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Country Coverage

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Mining in Ghana

Gold Coast Redux

Stock	Ticker	Market	Metal/Mineral	Status	Price	Market Cap
Galiano Gold	GAU	TSX/NYSE	Gold	Producer	$1.37	US$354.1mn
Asante Gold	ASE.cn	CSE/GSE	Gold	Producer	$1.15	CAD$576.2 mn
Goldstone Resources	GRL.L	LSE	Gold	Producer	£0.09	GBP£8.1 mn
Newcore	NCAU.v	TSX-v	Gold	Explorer	$0.61	CAD$152.7 mn
Pelangio Exploration	PX.v	TSX-v	Gold	Explorer	$0.095	CAD$16.4 mn
Castle Minerals	CDT.ax	ASX	Gold/Graphite	Explorer	$0.097	AUD$11.25 mn
Cassius Mining	CMD.ax	ASX	Limestone/Gold	Developer	$0.023	AUD$15.6 mn
Bishop Resources	n/a	n/a	Gold	Explorer	n/a	n/a
Atlantic Lithium	WOF.v	ASX/LSE	Lithium	Developer	$0.14	AUD$98 mn

Mining in Ghana

Gold Coast Redux

+ Ghana after some turbulent early decades after independence has become a paragon for smooth transitions when the electoral winds change and the opposition is elected
+ The decision to force artisanal miners to sell production thru a Central Selling Agency is a long overdue measure to clean up the sector and is really targeted towards normalizing the activities of rampaging Chinese miners
+ The sovereign wealth fund specifically linked to mining is a rather unique creation and potentially shines a light in a direction that many other African (and Latin American) nations might follow
+ Africa has come in from the cold for Canadian investors after a long period of disinterest (or moreover, focus elsewhere)
+ Gold is upsurging, bringing joy to producers, developers and even explorers
+ A new generation of miners is cropping up in Ghana, with one hybrid feature being the positioning of some rising local groups in Western-driven developers
+ It's interesting to note that as "flavour of the decade" jurisdictions, such as Mali and Burkina Faso, end up in the penalty box those that have persevered with Ghana are progressing steadily towards production

× The artisanal mining of gold in country goes back millennia but has recently descended into chaos with unchecked entry of Chinese players (either directly or utilizing proxies) which is creating environmental mayhem while massively evading taxes and royalties
× The malign Chinese presence (a seemingly uncontrollable artisanal sector) is perturbing and finally prompting government action
× Despite its long presence in the Timmins & Red Lake camps the company has still not identified a resource there
× Junior explorers are not guaranteed strong financing support just because gold is strong and Pelangio has been forced to undertake "bitty" fundings over recent years

Gold Coast Redux – Coming Full Circle

It was not without good reason that Ghana during colonial times, and well before, was known as the Gold Coast. Prolific alluvial and accessible underground deposits of gold had, for thousands of years, enriched this part of West Africa (and attracted undesirables intent upon securing gold for themselves).

In more recent times, churning politics, a higher gold price and the search for novelty drove explorers farther north into jurisdictions that (temporarily) appeared more welcoming. Mali became the go-to place for gold, Burkina Faso for gold and base metals and Niger for uranium. This has largely ended in tears as governments and rebels (sometimes morphing into governments) have created hostile environments, accompanied by litigious tendencies.

The political troubles of Ghana ended decades ago but it is only now that Ghana is being seen for the safe haven it has long been. Some miners have consistently produced there, with interruption. Anglogold Ashanti is the notable example of this. Then there is Asante Gold which has become a large producer and spearheaded local participation through its successful listing on the Accra Stock Exchange.

Ghana is renowned for its gold resources and is the largest producer of gold in Africa as of 2019 (though in some versions 2008) when it overtook South Africa for that garland, producing (officially) 142.4 tonnes of gold, representing (at that time) 4.1% of global production. The sector accounts for over 90% of the country's mineral exports and is a vital part of Ghana's economy.

Some Overarching Thoughts

Firstly, we would note that most African nation’s borders as they stand are the result of colonial forces. In fact, the Birimian Greenstone belt covers a swathe of West African nations to varying extents and in particular the Ghanaian occurrences and the Ivorian gold sources as well as those in Southern Mali are all part and parcel of the same geological manifestation. A key difference is that in the Ghanaian portions of the greenstone belt that grades were always higher and nearer to surface and thus easier pickings particularly at more challenging gold price levels. Some countries have only come into contention because the gold price rise has brought them in from the cold.

The second factor is that rebel movements consist of several different components in sub–Saharan Africa and that while some are religiously motivated, many are just economic chancers and some are a combination of both. This has a lot to do with the fall of Gaddafi in Libya which made footloose a large number of “personnel” that he had kept gainfully employed and these spread southwards, adding themselves to the likes of Boko Haram but also the insidious Wagner Group. This served to destabilize a swathe of nations in their path.

Finally, gold in Ghana was produced at both industrial and artisanal scales. At the industrial scale, gold mining was carried out by various international mining companies. The government holds a 10% free-carried interest in all large-scale gold mining operations in the country. However, the artisanal space is a slippery eel to get hold of. While talk of the artisanal and small mining (ASM) sector is somewhat untargeted it is a sort of truth that the vast bulk of local artisanals and live hand to mouth. The lives of their exploiters is not so precarious and thus the “other” needs to be not only identified but eliminated in the most diplomatic (literally) way possible.

Some History

Gold mining in Ghana has a long history, with recorded production dating back to the 10th century, when the region was part of the ancient Ghana Empire (which was not constrained by today's borders).

In the 15th century, the Portuguese called it the Gold Coast. All down this tropical seaboard along the southern edge of West Africa, Portuguese merchants would load up their ships with gold brought from inland. When the Portuguese built their fortress town in 1482, they called it "Elmina". Locally, it came to be known as "the mine".

Commercial gold mining began in the early 19th century, with Europeans establishing several mines during the colonial period. The first documented large-scale mining operation in Ghana was at Obuasi, where gold was discovered in 1897. By 1900, Ghana, then known as the Gold Coast, had become a major supplier of gold in the British Empire.

Large-scale gold mining in Ghana took off in the mid-20th century, with operations expanding in the 1980s due to rising gold prices. Companies such as AngloGold Ashanti, Goldfields and Newmont have developed and operated extensive mines.

Major gold discoveries and mining activities have centered around the Ashanti Region and other areas such as Tarkwa, Akyem, and Prestea, forming part of the extensive Birimian and Tarkwaian gold belts.

Local artisanal mining, known as *galamsey*, predated industrial efforts.

