

# INVESTMENT OPPORTUNITIES IN THE GHANA MINING SECTOR

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## INTRODUCTION

Distinguished Guests, Ladies and Gentlemen.

It is indeed an honour and privilege to have the opportunity to address this august gathering on the investment opportunities in the mining sector of Ghana.

Ghana lies between latitude 4° and 11° north of the equator, on the west coast of Africa. It has an area of 238,535 square kilometres – about the same size as the British Isles or the State of Oregon in the United States of America.

Ghana has made tremendous strides in the development of its mining sector since 1984 when the Government launched the Economic Recovery Programme (E.R.P).

Under this programme several macro economic policies were initiated which have resulted in an upsurge of mining activities and today proceeds from mining provide the largest foreign exchange earnings for the nation with gold accounting for approximately 90% of these earnings. Currently there are 14 producing gold mines with three others reaching advanced stage. Last year the country produced over 2.6 million ounces of gold.

Apart from gold the country is endowed with substantial mineral deposits such as manganese, bauxite and diamonds. There are also huge and unexploited deposits of iron ore, limestone, kaolin feldspar and silica sands.

There are three bauxite deposits in the country which have major potential for development. Of these only one of them is being mined and last year the mine produced 355,262 metric tonnes of raw bauxite for export.

The only manganese mine in the country last year produced approximately 611,000 metric tonnes of ore, all of which were exported. There is also one mechanized diamond and several small-scale diamond mines who between them produce over 684,000 carats of mainly industrial diamonds.

## INVESTMENT OPPORTUNITIES

Mr. Chairman, Distinguished Guests.

Permit me to spend few minutes after this introduction to take you through some of the investment opportunities in the sector and I will begin first with gold.

### Gold

In addition to the 14 operating gold mines in the country, over 250 gold prospecting licenses have been issued by Government to both Ghanaian and Foreign entrepreneurs. Some of these companies have done some exploration work and have identified resources but due to lack of funding are unable to carry the exploration further. There are opportunities for investors to enter into joint venture arrangements with these companies to develop the resources.

In addition to these, recent airborne geophysical survey carried out in the northern and southern parts of the country have established very promising exploration targets which could be applied for by interested investors.

### Gold Refinery and Value Addition

Last year Ghana produced over 2.6 million ounces of gold. In spite of this huge production there is no refinery in the country and the bullion is exported overseas for final refinery. Feasibility studies have been carried out into the possibility of setting up a gold refinery but unfortunately no refinery has been established. This is one area where investment is being requested.

Opportunities also exist for setting up downstream production facilities to manufacture commemorative coins, jewelry, electronic components, as well as diamond cutting and polishing . Investors could take advantage of the Industrial Freezone facility to produce such items for the international market.

### Bauxite

There are opportunities in the country to exploit some of the bauxite deposits to produce alumina. Extensive feasibility studies have been carried out on one of these deposits located at Kibi in the Eastern part of the country which have

established that the ore can be converted to alumina. The data is available and we invite our colleagues who are interested to get in touch with us.

### Limestone

There are two major limestone deposits in the country situate at Nauli and Buipe in the Western and Northern regions of the country respectively. Feasibility studies carried out on these deposits have established that they could be exploited to produce clinker. Currently, Ghana's demand is satisfied by grinding clinker imported from Europe. The gold mines also consume about 60,000MT of hydrated lime. Ghana invites investment in this area too.

### Manganese

The only manganese mine in the country exports the manganese carbonate to overseas markets. The company that is managing the mine has carried out studies which have confirmed that the carbonates could be converted into nodules. However, lack of funding and availability of energy have prevented the company from going ahead with this project. We invite investment in this area also.

### Salt

Ghana possesses one of the largest renewable salt reserves along the West African coast which when exploited will be able to supply the needs of the whole of the sub-region. Advanced feasibility studies have been done and Government is now looking for a joint venture partner to assist in fast tracking the project.

### Industrial Mineral

As we said earlier on, Ghana is endowed with industrial minerals such as feldspar, kaolin, silica sand etc. It is the government's policy to diversify its mineral resources base from the traditional minerals like gold, diamonds, bauxite and manganese into the exploitation of industrial minerals which have better linkages to the economy and which can also be used as import substitutes.

There are opportunities also to exploit the many granite and various rock types in the country to produce dimension stones for the building industry.

### Equipment Manufacture

Another area where investment is required is the manufacture of simple mining and processing equipment for the industry. There are several service companies in Ghana who are providing services like contract drilling, assay laboratories, mining and geological consultancies. Using Ghana as a base these companies have ventured and expanded into the West African sub-region. Government through incentives will encourage these companies and other investors to set up manufacturing plants in the country to support not only the local mining industry but also those in the wider market of the sub-region.

### Conclusion

In conclusion, Mr. Chairman, Distinguished Guests Ladies and Gentlemen, there has never been a better time to invest in Ghana than now.

In the mining sector opportunities for investment are numerous. One can invest in gold mining in the country, establishment of a gold refinery, production of alumina from bauxite, the manufacture of clinker from limestone, exploitation of the huge salt resources, adding value to the manganese carbonate, diamond cutting and polishing, coinage, manufacture of basic mining equipment.

A brochure on the industrial mineral resources in Ghana and mining CD ROM have been produced to promote further investment in the mining sector. These two publications are available for sale and copies may be secured from the Ghana Delegation.

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, Thank you very much for your attention.