FREQUENTLY ASKED QUESTIONS ON THE MINING INDUSTRY

1. What is the core function of the Ghana Chamber of Mines?

The Chamber is the main minerals association in Ghana. It is composed of mining companies at various stages of the mining life cycle as well as those who supply goods and services. Among its membership are institutions whose work impinges on the mining industry.

The Chamber's core objective is to promote and protect the interest and image of the mining industry. It does this mainly through research based advocacy. Its raison d'etre is to represent the mining industry using the resources and capabilities of its members to deliver services which address members, government and community needs in order to enhance sustainable development.

2. Which companies constitute the membership of the Ghana Chamber of Mines?

The Chamber's membership is in various categories. These are the Represented Member, Pre-production, Exploration, Contract Mining companies, Affiliates and Associate Institutions.

The widely known members of the Chamber are the Represented members made of mining companies such as AngloGold Ashanti, Newmont, Gold Fields and Golden Star among others.

Represented Members are companies that are in mineral production.

The Preproduction category refers to those who have obtained mining leases and either have not commenced production or have been producing for less than a year.

Exploration companies are those concession holders who are at the stage of conducting various exploration activities with the goal of finding commercially viable deposits.

Contract mining companies are specialist entities that are contracted by mining companies to do their earth works and associated mining related activities on their behalf.

Affiliate companies are suppliers and goods and services to companies in the industry.

Associate Institutions are generally public entities whose work impinges on the mining industry.

3. Does the Chamber regulate the mining industry?

No, the Chamber does not regulate the mining industry. Mining companies particularly the Represented members are regulated by government and its agencies. Through effective membership governance as well its continual engagement with regulators, the Chamber ensures both self-regulation by mining companies as well as co-regulation by the latter working in concert with regulators.

4. How does Ghana benefit from mining?

Ghana benefits from mining in various ways. The obvious benefit to many is the payments of taxes and royalties to government. Whilst these payments are very substantial and for which reason the sector has continued to be the leading and foremost contributor to the national purse, the country benefits by the sheer presence of the industry in the economy.

Mining provides quality and high paying jobs directly to Ghanaians, who constitute about 98% of the workforce and trains and gives capacity to Ghanaian youth, who often transfer their skills into other sectors of the economy.

Through the opportunities it provides to Ghanaian companies to supply inputs, the mining industry creates multipliers throughout the economy. On the average the mining industry spends about 40% its revenue on local purchases.

With funding from their trust funds and foundations, mining companies continue to make social investments in host communities that have enhanced the quality of education, access to electricity, portable water and access to health care.

5. Why is Tarkwa or Obuasi not developed like Johannesburg, also a mining city?

The reason is that Johannesburg was deliberately planned to create a modern city on the back of mining which commenced in the city over a century ago. Unfortunately that cannot be said of Obuasi and Tarkwa. In the case of Ghana, the Minerals and Mining Act, 2006 (Act 703) as well as the Constitution states that the minerals resources belong to the people of Ghana. Although government has implemented a derivation policy that returns 9% of mineral royalty to the host communities, an inordinately large part of mineral revenue including corporate tax is received by the state into the consolidated fund. From there, it is disbursed to all districts through the annual budget process.

In essence therefore, the amount returned to the mining districts is quite paltry and not enough to transform the economies in those communities. In spite of the inadequacy of the returned portion of mineral royalty, there are no guidelines for the utilization of the funds. Evidence abounds that these funds are used primarily for recurrent expenditure by the district assemblies who are clothed with the responsibility to ensure economic development at the local level.

It would be beneficial to the host communities like Tarkwa and Obuasi if the guidelines for the utilization of mineral revenue at the district level recently developed by the Minerals Commission, is implemented and a similar scheme adopted for the amount received by the traditional authorities.

In a sense, whilst in Johannesburg, mining was envisioned as a resource for holistic and integrative development through requisite planning, the mining industry in Ghana was largely seen as a source of foreign exchange to help revive the nation’s economy particularly under the Economic Recovery Programme in the late 1980s. No doubt in Johannesburg, the mining industry was leveraged to develop a finance centre, physical infrastructure as well as the integration of the sector within the larger economy.

