

PARLIAMENT OF GHANA LIBRARY

**REPORT OF THE
COMMITTEE ON MINES AND ENERGY**

ON THE

MINING LEASE AGREEMENTS

BETWEEN

GOVERNMENT OF THE REPUBLIC OF GHANA,

AND

21 MINING COMPANIES OPERATING IN GHANA

(ANNEX "A")

2008

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1.0 INTRODUCTION

The lease agreement between the Government of Ghana on one hand and twenty – one (21) Mining Companies operating in Ghana (Annex "A") were laid before the House by the Minister of Lands, Forestry and Mines and subsequently referred to the Committee on Mines and Energy for consideration and report in accordance with Article 268 of the 1992 Constitution and Standing Orders No. 188 of the House.

2.0 BACKGROUND INFORMATION

- 2.1 Mr. Speaker, pursuant to the approval of the stability agreement between the Government of Ghana and AngloGold Ashanti, the Committee met in 2007 to deliberate on the extension of the Mining Lease Extension from 2024 to 2054 for AngloGold Ashanti Limited.
- 2.2 Whilst considering the lease agreement, the Committee was informed that a number of Mining Lease Agreements totaling eighteen (18) in number (Annex "A") entered into between the Government of Ghana and various mining companies between the period of 1994 - 2007 were yet to be brought to Parliament for ratification thus breaching the requirements of Article 268 of the Constitution.
- 2.3 The Committee therefore urged the Ministry to submit all the Agreements to Parliament for ratification. The Ministry, in consultation with the Committee, decided to group all twenty-one (21) Lease agreements and lay them before the House. Three (3) of these Lease agreements were however laid earlier before the House on 24th of July 2007 by the Minister of Lands, Forestry and Mines.

3.0 REFERENCE

3.1 In considering the Mining Leases, the Committee made reference to the following documents

- i. The 1992 Republican Constitution
- ii. The Standing Orders of the House
- iii. The Minerals and Mining Law 1986 (PNDCL153)
- iv. The Minerals and Mining Act 703

4.0 DELIBERATION

4.1 Goldfields Ghana Limited

The company is currently the major gold producer in the country with products from Tarkwa and Abooso Damang Mines. Goldfields has a concession size of 204.22sqkm in all with their leases valid until 2027(Tarkwa) and 2025(Abooso) respectively

4.2 AngloGold Ashanti Limited

AngloGold is the second major gold producer operating mines at Obuasi, and Iduapriem in Ashanti and Western Regions respectively. Obuasi mine covers a concession of 334.27sq.km. AngloGold Ashanti has Mining Leases till 2024 (Obuasi) and 2019 (Iduapriem) respectively. AngloGold Bibiani Mining Lease covers a total area of 49.82 sq.km with lease validity till 2027.

4.3 **Bogoso Gold Limited**

Bogoso Gold Limited has three mines namely Prestea, Wassa and Pampe. Prestea mine covers 129.05 sq.km of concessions at the Wassa West District of the Western Region with a lease period valid until 2018. Wassa mine, also located in the Western Region was granted a lease that would expire in 2028, while the third mine at Pampe has a lease agreement that is valid for 5 years and expires in 2012.

4.4 **Chirano Gold Mines Limited**

Chirano mines started operations in 2005 with a concession area of 36 sq.km in Chirano in the Western Region. Mining lease granted to Chirano is valid until 2019.

4.5 **Sian Goldfields Limited**

Sian Goldfields limited is operating a concession area of 46.93 sq.km and is working with a mining lease valid until 2026.

4.6 **Narawa Company Limited.**

Narawa Company Limited is reorganizing to start production since 2004 due to legal issues with some of its shareholders. It has a concession of 3 sq.km located at Nsutam, Eastern Region with a lease agreement valid till 2012.

4.7 **Newmont Ghana Gold Limited**

Newmont mines started operations in 2006 on total area concession of 398.12 sq.km located at Yamfo Ntotronso and Kenyasi respectively. Newmont Mining Lease is valid until 2031.

4.20 Kibi Goldfields International

Kibi Goldfields has a concession located at Pusupusu in the Eastern Region covering a total area of 49.95 sq.km. The Mining Lease granted in 1995 and expires in 2015.

