2019 ANNUAL REPORT
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CONTACT DETAILS

Location: No.18 Gulf Street, South Legon, P. O. Box 991, Accra, Ghana
Digital Address: GA-2382234
Postal Address: P. O. Box GP 991 Accra
Telephone Numbers: 0302 760652, 761893, 765308
Fax Number: 0302 760653
E-mail: chamber@ghanachamberofmines.org
Website: www.ghanachamberofmines.org
92nd Annual General Meeting
Friday 29th May, 2020

11:30am
Annual General Meeting (Chamber Members & Guests)

Welcome & Introduction of Chairman
Apologies
Confirmation of Minutes
Auditors Report
Confirmation of Auditors

Presidential Address
Mr. Eric Asubonteng, President

Statement by Special Guest
Hon. Kwaku Ansomah - Cheremeh,
Minister, Ministry of Lands & Natural Resources

Closing Remarks
Adjournment

Questions & Answers Session
Chamber’s Profile

The first offices of the West Africa Chamber of Mines, which gave birth to the Ghana Chamber of Mines, were set up in 1903 with the principal objective of advancing and protecting the mining interests of the shareholders.

The Chamber was composed of directors of the mining companies in London, who, among other functions, had power to promote or oppose any legislative measures or petition government and administrative bodies in the colony on any matters which directly affected mining interests.

On 6th June 1928, the Gold Coast Chamber of Mines was incorporated as a private company and operated at Tarkwa in the Western Region. On Ghana’s attainment of independence on 6th March 1957, the name of the Chamber was altered to the Ghana Chamber of Mines. By a special resolution on 6th May 1960, the form of the objects of the Chamber was also altered, and on 14th February 1964, the Chamber was converted under the Companies Code 1963 (Act 179) into a Company Limited by Guarantee. In 1967, the registered offices of the Chamber moved to the national capital, Accra.

The Chamber has since remained a voluntary private sector employers’ association representing companies and organizations engaged in the minerals and mining industry in Ghana.

Programmes and activities of the Chamber are funded entirely by its Member companies, which are responsible for producing a large proportion of Ghana’s minerals.

MISSION
To represent the mining industry in Ghana using the resources and capabilities of its members to deliver services that address members’, government and community needs, in order to enhance development.

VISION
To be a respected, effective and unified voice for the mining industry.

CORE VALUES
- Honesty
- Transparency
- Good Governance
- Good Corporate Citizenship
- Commitment
- Unity

OBJECTIVES
- Promote and protect the interests of the mining industry;
- Promote and protect the image of the mining industry;
- Establish and maintain effective membership governance;
- Provide thought leadership for the solution of national issues related to mining.
Membership Structure & Governance

There are five broad categories of membership, namely, Represented, Pre-production, Contract Mining, Exploration, and Affiliate Categories.

**Represented Category:**
This is a class of membership for Mining Companies in commercial production.

**Pre-Production:**
It is a class of membership for Mining Companies, which are about to go into commercial production. They become Represented Members after being in commercial production for one year.

**Contract Mining Category:**
This is a class of membership for companies providing contract mining services.

**Exploration Category:**
It is a class of membership for companies involved in reconnaissance and prospecting.

**Affiliate Category:**
This is a class of membership for mining and minerals related service organizations, also known as the Service Industries.

The Chamber operates through an extensive Committee system, which enables the specialist expertise and the intellectual capital within the Member Companies to be tapped in a collective effort to enhance the overall business environment in which the mining industry can have the opportunity to thrive and flourish.

**Associate Member Institutions**
These are institutions whose operations and mandate are integral to the promotion and sustenance of the mining industry in Ghana.

**Executive Committee**
The Executive Committee comprises the President of the Chamber, two Vice-Presidents, the Chairmen of the Contract Mining Group, the Affiliate Committee, the Legal and Legislative Affairs Committee, Building Committee, Finance & Budget Committee (co-opted), the Chief Executive Officer of the Chamber, and a Member of Council who is a Registered Level A member.

**The Council**
The Council is the highest governing body of the Chamber and is made up of all Chief Executives/Managing Directors of Represented Level A and level B Members, the Chairmen of all Chamber Committees, as well as a representative each of the Membership categories. Each Council Member can nominate an alternate. The President of the Chamber chairs the Council.
Management

Sulemanu Koney
Chief Executive Officer

Ahmed Dasana Nantogmah
Director, External Relations and Communications
Membership of Council in 2019

Mr. Eric Asubonteng
President

Mr. Alfred Baku
1st Vice President

Mr. Adriano Sobreira
2nd Vice President

Mr. Kwame Addo-Kufuor
Immediate-Past President

Mr. Francois Hardy
Member

Mr. Edwin Allotey Acquaye
Budget & Finance Committee

Mr. Joseph Abu Baka
Chair, Contract Mining Group

Mr. Charles Darko
Chair, Affiliates Group

Mr. Frederick Attakumah
Member

Mr. Shadrach Adjey Sowah
Member

Mr. Charles Amoah
Member

Mr. Bernard Wessels
Member

Mr. Joshua Mortoti
Member

Mr. Jasper Musadaidzwa
Member

Mr. Joseph Ampong
Member

Mr. Stephen Ndede
Member
Membership of Council in 2019

Mr. Michiel Van Der Merwe
Member

Mr. Stephen Osei-Bempah
Member

Dr. Seth Opoku
Member

Mr. Ahmed-Salim Adam
Member

Mr. Mohaideen Mohammed
Chair, HR Committee

Mr. Andy Amoah
Chair, Technical Committee

Dr. Koduah Dapaah
Chair, Environment & Social Committee

Dr. Samuel Kobina DeSouza
Chair, Energy Committee

Mrs. Juliet Manteaw-Kutin
Chair, Legal and Legislative Affairs Committee

Mr. George Anyema
Chair, Security Committee

Mr. Theophilus Otchere
Chair, Supply Managers Committee

Mr. Samuel Torkornoo
Chair, Exploration Committee

Ms Adiki O. Ayitevie
Vice Chair, Public Relations Committee

Mr. Mike Ezan
Honorary Member

Dr. Joyce R. Aryee
Honorary Member

Mr. J.K. Anaman
Honorary Member
Membership of Council in 2019

Dr. Ben Adoo
Honorary Member

Amb. J. Bentum-Williams
Honorary Member

Mr. Kweku Andoh Awotwi
Honorary Member

Mr. Daniel Owiredu
Honorary Member

Mr. Sulemanu Koney
Secretary
Sulemanu Koney
Chief Executive Officer
The global mining industry has witnessed significant shifts in the last few years and Ghana has not been insulated. The overwhelming need for mining companies to operate responsibly as a necessary condition to achieve sustainable mining has been at the fore of mining conversations; particularly in seminars, workshops and conference.

Further to this, issues on gender and the need for a more inclusive workforce as well as the deployment of technology, climate change and local content are themes that have engaged the attention of the mining industry.

The Chamber continues to be a part of these conversations to ensure that we are not only represented at these deliberations but also a critical part of shaping the rapidly evolving nature of mining. Accordingly, the Chamber continued to participate in the annual Mining Indaba in Cape Town, Prospectors and Developers Association of Canada Conference in Toronto and the biannual members’ meeting of the International Council of Mining and Metal in London.

2019 was an epochal year in the annals of the Chamber as we formally inaugurated the Secretariat as the nerve centre for Ghana’s mining industry. Through the palpable commitment of member companies, the office complex of the Secretariat was fully completed to reinvigorate efforts at championing sustainable mining. I am pleased that I have lived to see this initiative become a reality. It is a monument that will remind us of where we have come from and where we want to be.

Last year was important to us because it was preceding an election year, which is used by business and political strategists to prepare for the uncertainties in our body politic. As such the Secretariat expended resources reaching out to partners and fostering goodwill in our quest to create an industry that endures beyond our very imagination.

Pursuant to this, the Secretariat organised mine tours for both members of parliament and media professionals to witness at first hand responsible mining operations and protocols put in place to sustain mining.

Our desire to ensure transparency in dealing with our stakeholders cannot be over emphasised as it was a successful way to maintain cordial relations with our partners.

As you may recall, the Chamber set up a multimillion Ghana Cedis Tertiary Education Fund (TEF) to identify and train the human resources the industry requires with an emphasis on research into technologies and innovations that would directly benefit the mining industry and other sectors of the economy in Ghana and beyond. I want to express our warmest appreciation to the Board of the TEF under the able leadership of Mr. Stephen Ndede, General Manager for Perseus Mining Ghana Ltd for accepting to take up the mantle.

For us at the Chamber, a skilled workforce is the backbone of a viable mining industry and the greater the pool of qualified candidates, the more competitive the space will be for employees to aspire to greater heights. It is for this reason that last year, the Chamber organised its 4th Human Resources (HR) Conference after a six year hiatus to take stock of the changing scenes in the HR landscape, particularly the diffusion of technology and identify new and productive ways to improve employee productivity in the sector. Mine employees must be well-rounded to be able to spur the competitive edge of their respective companies.

Our annual Local Content engagement platform also took place by way of a very successful workshop. The discussions were both positive and stimulating with a defining conclusion to explore creative ways to provide funds to support local participants in the mining supply chain as a means of improving their competitiveness. With the local content portal on the Chamber’s website, we have created useful resources to guide interested investors to identify opportunities in the mining value chain that can stimulate economic growth.

The Secretariat further held series of interactions with stakeholders on ways by which local refineries can refine dore for the industry in line with acceptable international certifications. Gold Coast refinery continues to be a part of the stakeholders and it would be a shot in the arm of the mining industry and Ghana as a whole if a local refinery is able to acquire the requisite certification.

Additionally, the Secretariat continued to support social investments in deprived communities across the country. From the funding of a mechanised water system for the Ullo Senior High
School in the Jirapa District of the Upper West Region; the provision of medical equipment to the Bimbilla Government Hospital; support for the National House Chiefs; to the provision of electricity for the people of Kwame Aninkrom in the Sefwi Wiawso Municipality through the patronage of the Nexans Foundation, we augmented the social support services rendered to host communities by our member companies.

Our goal is to demonstrate how mining can positively impact national development with the right framework and partnerships in place. With the establishment of the Minerals Development Fund Secretariat as well as the inauguration of its board, we look forward to an expansive spate of development in mining communities to support livelihoods and the local economies.

On this note, I wish to assure you that the Secretariat will continue to count on the support of member companies and key partners in carrying out its mandate of promoting environmentally and socially responsible mining in Ghana. As the world confronts the Covid-19 pandemic, we will endeavour to leverage key partnerships within and without the industry in order to surmount the adverse effects of this scourge on our country and our industry.

Thank you

Sulemanu Koney
Chief Executive Officer
It is a sign of the times that we are holding this Annual General Meeting in these most unfamiliar circumstances. This fulfilment is yet another indication of our proven resilience. Indeed, although Covid-19 has had some impact, the notion of social distancing and the other protocols have not overwhelmed our industry.

Fortuitously, this AGM ends a decade of mixed fortunes for the mining industry and marks at the same time, the commencement of a new era for the global mining community. It is therefore with delight and honour that I now formally present to you, the Chamber’s Annual Report for the year 2019. Needless to say, I am profoundly grateful to you all for the collaborative effort we put together in successfully scaling great heights of challenges and in creating more value for our stakeholders.

Throughout the last decade, and particularly, the period under review, the Chamber has endeavoured to pursue a strategic plan aimed at consolidating the interests of member companies while fulfilling its objective of providing thought leadership for the resolution of issues relating to mining, both within Ghana and the entire West Africa sub-region.

To have successfully survived the bewildering flux of events and circumstances that have impacted the mining industry over a period of more than 90 years is also indicative of the Chamber’s compelling relevance as a progressive institution. Over the years, we have strategically re-modelled our operations to meet the needs and expectations of our member companies without jeopardising the progress and wellbeing of our host communities in Ghana.

In the past year, we planned collectively as a Chamber to refashion the otherwise routine manner our operations are conducted. This was to ensure that the Chamber continued to be abreast of innovative and global trends in addressing operational challenges of our member companies within the context of our local circumstances.

Such innovative processes required that we actively engaged our stakeholders in very transparent and candid settings. As a result, the past 12 months have been particularly challenging, and the Chamber has yet again been compelled to re-appraise its strategic imperatives to meet the emerging challenges in the general environment in which it functions.

The fact that Ghana, is a well-acknowledged mining destination with an incredible ancient and modern mining tradition, naturally imposes very high global expectations on the mining industry. As such, in-country, the industry is focused on the maintenance and deepening of its socio-economic impact at both the macro and micro levels. We have as a cardinal factor, the determined promotion of the general wellbeing of host communities which should remain unmatched by any other sector in the economy.

The need to further stimulate linkages with other sectors of the economy in order to boost the value chain and support local industries has also become central to the objectives of the members of the Chamber in the past few years. In response to these expectations, the Chamber has increasingly committed its members not only to the development of mining as a specialised business, but also to the support of proactive sustainability practices that seek to bring economic relevance through wealth creation and the equitable distribution of same among all stakeholders.

We are in pursuit of the arduous task of transforming Ghana’s mining industry, and by extension the sub region, into an engine of economic transformation that is more human centred and future oriented. As part of this strategy, the Chamber continues to build on the pioneering efforts it fostered towards the maintenance of a sub-regional Chamber. We are aware that our quest, particularly in our own country, will not be easily achievable without the support of all stakeholders; especially the government and host communities. Our success is therefore predicated on the creation of abiding relationships based on perceivable trust and mutually beneficial outcomes. In this manner, we hope to continue together with all relevant authorities and agencies, the transformation of Ghana into a modern mining destination with real value for all stakeholders.

Overview of mining in Ghana and 2019 performance

I would now like to share some thoughts on the performance of the mining industry both from the global and national perspectives. Ghana’s mining industry continued to anchor the economy and various aspects of our social lives through sustainable operations. As a result, we believe the mining industry continued to serve as an indispensable ballast and therefore remained a
critical part of the socio-economic growth of the nation in 2019.

We also recall that in the year under reference, unfavourable developments in China, Indonesia, South Africa, and Mexico gravely impacted gold production and resulted in a slump in global output. However, growth in production in other major gold mining jurisdictions, including West Africa’s impressive output, ensured that global production did not hit rock bottom in 2019. In the event, Ghana remained the leading producer of gold on the African continent since taking over from South Africa in 2018.

I am happy to recall that in the year under review, the large-scale mining sector’s gold output for Ghana increased from 2.807 million ounces in 2018 to 2.989 million ounces in 2019, a 6 per cent increase from the previous year’s output. However, gold assayed by the Precious Minerals Marketing Company (PMMC) on behalf of Licensed Gold Exporting Companies, which represents small-scale production, decreased from 1.984 million ounces in 2018 to 1.588 million ounces in 2019.

This 20 per cent decrease in the small-scale mining sub-sector resulted in a decline in total gold production from 4.792 million ounces in 2018 to 4.577 million ounces in 2019. Consequently, the large-scale sector improved on its contribution to national gold production, from 59 per cent in 2018 to 65 per cent in 2019 whereas the small-scale sector accounted for 35 per cent of national gold production in 2019; a decline from 41 per cent in 2018.

Meanwhile, the bulk minerals sector – manganese and bauxite - recorded 18 per cent and 10 per cent improvements in output respectively. The shipment of manganese by the country’s sole producer, Ghana Manganese Company, increased from 4.551 million tonnes in 2018 to 5.383 million tonnes in 2019 as a result of the company’s business model which is designed to increase production to meet global demand for its product.

Similarly, Ghana Bauxite Company recovered from the previous year’s slump in production to record a year-on-year growth. Improvements in operational activities of the company resulted in an increase in shipments from 1.011 million tonnes in 2018 to 1.116 million tonnes in 2019.

Regrettably, purchases of diamonds by PMMC fell from 0.057 million carats in 2018 to 0.033 million carats in 2019 due to a 41 per cent fall in production. The persistent decline in purchases of diamonds largely reflects low recoveries from small-scale winners and the continued shutdown of the only large-scale producer of diamonds in Ghana.

Impact on the economy
Data from the Ghana Revenue Authority (GRA) showed that the mining sector’s total fiscal contribution, at 7.7 per cent of domestic revenue in 2019, was the second highest after the financial and insurance sectors. This notwithstanding, the share of the mining and quarrying sector in total direct domestic receipts mobilized by the GRA improved by 70 per cent from GH¢ 2.36 billion in 2018 to GH¢ 4.02 billion in 2019. This growth was occasioned by the simultaneous increase in production and price of some minerals, particularly, gold. Likewise, the expiration of the Stability Agreements between the Government of Ghana and some mining companies further resulted in changes that boosted revenue for the State.

Specifically, corporate tax receipts from the sector, saw an 89 per cent increase to GH¢ 2.27 billion in 2019 from the previous GH¢ 1.20 billion in 2018. Moreover, the income tax (Pay As You Earn) receipts of mining sector employees rose from GH¢ 457.16 million in 2018 to GH¢ 736.26 in 2019, representing a growth rate of 61.1 per cent. In a similar fashion, mineral royalty payments increased from GH¢ 705.26 million in 2018 to GH¢ 1.01 billion in 2019 representing a 42.7 per cent leap while other taxes stood at GH¢ 0.67 million in the same period.

In terms of total government revenue, the mining and quarrying sector’s contributions increased from 4.9 per cent in 2018 to 7.6 per cent in 2019. Additionally, data from the Bank of Ghana shows that the increase in receipts from minerals expanded the sector’s share in gross merchandise export receipts from 39 per cent in 2018 to 43 per cent in 2019, consolidating the mining sector’s status as the leading source of foreign exchange from export earnings. In fact, the mining sector comes into its own, when you add the equivalent contribution of crude oil and cocoa, which stood at 29 per cent and 15 per cent respectively in the same period.

It is equally vital to note that out of their realized mineral export revenue of US$ 4.5 billion in 2019, the producing member companies of the Chamber returned US$ 3.3 billion to the country, representing 73 per cent of export proceeds. As
has always been the case, the mineral revenue was returned through the various commercial banks; a critical factor in stabilising Ghana’s currency and fiscal outlook.

**Human Resources and Employment Opportunities**

The mining industry prides itself as a purposeful equal opportunity employment generator for Ghanaians. The employment opportunities created by mining are both direct and indirect. In 2019, the total workforce engaged directly by producing member companies of the Chamber was 11,899 compared to 10,109 in 2018. The 18 per cent growth in employment was primarily due to additional recruitments at Newmont’s Ahafo Mine, Asanko Gold Ghana Ltd, Golden Star Wassa Ltd and the redeveloped AngloGold Ashanti Obuasi Mine.

Out of the total number of direct mine employees, only 1.2 per cent are expatriates while the overwhelming majority remain Ghanaian nationals. Let me state emphatically that gone are the days when expatriates occupied all the key management roles on mine sites. Today, highly skilled Ghanaian mining professionals are occupying key positions at all levels of our industry, much to the satisfaction of our now actively discerning investors and stakeholders. Interestingly, Ghanaian mining professionals are in high demand on the global market, as many of our colleagues have taken up management roles as expatriates, in both developed and emerging mining destinations across the globe. We should be proud of what we have achieved as a relatively small nation with a big heart for the whole range of mining competences.

While we pat ourselves on the back for the increase in direct jobs, it is important to recognise that direct jobs created by large-scale mining are but a fraction of the multiplier effect of mining operations on employment. The value chain of mining creates a huge pool of opportunities that ensure that support service providers such as input suppliers, food producers and vendors as well as social entrepreneurs are able to take advantage of the inherent opportunities to generate sustainable employment.

It is also useful to focus on the importance of a well-structured small-scale mining sector to job creation. We are all aware that thousands of our brothers and sisters are engaged in illegal mining financed by persons who are able to afford heavy machinery that are posing a major risk to our environment. If properly structured, small-scale mining could create many more decent jobs for the teeming youth of our dear nation, who would have the added benefits of pension contribution and plan for their future. It also has the potential to open up a pool of revenue generation streams for the state, if modelled in a worker-friendly manner.

Kindly let me take this opportunity to state that in line with the Chamber’s commitment to improve education in the minerals sector, the Tertiary Education Fund was set up to support the development of high calibre mining professionals and global leaders in the sustainable exploitation and management of natural resources. The Fund, which will be administered in phases, would see member companies of the Chamber contributing USD442,500 annually for five years to support tertiary education, giving priority to the University of Mines and Technology (UMaT). It is our expectation that this will set the tone for churning out world class mining professionals and innovators to improve Ghana’s competitiveness as a mining destination.

**2020 Forecast on mining and the economy**

With the pouring of first gold from the redeveloped AngloGold Ashanti Obuasi mine in December 2019, there was a general optimism about growth in Ghana’s mining sector for 2020, due mainly to the anticipated increase in production at some key mines and planned organic growth in production of most producing members. The production and shipments of Manganese by Ghana Manganese Company was, however, expected to record a year-on-year decline due to the protracted regulatory impasse that compelled the mine to suspend operations in the first quarter of 2020. The production of Bauxite was expected to grow if the efficiencies introduced in the year under review remained in place.

This optimism has since given way to a grimmer outlook for the sector globally. The outbreak of COVID-19 Coronavirus is expected to not only disrupt local economic activities but potentially trigger a reversal of capital inflows as non-resident investors re-organize their portfolios away from treasury securities to hedge against the uncertainty induced by the pandemic. Ghana is not alone in this forecast as the contagion has ravaged many developed nations that are major investors in mining.
Such a negative impact may cause the local currency to depreciate. It could further result in an increase in the general price levels of inputs and increase the debt service burden for businesses. Moreover, the decline in oil prices on the international market is expected to worsen the plight of the economy in view of the global impact of Covid-19. Accordingly, the country needs to begin to plan beyond the disease as the IMF projects Ghana’s GDP growth rate to drop sharply to 1.5 per cent in 2020 from the 6.5 per cent recorded in 2019.

Health, Safety and Environmental Performance

The Ghana Chamber of Mines remains committed to global sustainability mechanisms to safeguard lives and the environment within which we operate. In January 2019, the world was hit with the news of a tailings storage facility collapse on a mine in Brazil. The dam is said to have released a mudflow that washed off a cafeteria during lunchtime, along with houses, farms, and roads downstream. Nearly 270 people died as a result of the collapse.

A panel of technical and environmental experts concluded that a persistently high-water level caused the structure of the dam to lose strength and stability. Such grave occurrences can result in loss of lives and property as well as heavy environmental pollution with dire consequences for the ecosystem.

It is therefore in the interest of mining companies to continue to work hand in glove with the regulators to maintain the safety of host communities, employees, mine assets and to protect the environment. In this regard, producing member companies collaborated with the Minerals Commission and the Environmental Protection Agency in the year under-review to ensure that regulatory requirements and globally accepted standards were not circumvented in the management of these vital aspects of our operations.

Data from the Minerals Commission on the performance of the industry in health and safety demonstrated that the safety metrics of Ghana’s mining industry had improved. Whereas the ‘incidence of near miss’ and ‘fatal injuries’ declined on a year-on-year basis, cases of ‘first aid’ and ‘serious injuries’ increased by 4 per cent and 8 per cent respectively in 2019.

It is important to clarify that ‘serious injuries’ are incidents that involve loss of time for more than 14 days and can pose a serious risk to the sustainability of mining operations. Additionally, incidents that resulted in the death of a casualty also declined from 7 in 2018 to 3 in 2019 demonstrating the operational workplace protocols that have been put in place to ensure that our employees are protected. As an industry that has safety as its primary value, we continue to strive for zero fatalities to make mine sites safer for our employees and host communities.

It is appropriate for me now congratulate Newmont Ghana Ahafo Mine for emerging winners at the 2019 Inter-Mines First Aid and Safety Competition. Also, congratulations to Golden Star Wassa Ltd for winning the Best performer in Occupation Health and Safety as well as Newmont Golden Ridge Ltd and Perseus Mining Ghana Ltd for emerging winners of the coveted Best Performer in Environmental Management. These are significant achievements as our industry remains a considerable hazardous business activity.

Stakeholder Engagement and Community Development

As I implied earlier, the Chamber relied extensively on the expertise of its members to advocate for an improved business climate for operators in the mining sector. By engaging government institutions and regulators in a spirit of collaboration and fairness, we chalked many successes in ensuring that the mining sector remained viable and a force to be reckoned with in the global mining environment. We will continue to chart this path of collaboration, whether it is working with government officials, members of parliament, the media and or civil society organisations. We are committed to building a sustainable mining industry to support current and future generations.

With respect to expenditure on community development and social interventions by producing member companies of the Chamber, our host communities were beneficiaries of increased investments to support local level development. Corporate social investments (CSI) from producing member companies increased to US$ 24.45 million from US$ 24 million in 2018 as a variety of projects were executed to complement government’s efforts at developing mining communities.

Companies also invested heavily into the construction and rehabilitation of roads in host communities in addition to infrastructure for healthcare, education, electricity, water, and sanitation as well as agriculture-oriented
livelihood projects. Without the support of our communities, we do not have a business; hence our continued support to ensure that inhabitants of such mining communities continue to have good quality social services.

Mineral Exploration and Ghana’s Competitiveness

The relevance of exploration in ensuring a pipeline of future viable mining projects cannot be over-emphasized. The ravages of illegal mining or galamsey on lands which could have been properly drilled for more efficient mining later by relatively more competent miners remains a disastrous situation. Yet exploration is the single most critical activity that guarantees sustainable production of mineral and discovery of new mineral resources to supplement production from existing mines or replace output of mines whose economic ore body gets exhausted.

However, exploration investment in Ghana has declined significantly in recent years. This is alarming for a country to which mining is critical for forex and fiscal revenue generation as well as other value enhancing services. Indeed, the expenditure on global mineral exploration, as measured by company exploration budget, dropped by 11.5 per cent to US$ 4.293 billion in 2019 from US$ 4.852 billion in 2018. The decline in budgeted exploration expenditure was caused by a general reduction in spending across all the mining jurisdictions except Australia and South East Asia-Pacific regions.

In Africa, the projected exploration spending for 2019 stood at US$ 615.9 million and Ghana’s neighbour, Burkina Faso, was the biggest beneficiary. Burkina Faso was earmarked to receive US$ 132 million in 2019 while Ghana came second with a budget of US$ 98.6 million. The disparity runs its own sad commentary for the Ghanaian mining industry. As Africa’s leading producer of gold, Ghana must continue to create the requisite policy and legal prescriptions and platforms to engender mining exploration. Essentially, it will be immensely useful to put in place an incentive scheme that will reduce the cost associated with exploration to help attract the required investments into this high-risk business of mineral exploration.

Therefore, the Chamber humbly requests the government to exempt exploration companies from payment of Value Added Tax (VAT) on big ticket cost items such as drilling and laboratory services. This exemption has proven to be a major incentive for attracting exploration into mining countries globally. In taking advantage of the opportunities that mining presents, we must be seen to be creating the enabling environment for both local entrepreneurs and foreign investors while looking beyond the risks associated with exploration.

Sector Challenges

Over the years, the Chamber has been engaging government on some recurrent challenges inhibiting the growth of the industry. I wish to use the final part of my address to tackle some of these challenges and redirect the discourse to find lasting solutions.

The first major challenge that has been with us for years now is the poor nature of our railway system. To take optimal advantage of the opportunities in the bulk minerals that Ghana is endowed with, a well-functioning railway system is a sine qua non. Without a railway system which is a more cost competitive mode of transporting the bulk materials to the ports for shipping, companies will be forced to use the more expensive road haulage alternative from their respective mines. The rehabilitation of the railway network would not inure to the benefit of the mining companies alone but also provide a cost-effective alternative for transporting passengers and goods for the other sectors of the economy.

It is estimated that the cost of road haulage is 50 per cent more expensive than the alternative of using the railway lines; which would consequently result in high cost of operation and adversely impact the revenue that the State would receive by way of corporate tax... We need to take advantage of the innovative measures in global transportation to construct fully functional railway systems to further open opportunities in the value chain of mining.

Secondly, in the past year, the Chamber continued its engagement with government institutions to consider the removal of some of the elements in the price build-up of diesel supplied to the mines. As we have stated in the past, these elements have little or no bearing on the cost of supplying fuel to the mines and have become duplications and burdensome on the operations of mining companies. Challenges with the ex-refinery price, as well as taxes, levies, and margins on diesel have a lasting impact on the productivity of the mining industry if not checked. It is our firm belief that government should reconsider our request and
put in measures to protect the industry from the debilitating effects of such fiscal imposts.

Additionally, we wish to urge government to review its intention to standardize mineral revenue retention regimes. The Chamber’s analysis shows that retaining the existing general practice where mining companies have binding retention agreements based on their forex requirements will inure to the benefit of the industry and the country as well. It is obvious that in the last five years, mining companies have repatriated an average of 70 per cent of their mineral revenue into the country, which evidently, is far in excess of the mandatory maximum of 25 per cent of realized mineral revenue. Apart from disrupting the commercial arrangements between mining companies and their suppliers, a variation in the prevailing mineral revenue retention regime will further saddle companies with additional transaction costs and delays.

On the issue of operational permitting, members of the Chamber saw a slight improvement in the issuance of environmental permits. However, interactions with the EPA showed that despite the highly skilled team at their disposal, there was a lack of adequate personnel to review permit applications on time causing avoidable delays in the approval of same. The unpredictable lead times for issuing permits by the EPA adversely affect project planning and execution.

It also impacts negatively on the sourcing of investment capital for projects because it creates uncertainty regarding cash flows and other project metrics. A survey by the Fraser Institute of Canada, further demonstrates that most investors were concerned with the long lead time for the approval of environmental permits for both mining and exploration firms. I am therefore using the opportunity to urge government to increase the EPA’s resources considering the very critical role they play in the mining sector.

One other key challenge that the Chamber had to grapple with in the year under review, was the decision by the government to withdraw military officers from the concessions of mining companies on 31st January 2019. This measure ushered in serious security challenges for the operating mines across the country. Suddenly magazines for storing explosives were exposed to the evil schemes of criminal elements because the civilian guards were unable to ward off armed intruders.

Significantly, the law requires that explosives be secured by highly competent security persons and as a practice, the security apparatus given the responsibility to handle such assets is the military. In view of the risk of the exposure of magazines to miscreants and by extension to the country’s security, years ago an agreement was reached among National Security, Minerals Commission, and mining companies for military persons to permanently protect these explosives magazines.

Thus, the pull-out of the troops from the mines was disconcerting and resulted in a situation where the mines were not fully assured of safeguarding such critical installations. The counsel for increased security is undergirded by the increasing forays by militants in the Sahel region of West Africa, notably Mali and Burkina Faso, Ghana’s northern neighbour. In these harrowing experiences in the sub-region where mine sites and employees of mining firms have been attacked by armed militants, this development could even be a fertile ground for coordinated attacks on the mines in Ghana.

There is no gainsaying the fact that mine sites and their host communities are usually targets for sophisticated crimes, which cannot be easily repelled by civilian security officers. Indeed, the severity of the situation led to the deployment of military persons in mining communities under “Operation Calm Life”. It is for this reason that the Chamber continues to call on the government to rescind its decision and redeploy the military to protect mine sites, which are by extension, assets that the State has interests in. With the appropriate protocols set in motion, we are more than certain that it will serve as a deterrent to miscreants who seek to plunder and foment trouble on mine sites.

Conclusion
In bringing this annual review to a conclusion, there are several acknowledgements and commendations that I wish to make. I start off with the leadership, management and staff of the Chamber as well as all member companies for keeping us empowered and on course. Together, our strides have been deeper and more enduring even though the odds were usually stacked against us. Together, we have played our respective roles to push the Chamber to become more than just an advocacy entity for member companies but a beacon of sustainable mining and valuable partner of the state. The CEO and
his lean staff have maintained a steady ship much to the admiration of many organisations that seek to emulate our commitment, competence and the resultant track record of significant achievements and stability.

Our relationships with our major stakeholders, government and labour, have been both cordial and constructive. The collaborative partnerships that have been established especially in recent years are unrivalled; and I would, on behalf of the Chamber and its members, like to express our deepest gratitude to the Minister of Lands and Natural Resources, Mr. Kwaku Asomah-Cheremeh; Minister for Environment, Science, Technology and Innovation, Prof. Kwabena Frimpong-Boateng; the Immediate past General Secretary of the Ghana Mine Workers Union, Mr. Prince Ankrah and his successor, Mr. Abdul-Moomin Gbana; Mr. Kwaku Addai-Antwi Boasiako, CEO of the Minerals Commission; Mr. John Pwamang, the Ag. Executive Director of the Environmental Protection Agency, as well as our media partners and civil society organisations who played their watchdog role and pushed us to remain credible and relevant to the socio-economic development of our dear nation Ghana.

On behalf of the entire membership of the Chamber, we wish to pledge our unwavering support to government in the efforts to curb Covid-19 and return our nation to the path of growth. We owe it as a duty to the many who rely on the economy for survival and their wellbeing. May we all continue to remain safe in these difficult times as we imbibe all aspects of the evolving mining technologies while chasing our very taxing targets. We also maintain the goal of deepening and widening, at the same time, the footprint of mining in our national life, as a people with a remarkable destiny and purpose.

Thank you

Eric Asubonteng
President
We’re back to our Iconic Brand Name

Newmont

GHANA
1.0 Introduction
The External Relations and Communications unit of the Chamber is responsible for planning and implementing stakeholder relationship management and institutional communication programmes designed to effectively engage interest groups and individuals who are integral to the sustenance of member companies’ operations.

Specifically, the unit is mandated to harmonise the promotion of sustainable mining practices in Ghana. The unit performs its role by directing the Chamber’s advocacy and visibility plan to promote transparency in the industry as well as address negative perceptions and untruths. The unit operates under the guidance of the Public Relations Committee, made up of representatives of producing member companies and chaired by the Chief Executive Officer of the Chamber.

2.0 Public Relations Committee
The committee met three times in the course of the year. All meetings were held at the Secretariat of the Chamber in Accra. Key among the issues addressed in the year were:

2.1 Engagements
The Committee extensively analysed the need to strategically engage key audiences to showcase the sustainable practices of member companies. The committee pursued meaningful engagements with groups from civil society, the media, as well as host communities to ensure that all misconceptions and misgivings are addressed to deepen collaboration. To achieve this, mine tours for selected groups and media discussions on selected media platforms across the country were implemented.

2.2 Corporate Social Investments (CSI) initiatives
Industry perception reviews undertaken by the Chamber and some member companies identified a lag in the communication of the social support extended to host communities by member companies across the country. Pursuant to this, the Committee designed modalities to propagate these initiatives and to thematically demonstrate the impact of the social interventions across the board.

3.0 Corporate Social Investments
Corporate Social Investment (CSI) is an essential component of the work of the Chamber as it enables businesses to voluntarily exercise responsibility and accountability for the economic, social and environmental impacts of their business decisions. Responsible businesses have an obligation to contribute to social progress beyond their core mandate of enhancing shareholder value.

In this regard the Chamber’s CSI programmes had two broad objectives:
- To provide support for education, research and other charitable projects which are beneficial to the host communities and the Republic of Ghana; and
- To promote and support the training of personnel and provide technical and other forms of assistance to promote sustainable mining operations in Ghana.

The Chamber also pursued a good number of strategic social interventions across the country to provide support for institutions that required essential amenities and equipment. This was in line with the Secretariat’s CSI plan. This section provides in-depth reports on these activities and interventions.

3.1 Ghana Chamber of Mines’ Tertiary Education Fund
The Ghana Chamber of Mines launched the Tertiary Education Fund to support the development of high calibre mining professionals and global leaders in the sustainable exploitation and management of natural resources. The Fund, which will be administered in phases, would see producing member companies of the Chamber contributing 400,000 US dollars annually for five years to support tertiary education, giving priority to the University of Mines and Technology (UMaT).

Additionally, contract mining and explosives manufacturing member companies will each contribute 3,000 and 2,000 dollars, respectively, annually for five years. Launching the TEF on 16th October, 2019, the President of the Chamber said the Fund is expected to mobilise a total of 442,000 US dollars in 2020 alone. He stated that the Fund was primarily set up to identify and train the best brains, support research into technologies and introduce innovations that would directly benefit the mining industry in Ghana.

Specifically, it shall be applied to support teaching and learning, industry related research
of faculty and post-graduate students, and application of automated systems as well as innovations in mining. It would also cover bursary for under-graduate students according to industry needs, provision of educational resources as well as internship programmes.

A nine-member Advisory Board chaired by Mr. Stephen Kofi Ndede, General Manager of Perseus Mining is expected to spearhead the implementation of the Chamber’s TEF. The other members are:

- Mr. Michiel Van der Merwe  
  *Member*
- Mr. Joshua Mortoti  
  *Member*
- Mr. Kennedy Ewuntomah  
  *Member*
- Ms Irene Yeboah  
  *Member*
- Mr Akwasi Amoako-Kankam  
  *Member*
- Prof. Jerry S. Y. Kuma  
  *Member*
- Assoc. Prof. Grace Ofori Sarpong  
  *Member*
- Ms Lawrencia Awuah  
  *Secretary*

Accepting the role, Mr. Ndede asserted that the demand for higher education in Ghana was on the rise while the cost of delivering quality higher education had become very expensive. Government subvention for tertiary education on the other hand had declined over the years, even though specialised universities such as UMaT require rapid infrastructure development to bridge the gap. He indicated that as a Chamber whose members are major beneficiaries of the products from UMaT, the image of the industry would plummet if the university continued to reel under the lack of infrastructure. The TEF would further anchor the next level of development for UMaT for the next five years.

In an address, the CEO of the Chamber Mr. Sulemanu Koney indicated that although the decision to institute the Fund was altruistic, there was a palpable element of self-regard, which would serve as a direct pipeline of human resources for mining companies in Ghana and beyond. He said the mining companies’ sustainable competitive advantage depended largely on the skills and competencies of their employees, and for a thriving mining industry there was the need to invest in tertiary institutions that trained the required manpower.

**3.2 Donation of Medical Equipment to Bimbilla Government Hospital**

As part of the Ghana Chamber of Mines’ social interventions, a state-of-the-art incubator and six sets of beds, cabinets and mattresses were donated to the Bimbilla Government Hospital on 3rd April, 2019 to contribute to the overall well-being of the people in the area through quality health care delivery. Mr Sulemanu Koney, Chief Executive Officer of the Ghana Chamber of Mines, who presented the equipment to the Management of the Hospital at Bimbilla in the Nanumba North Municipality said it was to ease the burden of the facility in its quest to provide quality health care for the people.

The Bimbilla Government Hospital, a 120-bed facility which serves a large number of the citizenry along the Eastern Corridor of the country, faces a number of challenges including: erratic water supply, congestion in the wards, lack of a functional X-Ray machine, lack of ambulance, inadequate staff and accommodation, and incomplete fence wall. Despite operating under trying conditions, the hospital was adjudged as the best performing hospital in the Northern Region for 2018 due to its efforts at improving neonatal and infant survival as well as maternal health. Mr Koney stated that the Chamber’s primary focus for the donation was to put people first by improving their well-being, which is underscored by the Sustainable Development Goals (3) on ensuring good health and well-being of the populace.

On his part, Dr Osman Abdulai, Medical Superintendent of the Bimbilla Government Hospital, who received the equipment, indicated that the provision of the medical equipment, especially the incubator, would help improve the management of pre-term babies at the facility. He said prior to the donation, the hospital had to refer most of pre-term babies to either the Yendi Municipal Hospital or Tamale Teaching Hospital for management due to lack of essential
equipment. He expressed gratitude to the Chamber for the support, assuring that the equipment would be used for the intended purpose to improve the health status of the citizenry.

The Regent of Bibilla, Nyelinbolgu Naa Yakubu Andani, in a statement during a courtesy call at his palace thanked the Chamber for the gesture, saying the hospital needed more support to ensure quality health care for clients. He used the opportunity to urge indigenes of Bimbilla who live outside the area to support the community.

The donation ceremony was covered by journalists from the region and extensively published in national and local media platforms.

3.3 Mechanised Water System for Ullo Senior High School
The Chamber in March 2019 handed over a mechanised water system to the management of the Ullo Senior High School in the Jirapa District of the Upper West Region. Commissioning the project on behalf of the Chief Executive Officer of the Chamber, the Director of External Relations and Communications, Mr. Ahmed D. Nantogmah stated that the Chamber and its members continue to prove that sustainable mining is about people and their livelihoods.

Students and staff of the Ullo Senior High School expressed delight at the commissioning of the water system. The water system, which is expected to markedly improve access to potable water for the students and staff, was funded by the Ghana Chamber of Mines. The Ullo Senior High School which has a population of 1,062 students with majority being females, has been grappling with unavailability of water for over a decade. Students had to walk for nearly two kilometres to have access to potable water; a situation which had adversely affected teaching and learning in the school as well as the health and sanitation of the students.

According to UNICEF, Ghana has made significant progress providing access to improved water sources to 80% of the population. However, despite these successes, five million Ghanaians still use water from unsafe sources. Studies have also shown that the availability of water reduces sanitation related morbidity and mortality in especially children. Further, clean water for hand washing could reduce diarrhoea and pneumonia by up to 50%.

It is for this reason that the Chamber took up the challenge to construct the water system following a request by the Chief of Tuopare in the Ullo Traditional Area, Naa Basing Naa III, who lamented the negative impact of the lack of water on especially the female students. He applauded the Chamber and its members for what he described as “a humanitarian support” for the school. He indicated that he was particularly delighted for the students who will now have the peace of mind to focus on their studies and compete with other schools for laurels in their final examinations.

Mr. Nantogmah urged the school’s authorities to immediately form a sub-committee made up of officials of the school and students, as well as the local assembly to adequately maintain the facility. Commending the Chamber for the project, the Paramount Chief of the Ullo Traditional Area, Naa Alhaji Baburonon Amadu Seidu II stated that the facility was the “first of its kind” in the community, and is expected to benefit the school immensely.