By the mineral royalties mining companies paid in 2013, the following table shows how much beneficiaries at the local host community should receive from mineral royalties:

	District Assembly	Stools	Traditional Authority
Tarkwa and Prestea Huni Valley	7,319,292	3,326,951	2,661,561
Bibiani Ahwianso, Bekwai	2,150,829	977,650	782,120
Obuasi and adjoining districts	930,961	423,164	338,531
Asutifi	2,390,305	1,086,502	869,202

Note: Amounts in GHS

6. Why are mining communities still poor and undeveloped?

The state of mining communities and the extent of poverty there is a reflection of general conditions in non-urban parts of the country. Whilst mining companies assist their host communities through corporate social responsibility programes, mining companies do not have the mandate to develop their host communities. Mining companies can not act as a surrogate government.
However mining companies are committed to continuing to provide support to their host communities.

It is the Government that has the ultimate responsibility to develop the country and all communties. Mining companies through the Chamber will continue to provide thought leadership for governement to consider measures to enhance the quality of life in the host communities, including for example, the suggestion (as already mentioned) of an increase in the slice of the mining pie that is returned to the district level where mining takes place.

7. In the area of Corporate Social Responsibility, do mining companies consult with local government authorities and community heads in determining the pressing needs of mining communities?

Yes mining companies consult local government authorities such as district assemblies as well as elders and opinion leaders in host communities to determine the priority needs of the host communities. The prioritization of projects are done through community consultative meetings with suitable representation of the community and the mining company. In fact, mining companies have generally set up dedicated Trust Funds and Foundations through which these projects are funded. The opinion leaders in the communities as well as representatives of the district assemblies as well as notable indigenes serve as Trustees to the Trust Funds.

8. What does the Chamber consider to be the Corporate Social Responsibilities (CSR) of mining companies?

For the Chamber, CSR is the way member companies exercise responsibility and accountability for the economic, social and environmental impacts of their business decisions. Companies have an obligation to contribute to social progress beyond their core mandate of enhancing shareholder value. Producing mining companies execute their CSR obligations primarily through their Foundations and Trust Funds set up to serve the needs of their host communities.

Other members of the Chamber contribute in different ways such as providing teacher accomodation in local schools, providing school desks and similar small but effective contributions.

In a sense mining companies implement CSR to enhance the well-being and livelihoods of their host communities.

It has to be appreciated that as well as this commitment to CSR as a long term process, the actual conditions of employment within the mining industry means that a number of benefits are available to employees which in other industry sectors are not the norm.

9. Why does the Chamber of Mines encourage its members to provide CSR interventions for their host communities?

The Chamber deems CSR as a necessity because it offers member companies the opportunity to plough back some of their earnings to raise the quality of life of host communities and make a durable improvement in the local economy, both for while mining is being carried on and in the longer term, after any mine is closed.

Through CSR, members satisfy society's expectations, achieve society goals, and bring benefits to society. In a sense it does not only help the companies to acquire their social licence to operate but also strengthens the bond between the firms and their host communities, which is a sine qua non for a harmonious relationship.

10. What is the Chamber's take on illegal mining and does it see government as primarily responsible for combating this menace?

Illegal mining is what the name says about it. It is illegal. In fact the Minerals and Mining Act, 2006 Act 703 proscribes illegal mining. However, Act 703 provides for small-scale mining, which is reserved for Ghanaians only. The Chamber therefore advocates for the mainstreaming and formalizing of artisanal and small-scale mining. Obviously, government has the responsibility to stop illegal mining given that the law states that the minerals belong to or are owned by the people (as the Ghana State), held in trust by the President. In other words, it is the responsibility of government to protect and secure the mineral resources since the law gives ownership to the State.

The Chamber will of course do everything in its power to support curbing the meance of illegal mining which is destroying the environment, splitting the economy and creating social problems which may exist for years to come.

11. What is Mineral Royalty, how is it charged and how is it disbursed?

Mineral royalty is a charge government takes on the gross mineral revenue of mining companies. It is charged irrespective of whether a mining firm is profitable or not. In that regard, it is distinct from corporate tax which is determined based on corporate profitability. In March 2010, the mineral royalty rate was revised from a range of 3-6 percent to a flat rate of 5 per cent. The realized revenue from mineral royalty is distributed as follows:

- ✓ Government (Consolidated Fund) - 80%
- ✓ Minerals Development Fund- 10%
- ✓ Office of the Administrator of Stool Lands- 1%
- ✓ District Assembly-4.95%
- ✓ Traditional Council- 1.8%
- ✓ Stool- 2.25%

The Minerals Development Fund (MDF) is used to address mining related issues and also for supporting mining institutions. For example, the MDF is the main source of funds for the government's endowment to the University of Mines and Technology (UMaT), Tarkwa. Furthermore, the MDF has provided funds for the rehabilitation and reclamation of lands degraded by illegal miners.