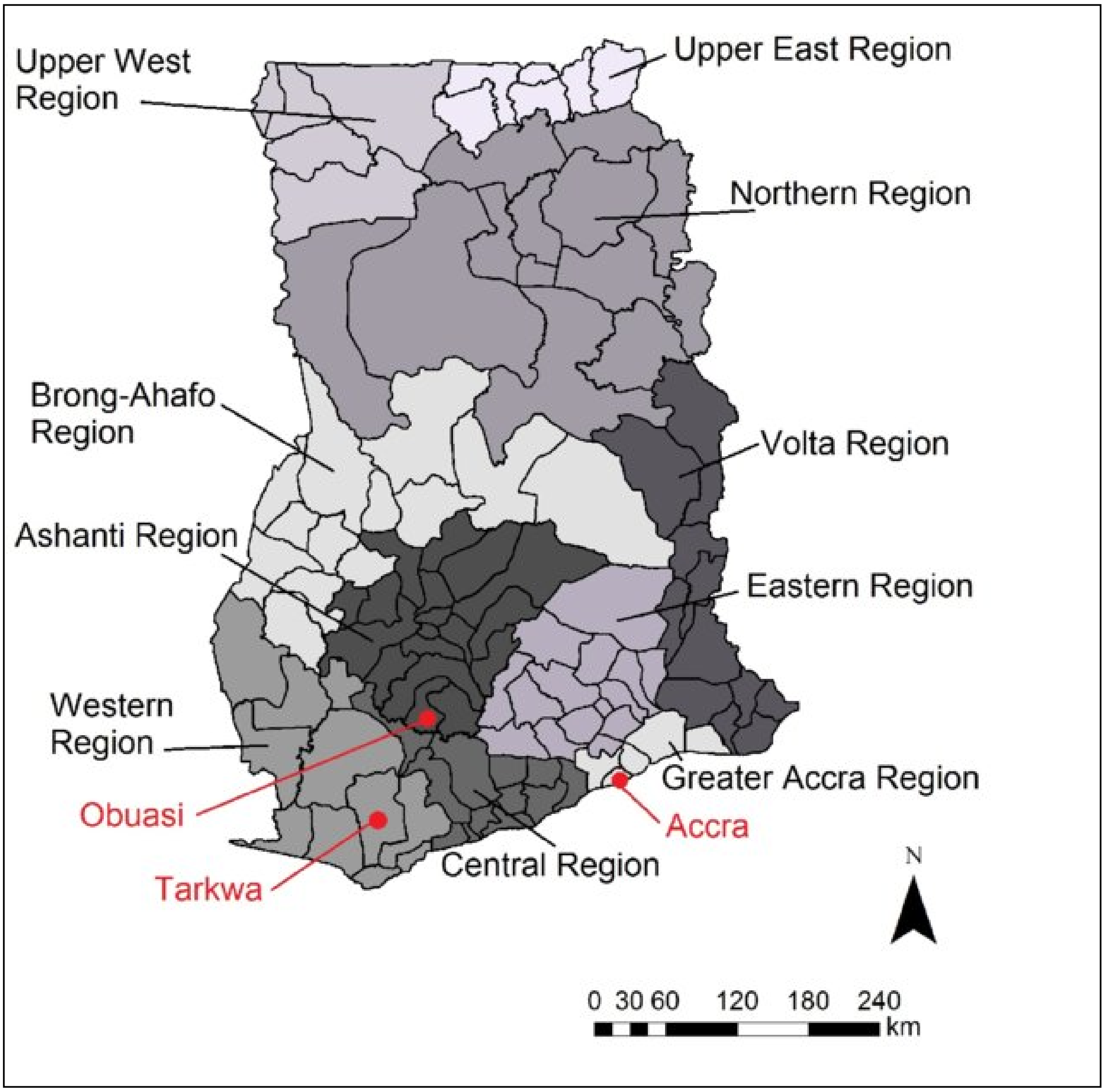
The Producing Regions – Widely Spread

Ashanti Region - This Region has played a central role in gold mining in Ghana, dating back to the 19th century and has been, historically and currently, one of the major gold-producing areas in Ghana. The region is home to some of the largest gold mining companies in the country, including AngloGold Ashanti at Obuasi. Obuasi produced more than 35 million ounces of gold since its discovery in the late 19th century. Additionally, the Ahafo South and Ahafo North in the Ashanti Region, home to Newmont Ghana's Ahafo mine, is also a contributor to Ghana's gold output.

Western Region - particularly the Tarkwa and Prestea districts, is another gold-producing area. Tarkwa, known for its large-scale open-pit mining, has been in operation for several decades and is one of Ghana's gold producers. It is operated by Gold Fields Ghana and produced 504,000 ounces of gold in 2019. Prestea, operated by Golden Star Resources, is another mining town that has produced substantial amounts of gold over the years.

Eastern Region - gold mining activities are centered around the Akyem mine, operated by Newmont Ghana. The Akyem mine, one of the gold mines in the region, began commercial production in 2013 and produced over 500,000 ounces of gold in 2020.

Central Region - with gold mining activities in towns like Damang, is another significant producing region. The Damang mine, operated by Gold Fields Ghana, produced 164,000 ounces of gold in 2019.



Source: Mozhgon Rajaee et al.

Northern Region - While not as well known for gold mining as other regions, the Northern Region has seen increasing interest in gold exploration, with Galiano Gold and other companies investing in small-scale mining projects in the region.

Ghana’s “new frontier” northern region is now considered one of the most prospective areas to make such discoveries in West Africa. Exploration in the region is relatively immature compared to Ghana's south where several world-class mines have been operating for decades. This immaturity along with its Birimian geology and structural setting, is directly analogous to the prospective geology of Cote d'Ivoire.

Perceptions of Northern Ghana's prospectivity, were changed by the development of the 5.1mn oz Namdini gold deposit, discovered by Cardinal Resources Limited, prior to its takeover by Shandong Gold Limited in 2020. Namdini lies on the Bole-Bolgatanga Birimian greenstone belt, as does Castle's Kandia discovery and the Black Volta Gold Project of Azumah Resources.

Western North Region - this region has gained attention for its artisanal gold mining activities, especially in areas like Sefwi Wiawso and Bodi. These areas have been known for their gold-bearing areas, and the growth of small-scale mining in this region has contributed to the overall gold production in Ghana.

Some Stats

There are a few universal truths when it comes to the numbers on Ghanaian mining and then there is a swathe of garbled and imprecise/rubbery numbers.

The extent of the problem is shown by the report that, in 2019, more than US$8.5 billion was officially exported, according to the United Nations trade database Comtrade. That same year $12.8 billion was unaccounted for, the country's Ministry of Lands and Natural resources found, warning it was being smuggled out to Asia, the Middle East and Europe.

In the public record, Ghana's gold exports grew by 53.2% in 2024 to US$11.64bn, of which nearly US$5 billion was from legal small-scale miners. The amount from illegal miners and that spirited away by Chinese traders will never be known.

The USGS report on Ghana used to be annual and have now faded away, showing the extent to which Ghana has fallen off the US radar (and the extent of budget cuts at the USGS). Maybe also the USGS perceived its data was garbage in/garbage out if it depended upon official numbers.

Political Background

The Gold Coast gained its independence from Britain in 1957 and was renamed Ghana. The second phase of political evolution in Ghana began with Jerry Rawlings, who led a coup in December of 1981, against the elected government. Although Rawlings came into office via non-democratic means, he eventually oversaw Ghana's transition to democracy throughout the 1990s. By the time he stepped down in 2000, Ghana had an established, pro-Western democracy.

The transition from an authoritarian regime to a democracy was due to both internal and external pressure. Opposition groups were growing increasingly more vocal and more organized during the early 1990s. To continue to receive crucial financial assistance from the international community, he needed to engage in political reform. The transition was ultimately bolstered by significant external economic support, to the tune of $9 billion in loans in the 1980s and 1990s.

Rawlings accepted the constitutionally mandated term limits in 2000, rather than amending the constitution to serve a third term. This set an important precedent that helped consolidate Ghanaian democracy.

Rawlings was succeeded by his main political rival, John Kufuor. Kufuor defeated Rawlings's vice president in the 2000 contest. This was the first peaceful transfer of power to an elected opposition in the country's history. Since then, power has consistently rotated between the National Democratic Congress (NDC) and the New Patriot Party (NPP).

The previous three elections to that of 2024 were contested by the NDC's Mahama, who came to power unexpectedly in 2012, while serving as Vice President under John Atta Mills, who died in office. Mahama won the presidency in his own right in 2012 against the NPP's Nana Akufo-Addo, before losing to Akufo-Addo in 2016 and 2020.

The "almost rote trade-off of power" among a small group of political elites demonstrates a capacity for peaceful transitions of power, in the opinion of the Carnegie Endowment. However, this has also created the perception that the Ghanaian political system has been captured by the powerful and well-connected.

In particular, this is compounded by rumors of corruption that have surrounded the regimes of Akufo-Addo and Mahama, and by the decisions of each to appoint family members to government positions.

Current Politics

The latest change of government in Ghana was prompted by the outcome of the elections held on the 7th of December 2024. In those elections the Ghanaians voted to return former president John Mahama to office. He won with 56.55% of the vote, defeating the outgoing Vice President, Mahamudu Bawumia.

The quick and gracious acceptance of defeat by Bawumia demonstrated the strength of Ghana's democracy and reflected successful consolidation in the years following the country's first democratic election in 1992.

The Carnegie Endowment in its report on the election noted that, since Mahama first took power in 2012, the proportion of Ghanaians who are satisfied with the state of Ghanaian democracy has declined from 74% to 51%. According to a 2022 Afrobarometer survey, 94.2% of Ghanaians thought that at least "some" of the president and his staff are corrupt.

Ghana has a strong political culture with a robust civil society and independent media that have helped keep democracy moving forward. And the NPP and NDC have matured into parties that are not personality-based. However, for Ghana to fully consolidate its democracy and to restore public trust, the government must engage in further decentralization and empower the institutions outside of the executive.

In the Carnegie Endowment report it was noted that public apathy, particularly among the youth, is a risk, potentially feeding a vicious cycle where elites are not incentivized to seek broad public participation in decision making. Though one could say that about many Western democracies, as well.
Ghana has approximately 18.8 million registered voters, of which more than 10 million are between the ages of eighteen and thirty-five. But this election saw a significant drop-off in voter participation, with 60.9% turnout, this is significantly lower than the 78.9% of Ghanaians who voted in 2020.

The Accra Stock Exchange

The Ghana Stock Exchange (GSE) is the principal stock exchange. It was incorporated in July 1989 with trading commencing in 1990. The exchange plays host to a small coterie of resources stocks. At the moment these are Asante Gold, AngloGold Ashanti (and its Depository Receipts), Atlantic Lithium and Tullow Oil PLC.

The Sovereign Wealth Fund (MIFF)

In 2018, Ghana established a sovereign wealth fund, the Mineral Income Investment Fund (MIIF). The fund was mandated by the Minerals Income Investment Fund Act, 978 (as amended) to maximize the value of dividend and royalty income accruing to the Republic of Ghana "in a beneficial, accountable and sustainable manner and to monetize Ghana's mineral wealth in a manner which would bring long term value to Ghana".

MIIF also has 100% ownership of Agyapa Royalties Company, the only state-owned gold royalties company in Africa.

The fund had Assets Under Management (AUM) of over GH¢3.0 billion as of December 31, 2022 from year start value of GH¢1.7 billion, representing about 76% growth over the period. The growth largely was attributed to statutory royalties' contributions from mining companies and investment income. In 2024, MIIF increased its revenue by 41% year-on-year, reaching GHC 1.3 billion and doubling its profit to GHC 409 million. The Fund also expanded its total assets under management to over US$1.2bn in 2024, up from US$195mn in 2021, putting it amongst the fastest-growing mineral sovereign wealth funds globally.

