

Gold (Small Scale)

PRODUCTION AND MARKETING

In 1989 when the Government of Ghana regularized small-scale gold mining operations in the country, it was estimated that about 60,000 to 80,000 ounces of gold hitherto produced by Small Scale miners were smuggled out of the country annually.

An initiative was taken in April 1989 when PMMC was charged with the responsibility of promoting small scale gold mining in the country as well as purchasing all the gold produced. PMMC has since purchased about 600,000 ounces of gold worth US\$200 million under the small-scale mining sector.

The Company has licensed about 750 local Gold Buyers who operate in mining communities in the country to purchase gold. The buyers in turn sell the gold to the Company at its Head Office in Accra or its branch office in Tarkwa. PMMC has agencies in Kumasi, Bolgatanga and Wa, which serve as buying centers for those localities. PMMC has thus succeeded in sending the market to the doorstep of the producer to minimize smuggling.

EXPORT AND BUYING PROCEDURE

Gold operations in Ghana are in two sectors: The first being the large scale mining companies; the second the small-scale sector. PMMC is responsible for the small-scale, which comprises of individual, small and medium size mining companies.

Generally, any mining operation with concession up to 25 acres is considered a small-scale mine. PMMC purchases gold from small-scale miners and in turn exports abroad. PMMC already has an existing contract to sell its gold to an overseas gold refinery. However applicants with favorable terms may be considered.

Overseas buyers seeking to purchase gold from Ghana may contact other licensed gold buyers. However, any offers received from suppliers are to be confirmed with PMMC for advice on genuineness of the transaction.

Overseas Buyers of gold are strictly advised **NOT** to pay cash directly to any local suppliers of gold. Payments for gold suppliers are made by Bank of Ghana. Regulations require that payment for gold suppliers are made by Bank-to-Bank transfer via Bank of Ghana (i.e. The Central Bank of Ghana).

1. The gold to be exported shall be delivered by the licensed Gold Buyer to PMMC premises by 9.00 a.m for assaying on the day of export, if already smelted. For unsmelted gold a day before the day of export.
2. PMMC shall issue Assay Invoice which will indicate the weight and the purity of gold being exported.
3. The gold to be exported shall be sealed and secured in metal/wooden specie boxes on the day of export by PMMC in the presence of the following group of officers.
 - Ghana Customs Officers
 - PMMC Officials
 - The Licensed Gold Buyer who has requested for the gold export.
4. PMMC will complete the Bank of Ghana and Ghana Custom export documents on behalf of the licensed Gold Buyer.
5. The Licensed Gold Buyer will be required to supply the full address and the telephone number of the overseas destination for the export.
6. PMMC will be responsible to transport the gold to Kotoka International Airport, Accra for delivery to the airline.

7. The Licensed Gold Buyer and the Overseas Buyer shall be responsible for the insurance and airfreight charges of the gold to be exported.
8. The gold to be exported will be accompanied by the following documents:-
 - PMMC Assay invoice which will indicate:-
 - Purity (i.e. Gold content)
 - Quantity in ounces and Kgs
 - Value in both US Dollars and local currency (*The value of the gold will be based on the spot price of the London Metal Exchange (LME) on the day of export.*)
 - Bank of Ghana Export Documents
 - Customs export documents
 - Funds in US Dollars representing the export value of the gold should be transferred to the PMMC account at the Bank of Ghana (i.e. The Central Bank of Ghana), with The Licensed Gold Buyer noted therein as the beneficiary, prior to the export of the gold. PMMC will provide the Bank transfer instructions to the exporter for the information of the overseas buyer to facilitate the transfer of funds.
 - PMMC fees for the export of gold are:-
 - Shipment charges : - 0.50% of the export value of the gold
 - Assay charges : - \$50.00 per bar of 5kgs
 - Smelting charges: - \$20 per kg. of gold
 - These fees are payable on the day of export of the gold.

Gold (Small Scale) Exports 1989 - 2009

YEAR	OUNCES(000)	VALUE (\$ MILLION)	AV.PRIZE/OZ(\$)
1989	9.27	3.73	402.37
1990	17.23	6.26	363.32
1991	15.60	5.33	341.67
1992	17.30	6.15	355.49
1993	35.14	12.65	359.99
1994	55.23	21.29	385.48
1995	55.54	21.33	384.05
1996	51.32	20.29	395.36
1997	58.86	20.10	341.49
1998	59.72	17.10	286.34
1999	74.49	20.20	271.18
2000	62.00	17.31	279.19
2001	50.87	12.64	248.48
2002	40.17	12.53	311.92
2003	43.87	15.74	358.43
2004	17.59	6.24	354.58
2005	29.74	13.13	509.19
2006	23.49	14.27	607.49
2007	18.60	11.71	629.61
2008	38.12	32.87	861.79
2009	76.88	75.48	981.78