He urged other groups to come to the aid of the community to support the development agenda of the people. The Headmaster of the Ullo SHS called on the beneficiaries to own the facility and use it as though it was built with their resources. “That way, you will not misuse it and will ensure that it is running as efficiently as possible.” He assured the chiefs and people of their commitment to keep the facility operational through a regular maintenance regime.

3.4 Support to the National House of Chiefs
The Chamber presented a cheque for One Hundred Thousand Ghana Cedis (GH¢100,000.00) to the National House of Chiefs (NHC) on 26th September, 2019 following a request from the latter to support the refurbishment of their office building. Presenting the cheque to Togbe Afede XIV during the House’s General Meeting, President of the Chamber stated that there had always
been a functional relationship between the mining industry and the National House of Chiefs whose members are primary stakeholders in the operations of large-scale mining companies in Ghana.

He indicated that this mutually beneficial relationship was essential to the National House of Chiefs in support of the advocacy work of the Chamber on one hand, and the mining industry’s contribution to the nation. One of such major contributions was the Chamber and its member companies donating a generator set to the National House of Chiefs at the height of the country’s power crisis in 2014. He assured the chiefs that the Chamber would continue to support the traditional authority as the institutions collaborate to develop the nation.

Receiving the cheque, Togbe Afede XIV, President of the National House of Chiefs thanked the Chamber for the support it continually extended to the House and urged members to work with diligence and strict application of the law so that communities that are mined are given their due through the utilisation of royalties for socio-economic development.

3.5 Nexans Foundation Kwaninkrom Electrification Project

The Ghana Chamber of Mines supported the implementation of a Nexans Foundation initiative to connect Kwame Aninkrom (or Kwaninkrom) in the Sewfi Wiawso Municipality of the Western North Region, to the national electricity grid. The rural electrification project was sponsored by Nexans Foundation in France as part of its global Corporate Social Responsibility (CSR) initiative with support from the Chamber, Chirano Gold Mines Ltd (CGM), the Electricity Company of Ghana District Office and Nexans Kablemetal Ghana Ltd as the local sponsorship partner.

The project connected the Kwaninkrom township within the Chirano catchment area to the national grid. Kwaninkrom is a farming community of about 700 residents within the Sefwi Wiawso District of the Western North Region. The lack of access to electricity had affected socio-economic activities in the town as most youth migrated to urban areas, at the expense of the local cocoa industry.

The project was completed and inaugurated in November, 2019. Nexans Kablemetal Ghana Ltd. contributed all the electrical cables required, including service cables for the project. The company also provided additional support to qualified applicants who wanted to wire their homes, as well as providing direct economic and social benefits. The Chamber coordinated the activities of the partners, implementers, sponsors and co-sponsors to ensure the objectives were realized. Chirano Gold Mines, which had provided the community and others in their catchment area with social amenities, organised the local community and assisted with logistics to execute the project, while the Energy Foundation coordinated the project activities. The District ECG office and the Municipal Assembly also provided streetlights and additional wooden poles to complement the community’s support.

At the inauguration of the project, the Managing Director of Nexans Kablemetal Ghana Ltd, Dr Eric Wardner said that Nexans Foundation was committed to ensuring that all houses that desired to connect electricity would be assisted through the Electricity Company of Ghana (ECG), in the second phase of the project. The former Vice President and General Manager of Chirano Gold Mine Limited (CGML), Mr Andriano Sobreira, explained that the project was made possible because of the benevolence and commitment by all partners involved and commended Nexans Foundation for the intervention.

The Chief Executive Officer of the Ghana Chamber of Mines, Sulemanu Koney who graced the occasion stated that mining was essential to the growth of Ghana’s economy due to the linkages that it creates across the board. He intimated that responsible mining is integral to the sustenance and development of any country as it provided a great avenue for businesses in the value chain to thrive and offer opportunities for social growth and development. He urged other mine support service providers to follow Nexan’s lead in developing innovative social interventions to support communities.
4.0 Stakeholder Engagement

4.1 Meeting with MCE of Nanumba North and Regent of Bimbilla

As part of the Chamber’s extensive stakeholder management plan, the executives interacted with the Hon. Abdulai Yaqoub, Municipal Chief Executive of Nanumba North on the opportunities and prospects of mining for the country. The Hon. Yaqoub stated that it was the first time the municipality had been visited by a business association to support the community’s quest for social and economic sustenance. He assured that the municipality would continue to seek such progressive collaborations to ensure that healthcare service and other essential social amenities reached the people as the municipality focuses on training the young ones to identify opportunities in the minerals sector.

4.2 Mine Tour for Journalists to Newmont Ghana’s Akyem Mine

The Chamber collaborated with Newmont Ghana to take the Journalists for Business Advocacy on a mine tour of Newmont’s Akyem Mine operation on 9th and 10th October, 2019. The team from the Chamber was led by the Director for External Relations and Communications, Mr. Ahmed Nantogmah and was hosted by the Acting General Manager of the mine Mr. Justice Fenteng. The journalists were taken on a tour of the over 257 hectares of degraded land in the Kweikaru Forest Reserve, which has been handed over to the Akyem mine for a reforestation programme. The programme forms part of the mine’s mitigation measures rolled out in consultation with the Forestry Commission to offset the impact of its operations on the Ajenua Bepo Forest Reserve.

The project is the second phase of Newmont’s reforestation programme, which has exotic and indigenous trees planted. The area is expected to be managed for 10 years by the company before it is handed to the Forestry Commission. The first phase of the afforestation programme, which began in 2014, covers 60 hectares of the boundary area between the company’s mining area and the Mamang River Forest Reserve.

In addition, the journalists were taken to a 1.5 acre herbal farm cultivated in collaboration with the Conservation Alliance and Resettlement Centre. The herbal farm has 54 different medicinal plant species cultivated where the community is expected to obtain traditional medicinal needs. The tour also took the journalists to the Akyem Mine Pit and the Processing Plant where the ore production process was explained.

Mr. Fenteng stated that Newmont Goldcorp Ghana is very keen on sustainable and responsible mining, which is why the company’s environmental footprint has been effectively managed with minimal impact on livelihoods and the host communities in which it operates. He stated that the tour was to showcase to the journalists the eco-friendly initiatives undertaken by the company within the catchment area. According to him, the media was a critical tool in Ghana’s quest to pursue responsible mining, hence the need to maintain a fruitful working relationship with journalists who can serve as the bridge between the companies and the public.

Addressing the journalists, Dr. Osenkor Gogo, the Acting Communications Manager for the mine espoused the safety standards of Newmont Goldcorp. She stated that systems for fatality and fatigue risk management as well as collision avoidance technology are among some of the critical precautions put in place to safeguard the lives of the workforce. Additionally, the Senior Manager for Sustainability and External Relations, Derek Boateng stated that Newmont Goldcorp embarks on projects with shared value for the host communities. According to him, the mine ensures that its operations had developmental and socio-economic impacts, which was why the mine exceeded the 2018 local procurement spend target by over USD1.8 million.

At the debriefing session, Mr. Nantogmah urged the government to reconsider the VAT on exploration items to ensure that the pipelines for new mining projects are not unduly stifled. He said the burden of the VAT was driving investments away from Ghana to neighbouring countries; a situation which should be addressed effectively. He also called on the government to address the challenges with the Community Mining Programme, which had been taken advantage of by some misguided individuals to invade concessions of member companies. This, he said, had created insecurity on most mines and should
not be allowed to fester. The journalists were encouraged to endeavour to look out for the environmentally sustainable initiatives of member companies of the Chamber and report on same.

4.3 Mine Tour with MPs and Journalists to Tarkwa Nsuaem & Prestea Huni-Valley
The Chamber organised a mine tour for members of the Parliamentary Select Committee on Mines and Energy together with journalists from 15th to 18th October, 2019. This was in line with the Chamber’s quest to directly showcase the responsible operations of member companies. The MPs toured Gold Fields Ghana Tarkwa Mine, Abosso Goldfields Ltd, Ghana Manganese Company, AngloGold Ashanti Iduapriem Mine, and Golden Star Wassa Ltd.

The Chief Executive Officer of the Chamber, Mr. Sulemanu Koney, and the Director of External Relations and Communications, Mr. Ahmed Nantogmah, led the team on the tour. The MPs commended member companies for their contribution to the economy and their host communities. They were particularly impressed with the huge social interventions rolled out in some host communities contrary to the misconceptions presented in certain quarters. They further expressed satisfaction at how member companies adhered to safety and environmental standards in their operations.

Member companies used the opportunity to urge the MPs to look into the fines slapped on them by the Ghana Revenue Authority (GRA) over concerns with asset transfer as this was hampering the productivity of the mines. The MPs were also entreated to examine the threats posed by the Community Mining Programme being implemented by the Inter-Ministerial Committee on Illegal Mining (IMCIM).

The Vice Chairman of the Committee assured member companies that they would engage the Sector Minister and the IMCIM to address the concerns.

The MPs implored member companies to ensure that Ghana’s local content requirements are strictly adhered to and reflect in value and not just the number of indigenous persons or businesses engaged. According to them, the local content law would be meaningless if the companies engaged thousands of businesses without the requisite value in monetary terms.

The MPs were taken underground at Golden Star Wassa to experience the security and safety systems deployed by locally trained engineers. The lawmakers witnessed at first hand the safety protocols observed underground by member companies to ensure that staff were safe from the highly risky endeavour. The MPs undertook to address the key issues presented by the Chamber and its members to ensure that responsible mining continued to thrive in Ghana.

4.4 Interaction with PR students at the University of Professional Studies, Accra
The Public Relations Committee of the Chamber engaged communication and journalism students as part of efforts to improve the quality of information published about the mining industry in Ghana.

The seminar, themed; “Public Relations in the Mining Sector: Exploring Industry Expectations of the Modern Public Relations Practitioner”, was a collaboration between the Department of Public Relations at the University of Professional Studies, Accra (UPSA), and the Ghana Chamber of Mines.

Mr. David Johnson, former Vice President and Head of Stakeholder Relations, Gold Fields-West Africa, who led the discussions stated that mining is of crucial essence to the socio-economic well-being of the country, which in effect means that matters relating to the sector should not be misrepresented.

Mr. Johnson described as unfortunate, situations where some journalists prejudged certain cases and wrote stories that showed strong bias against some mining companies. He indicated that the highly sensitive nature of the sector in the national discourse made it imperative to handle matters within the sector with utmost caution and objectivity with due regard for the truth.

Mr. Ahmed Nantogmah, Director, External Relations and Communications of the Chamber, who spoke on public relations within the mining sector, advised the students to always tell the truth as public relations practitioners. He said contrary to the generally held notion that public
relations was about “massaging the truth” in order to keep a good image, a public relations practitioner had a responsibility to always speak the truth because distorted facts would always worsen an already bad situation.

Mr. Nantogmah said what mattered most was to have the right know-how and communication strategy, to effectively share information. He urged the students to reach for truth and objectivity in every aspect of their professional lives in order to succeed.

5.0 New Secretariat of the Chamber
The Chamber inaugurated its new office complex on December 16, 2019 to boost operations and enhance efficiency in safeguarding the mining industry. The edifice, which is the permanent secretariat of the Chamber, is to serve as the centre for mining information in Ghana. The edifice has three conference rooms in addition to the boardroom that can host executive level meetings as well as medium-sized workshops and seminars.

There is also a mining library that can be useful to journalists and researchers alike. The facility houses a gymnasium to help keep staff of the Chamber and personnel of member companies who desire to use it fit and healthy. It also houses a miniature mining museum that will showcase the history of Ghana’s mining industry; and a Sky Bar for informal sessions as well as a refreshment parlour.

In repositioning Ghana as the hub of mining in West Africa, the Chamber hosts the Secretariat of ECOWAS Federation of Chambers of Mines (EFEDCOM). It also houses the Local Network of the United Nations Global Compact’s office. The structure is disability friendly.

Hon. Benito Owusu-Bio, Deputy Minister for Lands and Natural Resources, unveils the plaque. The President of the Chamber, Eric Asumoteng in his address stated that the edifice would serve as a centre of excellence for the mining industry, as the Chamber had never been a typical inward-looking business association but one that thrived on producing a wealth of knowledge and information to support policy formulation and legislation to develop the mining industry.

He stressed that the building was not constructed for its aesthetic values only but to facilitate ideation and productive partnerships between member-companies and government as stakeholders working together to develop an industry that has the potential to totally transform Ghana’s economy and the livelihoods of her people.

Through useful partnerships, the Chamber continued to maintain its position as the foremost anchor to Ghana’s economy; and despite the challenges, member companies continued to prove their commitment to the nation. He further urged the Minister for Lands and Natural Resources to pay attention to the mining value chain and continue to deepen efforts and create opportunities for locals to benefit from the industry. “We need favourable dispositions and the willingness to continuously strive for the kind of optimal, interdependent environment that guarantees our collective success”, he emphasised.

The Minister for Lands and Natural Resources, Kwaku Asomah-Cheremeh, in a speech read on his behalf by his deputy, Hon. Benito Owusu-Bio, commended current executives of the Chamber for promoting and seeing to the realisation of accommodation fit for a secretariat with such a history and reputation.

The minister in addition commended management of the Chamber for choosing a local contractor to produce the edifice, even though they had the option of choosing a foreign construction firm. He also called on the mining companies to support local assemblies with the needed expertise in undertaking projects under the Minerals Development Fund (MDF), to help improve the lives of their host communities.

The Chief Executive Officer, Sulemanu Koney indicated that the idea of building a secretariat for the Chamber was conceptualised about a decade and a half ago by the Finance and Budget Committee of the Chamber, but it had taken so long to come into fruition due to several challenges including funding. Former CEO of the Chamber, Dr. Joyce Aryee officiated the ceremony and used the opportunity to urge the maintenance of the edifice as a heritage of sustainable mining in Ghana.

6.0 Training Programmes
6.1 Communicating Sustainability Training Workshop
The Chamber organised a two-day training workshop for Communicators and Community Relations Practitioners in the industry. The training retooled practitioners and synergised the efforts to effectively and proactively communicate the industry’s sustainability...
efforts. The training took place at the Golden Tulip Hotel, Kumasi on 26th and 27th September, 2019.

The resource persons were: Mrs. Elaine Sam, President of the Institute of Public Relations; Ms Adiki Ayitevie, Vice President, Sustainability and External Relations, Newmont Goldcorp Africa; Mr. Ahmed D. Nantogmah, Director, External Relations and Communications of the Ghana Chamber of Mines; Mr. Evans Mensah, Editor and Head of Political Desk at Joy News; Kelvin Odonkor, Videographer and digital media expert. The training was attended by 21 participants from both producing member companies and service providers. Participants were taken through the rudiments of essential components of corporate communication. The key take-aways from the training programme were:

Practitioners were trained to appreciate the power of media platforms and how to tap into the opportunities it presents to effectively tell the stories of their respective organisations in an effective and well-coordinated manner. Managing crisis and corporate reputation in the digital space require strategic plans that dovetail into the overarching corporate goals of the organisations. Additionally, practitioners were introduced to the importance of digital media strategy that works to counter the plethora of negative reportage in new media spaces.

It was agreed that PR Practitioners should apply consistent and honest engagement with all stakeholders in creating partnerships that engender inclusiveness and transparency. Hence, adopting unique stakeholder interest management processes that take into cognizance the nuances of the media platforms will help shape conversations in the industry and eliminate negative perceptions against the mining industry. Members were encouraged to affiliate themselves with professional institutions such as the Institute of Public Relations Ghana (IPR) and the Chattered Institute of Public Relations (CIPR, UK) to be abreast of trends in the profession.

6.2 Media Training Workshop in the Ashanti Region

As part of the Chamber’s objectives to equip journalists with trends in the mining industry, a media training workshop was organized for journalists in the Ashanti Region on September 25, 2019 to enlighten participants on the Minerals Development Fund Act, 2016 (Act 912) and the work that the Fund’s Secretariat had been implementing after the Board was inaugurated in April, 2019. This workshop was sequel to the earlier edition held for journalists in Greater Accra in March, 2019. The workshop was attended by journalists from media houses such as Daily Graphic, Daily Guide, Ghanaian Times, Citi FM, Joy News and GBC.

The Chief Executive Officer of the Chamber, Mr Sulemanu Koney spoke about sustainable mining in the context of effective use of mineral revenue for national development. Mr. Koney stated that stakeholders in the mining industry should collaborate to open up opportunities in the value chain for mainly local investors. He reiterated the commitment of member companies of the Chamber to ensure that their community development projects are tied to the needs of the host communities. He therefore urged the media to support mining companies by showcasing the sustainable activities of member companies of the Chamber while demanding accountability and transparency from statutory institutions such as the MDF Secretariat.

Shedding light on the Minerals Development Fund (MDF), Dr. Norris Hammah stated that the Fund had been created to ensure mineral revenue due to mining communities were disbursed for development purposes. He noted that currently, mining communities are supposed to receive 20%
of mineral royalties and that with the Board in place, the Secretariat would endeavour to do what was needful to develop mining communities.

Dr. Hammah, however, expressed the determination of his outfit to ensure funds allocated to mining communities for development projects are applied judiciously for the benefit of the people. Some of these disbursements to mining communities, the MDF administrator revealed, have helped in the construction of essential infrastructure such as a medical block at Legon Campus of the University of Ghana, nine (9) projects including cafeteria and halls at the campus of the University of Mines And Technology in Tarkwa as well as the completion of some legacy projects in 2016 started by H.E. President Kufuor while in office.

Mr. Emmanuel Kuyole’s presentation focused on the topic: ‘The Minerals Development Fund Act and its potential impact on mining communities’. He explained the rationale for the Minerals Development Fund (MDF) Act, and the specific allocations to various beneficiaries. He also touched on the potential impact of the MDF on the development of mining communities if managed effectively. He urged the Secretariat to undertake widespread sensitization efforts to make the objectives of the MDF well known to the public.

Bringing the workshop to a close, Mr. Sulemanu Koney reiterated the need for mining revenue to be managed judiciously. He urged the media to partner with the Chamber and other Civil Society Organisations to demand accountability from the government in the use of mineral revenue.

6.3 Media Training Workshop on Minerals Development Fund (MDF)

As part of the Chamber’s objectives to equip journalists with trends in the mining industry, a media training workshop was organized on the 12th and 13th March, 2019 to enlighten participants on the Mineral Development Fund Act, 2016 (Act 912) and the need for a Mineral Revenue Management Law akin to the Petroleum Revenue Management Law.

Mr Sulemanu Koney, CEO of the Chamber made a presentation on sustainable mining in the context of effective use of mineral revenue for national development. In his presentation, Mr. Koney stated that stakeholders in the mining industry should collaborate to open up opportunities in the value chain for mainly local investors. He reiterated the commitment of member companies of the Chamber to ensure that mining is sustainable and can protect the environment and people’s livelihood.

Mrs. Sheila Minkah-Premo, the Chamber’s legal consultant, took participants through the legal framework of the MDF Law. She expatiated on the benefits of the law if implemented effectively. She suggested that the percentages of revenue from minerals allocated to the communities should be harmonized from the different legal provisions in order to effectively and efficiently track the use of the funds.

In a presentation, the Minerals Commission shared its mandate and the pertinent challenges it faces as a regulatory agency. Delivering the presentation, Head of Legal Services, Mrs. Irene Demanyah stated that even though the Commission was very efficient at regulating the large-scale mining sector, issues such as inadequate human resource to regulate the small-scale sub-sector remain a major challenge. She stated that plans were afoot to decentralize operational offices of the Commission in mining areas. Additionally, the staff were being trained to be abreast of trends in the industry.

On the promotion of the value chain, the Minerals Commission reaffirmed its position to keep supporting the Chamber and investors to take advantage of opportunities in the manufacturing and or procurement of mining inputs.

In a presentation by Mr. Emmanuel Kuyole, the Executive Director for the Centre for Extractives Development Africa (CEDA), he explained that the new Minerals Income Investment Fund Act, 2018 (Act 947) was expected to allow the State to raise funds on the back of mineral revenue for development projects. However, he indicated that there was a possibility that the fund would become a tool in the hands of the politician to fulfil political promises with little room for transparency.
The Chairman of the Public Interest Accountability Committee (PIAC), Dr. Steve Manteaw presented on the topic: ‘The need for a Mineral Revenue Management Law for Transparency and Accountability in the Minerals Sector’. He stressed on the nation’s obligation to effectively manage revenue from mining to benefit the populace. According to him, even though a Mineral Revenue Management Law would help to deepen transparency and accountability in the use of mineral resources, it was important for the citizens to regularly demand what was needful from the State. He further urged the media to advocate for more local entrepreneurs to participate in the ownership of mineral assets and equity in order for the distribution of mineral benefits to be more endemic. Dr. Manteaw stated that mineral revenue should be treated as a working capital that should be invested in productive sectors and not spent on recurrent expenditure. He added that without a policy framework, transparency in the use of the MDF would not be achieved.

Bringing the meeting to a close, the CEO of the Chamber, Mr. Sulemanu Koney reiterated the need for mining revenue to be managed judiciously. He urged the media to partner with the Chamber and other Civil Society Organisations to demand accountability from the government in the use of mineral revenue. The programme ended at 1:00pm.

7.0 Events
7.1 Fifth Edition of the Ghana Mining Industry Awards
The 5th Ghana Mining Industry Awards took place at the Accra Marriott Hotel on 29th November, 2019. The Awards night saw 19 mining companies and individuals honoured for their various contributions to the mining industry. These included the Mining Personality Award which went to Alfred Baku, Executive Vice President of Gold Fields Ghana; and the Mining Company of the Year which went to Asanko Gold Ghana Ltd. Joy News’ Latif Iddrisu, for the second year running, won the Best Mining Reporter award following his documentary on the resurgence of illegal small-scale mining across some mining communities. Other award winners were Gold Fields Ghana for Innovation, Golden Star Wassa Ltd for Occupational Health and Safety, AngloGold Ashanti Obuasi Mine for Corporate Social Investment among others. A full list of award winners can be found on the website of the Chamber www.ghanachamberofmines.org.

Speaking at the ceremony, President of the Chamber, Mr. Eric Asubonteng stated that the member companies were committed to sustainable mining practices as the bedrock of any economic growth. He indicated that the Chamber was particularly fastidious about commitment to sustainable mining practices because it was their considered view that mining ought to enhance the lives of our people.

On his part, the Minister for Business Development, Hon. Ibrahim Mohamed Awal who was the Special Guest Speaker urged mining companies to continue to be tax compliant. He stated that mining companies should endeavour to pay more taxes as the industry continued to impact the lives of host communities and the nation as a whole.

7.2 Ghana Mining and Energy Summit 2019
The 2019 Ghana Mining and Energy Summit (GMES) was successfully organized by the Ghana Chamber of Mines from 12th-14th June, 2019 at the Accra International Conference Centre. The event saw a considerable turnout in exhibitor participation as well as yielded insightful deliberations at the conference, which was equally well attended.

The Chairperson for the opening ceremony, Mr. Eric Asubonteng, who is also the President of the Chamber, led the discussions on the opening day. Hon. (Dr.) Mohammed Amin Adam, who represented the Special Guest of Honour, Hon John Peter Amewu, expressed delight at the
positive impact of the mining industry on the revenue government made from national energy consumption. He stated that the government had put systems in place to ensure Ghana became energy sufficient in the coming years to support the operations of mining companies.

The sessions at the conference discussed topics on ways to deepen value creation in the mining and energy sectors through deliberate high-level local participation, among others. There were discussions of the architecture of the Wholesale Electricity Market and its potential impact on tariffs for bulk customers; mainstreaming gender in the mining value chain; the need to enhance supply chain opportunities in mining; new technologies and their impact on human resource management as well as trends in health, safety and environmental management strategy for underground mines.

Presenters and discussants at the conference emphasized the importance of local content in the mining and energy sectors and tasked businesses and regulators to collaborate in promoting value creation that benefited indigenes.

Furthermore, businesses were encouraged to lead the way in supporting educational institutions to improve the uptake of technical mining courses by women as well as to align their courses to reflect the trends in the application of technology in mining.

Mr Sulemanu Koney, CEO of the Chamber closed the conference with the assurance that the Chamber would continue to lead ideation in the extractive industry to ensure that Ghana obtained the needed benefits. He further announced that the Council of the Ghana Chamber of Mines had decided to offer funding to the University of Mines and Technology for the training of mining professionals as part of the Chamber’s contribution to Ghana’s socio-economic development.

7.3 Ghana Participates in 2019 Mining Indaba

The Ghana Chamber of Mines in collaboration with the Minerals Commission led a Ghanaian representation to the 2019 Mining Indaba in South Africa. President of the Republic, H.E. Nana Addo-Dankwa Akufo-Addo was the keynote speaker at the event. The 2019 Mining Indaba, which was held at the International Convention Centre in Cape Town, South Africa, under the theme: ‘Investing in African Mining’ focused attention on the issues of sustainability of mining on the continent. Ghana’s participation in the event was evidence of the determination of all stakeholders in the country’s mining industry to embrace sustainable mining practices for the benefit of all stakeholders.

The event was unique as it was the first time that Ghana’s mining industry attended the event as one national industry. A Ghana Pavilion was therefore created to cater for the interest of participating mines and institutions.

The companies and institutions that attended the event under the Ghana flag were:

- Newmont Ghana
The Ghana pavilion was organized by a committee comprising representatives from the Ghana Chamber of Mines, the Minerals Commission, the Ministry of Lands and Natural Resources and leading mining companies and suppliers operating in the country.

The event catered for exclusive discussions with the industry’s key stakeholders. Here, some of the wider issues impacting the sector that were tackled included resource nationalisation, sustainability, skills shortages and digitalisation.

Ghana’s President Nana Akufo-Addo made a strong case for Africa insisting on sustainable mining across the continent.

According to him, it is not acceptable that Africa which has much of the minerals that are sought after by the world, should remain inhabited by the poorest people on the globe and that mining companies should collaborate with governments to transform the continent. He stated that the continent had come of age and should no longer give unusual tax and royalty incentives to mining companies.

The Ghanaian delegates participated in high-level discussions in ways to improve investment in the minerals sector, sustainability and social development for mining communities and countries.

- Gold Fields Ghana
- AngloGold Ashanti
- Asanko Gold
- Kinross Chirano Gold Mines
- Rocksure International
- The Ghana Chamber of Mines
- Minerals Commission
- Ministry of Lands and Natural Resources
1.0 Introduction
The maintenance of the factors and practices that contribute to the quality of the environment on a long-term basis is critical to the sustenance of the operations of member companies of the Chamber. This is integral to the operation of responsible mining businesses in Ghana and across the globe. The Chamber therefore ensures that member companies adhere to both national and global standards that are beneficial to the environment and host communities.

2.0 Environment and Social Affairs Committee
The Chamber’s environmental protocols and social affairs initiatives are spearheaded by the Environment and Social Affairs Committee (ENSOC). The committee is made up of environmental practitioners, community and social affairs professionals and sustainability officials from producing member companies, support services and associate institutions.

The Chamber’s catchphrase: “Promoting environmentally and socially responsible mining” stems from the critical need to ensure that all business objectives are tied to the triple bottom-line - i.e. People, Planet and Profit. More importantly, the Chamber remains a key promoter of the Sustainable Development Goals 15, which is aimed at conserving and restoring the use of terrestrial ecosystems such as forests, wetlands, drylands and mountains by 2020. In this regard, the Committee held four quarterly meetings in the year under review, which served as opportunities to address key issues pertaining to environmental and community sustainability matters. These issues included:

2.1 Delays in the Issuance of Environmental Permits
The perennial challenges with the issuance of environmental permits for mine operations continued as member companies were unable to receive all essential permits within schedule.

The Committee lamented the undue delays in the issuance of permits by the regulator and the lack of transparency in the process of issuing permits. Concerns stemmed from financial institutions and banks that were tightening their risk portfolios in their engagement with mining companies who could not show proof of environmental permits. Chairman of the Committee and the rest of leadership of the Committee engaged officials of the EPA to find a lasting solution to the delays.

2.2 Development of a Mine Closure Plan Guidelines
The Committee organised a workshop to discuss the need to develop voluntary guidelines for a Mine Closure Plan in consultation with the Environmental Protection Agency (EPA). It was agreed that the development and application of holistic mine closure standards for member companies of the Chamber was long overdue.

Four working groups were created at the workshop to undertake preliminary discussions on the critical thematic areas: Environmental, Social, Technical and Legal. Subsequently, two ad hoc sub-committees were set up to design the Environmental and Social components of the standards to be adopted.

Prior to that, extensive presentations were made on the global environmental guidelines and social standards in mine closure by members of the committee. It was agreed that guidelines should consider water management as an integral part of mine closure as it could be a major bottleneck in the planning and implementation process. Member companies were advised to ensure that all critical aspects of the operation were considered in the closure plan to create guidelines that were sustainable.

2.3 Plastic Control on Mine Sites
The Committee took up the issue of plastic waste pollution and elected to focus on how all forms of plastic waste were disposed of on mine sites. Members recommended that companies should seriously consider the measures put in place by some mines to reduce the use of single use plastics such as styrofoam and bottled water. Members were advised to consider providing employees with permanent food containers, which would help efforts to prevent the use of ‘take-away’ plastic containers by employees.

2.4 Disposal of Used Tyres
The Committee also considered the alternative use of old tyres by member companies that could offer better value for communities. Evidence on the alternative use of such tyres showed that old tyres were used for commercial activities including design of furniture, dustbins, bags, and
pavements. The committee therefore explored different modalities to make these old tyres legally available to entrepreneurs who wish to use them in ways that do not harm the environment.

Further to this, the Secretariat initiated conversations with plastic waste entrepreneurs who expressed interest in obtaining the tyres. However, the Committee is currently in the process of analyzing the tonnage of old tyres that can be made available to the entrepreneurs. Alternatively, members were advised to consider discussing take-back options with tyre suppliers to reduce the quantum of old tyres on sites. The Committee agreed that any disposal strategy adopted by each member company should be socially and environmentally friendly.

2.5 Sustainability of Social Projects
The sustainability of key social interventions by member companies was a topical issue tackled by the Committee. It had become a source of concern that some host communities failed to appreciate the value of social interventions of member companies and therefore did not ensure the sustainability of such projects.

In view of this, the Committee worked with members to ensure that projects and facilities provided to the communities were assessed comprehensively to remain viable long after the life of mine and independent of continuous support from the company. It was agreed that such social investments should be implemented in collaboration with relevant government agencies and departments to help the process of deepening community ownership.

2.6 Illegal Mining and Impact on the Environment
The Committee provided support to the Secretariat in engaging the central government and the local assemblies to develop viable social projects to support the livelihoods of residents of host communities to reduce the invasion of the concessions of member companies by illegal miners. Additionally, companies expressed grave concern about individuals who had invaded their concessions purporting to have received permits from the Inter-Ministerial Committee on Illegal Mining (IMCIM) to undertake the government’s Community Mining Programme.

These invasions had resulted in the destruction of parts of the concessions with grave environmental repercussions for both the mine and those who depend on water bodies around the catchment areas. The Committee worked with the Secretariat to ensure that the concerns raised by member companies were addressed promptly to forestall environmental and social challenges.
1.0 Introduction
The Administration and Human Resources Department proactively provides strategic support and guidance to the management and employees of the Chamber as well as its member companies by fostering a positive and engaging work environment while identifying and responding to the changing needs of the diverse and unique mining industry.

The goal of the Administration and Human Resources Department is to help the Ghana Chamber of Mines achieve its strategic mission, while ensuring employees are engaged and motivated to help the Secretariat succeed. HR’s success will be measured by our ability to align and integrate processes with the strategic mission and vision of the Chamber.

In the coming year, Administration and Human Resources Department will use its resources and staff to become a more proactive partner stakeholder of the mining industry, through its commitment to cultivating a superior service-oriented culture.

2.0 Performance of the Department
2.1 Administration
During the year under review, the Administration & Human Resources Department supported the work of the Secretariat with policies, systems, procedures and manuals. Work schedules of employees of the Chamber were revised to direct and assist the work of the Secretariat in accordance with the vision and mission of the Chamber.

2.2 Human Resource Management
The Department continued to facilitate the review of the performance of employees at the Secretariat through its robust Annual Performance Management System. The System ensured the identification of employees training needs, which were addressed accordingly. The Secretariat maintained its manpower within 2019 to support the work of the Chamber.

2.3 Industrial Relations
In 2019, the mining industry was generally characterized by industrial harmony amongst the Unions and member companies of the Chamber. The Department supported member companies with relevant guidance on labour issues while assisting the HR Professionals in the industry to continue to build capacity through conferencing, workshops and certification programmes.

The Joint Standing Negotiation Committees with the Ghana Mine Workers’ Union (GMWU) and the Ghana Manufacturing Metal Workers’ Union (GEMM) continued with its regular meetings to review the salaries and service conditions for employees of both the PMSU and Branch Unions.

Discussions with GMWU and GEMM included Salary Negotiations for 2019 and updates on member companies’ wage models.

The Ghana Mine Workers’ Union as part of its stakeholder involvement initiatives, invited members of the Branch and Professional Management Senior staff Union (PMSU) to quarterly National Executive Committee (NEC) Meetings and its Quadrennial Delegates Conference.

2.4 Capacity Building (Internal)
To continue to develop the talent at the Chamber, some of its staff members underwent various training programmes. A staff member enrolled with the Leicester University for a Post Graduate Research Programme in Sustainability and Communications, while another graduated from the Institute of Human Resource Practitioners (Ghana).
2.5 Strategic External Liaisons
Key Strategic social partners and stakeholders were engaged by the Administration & HR Department in 2019. These partners included:

2.6 Engagements with Minerals Commission
The Administration & HR Department facilitated members of the Chamber to interact with the Minerals Commission on the following issues:
- 2019 Local Procurement Plans
- 2019 Procurement Mid-year and Annual Reports
- Delays in renewing tenements
- Total cost of exploration in Ghana
- Review of the Mining List
- Meeting with the Board of the Commission
- Registration of mine support service companies under special consideration
- Review of the schedule of fees of the Inspectorate Division of the Minerals Commission (IDMC)

One critical aspect of these engagements was the establishment of the Steering Committee on National Supplier Development Programme (NSDP). Chaired by the Minerals Commission, the Committee had representatives from the Chamber, Finance Houses and Association of Ghana Industries. The aim of the NSDP was to enhance the contribution of the mining sector to value creation through mineral-based economic linkages.

2.7 Ghana Employers’ Association (GEA)
The Administration and Human Resource Department has always been a bridge between the mining industry and the GEA. In the year under review, the Department continued to foster this relationship by facilitating the attendance of employees of member companies to the seminars and workshops organized by the GEA.

The Department also attended the GEA Council meetings and participated in other events like the launch of the Female Future Programme and the GEA-NHO Collaboration launch and seminar. Also significant was a joint International Labour Organization and Ghana Employers Association weeklong workshop on “Membership Strategies for Employers’ and Business Member Organizations.

The Chief Executive Officer of GEA Mr. Alex Frimpong participated in the 4th HR Conference in Tarkwa.

2.8 Ministry of Transport
The Ministry of Transport in a press release of 1st April, 2019 issued a temporary ban on the importation of excavators, with effect from 1st May, 2020. The Administration & Human Resource Department facilitated meetings of its affected members with the Chief Director of the Ministry; Mr. Twumasi Ankrah-Selby.

The Chief Director assured the Chamber and its members of government’s commitment to ensuring that the mining industry does not suffer as a result of the temporary directive. The Ministry clarified that government’s intention was to track all excavators being imported into the country, the importers and where the imported excavators were being deployed. The Ministry assured the Chamber of the government’s plan to lift the ban after implementation of a system to monitor the movement of excavators into and within the country.

Affected member companies of the Chamber were granted the opportunity by the Ministry of Transport to petition the Ministry for waivers to import excavators by sharing their respective schedules of imports for the rest of the year, ahead of importation.

2.9 The Ghana Investment Promotion Centre (GIPC)
The Administration & Human Resource Department facilitated for a member company of the Chamber to participate in the Ghana Investment Promotion Centre’s (GIPC) investment promotion mission to Colombia from 16th to 18th October, 2019. The mission was organized in collaboration with the Embassy of Colombia in Accra and ProColombia.

The objectives of the mission included showcasing investment opportunities presented by the Government of Ghana’s new industrialization agenda and pursuing opportunities for bilateral trade and investment in agriculture and agro-processing, tourism, information and communication technology (ICT), infrastructure development, financial services, mining and renewable energy. The said member company was able to secure a business investor from the mission in Colombia.

2.10 Ghana Shippers’ Authority
The department liaised with the Ghana Shippers’ Authority for the latter to organize a workshop for member companies of the Chamber on the theme “Services and Facilities at the Cargo
Village that Facilitate Trade.” Participants were educated by the Ghana Civil Aviation Authority on Cargo Safety and Security – The Regulator’s Perspective and the Services and Facilities at the Cargo Village that facilitate trade” by the Customs Division of the Ghana Revenue Authority.

The Administration and Human Resource Department organized the member companies of the Chamber to tour the Tema Port Expansion Project (Terminal 3) on 3rd June, 2019. This tour was made possible by collaborative efforts between the Ghana Shippers’ Authority and the Meridian Port Services (MPS). This was aimed at preparing member companies of the Chamber for the transition into the new terminal and the potential challenges the members may face with the revised cargo flow processes for domestic and transit cargo within the new facility.

The Ghana Shippers’ Authority also organized a sensitization seminar on the impact of IMO 2020 Sulphur CAP regulations on shipping cost in August 2019. This was a response to the global Sulphur CAP being revised from 3.5% to 0.5% with effect from January 2020. This is being done to promote “Green Shipping”. Member companies of the Chamber were made aware of the fact that the revision of the global Sulphur CAP will include higher freeing rates (about 20%) for all shippers and also cause higher prices of items imported.

The members of the Chamber were organized by the Administration and Human Resource Department to participate in a Ghana Shippers’ Authority’s seminar on Air Cargo Facilitation. The seminar was aimed at educating shippers on how to expedite shipping in the country. Since air cargo has become critical in the demand and supply chain, there has been an increasing need for stakeholders to provide efficient services to shippers.

2.11 Ghana Institution of Engineering

The Ghana Chamber of Mines’ advocacy has focused significantly on how to integrate the mining sector into the non-mineral economy. However, a major challenge to the Chamber’s efforts in promoting local content is the inability of its member companies to procure some critical goods and services locally, due to either lack of availability or deficits in the standard requirements of the mining industry.

To remedy this problem, the Chamber engaged the Ghana Institution of Engineers to partner and meet the technical and commercial engineering gap in the mining industry.

While a Memorandum of Understanding is being worked on to guide the working relationship between the two organizations, the Chamber has been encouraging the engineering professionals in the employ of its member companies to acquire professional certification from the Ghana Institution of Engineering.

3.0 Internal Committees

The department continued to support committees of the Chamber to tactfully address concerns affecting their work as professionals working in the mining industry. The Committees of the Chamber under the support of the section included:

- Affiliate Committee
- Contractors’ Committee
- Exploration Committee
- HR Practitioners Committee
- Supply Managers Committee

3.1 Affiliate Committee

Towards their goal of providing goods and services to the mineral right holders, the committee held four quarterly meetings in the year under review. The committee engaged the various stakeholders to address issues influencing their operations. These issues included:

3.1.1 EasyPass: In response to the GSA’s notification of Bureau Veritas being appointed as the sole inspecting organization to carry out the verification process worldwide and to deliver the EasyPass certificate and conformity in Ghana, the Administration and Human Resource Department and GSA organized a meeting between the Chamber and the Authority.

The Chamber and its members expressed their concerns with the implementation of the programme due to a prediction of delays in clearing goods at the ports which may interrupt productivity.
Further engagements with the Authority brought a resolution to the issue in that, GSA agreed to accept a certificate of conformity from reputable sources including original equipment manufacturer used by shippers of member companies of the Chamber.

3.1.2 Appointment of a Vice-Chairman: The Administration and Human Resource Department successfully conducted an election for the appointment of a vice-chair for the Affiliate Committee. The elected, Mr. Kwame Kwakye (Liebherr Ghana) was assigned the responsibility of supporting the Chairman of the Committee.

3.1.3 Interactions with Environmental Protection Agency on Eco Levy: The Government of Ghana, acting through the Ministry of Environment, Science, Technology & Innovation (MESTI) and the Environmental Protection Agency (EPA) implemented a country of origin inspection, verification, collection and receipt of advance eco-levy on Electrical and Electronic Equipment (EEE) and tyres imported into Ghana.

To help members of the Committee get clarity on the new directive in order to be compliant, the Administration and Human Resource Department arranged for a schedule officer from the EPA to interact with the mine support service companies. The schedule officer explained to the members that, the objective of the eco-levy was to provide for the control, management and disposal of electrical and electronic waste and tyres in the Republic of Ghana. The Affiliate members were advised to ensure the Waste Management Companies they engage to handle their waste collection have the capability to do so, especially with chemical waste disposal.

3.2 Human Resource Practitioners’ Committee

Besides the required usual quarterly meetings, the Human Resource Practitioners’ Committee successfully reinstated its Human Resource National Conference, which had not been organized since 2013. With administrative support, leadership and service and from HR & Administration Department, the interactions held amongst the Committee members contributed to improving the work of the HR Practitioners in their respective organizations.

The following are the issues the HR Committee of the Chamber dealt with during the year under review:

3.2.1 Negotiations 2019: Members of the HR Committee continued to lead their respective companies to complete negotiations of salary percentages and other conditions of service with the Unions. What is significant to note is that, these HR Practitioners adopted the key variables they developed in 2018 to guide the member companies in developing their respective wage models. These variables were: Gold Price, Cost, Inflation and Productivity. Member companies that didn’t use wage models were still influenced by the afore-mentioned key variables in the negotiations.