While sound in theory, we would note that one of its less propitious investments has been its excursion into Atlantic Lithium (A11.AX), a story which we discuss anon in more detail. In September of 2023 it was announced that the Fund would invest US$27.9mn in the Ewoyaa mine in the country, taking a 6% stake in Atlantic Lithium's projects in the country. MIIF would also acquire a 3.05% stake in Atlantic Lithium for $5mn. The MIIF was also on the hook for an ongoing contribution of 6% of development costs.

The deal gave it an option to bid for the Ewoyaa project's available supply contract of the lithium produced, through a competitive process. As to why the SWF would want an offtake boggles us.

Then the government officially took over the Damang Gold Mine from Gold Fields, effective 18 April 2025. This was hailed, by some, as a historic move that signalled a bold shift in the country's natural resource governance strategy. The initial decision to decline the lease extension drew mixed reactions. It is early days for this "nationalisation" and so the judges are out on whether it will ultimately prosper under government ownership. What percentage (and role) that MIIF will have is unclear in reports of the transaction.

In November of 2024, Castle Minerals (discussed in Appendix I) announced an indicative nonbinding term sheet with MIIF for a combined investment of $2mn in Castle's graphite project in Ghana. The deal will fund the Kambale graphite project through to a prefeasibility study, to evaluate the production of specialist natural graphite concentrates and value-added products.

A 2022 condition imposed by MIIF requiring all investee companies to list on the Ghana Stock Exchange, accordingly Castle will be joining Asante and Atlantic Lithium on the Accra exchange.

Royalties

Ghana is Africa's largest producer of gold, but it takes only a fraction of the royalties it is owed. Exactly how much royalty income it is deprived of is unclear as no-one knows the level of evasion being perpetrated in the artisanal space.

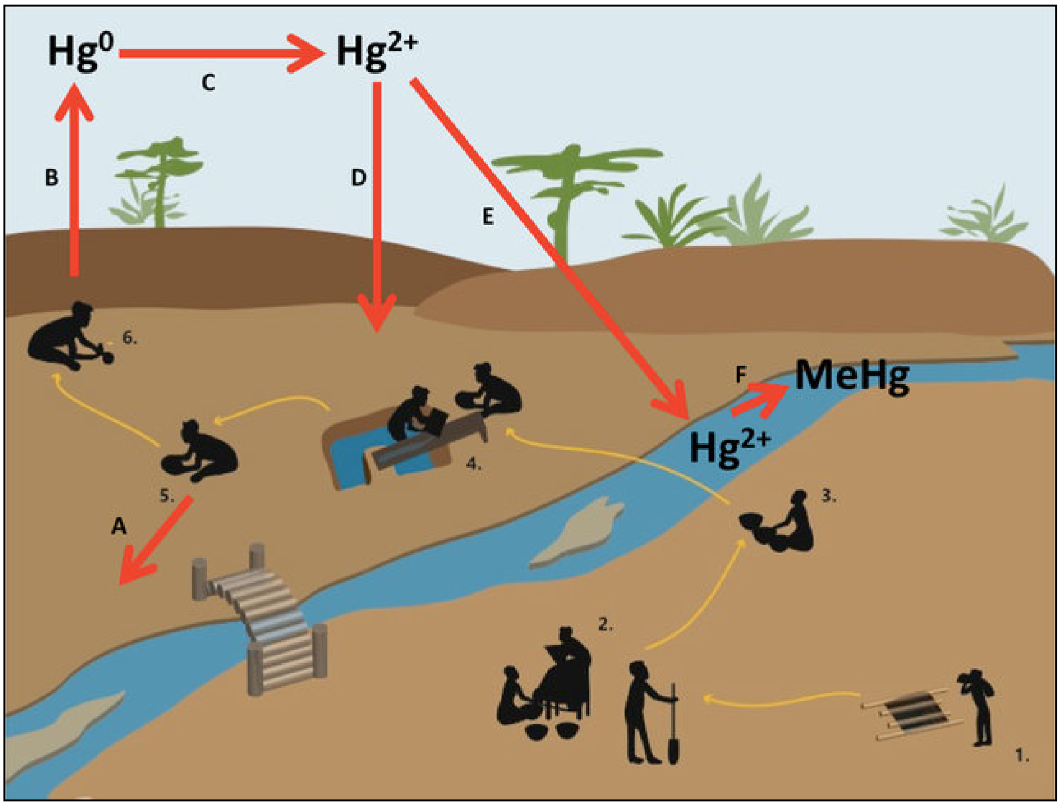
Gold mining companies in Ghana are required to pay royalties as a form of compensation for the extraction of the country's mineral resources. These royalties are governed by the Minerals Income Investment Fund (MIIF) Act, 2018 (Act 978), which establishes mechanisms for managing the royalties and ensuring that the benefits accrue to the state and local communities.

In 2020, the Ghanaian government introduced the Agyapa Royalties deal, designed to monetize a portion of the royalties through a special purpose vehicle listed on the international stock exchanges. The deal sparked public debate due to concerns about transparency and equitable benefits distribution.

The Artisanal "Problem" in Ghana

Artisanal gold mining in West Africa has been a phenomenon for a millennium or more. However, what was an activity for locals only has now morphed into something more insidious in Ghana. Artisanal miners produce around 120,000 ozs per annum but that number is by its very nature somewhat of a guesstimate.

This phenomenon is of relevance as it may (or may not) impact Western miners when the counterparties one is dealing with are not local families trying to keep body and soul together, but rather a horde with (maybe) entirely different motivations, and direction from above.



Source: Samuel Jerry Cobbina

The image above shows the role that Mercury plays in the mining artisanal process. Interestingly the caricatures would give the impression that the artisanals are "locals" when the reality in Ghana is more complex. Ghana has been dealing with severe environmental pollution caused by the activities of illegal miners, and over 60% of the country's water bodies have been affected.

The gold rushes in Australia and California in the 1850s spurred a mass movement of Chinese artisanal miners to distant points of the globe. Times have changed but seemingly not in Ghana where the country is somewhat unique in being invaded by hordes of Chinese miners who have spread environmental chaos and displaced local artisanal miners.

Ghana's artisanal and small-scale mining sector attracted, between 2008 and 2016, over 50,000 Chinese gold seekers that migrated to rural Ghana to engage in illegal artisanal and small-scale mining (ASM).

While the 19th century mass movements were at best the product of gang masters organizing the ebb and flow of this workforce, one really needs to wonder how "hands off" Peking policy makers are in this current phenomenon. Seemingly no amount of effort by the Ghanaian government has been able to dislodge what is seen in some quarters as something of a Fifth Column. Reports we have had from in-country indicate that there is also a rapacious exploitation of the fishery stocks of the country in the Gulf of Guinea.

The current state of play affects everyone in the mining ecosystem within the country , not just other artisanals, but also explorers, developers and the existing large-scale producers.

Treading Cautiously

Actions by the Ghanaian government have been somewhat on-again, off-again. The USGS in its last published musing on the country stated that, in December 2018, the government lifted a ban on small-scale mining. The ban had been imposed in 2017 and was established to control illegal mining activities, which mostly took place in the ASM subsector. The ASM subsector was estimated to employ more than one million people in Ghana and accounted for 35% of the country's gold production in 2019, compared with 41% in 2018.

At the end of 2019, the government was still trying to formalize the ASM subsector through licensing reform, improving the quality of and access to geologic data, and providing better access to finance.

A paper by Richard Kumah claimed recent proliferation of Chinese migrants in the sector was due to local pull factors, particularly, those that relate to distributional inequity in Ghanaian mining policy and that this served as a catalyst for illegal mining. His findings were that illegal Chinese ASM was caused by local grievances and resistance to systemic distributional inequities in mineral policy on two related fronts, including inequitable mineral wealth distribution, and inequitable mining land regime. Kumah claims that the illegals were aided at various levels, by local collaborators (Hausermann et al., 2020).

We would dismiss this claim as so many illegal immigrants do not arrive in-country without some form of collaboration from the very top. It's very simple. No Chinese, no problem.

Environmental Destruction (and Unfair Competition)

In Ghana, ASM has traditionally been carried out mainly by locals in a rudimentary fashion, using basic tools like chisels and pans for mining and ore processing (Adu-Baffour et al., 2021). The introduction of heavy and sophisticated earth-moving machines by the Chinese into this mining sector has caused significant changes. For example, bulldozers, excavators, and sophisticated water platforms have been linked to aggravated environmental destruction in several communities countrywide (Crawford and

Botchwey, 2017; Debrah and Asante, 2019; Hilson et al., 2014; Kumah, 2022b).

Concerns have deepened over the escalating environmental impacts in the form of land degradation, destruction of arable land and contamination of freshwater bodies.

Action and Reaction

In response, the central government has over the years implemented several stopgap measures aimed at curbing illegal Chinese ASM and illegal mining in general. These actions comprised military raids, arrests and the deportation of foreign miners engaged in ASM (Bansah et al., 2022; Hilson and Maconachie, 2020b). Furthermore, the government banned all ASM activities between April 2017 and December 2018 (Orleans-Boham et al., 2020).

In recent years, Chinese infiltration into the ASM sector has, arguably, reduced due to frequent military raids on illegal ASM sites. However, recent studies show that the phenomenon of Chinese involvement remains a significant threat to the ASM sector in Ghana (Hilson and Maconachie, 2020b; Kumah, 2022b).

