees against illegal mining (DCIM)**

During the period under review, the Commission continued to monitor the activities of illegal miners and also participated in meetings of District Mining Committees at the various District, Municipal and Metropolitan Assemblies. Illegal mining activities identified were continuously reported to the Chief Executives of the Districts, Municipal and Metropolitan Assemblies for action to be taken. About three hundred and fifty (**350**) visits were undertaken to various illegal mining sites, some of which were immediately stopped from operations.

#### **3.3.3 Policy Initiatives**

Since 1989, several interventions have been put in place at improving ASM in Ghana to ensure maximum contribution of the sub-sector to the economy. The Minerals Commission has been the main architect of these interventions which include:

- Promoting diversification of minerals exploited by ASMs;
- Ensuring that geological data on all minerals amenable to artisanal and small-scale mining is made available to prospective miners;
- Promoting the full integration of the mining sector in the whole economy;
- Ensuring that minerals are exploited in an environmentally friendly manner;
- Developing a strategic plan to address the challenges in the sub-sector.
- Section 90 (3) of the Minerals and Mining Act, 2006 (Act 703) specifically enjoins the Commission to, amongst others:
  - Supervise and monitor the operations and activities of artisanal and small-scale gold miners and prospective artisanal and small-scale miners; and
  - Advise and provide such training facilities and assistance as may be necessary for effective and efficient artisanal and small-scale mining operations.

In pursuance of these obligations, officers of the Commission carried out the following activities during the year under review:

- Mainstreaming Child Labour and Gender Issues;
- Transfer of environmentally friendly technologies in mining and processing for SSMs
- Education of artisanal and small-scale miners on safe handling of mercury

### **3.3.3.1 Mainstreaming Child Labour and Gender issues**

In 2019, the Commission established a Gender Desk and strengthened it to ensure that gender and child labour issues are mainstreamed. The framework of the Unit that defined its goals, objectives and activities was established. A workshop was organised to orientate and strengthen the capacity of staff of the Commission on child labour concepts and monitoring tools.

Contributions on gender provisions were also made to the draft amendment of the Minerals and Mining Act and the draft Local Content and Local Participation Regulations.

In the same year, the Commission undertook a mapping of stakeholders by identifying, engaging and collaborating with organisations such as Women in Mining, International Labour Organization, Verite Ghana, Association of Women in Mining Africa, Solidaridad Network, Wassa Community Affected by Mining (WACAM), Integrated Social Development Centre (ISODEC) which are involved in gender and child labour related activities to align our respective goals for mutual success.

### **3.3.3.2 Transfer of Environmentally Friendly Technologies in Mining and Processing for Small Scale Miners/Mercury Pollution Abatement Education**

The Commission undertook extension services on best mining practices and processing technologies to small scale miners across the nation. Education and practical demonstration of the use of direct smelting technology using the Sika Bukyia which was developed by the University for Mines and Technology (UMaT) was undertaken during the period. In collaboration with UNDP Environment Fund, University of Mines and Technology (UMaT) and a Non-Governmental Organisation (NGO), three (3) training programmes on mercury abatement and direct smelting method of mineral processing were undertaken in the Bolgatanga Mining District and one (1) in the Bibiani Mining District.

### **3.3.4 Community Mining Scheme**

During the period under review, the Commission began activities to implement the Community Mining Scheme (CMS). Negotiations and meetings were held with large scale mining companies to provide support in relinquishing areas for Community Mining Scheme. Geological investigation was conducted at Akoase in the Eastern Region for a designated area for CMS. With the support of the MMDAs a number of areas are being earmarked for CMS and are likely to be launched in 2020.

### **3.3.5 Processing of Small Scale Mining (SSM) and Industrial Minerals Applications**

The Commission continued to receive and process applications for small scale mining and industrial minerals. About two hundred (200) pre-licensing inspections were conducted for industrial minerals applications and six hundred (600) pre-licensing inspections for small scale mining license applications.

## **3.4 PUBLIC RELATION ACTIVITIES**

The Commission in line with its mandate implemented Public Relations activities to support its programmes. The activities have been grouped under the following headings; Media Relations and Publicity, Stakeholders Encounters and Mining Conference/Exhibition.

### **3.4.1 Media Relations and Publicity**

#### **(a) Gazette Notification of Mineral Rights Applications**

In line with the Minerals and Mining (Licensing) Regulations, 2012 (L.I. 2176), a number of mineral rights applications were gazetted in the national dailies (Daily Graphic and Ghanaian Times) in 2019.

#### **(b) Public Announcement**

The following public announcements were made during the period under review:

- Invitation for Tender - Procurement of vehicles: 1 No. - 15 Seater Mini Bus (Supper Roof), 3 No. - 4 x 4 Station Wagon (Ordinary) and 1 No. - 4 x 4 Station Wagon (Executive)
- Invitation for Tenders (IFT) - Procurement of Document and Record Management System

- Request for Expression of Interest (Firm Selection) - Consultancy Services for revaluation of Minerals Commission's landed properties.
- Request for Expression of Interest (Firm Selection) - Consultancy Services for carrying out an independent and levelling of mine for the provision of data for amicable resolution of mining concession disputes
- Invitation for Tenders (IFT) - Procurement of Wire Mesh for Alternative Livelihood Project on Oil Palm
- Public Notice - Fraudulent use of the Chief Executive Officer (CEO) and Deputy CEO's names to recruit prospective job seekers for Minerals Commission.

### **(c) Media Coverage**

During the period under review, there was media coverage for key events of the Commission. Among these key events are:

- Minerals Commission's Board familiarization tour to Asanko Gold Mine, Ashanti Region.
- Minerals Commission's Board courtesy call on Otumfuo Osei Tutu II in Kumasi on the occasion of his 20<sup>th</sup> Anniversary as Asantehene.
- Minerals Commission's Board familiarization tour to BCM Group (formerly Adamus Resource Limited) mine site at Nkroful, Western Region.
- Minerals Commission's Board courtesy call on former President John Agyekum Kufuor at his residence in Accra.
- Stakeholder encounter on Illegal Mining at Daboase in the Western Region
- Hon. Minister of Lands & Natural Resources and CEO of the Commission's meeting with Ghana Manganese Company management and workers at Nsuta, Western Region.
- Official opening of Fiscal Modeling Training for officials from the Minerals Commission, Ministry of Lands & Natural Resources, Ministry of Finance and Ghana Revenue Authority (GRA) by African Development Bank and Natural Resources Governance Institute.
- Official launch of 2019 Oil Palm Planting season of the Commission's Alternative Livelihood Project in Akwatiakwa, Eastern Region



- Zonal and National Inter-Mines First Aid and Safety Competitions.
- Minerals Commission's staff End of Year Get-together

### **3.4.2 Stakeholder Encounters**

During the period under review, stakeholder encounters on the following were held:

- a) Illegal Mining activities at Daboase in the Western Region.
- b) Adina community on the operations of Seven Seas Salt Mining and Government requirement for caustic soda plant in the Volta Region.
- c) MCEs/DCEs of Ketu South, Ketu North, Keta on salt production for Ghana's caustic soda plant.
- d) Ada land owners and Traditional Authorities on salt production for Ghana's caustic soda plant.
- e) Salt Producers on challenges of salt production and Government's salt requirement for Ghana's caustic soda.

### **3.4.3 Mining Conferences and Exhibitions**

The Commission participated in a number of mining exhibitions during the year under review to promote and showcase Ghana's mineral potentials, regulatory requirements, licensing & permitting regime of the mining sector. Among the conferences are:

- a) 2019 African Mining INDABA Exhibition held in Cape Town, South Africa.
- b) 2019 Prospectors' and Developers Association of Canada (PDAC) Convention held in Toronto, Canada.
- c) 2019 African Down Under (ADU) in Perth, Western Australia.
- d) 2019 West Africa Mining and Power Conference (WAMPOC) Summit at the Accra International Conference Centre
- e) The Inaugural Marrakech Mining Convention (MMC 2019) at Marrakech, Morocco.
- f) World Meet in Ghana Business conference in Kumasi as part of Asantehene Otumfuo Osei Tutu II's 20<sup>th</sup> Anniversary
- g) Agency exhibition representation at the 2019 Meet -The-Press session of the Ministry of Lands and Natural Resources.

h) Gold Statement Expo at Accra International Conference Center.

### 3.4.4 Information Technology (IT) Activities

The Commission deployed the following IT infrastructure during the period under review:

- a) Created a web access <http://mincess.mincom.gov.gh/mincomESS> to enable staff access the **HR Employee Self Service (ESS)** regardless of their location.
- b) Daily upload of (minerals) commodity prices and exchange rates on the Front Desk TV monitor.
- c) Installation of Biometric Attendance system.
- d) Installed two additional servers for the MINCOM website and the exchange mail server.
- e) Installed 40KVA and 18 Invertor Batteries to replace the faulty once.
- f) Created a CNAME web access <https://miningrepository.mincom.gov.gh> for the MCAS web application to point to <https://ghana.revenue.gov.gh>.

## 3.5 PROCESSING OF MINERAL RIGHT APPLICATIONS

### 3.5.1 Types of Mineral Rights

A summary of the types of mineral rights that can be granted under the Minerals and Mining Act, 2006 (Act 703) is indicated in Table 3.17.