3.2.2 Database on overall employee costs to companies: A practice of the HR Committee has been to collate data on the conditions of service and annual salary increments from all its member companies. While this database has helped the Committee to ensure fairness within the industry, the Practitioners decided to take it a notch higher by assessing the cost of the aforementioned increments and conditions of service to the member companies of the Chamber. This information helped the members assess their cost effectiveness or otherwise in relation to the production of their respective member companies.

3.2.3 Election of a new vice chairperson: In 2019, the members unanimously elected Mrs. Adinorta Nti-Yeboah as the vice chairperson of the Committee. Mrs. Nti-Yeboah who is the Deputy HR Manager at Chirano Gold Mine, replaced Mr James Peprah after his retirement.

3.2.4 Continuous Professional Development presentation: The HR Committee members sustained the Continuous Professional Development (CPD) presentations, to contribute to their capacity building and skills enhancement in the following areas:

1. “Environmental influences and their effects on HRMP at Chirano” by Chirano Gold Mine.
3.2.5 Capacity Building: In the year under review, the Section arranged for the following external facilitators to meet with the HR Committee:
1. Enhancing Workers’ State of Mind: A Key to Productivity by Ms. Akua Afriyie Addae - Clinical Psychologist, K.N.U.S.T
2. The changing nature of salary administration and labour relations in the mining industry by Mr. Austin Gamey – CEO, Gamey & Gamey Group

3.2.6 Fourth Human Resource National Conference: After a six-year break, the HR Committee saw it necessary to rejuvenate its National Human Resource Conferences which had been a platform for the Human Resource Practitioners in the industry to brainstorm on new developments in the HR profession and also seek new approaches to mitigate the multiple challenges which confront all social partners in the industry.

This year’s Conference which was held under the theme; “the Future of work in the Mining Industry – the implications for people management and other key stakeholders” aimed at providing the platform for stakeholders to convene to strategize on how to meet the demands of the now technologically influenced mining industry. The 4th HR National Conference which was proudly sponsored and hosted by Gold Fields Ghana Limited from 7th to 8th November, 2019 at its Tarkwa Mine, was organized by the HR & Administrative Department and a Planning Sub-Committee of the HR Committee.

3.3 Supply Managers Committee
The Supply Managers Committee in the year under review, held four quarterly meetings and an extra-ordinary meeting to discuss pressing issues affecting the supply chain profession of the mining industry and to share best practices amongst member companies. Three of these meetings were organized at the Chamber Secretariat while the other two were held on mining sites. Whilst the 1st and 3rd quarter meetings were held at the Chamber, the 2nd and 4th quarter meetings were held at Newmont Goldcorp, Ahafo and Gold Fields Ghana Limited, Tarkwa respectively. Among the issues addressed during the year by the Committee were:

3.3.1 Extra-ordinary Meeting ahead of Minerals Commission's 2018 Procurement Annual report reading: As part of the preparation activities ahead of the Annual Procurement Report Reading Meeting with the Minerals Commission, the HR & Administrative Department facilitated an Extra-Ordinary Meeting at the Secretariat of the Chamber on 16th August, 2019 to help build consensus among members and for the Committee to present a united front at the Report Reading meeting.

3.3.2 Local Content Workshop: In fulfillment of the Chamber's pledge at the launch of the Local Content Portal in November, 2017 to set aside a dedicated day each year to engage with all relevant stakeholders of the mining industry to ensure the attainment of the industry’s local content goals, the HR & Administrative Department facilitated a Local Content Workshop.

The workshop which was held under the theme; “Harnessing the opportunities within the Mining Industry’s Local Content: the journey so far and way forward”, brought together participants from the Chamber’s Supply Managers’ and Affiliate Committees, Minerals Commission, Ministry of Finance, Ghana Institute of Engineering and Ministry of Lands & Natural Resources. The others were from the Private Enterprise Federation, Association of Ghana Industries and a selection of finance houses in Ghana.

3.3.3 Review of the 9th Edition of the Mining List: After the Chamber’s submission of the draft of the 10th edition of the Mining List to the Ministry of Finance through the Minerals Commission, several advocacies were done for the completion
of the review exercise. After feedback from the Ministry of Finance for Consumables to be expunged from the Mining List, the Section collated from member companies, benchmarks from their sister companies in the sub-region and legal opinions from the Legal & Legislative Committee. However, the Ministry of Finance sought the advice of the Attorney General on the issue.

3.3.4 Consolidated Buying: The Sub-Committee of the Supply Managers’ Committee assigned to work on the Consolidated Buying completed their work and submitted same to the main Committee. An Ad hoc Committee was constituted to develop a concept paper for the advice from the Legal & Legislative Committee on anti-trust and anti-competition laws.

3.3.5 Local Content Portal: The Department collated information from members of the Supply Managers’ Committee to update the Local Content Portal. These included the Procurement Plans and Reports of member companies. The information on the portal provided guidance for investors interested in the supply value of the mining industry.

3.3.6 Appointment of New Chairman: The Administration and Human Resource Department facilitated the appointment of a new Chairman, Mr. Theophilus Otchere – Regional Head of Supply Chain, Gold Fields in 2019. Mr. Otchere replaced Mr. George Brakoh.

Supply Managers’ Committee with newly appointed Chairman (front row, 3rd from the right)

3.4 Contractors’ Committee
Members of the Contractors Committee after a review of their 2017 quarterly meetings agreed to amend the structure of their meetings to an Ad hoc role and to rather communicate more through emails and conference calls, among others. They agreed also to continue to depend on the involvement of the Chairman of the Committee on both the Executive Committee and Council for transmission of information to and from the committee. 2019 ended with the retirement of the substantive chairman of the Committee, Mr. Peter Bennett from African Mining Services.

3.4.1 Appointment of New Chairman: The Administration and Human Resource Department led the Committee to elect a new chairman to replace Mr Peter Bennett who retired. The new chairman, Mr Joseph Abu Baka represents the interest of the contract mining companies of the Chamber at the Executive Committee and Council. The Contractors’ Committee agreed to maintain the prevailing arrangement of meetings on ad hoc basis.

3.5 Exploration Committee
The Exploration Committee in the year under review held all four (4) quarterly committee meetings to deliberate on issues impacting their operations. The Committee made recognizable achievements and progress with their pressing issues as discussed below:

3.5.1 Legalization of Ground Rent (L.I 2357): The Department in partnership with the Office of Administrator of the Stool Lands and Minerals Commission laid and relayed a bill before Parliament. The Minerals and Mining (Ground Rent) Regulations, 2018 (L.I 2357) was passed on 12th February, 2018 through the joint effort of the section, the Committee and the stakeholders listed above.

3.5.2 Delays in approving applications and licenses from Minerals Commission: Members of the Committee engaged with the Minerals Commission on the issue. Members were assured of a further engagement with the Sector Minister to ensure the renewal of the expired licenses.

3.5.3 Total cost of Exploration in Ghana: The section liaised with the Minerals Commission to mediate with the other government agencies like the Environmental Protection Agency to holistically reconsider the total cost of an exploration operations in Ghana, which places Ghana in a less competitive position as compared to other African countries.

3.5.4 VAT for Exploration Companies: The department, on behalf of the Committee lobbied the Vice President of the Republic, Sector Ministry, Ministry of Finance and the Economic Management team on the issue.

The Administration and Human Resource Department organized a workshop between exploration companies and their support services, specifically with those in the drilling and laboratory services, to ensure these service providers are not worse off should the government exempt the former from paying VAT on these big-ticket items and services.

The Chamber was assured of the government’s
intention to resolve the issue without hampering the operations of any of the parties involved in exploration activities.

4.0 2020 and Way Forward

4.1 Affiliate Group
In the coming year, the Administration & HR Department shall continue to work with the Affiliate Committee to advocate with stakeholders to address the following issues:

4.1.1 Exclusive Marketing Forum (Mining Festival): The Committee agreed with the Supply Managers, Exploration and Contractors Committees to open up the biennial event to non-Chamber members. The Executive Committee of the Chamber approved for the 2020 Mining Festival to be hosted in Obuasi for the first time. This Festival will bring together buyers and sellers within and without the Chamber.

4.1.2 Interaction with Ministry of Finance and GRA: With the outstanding fiscal issues affecting the operations of the Affiliate Committee, the Administration & HR Department will continue to engage with Ghana Revenue Authority and the Ministry of Finance to ensure these concerns are addressed.

4.2 Human Resource Committee
The Administration & HR Department will continue to liaise with stakeholders to ensure the following concerns of the HR Committee are resolved:

4.2.1 Wage Model: The section will follow up with members of the HR Committee on the outcome of their individually generated wage models vis-à-vis the previous regime.

4.2.2 Negotiations: The section will continue to support member companies with their salary negotiations. Members will be encouraged to use the variables developed at the Committee level to guide the HR Practitioners in the industry in their salary negotiations with the Unions.

4.2.3 Workshops/Seminars: The Department will work with members of the Committee to design and facilitate workshops and seminars that will support capacity building for practitioners.

4.2.4 Compilation/Collation of Salary, Allowances and Benefits: The Department will continue to collate the data on the aforementioned subject to guide the members of the HR Committee in developing and reviewing salary and benefits schemes of their respective companies.

4.3 Contractors Sub-committee
In 2020, the Committee commits to focus on partnering with the producing member companies to ensure the sustainability of the mining industry.

4.4 Supply Managers’ Committee
In 2020, the Committee will be addressing the following issues:

4.4.1 Mining List: The Administration & HR Department will continue to engage relevant stakeholders of the Mining List to ensure the publication of the 10th Edition of the Mining List, following a year’s delay.

4.4.2 Local Content Workshop: After a successful Local Content Workshop in the year under review, the Administration & HR Department will facilitate the organization of the 2020 edition of the Local Content Workshop to enhance discussions on the mining industry’s local content.

4.4.3 Standards for Electric Cables: The Administration & HR Department will continue to partner with the Technical Committee on Electric Cables to finalise and publish the first set of national standards for electric cables for use by both local manufacturers and mining companies.

4.4.4 Grinding Media: Following the Grinding Media Workshop organized by the Administration & HR Department in 2018, a Technical Committee will be set-up to develop national standards for grinding media. The Technical Committee will be made up of representatives from; Ghana Standards Authority, producing member companies, local suppliers & Manufacturers and the Department. Having national standards of grinding media will not only help producing members of the Chamber to meet their Procurement Plans, but also promote local manufacturing in the country on the back of the mining industry.

4.4.5 Consolidated Buying: The Supply Managers Committee will use the database created on the consolidated buying project to help existing and prospecting local manufacturers to forecast and produce to meet the unique demands of the mining industry.
4.4.6 Policy Framework for Local Content: In 2020, the Administration & HR Department will liaise with the Minerals Commission and the Ministry of Lands & Natural Resources to ensure that the proposed Regulation on Local Content & Participation addresses the challenges faced by member companies of the Ghana Chamber of Mines.

4.5 Exploration Committee
The Administration & HR Department will continue to support the Exploration Committee in 2020 to:

4.5.1 Improve cost of exploration in Ghana: The Administration & HR Department will partner with the relevant stakeholders for the cost of exploration in Ghana to be reduced in a bid for Ghana to be the exploration destination in the sub-region.

4.5.2 VAT for Exploration Companies: In 2020, the Department will work with the relevant parastatals to drive a policy change to exempt the big-ticket exploration inputs like drilling and laboratory services from VAT for Exploration companies without hampering the operations of the service providers.

4.5.3 Delays in approving applications and licenses from Minerals Commission: The Administration & HR Department will continue its engagement with the sector ministry and the regulator (Minerals Commission) to ensure outstanding licenses are renewed.
Analysis, Research and Finance

1.0: Overview of the Analysis, Research and Finance Directorate

The Department of Analysis, Research and Finance is principally responsible for collating data and providing information on the minerals and other allied sectors of the economy to anchor the advocacy objectives of the Chamber. Further, the Department’s mandate includes review of statutes, policies and directives that could potentially impact the business environment of member companies as well as standard of living of residents of mining communities.

It has also been the technical and commercial clearing house for the National Assay Programme since 2018. The Programme, which is implemented by the Precious Minerals Marketing Company (PMMC) on behalf of the Government of Ghana, involves the assay of dore prior to exportation and comparison of reports produced by the national assayer to that of refineries engaged by member companies of the Chamber.

Typically, the Department’s outputs are made available to a variety of stakeholders in the form of research reports, position papers, policy briefs and other related literature. These publications are intended to provide real time data to inform public discourse on the minerals sector and assist government and its Development Partners with credible information for policy formulation. More so, the Chamber’s publications also serve as reference materials for researchers, think tanks and other non-state actors. As well, the shared information contributes to providing a conducive business environment to support the operations of member companies.

In consonance with the tiered administrative structure of the Chamber, the Department’s activities are carried out with the support of four (4) Committees, namely; Technical, Security, Energy and Finance & Budget Committees. The scope of activities undertaken by the Technical Committee border on the technical aspects of mining, promotion of technology and innovation as well as sharing of best practices in health and safety. More so, the core mandate of the Security Committee is to provide a conflict-free environment to support mining operations and to protect lives as well as assets on the mines. The Energy Committee, on the other hand, has oversight responsibility over issues relating to the availability and pricing of the two main types of energy consumed by mining companies; electricity and diesel. It also facilitates the adoption of renewable and other forms of low carbon energy technology in the mining sector. Lastly, the Finance and Budget Committee oversees the Secretariat’s budget and finances. It also supports the Chamber’s engagements with duty bearers and other stakeholders on fiscal and economic issues that are pertinent to the minerals and mining sector.

In 2019, the Department undertook a number of activities with the objective of improving the business environment for member companies and deepening the publics’ appreciation of the mining sector’s diverse contributions to the national economy. More so, the Department highlighted the issues that impinged on the operations of member companies and liaised with the relevant parastatals to address them. The ensuing sections provide a summary of the activities that were undertaken by the Department in the year under review.

2.0: Technical Committee

Some members of the Technical Committee at the observatory of Newmont’s Ahafo Mine

The membership of the Technical Committee could be categorized into two groups. The first cohort comprises Representatives of producing mines, Affiliates, Contract Mining and Exploration member companies. While the producing mines are represented by their Mining and Health & Safety Managers, the others have a representative each on the Technical Committee. The other group comprising co-opted members, are drawn from Associate member companies and they include the Minerals Commission and University of Mines and Technology (UMaT). The Minerals Commission is represented by the Chief Inspector of Mines whereas UMaT is represented by a senior faculty member.

In the year under review, the Technical Committee held four (4) quarterly meetings at Golden Star Bogoso Prestea Limited, Newmont Ghana Gold Limited (Ahafo Mine), Chirano Gold Mines Limited and Asanko Gold Mines Limited respectively. The fourth quarter meeting was held jointly with the Environment and Social Committee. Some of the activities that were undertaken by the Department with the support of the Technical Committee is summarized in the ensuing sections.

2.1: Research on Health Risk Assessment Studies in the Ghanaian Mining Environment

At the request of the Chamber, a team of researchers from the University of Mines and
Technology (UMaT) and Noguchi Memorial Institute for Medical Research (NMIMR) commenced a study on the topic: “Health risk assessment studies in the Ghanaian mining environment” in 2016.

Following the receipt of the required approval from the Ghana Health Service, the research team led by the Vice Chancellor of UMaT, Prof. J.S.Y. Kuma, collected hair, blood and nail samples from employees of nine (9) mining companies and residents of eight (8) mining communities in 2018. Some of the samples were however contaminated as a result of unanticipated logistical constraints.

Even though the research team attempted to analyze and make inferences from the remaining samples in 2019, they recommended that the study should be repeated. In their view, this would enable them to have a representative sample size to enhance the accuracy of their results. The leadership of the Chamber upheld their suggestion and requested the Secretariat to liaise with the research team in that regard.

In 2020, the research team will be assisted by the Secretariat to mobilize the required logistics to collect samples from respondents in the identified mining communities and companies. As well, the team will explore the possibility of analyzing the samples at the recently inaugurated ultra-modern laboratory of UMaT instead of the laboratory of NMIMR to pre-empt possible contamination of samples.

2.2: Incident Notification and Emergency Response Portal

As part of the Chamber’s efforts to improve safety outcomes in the mining industry, the Secretariat liaised with the Technical Committee to set up an Incident Notification and Emergency Response Portal. It is expected that the portal will serve as a medium through which members will be apprised of incidents on other mines in order to take the required measures to obviate the recurrence of similar happenings.

Moreover, the portal will also provide a virtual platform for a member to solicit assistance from other members and state emergency response institutions to deal with incidents on the mines that are beyond its control. The Secretariat contracted a subsidiary of Mantrac, Unatrac, to develop the portal, which is expected to be completed and handed over to the Chamber in 2020.

2.3: Engagements on Local Refining of Doré

On the back of the Chamber’s efforts to deepen local content in respect of refining of doré, the Secretariat held a number of interactions with the management of the country’s largest refinery, Gold Coast Refinery (GCR). The pith of the discussions, which took place on 20th February, 2019 and 22nd October 2019, centered on how the Chamber could assist GCR to meet the minimum requirements of its member companies to refine their output. Since most of the Chamber’s gold producing member companies dispose of their output on international bourses, they are necessarily required to refine their doré with firms accredited by the London Bullion Market Association (LBMA). Prior to admittance to the membership of LBMA, a refinery is expected to satisfy the under-listed minimum criteria:

- Be in existence for at least five (5) years and has been involved in refining the metal for which it is applying for at least three (3) years prior to the application;
- Has an established annual refined production (which need not be in the form of standard bars) of at least ten (10) tonnes in the case of gold and 50 tonnes in the case of silver, for the previous three years;
- Has a tangible net worth equivalent to at least £15 million or such figure as the LBMA may from time to time determine;
- Ownership, financial standing and reputation would allow it to satisfy the “Know-Your-Customer” tests practiced in the London bullion market; and

Must implement the LBMA Responsible Gold Guidance and/or the LBMA Responsible Silver Guidance and pass an audit prior to accreditation.

In supporting GCR to meet the aforementioned requirements, the Secretariat introduced the leadership of Rand Refinery, an LBMA certified refinery, to the former. It was expected that the interaction between the two parties would eventually lead to the accreditation of GCR by the LBMA.

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2.4: Industry-Academia Collaboration
In consonance with the Chamber’s commitment to bridging the gap between the mining industry and academia, the Secretariat, under the aegis of the Technical Committee, continued to provide adjunct faculty support to the University of Mines and Technology (UMaT). This took the form of presentations by faculty members of the University at the forum of the Technical Committee as well as participation in the meetings of the Committee. Likewise, some members of the Technical Committee resourced post-graduate seminars of UMaT.

Further, the Secretariat and member companies regularly engage the services of UMaT on research activities and technical aspects of mining. In the year under review, the Secretariat requested a team of researchers from the University, led by the Vice Chancellor, Prof. J.S.Y. Kuma to undertake a study on the linkages between the minerals and non-mining sectors. The outcome of the study, which will be shared with duty bearers and other relevant stakeholders, will inform policy formulation on how to maximize the potential of the mining sector’s supply chain for national development.

As well, the Secretariat interacted with the leadership of the Office of Research, Innovation and Development (ORID) of the University of Ghana. The discussions focused on how the University could liaise with the Chamber and its member companies on research projects and other areas of mutual interest. In principle, the Secretariat agreed to collaborate with ORID and both parties are expected to deepen their burgeoning relationship in the years ahead.

2.5: Interactions with the Inspectorate Division of the Minerals Commission
The Inspectorate Division of Minerals Commission (IDMC) is a statutory body that oversees the technical as well as health and safety aspects of mining in Ghana. In view of its important role in the mining industry, the Secretariat works closely with the Chief Inspector of Mines (CIM), who is the head of the Division, to improve the outcomes of regulatory activities. This is achieved through regular interactions with the CIM at the meetings of the Technical Committee and Ad hoc engagements on policy related issues pertaining to the regulatory remit of the IDMC.

The forum of the Technical Committee continues to be the main avenue through which the CIM interacts with mining companies on policy proposals and operational issues. In 2019, the CIM participated in the quarterly meetings of the Technical Committee and took opportunity of the forum to discuss issues relating to compliance on reporting requirements, discussion of incident reports and review of schedule of fees.

Moreover, the IDMC continued to take part in the deliberations of the ad hoc committee that was set up in 2019 to redefine the parameters for assessing performance on safety in the mining industry. In the year under review, the ad-hoc committee made significant progress towards fulfilling its mandate and it was expected to submit its report to the Technical Committee by June, 2020.

2.6: Support to Mining Support Service and Manufacturing Firms
In line with the Chamber’s avowed commitment to assist mining support service and manufacturing firms, the Technical Committee usually provides opportunities for such entities to interact with key decision makers at its meetings. The Committee also took a decision in 2019 to reach out to local fabricators and service firms to make presentations at the forum of the Committee. In 2019, firms that delivered presentations at the meetings of the Technical Committee were Mantrac, Ramjack Technical Solutions Limited, Mining Tools Ghana Limited, SMS HME Support Limited and Drager/Reiss and Co. Ghana Limited.

2.7: National Assay Programme
The Ministry of Lands and Natural Resources appointed the Precious Minerals Marketing Company (PMMC) as the state assayer of gold in 2017. This directive, which was consistent with the statutes governing the mining sector, required PMMC to independently assay samples of dore prior to exportation and compare its findings with those reported by refineries engaged by mining companies. The national assay programme was first rolled out in the small-scale segment of the mining sector in 2017 and extended to the large-scale sector in 2018.

After implementing the national assay programme for a year, the Secretariat convened a meeting of PMMC and gold producing member companies on 16th January, 2019 to review the tolerance level and other operational issues. Following extensive deliberations, the parties concurred to maintain the tolerance level that was determined in 2018 as there were no significant variations in the assay outcomes within the period. Further, the meeting also took a
decision to encourage mining companies to store their samples in zip-bag receptacles.

2.8: Inter-Mines First Aid and Safety Competition
In keeping with its commitment of showcasing best practices in health and safety in the mining industry and promoting the adoption of same in every other facet of the non-minerals economy, the Chamber liaised with its partners, Minerals Commission and St. John Ambulance, to organize the 2019 edition of the Inter-Mines First Aid and Safety Competition.

The two-fold competition, which started with the zonal competitions from July to August, 2019, was held under the theme “Life is priceless: Drive Safely”. As is the practice, the first phase of the competition involved an oral contest that was hosted as a live event on GTV’s “What do you know?” quiz programme and the other part is a practical contest which was hosted in a community within the catchment area of a mine. The producing member companies of the Chamber are usually grouped into three (3) zones, which comprises four (4) companies in a zone, and each participating company presents two teams; mine and community teams. Typically, the mine teams participate in both the oral and practical contests whereas the community teams compete in only the practical aspect of the event. The mine and community teams that win their respective zonal competitions progress to the national event. Table 1.0 shows the performance of the participating mining companies in the 2019 zonal edition of the Inter-Mines First Aid and Safety Competition.

Table 1.0: Results of Zonal Inter-Mines First Aid and Safety Competition

<table>
<thead>
<tr>
<th>Zone</th>
<th>Mine Team</th>
<th>Position</th>
<th>Community Team</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>Ghana Manganese Company</td>
<td>1st</td>
<td>Golden Star Wassa Limited</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Golden Star Wassa Limited</td>
<td>2nd</td>
<td>Ghana Manganese Company</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>AngloGold Ashanti Iduapriem Ltd.</td>
<td>3rd</td>
<td>AngloGold Ashanti Iduapriem Ltd.</td>
<td>3rd</td>
</tr>
<tr>
<td>Two</td>
<td>Adamus Resources</td>
<td>1st</td>
<td>Abosso Goldfields Limited</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Chirano Gold Mines</td>
<td>2nd</td>
<td>Perseus Mining Ghana Limited</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Perseus Mining Ghana Limited</td>
<td>3rd</td>
<td>Chirano Gold Mines</td>
<td>3rd</td>
</tr>
<tr>
<td></td>
<td>Abosso Goldfields Limited</td>
<td>4th</td>
<td>Adamus Resources</td>
<td>4th</td>
</tr>
<tr>
<td>Three</td>
<td>Golden Star Bogoso Prestea Ltd.</td>
<td>1st</td>
<td>Asanko Gold Limited)</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Gold Fields Ghana Limited</td>
<td>2nd</td>
<td>Newmont Ghana Gold Limited (Ahafo Mine)</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Newmont Ghana Gold Limited (Ahafo Mine)</td>
<td>3rd</td>
<td>Gold Fields Ghana Limited</td>
<td>3rd</td>
</tr>
<tr>
<td></td>
<td>Asanko Gold Limited</td>
<td>4th</td>
<td>Golden Star Bogoso Prestea Limited</td>
<td>4th</td>
</tr>
</tbody>
</table>

The winners of the zonal competitions joined the host of the national competition, Newmont Ghana Gold Limited (Ahafo Mine), to vie for the coveted award of best mine and community teams in Ghana’s mining industry. After an informative and exhilarating oral and practical contests, the mine team of Newmont Ghana Gold Limited (Ahafo Mine) emerged first while the community team of perennial winners, Golden Star Wassa Limited (GSWL), was also first. The results of the 2019 national edition of the Inter-Mines First Aid and Safety Competition is shown in Table 2.0.
In an effort to instill the culture of safety in the country’s population, the Chamber also liaises with the Ghana Education Service to organize essay contests for students within the operational footprint of producing member companies. Similar to the Inter-Mines First Aid and Safety Competition, each producing member company presents two (2) candidates for the zonal edition of the Inter-Mines Essay Competition. Typically, the candidates presented by the mines are selected through a local level essay competition which is supervised by officials of Ghana Education Service (GES). The students who emerge as first and first runner-up in each of the three (3) zones qualify to participate in the national edition of the Inter-Mines Essay Competition.

Following a keen contest, a student of Ntronang Presby Basic School in the catchment community of Newmont Ghana Gold Limited (Ahafo Mine), Ms. Barbara Anokye, emerged as the overall best candidate. Apart from receiving educational materials at the ceremony to climax the Inter-Mines First Aid and Safety Competition, she and the first runner-up, Master Ebenezer Arthur, who was sponsored by Abosso Goldfields Limited, were also recognized at the Ghana Mining Industry Awards. In addition, their respective schools were presented with various educational materials.

The Inter-Mines First Aid and Safety Competition is usually climaxed with a ceremony which coincides with the practical component of the contest. In 2019, the high-level dignitaries that participated in the colourful event included the Deputy Minister of Lands and Natural Resources, Hon. Benito Owusu-Bio, Chief Executive Officer of the Ghana Chamber of Mines, Mr Sulemanu Koney, traditional leaders and General Managers of some producing mines.

Additionally, the ceremony also provides an opportune moment for the Minerals Commission to recognize and award mining companies that perform creditably in various aspects of health and safety. Table 3.0 shows the award recipients in 2019. As well, the Health and Safety Manager of Newmont Ghana Gold Limited, Mr George Opoku Kwarteng, was adjudged the overall best Safety Manager in 2019.

<table>
<thead>
<tr>
<th>Mine Team</th>
<th>Position</th>
<th>Community Team</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmont Ghana Gold Limited (Ahafo Mine)</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Golden Star Wassa Limited</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
</tr>
<tr>
<td>Golden Star Bogoso Prestea Limited</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>Newmont Ghana Gold Limited (Ahafo Mine)</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
</tr>
<tr>
<td>Adamus Resources Limited</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Asanko Gold Limited</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
</tr>
<tr>
<td>Ghana Manganese Company</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Abosso Goldfields Limited</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Table 2.0: Results of 2019 National Edition of Inter-Mines First Aid and Safety Competition
3.0: Security Committee

The membership of the Security Committee consists of representatives from the producing member companies, Minerals Commission and state security agencies. Whereas the producing members are represented by their respective heads of security, the Minerals Commission, which is a co-opted member, is represented by the Chief Inspector of Mines. As well, the state security agencies; Ghana Army, Ghana Police Service, Bureau of National Investigations and National Security Council Secretariat, which are also co-opted members, are usually represented by senior officers. In 2019, the Commander of Operation Vanguard, Col. William Nortey, also took part in all the deliberations of the Committee.

In the year under review, the Committee held its first, second and fourth quarter meetings at Golden Star Bogoso Prestea Limited, Newmont Ghana Gold Limited and Asanko Gold Mines respectively. The third quarter meeting was hosted as a training programme for public security officers at the Ridge Royal Hotel in Cape Coast from 9th to 11th October, 2019.

One of the major developments in 2019 was the simultaneous withdrawal of military personnel from the concessions of some producing member companies and the disinclination of duty bearers to replace them with other state-backed security officers such as the police. The absence of state protection at the mines culminated in a surge in intrusions and other forms of security breaches.

The security situation at the mines was further worsened by the government’s decision to introduce a community mining scheme programme. The well-intended programme was abused in some sections of the country and its manifestations included encroachment of concessions of producing member companies. As a matter of fact, the year under review was characterized by widespread security issues for the mining industry.

In the light of the deterioration in security at the mines, the Secretariat collaborated closely with

Table 3.0: Performance of Mining Companies in Health and Safety in 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Name of Company</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Improved Mine</td>
<td>Gold Fields Ghana Limited- Tarkwa Mine</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Golden Star Wassa Limited</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Ghana Manganese Company</td>
<td>3rd</td>
</tr>
<tr>
<td>Best Performer in Occupational Injury Statistics</td>
<td>Ghana Manganese Company</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Golden Star Wassa Limited</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Gold Fields Ghana Limited</td>
<td>3rd</td>
</tr>
<tr>
<td>Best Performer in Mine, Health and Environmental Audit</td>
<td>Newmont Golden Ridge Limited-Akyem Mine</td>
<td>1st</td>
</tr>
<tr>
<td></td>
<td>Chirano Gold Mines</td>
<td>2nd</td>
</tr>
<tr>
<td></td>
<td>Perseus Mining Ghana Limited</td>
<td>3rd</td>
</tr>
</tbody>
</table>

the Security Committee and affected member companies to explore alternative ways of addressing the surge in breaches. The other activities which were carried out under the auspices of the Committee in 2019 are summarized in the ensuing sections.

3.1: Engagement with Second Infantry Battalion
With support from the heads of security of member companies in the Western and Western North Regions, the Secretariat interacted with the leadership of the Second Infantry Battalion of the Ghana Army on 4th April, 2019. The discussions were largely on how the mining companies in the aforementioned areas could continue to cooperate with the Ghana Army to secure sensitive installations and deter sophisticated crime within the context of the withdrawal of their services by the government. After extensive deliberations, the companies and the military agreed to support each other on a need basis.

3.2: Interaction with National Security Council Secretariat
The Chief Executive Officer of the Ghana Chamber of Mines, Mr. Sulemanu Koney, led a delegation of member companies to interact with the Minister of National Security, Hon. Albert Kan Dapaah, on 6th May, 2019. The ensuing deliberations focused on the security threats brought in the wake of the withdrawal of the military from the concessions of some producing member companies. Although the Hon. Minister was concerned about the issues raised by the Chamber, he reiterated government’s disinclination to deploy military officers to the mines. However, he apprised the delegation that the state was considering the creation of a new security unit that would secure high value private sector investments. According to him, officers from the proposed unit would be deployed to the mines when it was set up.

3.3: Engagement with the Ministry of Lands and Natural Resources
On the back of an increase in security breaches at the mines, the President of the Ghana Chamber of Mines, Mr Eric Asubonteng, led a delegation of producing member companies to interact with the Minister of Lands and Natural Resources, Hon. Kwaku Asomah-Cheremeh, and other senior officers of the Ministry on 17th May, 2019. Following extensive discussions on the deteriorating security situation at the mines, which was largely precipitated by the withdrawal of the military, the Hon. Minister acquiesced to raise the Chamber’s concerns with Cabinet and H.E. the President. He subsequently requested the Chamber to petition his office on the matter.

3.4: Training Programme for Public Security Officers
In line with its efforts to deepen collaboration with public security officers and keep them informed on developments in the mining industry, the Secretariat liaised with the Security Committee to convene a training programme for personnel drawn from the Ghana Police Service and Ghana Armed Forces. The thrust of the programme was to educate the law enforcement officers on the amended Minerals and Mining Act, 2019 and deliberate on solutions to security challenges that confront the mining industry.

The high level personalities that took part in the two-day event include the President of the Ghana Chamber of Mines, Mr Eric Asubonteng, Minister of Central Region, Hon. Kwamena Duncan, Chief Executive Officer of the Chamber of Mines, Mr Sulemanu Koney, Commander of the Central Region Police Service, COP Paul Awini and Commanding Officer of Operation Vanguard, Col. William Nortey.

In his address to the participants, which included media personnel, the President of the Ghana Chamber of Mines, Mr Eric Asubonteng, highlighted the contributions of the mining industry to the economy and public security sector. Further, he solicited the assistance of the state in resolving the security challenges that bedevil the mining industry. In particular, he urged the government to rescind its decision to withdraw military personnel from the mines.

On his part, the Commander of the Central Region Police Service, COP Paul Awini, who was also the representative of the Inspector General of Police, recounted the contributions of the mining industry to foreign direct investments, foreign exchange and gross domestic product. As well, he mentioned that the problems of illegal mining, civil and human rights abuses and environmental degradation have stymied the growth of the mining industry and its contribution to economic development. He further commended the
Chamber for its role in the review of the Minerals and Mining Act to introduce more punitive sanctions for the offence of illegal mining. He urged the participants to take advantage of the forum to enhance their professional development as well as knowledge of the minerals sector.

The Central Regional Minister, Hon. Kwamena Duncan underscored the importance of the mining industry to the country and supported the Chamber’s request for state protection of the mines. He, however, noted that the socioeconomic dynamics in host communities made the call a very sensitive one. He urged the leadership of the Chamber not to relent in its advocacy for public security officers to be reinstated at the mines. He suggested that the Chamber should deepen its engagements with the Ministries of Lands and Natural Resources as well as National Security to resolve the concerns on the deteriorating security climate at the mines.

The Chief Executive Officer of the Chamber of Mines, Mr Sulemanu Koney, expressed the Chamber’s appreciation to the participants and urged them to support the various mining companies to resolve the security challenges that confront their operations. He also indicated that the Chamber and its member companies would continue to support the public security sector and the Judicial Service to deliver on their respective mandates. The event ended with the presentation of certificates to the participants.

3.5: Courtesy Call on the Minister of Central Region
The Chief Executive Officer of the Chamber, Mr Sulemanu Koney, interacted with the Minister of Central Region, Hon. Kwamena Duncan, on 11th October, 2019 at the offices of the Regional Minister. The CEO commended the Minister for honouring the Chamber’s invitation to the training for public security officers as well as his candour on how to tackle insecurity at the mines. He further assured the Minister of the Chamber’s commitment to continue its advocacy on the redeployment of military personnel to the mines and solicited his support in that regard.

On his part, the Minister stated that the government’s disinclination to deploy military personnel to the mines was largely premised on its quest to protect the image of the Ghana Armed Forces. He also added that the government withdrew the military from the mines to forestall a situation where some military officers may abuse the rights of civilians. He stated that such outcomes tended to cast a negative light on the government and could potentially affect its electoral fortunes. He therefore urged the CEO to be mindful of the political considerations when the Chamber engages duty bearers on the subject. Moreover, he affirmed his commitment to support the Chamber to resolve the security concerns of its member companies.

3.6: Adjunct Faculty for Operation Vanguard
In line with its objective of providing thought leadership, the Secretariat continued to liaise with the Security Committee and Operation Vanguard to address the problem of illegal mining and its consequent adverse impact on the environment. Specifically, the Secretariat resourced the pre-deployment training sessions of Operation Vanguard in 2019. A consultant of the Chamber, Nana Andoh, anchored these sessions which took place at the Bundase Training Camp of the Ghana Armed Forces. His presentations were on how to mitigate the exposures associated with the chemicals used by illegal miners.

3.7: Voluntary Principles on Security and Human Rights
The Secretariat continued to participate actively in the Working Group meetings of the Voluntary Principles on Security and Human Rights (VPSHR). In 2019, the Working Group focused on finalizing the Terms of Reference for a baseline study on human rights in the extractive industry, curriculum on VPSHR and National Action Plan. Furthermore, the Secretariat continued to monitor member companies’ level of compliance with the tenets of the VPSHR. It is worth noting that there were no notable breaches in the VPSHR in the year under review.

4.0: Energy Committee
The membership of the Energy Committee consists of the heads of electrical and instrumentation units and other professionals that supervise the electricity and fuel needs of producing member companies. As well, representatives of state utility companies and regulatory bodies with oversight role over the energy sector participate in the meetings of the Energy Committee as co-opted members. These institutions include, Volta River Authority (VRA), Ghana Grid Company (GRIDCo), Electricity Market Oversight Panel (EMOP), Energy Commission and National Petroleum Authority (NPA).
In 2019, the Committee held three (3) meetings at the Secretariat of the Ghana Chamber of Mines and the discussions centered on security in supply of electricity and diesel as well as their respective tariff regimes. Relative to 2018, there were minimal interruptions in supply of electricity to the mines in 2019. Likewise, VRA’s tariff generally trended downwards in 2019 as a result of the increased availability of gas, generation of electricity from gas fueled plants and reduction in tariff of gas. With respect to fuel, the volume of gasoil consumed by the mining industry declined from 283,945 metric tonnes in 2018 to 283,477 metric tonnes in 2019, representing a contraction of 0.16 per cent. The ex-refinery price of gasoil also increased by 6 per cent on a net basis in 2019 based on data from the NPA. Overall, the mining sector’s consumption of gasoil in 2019 represented 15 per cent of the national demand for the product.

The main activities that were undertaken by the Committee in 2019 include the following:

4.1: Stakeholder Engagement on 2019 Tariff by the Public Utilities Regulatory Commission

The Secretariat and some members of the Energy Committee participated in a stakeholder engagement to consider 2019 tariff proposals by the state utility firms. The event, which was convened by the Public Utilities Regulatory Commission (PURC) on 14th January, 2019, deliberated on the tariff proposals by Ghana Grid Company Limited (GRIDCo), Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo), Power Distribution Services Ghana Limited (PDS), Enclave Power and Ghana Water Company. After extensive discussions, the PURC apprised the participants that the revised tariff would be announced in February 2019.

4.2: Ghana Mining and Energy Summit

The Committee liaised closely with the Secretariat to host the biennial Ghana Mining and Energy Summit which took place from 12th to 13th June, 2019 at the Accra International Conference Centre. The event, which was themed “Harnessing mining & energy potential to accelerate national development”, brought together over 200 private and public stakeholders in Ghana’s energy sector. The Deputy Minister of Energy, Hon. Amin Adams, delivered the keynote address on behalf of the substantive Minister.

In addition to moderating sessions, some members of the Committee also delivered presentations at the Summit. Among the topics discussed at the Summit are the following:

- Architecture of the Wholesale Electricity Market and its potential impact on tariffs for bulk customers, including mines
- Deepening value creation in the mining and energy sectors through deliberate high level local participation

4.3: Interaction with Independent Power Producers

As part of its efforts to diversify the sources of supply of electricity and encourage the consumption of renewable energy on the mines, the Committee continued to engage Independent Power Producers (IPP). In the year under review, the Committee continued to engage Independent Power Producers (IPP). In the year under review, the Committee provided opportunities to some IPPs to deliver presentations at its meetings. These include Genser Energy, Sun Power Energy and G & J Energy Limited. Further, the Secretariat provided a number of IPPs with information on the energy demands of the mining industry to inform their business decisions. The beneficiaries include firms such as KATA Solar Limited, Africano Electro Limited, Emerging Markets Power Limited and Greenville LNG Limited.

4.4: Engagements with Ghana Grid Company

In order to pre-empt unplanned disruptions in transmission of electricity to the mines, the Committee continued to engage regularly with the leadership of Ghana Grid Company (GridCo). These engagements ensured that the Chamber and its members were au fait with the operational challenges of GridCo as well as informed timely of any developments that could impact negatively on their operations. Moreover, GridCo typically takes advantage of the forum of the Energy Committee to update members on its operations.

4.5: Interactions with Volta River Authority

In view of the strategic importance of Volta River Authority (VRA) in the generation of electricity, the Secretariat facilitates regular meetings between the former and producing member companies. The interactions between the member companies’ and their main supplier tend to focus
on issues relating to tariff as well as availability of generation plants and fuel. As well, VRA participates actively in the meetings of the Committee and uses the forum to brief members on its operational readiness and challenges.

5.0: Finance and Budget Committee
The membership of the Finance and Budget Committee comprises representatives from the Represented, Affiliates and Contract Mining member companies. Whereas each of the Affiliates Group and Contract Mining Group has one representative on the Committee, the Represented member companies have a representative each. Typically, their representatives are persons who occupy managerial roles in the tax, finance or accounting department of their respective firms.

In 2019, the Committee held four (4) quarterly meetings to review the financial performance of the Secretariat. It also deliberated and proffered solutions to a range of fiscal issues that impinged on the operations of member companies. As well, the Committee assisted the Secretariat with inputs on position or policy papers that bordered on fiscal issues and some members also participated in the Chamber’s meetings with parastatals that have supervisory role over economic and tax policies. Some of the engagements and activities which were undertaken with the support of the Committee are as follows:

5.1: Engagement with Ministry of Finance and Ghana Revenue Authority
The Chamber held a joint meeting with representatives of the Ministry of Finance and Ghana Revenue Authority (GRA) on 19th February, 2019 to discuss and explore solutions to fiscal issues that confront the operations of member companies. Some of the issues that were considered include the Chamber’s concerns on an audit undertaken by Customs Division of GRA on some member companies and the Income Tax Act, 2015 (Act 896) as well as incentives for exploration companies and review of the Mining List. The meeting concluded with a commitment by the Ministry of Finance to resolve the issues raised by the Chamber within a defined timeline.