Given the growing environmental concerns and the fact that the mining codes officially reserve ASM as a mining subsector for Ghanaians (Act 703, 2006, Sec. 83), the drivers of illegal Chinese ASM in Ghana have received significant attention from scholars (Antwi-Boateng and Akudugu, 2020; Boafo et al., 2019; Crawford and Botchwey, 2017; Hausermann et al., 2020).

Aid by Any Other Name Would Smell as Rank

Kumah´s arguments border on being pro-Chinese. He claims that from a broad geopolitical perspective, Chinese participation in ASM in Ghana is connected to China's expanding role as a significant aid and development partner (Antwi-Boateng and Akudugu, 2020; Debrah and Asante, 2019). This development necessitates rapid migration of Chinese workers and equipment associated with development projects into Ghana (Hausermann et al., 2020; Hilson et al., 2014).

Are the illegals “aid workers” or economic infiltration? Since when is China known for its “aid” in Africa? Where else can we find examples of the Chinese bringing in “aid” workers, who are allowed to wander off in such a manner. This really stretches credibility.

Moreover, if bribery of local chiefs is an issue, then who is paying these bribes to gain advantage. *Cherchez les chinoises?*

Defective Institutions or Plain Old Corruption?

The absence of a single and harmonised land tenure system and land markets has largely fuelled

Ghana's informal mining economy (Nyame and Blocher, 2010). Despite varying opinions regarding the number and kind of land ownership in Ghana (Boafo et al., 2019; Larbi et al., 2004), two broad forms of ownership are generally referenced. These include state land (mainly acquired from traditional owners to be used for the ‘national interest’), and ‘stool/skin lands’ (customary land-owning authorities.

Many scholars, according to Kumah, focus on Ghana's ASM institutional framework highlighting its weak institutional capacity, complex and expensive formalisation policies and lack of “state support” for local miners which keep the sector largely informal (Hilson et al., 2014; Kumah, 2022a; Yankson and Gough, 2019).

He claims that Chinese participation in Ghana's illegal ASM activities is a recent manifestation of the inherent informal character of the sector that the state has failed to resolve over the years (Hilson et al., 2014). This flies in the face of the fact that artisanal mining takes place in many countries around the world (particularly in Africa) and, while not regulated, does not need to involve any outsiders and particularly not Chinese.

Land Ownership

The absence of a single and harmonised land tenure system and land markets, in Kumah´s opinion, has largely fuelled Ghana's informal mining economy (Nyame and Blocher, 2010). Despite varying opinions regarding the number and kind of land ownership in Ghana (Boafo et al., 2019; Larbi et al., 2004), two broad forms of ownership are generally referenced. These include state land (mainly acquired from traditional owners to be used for the ‘national interest’), and ‘stool/skin lands’ (customary land-owning authorities) which in fact represent the whole community. To quote from the Ghanaian constitution “… stool lands in Ghana shall vest in the appropriate stool on behalf of, and in trust for the subjects of the stool in accordance with customary law and usage”.

Some scholars have attributed the expansion of illegal Chinese ASM in Ghana to the country's multiple land tenure systems. In these systems, traditional land-owning authorities, such as tribal chiefs have varying degrees of agency over land and “can execute illegal mining deals” with Chinese miners for private gain (Boafo et al., 2019; Crawford and Botchwey, 2017). What does not an illegal mining deal with illegals look like? How can it be upheld in court?

Beyond the bogus agreements, the very presence of illegal immigrants undertaking this work throws up a swathe of questions. How did they get into Ghana? How did they bring enormous amounts of equipment and establish their “forward bases”? It stretches credibility to breaking point to claim that these people are there without sanction from Peking and that they entered on a local chief´s say-so rather than via massive corruption at the very top under the preceding governments.

These are not a few footloose economic migrants from a neighboring nation, but a veritable *marabunta* (the Brazilian name for the all-devouring army of ants) that has come from a nation on the other side of the world that claims to be a paragon of its own progress for all to emulate. Sorry, this is the same horde that have instituted neo-colonialist exploitation of the border states of Burma/Myanmar.

A Defective (and Deflective) Thesis

Kumah´s spin is of a definite Leftist tinge (while being an apologist for Chinese actions) in claiming that the illegal proliferation of Chinese miners in Ghana's ASM “can be seen as localised forms of resistance to two forms of distributional inequity in the mining regime: inequitable mineral wealth distribution, and inequitable land regime”.

Fifth Column?

We have heard that the Chinese mass infiltration has become a matter of concern for the central government, NGOs and multilaterals, but weeding them out is a delicate balancing game as there is now a critical (armed) mass of them that can swing elections at local and national levels as well as exercising various other means of coercion. We would note that Sri Lanka virtually had to undertake a grass-roots revolution to purge Chinese influence, and that Bolivia has been roiled by turmoil that we believe was the result of a “hidden hand” which was trying to advance the Chinese grip on key minerals, particularly the Lithium of the Salar de Uyuni.

Ridding oneself of interlopers once they gain a critical mass is easier said than done.

GoldBod - Grasping the Nettle

The ravages of the industrialised looting of Ghana’s gold resources has finally prompted action. Interestingly, the response taken by the government looks like it is broad brush (i.e. covering all artisanals) when in fact it is really a net cast wide to trap the Chinese and minimize the potential whingeing that they are being targeted.

In mid-April the Ghanaian government finally moved to put in place a structure that, in theory, should railroad the Chinese-manned or Chinese-backed artisanal operators into the “formal” economy. The goal was to streamline gold purchases from small-scale miners, increase tax revenues and reduce smuggling. This is a shift away from a system in which local and foreign companies with export licenses could buy and export gold from artisanal or small-scale mining (ASM) sector.

The Ghanaian parliament passed a new law passed in March and it was assented to by President John Mahama on 2 April, under which a new trading entity was created. The finance minister Cassiel Ato Forson said in January that the creation of Ghana Gold Board (GoldBod) would allow Ghana to benefit more from gold sales while maintaining the national currency's stability.

The government has allocated US$279mn to the new body to purchase and export at least three tonnes of gold per week. The new intermediary is expected to boost foreign exchange inflows and stabilise the local currency. Although GoldBod has not been created to specifically deal with illegal mining, the new directive could also make it difficult for illegal miners to sell gold in the country.

Under the new system, the newly-created gold board known as GoldBod is the only entity allowed to buy, sell, assay and export artisanal gold. Correspondingly, older licenses have ceased to be valid. To effect this transition, the government ordered foreigners to exit its gold trading market by the end of the April. Foreigners are allowed to apply to buy or off-take gold directly from the GoldBod, but can no longer operate within the local gold value chain.

The licenses of local dealers have also been revoked but given a grace period to allow a smooth transition before the directive takes effect in May. During this period, gold transactions would only be carried out in Ghana cedis, the local currency, and priced based on the Bank of Ghana rates.

GoldBod warned that "it shall constitute a punishable offence for a person to purchase or deal in gold in the country without a licence issued by the new board.

Inevitably someone (besides the Chinese interlopers) loses out and the complaints of the Chamber of Bullion Traders Ghana reflect its members staring at the extinction of their business model. The chairman of the Chamber, Kwaku Effah Asuahene, stirred up fears that the government may not be able to raise enough revenue to purchase all the gold. This is patently ridiculous as the government is not buying to hold but rather would be vending it almost instantaneously to external buyers. He was reported as having told the BBC that "while they support the initiative, they would have preferred to be allowed to partner with foreign investors to purchase the gold and export it through GoldBod". They had more than enough time to clean up their act and, having been part and parcel of the problem, they are now claiming their intentions either were virtuous or would have been given the chance.

The funneling of gold sales through this intermediary is seen as the first concrete step by the new administration of President Mahama to tighten regulation and control of the gold sector and deliver on its anti-*galamsey* campaign promises. Though we would note that "anti-*galamsey*" seems to us to be a dog whistle for anti-Chinese artisanal mining.

Rattling the Cup – Altantic Lithium Wears its Distress on its Sleeve

One of the most undignified things one can witness these days is once triumphant Lithium companies rattling their cup for taxpayer's money to restock their financial larder, when one upon a time, not so long ago they boasted market capitalisations in hundreds of millions, if not billions, of dollars.

A case in point is Atlantic Lithium (ASX: A11) that recently appealed to the Ghanaian government for fiscal concessions to keep its Ewoyaa lithium project afloat. Ghana granted Atlantic Lithium a 15-year lease to develop Ewoyaa by late 2024. Since 2016, the company has invested roughly US$70mn in developing the project.

Atlantic Lithium had aimed to produce 3.6 million tonnes of spodumene concentrate over 12 years (~350,000 tonnes per annum). This would have placed Ewoyaa among the world's ten largest lithium projects.

Lithium prices have plunged over 80% since peaking in November 2022, driven by a global oversupply and slower-than-expected EV adoption. This is now compounded by an affordability crisis, US tariffs and the general lack of interest from the Trump regime in the "green transition".

Now the Atlantic Lithium's management has been warning that the collapse in lithium prices had put the country's first mine for that mineral at risk and is seeking concessions on Ghana's new mining revenue framework, which includes a 10% free carried interest for the state and a special 13% royalty on gross revenue from lithium production.

Reuters reported the company's general manager, Ahmed-Salim Adam, as claiming that the project's IRR had plummeted from 105% to just 13.6%, claiming that it would need to be of the order of 30% to make sense. As a result of this financial strain, the company laid off 25 employees in October of last year and planned to lay off about 50 more in May of 2025.