4.21 Ghana Manganese Company Limited

The Company has concession at Nsuta (164.15 sq.km area) and Hotopo (11.78 sq.km) all in the Wassa West District of the Western Region. The Mining Leases were granted in 2001 and is valid until 2031.

5.0 OBSERVATION

- 5.1 Mr. Speaker, your Committee observed that among the Mining Companies, Midas Mining Limited is the only mine seeking a renewal of their Mining Lease.
- 5.2 Mr. Speaker, the Committee observed that the various Mining Lease Agreements were entered into between 1994 and 2007. In the course of its deliberations, it came to light that most of these Mining Leases were operational even though they are not ratified. The Committee wishes to recommend to the House that all future Mining Leases should be brought before the House for ratification before the commencement of operations.
- 5.3 Mr. Speaker, the Committee noted with great dissatisfaction the inability of the various Ministries responsible for Mines over the period in question to seek the ratification of Parliament prior to the execution of the various Mining lease agreements between 1994 to 2007. Such an attitude is a gross disregard to the laws of the land especially Article 268 of the 1992 Constitution of the Republic of Ghana. This violation is an affront to the dignity of Parliament, as it seems to suggest that Parliamentary ratification is nothing but a mere rubber stamp for the approval of already executed agreements.
- 5.4 The Committee therefore wishes to sound a word of caution to the Ministry responsible for Mines that any such violation of the laws of the land in future would be subjected to the full sanctions of the law.

6.0 CONCLUSION

6.1 The Committee wishes to recommend to the House to adopt its report and approve the various Mining Leases between the Government of Ghana on one hand and Mining Companies as Annex A respectively on the other hand.

Respectfully submitted.



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HON. EDWARD M. ENNIN
VICE CHAIRMAN
COMMITTEE ON MINES & ENERGY



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MOHAMMED INUSAH
CLERK, COMMITTEE
ON MINES & ENERGY

ANNEX "A"

NO.	NAME OF MINING COMPANY	LOCATION	AREA (sq.km)	GRANT DATE OF LEASE	LEASE EXPIRATION DATE
1.	Goldfields Ghana Limited	Tarkwa & Damang	204.22 in total	1997 1997	2027 & 2025
2.	AngloGold Ashanti Limited	Obuasi & Idiapriem, Bibiane	334.27 49.82	1994 1989	2024 2019 2027
3.	Bogoso Gold Limited	Prestea/ Bogoso Wassa Pampe	129.05 50.00	1987 1998 2007	2018 2028 2012
4.	Chirano Gold Mines Limited	Chirano	36.0	2005	2019
5.	Sian Goldfields Limited	Esaase	46.93	1996	2026
6.	Narawa Company Limited	Nsuta	3.0	2002	2012
7.	Newmont Ghana Gold Limited	Yamfo Ntrotronso & Kenyasi, Goa	398.12	2001 2001	2031 2031
8.	Ghana Managanese Company Limited	Nsuta Hotopo	164.15 11.78	2001	2031
9.	Gulf Coast Resources Limited	Banka	29	2000	2010
10.	Med Mining Company Limited	Dochi	17.97	2005	2010
11.	Adamus Resources Limited	Nkroful	47.84	2008	2016
12.	Midras Mining Limited	Datano	49.67	1992	2009
13.	Talos Ghana Limited	Konongo	125.0	2010	2010
14.	Goldenrae Mining Company	Kwabeng Pameng	44.24 40.04	1989 1989	2018
15.	West Star Mining Company Limited	Ankobra	50.0	2007	2017
16.	Blue River Mining Company Limited	Ankobra	40.4	2007	2017
17.	First Canadian Goldfields Limited	Benso Hwini-Butre	20.38 40.38	2007 2008	2011 2012
18.	Kibi Goldfields International	Pusupusu	49.95	1995	2015
19.	Ghana Bauxite Company	Nsuta	29.39	1997	2022
20.	Savanna Cement Company Limited	Buipe	50.0	2000	2030
21.	Ghacem Limited	Yongwa	0.64	2004	2014