Table 3.17 Types of Mineral Rights

<b>Licence Type</b>	<b>Reconnaissance Licence (RL)</b>	<b>Prospecting Licence (PL)</b>	<b>Mining Lease (ML)</b>	<b>Restricted Mining Lease (RML)</b>	<b>Small Scale Mining Licence<sup>6</sup></b>
Purpose	Regional exploration not including drilling & excavation	Search for minerals and evaluation	Extraction of minerals	Extraction of Building and Industrial minerals	Extraction of minerals
Area	Blocks of 21 hectares, not exceeding 5,000 contiguous blocks	Not exceeding 750 contiguous blocks	Not exceeding 300 contiguous blocks	Not exceeding 300 contiguous blocks	In accordance with the number of blocks prescribed in Regulations
Maximum	12 months renewable	3 years, renewable	30 years or less	15 years or less	5 years, renewable

Duratio n		with reduction of area to not more than half.	depending on mine life. Renewable	depending on mine life. Renewable	
--------------	--	--	---	---	--

### 3.5.2 Mineral Titles

During the period under review, a total of two hundred and seventy-six (**276**) mineral right applications were received for processing. Applications for Prospecting Licence recorded the highest frequency; closely followed by applications for Reconnaissance Mining Lease. The breakdown of all types of applications and their proportions is given in Table 3.18 and Figures 3.1 and 3.2.

Table 3.18 Breakdown of Mineral Right Applications received and processed in 2019

Type of Mineral Right Application Received	Number of Mineral Right Applications Received	Percentage of Mineral Right Applications Received
Reconnaissance Licence (RL)	7	2.58%
Prospecting Licence (PL)	147	54.24%
Mining Lease (ML)	1	0.37%
Restricted Prospecting Licences	5	1.81%
Restricted Mining Leases	116	42.03%
<b>Total</b>	<b>276</b>	<b>100%</b>

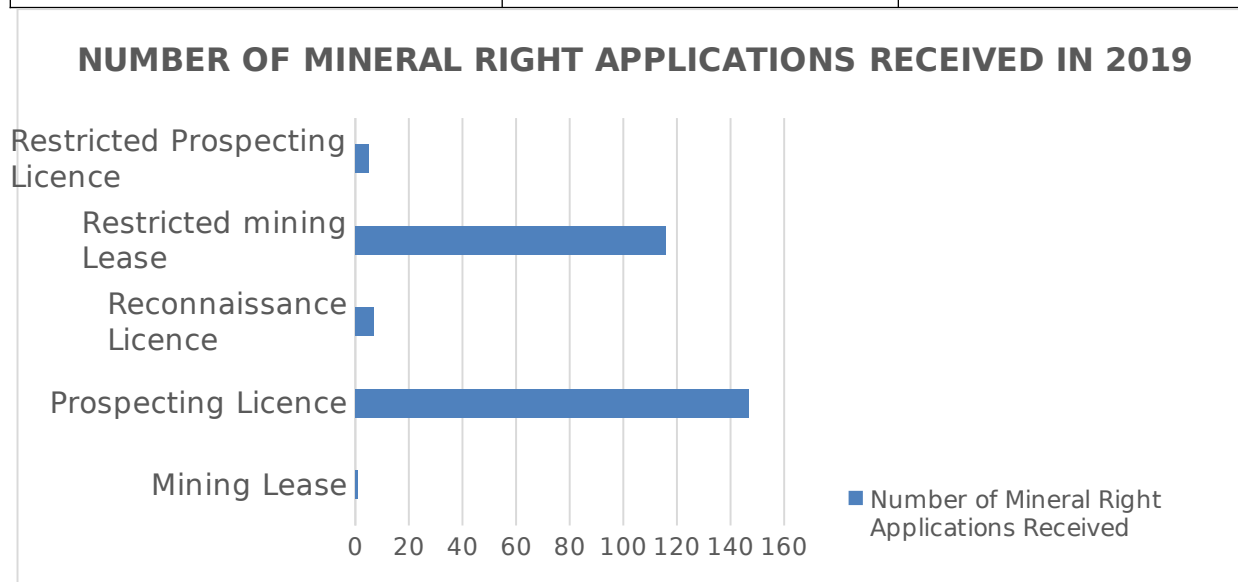


Figure 3.1 Graph of number of Mineral Right Applications Received in 2019

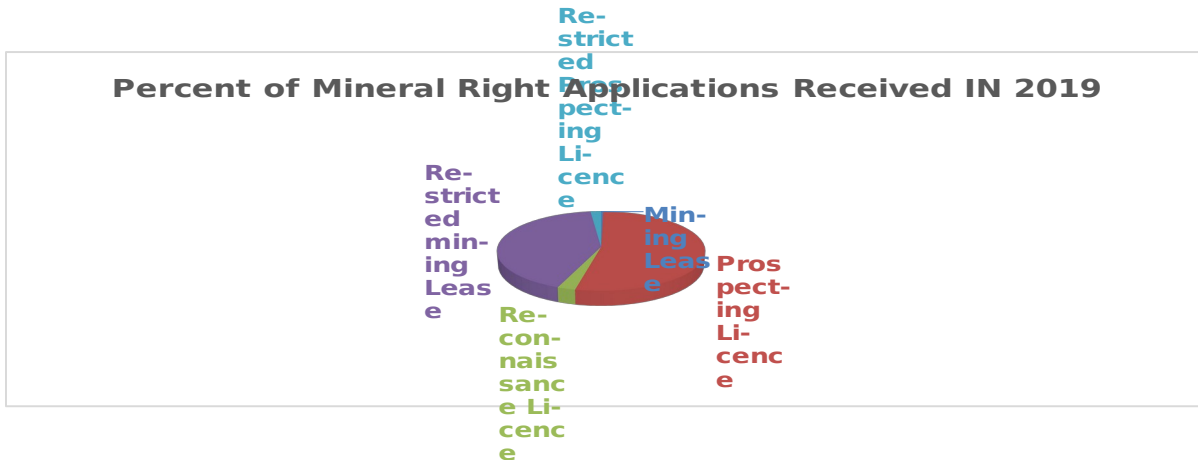


Figure 3.2 Pie Chart of Percentage of Mineral Right Applications Received

During the same period, a total of two hundred and seventy-six (276) applications were gazetted. The breakdown of the gazette applications is shown in Table 3.19 and Fig. 3.3.

Table 3.19 Breakdown of Licences Gazetted in 2019

<b>MINERAL RIGHT</b>	<b>NUMBER GAZETTED</b>
Mining Lease	1
Prospecting Licence	128
Reconnaissance Licence	40
Restricted Mining Lease	91
Restricted Prospecting Licence	2
Restricted Reconnaissance Licence	0
Small Scale Mining Blocked Out area	14
<b>Total</b>	<b>276</b>

