

FINAL REPORT

SCOPING STUDY ON THE MINING SECTOR

Submitted to:



Liberia Extractive Industries
Transparency Initiative

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Abbreviations and Acronyms

ASM	Artisanal Small scale Mining
CENTAL	Center for Accountability and Transparency Liberia
Cllr.	Counselor-at-Law
DBL	Diamond Broker License
DEL	Development Exploration License
DDL	Diamond Dealer License
Dev.	Development
EITI	Extractive Industries Transparency Initiative
ELWA	Eternal Love Wining Africa
FDA	Forestry Development Authority
GBL	Gold Broker License
GDL	Gold Dealer License
GEMAP	Governance Economic Management Assistance Program
GDO	Government Diamond Office
GODIMWUL	Gold & Diamond Miners and Workers unions of Liberia
GOL	Government of Liberia
GPS	Geographic Positioning System
HR	Human Resource
ID	Identification Card
KPCS	Kimberley Process Certification Scheme
LDGDA	Liberia Diamond & Gold Dealers Association
LEITI	Liberia Extractive Industries Transparency Initiative
LOE	Level of Effort
LRA	Liberia Revenue Authority
MBL	Class B Mining License
MCIMU	Mining Cadastre Information Management Unit
MCL	Class C Mining License
MLME	Ministry of Lands, Mines & Energy
MDA	Mineral Development Agreement
MEL	Mineral Exploration License
MQL	Quarry Mining License
MSG	Multi-Stakeholders Steering Group
MPL	Prospecting Mining License
NASSCORP	National Social Security Corporation
NAMBA	National Minerals Brokers Association

NOCAL	National Oil Company of Liberia
NRTU	Natural Resources Tax Unit
OPM	Office of Precious Minerals
PRADD	Property Rights and Artisanal Diamond Development
RFP	Request for Proposal
TOR	Terms of Reference
UN	United Nations
UNMIL	United Nations Military Mission in Liberia
USAID	United States Agency for International Development
USD	United States Dollars
UTM	Universal Traverse Mercator
WB	World Bank

Executive Summary

Mac-Africa Consultants Inc., a wholly Liberian owned and operated environmental, geological and mining consulting firm, was contracted by LEITI (with funding from USAID) to conduct a “Scoping Study in the Mining Sector” of Liberia with the aim and objectives of identifying all mining activities and operations - particularly small scale, taking place in the sector with the view to derive a plan that would assist the LEITI extend the EITI reporting process to cover the entire sector and as well provide guidance on the minimum “materiality levels” if possible for payments and revenues from artisanal and small-scale miners.

The methodology adopted by the consultant an in-depth situation analysis of the reporting regime of the mining sector (inclusive of all players) with a view of understanding reporting gaps and constraints faced by operators in the sector. A detailed desk study of the sector was undertaken to acquire data on all mining activities (history, policy and regulatory documents, review of national and international projects on the ASM sector, operations and locations of major mining activities, etc.). Important consultations were held with the major stakeholders in the ASM sector including Mining Agents, Mining Chairmen, Regional Officers & Coordinators, miners and diggers as a means of soliciting their direct inputs with respect to issues in the sector. These Town Hall consultations were held in the prolific ASM mining regions of Western, Central & Northern Liberia. Further interviews and discussions were held with relevant regulatory institutions, mineral civil society organizations and professionals in the mining sector.

In line with the TOR and Deliverables of the Scoping Study, the consultant conducted an overall assessment of the Liberian Mining sector encompassing the Geology, mineral potential, the licensing procedure, registration and revenue payments; identification of the various types and classes of mining licenses and mineral agreements; the spatial distribution of licenses and mineral tenements.

Major issues in the mining sector were identified from feedbacks from the Town Hall discussions, desk review and interviews with officials and professions operating in the sector as well as suggestions from the stakeholders on how to address some of the issues as a means of curing some of the defaults in the sector. Strategic opportunities available for the full inclusion of the mining sector in implementing the EITI were identified and recommendations for improving the ASM sector were highlighted.

Geology & Mineral Potential: The mineral resource based of Liberia is very high with the existence of significant amounts of iron ore, gold, diamonds, and other minerals to include barite, bauxite, manganese, kyanite, etc. Based on the regional geology there is high

prospectivity for platinum group elements – copper, chromium, nickel, uranium, oil and gas resources. Mineral resources are distributed throughout Liberia with the Western and Eastern parts of the Country showing high occurrences of ore (Figure 3). The most recent (2007) international geological investigation of the mineral potential of Liberia conducted by the Chinese Geological Survey in collaboration with the Liberian Geological Survey looked at the level of geological work done in Liberia and with respect to its mineral potential. This investigation strengthened the already known fact that Liberia is endowed with favorable geological conditions for the formation of large scale iron deposits. Statistical analyses have shown that there are over 897 ore occurrences with some 25 different types of ore (Table 1). In order of abundance gold, iron, diamond and rutile dominate. Follow by manganese, niobium, tantalum, heavy minerals, copper, tantalum, barite, tin and tungsten.

Types and Classes of Licenses: Only 4 mining operators have completed MDA negotiations with the GOL and have been granted Class A Mining Licenses which give them the right to engage in large scale mining activities and export minerals from said operations. -Arcelor Mittal (Mittal Steel), Bea Mountain, China Union Investment (Liberia) & Putu Iron Ore Mining (PIOM).

There are 46 active Class B operators in the sector mining gold, diamond, base metals, corundum, barite and river sand. 1142 active Class C Mining Licenses have been issued by the Ministry of Lands, Mines & Energy (see matrix of active licenses) to individual Liberians to conduct small scale mining within the Country. There are presently no active Reconnaissance Licenses issued by the Ministry of Lands, Mines & Energy. The right to engage in non-invasive (grab sampling) prospecting (Prospecting License) for mineral resources have been granted to several companies by the issuance of 114 Prospecting Licenses by the MLME.

There are presently 78 active mineral exploration licenses issued to operators for the purpose of exploring for gold, diamond, iron ore and base metals. The total land mass covered by these licenses is approximately 2,585,660.74 hectares or some 6,389,306.84 acres. Nineteen (19) Quarry Licenses (see matrix of active mining companies) have been granted to operators to engage in the mining of building and industrial minerals (sand & crushed rocks). There are presently 8 active MDA holders to include: MNG Gold Inc.(Kokoya), AmLib United Minerals, Bea Mountain, BHP Billiton (Liberia) Inc., Arcelor Mittal, China Union Investment (Liberia), Putu Iron Ore Mining (PIOM) & Western Cluster (Liberia) Ltd. In recent times, the MLME has added a new category of license under the

MDA arrangement which is referred to as a Development Exploration License (DEL). Three (3) companies have such licenses: BHP Billiton, China Union & Western Cluster Ltd.

Summary of Major issues and concerns raised by stakeholders in the sector include:

- ❖ Most if not a very large percentage of ASM miners are highly uneducated, therefore, introducing a financial scheme to require them pay some kind of income tax will be highly misunderstood because they do not understand the whole financial structure of taxation. If pressure is put on these miners to pay any kind of income tax or disclose their income, there is a serious risk of them not disclosing any finds or income from their sales which will result into flight of precious minerals across our borders to neighboring countries that do not have these restrictions.
- ❖ We should take our lesson from neighboring Sierra Leone which tried this scheme by increasing royalty on gold and diamond to 16-20% for a certain cutoff carat. After the first year all the diamonds over that cutoff carat disappeared from the market thus resulting in a serious drop in revenue and the practice was discontinued!!!
- ❖ There is too much Government bureaucracy which leads to unnecessary delays in issuing of licenses/payment forms. The delay in processing license documents at the Ministry is one of the biggest impediments in the sector.
- ❖ The present ASM regime in Liberia provides no incentives for miners to disclose their finds and incomes; Therefore, GOL may lose more revenue given the lack of incentives.
- ❖ The present OPM voucher system does not include the price of the goods when sold at the point of sale, therefore, the selling price is not known at this time. The selling price (what is paid to the broker or miners) is only known when the goods is presented to the OPM for export by the broker or individual miner. This price may not be the real price that was paid for the mineral!!! In the absence of a sale price that is reflected on the mineral voucher, the income of the miner cannot be traced nor verified!!!
- ❖ Miners feel frustrated when they hear that they are not paying “taxes” because they believe that the full fees paid for their licenses are not truly reflected in the reporting system. As an example, a total of nearly USD500 is paid for one Class C license but only the USD150 is officially reported!
- ❖ The establishment of mining cooperatives should be seriously considered as many miners do not have the money to finance their claims. Cooperatives can easily source funding through microfinance loans that can be spread across the different mining claims to stop the reliance on outside (foreign) supporters who are not recognized by the KPCS Chain of Custody. Cooperatives are better structured than

the individual miner and are treated as business entities within the formal financial structure and their reporting obligations can be easily tracked. Therefore, a percentage of earning/finds of the individual miners will be paid to the cooperative which in turn pays taxes to the government. The establishment of mining cooperatives will allow for proper monitoring in which production and sales can be tracked to the point of sale thereby assuring full disclosure from the ASM sector.

- ❖ GOL needs to pursue regional harmonization of policies & regulations especially as it relates to fees and taxes in the sub-region to avoid smuggling of minerals to other neighboring Countries.
- ❖ GOL needs to help in strengthening the capacities of those institutions and agencies involved in the extractive sector for them to adequately provide the kind of information needed to the reporting agencies (LEITI, LRA).
- ❖ There is a dire need to decentralize the licensing process by having field offices in the various mining districts which will lead to increase in the volume of registered claims and also allow for proper monitoring and evaluation of the ASM sector.
- ❖ There is a dire need to decentralize the tax collection system. Miners travel long distances to reach Monrovia for license and survey fees payment. This costs money. When they meet up with delays at the Ministry, they end up spending the money intended for license to sustain them in Monrovia thereby returning home without a license and a little poorer. Setting up an organized LRA collectorate in each cluster of mining claims/communities would eliminate the headache of coming to Monrovia to pay fees.
- ❖ With respect to ways to include ASM sector in the reporting scheme of LEITI there is a need to sensitize and educate miners on their responsibilities as income generators (conduct workshops and carefully explain the procedures and requirements to the miners). Such workshops must be repeated over and over as was done with the KPCS. Also see the possibility of reviewing mining license and survey fees to make them affordable under the prevailing economic conditions of hardship. Most miners are unemployed and are only dependent on the dry season mining period to earn money for all aspects of their livelihood.

Recommendations: The Consultant believes that the following recommendations should be given high priority as they are essential elements defining needs of the sector deserving support for full compliance with the EITI principles:

- ✓ Need for the Establishment of Mining Cooperatives
- ✓ Revision of the Licensing Procedures for the ASM Sector
- ✓ Decentralization of the Administration of the Mining Sector
- ✓ Establishment of a Mobile Licensing System

- ✓ Need for the Promulgation of ASM Regulations and its Enforcement
- ✓ Training and Capacity Building for the ASM Sector

1.0 BACKGROUND

1.1 Objectives of the LEITI

The objectives of the LEITI is to regular disclosure, audit/reconciliation and publication of (1) all material oil, gas, mining and forestry payments made by the Private Sector to the Government (“payments”); and (2) all corresponding material revenues received by the Government from the Private Sector (“revenues”).