The Office of the Administrator of Stool Lands uses its portion to cover its administrative expenses incurred in disbursing amounts to the assemblies, traditional councils and stools.

The total mineral royalty government collected in 2013 was GHS 364,673,038. The table under question 5 illustrates the amounts beneficiaries in key districts received in 2013.

12. Who ensures that mining companies return the agreed proportion of their earnings to the country?

The Bank of Ghana and the Minerals Commission through statutory reports from the mining companies on their mandatory surrender to the Bank of Ghana as well as returns from the commercial banks to the central bank on the portion they voluntarily return to the country to run their operations.

13. Apart from regulatory agencies, do mining companies have mechanisms to assess the impact of their operations on the environment and how often is this done?

Mining companies generally sign onto voluntary protocols and initiatives that require regular third party audits and peer review of their compliance with the protocols. A major protocol governing mining companies' environmental performance is the ISO 14001: 2004, which most mining companies have signed on to. This complements the annual AKOBEN audit or environmental performance disclosures which EPA conducts on mining companies.

14. What is the strategy of mining companies in ensuring that local content becomes a key business practice in the industry?

Whilst local content is regulated by law, mining companies have integrated the concept as a reality in their operations because it makes good economic and social sense. An effective local content programme will inure not only to the benefit of the companies but to the country as well, as it is an indirect means of capturing more value from the mining industry for the State. When well implemented an increase in local content has the potential to transform and change the structure of the economy through diversification, and in the case of mining with a focus on manufacturing, fabrication as well as enhanced service delivery. The mining companies will continue to collaborate with local input suppliers through local supplier development programmes especially in the areas of quality control and quality assurance to increase the level of local inputs.

15. In the face of the decline in the gold price and reported high taxes, what is the likely future of mining in the country?

Although Ghana produces minerals such as manganese, bauxite and diamond besides, gold, the latter is the predominant mineral accounting for about 95% of mineral revenue. Not surprising, the fortunes of the gold sub-sector strongly influences how much the State gets from the mining industry. The recent decline in the price of gold has adversely impacted the State's revenue from the sector and its overall contribution to the economy. It is a fact that Ghana's taxes in the mining sector are the highest in the sub-region and it will potentially be a disincentive for attracting fresh investment into the sector in an environment of depressed gold price. To assure the long term viability of the mining industry it is critical that the country considers tweaking the sector's fiscal regime to incentivise mining companies to mine economically marginal deposits. This will increase the life of the mines and also generate more value for the economy though supply linkages, employment, payment of taxes and support for host communities.

Meanwhile the prevailing downturn requires that Ghana optimizes the utilization of its mineral revenue in a manner that yields the best returns and impacts, both at the national and sub-national or local level.

16. Why is gold not refined in the country?

Depending on the type of ore, mining companies refine gold produced in Ghana up to a purity of about 92%. The gold mining companies refine the dore or semi-refined gold to a further 99.99% in refineries located outside the country. Mining companies do the final leg of refining outside the country in notable refineries in view of the reputation of the refineries and the lack of comparative facilities in Ghana. The excess global refinery capcity will potentially make future local refeneries uncompetitive. Mining companies' refinery and marketing agreements are approved by the government in line with the law.

17. How does government determine the actual amount of gold exported if the final refinery is done offshore?

Government has set up a system that assures it of the gold content as well as the total weight of gold bars mining companies export. The system has specially trained Customs officials of GRA stationed in the gold room of mining companies. The customs Official certifies and seals the pack of bullions and in addition signs off to certify the weight and quantity of gold mining companies pour each time for export. Also at the Airport from where the bullion is exported, competent Customs officials are also present who check and reconcile information on the export as provided by their colleague customs official in the gold room. Furthermore they check the integrity of the seals and eventually, sign off before they are exported. The mining companies also submit the assay of their preliminary refined gold to government. Upon final refinery, the mining companies submit their refinery certificates to the Minerals Commission. Government is able to compare the refinery certificates and the assay results to satisfy itself of the integrity of the reports it has received. Oftentimes the difference between the gold content in the refinery certificate and that from the mining company's assay results is not very significant. When considered alongside the stringent oversight role of Customs officials, the overall system is quite transparent.

The industry is willing to work with government to adopt an enhanced system should that be proven to be better.

18. Why are the mines owned by foreigners?

The mining industry, particularly, large-scale mining is capital intensive with start-up capital for some projects amounting to US$500 million.