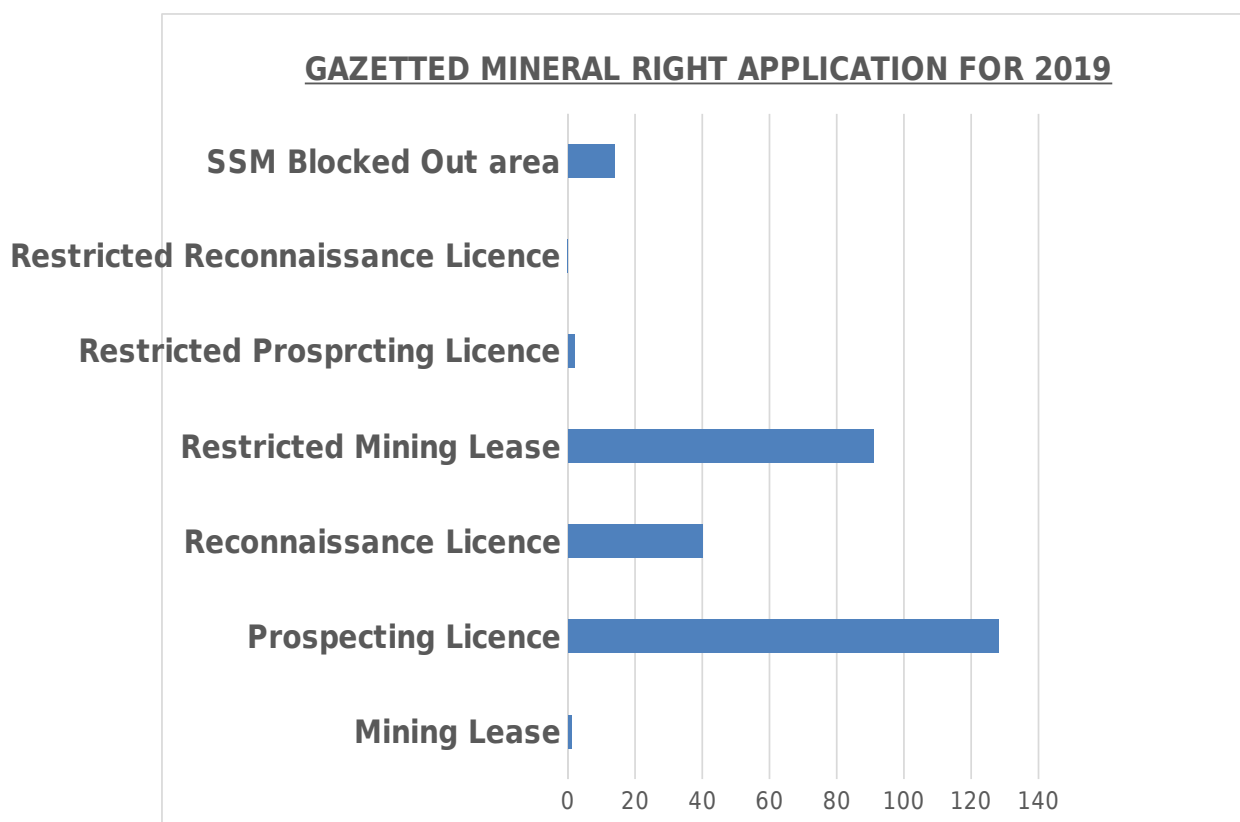


Figure 3.3 Number of Application Received and Gazetted in 2019

### 3.5.2.1 Recommendations for the Grant of Mineral Rights

During the period, a total of two hundred and twenty-nine (**229**) licence applications were recommended to the Minister responsible for Mines for the grant of mineral rights. In all, a total of three hundred and twenty-four (324) signed agreements were also received from the Ministry during the same period. The breakdown of licences which were received from the Ministry is as shown in Table 3.20 and Figure 3.4.

Table 3.20 Breakdown of Leases/Licences Signed and Received from the Ministry

MINERAL RIGHT	NUMBER OF LEASES/LICENCES SIGNED AND RECEIVED
Mining Lease	16
Prospecting Licence	60
Reconnaissance Licence	4
Restricted Mining Lease	139
Restricted Prospecting Licence	2
Restricted Reconnaissance Licence	0

Small Scale Mining Licence	103
<b>TOTAL</b>	<b>324</b>

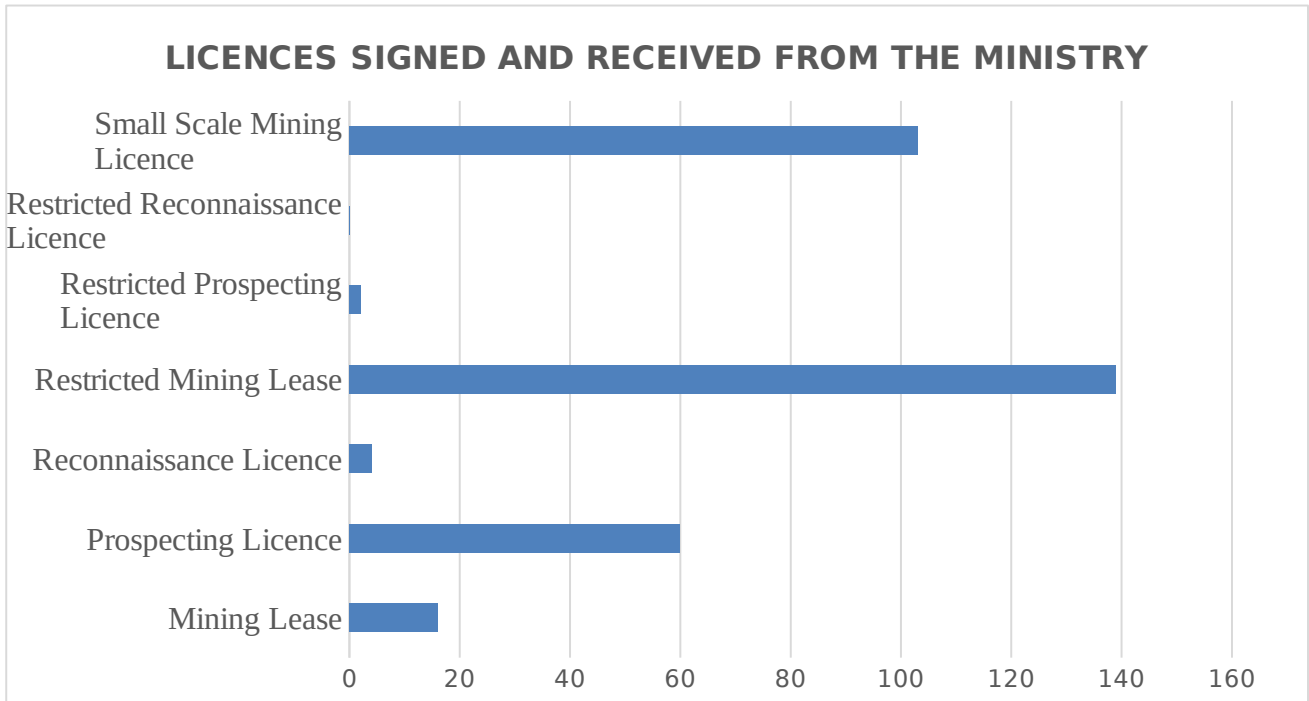


Figure 3.4 Breakdown of Leases/Licences Received from the Ministry

### 3.5.2.2 Technical Committee on Mineral Titles

During the period under review, the Board of the Commission considered a total of eighty-seven (**87**) applications for review and approval. However, eighty-six (**86**) of them were approved.

### 3.5.2.3 Cartographic and Legal Searches

The Cartography section conducted a total of one thousand, three hundred and thirty-two (1,332) searches for prospective applicants during the year under review. The total figure comprises four hundred and seventy-four (474) searches for exploration and large scale mining operations and eight hundred and fifty-eight (858) searches for small scale mining operations. The searches were conducted to enable applicants ascertain whether the areas of interest were free or encumbered.

In the case of legal searches, a total of forty-six (46) were conducted for applicants in 2019. The legal searches gave applicants the opportunity to determine the status of proposed applications and mineral rights granted.

#### **3.5.2.4 Mineral Cadastral System (MCAS)**

In 2019, the Commission began inception meetings with Revenue Development Foundation (RDF) of Norway with the view to starting the second phase of the MCAS project which is titled Mineral Right Administration Support Project II. The project is expected to run for two years. The activities to be undertaken under the MCAS Project include the following:

- a) Digitisation of data on existing licences
- b) Online connection of district and regional offices of the Commission to enable MCAS to be used to process applications to eliminate reliance on paper-based workflow.
- c) Introduction of online application from an online repository portal to reduce delays.
- d) Integration of MCAS with Ghana Revenue Authority (GRA) taxpayers' database
- e) Training of Minerals Commission staff on the use of MCAS

The key benefits to be derived from the MCAS system are as follows:

- a) Improved accuracy, capacity and efficiency to process license applications and payments in a manner that reduces mistakes, overlaps and discretionary influence.
- b) Increased compliance with non-tax and tax payments because of cross-referencing of data from the relevant government institutions.
- c) Increased government revenue from the mining sector
- d) Improved compliance by mining companies regarding both revenue and non-revenue obligations
- e) Reduced illegal small-scale mining as a result of miners being able to acquire licence through official channels with less or no trips to the Head Office.

- f) Improved access to mining license information by stakeholders and the public because of the online repository.

## **3.6 PROJECTS**

### **3.6.1 Alternative Livelihood Projects (ALP) in Mining Communities**

Many countries that fall under the category of developing countries, typically depends on the extraction of their natural and mineral resources which serves as a major foreign exchange earner. Ghana which falls under the category of developing countries has mostly been dependent on the mining industry as a means of generating foreign exchange to undertake developmental projects.

The Commission began the implementation of Alternative Livelihood Projects (ALPs) in 2007 as a way of providing non-mine jobs to inhabitants of mining communities. The outcome of this priority programme is to equip inhabitants of mining communities with skills to improve upon their economic lives independent of mining. This is also to ensure that mining communities do not become ghost towns even after cessation of mining.

From the period 2013 to 2018, the ALP took place in three (3) regions and seven (7) District Assemblies. The regions were Ashanti, Western and Central. Initially, the project started in the Upper Denkyira East and West Districts but it was later extended to other areas due to the high interest shown by potential beneficiaries. In 2017 and 2018, the ALP continued within the Dunkwa-Ayanfuri area.

Owing to the successful implementation of the Dunkwa-Ayanfuri Project, a decision was taken to implement similar project in the Eastern Region. According to the Project Schedule, it was expected that 600,000 oil palm plantation per



year (equivalent to 10,000 acres) would be established in the Eastern Region over a three-year period beginning from 2019 to 2021.

However, in 2019 there was an additional acquisition of 150,000 oil palm seedlings (equivalent to 2,500 acres) making 750,000 oil palm seedlings for the year due to excessive demand from target beneficiaries. The beneficiary districts/municipals in respect of 2019 are as shown in Table 3.21.