In pursuing the objectives set forth herein, the LEITI undertake such activities, programs and processes necessary and/or required for the full implementation of the EITI principles and Criteria, including, but not limited to:

- ✚ Ensuring the disclosure and publication, on a disaggregated basis, of (1) all payments made by the Private Sector to all agencies, entities and levels of the Government; and (2) all corresponding revenues received by all agencies, entities and levels of the Government from the Private Sector;
- ✚ Ensuring that the payment and revenue information disclosed by both (1) the Government and (2) the Private Sector is the subject of a credible, independent audit and/or reconciliation conducted by applying international standards and accompanied by the opinion of the auditor or administrator regarding the discovery, resolution or non-resolution of material discrepancies, if any;
- ✚ Ensuring that all EITI activities, processes and requirements are consistently applied to all oil, gas, mining, and forestry companies operating in Liberia, including state-owned companies and agencies such as the National Oil company of Liberia (NOCAL), the Forestry Development Authority (FDA) as well as all other relevant agencies, entities and levels of the Government; and
- ✚ Ensuring that the design, implementation, evaluation and modification of actions, activities, processes and institutional arrangements associated with or required for the full implementation of the LEITI are carried out with the participation of civil society, particularly under the aegis/supervision of the LEITI Multi-stakeholders Steering Group.

1.2 Implementation Arrangements

The affairs of the LEITI along with the implementation of all its activities and programs are managed by or under the Supervision of the LEITI Multi-Stakeholders Steering Group (“**The Group**”), which is an oversight body comprising representatives of the Parties.

The Group established, staffed, and funded a Secretariat for the LEITI. The LEITI Secretariat have the responsibility to provide the Group with administrative, logistical and secretarial support, and also to carry out or coordinate the performance of activities and programs associated with or required for the implementation of LEITI.

In carrying out any and all activities and programs, the Group or, upon proper authorization, the Secretariat, may request, receive and/or consider advice or assistance from:

- ❖ The EITI Secretariat;
- ❖ The EITI Board;
- ❖ The World Bank, the African Development Bank, the International Monetary Fund, and other multilateral financial institutions; and
- ❖ The United Nations Development Program; Transparency International, and other International CSOs; and v. Foreign Governments and other international organizations.

The Group also takes measures to encourage and promote the participation of every member of the Liberian society regarding activities and programs of the LEITI. In this regard, the Group shall design and implement an effective communication and outreach strategy.

1.3 The Multi-stakeholders Steering Group

The Group is the governing body of the LEITI. It has the following functions and powers:

- To prepare and/or approve the work plan of the LEITI;
- To prepare and/or approve the Budget of the LEITI;
- To authorize and/or approve the solicitation of external assistance;
- To hire the Head and the Deputy Head of the LEITI Secretariat, and to approve the recruitment of all other staff and consultants;
- To hire or approve the engagement of the Independent Auditor or Administrator;
- To approve the commissioning of all consultancies/studies;
- To approve and authorize publication of the LEITI Report;
- To develop and/or approve an LEITI financial and procurement policy, and any

Other policies and procedures associated with or required for effective and transparent implementation of the LEITI; and

- To take any and all other actions necessary for achieving the objectives of the LEITI.

The LEITI also have powers to adopt any and all rules necessary for its internal governance and for the operations of the Secretariat. The Chairperson of the Group shall be one of the Representatives of the Government.

1.4 LEITI Reporting

The LEITI publishes, annually and on a disaggregated basis, a report (“the LEITI Report”) consisting of (1) all material payments made by the Private Sector to the Government, and (2) all corresponding Revenues received by the Government from the Private Sector.

The LEITI Report is a consolidation of the following two separate reports:

1. The Report of the Government (“**The Government Report**”), which shall contain all material revenues and/or payments received by all agencies and levels of the Government from the private Sector; and
2. The Report of the Private Sector (“**The Private Sector Report**”), which shall be a composite of individual reports of all material payments made by each extractive company to the Government.

The Group develops, or causes to be developed, necessary reporting templates that shall be forwarded to both the Government and the Private Sector (the reporting parties) with instructions of how the templates should be completed, and when and where the completed templates should be submitted.

The Group appoints or recruits an independent Auditor/Administrator who shall analyze, audit, collate and/or reconcile the Government Report and the Private Sector Report in order to produce the LEITI Report. The Auditor/Administrator shall present the LEITI Report to the Group in accordance with the Auditor/Administrator’s engagement contract.

5.5 The Group shall then publish or authorize the publication of the LEITI Report, including the Auditor/Administrator’s Opinion.

1.5 Sustainability of LEITI

The tripartite body (Government, Industry and Civil Society) agreed that they shall jointly and severally pursue or take such legislative, administrative and democratic actions as may be needed and/or required to ensure that:

- ✓ the objectives of LEITI are fully achieved;
- ✓ the LEITI is supported and funded in a sustainable manner; and

- ✓ each and every activity or program undertaken or needed to be undertaken in furtherance of LEITI:
 - is not in violation of any Liberian law or regulation;
 - is not susceptible to delay, frustration or similar counter measures resulting from unreasonable discretionary authority, contrary practice(s) or otherwise; and
 - is legally permitted and, if implemented, will be valid, enforceable, and binding on all private and public persons and entities.

Without prejudice to any possible administrative action or legislation that may be required for the sustainability of the LEITI, the body agreed and undertake to ensure that the implementation of the LEITI be and remained led by a continuing partnership among the body.

While acknowledging possible challenges that may arise in the implementation of the LEITI, the body is convinced of the enormous potential benefits of the Initiative, and has accordingly resolved to continue working together to overcome impediments, resolve differences, and to achieve the objectives of the LEITI.

2.0 INTRODUCTION/DESCRIPTION of STUDY

Liberia’s mineral endowment includes a variety of minerals such as gold, diamonds, iron ore, beryl, tin, barite, columbite-tantalite, phosphate, zinc, copper, lead, rare earth minerals, nickel, molybdenum etc. It is well-known that Liberia has vast potential for primary and alluvial gold and diamonds wide range of iron ore deposits which have been mined since the late 1940s.

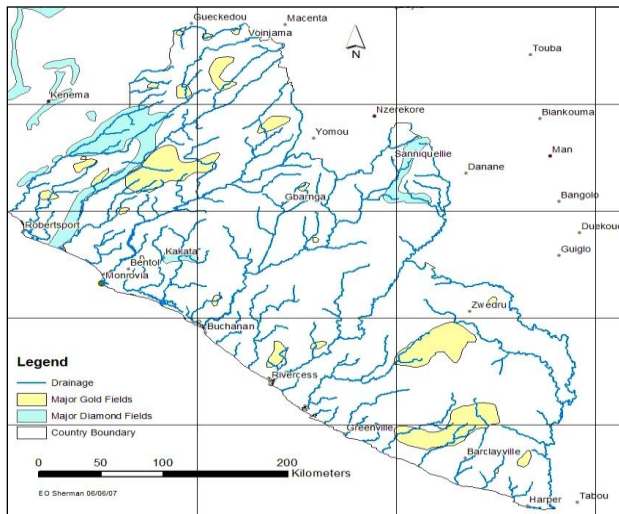


Fig 1a Gold & Diamond Trends in Liberia



Fig 1b Mineral Occurrence Map of Liberia

Preliminary survey of Liberia by the Holland Syndicate in the late thirties led to the official discoveries of gold and diamond in areas of the country, though their existence was known long ago by the natives who mined them. The early forties saw an increase in the gold mining industry with export reaching approximately 25,000 troy oz. By the 1950's diamond digging started along the Lofa River around Weasua, which led to a rush in other parts of the country.

Significant amount of the alluvial diamonds and gold workings are located within the western province of Liberia, example; King George Larjor, Weajue, Kungbor, Weasua, Henry Town, Butter Hill, Mano Godua, Camp Alpha etc. are all noted for their alluvial gold and diamonds production. Primary gold deposits are found in the south-eastern region of Liberia especially Grand Gedeh and Sinoe Counties.

Liberia has emerged from a period of protracted violent armed civil conflict over access to natural resources and social and economic marginalization of a large part of society. The export and international trade in rough diamonds mined in Liberia and Sierra Leone partly funded two Liberian civil wars, which were characterized by grave human rights abuses. In response, the United Nations (UN) imposed sanctions on the export of diamonds from Liberia between 2001 and 2007. The Kimberley Process Certification Scheme (KPCS) was established by the International Community in 2003 to prevent the proliferation of armed conflict funded by the trade in rough diamonds. The purpose is to create a transparent chain of custody for diamonds to ensure that illegally mined and exported diamonds do not enter international trade.

Liberia enjoys an effective regime for the control of diamond and gold production, participating in the Kimberley Process Certification Scheme (KPCS), and being one of only two fully compliant members of the Extractive Industry Transparency Initiative (EITI). Both the KPCS and the EITI respect the tripartite arrangement whereby Government, Industry and Civil Society work together to ensure benefits accrued from extractive industries are transparently managed and used as a tool for development, not an engine of destabilization. The Liberian EITI (LEITI), constituted from members of government, industry and civil society, benefits its international partners' assistance, and oversees revenues derived from all resources extracted within Liberia.

The Poverty Reduction Strategy estimates that there are approximately 100,000 Artisanal and Small-scale Miners (ASM) and up to 500,000 diggers in Liberia, which supports an additional 787,500 to 1,575,000 people indirectly (according to USAID Governance Economic and Management Assistance Program (GEMAP)).

The EITI process in Liberia has received international accolades due the transparency and good governance regimes employed. Nevertheless, the many achievements realized, the LEITI has major challenges in incorporating the payments received from the artisanal and small-scale miners in the solid mineral sector due to the widespread nature of their operations and the difficulty in regulating their operations. Realizing that there is a need to independently verify the depth and scale of these artisanal and small-scale mining operations so as to capture current and potential payments to Government, the LEITI has therefore propose this consultancy for a geological consulting firm to “conduct a study that defines the payment and revenue scope of this sector and provide the necessary advice for implementation”.

3.0 SCOPE OF WORK

3.1 Deliverables

The objective of this Consultancy is to conduct a scoping Study of the Liberian Mining Sector with particular reference to the solid mineral sector putting special emphasis on the Artisanal and Small Scale Mining Sector (metalliferous minerals – gold, diamond and quarry operations – granite and sand). The resulting findings will lead to the possibilities of including all payments and revenue from the sector into the EITI reporting process in Liberia.

The main services required under the Scoping Study include the following:

1. Assess the mining sector with emphasis on artisanal and small-scale mining. The study will look at the scale of their operations, licensing procedure, registration and revenue payments; identify the key players or available networks, location of their operations, strategic opportunity available for the full inclusion of the sector in implementing the EITI.
2. Recommend EITI implementation policy options where necessary.
3. Identify the needs of the sector deserving support for full compliance to EITI principles.
4. Provide a synthesis of recommendations on how the LEITI will include all payments and revenues into the reporting process; and where possible, provide suggestion for concrete actions in the short and long term.