Atlantic had once been a market superstar on the back of its relationship with one-time go-go stock, Piedmont Lithium (NASDAQ, ASX: PLL). It had been intended that around half of Ewoyaa's lithium output would be earmarked for a US-based refinery owned by Piedmont, Atlantic Lithium's second-largest shareholder. Pidemont had also agreed to finance most of the mine's construction. That the wheels have also fallen off Piedmont clearly has not helped. We fail to see how any financial largesse from the Ghanaian government would cure what looks like a broken supply chain.

Risks

The prime risks for any investment at this stage are:

- A retreat in the gold price
- Political uncertainty in Ghana
- Failure to prove up a resource on the Ontario assets
- Financing challenges

The main risk currently is that the gold price might move unfavorably, but that holds for all gold miners.

With gold having broken through $3000 per oz it is now in territory that only the most hardcore gold bugs would find unsatisfactory. In our view anything over $1600 is highly prospective for encouraging investment and exploration in the gold space. If a project does not work at $1600 Au then it should not be in consideration.

The risk of non-discovery or inadequate resources being defined is a perennial in the exploration space. This risk is best mitigated by the prospectivity of the ground being explored and the quality of the team involved and most of Ghana is highly prospective. Even territory that has been worked over by artisanals has merely been scratching at the surface. In the case of the juniors, the danger is not poor results but lack of exploration work in absolute terms. The number of non-Ghanaian juniors exploring in-country is still rather low.

Financing waves come and they go. At the moment the mining space in general is attracting significant attention from dedicated and non-dedicated investors, with the latter group, in particular, seeking to rotate out of other more overvalued sectors in the broader markets. The prospects look good for funds to continue to be dedicated to precious metals for at least the next two years.

Thesis

Gold has turned, sentiment on Africa has turned, but has there been a pivot to Ghana? We would say rather that as the fortunes of countries (and companies) in inland states have faded that Ghana has become more evident/apparent as a beacon of stability in the sea of changeable policy, military coups and shifting rebel movements.

If anything, Cote d'Ivoire is the "new Ghana", whereas Mali was never the "new Ghana". And yet we see how fragile being the "new anything" can be where a coup by a previously unnoticed group of colonels can upend the best laid plans of Western miners. Cote 'd'Ivoire is looking good, but not out of the woods yet. Ghana though, with yet another peaceful transition to opposition party ascension to control, looks like a paragon in African democracy (though these may be famous last words). However, at least for the moment Ghanaian democracy looks more functional than Belgium, for example. Though that may be damning with faint praise.

Ghana though has a unique problem in Africa which is that of Chinese penetration. Certainly, China has seized the economic heights in the mining space in the DRC, Zambia and Zimbabwe and in Ghana they have seemingly seized merely the foothills. But in comparison the Chinese are more prolific and, in many ways, have replaced the Lebanese as the *petit bourgeoisie* in Ghana intermediating, outside the capital, much of the artisanal gold trade and indeed small-scale commerce of all types. The old adage that mining booms brings fortunes to those who see the shovels rather than those that wield them, is the case here with the added twist that they are also buying the output of the artisanals (and providing a rather sinister hidden hand) as well as orchestrating an army (literally or figuratively) of Chinese artisanals in competition with the local *galamsey* crowd. Artisanals "with Chinese characteristics" are a perennial that go back to the days of the Californian and Australian gold rushes of the mid-1800s.

The rising tide of illegals (let's not mince words here) have been a deterrent to Western miners particularly due to their tendency to "play dirty pool". The incoming government has now taken action and in a move, similar to the Biblical lashing of the merchants out of the Temple, has set up GoldBod to hem in these exuberant (and tax evading) entrepreneurs. But they are not expelled from the Temple yet until we have seen the last of them, we cannot be certain their malign influence (economically, socially and environmentally) can be said to be over.

All these factors are converging to not only confirm Gahan's place as the premier gold producer in Africa (despite the hidden production having been hitherto spirited away by the Chinese interlopers) and signal that the lead is likely to widen further if AngloGold Ashanti's projections from Obuasi are to be believed and if new names are added to the ranks of producers, such as Goldstone. Let the Ghanaian mining renaissance roll-on…

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Appendix I: Miners & Explorers

A Complex Ecosystem

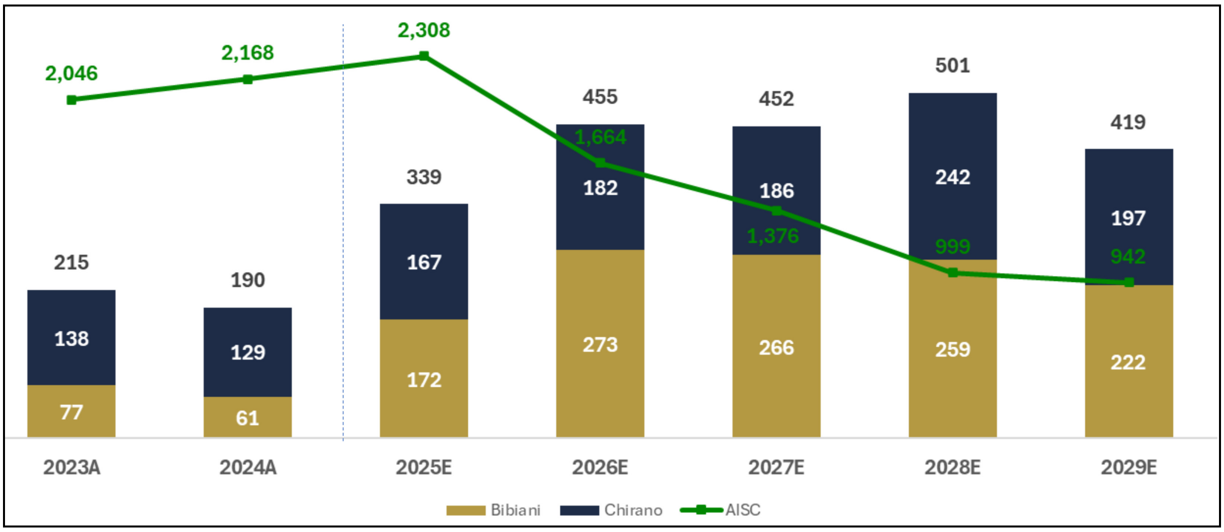
Ghana seems to have more companies in the production and developer categories than is normally the case and fewer in the explorer category, or maybe that is just a feature of its being a more mature mining market. In this section we shall review some of the most apparent players, even looking at some of the "dearly departed", such as Cardinal and Golden Star.

Asante Gold (CSE:ASE | GSE:ASG | FSE:1A9 | U.S.OTC:ASGOF) – Local Appeal

This company has long been the representative Ghanaian exposure in old Model Resources Portfolio as well as representing a gold exposure and a production exposure. Even more intriguing is its successful cultivation of a local shareholder base (some 40.9%), via its listing on the Accra Stock Exchange.

The Chirano Mine hosts plunging zones of high-grade gold mineralization. It is 90% owned by Asante Gold with the Ghanaian government holding a 10% free carry. It had previously been held by Kinross Gold (TSX: K |NYSE: KGC), which had picked it up through its Redback takeover, and was acquired by Asante for US$250mn in 2022

In early May of 2025, the company provided updated consolidated five-year production guidance for 2025-2029 of 2.2 million ounces based on reserves only (curiously calculated at US$1,700 per oz Au).



Since 2022, MIIF has invested in the Chirano Mine, the Bibiani Mine, and the non-producing Kubi Mine. In partnership with the Ghana Infrastructure Investment Fund (GIIF) and the government's compulsory Free Carried Interest, Ghana holds around 24% equity in the company.

Newmont (NYSE: NEM) – The Behemoth

The mine is in the Ahafo region, approximately 290 km northwest of Accra. Mining is currently underway at Ahafo South where commercial production began in 2006 with Newmont operating both surface and underground mines.

Ahafo has two primary ore zones: Ahafo South and Ahafo North. In November 2018, Subika, a new underground mine which was completed on schedule and within budget, achieved commercial production, adding higher-grade, lower-cost gold production at Ahafo South.

Currently, Ahafo South is Ghana's largest gold mine, having produced over 8mn ozs to date. Ahafo production is expected to remain largely consistent through the first half of 2025 before beginning to decline in the second half of 2025 as mining activities in the Subika open pit are completed as planned.

Newmont claims that Ahafo North is the best unmined gold deposit in West Africa, with approximately 3.8 million ounces of Reserves and 1.4 million ounces of Measured, Indicated and Inferred Resources and significant upside potential to extend beyond Ahafo North's current 13-year mine life. Commercial production for the project is expected in the second half of 2025 and the development of the Ahafo North mine will raise combined production to approximately 850,000 ozs of gold per annum.

Ahafo North is expected to add between 275,000 and 325,000 ounces of gold per year, with all-in sustaining costs of $800 to $900 per ounce for the first five full years of production. The total capital costs are estimated to be between US$950 mn and US$1.050 bn.

The addition of Ahafo North expands Newmont's existing footprint in Ghana with four open pit mines and a standalone mill located about 30 km from the Ahafo South operation. Long-term district strategy is to extend mine life beyond 2050.