Table 3.21 Beneficiary Districts of 2019 Alternative Livelihood Project

<b>NO</b>	<b>REGION</b>	<b>DISTRICT/ MUNICIPALS</b>	<b>ZONES/MAJOR EVENTS</b>
1	Eastern	Abuakwa South	Payaase, Ankaase, Addo Nkwanta, Bomposo, Apedwa, Kyebi, Akyem Maase
2		West District	Otwe Nkwanta, Nyankomase Nkwanta, Nyankomase,
3		Akuapem North	Tinkong, Ahenekorase, Ahenekaase, Mangoase, Pakro Junction, Kwamoso, Kabu, Okorase
4		Birim North	Amanfrom, Afosu, Teimuni/Nkwanteng, New Abirem, Adeusena, Mamaso, Hweakwae, Akoase, Old Abirem, Ntronang
5		Denkyembour	Apinamang, Akwatia, Bamenase, Torpremang, Kwai, Sakyikrom, Akyem Mansa
6		Kwaebibrim	Kade, Asuom

The following outputs were achieved in the period under review:

- i. 2,189 males and 956 females took part in the programme in 2019;
- ii. The participating farmers are from one hundred and twenty (120) communities;
- iii. A total of 750,000 oil palm seedlings were supplied to 3,145 beneficiaries from 120 communities as at December 31, 2019. Thus, exceeding the annual target of 600,000 seedlings by 150,000 seedlings;
- iv. A total of 12,500 acres of oil palm plantation had been established as at December 31, 2019; exceeding the annual target of 10,000 acres;

- v. A total of 2,000 bundles of wire mesh were supplied to beneficiary farmers to protect the oil palm seedlings from rodent attack on the field.
- vi. A total of 3,145 farmers made up of 2,189 males and 956 females benefited from the supply as at December 31, 2019.

## **PART B: PERFORMANCE OF THE MINING SECTOR**

### **4.0 GENERAL PERFORMANCE**

In 2019, the price of gold was fairly stable with less periods of price instability. This was due to several factors including commodity price dynamics and international economic stability. The average gold price in 2019 (US\$1,393.34/ounce) was higher than the average price of gold in 2018 (US\$1,268/ounce). The increase in the gold price favoured Ghana because gold is the country's flagship mineral.

In 2019, the mining sector's contribution to the country's total merchandise exports was 42.0%. The sector also contributed to the Ghana Government's domestic tax revenue in the following area:

- Corporate Tax - GH¢581,772,700,000.00
- Mineral Royalties - GH¢1,006,648,240,000.00
- Pay-As-You-Earn - GH¢310,244,544,000.00
- Miscellaneous - GH¢521,181,000.00

It is worthy of note that since 1991, the mining sector has been the single largest contributor to total merchandise export with gold accounting for about 93% of the mineral portfolio in 2019. In 2019, Ghana produced 4,673,974 oz of gold.

Gold production in 2019 showed a decrease of 5.46% over the previous year's production of 4,944,069 oz.

Diamond production in 2019 was 31,444 carats. This represents a 68.66% decrease increase over 2018 figure of 100,328 carats.

Manganese production increased from 4,473,192 metric tonnes in 2018 to 5,401,093 metric tonnes in 2019 representing 20.74% increase over 2018.

Bauxite production also recorded significant increase. A total of 1,116,334 metric tonnes of bauxite was produced in 2019 as against a total of 1,011,302 metric tonnes produced in 2018. This represents an increase of 10.39% over the previous year.

The 2018 and 2019 mineral production statistical analysis has been provided in Table 4.1.

Table 4.1 Statistical Analysis of Mineral Production 2019 versus 2018

<b>MINERAL</b>	<b>2018 PRODUCTION</b>	<b>2019 PRODUCTION</b>	<b>% VARIANCE</b>
GOLD (Oz)	4,944,069	4,673,974	(5.46%)
DIAMOND (Ct)	100,328	31,444	(68.66%)
BAUXITE (MT)	1,011,302	1,116,334	10.39%
MANGANESE (MT)	4,473,192	5,401,093	20.74%

Source: Various reports received from companies

## **4.1 MINERAL PRODUCTION BY MINING COMPANIES**

### **4.1.1 Gold**

The total volume of gold produced in 2019 was 4,673,974 oz. This represents decrease of 5.46% over the 2018 production value of 4,944,069 oz. The information on minerals production is provided in Table 4.2.

Large scale mining operations accounted for 64.1% (2,994,771 oz) of national production in 2019 as compared to 56.9% (2,813,913.80 oz) in 2018. This shows

a significant increase in the share (from 56.9% to 64.1%) of large-scale mining production in 2019.

AngloGold Ashanti Group (Obuasi and Iduapriem Mines) cumulatively saw a 11.07% increase in their mineral production volumes. The increase was due to an increase in production from the Iduapriem operations.

The Newmont Group (Ahafo and Akyem Mines) also cumulatively witnessed an increase of 24.12% in their production output mainly due to the Ahafo Operations that recorded about 47.46% production increase. Notably, Newmont Group was the highest gold producer in Ghana in 2019, pouring some 1,061,707 oz.

Asanko Gold Ghana Limited also saw 12.50% production increase in 2019. However, the Golden Star Resources Group, Perseus Mining Ghana Limited, Chirano Gold Mines Limited, Adamus Resources Limited and X'tra Gold Mining Limited all experienced decreased production in 2019.

Out of the total national production, Newmont Group (Ahafo and Akyem Mines) produced the highest quantity of 1,061,707oz (22.72% of total production). The Goldfields Group (Tarkwa and Damang Mines) produced 727,555oz (15.57% of total production). The AngloGold Ashanti Group (Obuasi and Iduapriem Mines) also produced 281,543oz (6.02% of total production). Chirano Gold Ghana Limited produced 201,037oz (4.30% of total production) whilst Golden Star Group produced 204,685oz (4.38% of total production).

Asanko Gold Ghana Limited, Perseus Mining Ghana Limited, Adamus Resources Limited and X'tra Gold Mining Limited also produced 251,043oz (5.37% of total production), 182,136oz (3.90% of total production), 82,456oz (1.76% of total production) and 2,609oz (0.06% of total production) respectively.

Small Scale mining operations contributed 1,679,203oz (35.93%) in 2019 as compared to 2,130,155.66oz (43.1%) produced in 2018. This translates into a 21.17% decrease in small-scale gold production over the 2018 figure.

#### 4.1.2 Diamonds

Diamonds production saw a decrease of 68.66% during the period under review. A total of 31,444Ct of diamonds was produced in 2019 as compared to 100,328.92Ct produced in 2018.

#### 4.1.3 Manganese

Manganese production has been on a steady ascent over the past five (5) years and in 2019, it increased significantly by 20.74% over the 2018 production figure of 4,473,192 metric tonnes. A total of 5,401,093 metric tonnes of manganese was produced in 2019.

#### 4.1.4 Bauxite

Bauxite production saw a significant increase of 10.39% over the previous year's production. A total of 1,116,334 metric tonnes of bauxite was produced in 2019 as against 1,011,302 metric tonnes produced in year 2018.

Table 4.2: Minerals Production Analysis 2019 against 2018

<b>OPERATING MINE</b>	<b>2019 ANNUAL</b>	<b>2018 ANNUAL</b>	<b>% VARIANCE</b>
<b>ANGLOGOLD GROUP</b>			
AngloGold Ashanti (Ghana) Limited	6,877	-	-
AngloGold Ashanti (Iduapriem) Limited	274,666	253,484	8.36
<b>TOTAL</b>	<b>281,543</b>	<b>253,484</b>	<b>11.07</b>
<b>GOLD FIELDS GROUP</b>			
Gold Fields Ghana Limited	519,072	524,869	(1.10)
Abosso Goldfields Limited		180,851	15.28

	208,483		
<b>TOTAL</b>	<b>727,555</b>	<b>705,720</b>	<b>3.09</b>
<b>GOLDEN STAR GROUP</b>			
Golden Star (Bogoso/Prestea) Limited	48,516	80,524	(39.75)
Golden Star (Wassa) Limited	156,169	144,431	8.13
<b>TOTAL</b>	<b>204,685</b>	<b>224,955</b>	<b>(9.01)</b>
<b>NEWMONT GROUP</b>			
Newmont Ghana Gold Limited	643,067	436,105	47.46
Newmont Golden Ridge Limited	418,640	419,301	(0.16)
<b>TOTAL</b>	<b>1,061,707</b>	<b>855,406</b>	<b>24.12</b>
<b>OTHERS</b>			
Asanko Gold Ghana Limited	251,043	223,153	12.50
Chirano Gold Ghana Limited	201,037	226,370	(11.19)
Perseus Mining (Ghana) Limited	182,136	217,218	(16.15)
Adamus Resources Limited	82,456	104,680	(21.23)
Xtra-Gold Mining Limited	2,609	2,928	(10.88)
<b>TOTAL</b>	<b>719,281</b>	<b>774,349</b>	<b>(7.11)</b>
<b>LARGE SCALE TOTAL</b>	<b>2,994,771</b>	<b>2,813,914</b>	<b>6.43</b>
<b>SMALL SCALE TOTAL</b>	<b>1,679,203</b>	<b>2,130,156</b>	<b>(21.17)</b>
<b>TOTAL GOLD</b>	<b>4,673,974</b>	<b>4,944,069</b>	<b>(5.46)</b>
<b>DIAMOND (CARAT)</b>			
Licensed Diamond Winners	31,444	100,329	<b>(68.66)</b>
<b>BAUXITE (METRIC TONNE)</b>			
Ghana Bauxite Company Limited	1,116,334	1,011,302	<b>10.39</b>
<b>MANGANESE (METRIC TONNE)</b>			
Ghana Manganese Company Limited	5,401,093	4,473,192	<b>20.74</b>

## 4.2 INVESTMENT INFLOW INTO THE MINING SECTOR

In 2019, the Total Direct Investment into the mining sector amounted to US\$ 969.41 million as compared to US\$ 953.17 million Total Direct Investment during 2018. Out of this, US\$846.61 million (87.33%) went into mining; US\$100.3 million (10.35%) was spent on exploration projects, whilst US\$22.5 million (2.32%) was spent by Mine Support Services Companies. The details are as shown in Table 4.3 and Figure 4.1.