5. Submit a comprehensive final report to the MSG on the issues, key findings and recommendations; and such report will take into account the above bulleted points under Roman number four of the Scope of Work

3.2 Methodology

The strategy adopted to achieve the objectives of the Scoping Study included a detailed Desk Study of all related works and projects that have been conducted in the mineral sector of Liberia to date by the Government, international agencies, professionals, academicians, etc. Interviews were held with relevant stakeholders in the mineral and financial sectors to include officials of the Ministry of Lands, Mines & Energy and the Liberia Revenue Authority. Other stakeholders consulted included members of the mining community comprising of miners and workers associations and unions, brokers and dealers associations, former officials of the MLME as well as professionals from the private sector and mineral civil society organizations. Stakeholders with whom we met to help us achieve the goals of this consultancy and the results of those consultations/interviews are included in Annex 1

One main component of the study was to get information directly from the miners and diggers themselves. To achieve this goal, two Town Hall consultative meetings were held with Mining Chairmen, Miners, Mining Agents, Mining Coordinators as well as Coordinators from the Precious Minerals Office. These meetings brought together these stakeholders from the high profile mining areas of western and eastern Liberia and were held in Than Town in Grand Cape Mount County and Sanniquellie in Nimba County. The free and open discussions brought out genuine concerns from the miners and suggestions on how to bring some meaningful changes to the sector.

It is hoped that the outcome for implementing this approach will help to understand the prevailing issues in the mineral sector and propose recommendations on how to effectively incorporate the ASM sector into the overall reporting scheme of the LEITI.

4.0 THE EITI PRINCIPLES

“The Extractive Industries Transparency Initiative is a global standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debate and enhance trust. In each implementing country it is supported by a coalition of governments, companies and civil societies working together”. The overarching objective of the EITI is to ensure that there is transparency in

the governance of a country's natural resources wealth so that all citizens can equally benefit from the country's natural resource endowment.

EITI compliancy requires EITI countries to:

- establish MSGs which must maintain effective oversight of the extractive sector;
- publish EITI reports, which should include contextual information about the sector;
- ensure that published reports include full government disclosure of revenues from the extractive industry; and
- ensure that published reports be certified by qualified firms applying international standards.

The initiative made an important stride toward accountability with the adoption of the new EITI Standard in May 2013. Beyond disclosing data on revenues, the Standard now requires the disclosure of additional relevant, accurate, useful information by both governments and companies, all along the value chain –that is, from contract award through to revenue management and sustainability. In addition reports now include contextual information and must reflect national priorities. The EITI also now includes a range of recommendations for improving its impact beyond the mandatory requirements, including disclosure of contracts and beneficial ownership.

5.0 OVERALL ASSESSMENT OF THE LIBERIAN MINING SECTOR

5.1 Geology

Liberia constitutes part of the West African Craton known as the Man Craton (Liberian Craton) which is characterized by broad intruding events of diabase and kimberlite (source rock for diamonds). The geology of Liberia is highly predominated (about 90%) by Precambrian basement rock which is characterized by older granulose mixed gneiss, diorite and granite. The upper crust of this basement complex constitutes a mixture of sedimentary and volcanic rocks trending in a northeast direction. These younger rocks are in unconformity with older gneiss and Archeozoic Greenstone Belt, except for a period of time when they were subjected to metamorphism of Amphibolite facies or Granulite facies. In the original section, only a fraction of the rock is evident, mainly including quartziferous banded iron formation, and some amphibolites, mica schist, quartzite. A sequence of strata bearing volcanic rock whose bottom is conglomerate, quartzite and ultramafic rock from the Nimba Hills. The top of this complex is a sedimentary sequence of andesite with thickness of about 700 meters. Under this structure there is another sedimentary sequence with approximate thickness of 600 meters composed of graphite phyllite and banded iron formation.

The Archean rocks were affected by two orogenic movements (the Leonian orogenic movement – about 3.5 to 2.9 billion years and the Liberian orogenic movement about 2.9 to 2.5 billion years). In the southern-central part of Liberia, northern greenstone belt of the Birimian Period (about 2.1 billion years) are found. Unmetamorphic laminated sandstone, feldspar sandstone, siltstone and conglomerate are distributed along a long and narrow belt along the coast which may have been formed during the Cretaceous Period (Figure 2).

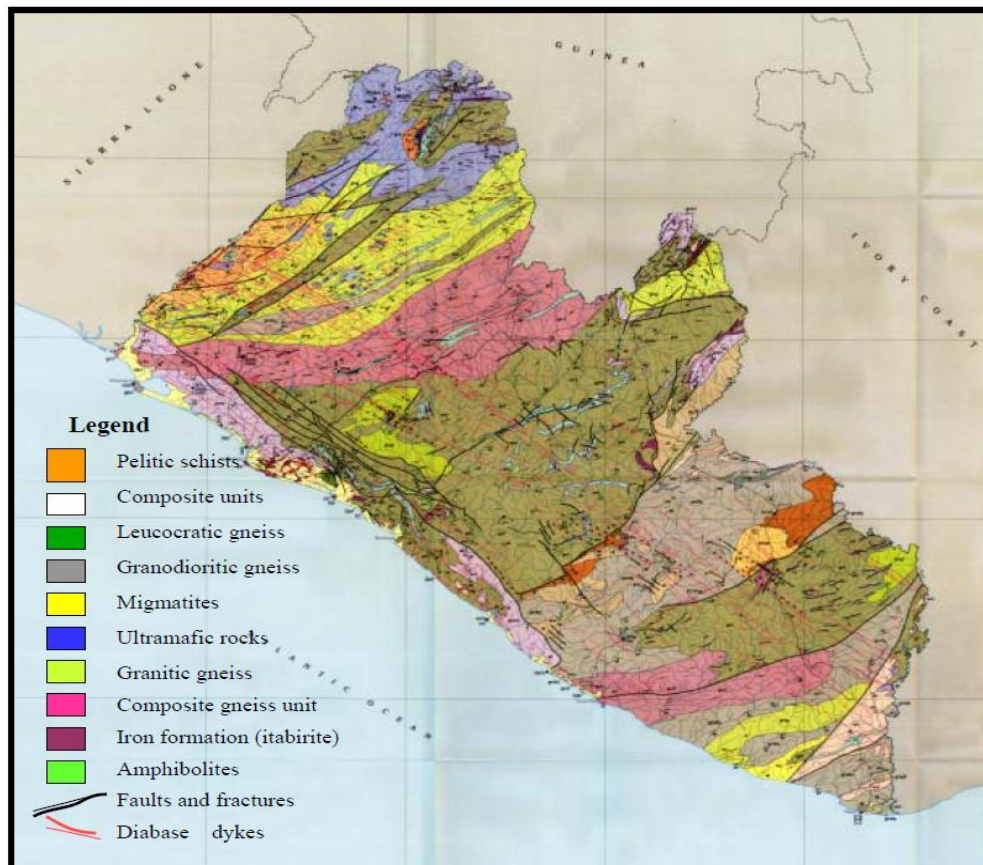


Fig. 2 Geologic Map of Liberia

5.1.1 Geologic Structures

There are three (3) predominant geologic structure units in Liberia (Figure 3):

- a. Liberian Age Province (2600 - 2700 million years). This Archean terrain consists of granitic gneisses and granites, capped by supracrustal sequences which are mainly metasedimentary, containing schists, quartzites and iron formations. The Archean rocks hosts major iron ore deposits, including the Nimba deposits, which extend into Guinea. Most of the primary gold deposits in Liberia occur in the Archean rocks.

- b. Eburnean Age Province (2000 million years). This province is basically a Palaeoproterozoic terrain which is an extension of the Baole-Mossi Domain of the Birrian of the Ivory Coast and contains less granitic gneiss than the Liberian Age Province (White and Leo, 1969) and is underlain by isoclinally folded biotite-rich paragneiss and migmatite.
- c. Pan African Age Province (500 million years). The Pan African Age Province runs parallel to the Liberian coast and extends into Northwest Liberia. During the Mesozoic breakup of Gondwana, and the lifting that produced the Atlantic Ocean, the Precambrian structures parallel to the Pan African belts were reactivated and intruded by a major dikes swarm which parallels the coastline of Liberia and Sierra Leone. Sedimentary rocks and noritic rock bodies characterize this terrain.

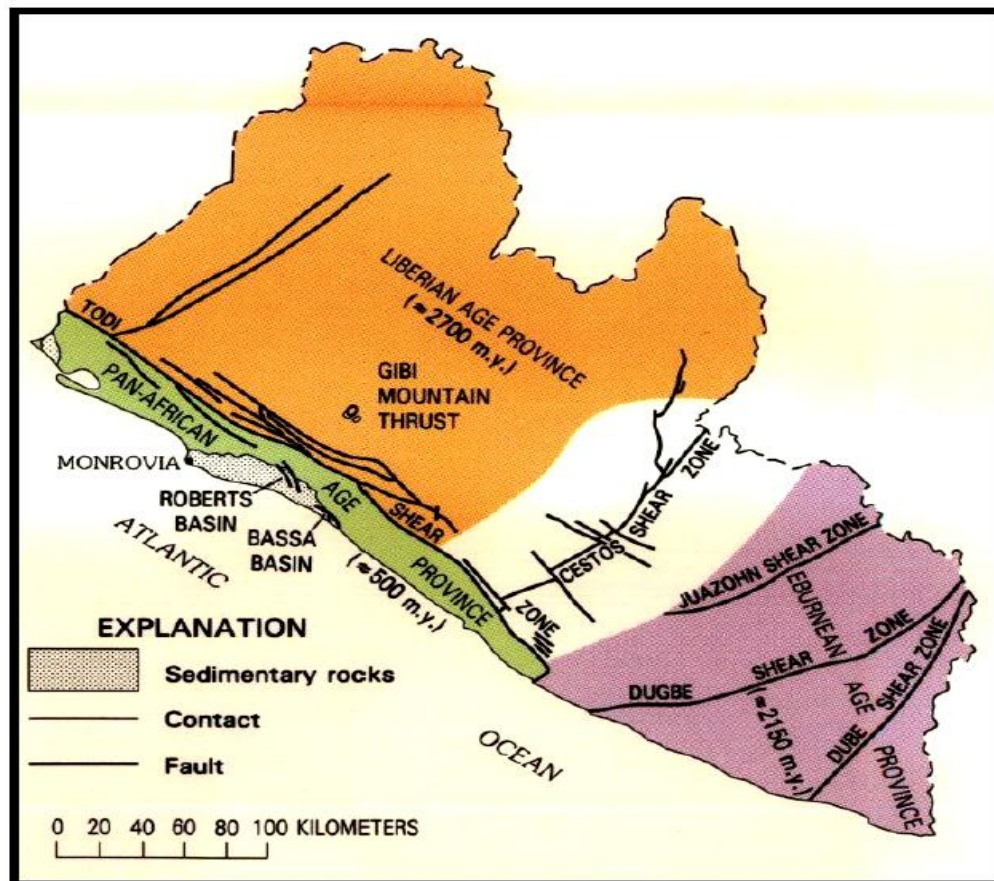


Fig. 3 Geologic Structural Units of Liberia

5.2 Mineral Potential

The mineral resource based of Liberia is very high with the existence of significant amounts of iron ore, gold, diamonds, and other minerals to include barite, bauxite, manganese,

kyanite, etc. Based on the regional geology there is high prospectivity for platinum group elements – copper, chromium, nickel, uranium, oil and gas resources. Mineral resources are distributed throughout Liberia with the Western and Eastern parts of the Country showing high occurrences of ore (Figure 3).