5.2: Engagements with Bank of Ghana
The Chief Executive Officer of the Ghana Chamber of Mines, Mr Sulemanu Koney, led a delegation of member companies to interact with the leadership of the Bank of Ghana, including the Governor, Dr. Ernest Addison and First Deputy Governor, Dr. Maxwell Opoku-Afari. Generally, the discussions centered on the mining industry’s contributions to the economy in 2019, local content initiatives in the mining industry, the national assay programme and a mineral revenue retention framework for the minerals sector. Further, the Chamber courted the support of the Bank in encouraging government to relieve exploration companies from the payment of VAT to attract additional capital into the mining sector.

In a separate engagement, the Chamber also interacted with the Head of Financial Stability of the Bank of Ghana on 9th August, 2019. The pith of the discussions was on the development of a mineral revenue retention regime for the mining industry. The meeting concluded with a decision to pilot a framework used by one of the producing member companies.

5.3: Interactions with the Ministry of Finance

The Chamber held two separate interactions with the Ministry of Finance on 17th May, 2019 and 15th July, 2019. Whereas the Chamber’s delegation to the first meeting was led by the President, Mr. Eric Asubonteng, the latter was led by the First Vice President, Mr. Alfred Baku. The first meeting focused on fiscal challenges confronting the minerals sector and it was chaired by a Deputy Minister of Finance, Hon. Kwaku Kwarteng. In the case of the other meeting, which was chaired by the Minister of Finance, Hon. Ken Ofori-Atta, the deliberations were on how the mining companies could leverage their corporate social investment schemes to complement government’s efforts in rehabilitating the road network in their operational footprint.

5.4: Meeting with the Economic Management Team of Government
The President of the Ghana Chamber of Mines, Mr. Eric Asubonteng, led a delegation of member companies to interact with the Economic Management Team of Government, which is
chaired by the Vice President, H.E. Mahamudu Bawumia, on 2nd July, 2019. The deliberations were primarily on the mining industry’s contributions to the economy, repatriation of mineral revenue, local content and value addition. In his concluding remarks, the Vice President urged the Chamber to provide leadership in positioning the sector as a true partner for national development.

5.5: Interaction with the International Monetary Fund
The Secretariat honoured a meeting request by the Ministry of Finance and International Monetary Fund (IMF) to discuss the fiscal issues that the Chamber presented to the Ministry on 9th August, 2019. Following extensive discussions, the parties convened another forum to thoroughly consider the issues that were raised by the Chamber to the Ministry of Finance.

The IMF has since advised the Ministry of Finance on the Chamber’s issue paper. Further, the IMF shared its fiscal model with the Chamber and solicited the latter’s input in finalizing the document.

5.6: Engagements with Non-State Actors
In tandem with its vision of effectively representing the mining sector, the Secretariat places premium on its relationship with non-state actors such as Non-Governmental Organizations, Think-Tanks and academia. Accordingly, the Chamber endeavours to participate in events convened by these institutions as such engagements provide a medium for exchange of ideas and dissemination of information on the minerals sector.

In the year under review, the Department represented the Chamber at a number of events hosted by non-state actors such as African Centre for Energy Policy, IMANI-Ghana, Natural Resource Governance Institute, World University Service of Canada (WUSC) and Centre for Extractives Development, Africa (CEDA).

Moreover, the Secretariat supported postgraduate students and other researchers with data to fulfil the objectives of their study. Overall, the Secretariat interacted with more than thirty (30) masters and doctoral candidates as well as over ten (10) research institutions, including the Institute of Statistical, Social and Economic Research and the Graduate Institute of International and Development Studies, Geneva.

5.7: Analytical Reports
In keeping with the Chamber’s commitment to provide relevant and timely data to the mining industry’s publics, the Department published a number of analytical reports. These publications, which are available on the Chamber’s website, usually address issues ranging from mineral production to contributions of the mining sector. Examples of such write-ups that cover 2019 include Performance of the mining industry, Factoid, Publish-What-You-Pay and semi-annual reports on production parameters.

5.8: Advocacy Papers
As part of its mandate, the Department analyzes government policies and directives that have potential ramifications on the mining sector and proffers responses or recommendations to such developments. Typically, the Department collaborates closely with other units of the Secretariat and member companies in developing an industry response to policy prescriptions. The output of such collaborative engagements, which may take the form of an issue or position paper and briefing notes, becomes the blueprint document for the Chamber’s engagement with the relevant parastatal. In 2019, the papers that were developed by the Department include the following:

5.8.1: Briefing Notes
Typically, briefing notes are prepared to inform duty bearers on developments and specific challenges in the mining sector. It is the main document that guides an interaction between the Chamber and a parastatal or government functionary. The Department prepared briefing notes for interaction with the following government agencies:
- Office of the President
- Economic Management Team
- Ministry of Lands and Natural Resources
- Ministry of Finance
- Bank of Ghana
- Ghana Revenue Authority
- Minerals Commission

5.8.2: Issue and Position Papers
Basically, issue papers are an aggregation of challenges that confront the operations of member companies and are classified based on the parastatal with the mandate to resolve such concerns. On the other hand, position papers reflect the Chamber’s stance on a specific policy directive by government and its agencies. Some of the papers that were developed by the Department in 2019 include the following:
5.8.2.1: Issue paper on fiscal concerns of member companies
It is a compilation of all fiscal-related issues that impinge on the operations of member companies.

5.8.2.2: Position Paper on Local Refining
In response to government’s attempt to compel producing member companies to refine their dore in-country, the Secretariat undertook an analysis of the merits and challenges associated with the proposed policy. The Chamber was of the view that the proposal was generally well-intended but noted that there were a number of technical hurdles that have to be surmounted before it’s implementation, including the attainment of a London Bullion Market Association certification by a local refinery. Against this backdrop, the Chamber decided to support the local refineries to obtain the relevant certifications.

5.8.2.3: Position Paper on Listing of Mining Companies on Ghana Stock Exchange
The managers of the Ghana Stock Exchange requested the government to mandate mining companies to list a proportion of their shares on the Exchange. While recognizing the benefits associated with listing, the Chamber also raised grave issues on how the proposal could deleteriously impact on the share prices of mining companies if the process was not handled with tact and circumspection.

6.0: Ghana Extractive Industries Transparency Initiative
In line with its value of promoting transparency and being an avid member of the Initiative, the Chamber participated actively in the engagements of Ghana Extractive Industries Transparency Initiative (GHEITI) and supported the latter’s Secretariat with office logistics in 2019. Some of the GHEITI-led activities that the Chamber took part in are as follows:

6.1: Preparation of 2017/2018 Reconciliation Reports
The Chamber liaised with other members of the Multi-Stakeholder Group to assist GHEITI to procure an Independent Administrator to prepare the 2017/2018 Reconciliation Reports for the mining and oil/gas sectors. The reports, which were produced by Messrs Boas and Associates, were published on the website of GHEITI and subsequently launched by a Deputy Minister of Finance, Hon. Kweku Kwarteng, on 11th March, 2020.

6.2: Workshop on Mainstreaming of Standards of Extractive Industry Transparency Initiative
As part of its efforts to reduce the expenditure associated with the publication of Reconciliation Reports, the Board of Extractive Industry Transparency Initiative (EITI) took a decision to mainstream its standards into the routine operations of reporting entities. In that regard, the International Secretariat collaborated with its equivalent in Ghana to host meetings with the various constituencies and Steering Committee of GHEITI.

6.3: Extractive Industries Transparency Initiative (EITI) Global Conference
The Chamber was part of a delegation from Ghana, which was led by H.E. the Vice President, Alhaji Dr. Mahamudu Bawumia, that participated in the eighth (8th) global conference of EITI in Paris, France, from 18th to 19th June, 2019.

The other delegates include the Deputy Minister of Energy, Dr Amin A. Adam, Co-Chairman of Ghana Extractive Industries Transparency Initiative (GHEITI), Dr Steve Manteaw, Coordinator of GHEITI, Mr Abdul Razak Mohammed Bashiru, and representatives of parastatals, civil society organizations, Development Partners, Ghana National Petroleum Corporation and International Oil Companies (IOCs). The event brought together over 1,000 global stakeholders to deliberate on emerging issues in the natural resource sector and adopt a new EITI standard for implementing countries.
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1.0: Introduction
The ECOWAS Federation of Chambers of Mines was formed in 2016 to foster closer collaboration and alliance in the mining sector within the West Africa sub-region. The initiative had become imperative, considering the importance of mining to the economies of ECOWAS members and similarities in the challenges facing the industry in the sub-region. The primary objective of the Federation is to advocate for the enactment of policies to promote mining across the sub-region.

The Secretariat of the EFECOM is hosted by the Ghana Chamber of Mines with its first Executive Director being Mr. Sulemanu Koney. The President of the General Assembly is Mr. Kwame Addo-Kufuor and the Chairman of the Executive Council is Mr. Chaikou Yaya Diallo.

The EFEDCOM is made up of the following:
- Chambre des Mines du Mali
- Chambre des Mines de Guinee
- Chambre des Mines du Burkina Faso
- Miners Association of Nigeria
- Abuja Chamber of Commerce and Industry
- The Ghana Chamber of Mines
- Association Professionnelle des Industries Extractives du Togo
- Groupement Professionnel des Miniers de Côte d’Ivoire

1.1 Local Content
The subject featured in many of the discussions. Stakeholders agreed that the mining industry must be integrated into the non-mineral economies in the sub-region and agreed that Governments must create an enabling environment for rapid growth of mining to pull up other sectors. Local content and value addition must be upheld to also improve linkages and integrate the mining sector more deeply into the economy.

Additionally, stakeholders conceded that there was a need for businesses in the respective member countries to consider the larger markets in West Africa and therefore ECOWAS must leverage the sub-region’s unique strengths to reposition the community as an attractive destination for mining investment.

Member countries subscribed to the dictates of the Africa Mining Vision (AMV) and committed to continue to partner other regional bodies, such as the Association of Chambers of Mines and other Mining Associations of Africa (ACMMAA) to ensure that mining contributes to broader transformation and development of host communities.

2.0: Interaction with the ECOWAS Commission
Members of EFEDCOM had two interactive sessions with the ECOWAS Commission. Firstly, with the Commissioner, Mines & Energy, Mr. Sediko Douka on 27th March 2019 and secondly during the 5-day review of the Draft ECOWAS Model Mining & Minerals Development Act (EMMMDA) between 15th-19th April 2019. Both parties agreed to work together to improve the fortunes of mining in the sub-region. The Commissioner expressed his appreciation to the Chambers of Mines in Ghana and Guinea for initiating the process for the formation of the Federation.

The Commissioner reiterated that ECOWAS was ready to support the development of relevant mining policies and programmes to ensure the growth of the sub-region. The establishment of the ECOWAS Mining and Petroleum Forum & Exhibition (ECOMOF) was one such platform through which ECOWAS could work with EFEDCOM.

The Commissioner, supported by Mr. Richard Afenu of the ECOWAS Commission briefed the Executive Council of EFEDCOM on the importance of key documents including the ECOWAS Directives on the Harmonization of Guiding Principles & Policies in the Mining Sector; the draft ECOWAS Minerals Development Policy as well as the draft ECOWAS Model Minerals & Mining Development Act.

The ECOWAS Commissioner indicated that continual dialogue among member countries and organisation was a strategy he had adopted to facilitate the success of the EFEDCOM. He
therefore assured members of more engagements on mining policies and intimidated that revenue derived from the mining industry was significant and should be a good reason enough for governments to pay attention to niggling concerns.

3.0: ECOWAS Model Mining & Minerals Development Act (EMMMDA)
Under the auspices of the West African Civil Society Forum (WASCOF), the ECOWAS Commission, supported by the Ford Foundation in West Africa hosted the 3rd National Experts Review Meeting on the Draft EMMMDA in Accra from 16-19 April, 2019 to collate the views of stakeholders.

EFEDCOM expressed its commitment to working collaboratively with ECOWAS, to position West Africa as a frontier and hub of sustainable mining. Through the Executive Director and Legal Counsel, EFEDCOM made a presentation of its concerns to the meeting.

4.0: EFEDCOM General Assembly
The Federation held its 2nd General Assembly Meeting on 12th November 2019 to discuss pertinent issues to improve its output. Decisions taken at the meeting included:

- A formula for determining membership subscriptions for 2020 and beyond.
- Reporting by members of in-country developments affecting member Chambers or Mining Associations must be a regular features on agenda of meetings of EFEDCOM.
- The need to intensify efforts to bring other mining Chambers and Associations in the sub-region onboard, especially Senegal & Niger.

Members expressed disquiet about waning levels of security in the mining industry in West Africa following the November 2019 rebel attack on the convoy of mine workers of a mining company in Burkina Faso.

EFEDCOM consequently issued a letter of support to the Chambre des Mines du Burkina and expressed its commitment to work through the ECOWAS Commission in ensuring that Governments in West Africa lived up to their responsibility of protecting life and property, especially in their mining communities.

5.0: Capacity Building Programme for EFEDCOM members
The Ghana Chamber of Mines (GCM) provided resources at a capacity building workshop for EFEDCOM members on 28th March 2019. The training afforded members the opportunity to share in the experiences of GCM members in understanding the Corporate Governance Framework for the Federation, modalities for
advocacy and research, financial resources to run the affairs of the Federation, labour concerns, stakeholder management and inclusion.

6.0: Association of Chambers of Mines & Other Mining Associations of Africa (ACMMAA)
Ghana hosted the 2nd General Meeting of ACMMAA from Monday 11th to Friday 15th November, 2019. The Association is made up of members from across Africa from Central Africa, East Africa, Southern Africa and West Africa. EFEDCOM, which is a founding member of ACMMAA, participated in all the preparatory discussions in Namibia and Uganda. ACMMAA is mandated to work closely with the African Union Commission to champion the interest of the private sector in Africa’s mining industry.

7.0: First Africa Forum on Mining
Ghana hosted a first 3-day Forum on Mining facilitated by the Africa Union Commission from 13th to 15th November, 2019. The forum was an event held to celebrate 10 years of the Africa Mining Vision (AMV), under the theme “AMV at 10: Looking Back, Moving Forward”.

The Forum discussed the relevance of the African Mining Vision within the context of present socio-economic trends as well as its importance to the global economy. Some experts deliberated on global technological changes and the impact on the minerals sector in Africa while the tax and financial experts presented innovative ways to increase revenue from the sector without overburdening the private sector.

Participants generally agreed that it would be useful if regional bodies worked towards the realization of the goals of the AMV. They were of the view that regional policies and programmes must be tailored towards specific issues while social dimensions are integrated into developmental needs and programmes on the continent.

Mining must be considered as a development issue that requires a multifaceted approach to derive the most value for countries in Africa.
1.0 Introduction
The Legal and Legislative Affairs Committee (LLAC) of The Ghana Chamber of Mines (the Chamber) has the mandate to continually review, examine, appraise and evaluate developments and happenings in the mining sector and where necessary, initiate or preempt all policy and legal/legislative issues which are of relevance or consequential to and could potentially impact the mining industry in Ghana. Members are then required to advise the Chamber and make recommendations as to strategies the Chamber should employ to forestall any negative consequences of such issues by taking concerted action through lobbying and advocacy.

To carry out its mandate and accomplish the legal and legislative objectives/goals of the Chamber in 2019, the LLAC carried out a number of programmes and activities in the course of the year.

1.1 Membership of Committee
In the year under review, representatives of member companies of the LLAC and their alternates were as follows:

- Juliet Manteaw-Kutin (AngloGold Ashanti Ltd) Chairperson
- Michael Akafia/Paulo Adjei Okpoti (Gold Fields Gh Ltd) Member
- Robert Agbozo/ Richard Dery (Newmont Gh Gold Ltd) Member
- Kojo Anin-Appiah/Frederick Owusu-Asare (Golden Star Res.) Member
- Ingrid Yeboah, (Alternate for Anglogold Ashanti Gh. Ltd) Member
- Abdul Baasit Aziz Bamba (Azizbamba &Ass. /Affiliates) Member
- Sheila Minkah-Premo/Joyce Mensah (Apex Lawconsult) Secretary

2.0 Overview of Activities Undertaken
The LLAC held a number of meetings to discuss and review policy and legal issues of relevance and consequence to the Chamber in particular and the mining industry in general during the period under review. Some of the issues are summarised below.

2.1 Legislations Reviewed
The Committee reviewed and considered a number of bills and laws in the course of the year including those listed below.

2.1.1 Ghana Integrated Aluminium Development Corporation Act, 2018 (Act 976) - The LLAC obtained copies of the Ghana Integrated Bauxite and Aluminium Development Corporation Bill which later become Act 976 and reviewed it and helped the Chamber to prepare a memorandum to be sent to government. One of the concerns raised was the recommendation that there was no need for the creation of another institution within the mineral and mining sector.

The Committee noted that the drafters simply dropped “bauxite” from the original name of the bill before passing it into law. In the earlier version of the law, Aluminum and Steel Development Corporation Bill, the LLAC discussed this Bill and sent a memorandum to the Chamber raising similar concerns. Members were of the view that there was no need for a new institution to be created; rather an office should be created at the Ghana Minerals Commission (MinCom) to deal with aluminum and steel development and not set up duplicate authorities.

2.1.2 Companies Act, 2019 (Act 992) - The LLAC reviewed the new Companies Act (Act 992). The attention of the members was drawn to sections of the sample forms on Beneficial Ownership relating to the law, which is not applicable to all mining companies since some are listed on the American Stock Exchange and on other international stock exchanges. The Committee decided that this will have to be looked at by the Chamber for interventions to be made to clarify the issue.

2.1.3 Standard for Automatic Exchange of Financial Accounting Information Act, 2018 (Act 967) - Members obtained copies of the Standard for Automatic Exchange of Financial Accounting Information Act, 2018 (Act 967), which they needed to study for the operations of their respective companies.

2.1.4 Land Use and Spatial Planning Regulations, 2019 (L.I. 2384) - Members of the Committee obtained and reviewed the draft L.I. to identify issues of relevance to the mining industry for the attention and consideration of the LLAC and further action of the Chamber.

2.2 Bills in Parliament
2.2.1 Corporate Insolvency Bill, 2019- Some members of the LLAC participated in a training workshop on the bill after updating themselves on the law. The Secretary of the Committee furnished the Chamber with a report on the workshop.
2.2.2 Tax Exemption Bill - The Chamber requested the LLAC to review this Bill and advice on its implications for the mining industry. However, members were not able to obtain a copy to review by the close of the year. Consequently, they decided to try to obtain a copy in the coming year to enable members to review and advice the Chamber on its implications for the industry.

2.2.3 Land Bill - The Committee monitored and followed up on developments with the Land Bill during the period under review. The Committee took note of the fact that the development of the Bill was on-going and monitored its progress in Parliament. The 2018 version of the Bill was replaced with a 2019 version in the course of the year.

2.2.4 Corporate Insolvency Bill – Members reviewed this Bill that is intended to provide for the administration and official winding up of insolvent companies and other bodies corporate and for related matters.

2.3 Draft laws
2.3.1 Draft Natural Resource Governance Bill – This is a draft bill forwarded to members that is intended to provide governance for all natural resources. A memorandum was prepared on this bill by the Committee for the Chamber.

2.3.2 Draft Regulations on Ghana Railway Development Act - The LLAC considered this draft legislative instrument to identify its stipulations that will be of consequence to the mining industry and thus, require the attention of the Chamber.

2.4 Others
2.4.1 Review of Minerals and Mining Legislative Instruments and proposals to amend the Minerals and Mining Act, 2006 (Act 703) – Members of the LLAC reviewed some of the Regulations to Act 703 especially the Minerals and Mining (Support Services) Regulations, 2012 (L.I 2174) to apprise themselves with the stipulations of the laws with respect to emerging minerals and mining-related issues and the intended amendment of the Minerals and Mining Act (Act 703).

2.4.2 Environmental Guidelines For Mining In Production Forest Reserves In Ghana – Members discussed a workshop organised in Kumasi on this issue in their review of the draft Guidelines and an ongoing feud between the Forestry Commission and the Environmental Protection Agency in Kumasi on the payment of royalties for mining in forest reserves. Members noted that in an effort to bring this to an end, one District Chief Executive was investigating, which was the appropriate department to receive royalties and what use these monies would be put to. Members stressed the need to have this sorted out expeditiously.

2.4.3 VAT Laws - The Secretary of the Committee scanned and sent copies of VAT-related laws enacted in 2018 to all members for their review.

3.0 Other Issues Addressed
The Committee also considered other issues during their meetings including the following:

3.1 Lessons from Beiersdorf Ghana Limited Case - Members of the LLAC reviewed this case which had implications for tax waivers for technology transfer agreements. The judgment indicated that if the company was not registered at the Ghana Investment Promotion Centre (GNPC), then a company couldn’t benefit from tax waivers. Members therefore recommended that member companies should endeavour to register at the GIPC so they can benefit from tax waivers. An appeal was filed against the decision and the judgment came out late in December 2019. Members of the LLAC will review the implications of the outcome of the judgment for the industry.

3.2 Restricted Mining Lease – Members of the Committee deliberated on the issue of a letter received by some of their respective companies from MinCom requesting them to cede some of their concessions for community mining. In collaboration with members of the LLAC, the Chamber obtained copies of relevant letters from some mining companies and subsequently discussed the matter with key officials of the MinCom and followed it up with a formal letter to the MinCom.

3.3 Interaction with Parliament – The LLAC recommended that the Chamber should interact more with Members of Parliament so they can understand the mining industry better. The Chief Executive Officer (CEO) of the Chamber reported that he had engaged the Chairman of the Parliamentary Select Committee on Mines and Energy and the Chamber also collaborated with Gold Fields to organize a field trip for the Parliamentary Committee. The Chamber also seized the opportunity to sensitize members of the Parliamentary Committee on minerals and mining issues.

3.4 Technology Transfer Agreements – On the advice of the LLAC and at the behest of the Chamber its member companies were
encouraged to register with the GIPC so as to benefit from tax waivers based on lessons learnt from the High Court judgment in the Beiersdorf Ghana Ltd. case.

3.5 Issues Relating To The Mining List – The Chamber referred issues relating to the Mining List to the LLAC. Members of the LLAC noted that the Ministry of Finance wanted to review some of the stipulations of the Minerals and Mining (Support Services) Regulations, 2012 (L.I 2174), which they deemed as ultra vires the Minerals and Mining Act, 2006 (Act 706) with regard to what constitutes “consumables.”

There were also interpretation issues with the Value Added Tax Act, 2013 (Act 870) because the use of the word “consumables” seemed to have different meanings. Thus, the Ministry of Finance wanted to review the Mining List to remove some items from the List which according to them were not “consumables” in the VAT Act. The LLAC sent a memorandum to the Chamber in this regard for further action.

3.6 ECOWAS Federation of Chambers of Mines (EFEDCOM) Meetings - The Secretary of the LLAC participated in a 3-day workshop by the EFEDCOM for the review and sensitization of its members to the draft ECOWAS Model Minerals and Mining Development Law in March 2019. The Secretary of the LLAC gave an overview of governance issues concerning the minerals and mining sector among other presentations at the workshop. This Model law was later adopted by Ministers of member states of ECOWAS in July 2019 following which member countries were expected to bring their laws in conformity with it.

3.7 Training Workshop For the Media - Alongside Dr. Steve Manteaw, a member of the Ghana Extractive Industries Transparency Initiative and Chairman of the Public Interest and Accountability Committee (PIAC), the Secretary of the LLAC was the resource person for a training workshop the Chamber organized for Journalists who report on mining. The journalists were taken through the Mineral Development Fund Act, the need for the development of a Minerals Revenue Management Act similar to that for the petroleum industry, fiscal issues relating to mining and the need for an oversight body that checks how funds are managed especially when it comes to natural resources.

3.8 Symposium of New Companies Act, 2019- On behalf of the Chamber the Secretary of the LLAC participated in a symposium on the new Companies Act, 2019 organized by PN Africa and shared a report on the symposium with members.

3.9 Proposed Reforms to the GIPC Act - The Committee reviewed a summarized document received and shared by the Chamber. Highlights of some of the proposed reforms from the report were arranged under the following headings: Change of Name; Refocusing of the Functions of the Centre; Governance Structure; Enhanced Collaboration with other Public Institutions; Activities reserved for Ghanaians and Ghanaian-Owned Enterprises; Minimum Capital Requirements for Foreign Enterprises; Technology Transfer Agreements; Offences and Penalties; Additional Investment Guarantee; Definitions of Key Terms and Phrases. Members prepared a memorandum for the Chamber, stressing the need to exclude mining from the ambit of the law to avoid over regulation of the mining industry.

3.10 Letter Of Intent To Purchase Activated Carbon From Ghana - Members of the LLAC discussed an email concerning the submission of letters of intent by gold producing members requested by two companies Afri C12 and Twerebo Process Industries as part of the National Supplier Development Programme (NSDP) for the manufacture of activated carbon sent by the Chamber.

3.11 Memorandum on draft National Resource Governance Bill - The Secretary of the LLAC worked on and sent a memo on the draft Natural Resource Governance Bill to the Chamber. The LLAC discussed and updated the memorandum which was forwarded to the Chamber for further action.

3.12 Government’s Right of Pre-Emption - At the instance of the LLAC, the Chamber wrote to the Ministry on the issue of re-triggering the right of Pre-emption and its implications for Ghana as an investment destination for mining. The Committee took special note of this matter for further discussion.

3.13 Issues Relating To Annual Mineral Rights Fees - Members of the Committee shared information on demand notices for payment of annual mineral rights fees for pre-2006 and post 2006 leases served on their respective companies by the MinCom. With regard to leases obtained prior to the enactment of the Minerals and Mining Act, 2006 (Act 703), all had refused to pay the fees being demanded. They had paid the demands for the post 2006 leases.
Representatives of the affected companies on the Committee indicated that they had had to write to the MinCom to decline payment for pre-2006 leases and pointed out the anomaly of the retroactive application of the law.

The LLAC provided legal advice on the issue and prepared a memorandum on same for the Chamber. The Committee decided that the Chamber should continue to dialogue with MinCom on the issue and refer the problem to the Executive Committee for further action.

3.14 Supreme Court Case Against Mining Companies - Members reported on the status of actions their companies had taken with respect to the suit filed against the Attorney General (AG), MinCom and a number of mining companies by two Members of Parliament for working with non-ratified mining leases.

Newmont, AnglogoldAshanti and Gold Fields reported that they had entered appearance to the suit. Members of the LLAC discussed this issue noting that the AG who is also a defendant in the suit went on a jurisdictional argument, but stated that in case the preliminary objection is overruled, they agreed with all the reliefs of the plaintiffs.

The AG further stated in her submission that the mining companies are culpable because they could have applied for a mandamus to compel ratification. The MinCom however in their statement of case stated the law clearly on who was responsible for sending Mining Leases to Parliament for ratification.

By the close of the year most parties were applying for extension of time to file their statement of case. The Committee decided that the Chamber should try to get members to align on their defence of the case and promised to do some lobbying with respect to the suit.

3.15 Debts due the Chamber – Members discussed funds of the Chamber that were locked up with Brooks Assets Management Limited and Accents Financial Services Limited. The LLAC discussed these matters and advised the Chamber to pursue the claims in court.

3.16 Minerals Commission’s Letter to Companies to Set up Blocks of 300 Cadastral Units – Members of the Committee discussed this new directive of the MinCom and noted that it will not augur well for the interests of their respective companies. The Chamber is to follow-up on the matter with MinCom.

3.17 Issues and Challenges of the Manganese Industry - The Committee noted that in the face of recent developments in the mining industry, it would be expedient to carry out meaningful and sustained advocacy work for all aspects of mining including the manganese industry. It thus, requested of the representatives of mining companies working on manganese to nominate a representative to the LLAC and to furnish it with the issues and concerns of the manganese

3.18 Ratification of Mining Leases – The LLAC reminded its members of the need to ensure that their respective companies send their mining leases to the Chamber to be forwarded to the MinCom for processing and for ratification by Parliament.

3.19 New Office Complex of Chamber – The LLAC continually discussed and updated its members on feedback from the Building Committee on the office building project of the Chamber, the subsequent emanating arbitral hearings proceedings, which had been resorted to at the instance of Universal Prestige Construction Limited (UPCL) over the issue of disagreements between parties on the payment of contract price, the arbitral award and its payment and eventually. All issues were eventually resolved and the new office complex was eventually inaugurated in December 2019

3.20 Procurement fines- The Committee discussed fines imposed on some companies for going against their own procurement projections.

3.21 Updates on Galamsey issues – Members of the LLAC regularly updated themselves on Galamsey issues as they unfolded and discussed the ramifications for their respective companies and the mining industry as a whole.

3.22 High Court suit against some members of the Chamber – A suit was filed in the High Court by one David Addo against the Attorney General, MinCom and seven (7) mining companies all of who are members of the Chamber on the implications of the non-ratification of their Mining Leases.

He seeks among others for a declaration that the 3rd to 9th Defendants are engaged in illegal mining of the natural resources of the Republic of Ghana due to the fact that they are working on mines whose leases had not been ratified by Parliament and a further declaration that all revenues and financial gains (proceeds) or minerals obtained by the 3rd to 9th Defendants as
a result of their exploitation/extraction of natural resources were obtained illegally. He also called for auditing and a recovery of proceeds from earnings made and for other reliefs. The LLAC encouraged members sued to align on their respective response to the suit. They also recommended that the Chamber should undertake lobbying on this suit as well.

4.0 Meetings Attended and Other Activities
The Committee held a number of meetings to consider legal issues and policies that were of currency, interest and relevance to the mining industry, hence, the Chamber. Altogether the LLAC held four (4) quarterly general meetings and one emergency meeting. Some members also attended other meetings held by the Chamber’s Secretariat or its other committees as well as meetings with other stakeholders of the mining industry in 2019.

4.1 Meetings
4.1.1 General Meetings – Four General Meetings were held on the following dates:
- April 1, 2019
- June 25, 2019
- October 1, 2019
- December 18, 2019

4.1.2 Special /Emergency Meeting - The Committee held a special/emergency meeting on May 2 2019 to take a position with respect to a case filed in the Supreme Court on ratification of Mining leases.

4.1.3 Other Meetings and Activities
Members of the Committee attended meetings of other Committees of the Chamber and participated in other activities. Some of them are listed below:
- Arbitral Hearings in the UPCL dispute at the Ghana Institute of Surveyors - The Secretary of the LLAC participated in the Arbitral Hearings for the Ghana Chamber of Mines and UPCL on the following dates: January 10, 24, 31 and February 14, 21, 2019.
- Building Committee meetings - The Secretary of the Committee participated in a number of meetings of the Building Committee to discuss the UPCL issue on the dates indicated: January 21, 30; February 15; June 10, 2019; July 26 2019; August 8, 22, 2019.
- Training on the Minerals Development Act the Chamber organised for the Media – On March 3, 2019 - The Secretary of the LLAC participated in the training as a resource person.
- EDEFCOM: Members attended a number of meetings as follows:
  - March 26-28, 2019 - The Secretary of the LLAC participated in the EDEFCOM Executive Committee and General Assembly Meetings and the ECOWAS Training.
  - May 29 - 30, 2019 – The Secretary of The LLAC participated in the EFEDCOM/ Association of Chambers of Mines and other Mining Associations in Africa (ACMMAA) held in Accra.
  - November 10 & 11, 2019 - The Secretary of the LLAC participated in the Council meeting and General Assembly of the EFEDCOM.,
  - November 11-15, 2019 - The Secretary of the LLAC participated in a meeting organized by ACMMAA.
  - ECOWAS Expert meeting on development of a Model Minerals and Mining Agreement - Together with the Chief Executive Officer (CEO) of the Chamber the Secretary of the LLAC participated in an ECOWAS Expert meeting on April 18, 2019 where the CEO made a presentation on behalf of the EFEDCOM.
  - Annual General Meeting (AGM) of the Ghana Chamber of Mines – On June 14, 2019 the Secretary of the LLAC represented the Committee in the 2018 AGM of the Chamber.
  - GARIA Stakeholder Workshop on the new Companies Act, 2019 (Act 992) and the Corporate Insolvency Bill - On July 3, 2019, on behalf of the Chamber the Secretary of LLAC participated in the workshop on these two Bills
  - Security Committee Workshop – On October 9-11, 2019, the Secretary of the LLAC attended the launch of the new Chamber of Mines building as a member of the Building Committee.

5.0 Challenges
Members sometimes found it difficult to attend Committee meetings which coincided with meetings, programmes, assignments and engagements they had with their respective mining companies. Their heavy schedules also prevented them from responding promptly to the assignments and activities of the LLAC. There was however improved attendance and cooperation in the course of the year. Members were also encouraged to name alternates who can attend meetings on their behalf.
6.0 Going Forward Through 2020

6.1 Pending legislations and Policies
The Committee looks forward with fresh resolve to carry out the responsibilities and obligations of its mandate and continually appraise itself of the legal and legislative landscape in a bid to take preemptive steps in response to issues of relevance to the mining industry by following, tracking, pursuing and addressing new issues referred to it and following-up on matters pending before it. Some of these are as follows:
- Draft Regulations on Ghana Railway Development Act
- Land Bill, 2019
- Review of Laws on the Environment
- Proposed Amendments to the Minerals and Mining Act (Act 703)
- Tax Exemptions Bill

6.2 Plans For 2020
The LLAC took the following decisions with respect to its activities in the year 2020:
- The Committee will hold its usual quarterly meetings and emergency meetings where need be.
- The Committee will take a decision on the election of a new chairperson.
- A request will be made to the Chamber to have its representative participate in meetings of the LLAC for the benefit of ready and regular feedback from the Chamber.
- Members should improve upon their punctuality and attendance at LLAC meetings.
- The implications of the appellate judgment in the Beiersdorf Ghana Limited Case will be discussed.
- The GIPC Act and its implications for technology transfer agreements will be discussed.
- Consider the implications of the State Interests And Governance Authority Act, 2019 (Act 990) for the industry
- Follow-up on proposals to review the Minerals and Mining Act, 2006 (Act 706) and some of its Regulations

7.0 Conclusion
In sum, the above is an overview of the activities of the LLAC of the Chamber in 2019. The Committee anticipates a vibrant, fruitful and progressive year ahead. The LLAC has also resolved to continue working with a unified sense of purpose, better team spirit and cooperation among its members and in greater concert with the other committees of the Chamber in 2020. The LLAC also stands committed to support and facilitate the work of the other committees of the Chamber with its expertise and follow up on all outstanding and pending issues.
Relevant Laws To The Mining Industry Passed In 2019

(A) Acts of Parliament

The Appropriation Act, 2019 (ACT 984)

Act 984 set aside for specific spending and authorized the withdrawal and expenditure of the sum of Ninety-Eight Billion, Thirty-Six Million, Six Hundred and Fifty-Eight Ghana Cedis from government’s Consolidated Fund, for the 2020 financial year commencing January 1 and ending on 31st December 2020. The law thus repealed the Appropriation Act 2018.

Ghana Civil Aviation (Amendment) Act, 2019 (ACT 985)

The Ghana Civil Aviation Act, 2004 (Act 678) was amended by Act 985 to ensure that Ghana is compliant with the standards of the International Civil Aviation Organisation and provide for related matters. The first of the two crucial laws aimed at improving aviation safety is Ghana Civil Aviation (Amendment) Act 2019 (Act 985), which modified a number of pre-existing laws. Under it, the Ghana Civil Aviation Authority will retain its regulatory function. But it will no longer be responsible for operational functions such as navigation services. These will be coordinated by a new body. This separation of roles should improve economic efficiency and minimise conflicts of interests. The Act has also strengthened the roles and powers of the Minister of Aviation, Chief Investigator and Director General. Thus, the Director General can now compel an individual whose work falls under the authority’s mandate to produce documents or testify before any person or panel. These changes should assist the effective investigation of aviation incidents and accidents.

Public Holidays (Amendment) Act, 2019 (ACT 986)

The Public Holidays (Amendment) Act, 2019, (Act 986) amended the Public Holidays Act, 2001 (Act 601), to provide for the 7th day of January, the 4th day of August and the 21st day of September as additional statutory public holidays and for the celebration of the 25th day of May and the 1st day of July as commemorative days. Under this law, the Founder’s Day holiday which was observed on the 21st day of September, will now be observed as the Kwame Nkrumah Memorial Day and would continue to be a public holiday. The 4th of August would also be observed as a public holiday in remembrance of the coming into force of the 1992 Constitution, which birthed the Fourth Republic, the longest in Ghana’s history.

Payment Systems And Services Act, 2019 (ACT 987)

The Payment Systems and Services Act, 2019 (Act 987) was enacted to amend and consolidate the laws relating to payment systems, payment services and to regulate institutions which carry on payment service and electronic money business and to provide for related matters.

Ghana Integrated Iron And Steel Development Corporation Act, 2019 (ACT 988)

The Ghana Iron and Steel Development Corporation Act, 2019 established a corporation that will develop and promote an integrated iron and steel industry. The corporation will be required to collaborate with investors for the development of the integrated iron industry, ensure the development and implementation of a local content policy across the value chain in the industry and also ensure that the minimum total equity held by the State and the Ghanaian private sector in any joint venture in the industry is not less than 30 per cent of the total equity. The corporation is also empowered to enter into joint venture operations, ensure that minimum part of the equity as may be determined by law is held by the Ghanaian private sector and in collaboration with relevant government agencies. It also established a mechanism to ensure the requisite transfer of skills and know-how to Ghanaians in the iron and steel industry value chain.

Right To Information Act, 2019 (ACT 989)

This is an Act to provide for the implementation of the constitutional right to information held by a public institution, subject to the exemptions that are necessary and consistent with the protection of the public interest in a democratic society, to foster a culture of transparency and accountability in public affairs and to provide for related matters. This law is implicit in the notion that the Ghanaian taxpayers need to have access to information concerning what government does with their money and what government plans to do on their behalf. The law is meant to ensure Ghanaians have access to governance or official information from public offices on request. The Bill is meant to put in effect, Article 21 (1) (f) of the 1992 Constitution of the Republic of Ghana, which states that “All persons shall have the right to information subject to such qualifications and laws as are necessary in a democratic society.”
State Interests and Governance Authority Act, 2019 (ACT 990)
The State Interests And Governance Authority Act, 2019 (Act 990) was passed to establish the State Interest and Governance Authority (SIGA) as a Government body to ensure that the investments made by the state in State-Owned Enterprises, Joint Venture Companies and Other State Entities yield positive returns to citizens.

The Chartered Institute of Bankers Act, 2019 (ACT 991)
The Chartered Institute of Bankers Act, 2019 (Act 991), puts the institute in a better position to determine the standard of knowledge and skill to be attained by a person who seeks to practise banking in the country. When operationalised, the Act supports the Chartered Institute of Bankers to set standards and ensure the observance of ethical standards and professional conduct among members of the banking profession in the country. Furthermore, it also provides for the Code of Ethics of the Ghana Association of Bankers.

Companies Act, 2019 (ACT 992)
This Act amends and consolidates the law relating to companies; to establish the Office of the Registrar of Companies; and to provide for related matters. Except where otherwise provided, this Act applies to companies formed in the Republic, whether before or after the commencement of this Act. This law does not affect the validity of anything done before the date came into operation. It repealed the Companies Act, 1963 (Act 179). In addition, it has introduced a number of innovations into the company law of Ghana.

National Road Safety Authority Act, 2019 (ACT 993)
This is an Act to establish a National Road Safety Authority to develop and promote road safety in the country, to co-ordinate and regulate activities, procedures and standards related to road safety and to provide for related matters.

Minerals And Mining (Amendment) Act, 2019 (ACT 995)
This Act amends the Minerals and Mining Act, 2006 (Act 703) to increase the penalties for a person who sells or buys minerals without licence or without valid authority, or without valid authority; to increase the penalties for a person who engages in illegal mining or mining contrary to a provision of the Act and to provide for related matter. Section 1 of the law amended Section 81 of Act 703 to extend the application of Section 99 to cover other forms of illegal mining in addition to illegal small scale mining. Section 2 of the Act amended Section 99 of Act 703; Sub-clauses 1 to 5 increases the penalty for persons, both locals and foreigners, who engage in illegal mining operations. Sub-clauses 6 and 7 criminalise activities of persons who provide various support services to illegal miners while Sub-clauses 8 to 10 provide for the seizure and disposal of equipment and product used for illegal mining operations.

Luxury Vehicle Levy (Repeal) Act, 2019 (ACT 996)
The luxury vehicle levy was introduced in the Luxury Vehicle Levy Act, 2018 (Act 969) to apply from August 2018. The Act imposed an annual levy based on the engine capacity of vehicles. However, the Act has been repealed by the Luxury Vehicle Levy (Repeal) Act, 2019 (Act 996).

Communications Service Tax (Amendment) Act, 2019 (ACT 998)
The Communication Service Tax (Amendment) Act, 2019 (Act 998) amended the principal legislation, the Communications Service Tax Act, 2008 (Act 754) to provide for an increase in the Communication Service Tax from 6% to 9% and for related matters.

Vigilantism and Related Offences Act, 2019 (ACT 999)
This law was passed to among other things curtail political thuggery and rid the country’s body politic of rancour. The Vigilantism and Related Offences Act, 2019 applies to a person who participates in the activities of a vigilante group that is associated with, related to, connected or affiliated to a political party; a person who acts as a land guard and a person who engages in other acts of vigilantism. It also seeks to disband political party vigilante groups within one month of it becoming law and spells out prison terms for persons convicted of vigilante offences, with a maximum of 15 years.

Statistical Service Act, 2019 (ACT 1003)
The Statistical Service Act, 2019 (Act 1003) governs the Ghana Statistical Service (GSS), which is established as an autonomous Public Service institution with a Board of Directors who report directly to the Office of the President. The Service is mandated by law to provide official statistics on a broad range of issues. The law broadly defines the role of the GSS as being responsible for the collection, compilation, analysis, publication and dissemination of
official economic, social, demographic and governance issues on the population and businesses. It is responsible for the collection, compilation, analysis, publication and dissemination of statistics. Act 1003 also serves as a key mechanism for harnessing the changes in the ways we collect and produce statistical information at the national level.