Table 4.3 Investment Inflows by Type of Activity in US\$ millions (2009 to 2019)

Year	Producing Mining Companies	Exploration Companies	Mine Support Service Companies	TOTAL
2009	511.0	222.96	28.3	<b>762.26</b>
2010	508.2	231.0	30.8	<b>770.0</b>
2011	703.8	242.0	24.5	<b>970.3</b>
2012	1,170.90	246.2	26.9	<b>1,444</b>
2013	896.7	235.1	22.3	<b>1,154.10</b>
2014	796.0	135.0	19.4	<b>950.40</b>
2015	862.0	84.0	19.0	<b>965.00</b>
2016	838.90	83.01	49.80	<b>971.71</b>
2017	876.77	124.19	35.0	<b>1,035.96</b>
2018	792.73	140.02	20.42	<b>953.17</b>
2019	846.61	100.3	22.5	<b>969.41</b>

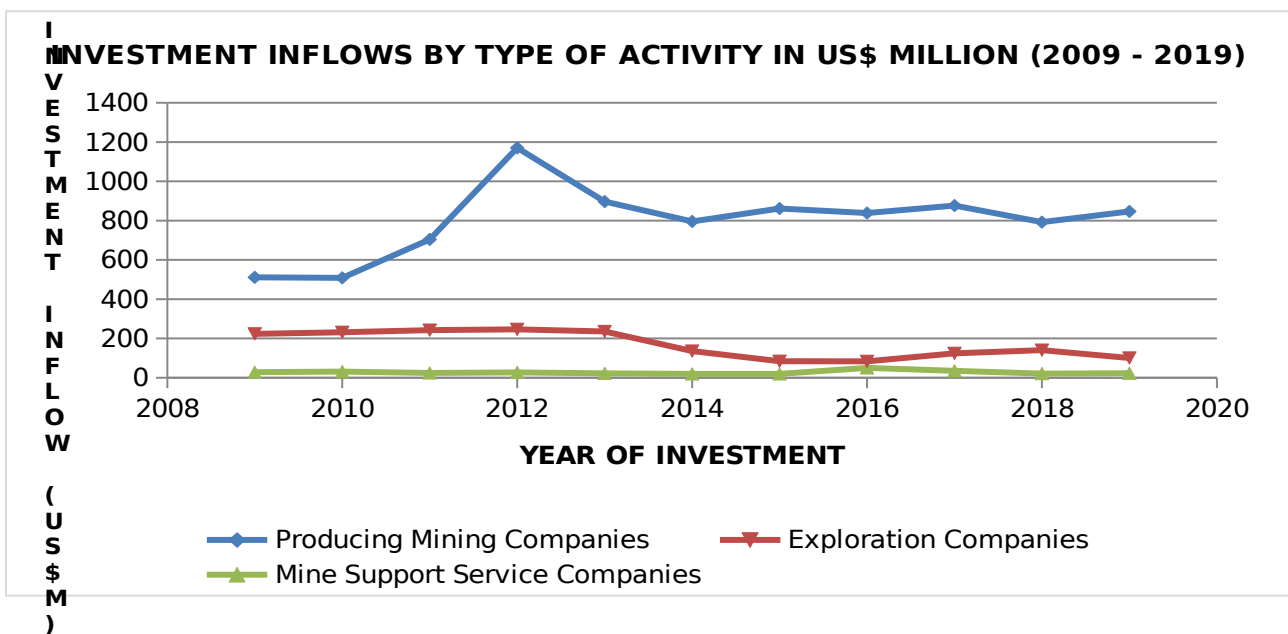


Fig 4.1: Graphical Representation of Investment Inflow by type of activity (2009-2019)

Source: Minerals Commission

It can be deduced from Table 4.3 that, since 2014, investments into the mining sector has been relatively stable except in 2017 when it rose to one (1) billion US Dollars. In 2018 however, investments into the sector declined by 7.9% to US\$ 953.17 million. There was slight investment recovery in 2019 when the previous figure increased by 1.70% in 2019 to yield US\$ 969.41 million.

### 4.3 LABOUR

The labour composition in the various mining companies during the period under review is as shown in Table 4.4.

Table 4.4: 2019 Mine Labour

<b>CATEGORY</b>	<b>NUMBER</b>
Total Number of Permanent Ghanaians	9,722
Total Number of Contract Ghanaians	21,576
Total Number of Permanent Expatriates	133
Total Number of Contract Expatriates	140
Total Number of Ghanaians	31,298
Total Number of Expatriates	273
<b>Total Labour</b>	<b>31,571</b>

There was an increase in the mine labour from 23,894 employees in 2018 to 31,571 in 2019. It is worth noting that out of the total mine labour of 31,571 employees in 2019, the number of expatriates was 273 which is about 0.86% of the total mine labour in Ghana.

### 4.4 CONTRIBUTION TO GOVERNMENT REVENUE

The Ghana Revenue Authority (GRA) is responsible for the collection of revenue due Government from the mining sector. Revenue collected by the Domestic Tax



Revenue Division of the GRA includes royalties, corporate and personal income taxes (Pay-As-You-Earn), capital gains and gift taxes. Others were dividends, commissions and interests. Details of revenue collected by the Domestic Tax Revenue Division for 2019 are presented in Table 4.5.

Table 4.5: Contribution to Government Revenue in GH¢ '000 (2009-2018)

YEAR	CORPORATE TAX GH¢	MINERAL ROYALTIES GH¢	P.A.Y.E GH¢	RECONSTRUCTION LEVY GH¢	WITHHOLDING TAX GH¢	MISCELLANEOUS GH¢
2009	124,600,880	90,415,902	103,061,985		36,288,407	
2010	241,578,778	144,697,345	132,469,345		36,350,000	
2011	649,902,536	222,024,705	178,037,079			472,361
2012	893,773,828	359,392,853	207,495,934			540,362
2013	518,545,259	364,673,038	220,131,570			697,447
2014	429,533,132	470,366,082	291,731,324			1,062,004
2015	320,948,380	485,632,657	478,096,157			904,097
2016	674,710,692	550,738,650	367,349,843		39,844,558.81	526,073
2017	969,567,315	702,407,281	487,988,013	-	-	780,164
2018	470,510,728	705,465,230	267,965,643	-	-	178,498
2019	581,772,700	1,006,648,240	310,244,544	-	-	521,181

Source: Ghana Revenue Authority (GRA), Domestic Tax Division.

The mining sector contributed GH¢1,899.19 million to Government in 2019 as against GH¢1,444.12 million in 2018. This marked a sharp increase in total contribution to Government by the mining sector. Pay-As-You-Earn (PAYE) contribution from the mining sector was GH¢267.97 million in 2018 as compared to GH¢310.24 million in 2019. Also, a total of GH¢705.47 million was paid as mineral royalties in 2018 as compared to GH¢1,006.65 million in 2019. Corporate

income tax paid by mining companies increased from GH¢470.51million in 2018 to GH¢581.77 in 2019.

#### **4.5 CONTRIBUTION TO TOTAL DOMESTIC TAX COLLECTION**

In 2019, the mining sector contributed GH¢1,899.19 million towards the country's total Domestic Revenue Collection.

#### **4.6 CONTRIBUTION OF MINING TO TOTAL MERCHANDISE EXPORT EARNINGS**

In 2019, the total earnings from traditional minerals exported was US\$ 6,678.74 as compared to US\$ 5,760.01 million earned in 2018. This represents a 15.95% increase in the value of mineral exports over the period 2018 to 2019. Gold exports amounted to US \$6,229.69 million representing 93.28% of the total mineral exports. Manganese exports yielded US\$ 412.23 million representing 6.17% of the total mineral exports whilst Bauxite export earnings amounted to US\$ 35.99 million representing 0.54%. Diamonds earning was US\$ 0.83 million representing 0.012% of mineral exports.

In year 2019, the total merchandise export earnings was US\$ 15,667.53 million compared to US\$ 14,942 million in 2018. The contribution of minerals to the earnings for the year was 42.63% of the total merchandise exports. Figure 4.2 shows the contribution of the various commodities to total merchandise exports in 2019.