Cardinal Resources (ASX: CDV |TSX: CDV) – Feeding Frenzy

Although it is some while ago now it is worth mentioning the takeover of Cardinal Resources, which represented one of the recent high points in Ghanaian dealmaking. In mid-June of 2020 Cardinal Resources announced that it had entered into an agreement with Shandong Gold Mining (Hong Kong) Co, Ltd (a 48% owned subsidiary of Shandong Gold Mining Co, Ltd) to acquire 100% of the issued and outstanding ordinary shares in Cardinal at a price of A$0.60 cash per share, by way of an off-market takeover offer.

The premium implied by the Shandong offer gazumped the non-binding indicative and preliminary proposal announced by Nord Gold SE (a Moscow-based company) in mid-March of 2020 of AUD$0.45775.

Cardinal was focused on the development of the Namdini Gold Project and had released a Feasibility Study thereupon in late 28 October of 2019. The project had a published gold Ore Reserve of 5.1mn ozs (138.6mn tonnes @ 1.13 g/t Au; 0.5 g/t cut-off), inclusive of 0.4mn ozs Proven (7.4mn tonnes @ 1.31 g/t Au; 0.5 g/t cut-off) and 4.7mn ozs in the Probable category (131.2mn tonnes @ 1.12 g/t Au; 0.5 g/t cut-off). Namdini was expected to produce some 4.2 million ounces of gold over a 15-year mine life, with an estimated 1.1 million ounces to be produced over the first three years of the operation. The project's development cost was estimated at between US$275mn and US$426mn.

Nordgold then countered and In September 2020, Shandong countered with an AUD$1-per-share bid that valued the company at AUD$538 million (about $381 million). Nordgold then offered the same.

Then in an interesting turn, in November of 2020, a Ghanaian entity, Engineers & Planners Company topped the previous bids for Cardinal with a conditional, off-market takeover offer of AUD$1.05 per share. This offer was an all-cash, unsolicited offer.

Finally, Shandong won the day with a bid that totalled US$394mn providing closure to a process that was nothing short of a feeding frenzy.

Golden Star Resources – Still of Relevance

This company formerly owned and operated the Bogoso-Prestea gold mine, also in Ghana, from 1999 to 2020. Headquartered in London, but with a registered office in Toronto, it was a public company with shares listed on the Toronto Stock Exchange and cross-listed on the NYSE American and Ghana Stock Exchange. In 2022 the company was acquired by Shanghai Stock Exchange-listed Chifeng Jilong Gold Mining in an all-cash deal valuing the company at ~US$470 million.

As asset is also now owned by a Chinese company, one might muse that part of the reason for Ghana getting less column inches in the mining press is that assets like this one (and Cardinal Resources) have dropped below the radar.

The company formerly operated the Bogoso-Prestea gold mine which is located in between the towns of Bogoso and Prestea in the Western Region of Ghana. The Bogoso mine was acquired by Golden Star Resources in 1999 with the nearby Prestea underground mine being added in 2001 but they were sold together in 2020. The acquirer was Future Global Resources which has as Its principal shareholder the UK-based Blue International Holdings Limited, which is also the largest investor in Joule Africa Limited, a developer, owner and operator of renewable energy projects in Sub-Saharan Africa.

The main asset is Wassa, located in south-western Ghana. Golden Star commenced production from the surface operation at Wassa in 2005 and commercial production was achieved at Wassa Underground in January of 2017. In early 2018 Wassa transitioned into an underground-focused operation.

Development of the large inferred mineral resource which comprises the southern Extension zone, was the subject of a Preliminary Economic Assessment, which was included in the March 2021 Technical Report. Given the scale of the resource at Wassa, Chifeng claims to be exploring the potential to increase the mining rate in order to fill the mill.

Wassa Underground has exploration upside through extension drilling of B Shoot North, step out drilling on B Shoot South, step out drilling on the 242 Trend and the extension of the F Shoot. This work is expected to increase the mine life of Wassa Underground in the short, medium and long term.

Newcore (TSX-v: NCAU | OTCQX: NCAUF |FSE: PI8) - Piling Up Ounces

Newcore's principal asset is the Enchi Gold Project where a 248 km^2 land package covers 40 kilometers of the prolific Bibiani Shear Zone. Enchi is situated on the same regional structure as Asante Gold's Chirano mine, with comparable geology, alteration and mineralization. The mineralised zones at Enchi have broad lower grade gold at surface with higher grade core structure extending to depth.

Despite the company claiming that the property remains substantially underexplored, with several high priority geochemical and geophysical anomalies yet to be tested by drilling, it nevertheless hosts an MRE. This estimates that Enchi hosts an Indicated resources of 41.7mn tonnes grading 0.55 g/t gold for 743,500 contained ounces. The Inferred resource totals 46.6mn tonnes at 0.65g/t Au for 972,000 ounces.

An updated PEA was published in April of 2024, forecast:

- an NPV of $371 million and
- an internal rate of return of 58%

These were calculated at a gold price of $1,850 per ounce.

Initial capital costs were estimated at US$106mn. The PEA outlined a nine-year, 8.1mn tonne per annum open-pit, heap-leach mine. The all-in sustaining costs are forecast at $1,018 per ounce.

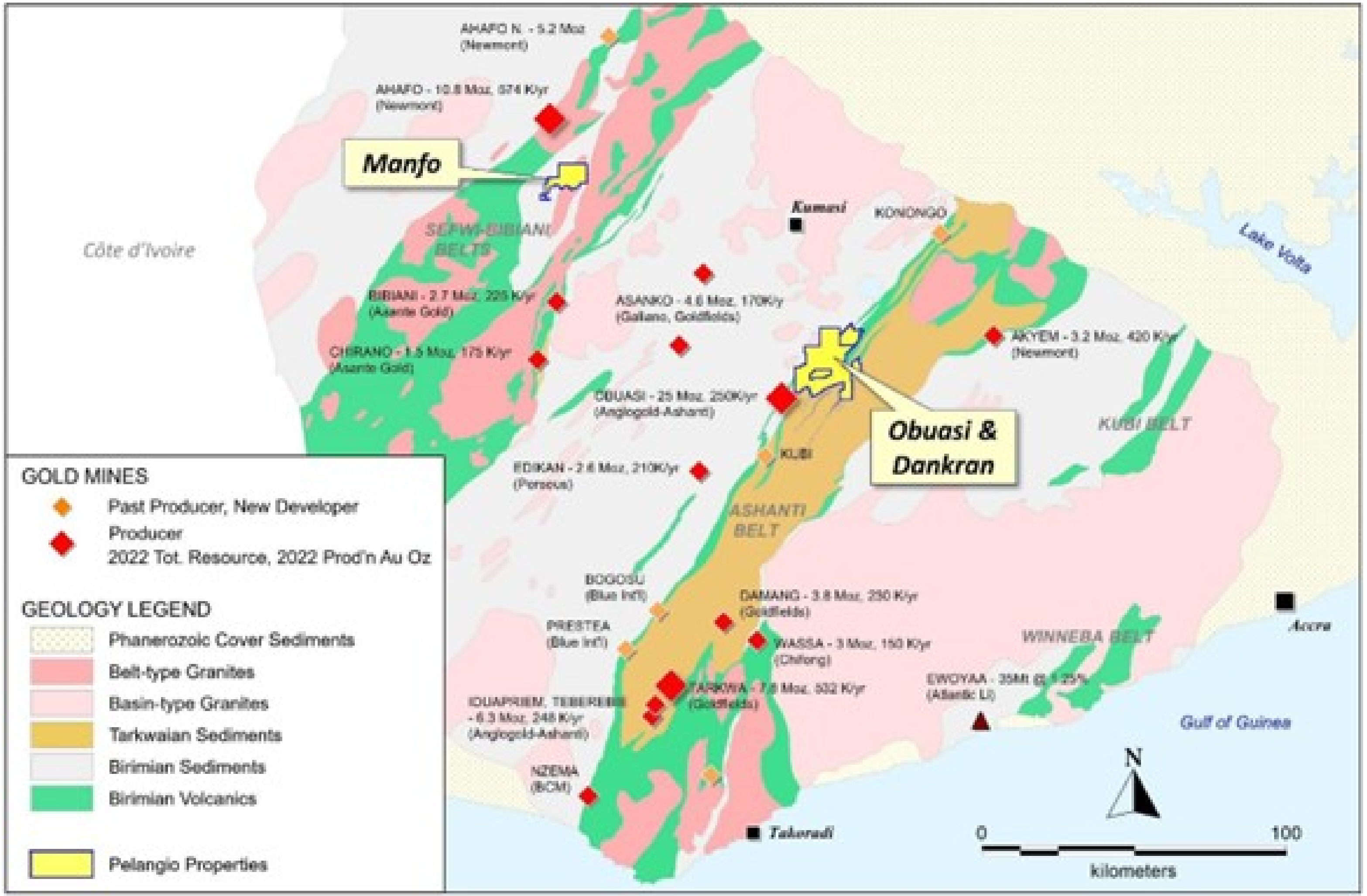
Pelangio Exploration (TSX: PX | FSE: A2NB53) – Pivoting to Reality

This company holds prospective land packages in the gold belt of Ghana in West Africa. The company has long equivocated between a focus on some unexciting projects in Ontario, Canada and those in Africa, despite the latter having taken the company to its highest market capitalisation early last decade.