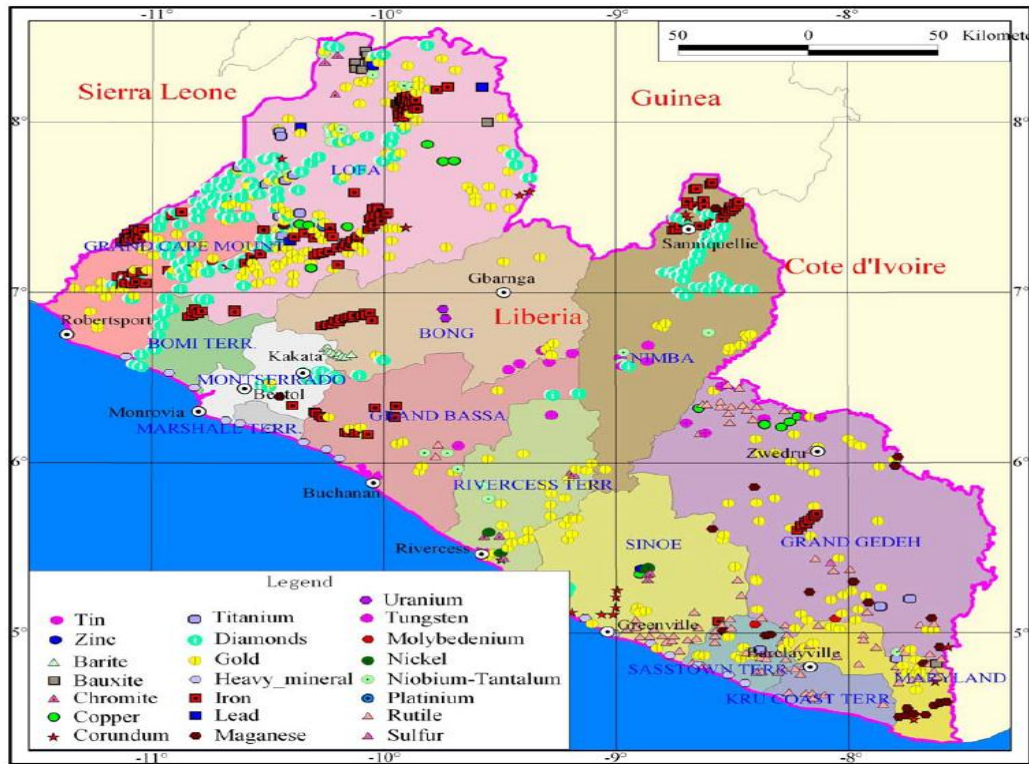


Fig. 4 Mineral Occurrence Map of Liberia

The most recent (2007) international geological investigation of the mineral potential of Liberia conducted by the Chinese Geological Survey in collaboration with the Liberian Geological Survey looked at the level of geological work done in Liberia and with respect to its mineral potential. This investigation strengthened the already known fact that Liberia is endowed with favorable geological conditions for the formation of large scale iron deposits. Statistical analyses have shown that there are over 897 ore occurrences with some 25 different types of ore (Table 1). In order of abundance gold, iron, diamond and rutile dominate. Follow by manganese, niobium, tantalum, heavy minerals, copper, tantalum, barite, tin and tungsten.

Table 1 Total Occurrence of Minerals in Liberia

Ore type	Number of occurrences	Ore type	Number of occurrences	Ore type	Number of occurrences
barite	14	kyanite	5	sulfur	3
bauxite	9	vanadium	5	tin	10
chromite	12	manganese	25	titanium	14
copper	14	molybdenum	4	tungstin	9
corundum	31	nickel	8	uranium	3
diamond	158	Niobium, tantalum	22	wolframite	2
gold	258	phosphorite	2	zinc	2
Heavy minerals	19	platinum	2		
iron	172	rutile	94	<i>total</i>	<i>897</i>

5.3 Classes of Licenses

The following types of Mineral and Mining Licenses are required for engaging in activities related to the mineral industry in Liberia:

- a. Mining Licenses (Class A, B & C)
- b. Reconnaissance
- c. Prospecting
- d. Exploration
- e. Quarry
- f. Mineral Development Agreement (MDA)

5.3.1 Class A

A Class A Mining license is granted to an existing operator within the mining sector who after a considerable length of time undertaking mineral exploration to the satisfaction of the Ministry of Lands, Mines & Energy has made a discovery of exploitable mineral deposits and have identified a Proposed Production Area. The Operator is required to be in compliance with the terms and conditions of his/her MDA, successfully completed a Proposed Exploration Program, completed a Feasibility Report describing a plan for the efficient and economic conduct of mining in the Proposed Production Area. The Feasibility Report must be approved by the Minister. The initial term of the Class A Mining license shall not exceed 25 years, and may be extended, in each case a showing that proven

reserves exist, and upon submission of a revised and up-dated Feasibility Report, for conservative additional terms not to exceed 25 years each.

5.3.2 Class B

A Class B Mining license is granted over an area not subject to a mineral right granted to another person (unencumbered area) on the same terms and conditions as a Class C Mining license with exceptions set forth in Section 6.4 of the MML of 2000. The initial term of the Class B Mining License is for 5 years and any renewals thereof shall not be for more than 5 years each. The holder of a Class B Mining license may conduct operation as an industrial operation (semi-mechanized). Up to 15 holders of a Class B Mining license may form a cooperative upon the approval of the Minister of Mines. A production plan has to be filed and approved by the Ministry of Mines prior to commencing operation with subsequent annual submission and approval by the Ministry. A Class B Mining License can be granted to other nationals in partnership with Liberian citizens.

5.3.3 Class C

The Class C Mining license is granted to Liberian citizens (of legal age) only to mine for gold, diamonds and/or other precious minerals. The area of each claim shall not exceed 25 areas and the initial tenure is for 1 year with licenses being renewed for several one year periods upon approval by the Minister of Mines. One person can hold up to 4 Class C Mining licenses at the same time. The holder of a Class C Mining License shall conduct mining operations only as a small scale operation (manually, not mechanized) or as a cooperative venture only when approved by the Minister of Mines.

5.3.4 Reconnaissance License

A Reconnaissance License is issued over an unencumbered parcel of land not exceeding 2000 km² for a maximum period of 6 months which is renewable only once for another 6 months provided that the operator has met all the requirements set forth in the Mining Law and other pertinent mineral regulations. The operator of this license is expected to conduct non-invasive geologic exploration (grab sampling, no drilling or sinking of pits). A holder is expected to submit an evaluation report of the mineral potential of the area within 3 months after the expiration of the license.

5.3.5 Prospecting License

A Prospecting License is issued over an area not to exceed 100 acres and is granted for an initial period of 6 months with the possibility of one time renewal for another period of 6

months provided the operator has met all requirements under the Mining Law and other relevant regulations.

5.3.6 Exploration License

An Exploration License is granted over an unencumbered contiguous parcel of land not exceeding 1000 km² for an initial period of 3 years and may be extended for another 2 year period if the holder complies with the terms and conditions of the Mining Law and the Mineral Exploration Regulations. An Exploration Agreement must be concluded between the holder and the Government and a proposed work program must be submitted to the Minister within 90 days of the grant of the license. At or before the expiration of the license, the holder may choose to retain the entire exploration area or any part thereof as a Proposed Production Area or apply for an extension of the exploration license after surrendering a minimum of 50% of the original exploration area at the end of the initial term of the exploration license. The right to explore does not include the right to engage in bulk sampling or pilot mining and the holder is restricted to explore for minerals only in his defined area. Other terms and conditions set forth in the Mining Law and the Mineral Exploration Regulations have to be adhered to.

5.3.7 Quarry License

A Quarry License gives the right to the holder to develop, mine and sell building and an industrial mineral found within the area subject to the license (not exceeding 50 acres) and is valid for an initial period of 5 years and may be renewed for the same period on subsequent applications upon approval by the MINISTER.

5.3.8 Mineral Development Agreement (MDA)

A Mineral Development Agreement is negotiated between the holder of an Exploration License (who has received and furnished to the Government a written opinion of a Competent Person that a portion of the Exploration Area contains Inferred Mineral Resources that are within the scope of the Exploration License) and the Government. This request is made by the holder of an Exploration License to the Government to extend and modify its rights under its Exploration License and to enter into this Agreement for the purpose of confirming the terms and conditions that will govern the Company's transition to a Class A mining license and its operations under a Class A mining license.

The terms and conditions for an MDA are negotiated between the operator and the Government representatives on the Inter-Ministerial Mineral Concession Committee using the standards set forth in the "Model Mineral Development Agreement".

5.4 Other Mineral Licenses

All persons or operators desiring to participate in the mineral sector of Liberia is required to be licensed before they can engage in the business of mining, buying and selling of minerals. Licenses that are required for those persons not actively involved in mining but are in the business of buying and selling minerals include:

5.4.1 Diamond & Gold Dealer/Exporter License

This category of license is issued to those persons who desire to purchase and export diamond and gold out of Liberia. This license is opened to Liberians and Foreign Nationals (with Liberian participation). Dealers are required to trade only in Monrovia and are not allowed to visit mining sites directly for the purpose of conducting business in the field and are to only purchase diamonds and gold only from identified and licensed miners or brokers. Annex VIII shows sample of a Dealer's license.

5.4.2 Diamond & Gold Broker License

Brokerage license is restricted to Liberians only to purchase gold and diamond and to sell same internally. Brokers are required to only buy from identified and licensed miners from the Office of Precious Minerals. All brokers are responsible to trade all gold and diamond only with legal and registered dealers in accordance with the laws of the Republic of Liberia. Annex IX shows sample of a Broker's license.

5.4.3 Jeweler Licenses

There are no active jewelers' licenses issued by the MLME at present.