Mining, particularly large-scale mining is not a preserve of foreigners and no law restricts Ghanaians from venturing into the mining business. In fact small-scale mining is the reserve of Ghanaians only. The large capital outlay coupled with the high risk may account for the reasons why indigenous companies are not involved in the large –scale segment of the mining industry. Truth be told, it seems that Ghana has not as yet developed the capacity to privately fund large projects. Mining companies usually solicit funds from various sources including pension funds and private equity investors to undertake mining projects and these sources are offshore. In other words, mining companies and some associated businesses are expected to pay back the capital they invest together with reasonable risk adjusted returns. Combining the funds required and risk profiles, it is currently the situation that only major external investors, generally through existing and well performing businesses such as the producing members' parent companies that funds become available.

The country should seriously consider how it can leverage long-term funds to incentivize Ghanaian entrepreneurs to invest in formal mining.

19. What percentage of mineral revenue do mining companies return to Ghana?

The actual average percentage of mineral revenue mining companies returned to the country in the last few years is between 65% and 73%. This compares favourably with the maximum 25% required by law as well as the individual proportion the government requires each producing mining company to return to the Bank of Ghana.

It is instructive to note that besides the mandatory surrender to the Bank of Ghana producing mining companies return a more significant amount through the commercial banks. The companies require the additional percentage of funds onshore to pay for inputs such as electric power, diesel, labour, as well as make statutory payments to the State. The retained revenue is used for procuring capital goods and other consumables which are not produced locally and for settling dividends, debt and interest obligations.

Returning all mineral revenues back to the country will entail avoidable transaction costs when funds have to be double-handled and moved offshore for the afore-mentioned purposes.

20. Do the country's benefits from mining exceed the total cost of mining including environmental and social costs?

Mining does have externalities or external impacts as do all major large-scale endeavours such as rail and road construction. However, in the case of mining, there are legal requirements for comprehensive environmental reclamation which is done concurrently with mining. The legislation aslo requires companies to post reclamation bonds with which the disturbed lands could be reclaimed in the unlikely event that the company is unable to do so. The reclamation bond is an amount set aside in an escrow account in a first class bank agreed upon by the EPA and the mining companies.

Furthermore, the regulations require mining companies to address the social impacts of mining particularly on their host communities. The public hearings held as part of the Environmental Impact Assessments and the consequent Environmental Impact statements show how the companies will address the social impacts.Through their social investments and CSR projects, mining companies enhance the livelihoods of their host communities.

In a sense the law makes provision to address the externalities of mining. The benefits of mining are well known and already alluded to.

21. Why don't we conduct a cost-benefit analysis of mining to ascertain whether the benefits of mining outweigh its total costs including environmental and social cost.

Government has the prerogative to conduct the cost benefit analysis of mining, since the mineral resources belong to the State and government determines mining policy. However it will be useful and revealing if the exercise is segmented and conducted for the various types of mining- large-scale, small-scale and illegal mining.

The greatest cost with the least benefit is not in the sphere of large-scale mining. The overwhelming detriment to the State comes from illegal mining.

Without mining, the country's fiscal situation would be dire as the nation would lose 36% of its gross national merchandise exports which the mining industry contributed in 2013 as well as a total tax contribution of GHS 1.1billion the same year, positioning the sector as the foremost contributor to the nation's purse. For sure, without mining, the country's balanceof payment situation will be constrained and the nation's currency would weaken far beyond its current state. Furthermore, the catalytic role the mining industry plays in the economy, though for example supply linkages as well as skills transfer would be lost.

22. Gold mining companies complain of declining gold price, but they were able to mine profitably when the price of gold was US$400 per ounce. Why the complaint when the price of gold is now about US1,200 per ounce?

The cost profile of mining companies has changed dramatically from what it was in 2003 thereabout when the price of gold was about US400. Labour costs, and the general cost of inputs have gone up significantly. In the main, prices of inputs do not trend downwards at the same pace as the price of the metal. For example the cost of labour cannot be negotiated downwards just because of a slump in the price of the metal.

It is also worthy of mention that mining companies cannot just switch production off without major consequences. Production planning therefore includes utilising all resources to take into account the mix of the various grades of ore across a concession. Inherent in this continuing production and resource utilisation is that economically marginal areas may not be mined for production when the price of the metal is low.

23. Why do mining companies pay expatriates much more than their Ghanaian counterparts?

Remuneration in the mining sector like many other sectors is based on real wage rates across widely varied economic circumstances. For locating expatriates in a working environment other than their norm, it is normal practice to pay a premium for their services. Ghanaian mining professionals and those in other sectors working as expatriates outside Ghana receive higher remuneration than the indigenes of their respective countries in which they work.