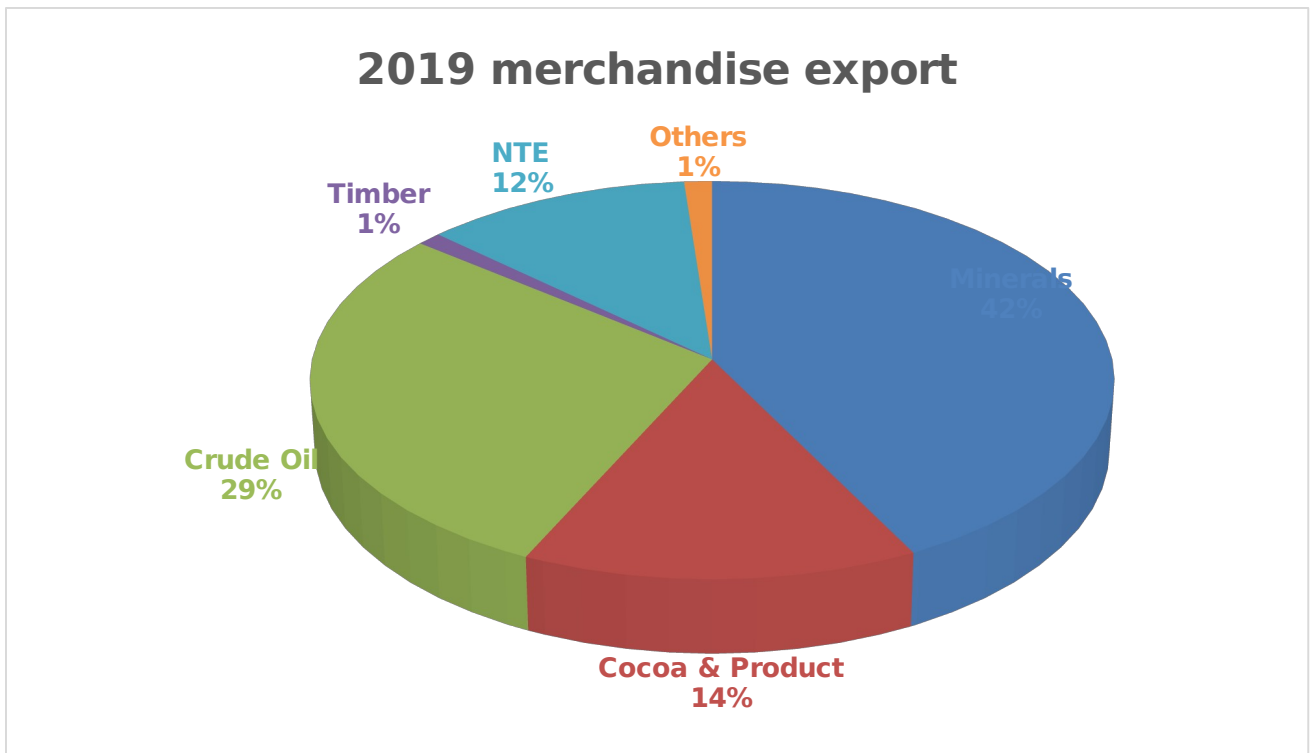


Fig 4.2: Contribution of Various Commodities to Total Merchandise Export - 2019  
Source: Bank of Ghana

#### 4.7 GOLD PRICE

The average price of gold in 2019 (US\$1,393.34/ounce) was higher than that of 2018 (US\$1,268.49/ounce). An annual high gold price of US\$1,546.10/ounce was recorded in September and annual low gold price of US\$1,269.50/ounce was recorded in April based on the London Post Meridian (PM) fixtures. The gold price/ounce for 2018 and 2019 are presented in Figures 4.3 and 4.4.

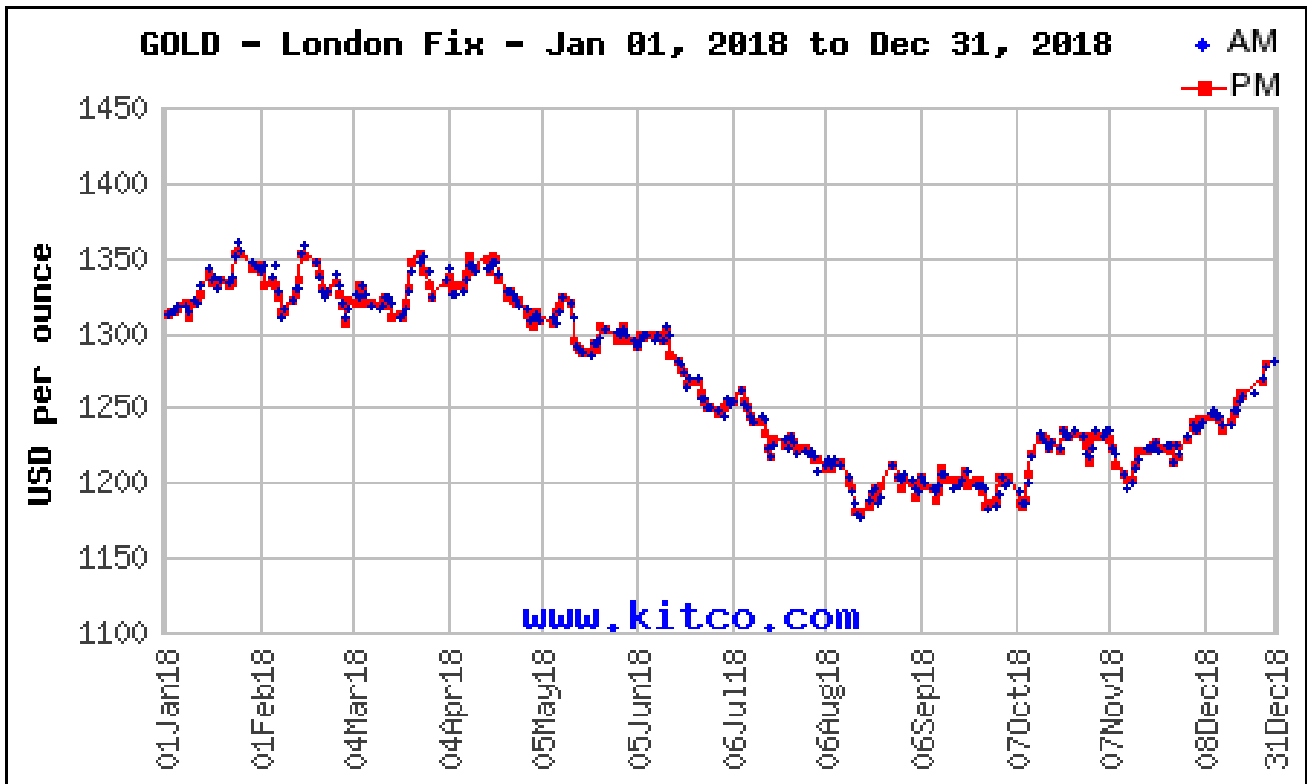


Fig 4.3: Gold Price Chart for 2018. Source: kitco.com

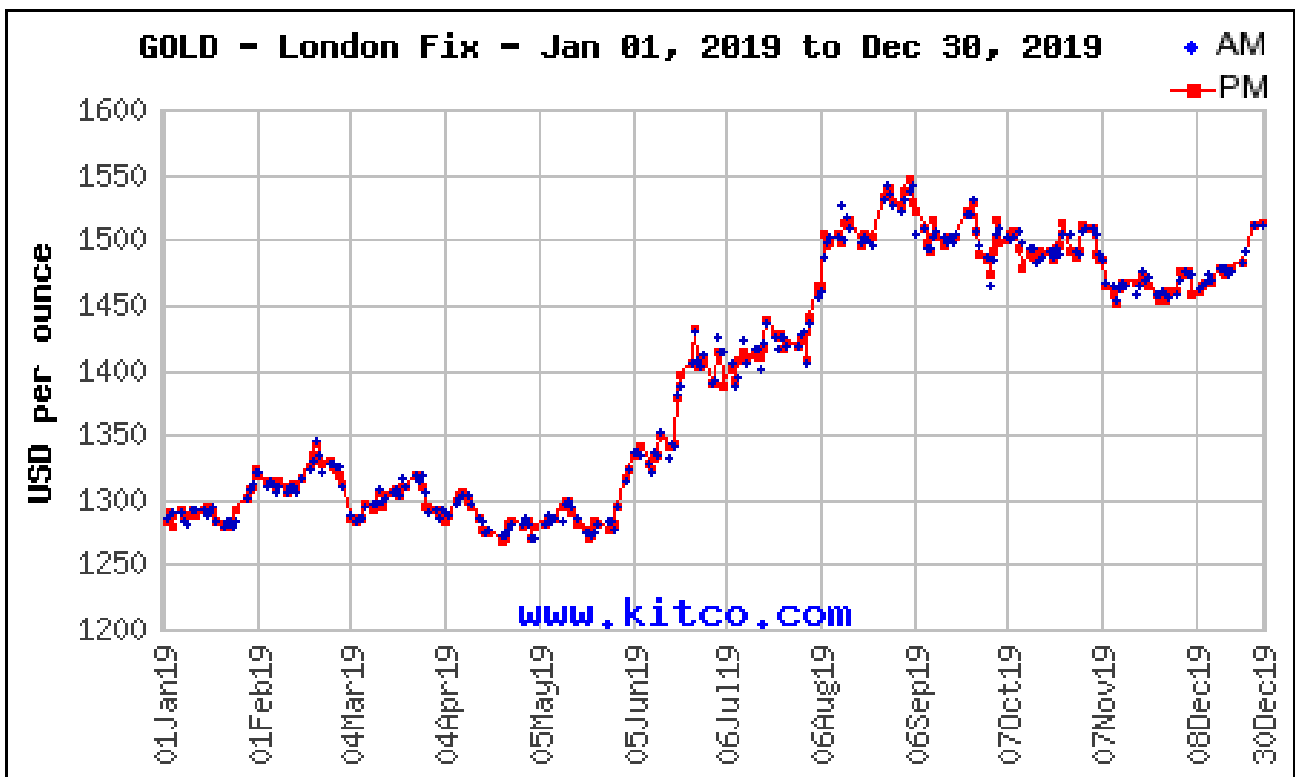


Fig 4.4: Gold Price Chart for 2019. Source: kitco.com

## 5.0 CHALLENGES AND MITIGATION STRATEGY

In 2019, the following key challenges were identified in the sector:

KEY CHALLENGES	MITIGATION STRATEGY
Inadequacy of resources and capacity to support achievement of targets	Seek additional funding from Development Partners to complement Government Budget
Development of the requisite linkages between the mining sector and the rest of the economy.	<ol style="list-style-type: none"> <li>1. Deepen local content in the mining industry by ensuring procurement of local goods and services.</li> <li>2. Undertake conscious promotional drive, including Research and Development and the application of findings</li> <li>3. Active Collaboration with the Chamber of Mines is being pursued</li> </ol>
A focus on only a few minerals, notably gold, bauxite, manganese and diamonds but especially gold.	Diversify into other minerals. For example; base metals in the Buem Formation; Lithium in Central Region
Management of Artisanal and Small-Scale Mining, especially the menace of illegal mining (galamsey)	<ol style="list-style-type: none"> <li>1. Undertake geological investigation of more areas to identify suitable areas for small scale miners.</li> <li>2. Create awareness among such miners to regularize their operations.</li> <li>3. Apply technology, e.g., use drones to aid monitoring</li> </ol>
Monitoring and evaluation of fiscal and financial flows within the sector to ensure efficient and equitable mobilization and distribution of the benefits of mining;	Implement Action plan of Multi-Agency Mining Revenue Task Force
Non-Renewal of operating permits by operators	Notification and Penalty for defaulters
Conflict between mining communities and mining companies	<ol style="list-style-type: none"> <li>1. Payment of compensation claim and provision of social amenities by Mining Companies</li> <li>2. Ensure provision of adequate information to stakeholders</li> </ol>
Inability to implement on-line administration of mineral titles: including internet-based cartographic searches; on-line sale of application forms and electronic payment system through the implementation of the cadastral system.	MCAS has been initiated. Ensure completion of Phase 2 of the MCAS process.

Lack of Testing Gadgets	Provide instruments for testing equipment, winding ropes etc.
-------------------------	---

## **6.0 CONCLUSIONS**

The year 2019 marked the second year of implementation of the Sector Medium Term Development Plan SMTDP (2018 - 2021). Generally, some considerable degree of progress was made in addressing the challenges of the mining sector in order to bring it on course to meeting its medium-term policy objective as SMTDP (2018-2021).

Though the ban on small scale mining activities had been lifted by 2019, activities were not immediately intense. Nevertheless, the small scale mining operations contributed 1,679,203oz (35.93%) of the total gold production of 4,673,974oz in 2019.

In 2019, the total earnings from traditional minerals exported was US\$ 6,678.74. This represents a 15.95% increase in the value of mineral exports over the period 2018 to 2019. Gold exports amounted to US \$6,229.69 million representing 93.28% of the total mineral exports. Manganese exports yielded US\$ 412.23 million representing 6.17% of the total mineral exports whilst Bauxite export earnings amounted to US\$ 35.99 million representing 0.54%. Diamonds earning was US\$ 0.83 million representing 0.012% of mineral exports.

Generally, in 2019, the mining sector's mineral export proceeds represents 42.63% of the country's total merchandise export earnings of US\$ 15,667.53 million in the same year.

The sector also contributed to the Ghana Government's domestic tax revenue in the following area:

- Corporate Tax - GH¢581,772,700,000.00
- Mineral Royalties - GH¢1,006,648,240,000.00
- Pay-As-You-Earn - GH¢310,244,544,000.00
- Miscellaneous - GH¢521,181,000.00

It is important to note that the Commission continues to monitor the implementation of local content by the mining industry with the view to ensuring that inputs for the mining industries in Ghana are procured locally.

The Commission, in conjunction with African Development Bank and Natural Resources Governance Institute (NRGI) gave capacity building to selected staff of the Commission, Ministry of Lands & Natural Resources, Ministry of Finance and Ghana Revenue Authority on Fiscal Modeling among others. This will ensure that the country is well position to assess mining contracts so that the country can derive maximum benefit from its mineral resources.

### **6.1 OUTLOOK FOR 2020 (PROGRAMMED TOP PRIORITIES)**

To ensure that the mining sector contributes fully to the sector goals and objectives, the Minerals Commission will continue to provide the necessary platform for transparent engagement of all stakeholders to promote harmony in the mining sector.

Programmes for 2020 were developed based on the Sector Medium Term Plan. Key strategic objectives expected to be achieved during 2020 include the following:

1. Re-structuring of Minerals Commission
  - i. Increase Foot print of MC to manage mining activities
  - ii. Efficient Mineral Rights Administrative System
  - iii. Review Legal and Regulatory Framework governing mining in Ghana
  - iv. Enforce compliance of Minerals and Mining Laws and Regulations
  - v. Build capacity in house to ensure the negotiation of better mining deals.
  - vi. Educate stakeholders on Minerals and Mining Laws and Regulations
  - vii. Ensure compliance to CSR guidelines by mining companies
  
2. Diversification & Value Addition



- a. Review of all available Geo-scientific data in collaboration with GGSA
- b. Promote the Integrated development of minerals in Ghana
- c. Promote salt production in Ghana through education, engagement and introduction of appropriate technology
- d. Improve on the regularization of the exploitation of industrial minerals in some parts of the country.

### 3. Deepening Local Content

- a. Monitor and review implementation of Local Content Policies in line with LI 2173
- b. Build-on Local Procurement List in collaboration with Industry stakeholders.
- c. Identify and classify more services to be provided solely by host communities under special consideration
- d. Enhance the participation of locals in the mining value chain

### 4. Improving the Management of ASM

- a. Improve support to SSMs
- b. Provide Economically Viable Areas for SSMs
- c. Develop Sustainable Livelihood Projects in mining communities
- d. Strengthen the Monitoring of SSM Operations

## PART C: STATISTICAL OVERVIEW OF THE MINING INDUSTRY IN 2019

### APPENDIX I: STATISTICAL OVERVIEW OF THE MINING INDUSTRY.

**TABLE A: INVESTMENT INFLOW BY TYPE OF ACTIVITY IN US\$ MILLIONS (1990 - 2019)**

<b>Year</b>	<b>Producing Companies US\$m</b>	<b>Exploration Companies US\$m</b>	<b>Mine Support Service Companies US\$m</b>	<b>TOTAL US\$m</b>
1990	268.52	129.72	-	398.24
1991	87.41	192.08	-	279.49
1992	421.30	174.10	-	595.40
1993	6.76	257.14	-	263.90
1994	10.07	88.26	-	98.33
1995	23.97	140.99	-	164.96
1996	79.77	694.99	-	774.76
1997	218.23	322.03	52.76	593.02
1998	172.82	63.24	31.48	267.54
1999	153.83	24.19	36.75	214.77
2000	29.91	179.40	22.47	231.78
2001	108.63	145.21	21.69	275.53
2002	110.50	186.44	18.65	315.59
2003	325.69	198.13	21.80	545.62

3				
2004	407.58	207.36	23.39	638.33
2005	543.12	228.50	25.90	797.52
2006	330.36	232.90	23.48	586.74
2007	410.25	235.41	24.56	670.22
2008	466.75	270.72	27.83	765.30
2009	511.00	222.96	28.30	762.26
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
2014	796.0	135.00	19.40	950.40
2015	862.00	84.00	19.00	965.00
2016	838.90	83.01	49.80	971.71
2017	876.77	124.19	35.0	1,035.96
2018	792.73	140.02	20.42	953.17
2019	846.61	100.3	22.50	969.41

**TABLE B: TRENDS IN THE TRADITIONAL MINERALS; GOLD, DIAMOND, BAUXITE AND MANGANESE [1990 - 2019]**

Year	Gold (oz)	Gold (MT)	Diamonds (Cts)	Bauxite (MT)	Manganese (MT)
1990	541,147	17	636,503	368,659	246,869
1991	847,559	26	687,736	324,313	311,824
1992	1,004,625	31	656,421	399,155	276,019
1993	1,261,890	39	590,842	364,641	295,296
1994	1,438,483	45	746,797	451,802	238,544