6.0 MAJOR FINDINGS OF THE SCOPING STUDY

The Consultant conducted extensive interviews and discussions with major stakeholders in the sector to solicit their views on current activities in the sector and proposed recommendations that they may have with respect to curing any defaults. Data from the relevant Ministries, Agencies and Commissions were gathered and analyzed to give a true understanding of activities in the sector. The Scoping study was strengthened by desk review of all previous relevant projects and studies that have been undertaken within the sector and the vast experience by the consulting team having worked directly within the mineral sector of Liberia. The following is a compilation of this conclusive work which represents the professional views expressed these stakeholders:

6.1 Issues and Concerns of Major Stakeholders within the ASM Sector

There is some organizational structure within the sector when it comes to those formalized licenses (Class A & B, Prospecting, Reconnaissance, Exploration, MDAs) especially with respect to licensing and payment procedure. The challenge is with the ASM sector and the primary goal of the Study was to bring out ideas on how this sector can be structured to respond to this challenge. Hence, views and observations of stakeholders in the sector are captured and are reflected below which should be taken into consideration when making reforms to the ASM sector:

- ❖ Most if not a very large percentage of ASM miners are highly uneducated, therefore, introducing a financial scheme to require them pay some kind of income tax will be highly misunderstood because they do not understand the whole financial structure of taxation. If pressure is put on these miners to pay any kind of income tax or disclose their income, there is a serious risk of them not disclosing any finds or income from their sales which will result into flight of precious minerals across our borders to neighboring countries that do not have these restrictions. In order for one to report any income, there has to be an understanding of expenditure in their mining activities versus revenue generated. A very large percentage of our miners cannot do this!!!
- ❖ We should take our lesson from neighboring Sierra Leone which tried this scheme by increasing royalty on gold and diamond to 16-20% for a certain cutoff carat. After the first year all the diamonds over that cutoff carat disappeared from the market thus resulting in a serious drop in revenue and the practice was discontinued!!!
- ❖ There is too much Government bureaucracy which leads to unnecessary delays in issuing of licenses/payment forms. The delay in processing license documents at the Ministry is one of the biggest impediments in the sector. Some licenses take about a year to be processed. Besides the delay, the bottlenecks created for processing fees causes miners to shy away from obtaining licenses. Another setback is the requirement to pay survey fees when such surveys are never carried by the Ministry personnel responsible for such. The survey fees are simply diverted for other uses. Year after year miners pay survey fees but few or no survey is ever carried out leaving them with no alternative but to engage in mining only with the payment receipt that have been issued for their licenses.
- ❖ Much of the delays in processing Class C licenses have been attributed to the MCIMU which is being faced with many challenges including being out of electricity on many occasions, thereby wasting many man hours because the system is down which leads to delays in the processing of licenses and increase burden on the miners to

sustain themselves while in Monrovia. Because of these delays, many miners decide to give their registration fees to mining agents and other individuals to do their registration. This has the propensity for unscrupulous behavior which could further lead to more delays or fees being misapplied by these individuals.

- ❖ The Mining Agents assigned in the various mining agencies/districts are the principal cause of many problems faced by the miners. They collect clearance fees (which amounts are not set by any regulation) that varies anywhere between USD50 – USD100 from miners and refuse to issue any official receipts. When miners ask for official receipts from the mining agents, they refuse to give such receipts and threaten not to issue said claims to applicants or even process applications
- ❖ An individual miner spends a lot of overhead in maintaining his claim (license fees, survey fees, ID fees, transportation, equipment, feeding, medical, etc) and may not have any find/recovery for that period and takes this as a loss. When he does find something, he first has to recover his losses and would not take kindly to anyone trying to impose tax on that find
- ❖ It should be noted that most miners are not stationary (no permanent office), therefore, it would be extremely difficult to locate them for accessing tax purposes.
- ❖ The present ASM regime in Liberia provides no incentives for miners to disclose their finds and incomes; Therefore, GOL may lose more revenue given the lack of incentives.
- ❖ The present OPM voucher system does not include the price of the goods when sold at the point of sale, therefore, the selling price is not known at this time. The selling price (what is paid to the broker or miners) is only known when the goods is presented to the OPM for export by the broker or individual miner. This price may not be the real price that was paid for the mineral!!! In the absence of a sale price that is reflected on the mineral voucher, the income of the miner cannot be traced nor verified!!!
- ❖ The absence of dealers' offices in areas of high production which are very close to our borders with neighboring Countries lead to revenue flight from the country as miners are weary to travel all the way to Monrovia where the dealers offices are located to sell their goods. Therefore, they prefer to sell to the nearest available buyer who in most instances is foreign and not registered to do business in Liberia
- ❖ Miners feel frustrated when they hear that they are not paying "taxes" because they believe that the full fees paid for their licenses are not truly reflected in the reporting system. As an example, a total of nearly USD500 is paid for one Class C license but only the USD150 is officially reported! The breakdown of fees include:
 - ✓ USD150 – license fees
 - ✓ USD150 – survey fees

- ✓ Excess of USD50 – surveyor transport fees (not standard)
- ✓ Excess of USD50 – clearance fees (individual mining agents set fees, no standard fees for this item)
- ✓ Excess of USD10 – for ID card (above the recommended amount)

With the payment of all of these and some other hidden fees, the miners cannot understand why GOL will want them to pay “additional tax”!

- ❖ Brokers and dealers feel that they are paying more than their fair share of taxes as evident by fees paid to GOL through the regulatory institutions. For example, brokers pay USD1500 license fees + 10% of their rental space (office space) to GOL while dealers pay:
 - ✓ USD25,000 license fees
 - ✓ 10% of their rental space (office space)
 - ✓ 3% royalty
 - ✓ Withholding tax
 - ✓ Corporate income tax
- ❖ Smuggling of gold and diamonds to other countries affects the bottom line of dealers (dealers are paying high fees and taxes but do not receive the “good” to buy and sell) and robs GOL of revenue when foreign supporters and buyers purchase directly from miners without going through the KPCS chain of custody thus hurting dealers and brokers in the Country.
- ❖ Many miners have a problem finding supporters for their claims as they themselves do not have the finances to support mining activities on their claims and therefore hoard these claims as a means of security of tenure to protect same from others applying for the rights to these areas
- ❖ There is no regulation to hold a miner to a particular location (he is at liberty to sell anywhere within the Country), he only declares goods to the Regional Office within his mining agency and that is where statistics are received from by the OPM. There is a need to have legislation to compel miners to only sell their goods within the particular jurisdiction /agency where they are a part of.
- ❖ At the hierarchy of the small scale mining support system, the dealers support (financially) the brokers who in turn support the miners or dealers may directly support the miners (i.e. in terms of operating costs – payment of required fees, buying of equipment, feeding of diggers, medical care, transportation, etc). In short, it is the dealers that bear the blunt of the financial burden when it comes to the small scale mining sector but the miners have all the “power” (i.e. to sell to anybody). Dealers believe that there needs to be some regulation to obligate the miners to sell only to them (the “legitimate sponsors”) who have financed their

production and not sponsors who are not recognized by the Chain of Custody structure of the KPCS.

- ❖ The brokers are registered with the MLME but the loophole in their operations is what they term as broker agents. There is a huge proliferation of broker agents in both the gold and diamond sectors. These agents move from mine to mine with a lot of cash to purchase for dealers, brokers and supporters. The question is, do these agents pay taxes? Some agents get agent ID cards from whomever they work for without reference to mining regulatory agencies, hence the proliferation of broker agents. This is a serious impediment for the alluvial mining sector.

6.1.1 Suggestions to Address Issues and Concerns of Major Stakeholders within the ASM Sector

Suggestions from the many stakeholders surveyed and consulted during the Study geared at addressing the many concerns and issues of the ASM sector are summarized below:

- ✚ The establishment of mining cooperatives should be seriously considered as many miners do not have the money to finance their claims. Cooperatives can easily source funding through microfinance loans that can be spread across the different mining claims to stop the reliance on outside (foreign) supporters who are not recognized by the KPCS Chain of Custody. Cooperatives are better structured than the individual miner and are treated as business entities within the formal financial structure and their reporting obligations can be easily tracked. Therefore, a percentage of earning/finds of the individual miners will be paid to the cooperative which in turn pays taxes to the government. The establishment of mining cooperatives will allow for proper monitoring in which production and sales can be tracked to the point of sale thereby assuring full disclosure from the ASM sector.
- ✚ The miners need to be educated/sensitized about the benefit of forming themselves into cooperatives.
- ✚ GOL needs to pursue regional harmonization of policies & regulations especially as it relates to fees and taxes in the sub-region to avoid smuggling of minerals to other neighboring Countries.
- ✚ GOL needs to help in strengthening the capacities of those institutions and agencies involved in the extractive sector for them to adequately provide the kind of information needed to the reporting agencies (LEITI, LRA). For example, the MLME inspectorate is highly incapacitated in its data gathering due to lack of trained and sufficient inspectors, most mining agents and patrolmen are not formally employed, mining agents and patrolmen are not protected in the field from illicit miners, and lack of training is prevalent in the sector. This enhancement will go a long way in

providing credible information on the sector and increase the amount of goods entering the sector.

- ✚ There is a dire need to decentralize the licensing process by having field offices in the various mining districts which will lead to increase in the volume of registered claims and also allow for proper monitoring and evaluation of the ASM sector. Initial exercise can be experimented based on the UNMIL Quick Impact Project in which field offices can be quickly constructed in the various mining communities using minimum financial resources as was the case with the 10 Regional GDOs set up in the various diamond regions of the Country.
- ✚ There is a dire need to decentralize the tax collection system. Miners travel long distances to reach Monrovia for license and survey fees payment. This costs money. When they meet up with delays at the Ministry, they end up spending the money intended for license to sustain them in Monrovia thereby returning home without a license and a little poorer. Setting up an organized LRA collectorate in each cluster of mining claims/communities would eliminate the headache of coming to Monrovia to pay fees.
- ✚ With respect to ways to include ASM sector in the reporting scheme of LEITI there is a need to sensitize and educate miners on their responsibilities as income generators (conduct workshops and carefully explain the procedures and requirements to the miners). Such workshops must be repeated over and over as was done with the KPCS. Also see the possibility of reviewing mining license and survey fees to make them affordable under the prevailing economic conditions of hardship. Most miners are unemployed and are only dependent on the dry season mining period to earn money for all aspects of their livelihood.
- ✚ The need to formalize (system of factual reporting) the sector before trying to assess any form of taxation on the individual miners should be of paramount concern or else there would be a scenario where miners will be afraid to fully disclose their finds/production due to the perceived notion of being penalized for doing so through a tax regime.
- ✚ In addition to that of the miners, the capacities of the exporters/dealers need to be enhanced (because the burden of paying “income taxes” on the sale of gold and diamonds is actually shifted to them. There is a direct trace of exports from the dealers because the goods are valued and declared before shipping) by providing more incentives to increase the amount of goods they are buying and selling/exporting to increase their royalty, corporate income tax, rental percentage, etc payments to Government. One way to do this is to decentralize the operations of dealers to have direct access into the field to purchase their goods which will lead to lower smuggling of goods across the borders by foreign “supporters”