**Special Import Levy (Amendment) Act, 2019 (ACT 1004)**

The Special Import Levy (Amendment) Act 2019 (Act 1004) amends the Special Import Levy Act, 2013 (Act 861) to extend the period of application to the year 2024 and provide for related matters. The levy is imposed on imported goods at the point of entry and is calculated on the CIF value of the goods. The purpose of extending the levy is to raise funds to support the Government’s effort to implement social programs to improve the well-being of lower income citizens. For the purpose of enforcing the recovery of the Levy, the relevant provisions in the Income Tax Act, 2015 (Act 896) as amended relating to the collection, enforcement, refund and penalties, shall be applied. The Special Import Levy is 2% computed on the Cost, Insurance and Freight value of the goods imported.

**Value Added Tax Amendment Act, 2019 (ACT 1005)**

This law exempts the supply of goods and services such as the importation of plant and machinery designed specifically for use in the automobile industry by an automobile manufacturer or assembler who is registered under the Ghana Automotive Manufacturing Development Programme (GAMDP); importation of kits by automobile manufacturer or assembler who is registered under the GAMDP; and the management fees charged by a local fund manager for the management of a licensed private equity fund, a venture capital fund or a mutual fund from the payment of Value Added Tax (VAT).

**Income Tax (Amendment) Act, 2019 (ACT 1007)**

This law amends the Income Tax Act 2015, (Act 896) to revise the rates of tax for the chargeable income for a resident individual for a year of assessment; provide for a tax holiday for automobile manufacturers and assemblers and for related matters. These amendments took effect from 1st January, 2020. The Commissioner-General requests the general public particularly taxpayers in the informal sector, businesses, business owners, directors of finance, tax professionals, accounting staff, accountants, auditors, tax consultants, tax advisors and paymasters to take note and comply accordingly.

**Appropriation Act, 2019 (ACT 1008)**

The Appropriation Act, 2019, (Act 1008) mandated the Ministry of Finance to issue the Budget Implementation Instructions in accordance with the Public Financial Management Act, 2016 (Act 921), to guide all Ministers (Principal Account holders) and Chief Directors (Principal spending officers) in the implementation of the 2020 Budget.

**The Ghana Health Service and Teaching Hospital (Amendment) Act, 2019 (ACT 1010)**

This is an Act to amend the Health Service and Teaching Hospitals Act 1996 (Act 525) to provide for a new membership of governing boards and for related matters.

**Tree Crops Development Authority Act, 2019 (ACT 1010)**

This law is an important step towards realizing the establishment of a Tree Crops Development Authority in Ghana. The Act covers diverse issues and provides for the setting-up of the Tree Crops Development Authority as a corporate body; regulates the management, production, processing and trading in tree crops. It also has provisions on policy issues and related matters.

**National Fiscal Stabilization Levy (Amendment) Act, 2019 (ACT 1011)**

The National Fiscal Stabilization Levy (Amendment) Act, 2019 (Act 1011) extended the period of application of the National Fiscal Stabilization Levy of 5% levy imposed on profit before tax of specified companies and institutions.

The companies and institutions liable to pay the levy are banks (excluding rural and community banks), non-bank financial institutions, insurance companies, telecommunications companies liable to collect and pay the communications service tax, breweries, inspection and valuation companies, companies providing mining support services and shipping lines, maritime and airport terminals. The purpose of extending the levy is to raise funds to support the Government’s effort to implement social programs to improve the well-being of lower income citizens.

**B) SUBSIDIARY LEGISLATION**

**Aircraft Accident and Serious Incident Regulations, 2019 (L.I. 2375)**

The law created the Accident Incident Bureau to manage investigations of civil aircraft accidents...
and serious incidents in Ghana and requires airline operators to immediately notify authorities of an accident or serious incident. Its remit also covers state-registered aircraft that are involved in incidents or accidents outside the country. The regulations also provide for the establishment of a database of facts and figures relating to accidents and serious incidents for the first time. This will enable officials to do useful analysis on actual or potential safety concerns. It also helps in the identification of any necessary corrective measures. These legislative changes are meant to improve aviation safety oversight, enhance the powers of aviation officials and address inefficiencies in the industry.

Office of the Administrator Of Stool Land Regulations, 2019 (L.I. 2377)
This is a law that was enacted in exercise of the powers conferred on the Minister responsible for Lands and Natural Resources, acting in consultation with the Administrator of Stool Lands by section 15 of the Office of the Administrator of Stool Lands Act, 1994 (Act 481).

Public Financial Management Regulations, 2019 (L.I. 2378)
This is a law enacted in exercise of the power conferred on the Minister responsible for Finance by Section 101 of the Public Financial Management Act, 2016 (Act 921) and in consultation with the Public Procurement Authority, these Regulations were made to apply to a covered entity, a public corporation and a state-owned enterprise.

Biosafety (Management Of Biotechnology) Regulations, 2019 (L.I. 2383)
This legislative instrument was enacted in exercise of the power conferred on the National Biosafety Authority with the prior approval in writing of the Minister by subsection (1) of section 40 of the Biosafety Act, 2011 (Act 831) and in consultation with the Minister responsible or Health and Food and Agriculture.

Land Use and Spatial Planning Regulations, 2019 (L.I. 2384)
This law was enacted in exercise of the power conferred on the Minister responsible for town planning by section 197 of the Land Use and Spatial Planning Act, 2016 (Act 925).
Review of Global and Domestic Economic Developments in 2019

The deceleration in global economic activity, which commenced in 2018, persisted on the back of a confluence of economic and political setbacks as well as natural disasters. The prolonged trade dispute between the United States and China as well as uncertainties emanating from the United Kingdom’s exit from the European Union combined with an escalation in geopolitical tensions and adverse weather conditions to slowdown growth in measured economic output in advanced economies from 2.2 per cent in 2018 to 1.7 per cent in 2019. The spill over effects of the hikes in trade tariff between United States and China as well as country-specific systemic problems dampened economic growth in emerging markets and developing economies (EMDEs). The economies’ gross domestic product (GDP) growth rate reduced from 4.5 per cent in 2018 to 3.7 per cent in 2019. On account of the concurrent contraction in output in both advanced economies and EMDEs, the growth rate of the world’s value of final goods and services decreased from 3.6 per cent in 2018 to 2.9 per cent in 2019.

A string of synchronized lower-than-anticipated economic growth outturns in the major advanced countries counterbalanced the modest expansion in the economies of Japan and United Kingdom. For instance, the world’s largest economy, United States, recorded a downturn in the growth rate of measured economic output from 2.9 per cent in 2018 to 2.3 per cent in 2019. According to the Bureau of Economic Analysis, the country’s GDP growth slowed down on account of declines in non-residential fixed investments, exports and private consumption expenditure, which were partly offset by growth in state and federal government spending.

In the same vein, the European Commission’s statistical authority, Eurostat, reported that the growth rate of the area’s economic output decreased from 1.9 per cent in 2018 to 1.2 per cent in 2019. The reduction in the Area’s output was largely a reflection of the decline in economic activities of its dominant member states; Germany, France, Italy and Spain. The contraction of Germany’s economy, from 1.5 per cent in 2018 to 0.6 per cent in 2019, was occasioned by aftershocks of the trade dispute between the United States and China, uncertainty arising from the procedures related to the United Kingdom’s departure from the European Union and transition of its automotive industry from fossil fuel to electric powered vehicles. On the other hand, protracted industrial dispute over pension reforms as well as lower consumer and investment spending culminated in a consecutive year-on-year decline in growth rate of economic activities in France. The country’s GDP growth rate reduced from 1.7 per cent in 2018 to 1.3 per cent in 2019. In the case of Italy, which experienced a recession, persistent budget overruns as well as reduced personal and investment expenditures were the primary factors for the slump in its GDP growth rate from 1.7 per cent in 2018 to 1.3 per cent in 2019. Further, political unrests and weak consumer spending contributed partly to the nosedive in Spain’s GDP growth rate from 2.4 per cent in 2018 to 2.0 per cent in 2019.

Although the uncertainties brought in the wake of the United Kingdom’s withdrawal from the European Union was expected to have an adverse impact on economic activities, the country rather recorded an upturn in GDP growth rate. Data from the United Kingdom’s Office of National Statistics shows that GDP growth rate improved marginally from 1.3 per cent in 2018 to 1.4 per cent in 2019. The unanticipated expansion in output was mainly attributable to an increase in government expenditure, net exports and gross capital formation, which outweighed the decline in household expenditure. Similarly, the economy of Japan expanded from 0.3 per cent in 2018 to 0.7 per cent in 2019 in spite of the curtailment in economic activities that was induced by the battery of natural disasters that pummelled the island in 2019. According to the country’s Cabinet Office, the acceleration in GDP growth rate was due to an increase in private spending, net private inventories and government expenditure, which compensated for the decline in net exports.

Output growth in emerging markets and developing economies (EMDEs) retreated on the back of broad-based low economic growth outturns in the leading countries. The EMDEs largest country, China, recorded a contraction in net exports and private investments. These developments, which were partly the consequences of China’s trade dispute with the United States, resulted in a decline in GDP growth from 6.6 per cent in 2018 to 5.6 per cent in 2019. Likewise, economic activities in Sub-Saharan Africa reduced from 3.3 per cent in 2018 to 3.1 per cent in 2019. The region’s lethargic growth outturn was primarily attributable to the contraction in output of its dominant economies such as South Africa, which...
outweighed the modest improvements in GDP growth rate recorded by some countries such as Nigeria and Ghana.

The outlook for global economic growth in 2020 remains tilted southwards due to the outbreak of the new strain of Coronavirus in the latter part of 2019. The pandemic, which started in the city of Wuhan in the Hubei province of China, has also evolved into a global economic conundrum due to the restrictions in mobility that were imposed on impacted countries to help curb the spread of the virus. However, the economic impact of the health crisis is expected to vary across countries depending on parameters such as number of infected population, quality of healthcare infrastructure as well as timeliness and appropriateness of government response.

In the advanced economies, most governments have outlined fiscal incentives and expansionary monetary measures to neutralize the contractionary impact of the health crisis on firms and household expenditures. Notwithstanding, the relatively higher rates of infection and mortality in advanced economies suggest that the curtailment in economic activities will persist longer, with its associated deleterious impact on growth. As result, the International Monetary Fund (IMF) projects that GDP growth in advanced countries will contract to -6.1 per cent in 2020 as shown in Figure 1.0.

In a departure from the slow growth path that characterized the global economy in 2019, Ghana recorded a significant upturn in its GDP. The country’s total value of final goods and services increased from a real value of GH 154.548 billion in 2018 to GH 164.560 billion in 2019 (in 2013 constant prices). This represents a growth rate of 6.5 per cent in 2019 and it compares favourably with the outturn of 6.3 per cent in 2018. The primary driver for the increment in GDP was the significant expansion in the information and communication, mining and quarrying as well as real estate sub-sectors of the economy. In turn, the growth in the information and communication sub-sector was mainly caused by increase in consumption of data and that of the mining and quarrying sub-sector was largely attributable to an increase in oil and gas production. More so, the improvement in the real estate sub-sector was due to the higher level of transactions in 2019 relative to 2018.

On the back of the growth in the information and communication as well as real estate sub-sectors, the services sector recorded the highest growth rate of 7.6 per cent in 2019 as compared to its outturn of 2.7
per cent in 2018. The industrial and agricultural sectors followed with growth rates of 6.4 per cent and 4.6 per cent in 2019 respectively. In 2018, the comparable outturn for the agricultural sector was 4.8 per cent while that of the industrial sector, which comprises mining and quarrying, manufacturing, construction, electricity as well as water and sewerage sub-sectors, was 10.6 per cent. The slowdown in the industrial sector’s growth was due to the negative growth rates recorded by water and sewerage (-4.4%) and construction (-4.4 per cent) sub-sectors, which moderated the increase in output of the electricity, manufacturing and the mining and quarrying sub-sectors. The latter sub-sectors’ growth rates in 2019 were an improvement over their corresponding outturns in 2018, except for the mining and quarrying sub-sector. Specifically, the growth rate of the mining and quarrying sub-sector, which consists of the mining, oil and gas as well as quarrying activities, reduced from 23.3 per cent in 2018 to 12.6 per cent in 2019. The sub-sector’s relatively slow pace of growth could be attributed to levelling out of the effect of the inclusion of contract mining support services as a component of the mining sub-sector in the national accounts in 2018. This is evinced in the sharp decline of the sub-sector’s growth rate from 48.5 per cent in 2018 to 10.3 per cent in 2019.

With regard to contribution to GDP, the services sector consolidated its position as the largest economic activity in the country. Its share improved from 46.3 per cent in 2018 to 47.2 per cent in 2019. Similarly, the contribution of industrial sector to GDP increased marginally from 34.0 per cent in 2018 to 34.2 per cent in 2019. The mining and quarrying sub-sector (excluding oil and gas) continued to lag behind manufacturing as the most valuable economic activity in the industrial sector. Further, it was also the third largest sub-sector by value (in current prices) in 2019 with a share of 10 per cent in GDP as shown in Table 1.0. In contrast, the agricultural sector’s contribution to GDP declined from 19.7 per cent in 2018 to 18.5 per cent in 2019.

Table 1.0: Selected Macroeconomic Indicators of the Mining and Quarrying Sub-Sector

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectoral Growth Rate (%) (at constant prices)</td>
<td>48.6</td>
<td>10.4</td>
</tr>
<tr>
<td>Share in Value of Industrial Sector (%) (at current prices)</td>
<td>28.9</td>
<td>30.1</td>
</tr>
<tr>
<td>Contribution to Gross Domestic Product (at basic prices)</td>
<td>9.8</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Ghana’s growth trajectory in 2020 would potentially deviate from the pattern of year-on-year increases recorded in the last two years. The outbreak of Coronavirus in the country is expected to not only disrupt local economic activities but potentially trigger a reversal of capital inflows as non-resident investors reorganize their portfolios away from treasury securities to hedge against the uncertainty induced by the pandemic. This may exert depreciatory pressure on the local currency, which could also culminate in an increase in the general price level and elevate the debt service burden. Moreover, the steep decline in the traded price of oil on the international market could exacerbate the growth-curtiling effect of the global health crisis. However, the accommodative fiscal and monetary measures announced by the government are expected to palliate the economic impact of the Coronavirus outbreak. Against this backdrop, the IMF projects Ghana’s GDP growth rate to drop sharply to 1.5 per cent in 2020.

Overview of the Global Gold Industry in 2019

Outturn of Gold Price in 2019

Generally, the price outturn of gold in 2019 mirrored the pulse of the global economy and geopolitical developments as well as the underlying supply and demand conditions. In the first half of the year, the stable growth of the global economy partly drowned the uncertainties emanating from the drawn-out procedural requirements related to the United Kingdom’s withdrawal from the European Union as well as the trade tensions between the United States and China. Consequently, the traded price of the yellow metal was largely bearish as it oscillated between a band of US$ 1,269 per ounce and US$ 1,439 per ounce. Contrastingly, the other half of the year was characterized by heightened geopolitical tensions and sluggish economic growth. These developments, which reinforced the allure of gold as a safe haven asset, led to a sustained surge in its price. Within this period, the lowest and highest price of gold on the London Metals Exchange (LME) were US$ 1,317 per ounce and US$ 1,546 per ounce respectively.

Similar to the trend observed in recent years, the upturn in gold price in the end-of-year trading sessions
of 2018 spilt over to January 2019. The yellow metal opened 2019 with a spot price of US$ 1,283 per ounce on the LME and sustained the rebound in price until the end of January when the Federal Open Market Committee (FOMC) of the United States announced its decision to maintain the Federal Funds Rate at a range of 2.25 per cent to 2.5 per cent. As expected, investors interpreted the retention of the Federal Funds Rate as a sign of subdued downside risk to the US and global economy. This development therefore occasioned a transient decline in the price of gold as investors diversified their portfolio away from bullion to other near-money assets. The price of gold recovered in February on the back of counter threats of imposition of tariffs by the US and Chinese governments and inability of the Conservative government of the United Kingdom to secure victory in the ballot on the withdrawal agreement with the European Commission. Following the grant of the United Kingdom’s request for an extension of the departure date from the European Union and maintenance of the Federal Funds Rate in the second and third meetings of the FOMC, the price of gold trended downwards between March and early May with sporadic surges in price.

After recording its lowest level of US$ 1,270 per ounce in the latter part of April, the yellow metal’s price rebounded and maintained a bullish momentum till it peaked at US$ 1,546 per ounce in September as shown in Fig 2.0. The trough and crest of price in 2019 compares favourably with the levels of US$ 1,178 per ounce and US$ 1,354 per ounce recorded in 2018 respectively.

The underlying currents for the sustained increase in price between May and September bordered mainly on geopolitical factors which also had a knock-on effect on the outlook of the global economy. Firstly, the inability of United States and China to resolve their trade dispute and subsequent introduction of tariffs heralded a potential slowdown in the world’s two largest economies with its associated contagion effect on the global economy. Further, the United Kingdom dithered in its quest to secure approval for the withdrawal agreement and eventual departure from the European Union. As well, the United States was unable to conclude an agreement on non-proliferation of nuclear weapons with the Democratic People’s Republic of Korea (North Korea). This led to the resumption of testing of long-range missiles by North Korea and military drills between the United States and South Korea. In addition, the political tension between the United States and Iran escalated following the counter designation of each country’s military as a terrorist organization.

These developments weighed on the global economy and caused the FOMC to reduce its short-term target for the Federal Funds Rate by a quarter for the first time in the year. Similarly, the central bank of China (People’s Bank of China) also reduced its interest rate by one-half percentage point to bolster the growth of its economy. In response to the faltering outlook of the global economy, investors increased their demand for safe haven assets such as gold. The sudden increase in demand for the yellow metal gave rise to an upward movement in its traded price on the LME as shown in Fig 2.0.

In the last quarter of 2019, the seeming convergence of positions on a trade deal between the United...
States and China as well as global concerted efforts to defuse the strained relationship between United States and Iran tempered the uncertain global climate. In response to these developments, the price of gold vacillated persistently till the end of November. Subsequently, weak economic data from the United States and China bolstered the yellow metal’s price and it remained on the path of ascendancy for the rest of the year. Its closing price on the LME was US$ 1,515 per ounce. Overall, the cumulative average spot price of gold in 2019 was US$ 1,393 per ounce. This represents a 9.7 per cent increase over the equivalent price of US$ 1,269 recorded in 2018.

The outlook of price in 2020 remains bullish as the Coronavirus induced global health pandemic is expected to provide tailwinds for year-on-year growth in the yellow metal’s price.

Trends in Demand for Gold in 2019

The outturn of price in 2019 had a mixed and disproportionate impact on the traditional classes of demand for gold. The application of gold in the fabrication of jewellery and technology as well as demand by central banks and other financial institutions, which tend to be inversely related to price, declined as the yellow metal became less affordable. In contrast, investment demand for gold, which varies indirectly with interest rates on the equity market, increased as investors took advantage of the price-driven profit opportunities in the bullion market. The expansion in investment demand was insufficient to offset the contraction in the other types of demand, leading to a year-on-year decline in aggregate demand for gold. Data from the World Gold Council suggests that global demand for gold decreased by a percentage to 4,335 tonnes in 2019 from 4,401 tonnes in 2018 as shown in figure 3.0.

Figure 3.0: Trends in Global Demand for Gold (2018 and 2019)

![Figure 3.0: Trends in Global Demand for Gold (2018 and 2019)](image)

Source: Author’s construct based on data from World Gold Council (2020)

The demand for gold for fabrication of jewellery declined from 2,240 tonnes in 2018 to 2,107 tonnes in 2019 on the back of the twin problem of gold price induced decline in real income and slowdown in local economies. The 6 per cent fall in demand was mainly triggered by reduction in jewellery consumption in the product’s largest markets, China and India. In China, the rise in gold price and heightened inflationary pressure held back purchases of gold by 7 per cent. from 686 tonnes in 2018 to 637 tonnes in 2019. Similarly, the rise in gold price, which induced a decline in real income, and depreciation of the local currency abated demand for jewellery in India. The festival of lights, which is traditionally associated with high consumption of jewellery, could even not reverse the slump in demand on account of reasons of affordability. Overall, India’s demand for gold jewellery contracted from 598 tonnes in 2018 to 544 tonnes in 2019. This translates into a decline of 9 per cent.

Further, the rise in price of gold drove the demand for gold jewellery downwards in the Middle East, Turkey, East Asia and Europe. The general reduction in demand for gold jewellery was partly moderated
by the growth in purchases by consumers in the United States and Japan. In the case of the former, which is the world’s third largest consumer of gold jewellery, the upturn in the economy and appreciation of real income were the primary reasons for the 2 per cent increase in demand, from 128 tonnes in 2018 to 131 tonnes in 2019. Likewise, demand for gold jewellery in Japan expanded by 3 per cent, from 16.5 tonnes in 2018 to 17 tonnes in 2019, on account of improvements in the economy. In spite of the contraction, jewellery continued to be the largest source of demand for gold. It accounted for 48 per cent of global demand for gold in 2019 as compared to 51 per cent in 2018.

Investment demand for gold, which comprises purchases of gold bars, gold coins, medals and exchange traded funds, respond differently to the hike in price of the yellow metals. Gold bars, coins and medals are generally considered as retail investments and tend to react to gold price movements in two distinct ways. Firstly, an increase in gold price creates profitable opportunities for holders of such assets to dispose them. More so, the rise in gold price often does not only impact adversely on the purchasing power of consumers but also makes it uneconomical for an investor to augment his or her stock of gold bars and coins. These rational responses generally claw back demand for gold bars and coins in periods of high prices of gold. Unsurprisingly, the demand for gold bars and coins declined to a ten year low of 870 tonnes in 2019 from 1,093 tonnes in 2018. The 20 per cent nosedive in demand for gold bars and coins was primarily instigated by a general decline in new purchases across all the major markets except for Turkey, Canada and South Korea.

On the other hand, demand for gold backed exchange traded funds (ETFs) tend to correlate positively with the price of gold. Generally, an appreciation in the yellow metal’s price presages a downturn in the global economy and therefore enhances the appeal of bullion as an investment asset. Moreover, ETFs tend to yield higher returns than traditional investment instruments when the bullion market is bullish. Investors react to such developments by increasing their demand for gold backed investment instruments such as the ETFs. Accordingly, demand for ETFs increased by 426 per cent, from 76 tonnes in 2018 to 401 tonnes in 2019. The main drivers of growth in demand for ETFs originated from the European and American markets, which account for 48 per cent and 50 per cent of the market share respectively. Specifically, the year-on-year demand for ETFs increased by 17 per cent in both the United States (1440 tonnes in 2019) and Europe (1322 tonnes in 2019). The upturn in the United States’ demand was largely a function of the reduction in the Federal Funds Rate whereas that of Europe reflected the heightened uncertainty associated with the departure of the United Kingdom from the European Union. Conversely, demand for ETFs in the Asian market was unchanged at 79 tonnes in 2019.

Overall, the significant growth in demand for ETFs displaced the decline in demand for gold bars and coins to increase total investment demand for gold from 1,169 tonnes in 2018 to 1,271 tonnes in 2019. The 9 per cent expansion in demand for ETFs also translated into a rise in its share of demand for gold, from 27 per cent in 2018 to 29 per cent in 2019 as shown in Figure 4.0.

**Figure 4.0: Distribution of Demand for Gold in 2019**

Source: Author’s construct based on data from World Gold Council (2020)
marginally from 656 tonnes in 2018 to 650 tonnes in 2019 as a result of the slowdown in purchases by China and Russia, which counterbalanced the increase in demand by other countries such as Poland and Turkey.

Although the year-on-year comparison of official demand for gold shows a percentage drop, the 2019 outturn represents the second highest purchases in more than fifty (50) years. This demonstrates the increasing importance of gold in the lenders of last resort tools in managing currency risks in the context of escalating geopolitical tensions and unilateralism. At the end of 2019, the United States, Germany and Italy were the countries with the largest holding of gold for reserve currency purposes. Their respective holdings of 8,133 tonnes, 3,364 tonnes and 2,451 was equivalent to 78 per cent, 74 per cent and 69 per cent of their reserve currency. With respect to Africa, South Africa (125 tonnes), Libya (116 tonnes), Nigeria (21 tonnes), Mauritius (12 tonnes) and Ghana (8 tonnes) had the highest stock of gold as reserve currency.

Finally, the consumption of gold in technology-related applications, which is a form of derived demand, correlates inversely with the price of gold. Against the backdrop of relatively high prices of gold and weak global economic growth, demand for gold in technological applications shrank from 334 tonnes in 2018 to 326 tonnes in 2019. The 2 per cent contraction in demand reflected the broad reduction in the various uses of gold in technology. Specifically, the application of gold in electronic devices such as light-emitting diode (LED), semi-conductors and memory devices declined while that of printed circuit board (PCB) increased. Likewise, the use of gold in dentistry and other residual applications also fell by 2 per cent.

In 2020, the Coronavirus health pandemic is expected to unsettle the global economy and lead to broad reduction in GDP growth in most countries. The forecasted weak global economic growth could provide momentum for an upswing in investment demand for gold. However, the slowdown in economic growth may also culminate in an escalation in the traded price of gold and curb the demand for gold based jewellery and technology. Further, central banks' demand for gold is also anticipated to fall in response to the projected increase in price. Overall, the decline in the non-investment demand for gold is expected to result in a consecutive contraction in global demand.

Global Supply of Gold

The significant expansion in recycled and net producer hedged gold outperformed the marginal decline in mine production to elevate total supply of gold by 2 per cent to 4,776 tonnes in 2019 from 4,673 tonnes in 2018. The volume of recycled gold, which tends to respond positively to upward movements in gold price, increased from 1,176 tonnes in 2018 to 1,304 tonnes in 2019. The 11 per cent expansion in supply of recycled gold was mainly due to activities of consumers in India, Turkey and Iran who sought to take advantage of the favourable price of gold in the second half of 2019. More so, the depreciation of their respective currencies relative to the US Dollar provided an additional incentive for profit taking positions.

Furthermore, net producer hedging also responded to the increase in price of gold with an expansion, from -12.5 tonnes in 2018 to 8.3 tonnes in 2019. While this outturn was surprising, it somewhat reflected an incentive on the part of producers to wait and de-hedge when price reaches their projected long-run equilibrium.

Regarding mine production, unfavourable developments in China, Indonesia, South Africa and Mexico blighted the appreciable growth in output in the other major gold mining jurisdictions such as West Africa, which was the primary engine of growth in 2019. In China, producers continued to adjust to the stringent environmental regulatory reforms that were recently introduced by the government. Indeed, the country’s gold production has declined successively in the years following the introduction of the new environmental guidelines.

This trend persisted in 2019, with the country recording a 6 per cent contraction in gold output. In South Africa, the aftershocks of the industrial dispute between some gold producers and organized labour as well as suspension of production by some mines weighed on the country’s output. As a result, it continued to cede the position of leading producer of gold on the African continent to Ghana. Whereas social conflicts between mines and host communities were the setback to production in
Mexico, the depletion of the higher-grade ore and subsequent transition from surface to underground mining by the world’s second largest mine, Grasberg Mine, accounted for the fall in output of Indonesia. The contraction in output of the aforementioned countries plunged global mine production downwards to 3,463 tonnes in 2019 from 3,509 tonnes in 2018, a dip of 1 per cent.

**Global Production Cost of Gold**

Based on data from the World Gold Council and Metals Focus, the global cost of producing an ounce of gold, as measured by the all-in sustaining cost (AISC), increased from US$ 899 per ounce in 2018 to US$ 936 per ounce in 2019. The 4 per cent rise in the AISC mirrored the widespread increase in mining cost, which offset the moderation in production cost recorded by relatively smaller mining jurisdictions such as the Central America and the Caribbean, Middle East and Oceania. The AISC per ounce for these mining destinations decreased from US$ 702 in 2018 to US$ 664 in 2019, US$ 828 to US$ 592 and US$ 853 to US$ 847 over the same period, which represents a fall of 5 per cent, 29 per cent and 1 per cent respectively.

In Africa, the cost of producing an ounce of gold increased from US$ 1,008 to US$ 1,026. The 2 per cent year-on-year rise in AISC per ounce was ascribed to the elevation in cost of the continent’s main producers. Similarly, the AISC of Commonwealth of Independent States grew from US$ 714 per ounce in 2018 to US$ 720 per ounce in 2019. Producers in East Asia and Indian Subcontinent recorded a 17 per cent upturn in their average AISC, from US$ 769 per ounce in 2018 to US$ 903 per ounce in 2019. The surge in AISC was largely an outcome of environmental regulatory reforms in the world’s largest producer of gold, China.

With respect to Europe, which is the most expensive mining jurisdiction, the AISC rose by 33 per cent relative to the outturn of US$ 1,012 per ounce in 2018. The escalation in the continent’s cost to US$ 1,350 was mainly due to production related challenges. North and South America also recorded expansion in their AISC. While production cost in North America surged by 12 per cent, its comparative outturn in South America was 7 per cent. Specifically, the AISC of North American gold producers increased from US$ 923 per ounce in 2018 to US$ 1,034 per ounce in 2019 due partly to production related developments in the United States and Mexico. In South America, the AISC rose from US$ 888 per ounce in 2018 to 948 per ounce in 2019 as shown in figure 5.0. The expansion in the continent’s mining cost was on account of country specific structural problems.

**Figure 5.0: All-In Sustaining Cost of Global Gold Mining Jurisdictions**

Source: Author’s construct based on data from World Gold Council and Metals Focus (2020)
The expenditure on global mineral exploration, as measured by company exploration budget, plummeted by 11.5 per cent to US$ 4.293 billion in 2019 from US$ 4.852 billion in 2018. The decline in budgeted exploration expenditure was induced by a general cut down in spending across all the mining jurisdictions except Australia and South East Asia-Pacific regions. The total budgeted expenditure on mineral exploration in Australia increased from US$ 747.4 million in 2018 to US$ 852.8 in 2019 while that of South East Asia-Pacific region rose from US$ 156.6 million in 2018 to US$ 164.2 million in 2019. The respective expenditures translate into a growth rate of 14 per cent and 5 per cent as well as represent 19.8 per cent and 3.8 per cent of global exploration budget in 2019.

The total budgetary allocation to mineral exploration projects in Canada and United States declined by 21 per cent and 22 per cent respectively. While planned exploration expenditure in Canada reduced from US$ 929.7 million in 2018 to US$ 733.2 million in 2019, the equivalence in the United States also nosedived from US$ 483.6 million in 2018 to US$ 376.9 million in 2019. On account of the significant paring of expenditure, the share of Canada and United States in global exploration budget reduced from 19.2 per cent in 2018 to 17.1 per cent in 2019 and 10.0 per cent in 2018 to 8.8 per cent in 2019.

In a similar fashion, the projected exploration spending in Latin America, Africa and the residual mining jurisdictions (rest of the world) also plunged from US$ 1.152 billion in 2018 to US$ 992.7 million, US$ 687 million to US$ 615.9 million and US$ 695.9 million to US$ 557.4 million within the same period. In terms of share of budgeted expenditure, Latin America and the residual countries accounted for 23.1 per cent and 13.0 per cent in 2019 respectively. The corresponding outturns in 2018 were 23.7 per cent and 14.3 per cent. With respect to Africa, its share of the global exploration budget increased from 14.1 per cent to 14.3 per cent in 2019 as shown in figure 6.0. This was on account of the fact that the continent’s budgetary allocation fell at a slower rate than the other jurisdictions. In Africa, Burkina Faso was the largest recipient of planned exploration capital in 2019. The country was earmarked to receive US$ 132.0 million in 2019, which represents 3.08 per cent of global budget for exploration. Ghana and Mali trailed Burkina Faso with a budget of US$ 98.6 million and US$ 91.9 million in 2019 respectively.

**Figure 6.0: Global Distribution of Mineral Exploration Budget**

![Diagram showing global distribution of mineral exploration budget](image)

Source: Based on data from S&P Global (2020)

In line with recent trends, brown field projects received the largest allocation of exploration capital in 2019 with a budget of US$ 1,852 million (43.2%). This was followed by projects in their feasibility or late stage of development and at grass root. Specifically, grass root projects were earmarked to receive US$ 1,083 million while the year’s remaining funds of US$ 1,377.7 million was allocated to feasibility or late stage projects. With respect to spending by companies, Newmont, Barrick, AngloGold Ashanti and Gold Fields had the largest exploration budget in 2019.
The Performance of Ghana’s Mining Industry in 2019

The production, purchases and shipment outturns of Ghana’s main minerals were mixed in 2019. Whereas the production of gold attributable to the large-scale sector expanded by 6 per cent that of the small-scale sector contracted by 20 per cent. Consequently, Ghana’s total gold output fell by 4 per cent. Likewise, purchases of diamond continued its inexorable decline with a 41 per cent plunge in output. On the contrary, the bulk minerals sector recorded improvements in shipment. Specifically, shipments of manganese and bauxite increased by 18 per cent and 10 per cent as shown in Table 2.0.

On the back of significant growth in production from Newmont’s Ahafo, Gold Fields’ Damang and Asanko Gold Mines, the large-scale sector’s gold output increased from 2.807 million ounces in 2018 to 2.989 million ounces in 2019. The expansion in output from the afore-mentioned mines outweighed the steep contraction in production recorded by other large-scale mines such as Golden Star Bogoso Prestea Ltd and Adamus Resources Ltd’s Nzema Mine.

On the other hand, the quantum of gold assayed by the Precious Minerals Marketing Company (PMMC) on behalf of Licensed Gold Exporting Companies (LGECs) decreased from 1.984 million ounces in 2018 to 1.588 million ounces in 2019. The fall in the sub-sector’s activities, which is used as a proxy for production by small-scale mines, was mainly a reflection of the reduced purchases of gold by major firms such as A.A. Minerals Ltd., RG Resources and Sahara Royal Gold Refinery. Further, the volume of gold exported by LGEC on behalf of foreign producers, which is also referred to as trans-shipment, reduced by 100 per cent from its 2018 value of 0.269 million ounces. In other words, the LGECs did not undertake any transactions related to trans-shipment in 2019. This outturn is unsurprising as the main firms involved in trans-shipment of gold, A.A. Minerals and Sahara Royal Gold Refinery, did not undertake any purchases of gold in 2019 (see appendix 4).

In view of the contrasting performance of the large and small-scale sectors, Ghana’s total gold production declined from 4.792 million ounces in 2018 to 4.577 million ounces in 2019. Notwithstanding the fall in output, the outturn in 2019 was the third highest level of production in more than three decades. In terms of share of production, the small-scale sector accounted for 35 per cent of national gold production in 2019 relative to 41 per cent in 2018. This also implies that the large-scale sector improved on its contribution to national gold production, from 59 per cent in 2018 to 65 per cent in 2019, as shown in figure 7.0.

Table 2.0: Mineral Production, Assay and Shipments

<table>
<thead>
<tr>
<th>Mineral</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Gold Produced by Large-Scale Mines (Ounces)</td>
<td>2,807,918</td>
<td>2,989,446</td>
<td>6%</td>
</tr>
<tr>
<td>**Gold Assayed by PMMC (Small-Scale Sector)</td>
<td>1,984,370</td>
<td>1,588,191</td>
<td>-20%</td>
</tr>
<tr>
<td>**Trans-Shipment of Gold (Ounces)</td>
<td>269,565</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>**Manganese (Tonnes)</td>
<td>4,551,754</td>
<td>5,383,014</td>
<td>18%</td>
</tr>
<tr>
<td>*Bauxite (Tonnes)</td>
<td>1,011,302</td>
<td>1,116,334</td>
<td>10%</td>
</tr>
<tr>
<td>**Diamond (Carats)</td>
<td>57,531</td>
<td>33,789</td>
<td>-41%</td>
</tr>
</tbody>
</table>

The shipment of manganese by the country’s monopoly producer, Ghana Manganese Company, increased from 4.551 million tonnes in 2018 to 5.383 million tonnes in 2019. The upturn in production was consistent with the firm’s objective of ramping up production to meet global demand for its premium output. In the same vein, Ghana Bauxite Company recovered from the recent slump in production to record a year-on-year growth in output. Its shipments of bauxite improved from 1.011 million tonnes in 2018 to 1.116 million tonnes in 2019. The increment in output was primarily due to improvements in operational activities.

On the downside, purchases of diamond by PMMC fell from 0.057 million carats in 2018 to 0.033 million carats in 2019. The persistent decline in purchases of diamond largely reflects low recoveries from small-scale winners and the continued suspension of production by the only large-scale producer of diamonds, Great Consolidated Diamond Company. The latter was still under “care and maintenance” at the end of 2019.

Macroeconomic Contributions of the Mining Sector in 2019

Fiscal Revenue Performance

Data from the Ghana Revenue Authority (GRA) suggests that total direct domestic fiscal receipts attributable to the mining and quarrying sector improved from GH¢ 2.36 billion in 2018 to GH¢ 4.02 billion in 2019. The 70 percent increase in fiscal payments by firms in the sector was occasioned by the simultaneous increase in production and price, particularly, gold. As well, the expiration of the stability agreement between the Government of Ghana and AngloGold Ashanti Iduapriem Limited resulted in the alteration of the fiscal terms of the latter to the generic regime applicable to the mining industry. In essence, the lapsing of the stability agreement thrust the firm into a higher tax paying position.

In the year under review, the various mining sector fiscal streams mobilized by the GRA recorded year-on-year growth as shown in Table 3.0. Specifically, corporate tax receipts from the minerals sector increased by 89 per cent to GH¢ 2.27 billion in 2019 from GH¢ 1.20 billion in 2018. The sector’s corporate tax payments was equivalent to 19.01 per cent of aggregate corporate tax fiscal receipts collected by the GRA. Moreover, the income tax (PAYE) receipts of mining sector employees rose from GH¢ 457.16 million in 2018 to GH¢ 736.26 in 2019, which represents a growth rate of 61.1 per cent.

The PAYE payments of the mining sector translates into 6 per cent of the aggregate national payroll taxes. Likewise, mineral royalty payment and residual taxes, which is officially classified as self-employed, also expanded by 42.7 per cent and 277.8 per cent respectively. While mineral royalty payments...
receipts, which was 99.4 per cent of total non-oil royalty payments, increased from GH¢ 705.26 million in 2018 to GH¢ 1.01 billion in 2019, the residual taxes surged from GH¢ 0.18 million to GH¢ 0.67 million in the same period.

Table 3.0: Fiscal Contributions of the Mining and Quarrying Sector

<table>
<thead>
<tr>
<th>Type of Fiscal Payment (GH¢)</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Income Tax [Pay-As-You-Earn]</td>
<td>457,156,177</td>
<td>736,256,367</td>
<td>61.1%</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>1,199,597,591</td>
<td>2,269,768,470</td>
<td>89.2%</td>
</tr>
<tr>
<td>Royalty</td>
<td>705,262,160</td>
<td>1,006,668,500</td>
<td>42.7%</td>
</tr>
<tr>
<td>Other (Self-Employed)</td>
<td>178,498</td>
<td>674,312</td>
<td>277.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,362,194,425</strong></td>
<td><strong>4,013,367,650</strong></td>
<td><strong>69.9%</strong></td>
</tr>
</tbody>
</table>

Source: Ghana Revenue Authority (2020)

In view of the significant growth in fiscal payments, the share of the mining and quarrying sector in total direct domestic receipts mobilized by the GRA improved from 14.2 per cent in 2018 to 18.3 per cent in 2019. The sector’s total fiscal contribution in 2019 was the second highest after that of the financial and insurance sector and translates into 7.7 per cent of domestic revenue. In the previous year, the mining and quarrying sector was the largest contributor to direct domestic receipts and accounted for 5.0 per cent of domestic fiscal revenue. In terms of total government revenue, the mining and quarrying sector’s contributions increased from 4.9 per cent in 2018 to 7.6 per cent in 2019 as shown in figure 8.0.

Figure 8.0: Share of Mining and Quarrying Sector in Fiscal Receipts

Source: Author’s construct based on data from GRA (2020)

**Merchandise Exports and Balance of Payments**

In a relatively small and import dependent economy as Ghana’s, volatility in exchange rates has significant ramifications on the standard of living of the population via its pass-through effect on the price level and interest rates. In order to abate such inflationary pressures, which have the potential of deepening poverty, it is a sine qua non for the financial intermediation system to have regular and unimpeded access to forex. The minerals and mining sector has been the mainstay of the country in providing liquidity to the foreign exchange market to meet the import demands of households and firms in the country.

Data from the country’s lender of last resort, Bank of Ghana, indicates that proceeds from the export of minerals rose from US$ 5.760 billion in 2018 to US$ 6.678 billion in 2019. The 16 per cent expansion in mineral revenue was occasioned by improvements in receipts from gold, manganese and bauxite, which outweighed the decline in proceeds from the export of diamond. Receipts from the export of gold increased from US$ 5.436 billion in 2018 to US$ 6.230 billion in 2019, representing a growth rate of 15 per cent. The expansion in export receipts of gold was largely driven by an increase in the traded price of the yellow metal. Similarly, the growth in shipments of manganese combined with an increase in its
traded price to increase export proceeds by 39 per cent, from US$ 297 million in 2018 to US$ 412 million in 2019. In spite of the stagnation in the average price of bauxite, the upswing in shipments raised export proceeds from US$ 25 million in 2018 to US$ 36 million in 2019. This denotes a 42 per cent expansion in receipts from the export of bauxite. On the downside, revenue from the export of diamond plummeted by 56 per cent. Its reduction from US$ 1.90 million in 2018 to US$ 0.83 million in 2019 was partly due to the contraction in its production.