There is also the matter of relative skills and experience. After all we would expect a Bank Manager to be paid more than a Bank Teller.

Because of their relatively high cost, mining companies and indeed all companies only employ expatriates when they are absolutely required to bring specific skill sets including experience, and value to the business.

It should also be noted that the Minerals Commission is required to approve every expatriate application for a work/residence permit. The Minerals Commission's approval is required before any application can go on to the Immigration authorities and the Minerals Commission has in the past, and no doubt will in the future, not approve applications where it has been determined that the skills and experience to fill a particular position are available in Ghana.

24. What is the equity stake of the State in mining?

Generally, the State owns 10% freely carried equity interest in most mining companies. However the State's equity is different in a few mines. For example, in one case the State has a 20% share and in the case of another, it has a reduced equity in the company's global mining assets. In the latter case, government has received dividends even when the Ghana operations of the company have not declared dividends as stand-alone units.

25. Why don't we have a local content policy for mining?

We do. Whilst the overarching mining policy is yet to be concluded, the Minerals and Mining Act, 2006 (Act 703) has provisions on local content. Furthermore LI 2173 of Act 703 has detailed local content provisions which the Minerals Commission is implementing.

The Chamber believes in local content and is actively involved with the Minerals Commission to determine the best way to achieve greater local inputs to the industry as an incremental increase. For mining to effectively play a part in the utilisation of local inputs there needs to be a phased approach which takes into account not only the parameters of the product being supplied but ensures any required upskilling is in place for all of the multiple facets of running a sucessful business.

26. If mining companies pay 5% of their revenue as royalty to government,what happens to the remaining 95%?

As explained, there are various stakeholders who have a hold or share in the mineral revenue as a result of contractual or voluntary arrangements. These include various suppliers of inputs, labour, the State through corporate taxes and levies, shareholders and contributions to various causes including CSR to host communities.

27. Why does Ghana receive only 5% of mineral revenue?

It is erroneous to say that the State receives only 5% of gross mineral revenue. As intimated earlier, the State generally collects the mineral royalty at 5% of mineral revenue from the producing mining companies.

In addition where mining companies make profits, the State receives 35% of the assessable income as corporate tax. In the last few years,the quantum of corporate tax paid by mining companies has been significantly higher than royalty payments.

The State receives employee tax from staff employed by the mining companies. In the past few years the the State has directly received between 12.5% to 14% of mineral revenue.

The State indirectly receives revenue from suppliers to the mining industry and these companies pay corporate taxes, as well as other taxes such as employee taxes which are payable as a direct result of inputs to the mining industry.

Direct company and employee taxes are not the only imposts the mining industry contributes to the State coffers.

Aside from the required employee contributions to the likes of SSNIT the mining community contributes through Customs duties, VAT, local assembly contributions and other fees all adding to the contribution of mining.

Furthermore the mining industry cross subsidizes the cost of social products such as pre-mix fuel through the payment of premium for its diesel purchases. In other words, government receives fiscal benefits upfront from the mining industry, which it uses to reduce the price of social products to the vulnerable in society. Ironically, such “benefits” do not reflect in GRA’s receipts from the mining industry.

28. Why are Small- Scale Miners not members of the Chamber?

Small -Scale Miners(SSM) are not incorporated into the membership structure of the Chamber because of their generally unregulated nature. The reality is that although mining on a small-scale has been a part of Ghana’s history, the regulation of this area of mining enterprise is only recent. The Chamber recognises that there are small- scale enterprises in the community who are doing the right thing and becoming, or are already, under the regulatory umbrella. The Chamber would accept SSM into its fold if they are properly mainstreamed, and regulated so that they meet the requirements of the Chamber. The Chamber would appreciate that they come together to form an association to simplify their governance.

29. Why are employees the first target of cost cutting when the mining industry is in distress?

It is not accurate that mining companies first target employees for lay off in times of difficulty. As in most firms, in times of business challenges, companies review their processes through restructuring to ensure the survival of the firm. Among others, restructuring involves the review of companies’ inputs for better efficiency. When such inputs include labour, naturally employees will be affected. Unfortunately when faced with the sort of downturn that has taken place globally in the mining industry the most visible and usually most publicised effect is the laying off of employees.

Given the high compensation cost for laying off employees as stipulated by the laws of Ghana as well as agreements with the workers’ unions, companies do not take such decisions lightly. Indeed employee lay-offs tend to be the last act in the restructuring process.