- ✦ Dealers need to be allowed to operate (open offices and engaged in direct buying in the field) as a means of circumventing foreign buyers from taking away “goods”
- ✦ Because of so much ambiguity in the artisanal mining sector, from a taxation perspective, GOL will not be able to capture all revenue streams especially at the level of the miners. Therefore, GOL should shift the burden to those that have a broader play in the sector (brokers & dealers.) However, the GOL should institute mechanisms to increase brokers and dealers productivity by reducing smuggling in the sector, providing adequate services
- ✦ MLME should fully disclose all fees paid by all players (miners, brokers, dealers) in the sector and should not limit disclosure to license fees. Furthermore, official flag receipts should be issued for all payments. The GDO voucher needs to carry the sale price paid by the broker/dealer to the miner and there has to be a way to verify this amount. The Senior Mining Chairman in the mining agency (because he is also a miner and will be neutral) who will be charged with the responsibility of receiving and recording all payments made by miners to central government. This will serve as independent verification for the LRA/LEITI reporting process to compare with government records
- ✦ The payment of Clearance fees and Survey fees should be scrapped because these services are rendered by government employees who are paid as civil servants and furthermore, it is governments’ responsibility to sustain their field offices and this burden should not be shifted to the miners
- ✦ The brokers/dealers already have the advantage over the miners when it comes to bargaining the price of the goods because they are more experienced in valuation of the goods in getting a far better price for the commodity, therefore, the tax burden should be shifted to them.
- ✦ We should try not to find ourselves double taxing this commodity because it seems like the dealers/experts are already paying both royalty and corporate income taxes on these commodities
- ✦ Under no circumstance should the income of miners be taxed because they are selling at a much lower price to brokers and dealers who increase their sale price of goods when they export and sell on the international market, so the burden should rest on the dealer/exporter who make considerable profit from the sale of the goods (indirectly, the miners are paying tax through the dealers/exporters who buy diamonds/gold at a very low price)

6.2 Present Mining Activities, Scale and Location of Operations within the Mining Sector

6.2.1 Mining

6.2.1.1 Class A

Only 4 mining operators have completed MDA negotiations with the GOL and have been granted Class A Mining Licenses which give them the right to engage in large scale mining activities and export minerals from said operations (Figure 4). These are:

Arcelor Mittal (Mittal Steel)	Iron Ore
Bea Mountain	Gold
China Union Investment (Liberia)	Iron Ore
Putu Iron Ore Mining (PIOM)	Iron Ore

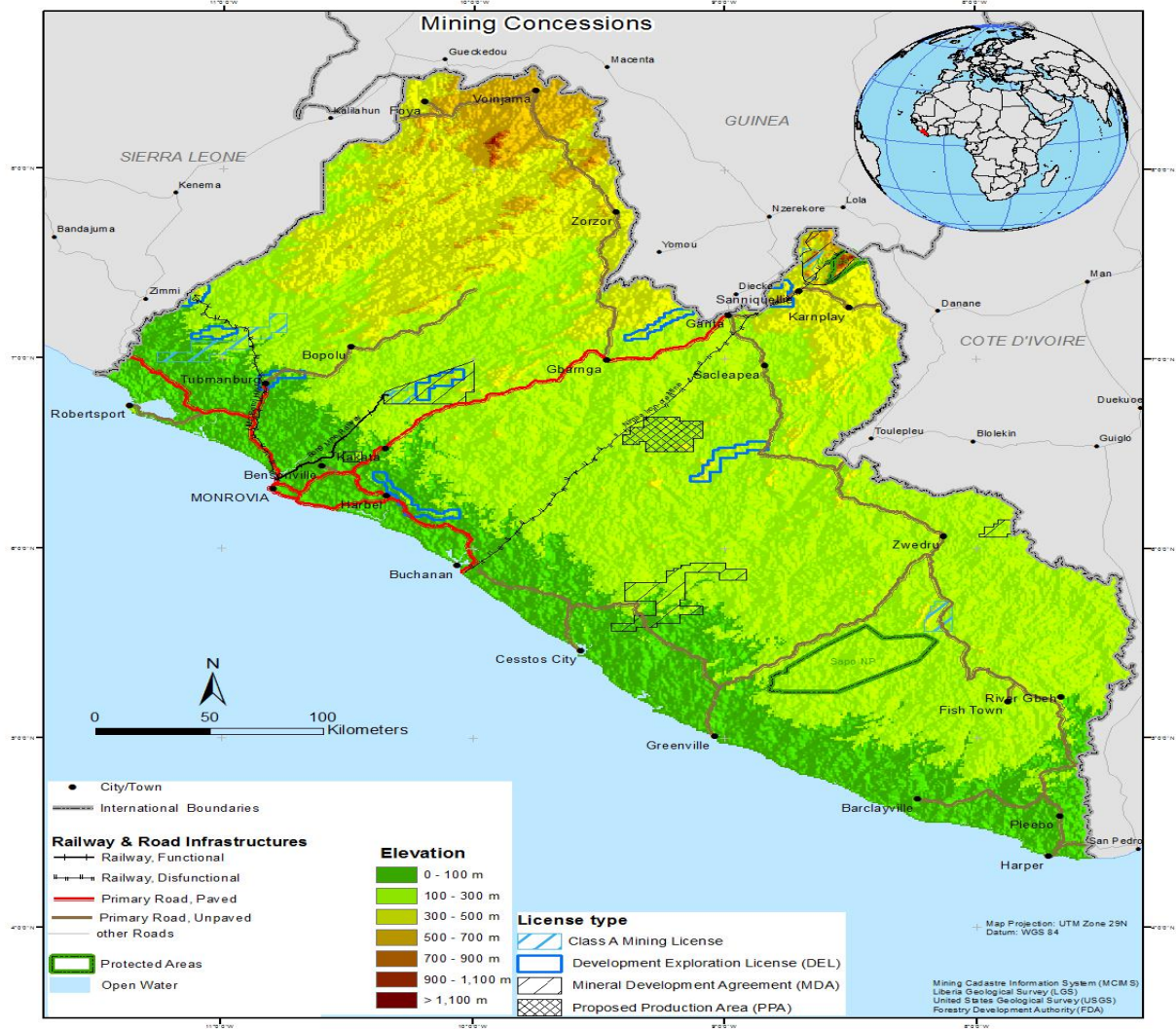


Fig. 5 Mining Concessions Map (Class A, MDA & DEL)

6.2.1.2 Class B

There are 46 active Class B operators (Fig. 6) in the sector mining gold, diamond, base metals, corundum, barite and river sand. Major operators include KBL Liberia Mining Company Inc., Liberia Tailings, Earth Source Minerals International, GEM Rocks Mining Resources Inc., Zhao Li Mining Company, LICHI Inc., Hualee International Corp Ltd., and Meleke Sand Mining Corp. (MSMC).

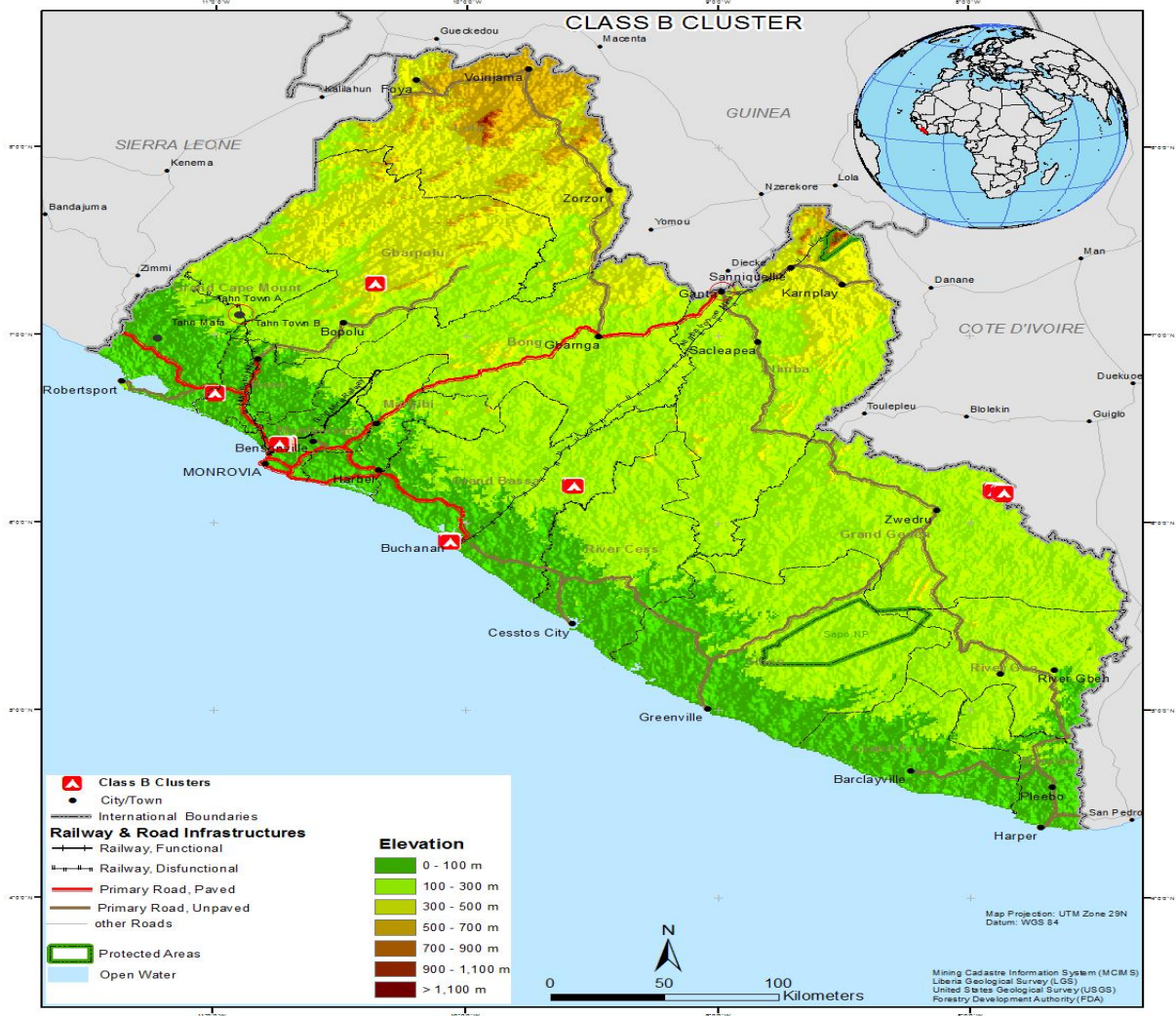


Fig.6 Class B licenses (clustered)

6.2.1.3 Class C

1142 active Class C Mining Licenses have been issued by the Ministry of Lands, Mines & Energy (see attached disk with matrix of active licenses) to individual Liberians to conduct small scale mining within the Country.

The MCIMU does not have any geo-spatial data for Class C licenses at the present. Since 2010 there have been plans for capturing this data but the scheme has not been implemented as there have been incomplete data from the mine surveyors. However, a renewed program is being piloted to acquire data by having surveyors produce at least two coordinates from a mining claim that can then be geo-referenced.

6.2.1.4 Reconnaissance

There are presently no active Reconnaissance Licenses issued by the Ministry of Lands, Mines & Energy.