1995	1,715,867	53	631,708	530,389	187,548
1996	1,583,830	49	714,738	383,370	266,765
1997	1,752,452	55	829,524	536,723	332,703
1998	2,371,108	74	822,563	341,120	384,463
1999	2,608,102	81	681,576	355,263	638,937
2000	2,457,152	76	878,011	503,825	895,749
2001	2,381,345	74	1,090,072	678,449	1,076,666
2002	2,236,833	70	963,493	683,654	1,135,828
2003	2,274,627	71	904,089	494,716	1,509,432
2004	2,031,971	63	905,344	498,060	1,597,085
2005	2,138,944	67	1,065,923	606,700	1,719,589
2006	2,337,784	73	972,992	972,991	1,699,546
2007	2,628,290	82	836,488	1,033,368	1,305,809
2008	2,796,955	87	599,007	574,389	1,261,000
2009	3,126,577	97	354,443	420,477	1,007,010
2010	3,321,688	103	308,679	595,092	1,447,627
2011	3,676,223	114	283,369	409,918	1,705,314
2012	4,313,190	134	215,117	662,925	1,501,033
2013	4,396,987	137	160,821	908,586	1,724,417
2014	4,471,573	139	241,235	798,114	1,531,394
2015	3,623,740	113	174,364	1,014,605	1,562,769
2016	4,241,202	132	173,863	1,278,561	2,034,560
2017	4,231,376.1 3	131	87,065	1,476,966	3,021,633
2018	4,944,069	153	100,328	1,011,302	4,473,192
2019	4,673,974	145	31,444	1,116,334	5,401,093

**TABLE C: COMPARATIVE PRODUCTION: LARGE SCALE Vs SMALL SCALE MINING [1990 - 2019]**

<b>Year</b>	<b>Large Scale Producers - Oz</b>	<b>Small Scale Producers - Oz</b>	<b>Total Ghana Production - Oz</b>	<b>% of Small to Total Ghana</b>
1990	517,818	17,234	535,052	3.2

1991	825,114	15,601	840,715	1.9
1992	976,223	17,297	993,520	1.7
1993	1,222,344	35,145	1,257,489	2.8
1994	1,338,491	89,520	1,428,011	6.3
1995	1,581,506	127,025	1,708,531	7.4
1996	1,474,746	112,349	1,587,095	7.1
1997	1,677,911	107,097	1,785,008	6.0
1998	2,244,819	128,334	2,373,153	5.4
1999	2,358,423	130,833	2,489,256	5.3
2000	2,168,802	145,662	2,314,464	6.3
2001	2,184,313	185,596	2,369,909	7.8
2002	2,075,954	160,879	2,236,833	7.2
2003	2,085,070	221,063	2,306,133	9.6
2004	1,783,400	246,570	2,029,970	12.1
2005	1,913,534	225,411	2,138,945	10.5
2006	2,095,553	247,063	2,342,616	10.5
2007	2,239,678	388,594	2,628,272	14.8
2008	2,378,012	418,943	2,796,955	15
2009	2,564,095	555,737	3,119,832	17.8
2010	2,624,391	767,196	3,391,587	22.6
2011	2,697,612	978,611	3,676,223	26.6
2012	2,842,585	1,481,670	4,324,255	34.3
2013	2,868,763	1,528,224	4,396,987	34.8
2014	2,960,583	1,510,990	4,471,573	33.79
2015	2,592,564	1,031,176	3,623,740	28.45
2016	2,576,489	1,283,791	3,860,281	33.26
2017	2,807,025	1,424,351	4,231,376	33.66
2018	2,813,913	2,130,155	4,944,069	43.1
2019	2,994,771	1,679,203	4,673,974	35.93

<b>TABLE D: MINING SECTOR CONTRIBUTION TO GOVERNMENT REVENUE [1990 - 2019]</b>									
YE R	CORPORATE TAX GH¢	MINERAL ROYALTIES GH¢	P.A.Y.E GH¢	RECONS TRUCTIO N LEVY GH¢	WITHHOLDIN G TAX GH¢	MISCELAN EOUS GH ¢	TOTAL INCOME GH¢	TOTAL GRA[DTRD] COLLECTION	TOTAL MINING/ TOTAL DTRD
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>	<b>(F)</b>	<b>G=</b> A+B+C+D+E +F	<b>(H)</b>	<b>I=G/H</b>
199 0	282,594	189,344	-	-			471,938	5,281,807	8.94%
199 1	82,184	302,128	-	-			384,312	6,148,563	6.25%
199 2	455,505	454,580	-	-			910,086	7,473,153	12.18%
199 3	439,345	748,512	264,931	-			1,452,787	11,323,700	12.83%
199 4	721,408	1,278,369	481,080	-			2,480,857	16,659,594	14.89%
199 5	2,039,297	2,091,193	795,176	-			4,925,666	27,551,320	17.88%
199 6	916,053	3,552,703	1,683,453	-			6,152,209	42,449,191	14.49%
199 7	986,880	3,459,495	2,502,202	-			6,948,577	60,578,258	11.47%
199 8	1,445,077	4,984,124	3,101,651	-			9,530,852	78,543,669	12.13%
199 9	3,111,711	4,862,042	2,783,926	-			10,757,679	90,166,376	11.93%
200 0	1,578,917	11,873,694	5,924,380	-			19,376,990	140,944,527	13.75%
200 1	2,481,289	12,735,839	7,611,168	425,147			23,253,443	195,016,275	11.92%
200 2	2,350,116	15,345,247	10,145,767	2,647,463			30,488,593	275,774,778	11.06%
200 3	6,813,770	19,438,758	14,104,945	1,678,588			42,036,061	382,407,839	10.99%

2004	10,033,114	21,574,371	13,435,771	5,318,591	11,310,661		61,672,509	533,311,470	11.56%
2005	26,988,964	23,595,190	15,437,126	1,951,628	13,490,703	12,509,203	93,972,813	644,638,505	14.58%
2006	21,566,208	31,625,479	18,271,007	1,582,873	17,381,530	-	90,427,097	734,135,448	12.32%
2007	47,415,690	40,882,042	34,587,597	-	21,208,062	136,537	144,229,928	910,235,784	15.85%
2008	73,554,697	59,006,509	47,139,242	-	30,804,675	277,934	210,783,058	1,222,475,246	17.24%
2009	124,600,880	90,415,902	103,061,985	-	36,288,407	-	354,367,174.02	1,790,557,800	19.79%
2010	241,578,778	144,697,345	132,469,345	-	36,350,000	-	555,095,469.08	2,338,542,674	23.74%
2011	649,902,536	222,024,705	178,037,079	-	-	472,361	1,050,436,681	3,705,747,795	28.35%
2012	893,773,828	359,392,853	207,495,934	-	-	540,362	1,461,202,977	5,403,032,412	27.04%
2013	518,545,259	364,673,038	220,131,570	-	-	697,447	1,104,047,314	5,880,322,065	18.78%
2014	429,533,132	470,366,082	291,731,324	-	-	1,062,004	1,192,692,542	7,426,082,366	16.06%
2015	320,948,380	485,623,657	478,096,157	-	-	904,097	1,285,581,291	9,091,116,859	14.14%
2016	674,710,692	550,728,650	367,349,843		39,844,558.81	526,073	1,633,169,817	10,452,099,251	15.63%
2017	969,567,315	702,407,281	487,988,013			780,164	2,160,742,773	13,256,654,665	16.30%
2018	470,510,728	705,465,230	267,965,643	-	-	178,4981	1,444,120,099	16,638,474,574	8.68%
2019	581,772,700	1,006,648,240	310,244,544	-	-	521,181	1,899,186,665	15,667,530,000	12.12%

## APPENDIX II: MINE AUDIT AND MINE SAFETY PERFORMANCE

**Table 5: 2019 Mine Performance Awards**

AWARDS	COMPANY / OFFICIAL
1. Best Community Team	Golden Star Resources - Wassa Mine
2. 2 <sup>nd</sup> Best Community Team	Newmont Gold Ghana Limited - Ahafo Mine
3. 3 <sup>rd</sup> Best Community Team	Asanko Gold Ghana Limited - Esaase Mine
1. Best Improved Mine	Goldfields Ghana Limited-Tarkwa Mine
2. 2 <sup>nd</sup> Best Improved Mine	Golden Star Resources - Wassa Mine
3. 3 <sup>rd</sup> Best Improved Mine	Ghana Manganese Company - Nsuta Mine
1. Best Mine Based on Occupational Injury Statistics	Ghana Manganese Company - Nsuta Mine
2. 2 <sup>nd</sup> Best Mine Based on Occupational Injury Statistics	Golden Star Resources - Wassa Mine
3. 3 <sup>rd</sup> Best Mine Based on Occupational Injury Statistics	Goldfields Ghana Limited-Tarkwa Mine
1. Best Safe Mine Based on Mine Safety, Health & Environmental Audit	Newmont Golden Ridge Limited - Akyem Mine
2. 2 <sup>nd</sup> Best Safe Mine Based on Mine Safety, Health & Environmental Audit	Chirano Gold Mines Limited - Chirano Mine
3. 3 <sup>rd</sup> Best Safe Mine Based on Mine Safety, Health & Environmental Audit	Perseus Mining Ghana Limited-Ayanfuri
1. Best Mine Team based on National Safety and First	Newmont Gold Ghana Limited - Ahafo



<b>Aid Competition</b>	<b>Mine</b>
<b>2. 2<sup>nd</sup> Best Mine Team</b>	<b>Golden Star Resources - Wassa Mine</b>
<b>3. 3<sup>rd</sup> Best Mine Team</b>	<b>Adamus Resources Limited</b>
<b>4. Safety Manager of The Year</b>	<b>Newmont Gold Ghana Limited - Ahafo Mine</b>

**PART D: AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER  
2019**