30. What constitutes the severance package of a mine worker?

The word severance describes any termination of the employment relationship. It equally applies to an employee coming to work and handing in her/his notice as it does to any other manner of termination. A severance payment includes unused annual leave for example.
Redundancy is about the situation where a job ceases to exist either as a particular task or by the number of people needed (going forward) to perform the task. Redundancy is therefore a

‘special’ form of severance.

The labour law provides that an employer should pay an employee a severance package when the latter is laid off. A severance package will usually include the payment of any unused annual leave and other agreeed payments together with a payment for the loss of a job (redundancy).Agreements between the mining companies and the employee unions generally provide for a redundancy component within a severance payment this is the product of 25% of affected employee’s annual salary and the number of years of continuous service.

31. Why should cocoa farms be destroyed and the land given out for mining gold when studies have shown that the returns from cocoa are higher than that of mining?

Providence has endowed Ghana with both minerals and fertile land suitable for cultivating cocoa among others. The country therefore has a portfolio of resources from which it earns income. Assuming the assertion that cocoa yields greater returns to the country is true, it will still be unwise to focus just on cocoa and stop mining. It will be a risky strategy as it will be analogous to be putting all eggs in one basket. When land is appropriated for mining, it is possible to crop the land after reclamation.

A company getting involved in mining, and essentially before any significant work can be done, has to go through a series of mandated processes. These processes involve communities which might be affected by any mining, as well as individuals. The processes also involves the assessment of individual claims for compensation for the loss of use of land and crops. Mining therefore not only compensates the landusers for disruption while mining is contributing to the overall economy of the country but at the end of mining and after rehabiliation return the land for continuing productive use.

32. Mining companies enjoy enormous benefits which include exemption from the payment of customs duties on their imports. Doesn’t this concession deny the State resources for national development?

The Minerals and Mining Law does provide for the exemption of selected items from customs duty to mining companies which is implemented through the Mining List. All items on the Mining List attract a concessionary levy of 5% except plant, machinery and equipment for which no customs duty is paid.

This provision is not peculiar to the mining industry. In fact companies registered under the Free Zone in Ghana enjoy 100% duty exemption on all imports. This concession is in recognition of the capital intensive nature of mining investment. Applying the customs duty of about 20% on such inputs will adversely affect the cash flow of the companies. Although businesses generally pay customs duty on their imports this impost is tax deductible. Exempting mining companies from customs duty is therefore only a concession for managing their cash flows and to allow the mining investment to be realized and thereby generate socio-economic benefits from the country.

33. Mining companies have through surface mining taken large tracts of land in the mining areas, thereby denying indigenes land to continue their farming vocation. Is it any wonder that illegal mining is rife in those communities due to lack of farming opportunities?

Mining companies engage in surface mining for various reasons. The most important is the location of the ore body. Where the ore is located close to the surface it is only logical that it accessed from the surface. The total land take of mining is only about 2% of Ghana's total land size. It is inaccurate to state that illegal mining has flourished due to lack of access to farm land. A visit to mining communities will show the availability of large tracts of land for farming. The reality is that mining fetches the illegal miners quicker and higher returns than they obtain from farming. Accordingly they find illegal mining more attractive. However the Chamber will continue to advocate for compensation packages for affected persons to include land. This will allow affected farmers to go back to their vocation.

34. Why do mining companies mine in forest reserves?

A few mining companies were permitted by government to invest in exploring for gold in production forest reserves. Production reserves refer to those in which activities such as farming and lumbering were already taking place. With the delineating of commercial finds, government permitted the companies to proceed to mine in the productive forest reserves. However the go-ahead was with strict directives which were captured in guidelines for the purpose. A key guideline was that only mining- i.e. the removal of the ore should be permitted in the reserve. All other facilities such as the processing plant, tailings dam etc are to be located outside the reserve. Furthermore, through land swap, companies were required to reclaim already disturbed land elsewhere of equivalent size in addition to the obligation to reclaim the mined-out area in the reserve. Additionally, the guideline requires the affected companies to pay an additional 0.6% mineral royalty to be dedicated to the socioeconomic needs of the host communities.

Conclusion

The Chamber is open to discussions and suggestions on these aforementioned questions and to use the opportunity to shed more light on the mining industry in Ghana.

Kindly refer to our website: ghanachamberofmines.org for further information.
You may also contact us by email at chamber@ghanachamberofmines.org and by phone on 0302 761893 or 0302 760652.