6.2.1.5 Prospecting

The right to engage in non-invasive (grab sampling) prospecting (Prospecting License) for mineral resources have been granted to several companies by the issuance of 114 Prospecting Licenses by the MLME. Some of the most recognized companies in this sector include Wonderful New Energy Company (Liberia) Inc., GEM Rocks Mining Resources Inc., Coastal Ventures Inc., and PIOM. (see attached disk with matrix of active licenses).

6.2.1.6 Exploration

There are presently 78 active mineral exploration licenses issued to operators for the purpose of exploring for gold, diamond, iron ore and base metals (Figure 7 & attached disk). The total land mass covered by these licenses is approximately 2,585,660.74 hectares or some 6,389,306.84 acres.

Major operators in the mineral exploration sector include:

HummingBird Resources	Gold
Sarama	Gold & Base metals
African Gold	Gold & Base metals
Kpo Iron Ore Limited	Iron Ore
West African Resources (Lib) Corp.	Gold
Tawana Liberia Inc.	Iron Ore
Bukon Jedeh Resources Inc.	Gold & Diamonds
West Peak Iron Ltd.	Iron Ore
Planet Minerals Ltd.	Gold & Base metals
Archean Gold Liberia Inc.	Gold
Bea Mountain Corp.	Gold
Iron Resources Ltd.	Iron Ore
Jonah Capital (BVI) Liberia Ltd	Iron Ore
Tietto Minerals Liberia Ltd.	Iron Ore, Gold & Base metals
BHP Billiton Liberia Inc.	Iron Ore

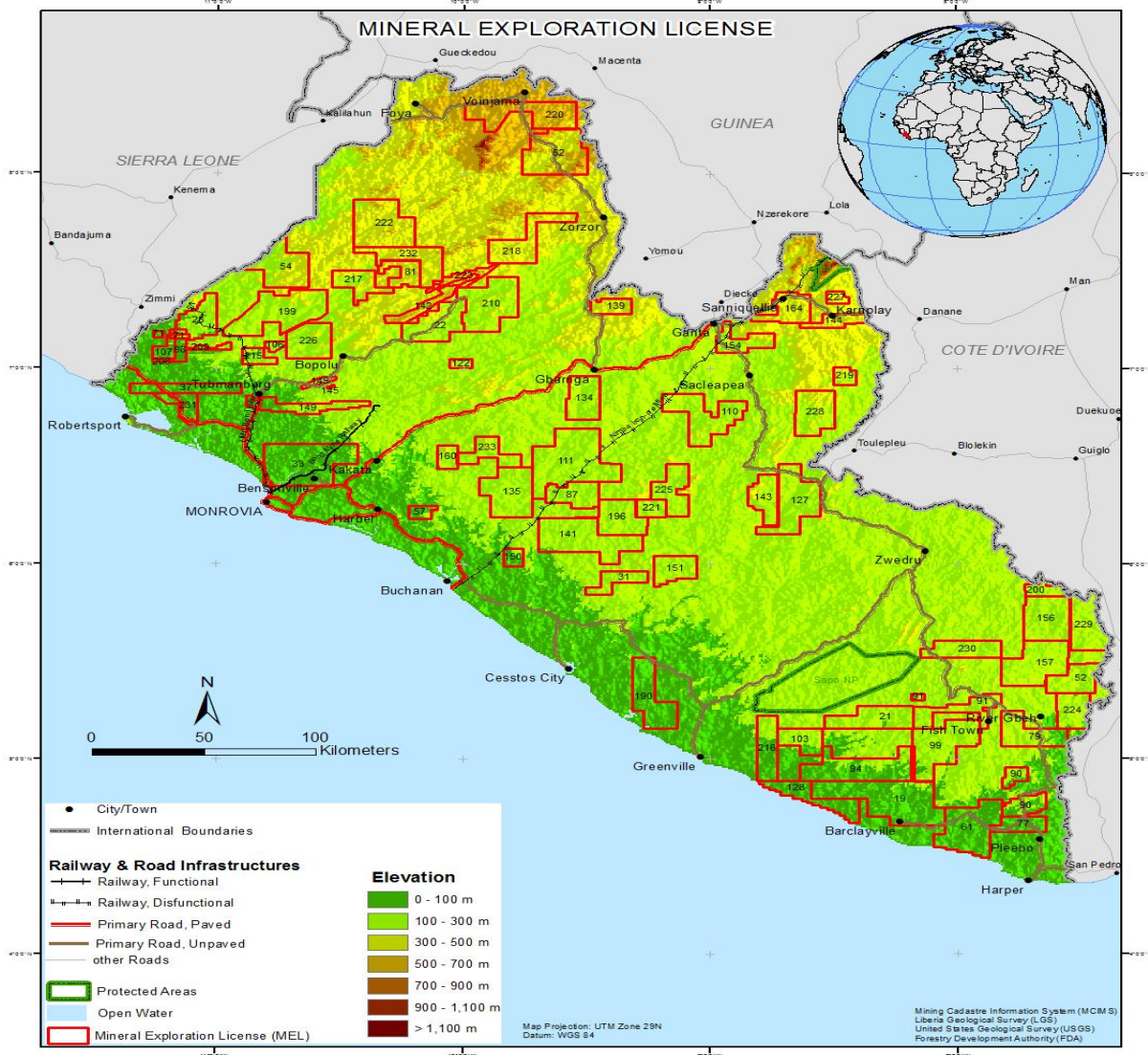


Fig. 7 Mineral Exploration Licenses

6.2.1.7 Quarry

Nineteen (19) Quarry Licenses (Figure 6 & attached disk with matrix of active mining companies) have been granted to operators to engage in the mining of building and industrial minerals (sand & crushed rocks). Active operators in this sector include Medinah Rock Crusher Inc (Cape Mount Highway), Western Quarry (Township of Louisiana, Montserrado County), Road Construction & Engineering Company (Township of Louisiana, Montserrado County), Tiger Quarry (Liberia) Inc. (Caldwell, Montserrado County).

6.2.1.8 Mineral Development Agreements

There are presently 8 active MDA holders (Fig 5) to include:

MNG Gold Inc. (Kokoya)	Gold	Kokoya, Bong County
AmLib United Minerals	Gold	RiverCess County, Cestos Grand Gedeh County KleKle, Montserrado County
Bea Mountain	Gold	Grand Cape Mount County
BHP Billiton (Liberia) Inc	Iron Ore	Kitoma, Nimba County Toto Range, Bong County St. John South, Nimba County Goe Fantro, MarGibi & Bassa Counties
Arcelor Mittal	Iron Ore	Nimba County
China Union Investment (Liberia)	Iron Ore	Bong Mines, Bong County
Putu Iron Ore Mining (PIOM)	Iron Ore	Putu Range, Grand Gedeh County
Western Cluster (Liberia) Ltd.	Iron Ore	Bomi & Cape Mount Counties

6.2.1.8.1 Development Exploration License

In recent times, the MLME has added a new category of license under the MDA arrangement which is referred to as a Development Exploration License (DEL). The rationale is to give MDA holders who have not completed their mineral exploration program an opportunity to do so. Three (3) companies have such licenses (Figure 5):

BHP Billiton	4 licenses
China Union	1 license
Western Cluster Ltd.	4 licenses

6.2.1.9 Key Players or Available Networks and Location of their Operations in the ASM Sector

The ASM sector comprises individual miners who operate independent of each other. Presently, there isn't any cooperative that has been established in the sector. Neither are there any established networks that have identified in the sector. There are several mining associations which represent the interests of miners, workers, brokers and dealers to include:

1. GODIMWUL located on Carey Street, Monrovia, Liberia which is headed by Mr. Ezekial S. Johnson 0886747977 golddiamondworkersunion@yahoo.com
2. NAMBA also located on Carey Street, Monrovia, Liberia which is headed by Varney W. Gbernay 0776799858/0886432619 namba@yahoo.com

3. LDGDA located on 1st Floor, Beauty Building, Mechlin Street, Monrovia, Liberia headed by Mr. Mustapha Tounkara 0886928457
4. Brokers Association of Liberia located on Randall Street, Monrovia, Liberia headed by Mr. Esaika Barkut 0886529458

Major players in the ASM sector can be identified based on their export activities as summarized below:

Table 2 Diamond Dealers Performance January – December, 2014 (courtesy MLME)

<i>DEALER</i>	<i>NO.CERT.</i>	<i>CARATS</i>	<i>VALUE(US\$)</i>	<i>AVGE P/CT</i>	<i>%age vol.</i>	<i>%val.</i>	<i>ROYALTY (US\$)</i>
<i>AFRIC DIAM COMPANY INC.</i>	14	22,026.53	11,629,994.82	528.00	29.12	32.79	348,899.84
<i>WEST AFRICA DIAMONDS INC.</i>	21	14,453.16	9,004,253.85	623.00	19.11	25.39	270,127.62
<i>WEST AFRICA GOLD AND DIAMOND INC.</i>	9	13,241.29	4,548,673.43	343.52	17.51	12.83	136,460.20
<i>ROYAL COMPANY</i>	10	7,882.89	4,215,699.40	534.79	10.42	11.89	126,470.98
<i>GOLDEN MASS TRADING INC.</i>	5	14,356.12	3,224,536.62	224.61	18.98	9.09	96,736.10
<i>DIAMOND STAR PLUS</i>	5	353.81	1,107,546.40	3,130.34	0.47	3.12	33,226.39
<i>EARTH SOURCE MINERAL INC.</i>	3	1,324.59	882,879.05	666.53	1.75	2.49	26,486.37
<i>K.L.GROUP INC.</i>	3	960.04	303,356.01	315.98	1.27	0.86	9,100.68
<i>GLOBAL ENTERPRISE INC.</i>	1	838.61	276,374.00	329.56	1.11	0.78	8,291.22
<i>LIBERIAN STAR LTD.</i>	3	103.50	192,131.20	1,856.34	0.14	0.54	5,763.94
<i>EAGLE DIAMOND</i>	1	26.17	40,971.00	1,565.57	0.03	0.12	1,229.13
<i>THE LIBERIA HOLDING LTD.</i>	3	62.12	34,504.89	555.46	0.08	0.10	1,035.15
<i>NEW STAR DIAMOND INC.</i>	1	8.61	2,407.31	279.59	0.01	0.01	72.22
TOTAL	79	75,637.44	35,463,327.98	468.86	100.00	100.00	1,063,899.84

Table3 GOLD EXPORT PERFORMANCE, JANUARY - DECEMBER 2014 (courtesy MLME)

NAME OF EXPORTER	NO. OF SHIPMENTS	WEIGHT IN OUNCES	APPRAISED VALUE(USD)
GOLDEN MASS TRADING	9	3,214.07	3,093,892.03
ROYAL COMPANY	9	3,496.03	3,290,382.92
GOLDEN VIEW TRADING	8	1,800.71	1,742,961.87
GOLDEN VISION	9	3,480.55	3,373,278.00
GOLDEN BAR TRADING	8	3,625.03	3,488,035.62
MADINA CORPORATION	7	518.68	505,206.26
SUNSHINE RESOURCES	6	1,578.67	1,576,424.05
ZWEDRU MINERALS	7	1,070.20	755,095.93
NYAH O. BARTEE CORPORATION	9	906.74	1,740,723.76
TOTAL	72	19,690.68	19,566,000.44

The top 5 companies dominating the diamond sector in terms of export are Afric Diam Company Inc., West Africa Diamonds Inc., West Africa Gold and Diamond Inc., Royal Company and Golden Mass Trading Inc. while those dominating the gold sector are Golden Mass Trading, Royal Company, Golden View Trading, Golden Vision and Golden Bar Trading.