On account of the difference in export receipts performance, the shares of the respective minerals in total mineral revenue were altered from their 2018 level. Gold retained its dominance as the leading contributor of mineral export receipts with a share of 93 per cent in 2019. This was relatively lower than its corresponding outcome of 94 per cent in 2018. The bulk minerals, manganese and bauxite, improved their respective contribution to mineral export revenue, from 5 per cent in 2018 to 6 per cent in 2019 and 0.4 per cent to 1 per cent, in the same period. Conversely, the share of diamond in total mineral export receipts fell to 0.01 per cent in 2019 as compared to 0.03 per cent in 2018.

The upturn in mineral receipts expanded the sector’s share in gross merchandise export receipts from 39 per cent in 2018 to 43 per cent in 2019, consolidating its status as the foremost source of foreign exchange from export earnings. This compares favourably with the equivalent outturns of 29 per cent and 15 per cent for crude oil and cocoa respectively in 2019. In 2018, cocoa accounted for 14 per cent of aggregate export receipts while that of crude oil was 31 per cent. As can be inferred from figure 9.0, the share of gross mineral receipts in the basket of export revenue in 2019 was the approximate equivalence of the sum of shares of the country’s other two major export commodities, cocoa and crude oil.

**Figure 9.0: Share of Commodity in Gross Merchandise Export Receipts in 2019**

![Pie chart showing the share of commodity in gross merchandise export receipts in 2019.]

*Source: Author’s construct based on data from Bank of Ghana (2020)*

Coupled with the modest increase in receipts from cocoa and non-oil exports, the growth in revenue from the export of minerals was partly responsible for improving the country’s trade balance. Data from the Bank of Ghana shows that the country’s merchandise exports exceeded merchandise imports by US$ 2.282 billion in 2019 relative to US$ 1.778 billion in 2018. The 28.3 per cent growth in the trade balance was the third consecutive year the country recorded a surplus in its merchandise trade account.

Notwithstanding the widening of the deficit in the current account, which was attributable to unfavourable developments in the services and investment components of the account, the country ended 2019 with a positive balance of payments (BOP) of US$ 1.341 billion as compared to a deficit of US$ 0.671 billion in 2018. The surplus position was a consequence of the excess of the capital and
financial account over the current account. The surplus BOP partly culminated in an improvement in the country’s Gross International Reserves from US$ 7.025 billion in 2018 to US$ 8.418 billion in 2019, a year-on-year growth of 20 per cent. In terms of import cover, the Gross International Reserves increased from 3.6 months to 4 months. The expansion in the Gross International Reserves had a moderating influence on the volatility of the exchange rate between the local currency and convertible currencies such as the United States Dollar as well as its associated impact on the stability of the general price level.

Local Impact of Mining in 2019
Repatriation of Mineral Export Proceeds to Ghana by Producing Member Companies

Although mineral export revenue is an important component of the country's balance of payments, it is the in-country repatriation of these receipts that lubricate the foreign exchange market and contribute to stabilizing the general price level. This is explained by the fact that the plough back and retention of mineral export proceeds with local financial firms deepen their intermediation functions as well as reinforce their foreign exchange reserves to meet the import demands of the country. In essence, the liquidity provided by the mining companies contributes significantly in bridging the gap between demand and supply of forex and thereby slowdown the rate at which the country’s currency loses value to other traded currencies. Such outcomes have important implications for the general price level through its interaction with the import market.

Akin to last year, the average share of mineral export receipts returned to the country was in excess of the statutory threshold prescribed by the Minerals and Mining Act, 2006 (Act 703) as well as above the disparate limits prescribed in the various Investment Agreements between some mining companies and the Government of Ghana. Out of their realized mineral export revenue of US$ 4.5 billion in 2019, the producing member companies returned US$ 3.3 billion. This translates into 73 per cent of export proceeds, which is marginally lower as compared to its level of 74 per cent in 2018. In consonance with a directive of the Bank of Ghana, the entire US$ 3.3 billion was ploughed back into the country through the various commercial banks. The Bank of Ghana ceded its share of forex under the mandatory surrender requirements to the commercial banks in 2016. This measure, which was part of policy recommendations by the International Monetary Fund, was intended to deepen the foreign exchange market.

Expenditure of Mineral Revenue

It is generally proven that a critical pathway through which the minerals and mining sector influences economic development in its host country and community is through expenditure on locally sourced inputs. Accordingly, the Ghana Chamber of Mines and its producing member companies prioritized the local inputs market in their procurement decisions. In 2019, the producing member companies of the Chamber spent US$ 1.88 billion on the purchase of non-energy goods and services from in-country manufacturers and suppliers. This represents 42 per cent of aggregate mineral revenue, which is slightly lower than the comparable outturn of 44 per cent in 2018. Further, the producing member companies expended US$ 316.35 million on electricity and US$ 342.05 million on diesel. In terms of proportion of mineral receipts, the expenditure on electricity and diesel translate into 7 per cent and 8 per cent respectively. Their corresponding outturns in 2018 were 8 per cent and 6 per cent respectively.

Further, the total emolument of employees engaged directly by the producing member companies represented 10 per cent of mineral revenue in 2019 as compared to 12 per cent in the preceding year. In nominal terms, however, the compensation payment of US$ 463.35 million in 2019 was relatively higher than the expenditure of US$ 450.07 million in 2018. As well, the fiscal payments to the state by the producing member companies of the Chamber stood at US$ 701.81 million in 2019. This translates into 16 per cent of mineral revenue, similar to the outturn in 2018.

With respect to expenditure on corporate social investments (CSI), the producing member companies invested US$ 24.45 million in a variety of projects that were aimed at improving socio-economic infrastructure and services in their respective host communities in 2019. The expenditure, which amounts to 1 per cent of mineral revenue, was marginally higher than the equivalent share of 0.5 per cent in 2018. In figure 10.0, we present a summary of the various sectors that the funds were invested in.
Moreover, the proportion of mineral receipts expended on imported consumables by the producing member companies in 2019 was unchanged from its 2018 level of 5 per cent while that of capital expenditure declined from 19 per cent in 2018 to 12 per cent. In monetary terms, the expenses on imported consumables and capital expenditure in 2019 were US$ 544.22 million and US$ 203.70 million respectively. As well, the producing member companies spent US$ 165.50 million and US$ 103.51 million on amortization of loans and payments to other shareholders respectively. These expenditures were equivalent to 4 per cent and 2 per cent of mineral receipts in 2019 as compared to their outturns of 5 per cent and 1 per cent in 2018 respectively.

On the whole, producing member companies of the Chamber expended US$ 3.73 billion of their mineral revenue in-country in 2019 relative to US$ 2.51 billion in 2018. In proportionate terms, the 2019 and 2018 expenditures represent 83 per cent and 87 per cent of mineral revenue respectively. The distribution of mineral revenue realized by the producing member companies in 2019 is summarized in figure 11.0.

Source: Ghana Chamber of Mines (2020)
Direct Employment by Producing Member Companies in 2019
In 2019, the total workforce engaged directly by the producing member companies of the Chamber was 11,899 as compared to 10,109 in 2018. The 18 per cent growth in employment was primarily due to the expansion in employment at Newmont’s Ahafo Mine, Asanko Gold Mine and Golden Star Resources’ Wassa Mine as well as AngloGold Ashanti’s Obuasi Mine, which offset the significant contraction in labour force at the Damang Mine of Gold Fields and Golden Star Resources’ Bogoso Mine. 144 persons out of the direct workforce population in 2019 were expatriates and the remaining were Ghanaian nationals. The expatriate category of employees represents 1.2 per cent of the work force in 2019, which is marginally lower than the 1.6 per cent recorded in the previous year.

Revenue and Output Performance of Producing Member Companies in 2019
Against the backdrop of a simultaneous growth in production and price of both gold and manganese, the total mineral receipts attributable to producing member companies of the Chamber increased by 18 per cent to US$ 4.572 billion in 2019 from US$ 3.858 billion in 2018. Specifically, the proceeds from the production of gold rose by 17 per cent, from US$ 3.561 billion in 2018 to US$ 4.156 billion in 2019. On the other hand, receipts from the shipment of manganese improved from US$ 297 million in 2018 to US$ 415.19 million in 2019, representing an increment of 40 per cent as shown in figure 12.0.

Figure 12.0: Mineral Production Revenue of Producing Member Companies

Source: Ghana Chamber of Mines (2020)

The upturn in the receipts of gold was occasioned by a 9.7 per cent increase in the average realized price of gold and a 6.5 per cent rise in production as shown in figure 13.0. Total gold output of the producing member companies of the Chamber grew from 2.81 million ounces in 2018 to 2.99 million ounces in 2019. The latter translates into 65 per cent of national gold production.

Production at the Newmont Ghana Ahafo Mine increased by 47 per cent to 643,067 ounces in 2019 from its outturn of 436,106 in 2018. The steep rise in production was basically due to higher mill throughput and higher ore grade. In turn, the improvement in mill throughput was partially explained by the completion of the Ahafo mill expansion project in the last quarter of 2019 which increased the plant’s capacity by an additional 3.5 million tonnes per year.

Overall, the plant is expected to process about 10 million tonnes of materials per year. As well, the mill recovery rate improved slightly from 94 per cent in 2018 to 94.1 per cent in 2019. Furthermore, the improvement in ore grade was mainly driven by the relatively higher quantum of material mined from both the surface and underground pits. Owing to the growth in its production, Ahafo Mine displaced Tarkwa Mine of Gold Fields as the largest mine in the country. Its share in total gold output of the producing member companies of the Chamber improved from 15 per cent in 2018 to 22 per cent in 2019.

In a similar vein, the output of Newmont’s Akyem Mine rose from 414,427 ounces in 2018 to 422,099 ounces in 2019. The 2 per cent expansion in output was largely a reflection of the modest increase in the mill throughput which was sufficient to offset the output curtailing effect of a decrease in the mill recovery rate from 91.2 per cent in 2018 to 90.8 per cent in 2019. The production outturn in 2019 was equivalent to 14 per cent of total gold output of producing member companies, which was relatively lower than its share of 15 per cent in 2018. On account of the concurrent expansion in the output of its Akyem and Ahafo Mines, the contribution of Newmont to total gold production of producing member companies grew from 30 per cent in 2018 to 36 per cent in 2019.

The output of Gold Fields’ Tarkwa Mine declined from 524,869 ounces in 2018 to 519,072 ounces in 2019, representing a dip of 1 per cent. On the other hand, production at its Damang Mine increased by 15 per cent to 208,381 ounces in 2019 relative to 180,844 ounces in 2018. Whereas the marginal fall in Tarkwa Mine’s output was mainly caused by a reduction in the mill throughput, the expansion in Damang Mine’s production was due to the growth in the volume of ore processed and mill throughput. However, the production outturn at Damang Mine was impacted negatively by lower head grade as mining activities transiently encountered the Huni sandstone lithology in the second half of 2019. The mine is expected to revert to the more consistent and higher grade Tarkwa phyllites by the mid-year of 2020.

As a result of the contrasting production performance, the share of Tarkwa Mine in aggregate gold output of producing member companies waned by 2 percentage points to 17 per cent in 2019 while that of Damang Mine appreciated from 6 per cent in 2018 to 7 per cent in 2019. This also implied that Gold Fields accounted for 24 per cent of gold output attributable to producing member companies of the Chamber in 2019 relative to 25 per cent in 2018.
Although unstable power supply from the national grid in the first half of 2019 as well as fault with a component of the processing plant reduced the quantum of ore processed by the AngloGold Ashanti owned Iduapriem Mine, its output increased by 8 per cent. The growth in output from 253,487 ounces in 2018 to 274,665 in 2019 was driven by improved grade control and access to the higher grade area of the Teberebie pit where stripping commenced in 2017. The average head grade increased from 1.47 grammes per tonne in 2018 to 1.67 grammes per tonne in 2019. Notwithstanding the upswing in its production, the share of Iduapriem Mine, which was the only producing mine of AngloGold Ashanti, was largely unchanged at 9 per cent in 2019.

With respect to Obuasi Mine of AngloGold Ashanti, the redevelopment programme progressed in line with the stated timelines and budget. In 2019, the mine completed the first phase of its redevelopment strategy which involved the setting up of a plant with a daily processing capacity of 2,000 tonnes. It also undertook its first underground and stope blasting in February and October 2019 respectively. The latter was indicative of the commencement of ore production and the mine poured its first gold in December 2019.

The Golden Star Resources’ managed mines in Ghana, Wassa and Prestea, recorded mixed production outturns in 2019. Whereas year-on-year production at the Wassa Mine rose by 4 per cent, the corresponding outturn at the Bogoso Prestea Mine slumped by 37 per cent. The growth in Wassa Mine’s output from 149,698 ounces in 2018 to 156,168 ounces in 2019 was occasioned by an increase in the quantum of tonnage mined and processed. The quantum of fresh ore mined, which originated exclusively from the underground deposits, improved by 32 per cent while the volume of ore processed also rose by 29 per cent. The ore from the underground deposits was supplemented with supplies from its open pit stockpile as the mine ceased surface operations in the first quarter of 2018. At the end of 2019, the share of Wassa Mine in total gold output of producing member companies of the Chamber was not significantly different from its level of 5 per cent recorded in 2018.

With respect to the Bogoso Prestea Mine, the decline in production from 75,087 ounces in 2018 to 47,533 ounces in 2019 was as a result of the planned reduction in supply of ore from the open pits and slower than expected ramp up in production at the underground mine. The open pits were anticipated to be depleted in 2018 but their end of life extended into 2019, albeit with a reduced contribution to the mine’s total production. Likewise, gold output from the underground operations plummeted by 35 per cent due to a steep decline in the average head grade from 10.12 grammes per tonne in 2018 to 5.58 grammes per tonne in 2019. The fall in the head grade was mainly caused by unplanned dilution and encountering of unanticipated waste zones within the stopes. However, the 24 per cent growth in processed ore was the primary moderating influence on the Mine’s output. Against this backdrop, the share of Bogoso Prestea Mine in the volume of gold produced by member companies of the Chamber shrank from 3 per cent in 2018 to 2 per cent in 2019. On the whole, Golden Star Resources accounted for 7 per cent of total gold output of producing member companies in 2019 relative to 8 per cent in the preceding year.

Asanko Gold Mines, which is jointly owned by Asanko and Gold Fields, recorded its highest production since it achieved commercial production in spite of the setback induced by a wall failure at one of its pits, Nkran. The mine’s production increased by 12 per cent, from 223,152 ounces in 2018 to 251,044 ounces in 2019 (see figure 14.0), on the back of an expansion in the quantum of ore mined and milled. In the year under consideration, the mine obtained its fresh ore from Nkran and Esaase pits, with supplementary supplies from its run-on-mine stockpile. As well, its share in the total gold output of producing member companies of the Chamber in 2019 was unchanged from the previous year’s rate of 8 per cent.

With regard to Chirano Gold Mines, a subsidiary of Kinross, production fell from 226,370 ounces in 2018 to 201,037 in 2019. The 11 per cent nosedive in output was partly brought about by a decline in volume of ore processed, average head grade and mill recovery rate. The 1 percentage point fall in tonnes of ore processed was a consequence of the metallurgical characteristics of the ore mined while the 9 per cent dip in the head grade was due to the lower grade ore mined at the underground deposits of Paboase and Akoti. However, the volume of ore mined improved by 28 per cent following the resumption of surface mining in the first quarter of 2019. The increment in ore mined was the main moderating factor on the downturn in the previously cited processing metrics. Despite the contraction in production, the mine maintained its share in the total gold output of member companies of the Chamber at 8 per cent in 2019.
Figure 14.0: Gold Produced by Member Companies of the Chamber of Mines

Source: Ghana Chamber of Mines (2020)

Figure 15.0: Gold Production Revenue of Member Companies of the Chamber of Mines

Source: Ghana Chamber of Mines (2020)
The Edikan Gold Mine of Perseus Mining (Ghana) Limited altered its mining strategy and life of mine in January 2019 to enhance the sustainability of its operations. The changes involved using a single mining contractor, Rocksure International, and lowering total ore and waste mined to satisfy planned mill throughput. In the light of this development, production at the Edikan Mine plunged from 217,219 ounces in 2018 to 179,574 ounces in 2019. Coupled with the planned reduction in total ore mined, the 17 per cent plunge in output was also elicited by a fall in the mill recovery rate and head grade. While the decrease in the mill recovery rate was triggered by the processing of relatively hard rocks from one of its pits (Esuajah North), the drop in head grade could be attributed to the processing of fine grained carbonaceous material from another pit (Fetish). The fall in production also resulted in a 2 percentage point reduction in the mine’s share of gold output of member companies of the Chamber to 6 per cent in 2019.

At the Nzema Mine of Adamus Resources, which is owned by BCM International, production fell by 19 per cent to 84,197 ounces in 2019 from 103,731 ounces in 2018. The decline in production, which translated into a contraction in its contribution to the total gold output of producing member companies from 4 per cent in 2018 to 3 per cent in 2019 (see figure 16.0), was an outcome of the delayed mining from its primary pit, Bokrobo, and challenges with reserve reconciliation. The planned cutback of the Bokrobo pit to expose the high grade area exceeded the projected timelines and therefore impacted adversely on production.

Output of the country’s sole producer of manganese, Ghana Manganese Company, increased at a slower rate of 18 per cent in 2019 as compared to 52 per cent in 2018. The lower than anticipated expansion in output of the TMI owned mine was as a result of the regulatory impasse with the Ministry of Lands and Natural Resources, which led to prolonged periods of inactivity at the Nsuta Mine.

Outlook of Mineral Production in 2020

With the commencement of production at the Obuasi Mine of AngloGold Ashanti and planned organic growth in production of most producing members, the outturn of gold output is expected to be higher in 2020 than the preceding year. On the contrary, the production and shipments of manganese by Ghana Manganese Company is expected to record a year-on-year decline. This is due to the protracted regulatory impasse that compelled the mine to suspend operations in the first quarter of 2020.
Production Cost Profile of Gold Producing Member Companies in 2019

Similar to other mining jurisdictions, Ghana uses the all-in sustaining cost (AISC) of producing an ounce of gold as the metric for assessing production cost. The AISC, which is a proprietary metric of the World Gold Council, measures capital expenditure, production and other costs related to sustaining current gold production. The average AISC of the gold producing member companies of the Chamber increased by 4 per cent to US$ 1,029 per ounce in 2019 from US$ 984 per ounce in 2018. The rise in the AISC per ounce, which exceeded the global equivalent of US$ 936 per ounce, depicted the general elevation in production cost of producing members.

The cost of producing an ounce of gold at the Ahafo Mine of Newmont declined from US$ 864 in 2018 to US$ 820 in 2019. The 5 per cent fall in AISC was attributable to the growth in revenue associated with increase in production and lower stockpile inventory, which culminated in a decrease in cost applicable to sales. However, the mine recorded year-on-year growth in sustaining capital expenditure and payments of royalty to the state, which partially counterbalanced the fall in AISC. On the other hand, the AISC of Akyem Mine increased by 2 per cent to US$ 718 per ounce in 2019 as compared to US$ 705 per ounce in 2018. The rise in production cost was due to the upturn in cost applicable to sales and reclamation expenditure, which were somewhat offset by lower sustaining capital spend.

Gold Fields recorded contrasting production cost at its Tarkwa and Damang Mines. The decline in production at the Tarkwa Mine culminated in a marginal rise in its AISC, from US$ 951 per ounce in 2018 to US$ 958 per ounce in 2019. Conversely, Damang Mine’s cost of producing an ounce of gold decreased from US$ 813 in 2018 to US$ 809 in 2019. The 0.5 per cent fall in AISC was realized on the back of an increase in gold revenue which was occasioned by a rise in output and price. In the same period, the cost associated with sale of gold also increased. However, this development was insufficient to raise the year-on-year cost of producing an ounce of gold.

The contraction in output of Golden Star Resources’ Prestea Mine triggered a 24 per cent increase in its AISC, from US$ 1,558 per ounce in 2018 to US$ 1,937 per ounce in 2019. In a similar vein, the AISC per ounce of gold for the other mine operated by Golden Star Resources, Wassa Mine, rose by 4 percentage points. The upturn in AISC from US$ 886 per ounce in 2018 to US$ 922 per ounce in 2019 was on account of an increase in sustaining capital expenditure, which outweighed the reduction in cost applicable to sales.

With respect to Kinross’ Chirano Gold Mines, the AISC per ounce of gold increased from US$ 889 per ounce in 2018 to US$ 1,082 per ounce in 2019 due to an increase in production cost of sales. The rise in production cost of sales was brought about by the decision to engage a contractor to restart the surface mining operations.

At the Iduapriem Mine of AngloGold Ashanti, the AISC per ounce of gold continued its downward descent. It reduced from US$ 977 per ounce in 2018 to US$ 890 per ounce in 2019 following an initiative to optimize consumption of reagents, which was part of its Operational Excellence Programme. The savings on reagents was also bolstered by the increase in production.

The AISC per ounce of the joint venture mine of Asanko and Gold Fields, Asanko Gold Mines, increased by 4 per cent, from US$ 1,072 in 2018 to US$ 1,112 in 2019. The modest growth in the AISC per ounce was primarily caused by an increase in cost applicable to sales and mining as well as a rise in the cost of hauling ore from Esaase to the process plant. However, the increase in production cost was mitigated by growth in mineral production.

Following a revision in its mining strategy, the AISC per ounce of the Edikan Mine of Perseus Mining Ghana Limited declined by 13 per cent to US$ 985 per ounce in 2019 from US$ 1,129 per ounce in 2018. The drop in production cost was driven mainly by a decrease in its mining cost, which was also partly offset by the contraction in production.

Similar to the previous year, the AISC per ounce of Nzema Mine of Adamus Resources Limited grew from US$ 981 per ounce in 2018 to US$ 1,089 per ounce in 2019 as shown in figure 17.0. The 11 per cent increment in AISC was largely due to the high cost associated with the cutback of its primary pit, Bokrobo.
Health and Safety Performance of Ghana’s Mining Industry in 2019

Data from the Minerals Commission shows that the safety metrics of Ghana’s mining industry recorded non-homogenous outcomes in 2019. Whereas the incidence of near miss and fatal injuries declined on a year-on-year basis, the count of first aid and serious injuries deteriorated in 2019 relative to the preceding year. Specifically, the incidence of first aid injuries, which is statutorily considered as the class of injuries that does not result in loss of shift, increased by 4 percent.

The case count of first aid injuries grew from 189 in 2018 to 197 in 2019. Likewise, the number of serious injuries rose by 8 per cent to 28 in 2019 from 26 in 2018. Serious injuries are incidents that involve loss of shift for more than 14 days. Conversely, incidents that result in death of a casualty, which is formally referred to as fatal injuries, declined from 7 in 2018 to 3 in 2019. This translates into 57 per cent reduction in the incidents of fatal injuries as shown in figure 18.0. As well, the incidence of near miss cases fell by 20 per cent, from 407 in 2018 to 326 in 2019. The Minerals Commission defines near miss incidents as occurrences that do not culminate in loss of shift, injury, death or damage to equipment.
Challenges Confronting Operations of Member Companies in 2019

In the next section, we present the key issues that impacted the activities of member companies in 2019. The challenges will be discussed in three broad themes; fiscal, advocacy and operational issues.

Fiscal Issues
Price Build-Up of Petroleum Products

The Chamber is of the view that some of the elements in the price build-up of diesel supplied to the mines have little or no bearing on the cost of supplying the fuel to the mines. The specific elements are as follows:

- **Ex-Refinery Price**
  Unlike the retail market, the ex-refinery price of diesel supplied to the mines is largely determined by the National Petroleum Authority (NPA). In a sense, the mining industry and other consumers in the export segment of the petroleum market do not benefit from the gains associated with deregulation. Clearly, a decision to extend the government’s deregulation policy to the export market would not only enhance competition, which could exert downward pressure on prices, but also improve the service delivery of the suppliers of diesel to the mines. The Chamber therefore proposes that the government should allow market forces to autonomously determine the ex-refinery price of diesel supplied to the mines as it obtains in the retail market.

- **Taxes, Levies and Margins**
  - **Energy Debt Recovery Levy**
    The Chamber acknowledges the debilitating impact of the legacy debts on the sustainability and viability of the energy sector as well as commends government for its efforts to retire them through the Energy Sector Levy Act, 2015 (Act 899). However, the mining sector has historically paid a fair market tariff for electricity supplied to it by the Volta River Authority (VRA) or Electricity Company of Ghana (ECG). Indeed, the tariffs are typically above the fair value in the case of the latter as the Public Utilities Regulatory Commission (PURC) pricing formula for the mining industry is based on perceived ability-to-
pay rather than cost of service. The spread between the cost of service and tariff paid by the mines, which could aptly be described as a premium, is used in cross-subsidizing the consumption of electricity by other consumers.

It is therefore patent that the mining industry was not a beneficiary of the subsidies that led to the accumulation of debts in the energy sector. Accordingly, it is unfair to impose a levy on mining companies to recover debts that they were neither beneficiaries of nor a contributing party to. Accordingly, the Chamber strongly recommends the exclusion of the Energy Debt Recovery Levy from the price build-up of diesel supplies to the mines as it obviously weighs heavily on the uncompetitive price of diesel to the mines, which additional cost can hardly be justified.

b. Price Stabilization and Recovery Levy
The inclusion of Price Stabilization and Recovery Levy (PSRL) in the price build-up of petroleum products serves the purpose of neutralizing the adverse effects of movements in the exchange rate on the price of fuel. In the retail market, where the ex-refinery price of the imported diesel is quoted in the local currency, the levy fulfils its function of offsetting shocks induced by volatility in the exchange rate.

On the other hand, the ex-refinery price of diesel supplied to the mines is quoted in United States Dollars at the full parity price and companies pay their suppliers in the aforementioned currency. This pricing regime and mode of payment imply that mining companies and other consumers in the export market have inherently insulated the state from the currency induced movements in the price of diesel. Hence, the inclusion of another levy, PSRL, in the price build-up of diesel supplied to the mines was not only superfluous but also analogous to double taxation. In that regard, we strongly recommend that government should expunge PSRL from the price build-up of diesel supplied to the mines.

c. Primary Distribution Margin
The Primary Distribution Margin (PDM) compensates operators in the primary market of fuel products for their investments in infrastructure in that segment of the market. Basically, these investors provide depots for holding fuel discharged from vessels before they are transported to their final destination or facilities of Bulk Oil Storage and Transportation Company (BOST). In the retail market, the inclusion of the PDM in the price build-up of diesel has an economic justification as the fuel is stored in such facilities before being transferred to the various outlets. However, the process for handling diesel destined to the mines does not mimic that of the retail market. The various Oil Marketing Companies (OMCs) that supply diesel to the mines have their own storage facilities and reflect such investments in their prices to the mines. It is therefore inappropriate to request the mining companies to pay twice for the same service. Accordingly, the PDM should be removed from the price build-up of diesel supplied to the mines.

d. Bulk Oil Storage and Transportation Company Margin
The Bulk Oil Storage and Transportation (BOST) Company was set up to among others, provide infrastructure for holding strategic fuel reserves for the country as well as depots for storing fuel. In most cases, fuel supplied to the retail market would have been stored in a BOST facility prior to being transferred to the final destination. It is however instructive to note that fuel supplied to the mines is not comingle with that of the retail market, which is stored in a BOST facility. Indeed, the higher fuel specifications of the mining companies make it imprudent for their suppliers to mix their product with that destined for the retail market. It would therefore be unfair to request an entity to pay for a service that it does not consume or demand. Accordingly, we appeal for the exclusion of the BOST Margin from the price build-up of diesel supplied to the mines.

e. Fuel Marking Margin
On account of some historical antecedents, including a mechanism to avoid the adulteration of petroleum products, the Government of Ghana decided to mark the various fuels that are supplied to the retail market. Since this procedure was necessarily associated with cost, it was apposite that the state recovered its expenditure by introducing a margin in the price build-up of fuel supplied to the generic market. In the “export market”, however, diesel supplied to the mines is not marked. Thus, the need to include a dedicated margin to recoup costs associated with marking of diesel supplied to the mines would not be warranted. It is in that regard that we kindly request for the removal of the fuel marking margin from the price build-up of diesel consumed by mining companies.
f. Road Fund Levy

As part of the state’s efforts to raise revenue to finance the construction of roads in Ghana, beneficiaries of the infrastructure were requested to bear part of the cost through the inclusion of a levy in the price build-up of fuel products. The imposition of the levy on fuel products meant that persons who buy fuel for use in their private vehicles or indirectly for use in a public bus will be commuting on a public road. This supposition also implied that persons who neither own private vehicles nor use public buses would not be required to pay for the construction of public roads through the medium of a levy on fuel products. In other words, they would not have demand for fuel and by extension, public roads. The latter typifies case of the mining industry where operations are usually undertaken in remote areas that do not require the use of public roads. As a matter of fact, mining companies operate in situ and their earth moving equipment are also not used on public roads.

Furthermore, most mining companies contribute directly to improving the country’s road network by underwriting the cost of road construction in their catchment areas. In 2019, for instance, the 13 mining member companies of the Chamber spent USD 14.46 million on enhancing the road networks in their operational footprint. It is therefore economically unjustifiable to request an entity that does not use public roads for its operations but voluntarily contribute to the maintenance of same to pay another levy for such infrastructure. It is our request that the road fund levy would be excluded from the price build-up of diesel supplied to the mines.

It is obvious that the mining industry straddles the pure export or foreign market and the commercial retail market. The Chamber suggests that rather than merely layering its ex-refinery price in US$ and passing on all retail price elements to the mining industry, the government should reconsider the elements of the price build-up of diesel to the mines to ensure that it reflects relevant cost elements only. It is our considered view that this approach will not only improve the business environment for mining firms but also position them to operate more competitively.

Mineral Revenue Retention Policy

The Ministry of Finance has informed the Chamber of its intention to standardize mineral revenue retention regimes in the mining industry. It is contemplating a three-tiered retention regime where a defined proportion of mineral export proceeds will be retained in offshore or local account (at the company’s discretion), local account and the remaining sold to commercial banks under the mandatory surrender requirement.

The Chamber’s preferred model is to retain the existing general practice where mining companies have binding retention agreements based on their forex requirements. This arrangement allows the mining companies to honour their external and internal obligations which are usually denominated in foreign currency. More so, mining companies effectively repatriate foreign currency when they transfer funds from offshore accounts to settle liabilities to in-country suppliers and manufacturers of inputs. In the last five years, the share of mineral revenue returned by the Chamber averaged 70 per cent. Obviously, this is far in excess of the statutory maximum of 25 per cent of realized mineral revenue anticipated under the Minerals and Mining Act, 2006 (Act 703).

Apart from disrupting the commercial arrangements between the mines and their suppliers, a variation in the mineral revenue retention regime will also saddle them with additional transaction costs and potential delays. Most mines are already operating forex accounts in offshore jurisdictions to meet their operational and in some cases, debt raising and general financing requirements. It would therefore be duplicative if a company is required to open and maintain another forex account in-country. Moreover, the bureaucracy associated with transfers from the local forex account will delay payments to vendors and result in tardy supply of critical spares and equipment. This could ultimately result in unplanned cessation of mining operations.

Furthermore, the proposal to vary the mineral revenue retention regime could lead to a situation where the mining companies will queue to access forex to honour their obligations. This will particularly be the case if mineral receipts from the mining companies are not sequestered but added to the pool of forex reserves. The ensuing glut in demand may hamper the ability of financial intermediaries to meet the large forex requirements of the mining industry in a timely manner. More so, the additional demand from the mining industry may exert depreciative pressure on the local currency. In other words, the proposal to
vary the current mineral revenue retention agreement may have the unintended consequence of triggering a loss in the value of the country’s currency relative to other external currencies.

Since the existing regime allows for seamless and cost effective transactions, the Chamber requests the Ministry of Finance to retain same. This would not only allow the companies to operate efficiently and cost competitively but also guarantee steady supply of forex to the local financial intermediaries.

Issues with Income Tax Act, 2015 (Act 896)
The government passed the Income Tax Act, 2015 (Act 896) with the overriding objective of expanding its tax base and enhancing tax payments as well as revenue collection. Following the passage of the Act, the Chamber identified a number of concerns and raised them directly with the Minister of Finance. The specific concerns of the Chamber are as follows:

• Ring Fencing
Ring fencing is one of the major and fundamental concepts underlying the entire Act 896. In addition to the general provisions on ring fencing in the Act, there are specific provisions pertaining to the mining industry. Section 78 (1) provides that subject to this section, the following shall constitute a separate mineral operation:
  - A mineral operation pertaining to each mine, and
  - A mineral operation with a shared processing facility.

Key to the provisions on ring fencing is the concept of “Shared Processing Facility”. In 2013, the Chamber, the Ghana Revenue Authority and the Minerals Commission had a workshop to discuss the implementation of the ring fencing provisions contained in the Internal Revenue (Amendment) Act, 2012 (Act 839). The Chamber outlined key operational reasons why the concept of ring fencing as contained in Act 592 was not practicable. The concept of “Shared Processing Facility” was introduced and it was defined to mean “a cluster of processing plants in close proximity”. This was the consensus reached at the workshop subject to holding subsequent discussions to fine-tune its implementation.

Based on the current wording of Act 896, however, it appears that if a single mine has two processing facilities, each processing facility shall be ring fenced separately. This raises difficulties on the ground where ore from different pits is trucked to these facilities. The provision in the Act is not consistent with the consensus reached at the afore-mentioned workshop. Further, the current wording of the law artificially creates separate mineral operations and makes it difficult for mining companies to comply with it from a cost allocation perspective. The law suggests that the mining firm should separately account for income and expenses for its unnaturally segregated business.

Another key challenge in respect of the ring fencing provisions under Act 839 is the requirement that each “mining area” be treated as a separate mineral operation and the definition of “mining area” as “the area designated from time to time by the holder of a mining lease with the approval of the Minerals Commission,” which is consistent with the definition of mining area in the Minerals & Mining Act, 2006 (Act 703). This Mining Act’s definition envisages the routine practice of progressively declaring mining areas within the mining lease as part of the ongoing plan to develop a single mining operation. In essence, it recognizes that areas within a mine can be developed over time, but it does not follow that they should be treated as artificial separate mining operations for tax purposes as required by section 78 (3). To do so is an impractical and completely uncommercial imposition on mining companies.

For instance, how will ground rent be determined for the various mining areas within the mining lease? Assuming the determination of the rent is based on area of operation, then a deduction will only be available for the small proportion of the fees relating to the declared active mining area. The firm will not be able to offset the ex-mining area costs since there is no income attributable to those areas. More so, tax deductions could be lost in some declared mining areas if those areas are unprofitable. Of more importance is the requirement in section 77(5) that “arm’s length transaction” pricing rules be applied between each artificial “mineral operation”. This will create serious tax anomalies. In most cases the “arm’s length” price for toll treating ore is much higher than what could be sustained in an integrated mining operation comprising multiple pits. For most mines, the feasibility of the entire operation is dependent on ore from a number of pits being processed through a central processing facility. An “arm’s length” processing price will likely result in losses being recorded by each of the artificial “mineral
operations” containing pits and a profit and tax being payable by the “mineral operation” which contains the processing plant. That scenario is not sustainable.

In the light of the serious and hopefully unintended commercial implications resulting from the definition of “mining area” and the requirement to treat each mining area as a separate operation for tax purposes, together with the practical challenges with the concept of ring fencing, we propose that the GRA suspend the enforcement of these provisions as it dialogues with the Chamber to find a common position. In the petroleum industry, it is comparatively easier to ring-fence on a well by well basis. However, the same practice cannot practically be transferred to the mining industry, especially surface mines, where there is transferability of ore from different pits.

- **Limitations on Deductibility of Payment for Services to Non-Residents**

Under the erstwhile tax laws, non-resident persons were effectively taxed under the withholding tax system. However, the new income tax appears to deny a deduction for expenditure where the income for the service provider is not sourced from Ghana. Specifically, section 81 (2) (b) (ii) provides that “the Commissioner-General shall not allow a deduction for an amount unless that amount is wholly, exclusively and necessarily incurred in acquiring services or facilities for the mineral operation and is income of the recipient which has a source in Ghana”. Section 105 (i), also defines an income to have a source in Ghana “if it relates to payments for or attributable to employment, service rendered or forbearance from exercising employment or rendering a service in the country, regardless of the place of payment”.

These are the unintended consequences of the current wording of the law which the Chamber believes should not be the case. In its current state, the law is acutely detrimental to the mining industry, which is also the tax payer.

It is also unclear whether the restrictions in section 81 (2) have the effect of denying deductions for expenditure such as:

- Consumables such as fuel or chemicals acquired for use in the mining process (which is the case unless their purchase is accepted as the acquisition of a valuable asset)
- Wages of employees (unless they are classified as services of mining operation)
- Electricity costs, rent, telephone, among others.
- In view of the nebulous nature of the law, we request the GRA to take a second look at the wording of the law and address the concerns raised.

- **Thin Capitalization**

The Income Tax Act extends thin capitalization provisions to restriction of deductions for interest and foreign exchange losses incurred by a foreign controlled company to all debt from any source. This is a clear departure from the familiar practice of associating thin capitalization with related party transactions. In its current form, the Act raises a number of practical questions:

- What constitute debt since debt has not been defined?
- At what point during the year of assessment should reference be made to in determining debt for thin capitalization purposes?
- What is the make-up of exempt equity? Act 896 is silent on retained earnings and other reserves in determining what constitutes equity for thin capitalization purposes.
- At what point during the year of assessment should reference be made in determining equity for thin capitalization purposes?

The effect of the legislation would stifle the development of new mines or expansion of existing mines since the non-deductibility of interest and foreign exchange losses will be built into financial models used in the bank’s credit decisions. We therefore request the GRA to provide clarity on the interpretation and application on the provisions of thin capitalization.

- **Artificial deemed Profits or Loss of deductions on change in shareholdings**

Shares held directly or indirectly in a mining company by publicly listed companies should be exempted from the “look-through” provisions in sections 81 (8) and 62. This is on account of the fact that publicly listed companies have no control over the sale of their shares and may not be able to trace the beneficial owners of those shares. In most cases, the Ghanaian mining company, which is the subject of these
provisions may not have the requisite information to comply with the Act.

We recommend that shareholders of a firm listed on a recognized stock exchange should be treated as an individual rather than attempting to look through to its individual shareholders. In fact, this “look-through” provision will stifle exploration and development in the Ghanaian mining industry if not removed entirely, since it has the effect of creating an artificially determined tax profit for, or denying tax deductions to, a Ghanaian company when the company inevitably has to source new funds for exploration or development of a mine.

Certainly, it is not intended that if a foreign shareholder of a Ghanaian mining or exploration company issues shares to a new shareholder to raise exploration funds for the Ghanaian company in which it has invested, it will either create a taxable profit or deny future deductions under the market value provisions of section 83 (2). There is no disposal of an asset and no profit made by any entity, so how can the Ghanaian exploration or mining company be taxed on the transaction? What should be noted is that these provisions seek to create a deemed disposal for the Ghanaian company even where the investment in that company is only a minor part of the investment portfolio of the international investor which has a change of shareholding. Any investor investing in Ghana would be looking at a perceived triple layer of tax which would have to be factored into purchase prices, thereby increasing transactional costs.

If the aim of Section 83 is to tax benefits received by the sale of shares in non-Ghanaian entities which hold indirect interests in Ghanaian mineral assets as their major investment, then the state should consider replacing Section 83 with a provision which specifically taxes the sale of those indirect holdings. Keeping in mind that if Section 83 is replaced by such a provision, the tax should only apply where the investment in the Ghanaian mining company forms a major part of the underlying assets of the non-resident enterprise whose shares are sold, and should not apply to the sale of shares which are listed on a recognized stock exchange.

- **Taxation of Dividends**
  Section 85(1) excludes Ghanaian corporate company shareholders of mining companies from receiving dividends tax free under section 59 (3) where they own at least one-quarter of the shares in the company. This provision has the potential of creating double taxation, particularly, in the event that the dividend paid by the mining company will be taxed by its immediate shareholder and then again when that shareholder pays a dividend to its shareholder(s). Against this background, we request the GRA to provide clarity on the appropriate interpretation of this provision.

- **Guidelines for Approved Rehabilitation Funds**
  In line with section 84 of Act 896, mining companies are eligible for upfront deductions for rehabilitation payments into an approved rehabilitation fund. The upfront deduction is especially relevant for cash flow and sustainability of mining operations. However, the GRA disallows the provisional rehabilitation payments. With this practice, there will be no profits to offset the payments against them by the time a mine approaches its end of life. The Chamber urges GRA to develop the relevant guidelines to make the provision effective.

- **Repairs and Improvement (Section 12 Act 896)**
  The income of a person is calculated by deducting from that income, any expense that is incurred by that person for the repair or improvement of a depreciable asset of that person, where the repair or improvement cost:
  1. Is for a depreciable asset of that person;
  2. Must be wholly, exclusively and necessarily incurred in the production of income from investment or business in satisfaction of the requirement;
  3. Maybe of a capital nature.

  However, a deduction granted for a year of assessment with respect to a depreciable asset in a particular pool of depreciable assets of a person should not exceed 5% of the written down value of the pool at the end of the year. Any excess for which a deduction is not allowed as a result of the limitation shall be added to the depreciation basis of the pool to which it relates.

  The implication of the section 12 of Act 896 is basically asking tax payers to pay more taxes now by
restricting the deductible amount for repairs and improvement cost of depreciable assets by carrying forward any excess of 5 per cent on the written down value of the pool at the end of the year to which the repairs and improvement cost relates to. Thus, to restrict cost in a particular year and carrying forward any excess will result in huge amount in tax liability which members’ cash flows cannot sustain.

- **Value Added Tax (VAT) Flat Rate Scheme**

Unlike the earlier Value Added Tax (VAT) policy which was applicable to suppliers within a defined threshold, the new 3% VAT flat rate scheme applies to all suppliers, including companies within the Large Tax Payers Unit. Since all suppliers to the mining companies have been classified as wholesalers or retailers, the law will impact on the mining sector directly.