As sure as night follows day the company is gradually pivoting back to Africa and a series of recent deals have been rewarded with a revival of investor interest in the story.

The company has recently done two nifty corporate deals, one with a local investment group and the other with Swiss financiers, which prompted us to change our long-held NEUTRAL rating to a LONG stance.

For more information we would direct investors to our recently published update of coverage here.


AHAFO N. - 5.2 Moz
(Newmont)
AHAFO - 10.8 Moz, 574 K/yr
(Newmont)
Manfo
SEFWI-BIBIANI BELTS
Côte d'Ivoire
BIBIANI - 2.7 Moz, 225 K/yr
(Asante Gold)
CHIRANO - 1.5 Moz, 175 K/yr
(Asante Gold)
Kumasi
KONONGO
ASANKO - 4.6 Moz, 170K/y
(Galiano, Goldfields)
Lake Volta
AKYEM - 3.2 Moz, 420 K/yr
(Newmont)
OBUASI - 25 Moz, 250K/yr
(Anglogold-Ashanti)
Obuasi & Dankran
KUBI
KUBI BELT
EDIKAN - 2.6 Moz, 210K/yr
(Perseus)
ASHANTI BELT
GOLD MINES
Past Producer, New Developer
Producer
2022 Tot. Resource, 2022 Prod'n Au Oz
BOGOSU
(Blue Int'l)
DAMANG - 3.8 Moz, 250 K/yr
(Goldfields)
PRESTEA
(Blue Int'l)
WASSA - 3 Moz, 150 K/yr
(Chifeng)
WINNEBA BELT
Accra
GEOLOGY LEGEND
Phanerozoic Cover Sediments
Belt-type Granites
Basin-type Granites
Tarkwaian Sediments
Birimian Sediments
Birimian Volcanics
Pelangio Properties
TARKWA - 7.8 Moz, 532 K/yr
(Goldfields)
IDUAPRIEM, TEBEREBIE
- 6.3 Moz, 248 K/yr
(Anglogold-Ashanti)
EWOYAA - 35Mt @ 1.25%
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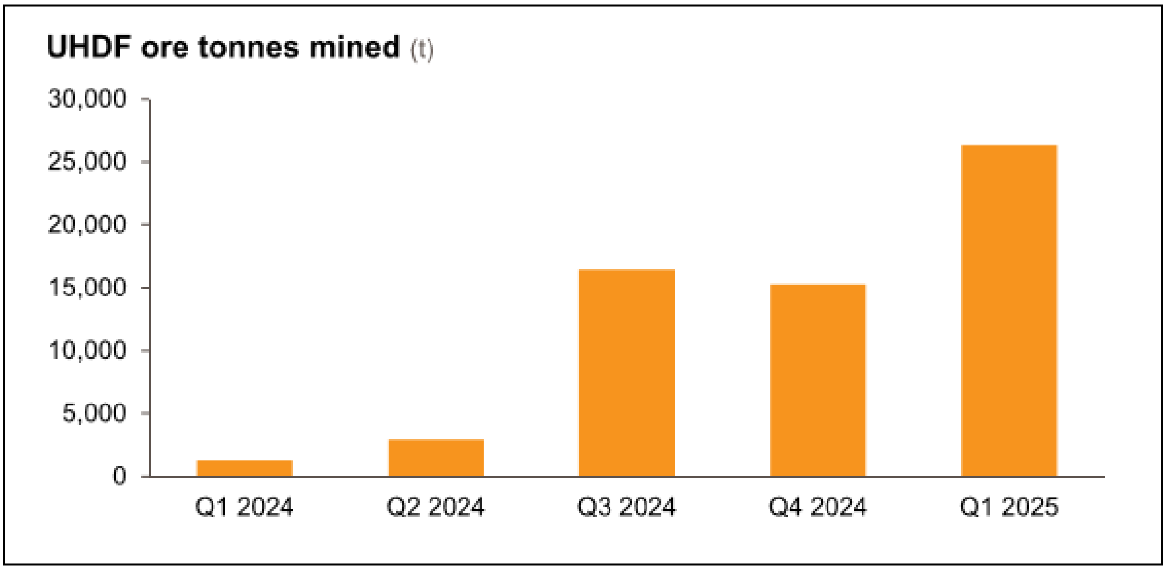
AngloGold Ashanti (LSE: AU | JSE: ANG | FSE: HT3) – Venerable Veteran

The Ashanti Goldfields Corporation was established in 1897, marking the start of large-scale industrial gold mining in Ghana. Despite being steeped in Ghana, historically, this is only a part of its empire these days, particularly in the wake of the transformative Centamin acquisition.



Goldstone Resources (AIM: GRL) – A Reactivation Play

This is an AIM-listed gold development company with its principal project in Ghana. The company has re-opened the former open pit mine, the Homase Mine and its exploration targets which includes the former underground mine, the Akrokeri Ashanti Mine.

The Homase mine, formerly operated by Ashanti Goldfields (now AngloGold Ashanti), lies approximately 20 km along strike from the Obuasi Gold Mine. It was brought into production in 2002-2003 and mine produced 52,500 ozs gold at 2.5 g/t. However, the mine was abandoned as the gold price fell to US$275 per oz. GoldStone invested in the property in 2010. The company claims there is a mineable resource of 72,000 ounces Au @ 1.4g/t in the Inferred category, within the oxide mineralised zone of the JORC resource. It also notes a mineable resource within the existing JORC resource of 602,000 ounces Au @ 1.77 g/t.

At last report (late March) the pit development was advancing as planned with the company achieving another increase in production, with 18.629 kilograms of gold *doré*, equivalent to approximately 598.9 ounces of gold *doré* poured as at 24 March 2025, a 14% monthly increase.

The Akrokeri Ashanti mine was a high-grade underground mine, which produced 75,000 oz at a recovered average grade of approximately 24g/t Au. This operated from 1900 to 1909 but was then abandoned due to an in-rush of water. During the four-year production period, between 1905 and 1909, 94,500 tonnes of ore were mined to produce about 75,071 ounces of gold. The recoverable grade is calculated to be 24.7g Au/ton.

GoldStone says that it is supported, financially and technically, by its major shareholders, Paracale Gold Ltd, and Asian Investment Management Services Ltd.

Bishop Resources (Unlisted)

We are careful not to indulge in hyperbole with regard to Bishop Resources NL. We attended a pre-listing lunch last year and liked what we heard. This is the latest venture from the Cardinal Resources management team, but we had restrained ourselves from enthusing about that vehicle due to the presence of someone who was not in our good books. We are pleased to see that he is not in this vehicle. Cardinal was taken over by the Chinese-owned Shandong Gold for US$394mn in early 2021.

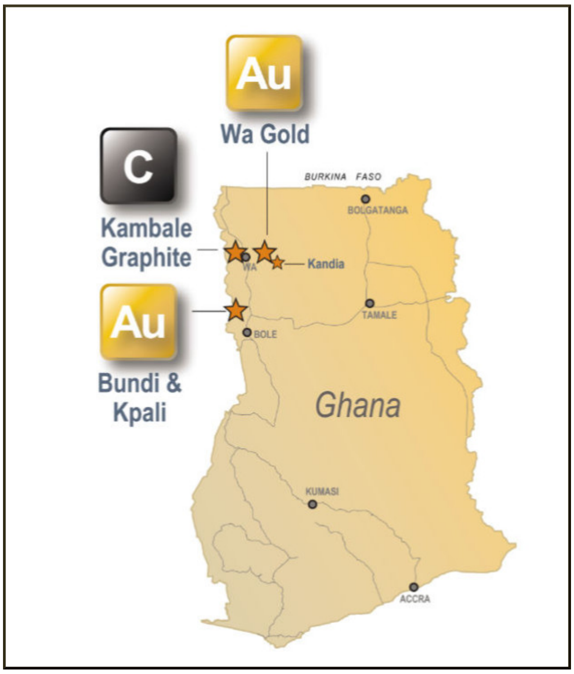
Bishop Resources is an Australian incorporated company based in Ghana, its team boasts (“claims” might have been a better word) with over 100 combined years of gold exploration experience and a “track record of unrivalled success”. A slight red flag.

Its goal is to unearth the next “world-class” discovery in Ghana. Investors know that “world-class” in anathema to us as a descriptor for anything. The company has four projects in Ghana and one in Senegal. Despite the stated enthusiasm for Ghana, it might appear that the focus has pivoted to Senegal of late, which might also explain the torpid progress towards listing, despite all the vaunted track record and the tailwind of a splendid gold price.

Castle Minerals (ASX: CDT)

This Perth-headquartered company has interests in several projects in Ghana and Western Australia that are prospective for gold, graphite and base metals.

In Ghana, its 100%-owned subsidiary, Carlie Mining Ltd, owns the Kpali Gold Project in the Upper West Region which comprises the Kpali, Kpali East and Bundi gold prospects.
The Kandia Gold Project, is a separately located standalone discovery. All occur in highly prospective Birimian geological terrane, the host to many of West Africa’s and Ghana’s multi-million-ounce gold mines.



The most recent exploration has hit mineralisation in all eight holes of its latest drilling program at the Kpali gold discovery with highlights including 12 metres at 8.29 g/t Au from 25m including 6m at 11.60g/t from 31m and a peak 1m intercept of 20.43g/t at 36m in an interpreted 'hanging wall' lode.

Two prior programs included 4m at 3.66g/t gold from 26m, 3m at 5.20g/t from 125m and 28m at 2.26g/t from 81m.

Over and beyond its gold efforts, Castle has a significant graphite resource at the 100% owned Kambale Graphite Project, which is a 149 km² area located near Wa in the Upper West region. It is being progressed through technical and commercial evaluation for the production of fine flake graphite battery grade material to be used in lithium-ion battery manufacture.

As noted earlier, Castle also managed to glean an investment from Ghana's sovereign wealth fund, the Mineral Income Investment Fund. This should see the project accelerated through to pre-feasibility while potentially de-risking the offtake of a major proportion of graphite production and the provision of development capital. MIIF's investment was to be ~US$500,000 (~AUD$750,000) in Castle at AUD$0.0045 per share and US$1.5 million (~AUD$2.25 million) in the mine subsidiary, Kambale Graphite Limited.

Azumah Resources Ltd – Advancing Privately

The 2.8mn ozs Black Volta Gold Project (BVGP) in the far north of the country has been earmarked for development in 2025 as a 148,000 ozs per annum mine @2g/t Au.

The project initially started through early regional exploration by BHP in the 1990's. Then the Kunche ore deposit was first discovered in 1998 by Ashanti-IAMGold. Azumah Resources acquired the project (with only the Kunche deposit) in 2006 and was listed on the ASX under the ticker AZM. Subsequent exploration projects results in the discovery of Bepkong ore and the Julie deposit was discovered a few years later.

Exploration and drilling studies were conducted resulting in three Resource updates in 2017 when a private equity firm, Ibaera Capital, acquired a 5% stake via an earn in agreement. Ibaera Capital acquired 100% of Azumah in March 2020

Interestingly, the majority of this gold resource was delineated by Castle's Executive Chairman, Stephen Stone, under his former stewardship of Azumah. Castle's Kandia mineralised trend is immediately to the south of the BVGP's high-grade Julie deposit.

Atlantic Lithium (ASX: A11 | AIM: ALL) – Down & Out

The aforementioned Atlantic Lithium holds a combined 1,280km² tenure across Ghana and Côte d'Ivoire, consisting of development and exploration projects.

Its flagship is the Ewoyaa project, which holds a 36.8mn tonne @ 1.24% Li_2O spodumene pegmatite resource on track to become Ghana's first lithium mine. Ghana, Africa's lead gold producer, granted the Australian miner a 15-year lease to establish the mine by late 2024, hoping to capitalize on the EV boom.

The Ewoyaa Lithium Project is well located along a national highway in the Cape Coast region of Ghana, approximately 70 miles from the Port of Takoradi and 60 miles from Accra, with access to exceptional infrastructure.

The project is funded under a co-development agreement with NASDAQ and ASX-listed Piedmont Lithium and benefits from governmental support, exceptional local infrastructure and close proximity to potential off-takers, underlying the Project economics.

The Ewoyaa project, with an estimated resource of 35-40 million metric tons of lithium-bearing ore, is positioned to become one of the top 10 global spodumene concentrate producers, according to Atlantic Lithium, making it a significant new supply source outside the industry-dominant markets of Australia, Chile and China.

As mentioned the project was estimated to produce around 360,000 tons of lithium annually, which would have been exported to the U.S. However, construction of the project stalled on delayed parliamentary ratification, with the lithium price collapse now further complicating its viability and the company's development timeline.

Piedmont, while focused on a spodumene project in the Carolinas, owns an equity interest in Atlantic Lithium. and is earning a 50% interest in Atlantic Lithium's Ghanaian spodumene projects (including the Ewoyaa project).

The background to this is that, in August of 2023, Piedmont exercised its option to eventually acquire a 50% stake in the project as per its contract with Atlantic back in July 2021. In the first instance, Piedmont exercised its option to acquire a 22.5% interest in Ewoyaa, having funded the completion of the project's definitive feasibility study. It also holds an offtake agreement for 50% of the annual production of spodumene concentrate at market prices on a life-of-mine basis from Ewoyaa.

The stakes of both partner were diluted by the entry of MIIF into the project (as well as becoming a small shareholder in Atlantic Lithium itself. This came with a requirement to list on the Stock Exchange in Accra.

The progress of Atlantic Lithium's stock price has been truly gruesome over recent years.

Piedmont's performance has been even worse, dropping from over $90 to sub-$10 over the last five years.

As noted in the main body of this note, Atlantic Lithium has in recent months been seeking concessions on Ghana's new mining revenue framework, which includes a 10% free carried interest for the state and a special 13% royalty on gross revenue from lithium production.

Galiano Gold (TSX: GAU | NYSE: GAU) -

The Asanko Gold Mine has been Galiano's flagship asset since 2016. The company which is listed on the TSX and NYSE markets was originally called Asanko Gold.

The mine is a multi-deposit complex, with four main open-pit mining areas: Abore, Miradani North, Nkran and Esaase, and multiple satellite deposits, situated on the Asankrangwa Gold Belt, and a 5.8mn tpa carbon-in-leach (CIL) processing plant. Gold production commenced in January 2016 with commercial production declared on the 1st of April 2016.

In 2024, the mine produced 115,115 ounces of gold. The AGM is expected to produce between 130,000 oz to 150,000 oz of gold at AISC* between $1,750/oz to $1,950/oz. Approximately 2,200 people are employed at the mine.

Gold Fields (JSE: GFI| NYSE: GFI) – Ructions with the Government

One of the more erratic actions of the government in recent times has been the move upon Gold Field’s Damang mine. In late April of 2025 it was announced that the government and Gold Fields had reached an agreement on a transitional plan for Damang mine.

Curiously, in mid-April, the government assumed operational control of the mine after it rejected an application from the South African company to renew its lease, breaking a tradition of automatically renewing licenses. Despite “assuming control” it was reported that a new 12-month mining lease would be issued to a Gold Fields' subsidiary pending parliamentary ratification in May.

During the transition period, Gold Fields will resume open-pit mining and conduct feasibility studies to establish Damang's reserves and mine life. Representatives from Ghana's government and the company would continue to supervise the processing of existing stockpiles.

Damang is the smaller of Gold Fields' two operations in Ghana, with the larger mine being that at Tarkwa. This is an open-pit operation, acquired in 1993, has a remaining Life-of-mine (LOM) of 10 to 13 years. Gold Fields claim it is the largest mine in Ghana with annual production exceeding 500,000 ozs per annum.

In 2023, Gold Fields entered into an agreement with AngloGold Ashanti to form a JV comprising the adjacent Tarkwa and Iduapriem mines (10kms distant), with Gold Fields having a majority share. This transaction was paused in May of 2025, seemingly in the wake of the troubles that GFI was having with the government.

As for Tarkwa the government and GFI agreed to advance discussions on the renewal of the lease for the Tarkwa mine, due in 2027. An article in Reuter’s cited a source at Gold Fields saying that Gold Fields' management was more concerned about Tarkwa's lease because of its higher volumes. "They gave us assurance that this won't be a trend and it won't affect Tarkwa Mine's lease, and we are advised to apply even now so that Gold Fields can have certainty," the source added.

Cassius Mining (ASX: CMD) – a Victim of Chinese Machinations?

This is a company that has pivoted away from Ghana in recent years to other parts of Africa. Its Gbane project lies within the Talensi District of the Upper East region in northeastern Ghana. Cassius’ Large Scale Prospecting Licence covers a 13.791 km^2 area. The Bolgatanga region is characterised by a series of highly prospective granite-greenstone belts (Bole / Nangodi Belt) located in the northeast region of Ghana, close to the border with Burkina Faso.

The project was at an advanced exploration stage when the government shut down its operations in 2019.

The project had a JORC Exploration Target of approximately 9 million tonnes with an average grade of 1g/t gold for contained metal of nearly 300,000 ozs. This target was determined by the UK branch of geological consultants, SRK Consulting Ltd. However, this target dates back to November of 2018 so is rather "long in the tooth".

The company has enmeshed in an extended legal squabble with the Ghanaian government over the failure of the government to renew the license on the Gbane project. On 16 April 2020, notice was served on the Ghanaian government of Cassus' intention to take the government to International Arbitration over the Gbane gold project. This action was taken "after a comprehensive review of the documentation with its lawyers" and after Ghana advised it was "unable" to grant the licence renewal (without valid reason).

The legal action is pursuing full compensation, including damages and costs, with Cassius estimating the claim to be in excess of US$275mn. A claim was lodged with the London Court of International Arbitration in December of 2024.

The story is worth repeating here because of the claims that Cassius has made relating to a long-running dispute with the Chinese mining group, Shaanxi Mining (now known as Earl International Group), alleging that the Chinese company operating a neighbouring mine had dug hundreds of metres underground into its concession and "plundered tens of millions of dollars in gold from its veins". This was reported in investigations conducted by the Sydney Morning Herald and a local journalist.

Shaanxi had also been accused of taking extreme measures to keep small-scale miners off their mine site in northern Ghana, including the release of toxic gas that once killed 16 people. Since 2013, it is alleged that more than 60 miners have been killed in Shaanxi's mines.

According to Cassius, Ghana did nothing about these incidents nor the alleged encroachment of its mining concessions by Shaanxi. Instead, it shut down Cassius' project in 2019 for what it calls "constitutional non-compliance".

Important disclosures

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