Most of the companies that supply products to the mining companies import more than 97% of their wares and consumables. Already, these companies pay duties and 17.5% VAT on the imported items. With the passage of the new VAT law, companies cannot claw back the 17.5% import VAT as input VAT. Consequently, the mining companies will bear the 3% VAT in addition to the 17.5% VAT which cannot be reclaimed, which would be treated as output VAT without any input VAT.

We therefore request that companies should be given the opportunity to claim input VAT suffered regardless of whether or not they fall within the 3% VAT scheme or alternatively revert to the historical basis where revenue levels determined the applicability or otherwise of the 3% VAT scheme.

- **Value Added Tax (VAT) on Mining Companies for the Supply of Power**

The VAT Act, 2013 (Act 870) stipulates in section 27 that the supply of any form of power heat, refrigeration or ventilation is a supply of goods. This provision also existed in the now repealed VAT Act, 1998 (Act 546).

The GRA suggests that, as our member companies make their mining facilities/operations available to service providers, to the extent that these service providers consume electricity on the mine site, that consumption of electricity should be regarded as a supply of power and should be subject to VAT accordingly.

We believe that the supply of power issue should be looked at in various applicable contexts depending on the arrangements entered into between the member mining company and its service provider. This is on account of the following reasons:

1) **Usage of the mine’s electricity supply available to all stakeholders**

Given the nature of mining (remote location, size of equipment etc.), certain technical and other service providers must transfer their equipment and specialist staff to the mine site to facilitate service delivery. In return, the mine makes available to them its facilities, supervisory staff and dedicated space amongst others. This is a recognized industry practice and the service providers’ contractual arrangements and invoices to the mine take cognizant of this.

As the mine does not generate or supply electricity, all mine staff, contractors and service providers make use of the same electricity supply and there is no additional charge for electricity consumption. In such an instance, there has not been a separate supply of power. All service providers (caterers, transportation services, leisure services, among others) make use of the same electricity supply and the amount that is billed to the mine takes cognizance of this.

As stated earlier, this is a business wide practice which is prevalent in other industries such as manufacturing, fabrication, among others.

2) **Additional Contractual Charge for electricity consumed by stakeholders**

As in the earlier example, service providers transfer their equipment and specialist staff to the mine site however the mine also makes available to them, a dedicated electricity supply. Such a dedicated electricity supply is contractually agreed to and chargeable as such and so should be subject to VAT.

In this instance, we would not disagree with the GRA’s position that a supply of power has taken place in accordance with Act 870. We are of the view that the contractual arrangements underpinning dealings between a mine and its service providers should be thoroughly reviewed in order to determine whether a
supply of power has indeed taken place. For example:

- Does the service provider need a certain quantum of uninterrupted power in order to operate?
- Does the contract stipulate that there will be an additional charge for electricity consumed?
- Does the mine make the same electricity available to all of its service providers to enable them deliver on their obligations?
- Does the mine profit from there being a separate charge for electricity?

Whilst these are not exhaustive, they do attempt to distinguish whether electricity is available to all or whether indeed a separate supply of power has taken place. In the case of the former, VAT is not applicable. For the latter, VAT is duly applicable.

**Publication of Tenth Edition of Mining List**

The Chamber liaised with the Sector Ministry, Minerals Commission, Customs Division of GRA and Ministry of Finance to review the Mining List to conform to technological advancements and ECOWAS Common External Tariff Regime. After thorough consultative stakeholder engagements, the parties firmed up the Mining List and forwarded same to the Ministry of Finance and the Sector Ministry through the Minerals Commission. The Chamber courts the support of the Sector Ministry in facilitating the expeditious consideration and publication of the tenth edition of the Mining List.

In a related matter, the Chamber would like to draw the Sector Ministry’s attention to the Ministry of Finance’s intention to exclude consumables from the Mining List. According to the Ministry of Finance, the statutes governing exemptions regime in the mining sector do not provide for the inclusion of consumables on the Mining List. Consequently, the Ministry of Finance will disallow exemptions on consumable items imported by mining companies. Clearly, this intention, which is premised on a strict interpretation of the law, would invariably culminate in additional cost for the mines and service providers. It is a well-known fact that expenditure on consumables constitute a major outgoing in the mining industry. For such reasons, consumables have traditionally been considered as part of the Mining List. More so, expenditure on consumables have been factored into the economic viability of the mines. Clearly, a variation in the exemptions regime will impact on a company’s life of mine. Accordingly, the Chamber solicits the government’s support in retaining consumables on the Mining List.

**Advocacy Issues**

**Incentives for Exploration Companies**

The relevance of exploration in ensuring a pipeline of future viable projects cannot be over-emphasized. It is the single most critical activity that guarantees continuous production of mineral and discovery of new mineral resources to supplement production from existing mines or replace output of mines whose economic ore body is exhausted. However, exploration investment in Ghana has declined significantly in recent years. This is alarming for a country to which mining is critical for forex and fiscal revenue generation among others.

Given that exploration is capital intensive and associated with high risk, it would be prudent for the government to relieve exploration companies from the payment of upfront costs. This would facilitate effective exploration and consequent commercial finds. Accordingly, it is crucial to put in place an incentive scheme that will reduce the cost associated with exploration and therefore attract the required critical investments into this high risk business of mineral exploration.

As a first step, we request government to exempt exploration companies from payment of VAT on big ticket cost items such as Drilling and Laboratory Services. In Ghana, VAT is payable on exploration expenditure and it cannot be recovered by the exploration companies unless they make a commercial find and commence production. This implies that where exploration is unsuccessful, VAT would not be recoverable. Effectively, the extent of actual exploration activity is diminished by upfront costs such as VAT on inputs. Thus, relieving the usually illiquid exploration companies from the payment of VAT would not only improve their cash flow and reduce their operational costs but also enhance the country’s image as a competitive destination for exploration investment. In the longrun, this will guarantee continuous mineral production and flow of fiscal and forex receipts as well as other benefits from the minerals sector.
Harmonization of Royalty Regime

Following consultations with stakeholders of the mining industry, section 25 of the Minerals and Mining Act, 2006 (Act 703) was amended by the repeal of the Mining (Amendment) Act, 2010 (Act 794) and substituted with a provision that gives discretionary powers to the Minister responsible for mining to prescribe the rate and manner for payment of royalty to the Republic. These amendments are contained in the Minerals and Mining (Amendment) Act, 2015 (Act 900). Although, the Minister is yet to publish regulations on the rate and manner for the payment of royalty almost two years after the passage of Act 900, some mining companies continue to pay an amount equivalent to 5% of mineral revenue as required in the amended Act while others are required to pay a variable royalty rate as shown in Table 4.0. The latter are mines that have investment agreements with the state and are relatively large gold producers.

Table 4.0: Renegotiated Royalty Rates in Investment and Development Agreements

<table>
<thead>
<tr>
<th>Royalty Rate (%)</th>
<th>Gold Price (USD per ounce)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>Less than $1,300</td>
</tr>
<tr>
<td>3.5</td>
<td>$1,300 - $1,449.99</td>
</tr>
<tr>
<td>4.0</td>
<td>$1,450 - $2,299.99</td>
</tr>
<tr>
<td>5.0</td>
<td>$2,300 and above</td>
</tr>
</tbody>
</table>

Source: JSE, 2016

In the considered view of the Chamber, the adoption of a sliding scale royalty regime based on the price of mineral is commendable as it enhances predictability and accommodates the volatile mood swings of the minerals market, especially the price of gold, the preponderant mineral mined in Ghana.

On the downside, however, the selective application of the variable royalty regime culminates in a situation where mid-tier mines bear a greater fiscal burden. The current situation does not encourage marginal and mid-tier mines to increase investment and may reduce mine development, which could be inimical to the sustainability of the mining industry. It may also result in high-grade mining and the associated sub-optimal development and harnessing of the country’s mineral endowment. High grade mining is a form of mining that focuses on extraction of high grade ore to the exclusion of lower grade, potentially profitable ore, which would not allow the country to realize the full potential mineral revenue, including multipliers.

Furthermore, the state involuntarily penalizes the medium and marginal mines during periods of sluggish commodity prices. In the long run, the critical investments which are needed to supplement or extend the life of existing mines may not materialize since the companies may invest the capital in other mining jurisdictions with competitive royalty rates. Naturally, this will shrink Government revenue and weaken the State’s ability to grow the economy on the back of the minerals industry.

The Chamber therefore requests the government to adopt a common sliding-scale royalty regime for the mining industry.

Operational Issues

• Delays in Issuance of Environmental Permits

The lack of adequate personnel at the Environmental Protection Agency (EPA) to review permit applications causes long delays in approval of same. The unpredictable lead times for issuing permits by the EPA adversely affect project planning and execution. It also impacts negatively on raising of investment capital for projects since it creates uncertainty regarding cash flows and other project metrics. A survey by the Fraser Institute in 2017 showed that most investors were concerned about the long lead time for the approval of environmental permits for both mining and exploration firms. We therefore urge government to improve the human resource capacity of EPA.

• Withdrawal of Troops from Mining Companies

Over the years, the Chamber and its producing member companies have received the support of the security agencies in protecting assets at the mines. In particular, the Chamber’s relationship with the Ghana Armed Forces was formalized through a Memorandum of Understanding (MoU) which was first
signed in 2014. Under this arrangement, some military personnel were deployed to the mines to provide a range of high level and strategic services to support the operations of mining companies. Generally, this excludes guard duties or any other activities that bring the officers in close proximity with civilians. As a matter of fact, the presence of military personnel on the mines is basically to deter crime and complement the mining companies’ internal security arrangements.

However, the government decided to withdraw military officers from the concessions of mining companies on 31st January, 2019. This measure ushered in serious security challenges for the operating mines. Firstly, the Minerals and Mining (Explosives) Regulations, 2012 (L.I. 2177) provides that magazines for storing explosives should be manned by highly competent security persons.

The civilian guards who used to undertake such duties were unable to ward off armed intruders from stealing explosives. In view of the risk the development posed to the country’s security, an agreement was reached among National Security, Minerals Commission and mining companies for armed military persons to permanently protect explosives magazines.

Thus, the pull-out of troops from the mines would lead to a situation where the mines may not be able to effectively safeguard such critical installations. In the context of recent happenings in the sub-region, this development could even be a fertile ground for coordinated attacks on the mines.

Further, the mine sites and their host communities are usually targets for sophisticated crimes which cannot be easily repelled by internal security officers. Indeed, the severity of the situation led to the deployment of military persons in mining communities under “Operation Calm Life” several years ago. The military personnel were accommodated at the mines at the behest of government due to the inability of local government authorities to provide the required logistics.

In essence, the presence of military officers at the mines was in service to the nation even as they protected a natural resource which was owned by the good people of Ghana. The level of crime in such areas have not remarkably improved to warrant a withdrawal of military officers. Accordingly, the Chamber urges the state to deploy police officers to complement private security personnel to protect life, limb and property at the various mines.

- **Deplorable State of Railway Infrastructure**

The Western railway line, which was the primary mode of hauling bulk minerals to the Takoradi port, has deteriorated over the years as a result of obsolescence and limited investments. Consequently, the bulk mining companies, like the other producers of bulk export commodities, have had to make use of the more expensive road system.

For instance, Ghana Manganese Company hauled only 15.6 per cent of its shipment via the western railway line and a large part by road. It is estimated that the cost of road haulage is 50 per cent more expensive than the alternative of using the railway lines. This erodes the bottom line of the bulk mineral producers and could compel them to fold up prematurely if a solution is not found sooner.

Successive Budget Statements and Economic Policies point out the intention of government to rehabilitate the western rail network. Unfortunately, this is yet to happen, even though the benefits of a well-functioning railway system will not be a preserve of the mining industry but the entire economy. It could also serve as an alternative means of transporting life, foodstuff and other commodities across the country.

The Chamber is therefore pleased at government’s efforts to rehabilitate the country’s railway network, particularly, the western railway line. We urge government to expedite action in that regard since it has the inherent potential to generate revenue to pay back the initial investment cost.
### Statistical Appendix

#### Appendix 1: Output and Shipments of Producing Member Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmont Ghana Gold Limited</td>
<td>436,106</td>
<td>643,067</td>
<td>47%</td>
</tr>
<tr>
<td>Gold Fields Ghana Limited</td>
<td>524,869</td>
<td>519,072</td>
<td>-1%</td>
</tr>
<tr>
<td>Newmont Golden Ridge Limited</td>
<td>414,427</td>
<td>422,099</td>
<td>2%</td>
</tr>
<tr>
<td>AngloGold Ashanti Iduapriem Limited</td>
<td>253,487</td>
<td>274,665</td>
<td>8%</td>
</tr>
<tr>
<td>Asanko Gold Mines Limited</td>
<td>223,152</td>
<td>251,044</td>
<td>12%</td>
</tr>
<tr>
<td>Abosso Goldfields Limited</td>
<td>180,844</td>
<td>208,381</td>
<td>15%</td>
</tr>
<tr>
<td>Chirano Gold Mines</td>
<td>226,370</td>
<td>201,037</td>
<td>-11%</td>
</tr>
<tr>
<td>Perseus Mining (Ghana) Limited</td>
<td>217,219</td>
<td>179,574</td>
<td>-17%</td>
</tr>
<tr>
<td>Golden Star Wassa Limited</td>
<td>149,698</td>
<td>156,168</td>
<td>4%</td>
</tr>
<tr>
<td>Adamus Resources Limited</td>
<td>103,731</td>
<td>84,197</td>
<td>-19%</td>
</tr>
<tr>
<td>Golden Star Bogoso Prestea Limited</td>
<td>75,087</td>
<td>47,533</td>
<td>-37%</td>
</tr>
<tr>
<td><strong>Total Gold Production</strong></td>
<td>2,804,990</td>
<td>2,986,837</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manganese (Tonnes)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ghana Manganese Company</td>
<td>4,551,754</td>
<td>5,383,014</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Ghana Chamber of Mines (2020)

#### Appendix 2: Mineral Revenue of Producing Member Companies (US$)

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmont Ghana Gold Limited</td>
<td>552,814,514</td>
<td>889,522,223</td>
<td>61%</td>
</tr>
<tr>
<td>Gold Fields Ghana Limited</td>
<td>666,903,612</td>
<td>720,369,121</td>
<td>8%</td>
</tr>
<tr>
<td>Newmont Golden Ridge Limited</td>
<td>525,562,745</td>
<td>594,777,021</td>
<td>13%</td>
</tr>
<tr>
<td>AngloGold Ashanti Iduapriem Limited</td>
<td>322,611,642</td>
<td>390,021,741</td>
<td>21%</td>
</tr>
<tr>
<td>Asanko Gold Mines Limited</td>
<td>285,008,422</td>
<td>343,187,228</td>
<td>20%</td>
</tr>
<tr>
<td>Abosso Goldfields Limited</td>
<td>228,953,694</td>
<td>288,346,709</td>
<td>26%</td>
</tr>
<tr>
<td>Chirano Gold Mines</td>
<td>285,981,659</td>
<td>281,559,113</td>
<td>-2%</td>
</tr>
<tr>
<td>Perseus Mining (Ghana) Limited</td>
<td>276,642,909</td>
<td>245,169,396</td>
<td>-11%</td>
</tr>
<tr>
<td>Golden Star Wassa Limited</td>
<td>190,015,785</td>
<td>217,382,101</td>
<td>14%</td>
</tr>
<tr>
<td>Adamus Resources Limited</td>
<td>131,032,157</td>
<td>119,272,938</td>
<td>-9%</td>
</tr>
<tr>
<td>Golden Star Bogoso Prestea Limited</td>
<td>95,837,297</td>
<td>66,820,357</td>
<td>-30%</td>
</tr>
<tr>
<td>Ghana Manganese Company Limited</td>
<td>297,006,753,99</td>
<td>415,194,770,23</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,858,371,189</td>
<td>4,571,622,718</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Ghana Chamber of Mines (2020)
### Appendix 3: All-In Sustaining Cost of Gold Producing Member Companies (US$/Ounce)

<table>
<thead>
<tr>
<th>Company</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmont Ghana Gold Limited</td>
<td>864</td>
<td>820</td>
<td>-5%</td>
</tr>
<tr>
<td>Gold Fields Ghana Limited</td>
<td>951</td>
<td>958</td>
<td>1%</td>
</tr>
<tr>
<td>Newmont Golden Ridge Limited</td>
<td>705</td>
<td>718</td>
<td>2%</td>
</tr>
<tr>
<td>AngloGold Ashanti Iduapriem Limited</td>
<td>977</td>
<td>890</td>
<td>-9%</td>
</tr>
<tr>
<td>Asanko Gold Mines Limited</td>
<td>1,072</td>
<td>1,112</td>
<td>4%</td>
</tr>
<tr>
<td>Abosso Goldfields Limited</td>
<td>813</td>
<td>809</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Chirano Gold Mines</td>
<td>889</td>
<td>1,082</td>
<td>22%</td>
</tr>
<tr>
<td>Perseus Mining (Ghana) Limited</td>
<td>1,129</td>
<td>985</td>
<td>-13%</td>
</tr>
<tr>
<td>Golden Star Wassa Limited</td>
<td>886</td>
<td>922</td>
<td>4%</td>
</tr>
<tr>
<td>Adamus Resources Limited</td>
<td>981</td>
<td>1,089</td>
<td>12%</td>
</tr>
<tr>
<td>Golden Star Bogoso Prestea Limited</td>
<td>1,558</td>
<td>1,937</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>984</td>
<td>1,029</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: Ghana Chamber of Mines (2020)

### Appendix 4: Volume of Gold Assayed by Precious Minerals Marketing Company for Licensed Gold Exporting Companies

<table>
<thead>
<tr>
<th>NAME OF COMPANY</th>
<th>2018</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-Country Purchases</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. A. MINERALS LTD</td>
<td>409,933</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>ABLE GRAND RESOURCES CO. LTD</td>
<td>-</td>
<td>1,400</td>
<td></td>
</tr>
<tr>
<td>ARIMA INTRA GHANA LTD</td>
<td>-</td>
<td>5,267</td>
<td></td>
</tr>
<tr>
<td>ASANSKA JEWELLERY LTD</td>
<td>11,529</td>
<td>22,459</td>
<td>95%</td>
</tr>
<tr>
<td>ASAP VASA COMPANY LTD</td>
<td>30</td>
<td>2,875</td>
<td>9,373%</td>
</tr>
<tr>
<td>ATHENA INTERNATIONAL LTD</td>
<td>-</td>
<td>74,698</td>
<td></td>
</tr>
<tr>
<td>AU RESOURCES GHANA LTD</td>
<td>10,757</td>
<td>96,286</td>
<td>795%</td>
</tr>
<tr>
<td>BGC INTRNATIONAL</td>
<td>4,409</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>BLAZE METALS</td>
<td>-</td>
<td>41,655</td>
<td></td>
</tr>
<tr>
<td>BRENLEY QUARTZ CO. LTD</td>
<td>-</td>
<td>19,001</td>
<td></td>
</tr>
<tr>
<td>BULLIONS RESOURCES LTD</td>
<td>470</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>COVENANT MINERALS LTD</td>
<td>-</td>
<td>89,760</td>
<td></td>
</tr>
<tr>
<td>E.A.R LOGISTICS</td>
<td>-</td>
<td>14,233</td>
<td></td>
</tr>
<tr>
<td>FIORE INTERNATIONAL LTD</td>
<td>-</td>
<td>178</td>
<td></td>
</tr>
<tr>
<td>GEOSPENCE GHANA LTD</td>
<td>96,471</td>
<td>853</td>
<td>-99%</td>
</tr>
<tr>
<td>GOLD COAST REFINERY LTD</td>
<td>57,519</td>
<td>176,905</td>
<td>208%</td>
</tr>
<tr>
<td>GOLD RECOVERY GHANA LTD</td>
<td>2,241</td>
<td>815</td>
<td>-64%</td>
</tr>
<tr>
<td>GOLDEN EMPIRE LEGACY LTD</td>
<td>-</td>
<td>123,273</td>
<td></td>
</tr>
<tr>
<td>GOLDRIDGE GHANA LTD</td>
<td>-</td>
<td>26,351</td>
<td></td>
</tr>
<tr>
<td>GRAND EXCHANGE GHANA LTD</td>
<td>45</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>GULDREST RESOURCES CO. LTD</td>
<td>290</td>
<td>2,971</td>
<td>924%</td>
</tr>
<tr>
<td>ITALTEC GHANA LTD</td>
<td>272,395</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>Company Name</td>
<td>Shares</td>
<td>Shares Value</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------</td>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>JORLY MINERALS LTD</td>
<td>-</td>
<td>12,001</td>
<td></td>
</tr>
<tr>
<td>KYEI &amp; AMANKWA CONSULTING LTD</td>
<td>-</td>
<td>37,451</td>
<td></td>
</tr>
<tr>
<td>M &amp; C LOGISTICS AND TRADING CO. LTD</td>
<td>30</td>
<td>778</td>
<td>2514%</td>
</tr>
<tr>
<td>MENZGOLD GHANA</td>
<td>50,960</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>MICROGOLD TRUST LTD</td>
<td>-</td>
<td>95,579</td>
<td></td>
</tr>
<tr>
<td>MONEX MINING COMPANY LTD</td>
<td>23,951</td>
<td>238,933</td>
<td>898%</td>
</tr>
<tr>
<td>NAPARI COMPANY LTD</td>
<td>-</td>
<td>99,864</td>
<td></td>
</tr>
<tr>
<td>O. M MINERALS GHANA LTD</td>
<td>233,441</td>
<td>1,617</td>
<td>-99%</td>
</tr>
<tr>
<td>PREMETEX GHANA LTD</td>
<td>-</td>
<td>31,317</td>
<td></td>
</tr>
<tr>
<td>RAFMOH GOLD LTD</td>
<td>-</td>
<td>9,527</td>
<td></td>
</tr>
<tr>
<td>RG RESOURCES</td>
<td>457,273</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>RINGMEAD GOLD</td>
<td>3</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>SAHARA ROYAL GOLD REFINERY</td>
<td>302,863</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>SAMASKA COMPANY LTD</td>
<td>-</td>
<td>122,633</td>
<td></td>
</tr>
<tr>
<td>STELNA SOLUTIONS LTD</td>
<td>21,257</td>
<td>955</td>
<td>-96%</td>
</tr>
<tr>
<td>SWB4 COMPANY LTD</td>
<td>575</td>
<td>6,335</td>
<td>102%</td>
</tr>
<tr>
<td>VIMSTAR LTD</td>
<td>29,159</td>
<td>231,917</td>
<td>695%</td>
</tr>
<tr>
<td><strong>SUB - TOTAL</strong></td>
<td><strong>1,985,600</strong></td>
<td><strong>1,587,888</strong></td>
<td><strong>-20%</strong></td>
</tr>
</tbody>
</table>

**Trans-shipment**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Shares</th>
<th>Shares Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.A MINERALS</td>
<td>269,285</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>SAHARA ROYAL</td>
<td>279</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>269,564</strong></td>
<td>-</td>
<td><strong>-100%</strong></td>
</tr>
</tbody>
</table>

Source: PMMC (2020)
Appendix 5

Box 1.0: Composition of All-In-Sustaining Cost

Mining Cost

+ Ore Processing Cost

+ Mine Site General and Administrative Cost

+ Dore/Concentrate Expense

\[ \text{Labour, Electricity, Fuel, etc.} \]

\[ \text{Dore Freight, Third Party Treatments, Refining Charges, By-Product Credits} \]

Cash Operating Costs

Production Taxes

Corporate/Head Office Expenses

Sustaining Expenditure

\[ \text{Reclamation and Remediation Expense, Exploration Costs, Sustaining Capital Expenditure} \]

All-In Sustaining Cost

Source: Based on formula of World Gold Council (2019)
FINANCIAL STATEMENTS
The Ghana Chamber of Mines
Statement of Council's responsibilities

In accordance with the requirements of section 136 of the Companies Act, 2019, (Act 992), the Council members have the pleasure in presenting the report of the Chamber for the year ended 31 December 2019.

Principal activities
The Ghana Chamber of Mines is the main minerals industry association in Ghana. The Chamber represents the collective interests of companies involved in mineral exploration, production and processing in Ghana. Its activities are entirely funded by its member companies, which produce majority of Ghana’s mineral output. The Chamber has represented the industry’s interests since 1928.

Financial results
The summary of the financial results of the Chamber are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 1 January 2019</td>
<td>GH¢ 5,759,392</td>
<td>GH¢ 9,063,534</td>
</tr>
<tr>
<td>Surplus/deficit</td>
<td>GH¢ 618,685</td>
<td>(GH¢ 3,304,142)</td>
</tr>
<tr>
<td>Balance as of 31 December 2019</td>
<td>GH¢ 6,378,077</td>
<td>GH¢ 5,759,392</td>
</tr>
</tbody>
</table>

Interest register
There were no entries in the interest register for the year 2019 (2018: nil).

Auditor
In accordance with section 139(5) of the Companies Act 2019, Act 992, the Auditors, Messrs. Deloitte & Touche, continue in office as Auditors of the Chamber.

Audit fees
The audit fees for the year is GH¢ 80,026 (2018: GH¢ 57,600).

Steps taken to build capacity of Council Members
The Council Members have been on continuous training and have attended conferences and trainings worldwide to improve their experience at their organisational level. We believe these experiences will build the capacity of the Council Members to discharge their duties.

Going concern
The Council Members are satisfied that the Chamber has access to adequate resources to continue in operational existence for the foreseeable future.

[Signatures]
Council Member
Date: 22nd May 2020

[Signatures]
Council Member
Date: 22nd May 2020
The Ghana Chamber of Mines
Statement of Council’s responsibilities

The Council is responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Chamber at the end of the financial year and of the excess of income over expenditure of the Chamber for that period. In preparing those financial statements, the Council is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Chamber will continue in business

The Council is responsible for ensuring that the Chamber keeps accounting records which disclose with reasonable accuracy the financial position of the Chamber and which enable them to ensure that the financial statements comply with International Financial Reporting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Chamber, and to prevent and detect fraud and other irregularities.
Independent auditors’ report
To members of The Ghana Chamber of Mines

Opinion
We have audited the accompanying financial statements of The Ghana Chamber of Mines which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of the Chamber as at 31 December 2019 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992).

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chamber in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the International Ethics and Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Council is responsible for the other information. The other information comprises the Report of the Council, which we obtained prior to the date of this auditor’s report. The other information does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council’s for the Financial Statements
The Council is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Chamber’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Chamber or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chamber’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Chamber’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Chamber to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Finance and Budget Committee and the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

---

**Report on Other Legal and Regulatory Requirements**

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.

2. In our opinion:
   - proper books of accounts have been kept by the Chamber, so far as appears from our examination of those books.
   - the information and explanations or provided to us, is in the manner required by Act 992 and give a true and fair view of the:
     a. statement of financial position of the Chamber at the end of the financial year, and
     b. statement of profit or loss and other comprehensive income for the financial year.

3. The Chamber’s statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the accounting records and returns.

4. We are independent of the Chamber, pursuant to section 143 of Act 992.

The engagement partner on the audit resulting in this independent auditor’s report is Charlotte Forson (ICAG/P/1509)

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For and on behalf of Deloitte & Touche (ICAG/F/2020/129) Chartered Accountants The Deloitte Place Plot No. 71, off George Walker Bush Highway Accra

………………………….……………………….. 2020
## Statement of Comprehensive income
For the year ended 31 December 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 GHc</th>
<th>2018 GHc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4</td>
<td>7,959,325</td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>274,163</td>
</tr>
<tr>
<td>Other income</td>
<td>6</td>
<td>126,886</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>8,360,374</strong></td>
</tr>
<tr>
<td>General &amp; administrative expenses</td>
<td>7</td>
<td><em>(7,673,148)</em></td>
</tr>
<tr>
<td>Surplus/(deficit) before taxation</td>
<td></td>
<td><strong>687,226</strong></td>
</tr>
<tr>
<td>Taxation</td>
<td>8</td>
<td><em>(68,541)</em></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
<td><strong>618,685</strong></td>
</tr>
</tbody>
</table>
### Statement of financial position
**As at 31 December 2019**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 GH¢</th>
<th>2018 GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non current asset</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>9</td>
<td>7,112,551</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>10</td>
<td>398,445</td>
</tr>
<tr>
<td>Held to maturity investments</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Cash and bank</td>
<td>12</td>
<td>360,072</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>7,581,517</td>
</tr>
<tr>
<td><strong>Funds and equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>3</td>
<td>6,378,077</td>
</tr>
<tr>
<td>Accumulated fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>6,378,080</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>13</td>
<td>943,292</td>
</tr>
<tr>
<td>Accruals</td>
<td>14</td>
<td>276,232</td>
</tr>
<tr>
<td>Taxation</td>
<td>8</td>
<td>68,541</td>
</tr>
<tr>
<td>Other long term employee benefits</td>
<td>15</td>
<td>204,923</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,492,988</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>7,871,068</td>
</tr>
</tbody>
</table>

The financial statements on pages 109 to 135 were approved for issue by the Council on 22nd May 2020 and signed on its behalf by:

**Council Member**

Date: 22nd May 2020

**Council Member**

Date: 22nd May 2020
## Statement of changes in equity

For the year ended 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>Stated Capital GH¢</th>
<th>Accumulated Fund GH¢</th>
<th>Total GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 1 January 2019</td>
<td>3</td>
<td>5,759,392</td>
<td>5,759,395</td>
</tr>
<tr>
<td>Surplus</td>
<td>-</td>
<td>618,685</td>
<td>618,685</td>
</tr>
<tr>
<td><strong>Balance as of 31 December 2019</strong></td>
<td>3</td>
<td>6,378,077</td>
<td>6,378,080</td>
</tr>
<tr>
<td>Balance as of 1 January 2018</td>
<td>3</td>
<td>9,063,534</td>
<td>9,063,537</td>
</tr>
<tr>
<td>Deficit</td>
<td>-</td>
<td>(3,304,142)</td>
<td>(3,304,142)</td>
</tr>
<tr>
<td><strong>Balance as of 31 December 2018</strong></td>
<td>3</td>
<td>5,759,392</td>
<td>5,759,395</td>
</tr>
</tbody>
</table>
Statement of cash flows  
For the year ended 31 December 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) before taxation</td>
<td>687,226</td>
<td>(3,136,889)</td>
</tr>
<tr>
<td>Non-cash adjustment to reconcile profit before tax to net cash flows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>348,906</td>
<td>135,018</td>
</tr>
<tr>
<td>Profit on disposal of property, plant and equipment</td>
<td>-</td>
<td>(89,576)</td>
</tr>
<tr>
<td><strong>Working capital adjustments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in receivables</td>
<td>(20,207)</td>
<td>2,267</td>
</tr>
<tr>
<td>Change in accounts and other payable</td>
<td>(3,181,486)</td>
<td>3,720,171</td>
</tr>
<tr>
<td>Change in accrued charges</td>
<td>96,563</td>
<td>13,809</td>
</tr>
<tr>
<td>Other long term employee benefits</td>
<td>32,519</td>
<td>(26,354)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>(2,036,479)</td>
<td>618,446</td>
</tr>
<tr>
<td><strong>Tax paid</strong></td>
<td>(167,253)</td>
<td>(338,408)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redemption of investment</td>
<td>1,300,000</td>
<td>5,739,208</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(59,850)</td>
<td>(4,924,599)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>-</td>
<td>93,692</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents</strong></td>
<td>(963,582)</td>
<td>1,188,339</td>
</tr>
<tr>
<td>Cash and cash equivalents at 1 January</td>
<td>1,323,654</td>
<td>135,315</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at 31 December</strong></td>
<td>360,072</td>
<td>1,323,654</td>
</tr>
</tbody>
</table>
1. Corporate information
The Chamber is the main minerals industry association in Ghana. The Chamber represents the collective interests of its member companies involved in mineral exploration, production and processing in Ghana.

Its activities are entirely funded by its member companies, which produce over 60 percent of Ghana’s mineral output.

The Chamber has represented the industry’s interests since 1928. The Chamber is a registered as a company limited by guarantee.

The registered office of the Chamber is Gulf Street, South Legon, Adjacent Wild Gecko Handicrafts, Accra.

2. Basis of preparation
The financial statements of the Chamber have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of measurement
The financial statements have been prepared on a historical cost basis. The financial statements are presented in Ghana Cedis [GH¢].

Estimates and assumptions
In the process of applying the Chamber accounting policies, the most significant judgements made by management relate to the following:

Provision for bad and doubtful debt
The Chamber reviews its receivables individually at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, management’s judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Other long term employee benefits obligation
The cost of the other long term employee benefits is determined based on assumptions about discount rates and future salary increases. Due to the long–term nature of these plans, such estimates are subject to significant uncertainty.

2.2 Summary of significant accounting policies
The following are the significant accounting policies applied by the Chamber in preparing its financial statements:

2.2.1 Revenue recognition
Revenue represents contributions from all members. Contributions are recognized when invoiced and consist of contributions for operating costs and image building fund collected in-line with the yearly approved budget. There are no exclusions in this regard.

2.2.2 Property, plant and equipment
Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Depreciation is provided on a straight line basis over the useful lives of the following classes of assets:

- Leasehold land & building  Lease period - 50 years
- Office furniture  5 years
- Computer  5 years
- Equipment  5 years
- Motor vehicle  4 years

The assets’ residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indication that the carrying value may not be recoverable. Impairment losses are recognised in the income statement as an expense.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets. The Chamber determines the classification of its financial assets at initial
Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Chamber’s documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held to maturity categories are used when the relevant liability (including shareholders’ funds) is passively managed and/or carried at amortised cost.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Chamber commits to purchase or sell the asset.

The Chamber’s financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

### 2.2.3 Financial assets

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

**Held to maturity financial assets**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Chamber has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortised cost, using the EIR, less impairment. The EIR amortisation is included in ‘investment income’ in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

**Derecognition of financial assets**

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

1) The rights to receive cash flows from the asset have expired or the Chamber retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:

   ii) The Chamber has transferred substantially all the risks and rewards of the asset or the Chamber has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Chamber has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Chamber’s continuing involvement in the asset.

The Chamber assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Evidence of impairment may include indications that the Chamber’s receivables are experiencing significant financial difficulty, default or delinquency in the payment of member subscriptions, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**Impairment of financial assets**

**Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Chamber first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Chamber determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk.
characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For available-for-sale financial investments, the Chamber assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a ‘significant or prolonged’ decline in the fair value of the investment below its cost. ‘Significant’ is to be evaluated against the original cost of the investment and ‘prolonged’ against the period in which the fair value has been below its original cost.

Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

**Fair value of financial instruments**

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

**2.2.4 Financial liabilities – initial recognition and subsequent measurement**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, minus directly attributable transaction costs.

The Chamber’s financial liabilities include, trade and other payables.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

**2.2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

**2.2.6 Impairment**

An annual impairment review of assets is carried out by comparing the net book value of the assets
with their recoverable amount. Recoverable amounts are based on the higher of the value in use and the fair value less costs to sell. Value in use is determined by applying a discount rate to the anticipated pre-tax cash flow for the remaining useful life of the asset.

Where the recoverable amount is less than the net book value, the impairment is charged against income to reduce the carrying amount of the affected assets to recoverable amounts. The revised carrying amounts are amortised on a systematic basis over the remaining useful life of such affected assets.

2.2.7 Provisions
Provisions are recognised where the Chamber has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an overflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.3 New and revised IFRS Standards in issue but not yet effective
Impact of initial application of IFRS 16 Leases
In the current year, IFRS 16 (as issued by the IASB in January 2016) is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. There is no impact of this standard on the operations of the Chamber.

(a) Impact of the new definition of a lease
The Chamber has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on ‘risks and rewards’ in IAS 17 and IFRIC 4.

The Chamber applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Chamber has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Chamber.

b) Impact on Lessee Accounting
(I) Former operating leases
IFRS 16 changes how the Chamber will account for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Chamber:
(a) Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Chamber has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within ‘other expenses’ in profit or loss.
(ii) Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Chamber recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Chamber’s financial statements.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

(d) Financial impact of the initial application of IFRS 16

There is no material change in the financial statement upon initial application of IFRS 16 as the Chamber has not leased any properties.

2.3.2 New and amended IFRS Standards that are effective for the current year but with no material impact upon adoption

In the current year, the Chamber has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The Chamber has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the ‘solely payments of principal and interest’ (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

The Chamber has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity’s net investment in an associate or joint venture.

The Chamber applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the Chamber does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Annual Improvements to IFRS Standards 2015–2017 Cycle

The Chamber has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards:

- **IAS 12 Income Taxes**
  
  The amendments clarify that the Chamber should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Chamber originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

- **IAS 23 Borrowing Costs**
  
  The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
**IFRS 3 Business Combinations**

The amendments clarify that when the Chamber obtains control of a business that is a joint operation, the Chamber applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

**IFRS 11 Joint Arrangements**

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Chamber does not remeasure its PHI in the joint operation.

**Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The Chamber has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Chamber will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

**IFRIC 23 Uncertainty over Income Tax Treatments**

The Chamber has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Chamber to:

- determine whether uncertain tax positions are assessed separately or as a Chamber; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

If yes, the Chamber should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

If no, the Chamber should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

**2.3.3 New and revised IFRS Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Chamber has not applied the following new and revised IFRS Standards that have been issued but are not yet effective [and [in some cases] had not yet been adopted by the European Union (EU).

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Chamber in future periods, except as noted below:

**IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account
market interest rates and the impact of policyholders’ options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

**IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Council Members do not anticipate that the application of these amendments may have an impact on the Chamber’s financial statements in future periods should such transactions arise.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

**Amendments to IAS 1 and IAS 8 Definition of material**

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from ‘could influence’ to ‘could reasonably be expected to influence’.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term ‘material’ to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

**Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised Conceptual Framework.
Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective date. The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application.

3 Use of estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Deferred tax assets and liabilities

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Useful lives of property, plant and equipment

The Chamber reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

c) Fair value measurement and valuation processes

In estimating the fair value of an asset or liability, the Chamber uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Chamber engages third party qualified valuers to perform the valuation.

d) Contingencies

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

e) Financial instruments

Financial assets and financial liabilities are recognised in the Chamber’s statement of financial position when the Chamber becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification...
of the financial assets.

Classification of financial assets

- Debt instruments that meet the following conditions are measured subsequently at amortised cost:
  - The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
  - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).
- Despite the foregoing, the Chamber may make the following irrevocable election/designation at initial recognition of a financial asset:
  - The Chamber may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met and
  - The Chamber may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Chamber are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in...
profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI
On initial recognition, the Chamber may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
• It has been acquired principally for the purpose of selling it in the near term; or
• On initial recognition it is part of a portfolio of identified financial instruments that the Chamber manages together and has evidence of a recent actual pattern of short-term profit-taking; or
• It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘finance income’ line item in profit or loss.

The Chamber has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

(iv) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:
• Investments in equity instruments are classified as at FVTPL, unless the Chamber designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Chamber has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

Impairment of financial assets
The Chamber recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Chamber always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Chamber’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic
conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Chamber recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Chamber measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Chamber compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Chamber considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Chamber’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Chamber’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition, an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating:

- Significant deterioration in external market indicators of credit risk for a particular financial instrument,
- e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Chamber presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Chamber has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Chamber assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(i) The Chamber considers a financial asset to have low credit risk when the asset has external credit rating of ‘investment grade’ in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of ‘performing’. Performing means that the counterparty has a strong financial position and there is no past due amounts.
Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Chamber’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Chamber in accordance with the contract and all the cash flows that the Chamber expects to receive, discounted at the original effective interest rate.

If the Chamber has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Chamber measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Chamber recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Chamber derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Chamber neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Chamber recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Chamber retains substantially all the risks and rewards of ownership of a transferred financial asset, the Chamber continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
## Notes to the financial statements
### For the year ended 31 December 2019

### 4 Revenue

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td>Membership subscription</td>
<td>6,417,454</td>
<td>5,561,467</td>
</tr>
<tr>
<td>Image Building Fund (IBF)</td>
<td>1,541,871</td>
<td>1,843,132</td>
</tr>
<tr>
<td></td>
<td>7,959,325</td>
<td>7,404,599</td>
</tr>
</tbody>
</table>

### 5 Investment income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td>Income from fixed deposits</td>
<td>274,163</td>
<td>669,011</td>
</tr>
</tbody>
</table>

### 6 Other income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td>Interest on savings and deposits</td>
<td>21,734</td>
<td>22,050</td>
</tr>
<tr>
<td>Interest on staff loans</td>
<td>11,289</td>
<td>3,074</td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td>-</td>
<td>89,576</td>
</tr>
<tr>
<td>Hiring of conference room</td>
<td>25,133</td>
<td>17,933</td>
</tr>
<tr>
<td>Exhibition income</td>
<td>68,730</td>
<td>5,000</td>
</tr>
<tr>
<td>Exchange difference</td>
<td>-</td>
<td>697,526</td>
</tr>
<tr>
<td></td>
<td>126,886</td>
<td>835,159</td>
</tr>
</tbody>
</table>
## 7 General & administrative expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource and training</td>
<td>4,614,912</td>
<td>5,695,436</td>
</tr>
<tr>
<td>Office management</td>
<td>1,419,432</td>
<td>1,208,814</td>
</tr>
<tr>
<td>International travels</td>
<td>121,772</td>
<td>79,071</td>
</tr>
<tr>
<td>Audit fees</td>
<td>80,026</td>
<td>57,600</td>
</tr>
<tr>
<td>Depreciation</td>
<td>348,906</td>
<td>135,018</td>
</tr>
<tr>
<td>GHEITI</td>
<td>2,863</td>
<td>14,465</td>
</tr>
<tr>
<td>Exchange loss</td>
<td>429,561</td>
<td>(3,350,800)</td>
</tr>
<tr>
<td>Impaired investments</td>
<td>-</td>
<td>3,350,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,017,472</td>
<td>10,541,204</td>
</tr>
</tbody>
</table>

## 8 Image building fund expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation</td>
<td>77,803</td>
<td>329,800</td>
</tr>
<tr>
<td>Publicity and advertising</td>
<td>254,723</td>
<td>874,296</td>
</tr>
<tr>
<td>Protocol</td>
<td>63,580</td>
<td>57,626</td>
</tr>
<tr>
<td>Press soiree</td>
<td>27,408</td>
<td>122,732</td>
</tr>
<tr>
<td>Others</td>
<td>89,037</td>
<td>-</td>
</tr>
<tr>
<td>UMaT - Environmental Sciences Chair</td>
<td>143,125</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>655,676</td>
<td>1,504,454</td>
</tr>
</tbody>
</table>

## 8 Current tax payable

<table>
<thead>
<tr>
<th>Year of assessment</th>
<th>Balance 1/1/19</th>
<th>Charge for the year</th>
<th>Payments</th>
<th>Balance 31/12/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>167,253</td>
<td>-</td>
<td>(167,253)</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>68,541</td>
<td>-</td>
<td>68,541</td>
</tr>
</tbody>
</table>

| Total              | 167,253        | 68,541              | (167,253)| 68,541          |
## Notes to the financial statements
### For the year ended 31 December 2019

### Reconciliation of effective tax rate

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/loss before tax</td>
<td>687,226</td>
<td>(3,136,889)</td>
</tr>
<tr>
<td>Tax computed at applicable tax rate of 25%</td>
<td>171,807</td>
<td>(784,222)</td>
</tr>
<tr>
<td>Tax effect of non-taxable income</td>
<td>(2,059,940)</td>
<td>(2,059,940)</td>
</tr>
<tr>
<td>Tax effect of non-deductible expense</td>
<td>3,010,165</td>
<td>3,010,165</td>
</tr>
<tr>
<td>Total tax expense</td>
<td>(68,541)</td>
<td>(167,253)</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>(5)%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Property & equipment

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 Jan.</strong></td>
<td><strong>At</strong></td>
<td><strong>Additions/transfer</strong></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td>Leasehold land and buildings</td>
<td>6,617,768</td>
<td>9,600</td>
</tr>
<tr>
<td>Furniture, fittings &amp; equipment</td>
<td>712,946</td>
<td>50,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,776,109</td>
<td>59,850</td>
</tr>
</tbody>
</table>

### Depreciation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 Jan.</strong></td>
<td><strong>Charge for the year</strong></td>
<td><strong>At 31 Dec.</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>GHc</td>
<td>GHc</td>
</tr>
<tr>
<td>Leasehold land and buildings</td>
<td>38,080</td>
<td>132,355</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>232,302</td>
<td>79,822</td>
</tr>
<tr>
<td>Furniture, fittings &amp; equipment</td>
<td>104,120</td>
<td>136,729</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>374,502</td>
<td>348,906</td>
</tr>
</tbody>
</table>

### Net book value

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 31 December 2019</strong></td>
<td>7,112,551</td>
</tr>
<tr>
<td><strong>At 31 December 2018</strong></td>
<td>7,401,607</td>
</tr>
</tbody>
</table>
## Notes to the financial statements
### For the year ended 31 December 2019

### Property & equipment

<table>
<thead>
<tr>
<th></th>
<th>At 1 Jan.</th>
<th>Additions/ transfer</th>
<th>Disposal/ transfer</th>
<th>At 31 Dec.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GH¢</td>
<td>GH¢</td>
<td>GH¢</td>
<td>GH¢</td>
</tr>
<tr>
<td>Leasehold land and buildings</td>
<td>25,579</td>
<td>6,592,189</td>
<td>-</td>
<td>6,617,768</td>
</tr>
<tr>
<td>Furniture, fittings &amp; equipment</td>
<td>239,268</td>
<td>587,163</td>
<td>(113,485)</td>
<td>712,946</td>
</tr>
<tr>
<td>Work in progress</td>
<td>2,455,376</td>
<td>4,136,813</td>
<td>(6,592,189)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,027,772</td>
<td>11,516,788</td>
<td>(6,768,451)</td>
<td>7,776,109</td>
</tr>
</tbody>
</table>

### Depreciation

<table>
<thead>
<tr>
<th></th>
<th>At 1 Jan.</th>
<th>Charge for the year</th>
<th>Disposal</th>
<th>At 31 Dec.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GH¢</td>
<td>GH¢</td>
<td>GH¢</td>
<td>GH¢</td>
</tr>
<tr>
<td>Leasehold land and buildings</td>
<td>4,607</td>
<td>33,473</td>
<td>-</td>
<td>38,080</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>208,783</td>
<td>86,296</td>
<td>(62,777)</td>
<td>232,302</td>
</tr>
<tr>
<td>Furniture, fittings &amp; equipment</td>
<td>198,240</td>
<td>15,249</td>
<td>(109,369)</td>
<td>104,120</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>374,502</td>
</tr>
<tr>
<td></td>
<td>411,630</td>
<td>135,018</td>
<td>(172,146)</td>
<td></td>
</tr>
</tbody>
</table>

### At 31 December 2018

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,401,607</td>
</tr>
</tbody>
</table>

### Receivables

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GH¢</td>
<td>GH¢</td>
</tr>
<tr>
<td>Members receivables</td>
<td>449,685</td>
<td>344,996</td>
</tr>
<tr>
<td>Provision for bad and doubtful debt</td>
<td>(449,685)</td>
<td>(344,996)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Receivables</td>
<td>221,686</td>
<td>229,930</td>
</tr>
<tr>
<td>Prepayment</td>
<td>123,585</td>
<td>73,166</td>
</tr>
<tr>
<td>Other receivables</td>
<td>53,174</td>
<td>75,142</td>
</tr>
<tr>
<td></td>
<td>398,445</td>
<td>378,238</td>
</tr>
</tbody>
</table>
Notes to the financial statements
For the year ended 31 December 2019

11 Held to maturity investments

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Deposits</td>
<td>-</td>
<td>1,300,000</td>
</tr>
</tbody>
</table>

12 Cash and bank balances

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current account balances</td>
<td>360,042</td>
<td>1,323,643</td>
</tr>
<tr>
<td>Petty cash account</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>360,072</td>
<td>1,323,654</td>
</tr>
</tbody>
</table>

13 Payables

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members Companies</td>
<td>29,000</td>
<td>2,642,170</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>914,292</td>
<td>1,482,605</td>
</tr>
<tr>
<td></td>
<td>943,292</td>
<td>4,124,775</td>
</tr>
</tbody>
</table>

14 Accruals

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued charges</td>
<td>194,855</td>
<td>122,069</td>
</tr>
<tr>
<td>Audit fees</td>
<td>81,377</td>
<td>57,600</td>
</tr>
<tr>
<td></td>
<td>276,232</td>
<td>179,669</td>
</tr>
</tbody>
</table>

15 Other long term employee benefits

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term benefits accrued</td>
<td>204,923</td>
<td>172,404</td>
</tr>
</tbody>
</table>

The policy on other long term employee benefit for junior staff is to enjoy their one month salary for every five years spent. Management and senior staff are given benefits in kind and 10 days for every year served at the time of retirement.
The range of actuarial assumptions applied in calculating the liabilities for other long-term employee benefits is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>14.7%</td>
<td>14.7%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Salary increase</td>
<td>6.0%</td>
<td>6.0%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

### 16 Financial risk management
The Chamber’s activities expose it to a variety of risks, including, financial risk, credit risk, foreign currency exchange rates and interest rates. The Chamber’s overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance. Investment policies are in place which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

**This section summarises the way the Chamber manages key risks:**
The Chamber controls and manages the financial risks connected to the business segments with the objective of limiting these risks.

The identification, analysis and valuation of financial risks as well as the decision concerning the application of financial instruments to manage these risks are carried out essentially by the Chamber’s Management and the Finance and Budget Committee.

The Chamber’s activities expose it to a variety of financial risks: Market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Chamber’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Chamber does not hedge any risks.

### Market risk

#### Foreign exchange risk
The Chamber operates locally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar bank accounts denominated in foreign currency. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GH¢</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>687,226</td>
<td>755,949</td>
</tr>
<tr>
<td>Funds and equity</td>
<td>6,378,080</td>
<td>7,015,888</td>
</tr>
</tbody>
</table>

The following table details the Chamber’s sensitivity to a 10% increase and decrease in the cedi against the US Dollar. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. For each sensitivity, the impact of change in a single factor is shown, with other assumptions unchanged.

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-19</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>GHa</td>
<td>10% increase</td>
<td>10% decrease</td>
</tr>
<tr>
<td>Surplus</td>
<td>687,226</td>
<td>755,949</td>
<td>618,503</td>
</tr>
<tr>
<td>Funds and equity</td>
<td>6,378,080</td>
<td>7,015,888</td>
<td>5,740,272</td>
</tr>
</tbody>
</table>

Assuming no management actions, a series of such rises would increase surplus for 2019 by GHa 71,975 while a series of such falls would decrease surplus for 2019 by GHa 71,975. Also a series of such rises would increase the funds and equity by GHa 641,060 whilst a series of such falls would decrease funds and equity by GHa 641,060.
The following significant exchange rates were applied during the year:

<table>
<thead>
<tr>
<th></th>
<th>2019 Selling</th>
<th>2019 Buying</th>
<th>2018 Selling</th>
<th>2018 Buying</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td>5.5365</td>
<td>5.5309</td>
<td>4.7300</td>
<td>4.6200</td>
</tr>
</tbody>
</table>

16 Credit risk
The Chamber has exposure to credit risk, which is the risk that member companies are unable to pay subscriptions in full when due. Other areas where credit risk arises include cash and cash equivalents, deposits with banks and other receivables.

The Chamber has no significant concentrations of credit risk. The Chamber raises debit notes for subscriptions to member companies at the beginning of each year. This is based on its planned activities and programmes for the year. The amount of subscription payable by each member company is based on the category of the company namely Represented Members, Affiliates, Contract Miners and Associated Members. Limits on the level of subscription payable are approved annually by the Council Members.

Management information reported to the Council includes details of provisions for impairment on loans and receivables and subsequent write-offs. No collateral is held for any of the above assets. All receivables that are neither past due or impaired are within their approved credit limits. All receivables past due by more than 180 days are considered to be impaired, and are carried at their estimated recoverable value.

The Chamber manages the credit quality of financial assets using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Chamber’s internal credit rating system. The amounts presented are gross of impairment allowances.
**18.3 Liquidity risk**

The liquidity risk is the risk of the Chamber to remain solvent at any time to fulfil due obligations in time to have the possibility of obtaining necessary financial means from investors. There is an extensive need for liquid funds in managing the Chamber.

The Chamber is exposed to daily calls on its available cash for settlement of the Chamber’s programs and administration expenses. Liquidity and financial flexibility at any time is granted through existent liquid funds and the available financing margin. Based on the results of the Chamber’s strategy and the Chamber planning processes, day-to-day liquidity planning is effected, thus offering a current status of the estimated casted development of the liquidity. Medium and long term financing needs are determined by means of this forecast of the expected cash flows.

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the financial liabilities into the relevant maturity grouping base on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flow, whereas the Chamber manages the liquidity risk based on a different basis (see note above for details), not resulting in a significantly different analysis.

### Notes to the financial statements

**For the year ended 31 December 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High grade</td>
<td>Standard</td>
</tr>
<tr>
<td></td>
<td>GHC</td>
<td>GHC</td>
</tr>
<tr>
<td>Cash and Bank</td>
<td>360,072</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>274,860</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>634,932</td>
<td>-</td>
</tr>
</tbody>
</table>

### Age of impaired member receivables

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>365 days</td>
<td>449,685</td>
<td>344,996</td>
</tr>
</tbody>
</table>
18 Capital management
The Chamber is a company limited by guarantee. As a result, the liabilities of its members are limited to such amount as the members may respectively undertake to contribute to the assets of the Chamber in the event of its being wound up. The Chamber’s objectives when managing capital, which is a broader concept than the ‘equity’ on the reporting date is to ensure that its stated capital meets the requirement of the Companies Code.

19 Event after the reporting period
As at the date of the approval of the financial statements, management was in the process of assessing the impact of COVID-19 on its operations. Management, however, does not anticipate the COVID-19 to have a significant impact on its operations.

20 Contingencies
There were no contingent liabilities at the end of the period under review.

21 Commitments
There was no commitment for capital expenditure entered into but not provided for as at 31vDecember 2019 (2018 - nil).
# Members Register

## Represented Members – Level A

### ADAMUS RESOURCES LIMITED

Accra Office
Registered Office: 18 Coleman street, behind Fidelity Bank Dzorwulu, Accra
Digital Address: GA122-2410
Telephone: (0302) 77 68 71
Fax: (0302) 77 68 71
Nkroful Site:
Postal Address: P.O. Box 31, Esiama, Western Region

### ANGLOGOLD ASHANTI LIMITED

Accra Office
Registered Office: Gold House, Patrice Lumumba Road, Roman Ridge, Accra
Postal Address: P. O. Box 2665, Accra
Telephone: (0302) 743401, 743400
Fax: (0302) 778155
E-mail: easubonteng@anglogoldashanti.com
Website: www.AngloGoldAshanti.com

AngloGold Ashanti Iduapriem Mine
Postal Address: P.O. Box 283, Tarkwa
Telephone: (0302) 652000, 0277 551 777, 0277 551 888, 0244 322 049, 0244 322 066
Fax: (0312) 3 20372
E-mail: sadjei@anglogoldashanti.com

### ASANKO GOLD GHANA LIMITED

Accra Office
Registered Office: 4 Sir Arku Korsah Rd, Airport Res. Area
Postal Address: P. O. Box CT 6153 Cantonments Accra
Telephone: (0302) 761454 – 0243 690 224
Fax: (0302) 761 454
Email: frederick.attakumah@asanko.com
Website: www.asanko.com

Esaase Project
Postal Address: P.O. Box 50 Nkawie-Toase, Ashanti Reg.
CHIRANO GOLD MINES

Accra Office
Registered Office: Block A, 2nd Floor, Office No. 1 (A.S. 1), Marvel House # 148 Giffard Road, Cantonments, Accra
Telephone: (0302) 786079
Fax: (0302) 786078
Email: terence.watungwa@kinross.com
Website: www.kinrossgold.com

Bibiani Site
Postal Address: P. O. Box 57, Bibiani
Telephone: 0244 332 734 – 8
Fax: 0244 391 447

GHANA MANGANESE COMPANY LIMITED

Accra Office
Registered Office: No. 10 3rd Circular Road, Cantonments, Accra
Postal Address: P.O. Box M. 183, Accra
Tel: (0302) - 799 983 / 0244 334 017
Fax: (0302) – 799 981
Website: www.ghamang.com.gh

Nsuta Site
Postal Address: P.O. Box 2, Nsuta Wassaw
Telephone: (03123) - 03 030
Fax: (03123) - 20 443
Email: wmensah@ghamang.com.gh

GOLD FIELDS GHANA

Accra Office
Registered Office: # 7, Dr Amilcar Cabral Road, Airport Residential Area, Accra
Postal Address: P.O. Box KA 30742, Airport, Accra
Telephone: (0302) 770189, 770190, 770191
Fax: (0302) 770187
Email: nina.kluifio@goldfields.com.gh
Website: www.goldfields.com

Gold Fields Tarkwa Mine
Tarkwa
Postal Address: P. O. Box 26, Tarkwa
Tel: (03123) 22400 / 22409 / 20449
Fax: (03123) 20254 / 20327
Email: stephen.osei-bempah@goldfields.com.gh

Abosso Goldfields Mine, Damang
Postal Address: P.O. Box 208 Tarkwa
Telephone: (03123) 22419 / 22417
Fax: 0277 900001 / 0277 900002
Email: michiel.vandermerwe@goldfields.com.gh
GOLDEN STAR RESOURCES

Accra Office
Registered Office : Plot 16 House A, Nortey Ababio Street, Roman Ridge Accra
Postal Address : P. O. Box KIA16075, Airport, Accra
Telephone : (0302) 777282, 779040, 779041
Fax : (0302) 777700
E-mail : gboakye@gsrgh.com

Golden Star Prestea/Bogoso Ltd.
Bogoso
Postal Address : P. O. Box 11, Bogoso
Telephone : (03120) 20469, 20539
Fax : (03120) 20295, 20180

Golden Star Wasa Ltd
Registered Office : Akyempim, via Tarkwa
Postal Address : Private Mail Bag, Akyempim
Telephone : 0277 740 850
Fax : (03123) 20295

NEWMONT GHANA LIMITED

Accra office
Registered Office : 40/41 Senchi Street, Airport Residential Area, Accra
Postal Address : Private Mail Bag, Airport Post Office
Telephone : (030 7) 011852, (030 7) 011855
Fax : (0302) 518 783
Email : ghanacommunications2@newmont.com
Website : www.newmont.com

Kenyase Mine
Registered Office : 40/41 Senchi Street, Airport Residential Area, Accra
Postal Address : Private Mail Bag, Airport Post Office
Telephone : 030 7011852
Fax : 0302 518 783
Email : ghanacommunications2@newmont.com
Website : www.newmont.com

Akyem Project
Registered Office : 40/41 Senchi Street, Airport Residential Area, Accra
Postal Address : Private Mail Bag, Airport Post Office
Telephone : 030 7011852
Fax : 0302 518 783
Email : ghanacommunications2@newmont.com
Website : www.newmont.com
### PERSEUS MINING (GHANA) LTD.

**Accra Office**
- Registered Office: 4 Chancery Court, 147A
- Postal Address: P. O. Box CT 2576 Cantonments, Accra
- Telephone: (0302) 760530 / 767924
- Fax: (0302) 760528
- Email: stephen.ndede@perseusmining.com
- Website: www.perseusmining.com

**Site Office**
- Ayanfuri and Nanankwa
- Telephone: 0244 318 605 / (0322) 085030

### PRE-PRODUCTION MEMBERS

#### ANGLOGOLD ASHANTI OBUASI

**Postal Address**: P. O. Box 10, Obuasi
**Telephone**: (0302) 652000
**Fax**: 032 24-40352
**Email**: easubonteng@anglogoldashanti.com.gh
CONTRACT MINING MEMBERS

AFRICAN MINING SERVICES GHANA
Accra office
Registered Office : No.13, Patrice Lumumba Road, Airport Residential Area
Postal Address : PMB – K.I.A.
Telephone : (0302) 611733
Fax : (0302) 763274
Email : enquiries@amsgh.com

Tarkwa Site
Postal Address : PO Box 221, Tarkwa
Telephone : (03123) 20348, 20410, 20797, 20798, 20799
Fax : (03123)- 20793, 20794, 20795
E-mail : jfynn@amsgh.com

AFRICAN UNDERGROUND MINING SERVICES
Registered Office : No. 13, Patrice Lumumba Road, Airport Residential Area
Postal Address : PMB – K.I.A
Telephone : (0302) 763875
Fax : (0302) 763274
E-mail : enquiries@aumsgh.com

ENGINEERS AND PLANNERS
Registered Office : C 211 21 Abelemkpe St.
Postal Address : PO Box CT 4792 Cantonments
Telephone : (0302)- 764649 / 765547
Fax : (0302)- 734030
E-mail : aahmed@engplanners.com

PW MINING INTERNATIONAL
Registered Office : 10 Abidjan Avenue, East Legon
Postal Address : P. O. Box CT 2475, Cantonments, Accra
Telephone : (0302) 518 112/518 113 / 518 116
Fax : (0302) 518 117
E-mail : pwg@pwmil.com
Website : www.pwmil.com

ROCKSURE INTERNATIONAL
Registered Office : No. 6 Addis Ababa Road, East Legon, Accra
Postal Address : P. O. Box 12846 Accra North - Ghana
Telephone : (0302) 549444
E-mail Address : info@rocksureintl.com
THONKET PLANT POOL
Registered Office : Adum
Postal Address : Box 1196 Adum, Kumasi
Telephone : 0507307301
Email : thonket@gmail.com

UNDERGROUND MINING ALLIANCE
Registered Office : AMS Office
Postal Address : Airport Residential Area
Telephone : (0302 611 333
E-mail : enquiries@aumsgh.com
EXPLORATION MEMBERS

AZUMAH RESOURCES LIMITED
Accra Office
Postal Address: P. O. Box CT 452 Cantonments, Accra
Telephone: 0244 314 075, 0244 314 700, 0556771236
Accra Office: No. 5 Kinshasa Street St. East Legon
Emails:
- paulatta@yahoo.com
- hector.nyinaku@azumahresources.com.au
- info@azumahresources.com.au

Site Office
Kalsegra Camp,
P. O. Box ND 24
Nadowli, UWR

BIRIM GOLDFIELDS LIMITED
Accra Office
Registered Office: 19 Aviation Road, Airport Residential Area, Accra
Postal Address: P. O. Box CT 2652, Cantonments
Telephone: 024 4 798754, 0242 977451
Email: squarm@b2gold.com

Nsawkaw
Postal Address: P. O. Box 283, Wenchi

CARDINAL RESOURCES GHANA
Accra Office
Registered Office: Durugu Residential Area, Kumbosco, Bolgatanga
Postal Address: PO Box 350, Bolgatanga, Ghana
Telephone: + 233 382 021 838
Email: info@cardinalresources.com.au

MENSIN GOLD BIBIANI LTD.
Accra Office
Registered Office: Plot No. 11A, Adjetey Loop, Adenta
Postal Address: P. O. Box CT 1909, Cantonment, Accra
Telephone: (03220) 85000, 0540112102
Email: info@mensingold.com.gh

Bibiani Site
Registered Office: P. O. Box 98, Bibiani, Western Region
Telephone: (03220) 85000

PELANGIO AHAFO (G)
Registered Office: West Legon, Accra
Postal Address: P. O. Box CT 8409 Cantonments, Accra
Telephone: (0302) 400 377
Email: tk@pelangio.com
AFFILIATE MEMBERS

AFRICAN ENVIRONMENTAL RESEARCH & CONSULTING COMPANY GHANA LTD
Registered Office : G648/3 Samora Machel Street, Asylum Down, Accra
Postal Address : P.O. Box OS 303 Osu, Accra-Ghana
Telephone : 0244 730 395, 0208 982 430
Email : aercghana@yahoo.com

AEL MINING SERVICES LIMITED
Accra Office
Registered Office : No.6 Odoi Kwao Street, Near National Banking College. Airport Residential Area, Accra
Postal Address : P O Box KIA 30384 Accra
Telephone : (0302)-773849 / 763770/762633
Fax : (0302)-773849
Email : josephine.tawiah@aelms.com

Site Office
Postal Address : P O Box 58, Bogoso, Western Region
Telephone : (0362)-20469 ext 490/1

ANTRAK LOGISTICS GHANA LTD
Accra Office
Registered Office : Mensah Utreh, Harbour Area, Tema
Postal Address : P. O. Box 148, Tema
Telephone : (0303) 218 500
Fax : (0303) 218 501
E-mails : info@antrak-logistics-gh.com

Airport Office
Registered Office : Aviance Cargo Village
Postal Address : P. O. Box CT 3001, Cantonments, Accra
Telephone : (0302) 774 225
Fax : (0302) 776 893
E-mails : sales.ghana@bollore.com

BARBEX TECHNICAL SERVICES
Accra Office
Registered Office : No. 3 St. John Methodist Church Rd. Tantra Hill, Accra
Postal Address : P. O. Box GP 208, Accra
Telephone : (0302) 420050/ 0302 - 410176
Fax : (0302) 420051
E-mails : piller@barbexonline.com, henrytabi@barbexonline.com

Site Office (Tarkwa)
Registered Office : GAG Teberebie Site
Telephone : 0544-350616
B5 PLUS LIMITED
Registered Office: Kpone Police Barrier Tema
Postal Address: Box 853 Kpone
Telephone: (0243) 549 523
E-mail: auditor@b5plus.com

CARMEUSE LIME PRODUCTS LIMITED
Registered Office: Carmeuse Lime Products (Gh) Ltd., Sofokrom House
Postal Address: P. O. Box 1163, Takoradi
Telephone: (03120)-92199/91145
Fax: (03120) - 46072
E-mail: carmeuse@carmeuseghana.com

CHAMPION OIL LIMITED
Registered Office: Dakwa House, Adabraka
Postal Address: Box AD 218 Adabraka
Telephone: (024) 4958357
E-mail: championoil06@yahoo.com

CUMMINS GHANA LIMITED
Registered Office: Former KTS Yard, South Odorkor, Winneba Road
Postal Address: P. O. Box WJ 773 Weija Accra
Telephone: (0302) 301 451
Fax: (0302) 301 201
E-mail: frederick.aryeetey@cummins.com
ghanadistributor@cummins.com
isaac.budu@cummins.com

DHL GLOBAL FORWARDING
Registered Office: 53 Patrice Lumumba Road, Airport Residential Area
Postal Address: P. O. Box DTD 36 Cantonments, Accra
Telephone: (0302)–742 444/ 0501298450
Fax: (0302)-774798
Email: salesdgfghana@dhl.com

DRA GHANA LTD
Registered Office: 25 Bathur St, East Legon
Postal Address: Box MD 1027 Madina
Telephone: 0302554223
Email: augustine.okyere@draglobal.com

ELECTROFAX ENGINEERING SERVICES
Registered Office: Comm.25, Block # 55B & 55A Link Str. Tema
Postal Address: PO Box 46 Tarkwa
Telephone: (03123) 20074 / 20178
Fax: (03120) 28704
Email: thomasasarebaffour@ymail.com
GHANA OIL COMPANY LTD
Registered Office : Junction of Kojo Thompson and Adjabeng Roads,
                  House No. D659/4, Accra
Postal Address   : P. O. Box GP 3183, Accra
Telephone       : (+233) 30-2688-215 / 0540-127100 / 050 162 3383
Email            : info@goil.com.gh

GOLDER ASSOCIATES (GH) LIMITED
Registered Office : 33A Senchi Street, Airport Res. Area
Postal Address   : PO Box Ka16092, K.I.A. Accra.
Telephone       : (0302) - 779124
Email            : reginald_hammah@golder.com , rhammah@golder.com

HYSPEC GHANA LIMITED
Registered Office : His Majesty Building, Axim Road, Esikafoambantsem
                   Opposite Royal Bank, Takoradi
Tarkwa Office
Registered Office : No. 33 Sector 7B, Tamso/Bankyim, Tarkwa
Postal Address   : P.O. Box 362, Tarkwa
Telephone       : (03120)-32352
Fax              : (03120)-32243
E-mail           : ghanahyspec.com, godfred.ashiaby@hyspec.net

INTERPLAST LIMITED
Registered Office : Plot No. 109, Spintex Road
Postal Address   : P.O. Box AD 330, Adabraka, Accra.
Telephone       : (0302) - 812799/ 819000
Fax              : (0302) - 813490
E-mail           : pipes@interplast.com, kumar@interplast.com

INTERTEK MINERALS LTD
Postal Address   : P. O. Box 311, Tarkwa
Telephone       : (0312) 320386, 320246
Email            : minerals.ghana@intertek.com

Kal Tire Mining Tire Group
Site Postal Address : P. O. Box 1152, Takoradi
Telephone       : (03120)- 24439, 24296
Fax              : (03120)-24313, 22007
Email            : john.menya@kaltire.com

KEK INSURANCE BROKERS
Registered Office : KEK House, Airport Res. Area, Senchi St.
Postal Address   : P. O. Box AN 6681, Accra-North
Telephone       : (0302) - 764023, 764390, 764210
Fax              : (0302) - 760614
E-mail Address   : kek_insurance@ghanamail.com
Website          : http://www.ghanaclassifieds.com/kek

GHANA CHAMBER OF MINES
ANNUAL REPORT 2019
KNIGHT PIESOLD CONSULTING
Registered Office: 20, Second Close, Airport Res. Area, Accra
Postal Address: PO. Box CT4122, Cantonments-Accra
Telephone: (0302) 783060, 784288
Fax: (0302) 783066
Email: accra@knightpiesold.com
Website: www.knightpiesold.com

LIEBHERR MINING GHANA LIMITED
Registered Office: No. 1 A Dr. Amilcar Cabral Close, GA-085-9999
Postal Address: Private Mail Bag, KIA - Accra
Telephone: (0302) 743 777
E-mail Address: info.lmg@liebherr.com

LOGISTICS DIRECT LIMITED
Registered Office: 13 Patrice Lumumba Rd. Airport Res. Area, Accra, Ghana
Postal Address: Private Mail Bag, K. I. A., Accra
Telephone: (0302) 770418, 770419
Fax: (0302) 762257
E-mail: info@logisticsdirect.com

MANTRAC CO.
Registered Office: Ring Road West, Accra
Postal Address: P. O. Box 5207, Accra-North
Telephone: (0302)-221980, 225822, 232385
Fax: (0302)-221950

MAXAM GHANA LIMITED
Accra Office: House No. 29, 2nd Circular Road, Cantonments
Postal Address: P. O. Box CT 9053, Cantonments
Telephone: (0302) 797257
Site Office Location: Former SGMC Tech Office, Coronation Hill
Postal Address: P. O. Box 88, Tarkwa
Telephone: (03123) - 20536
Fax: (03123) – 20400
Email: sfrimpong@maxam.net

MESTO GHANA LIMITED
Accra Office
Registered Officer: No. 5 Akosombo Street, Airport Residential Area
Postal Address: P O Box CT 5857 Cantonments Accra
Telephone: (0302) 77 00 24 / 765 939
Fax: (0302) 77 00 25
Email: mikedjan-sampson@metso.com

MIWATEK GHANA LIMITED
Accra Office
Registered Officer: Ashikakle st. Abelemkpe, Accra
Postal Address: P O Box CT 5857 Cantonments Accra
Telephone: 027790138665
Email: hermang@miwatek.co.za
NEXANS KABELMETAL (GH.) Ltd.
Site Office Location: Heavy Industrial Area, Tema
Postal Address: P. O. CO 157 Tema Ghana
Telephone: (0303) 304102 / 3
Fax: (0303) 302 184
Email: kingsley.letsa@nexans.com, samuel.effah@nexans.com

ORICA GHANA LIMITED
Registered Office: No. 83 Osu Badu Street, Airport West
Postal Address: PMB CT 472 Cantonments, Accra
Telephone: (0302) 767728, 0556 778 134
Email: pascal.louis@orica.com

PANAfrican MINING & EQUIPMENT SERVICES GH. LTD
Tarkwa Site Office
Location: Akyempim-Tarkwa, Takoradi Road
Postal Address: P.O. Box NS 61, Nsuta Wassa Tarkwa
Telephone: 0302 - 215 840
Email: m.kudjoe@panafricangroup.com

PRICEWATERHOUSE COOPERS
Registered Office: UNA HOUSE, Airport City
Postal Address: PMB CT42 Cantonments
: Accra Ghana
Telephone: (0302) - 761500
Fax: (0302) - 761544
Email: pwc.ghana@gh.pwc.com,
kingsley.owusi-ewil@gh.pwc.com

RANA MOTORS & METAL WORKS ENGINEERING CO. LTD.
Registered Office: Graphic Road
Postal Address: P. O. Box AN 7617 Accra North
Telephone: (0302)- 226 839
Fax: (0302)-226 793
E-mail Address: vibi_chandra@ranamotors.com

RIEPCO GHANA LIMITED
Registered Office: Opposite Cocoa processing, Tema,
Postal Address: P. O. Box 985, Tema
Telephone: (0303) 206365, 206945
Telex: 2355 RIEPCO GH
Fax: (0303)- 207700
E-mail: ctdarko@riepco.com, ctdarko@yahoo.co.uk

RIKAIR LIMITED
Registered Office: House No. C638/3 C5th Crescent Asylum Down
Postal Address: P. O. Box 58 Trade Fair Centre, Accra
Telephone: (0302) – 231 444 / 0542 770 207
Email: tina.buahin@rikair.com, info@rikair.com
SANDVIK MINING & CONSTRUCTION GHANA LIMITED
Registered Office : Opposite Mary Mother of Good Council School
Postal Address : Hse No. C556/14 RMS Street, Airport, Accra
Telephone : (0302)-761042, 765802
Fax : (0302)-765804
E-mail Address : nahu.salifu@sandvik.com, samuel.brewu@sandvik.com

SECOROC GHANA LIMITED
Registered Office : Block B, Plot No. 10A-13A, Gamsu-Obuasi
Postal Address : PO Box 10071, Accra-North
Telephone : 0322 540369
Email: janet.adanua@epiroc.com

Site Office
Postal Address : PO Box 119, Obuasi
Telephone : (03220) 40297, 0208712330
Fax: (03220) 40385

SERVACO PPS
Postal Address : PO Box CO 1384, Community 4 Tema
Telephone : (0303) 207 709
Fax: (0303) 207 710
Email: sales@servaco.com.gh, sattram@servaco.com.gh

SGS LABORATORY
Registered Office : Cocoshe Building Block B, 4th Floor, Street No. B24A
Postal Address : Agostinho Neto Close, Airport Residential Area
Telephone : P.O. Box 732, Accra - Ghana
Fax : (0302)-773994, 774535
E-mail Address(s) : david.wilson@sgs.com

STELLAR LOGISTICS GHANA LIMITED
Registered Office : Behind Weatherford, 1 Cape Coast Road, Takoradi
Postal Address : P.O. Box TD 200 Takoradi
Telephone : 03120 22239
Fax : 03120 2237
Email : ajaras.anule@stellar-africa.com

Accra Office
Postal Address : Grand Oyeeman Building, Airport Residential Area
Telephone : 0540 120013
Email : millicent.tutu@stellar-africa.com

Tema Office
Postal Address : Hull Blyth Building, Gateway House, Community 1
Telephone : 0544 315 302
Email : Peter.Taylor@stellar-africa.com
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPERMARITIME GHANA LIMITED</td>
<td>Registered Office: Industrial Area, Community 1, Tema</td>
</tr>
<tr>
<td></td>
<td>Postal Address: PO Box 151, New Town, Tema.</td>
</tr>
<tr>
<td></td>
<td>Telephone: (0303) - 202874, 202036</td>
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<tr>
<td></td>
<td>Fax: (0303) - 206777</td>
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<tr>
<td></td>
<td>Email: <a href="mailto:krale@supermaritime.net">krale@supermaritime.net</a></td>
</tr>
<tr>
<td>SMT GHANA LIMITED</td>
<td>Site Office Location: 90/91 Old Fadama Rd, off Graphic Rd</td>
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<tr>
<td></td>
<td>Postal Address: P. O. Box KA 9228 Accra Ghana</td>
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<tr>
<td></td>
<td>Telephone: (0302) 68 3351 - 60</td>
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<td></td>
<td>Fax: (0302) 68 3361 – 62</td>
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<tr>
<td></td>
<td>Email: <a href="mailto:info@smt-ghana.com">info@smt-ghana.com</a></td>
</tr>
<tr>
<td>TOTAL PETROLEUM GHANA LTD.</td>
<td>Registered Office: Total House, 25 Liberia House, Accra</td>
</tr>
<tr>
<td></td>
<td>Postal Address: P.O. Box GP 553 Accra</td>
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<tr>
<td></td>
<td>Telephone: (0302) 664924 - 4</td>
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<tr>
<td></td>
<td>Fax: (0302) 664925</td>
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<tr>
<td></td>
<td>E-mail: <a href="mailto:paawesi.ackon@total-ghana.com">paawesi.ackon@total-ghana.com</a>, <a href="mailto:sunil.gandhi@total-ghana.com">sunil.gandhi@total-ghana.com</a>,</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:totalgh.inquiry@totalmkt-gh.com">totalgh.inquiry@totalmkt-gh.com</a></td>
</tr>
<tr>
<td>VEHRAD TRANSPORT &amp; HAULAGE</td>
<td>Site Office Location: Plot 6A 16/17 Heavy Ind. Area, Tema</td>
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<tr>
<td></td>
<td>Postal Address: P O Box GP 2683 Accra</td>
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<td></td>
<td>Tel. : (0303) - 202369, 205521</td>
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<tr>
<td></td>
<td>Fax: (0303) - 205524</td>
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<tr>
<td></td>
<td>Email: <a href="mailto:vehrad@africaonline.com.gh">vehrad@africaonline.com.gh</a></td>
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<tr>
<td>VEOLIA GHANA LTD</td>
<td>Registered Office: Capital Place. 11 Patrice Lumumba Rd.,</td>
</tr>
<tr>
<td></td>
<td>Airport Res. Area, Accra</td>
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<tr>
<td></td>
<td>Postal Address: P. O. Box KN 1367, Kaneshie, Accra</td>
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<tr>
<td></td>
<td>Telephone: 0540 121 674, 0244 511 492</td>
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<tr>
<td></td>
<td>Email: <a href="mailto:fred.anane@veolia.com">fred.anane@veolia.com</a></td>
</tr>
<tr>
<td>VIVO ENERGY GHANA</td>
<td>Digital Address: GL-045-5051</td>
</tr>
<tr>
<td></td>
<td>Registered Office: Rangoon Lane, Cantonments City</td>
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<tr>
<td></td>
<td>Postal Address: P O Box 1097, Accra</td>
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<td></td>
<td>Telephone: (0302)- 428282</td>
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<td></td>
<td>Fax: (0302)- 662087</td>
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<td></td>
<td>Email: <a href="mailto:brehima.kone@vivoenergy.com">brehima.kone@vivoenergy.com</a>, <a href="mailto:csc-ghan@vivoenergy.com">csc-ghan@vivoenergy.com</a></td>
</tr>
<tr>
<td>WEIR MINERALS WEST AFRICA LIMITED</td>
<td>Registered Office: Plot # Industrial 9/1A Akasanoma Road, Industrial</td>
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<td></td>
<td>Area Tema</td>
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<tr>
<td></td>
<td>Postal Address: PO Box CT 3170 Cantonments</td>
</tr>
<tr>
<td></td>
<td>Telephone: 030-964501/0303965652</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:andrew.ayirebi@mail.weir">andrew.ayirebi@mail.weir</a></td>
</tr>
</tbody>
</table>
WEST AFRICAN FORGINGS LTD.
Registered Office: Heavy Industrial Area A/44/1, Steel Work Road (next to Tema Steel.)
Postal Address: PO Box 320, Tema
Telephone: (0303)-302011, 302386, 0243 486570
Fax: (0303)-304908
Email: himesh.wafor@gmail.com

ZEN PETROLEUM
Registered Office: 13 Patrice Lumumba Rd, Airport Residential Area, Accra
Postal Address: PO Box CT 3692 Cantonments Accra
Telephone: (0302) 216 660
Email: info@zenpetroleum.com

ASSOCIATE MEMBER INSTITUTIONS

ENERGY FOUNDATION
Registered Office: No. 5 East Legon, Accra
Postal Address: PO Box CT 1671, Cantonments, Accra
Telephone: (0303) 938 222 , 937 247
Fax: (0302) 515 613
Email Address: info@ghanaef.org

GHANA ATOMIC ENERGY COMMISSION
Registered Office: Kwabenya, Accra
Postal Address: PO Box LG 80, Legon, Accra
Telephone: (0302) -400310, 400549
Fax: (0302) -400807
Email Address: akahoed@yahoo.com

GEOLOGICAL SURVEY
Registered Office: No.12, 7th Ave, adj. to Ecobank (Gh)
Postal Address: P.O. Box M.80, Accra.
Telephone: (0302) - 679239, 679237
Fax: (0302) - 679238
E-mail: ghgeosur@ghana.com

MINERALS COMMISSION
Registered Office: No.9 Switchback Rd. Cantonments
Postal Address: P.O. Box M.248, Accra.
Telephone No: (0302) -772783, 772786,773053
Fax: (0302) -773324
E-mail Address: mincom@mc.ghanamining.org
INSPECTORATE DIVISION, MINERALS COMMISSION  
Registered Office : No.9, Switchback Road, Cantonments  
Postal Address : P.O. Box 3634, Accra  
Telephone : (0302) - 776802  

Takoradi Office  
Postal Address : P.O. Box 254, Takoradi  
Telephone : (0312) 023818, 24919  
Fax : (0312) 024344  

UNIVERSITY OF MINES & TECHNOLOGY, TARKWA  
Registered Office : Tarkwa  
Postal Address : P.O. Box 237, Tarkwa  
Telephone : (03123) 20492, 20324, 20280  
Telephone (Residence) : (03123) 20309, 20324  
Fax : (03123) 20280  

WOMEN IN MINING  
Registered Office : #9 Sir Arku Korsah Road, Airport Residential Area  
Postal Address : P.O. Box AN 6398, Accra North  
Telephone No : 0302-939-551  
E-mail Address : georgette@georgettebarnes.com
Much of our work is secured on a repeat business basis over many years, testifying to the solid reputation we build with our clients. We have been responsible for complex and challenging projects, which have all been effectively completed using a wide range of multi-disciplinary skills.

We employ over 1,500 personnel and presently operate in Ghana, Sierra Leone, Mali and Burkina Faso. We have extensive knowledge of project finance and export credit schemes, and have used this knowledge to provide finance to major projects in the public sector.

Our projects have usually been completed on the traditional ‘employer design’ basis, but we are increasingly delivering on large scale civil engineering works as a full design and build package. No matter what the assignment may entail, PW has always risen to the challenge. We provide the people, equipment and know how to produce enduring and spectacular results.

PW Mining International execute open pit mining projects in a number of African companies, assist mining sector clients in all manner of budget and feasibility studies, construct all aspects of mine site infrastructure.

PW is a major force in the field of civil engineering works and contract mining operations.

We can deliver on all aspects of infrastructure and other public works.

We execute projects for major clients in the gold mining and oil & gas sectors.

Our mining division has worked for many of the top companies in the gold mining industry.
Tarkwa-Damang Road

33km  |  Asphalt  |  US$27m Invested  |  Shared Value
      |  Built by Local Contractors  |  Constructed in 3 Years

[Gold Fields logo]