6.2.1.9.1 Quarry Bloc

Similarly, the quarry sector is composed of individual companies all acting independently of each other. Contact details of river sand mining and rock quarry operators are presented below:

Table 4 Contact Details of Rock Crushers and Sand Mining Companies

No.	Name of Company	License #	Contact (Name and #)
1	Madinah Rock Crusher Inc.	MQL 1938/14	Mohammed.passewe.yahoo.com
2	Maleke Sand Mining Corp. (MSMC)	MQL 2429/14	886546673
3	Hualee International	MQL 1740/13	N/A

	Corporation Ltd.		
4	Western Quarry Inc.	MQL 1625/12	886676451
5	CONTINENTAL Investment Inc.	MQL 1708/12	886528084
6	Sino-Liberia Investment Company Inc.	MQL 1707/12	0886769393 (xia.george@yahoo.com)
7	Madinah Rock Crusher Inc.	MQL 1706/12	Mohammed.passewe.yahoo.com
8	Liberia Africa Associates Inc.	MQL 1704/12	0777512528 (lib_afric083@yahoo.com)
9	Sino-Liberia Investment Company Inc.	MQL 1600/13	0886769393 (xia.george@yahoo.com)
10	N.E.S Inc.	MQL 1621/11	886695701 Nas Miller
11	ENAG Inc.	MQL 2187/14	0886558701 Eric Nagbe
12	QINGDAO LIBERIA CONSTRUCTION CORP.	MQL 1791/13	Mohammed.passewe.yahoo.com
13	Road Construction & Engineering Company	MQL 1091/14	555666777
14	N. E. S. INC.	MQL 1153/14	886695701 Nas Miller
15	LIB-AFRIC ASSOCIATES, INC.	MQL 1369/14	777512528
16	Z & C Investment Company	MQL 1210/14	088080327/0555288888
17	Tiger Quarry (Liberia) Inc.	MQL 1348/14	886554699
18	West Africa Rock Concrete Products LLC	MQL 1299/14	0880373352 (mwest@westconstrucioninc.net)
19	Western Quarry Inc.	MQL 1336/14	886676451

Geo-spatial references for quarry operations were provided by the MCIMU of the Ministry of Lands, Mines & Energy below:

Table 5 Geo-Spatial references (UTM coordinates) for Quarries

MELEKE SAND MINING CORP.(MSMC)	
Eastings	Northings
307485	708781
307450	708478
307104	708795
307207	709081
307254	709283
307570	709057
307485	708781
307450	708478
307104	708795
HUA LEE INTERNATIONALCORP. Ltd	
310853	709678
309708	709389
308940	709524
308815	709659
308275	709836

308043	709785
307800	709459
307753	709501
307991	709799
308303	709906
308833	709701
308959	709571
309694	709450
310825	709724
310983	709924
311034	709892
TIGER QUARRY (LIBERIA) Inc.	
322600	719500
323050	719500
323050	719050
322600	719050
WESTERN QUARRY Inc	
312445	710504
312446	710227
312133	710227
312133	710504
CONTINENTAL INVESTMENT INC	
393055	765135
392415	675755
392749	676068
393362	675387
Z & C INVESTMENT Inc.	
316839	716174
316389	716174
316389	716624
316839	716624
WEST AFRICA ROCK CONCRETE	
333552	686771
333093	686449
333093	686771
332939	686809
333098	687082
333552	686771
SINO LIB INVESTMENT CO. Inc.	
330875	687875
330625	687875
330625	688375
330875	688375
QINGDAO LIBERIA CONSTRUCTION Corp.	
333803	689635
333783	689437
333621	689520
333649	689584
MADINA ROCK CRUSHER Inc.	
272247	741995
271797	741995
271797	742444

272247	742444
ROAD CONSTRUCTION & ENGINEERING CO.	
312799	712326
312799	712188
312845	712188
312845	711859
312554	711859
312554	711783
312480	711872
312480	712248
312584	712248
312584	712326
N.E.S INC	
363318	735339
363280	735338
363209	735342
363173	735363
363133	735394
363084	735413
363015	735412
363015	735414
362985	735426
362941	735450
362887	735484
362842	735497
362765	735541
362737	735564
362699	735582
362671	735589
362630	735604
362596	735640
362577	735650
362557	735683
362548	735722
362539	735737
362562	735758
362600	735775
362638	735791
362669	735800
362703	735815
362736	735796
362791	735773
362822	735764
362864	735736
362892	735711
362915	735681
362938	735681
362968	735650
362994	735652
363028	735647
363058	735643
363078	735626

363110	735609
363156	735601
363197	735581
363218	735570
363273	735550
363352	735556
363405	735542
363468	735531
363464	735486
363425	735396
363420	735366

6.3.0 Licensing Procedure, Registration and Revenue

The application process for obtaining mining licenses begins with filing being made directly to the office of the MINISTER. Except for Class A Mining License and Mineral Development Agreements, the following are the steps in the licensing and registration process for mining licenses:

1. Application made to the office of the MINISTER
2. MINISTER's office logs application to reflect date and time of receipt
3. Application is sent to the office of the Assistant Minister for Mines or the Assistant Minister for Exploration depending on the kind of license
4. Application is sent to the Records Section of the Department of Mines for initial vetting (clearance from mining agent, etc)
5. Application sent to the Director of Mines/Geological Survey for vetting (geospatial attributes, etc)
6. Application sent to the MCIMU for vetting (bank account balance of applicant, business registration, Article of Incorporation, unencumbered area, eligibility of applicant, etc)
7. Application sent back to Records Section of the Department of Mines
8. Director approves application and sends to Department of Finance(MLME)
9. Finance prepares payment receipt for miner and send to Record Section
10. Miner picks up payment receipt from Records Section and makes payment to the LRA and returns copy of receipt back to Records Section
11. Records Section instructs MCIMU to print License
12. Printed license is sent back to Records Section for verification
13. Director of Mines/Geological Survey signs license and it is sent to MINISTER's office for signature
14. MINISTER signs printed license
15. Miner picks up license from the Records Section

6.3.1 Class A

Step 1 Application tendered to office of the MINISTER

Step 2 MCIMU validates application (proposed production area for any overlaps, MDA compliance – surface rental, work commitments, exploration plans & production area, Annual Reports, etc)

Step 3 Applicant submits Feasibility Report

Step 4 Ministerial vetting & Approval of Feasibility Report

Step 5 Class A license granted

6.3.2 MDA

Step1 Ad hoc application tendered (generally from Exploration License holders or from a bidding/tender process)

Step 2 Initial vetting by MLME – payments and reports of existing license holders are checked

Step 3 Vetting by the IMCC-TC

Step 4 vetting report from IMCC-TC sent to the Inter-ministerial Concession Committee

Step 5 Applicant negotiates MDA with Inter-ministerial Concession Committee

Step 6 MDA approved

Step 7 Legislature ratifies MDA

Step 8 MDA published

6.3.3 Official fee Structure for Mineral Licenses

Table 2 Official fee Structure for Mineral Licenses by MLME & LRA

No.	Fees Kind	USD
DIAMOND		
1.	Diamond Class C Mining License	150.00
2.	Diamond Class B Mining License	10,000.00
3.	Diamond Class A Mining License	35,000.00
4.	Diamond Broker License	1,500.00
5.	Diamond Cut and Polish License	35,000.00
6.	Diamond Dealer/Export License	25,000.00
7.	Diamond Royalty	3%

No.	Fees Kind	USD
GOLD		
1.	Gold Prospecting License	125.00
2.	Gold Semi Precious License	150.00
3.	Gold Class C Mining License	150.00
4.	Gold Class B Mining License	10,000.00
5.	Gold Class A Mining License	35,000.00
6.	Gold Broker License	1,500.00
7.	Gold Dealer/Export License	5,000.00
8.	Gold Class A Jewelry License	3,000.00
9.	Gold Class B Jewelry License	1,000.00
10.	Gold Class C Jewelry License	500.00
11.	Gold Class D Jewelry License	250.00
12.	Gold Royalty	3%
SCRAP		
1.	Scrap Broker License	600.00
2.	Scrap Export License	5,000.00
3.	Scrap Royalty	3%
OTHER LICENSES		
1.	Laterite Mining License	3,000.00
2.	Blasting License	3,000.00
3.	Exploration License	5,000.00
4.	Sand Dredging License	10,000.00
5.	Quarry License	10,000.00
6.	Industrial Mineral Royalty	2%
7.	Class A Iron Ore Mining License	50,000.00

6.3.4 Revenue and Production

Data received from the office of Precious Minerals of the MLME revealed that the most recent export figures on diamond and gold is for 2013 shows a total value of diamonds exported at USD17,233,058.60 representing a production of 49,468.11 carats.

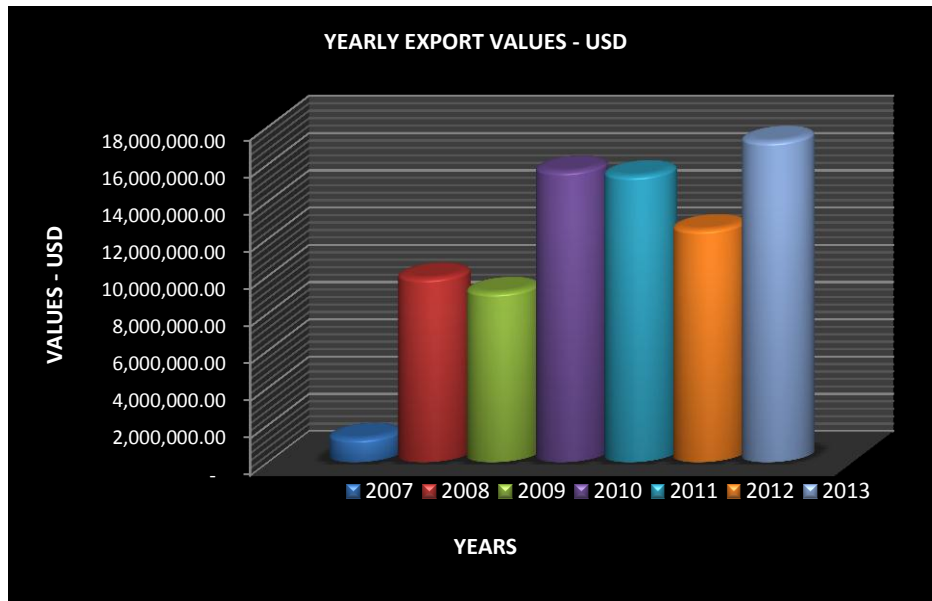


Fig 8a Total export of diamonds for 2013

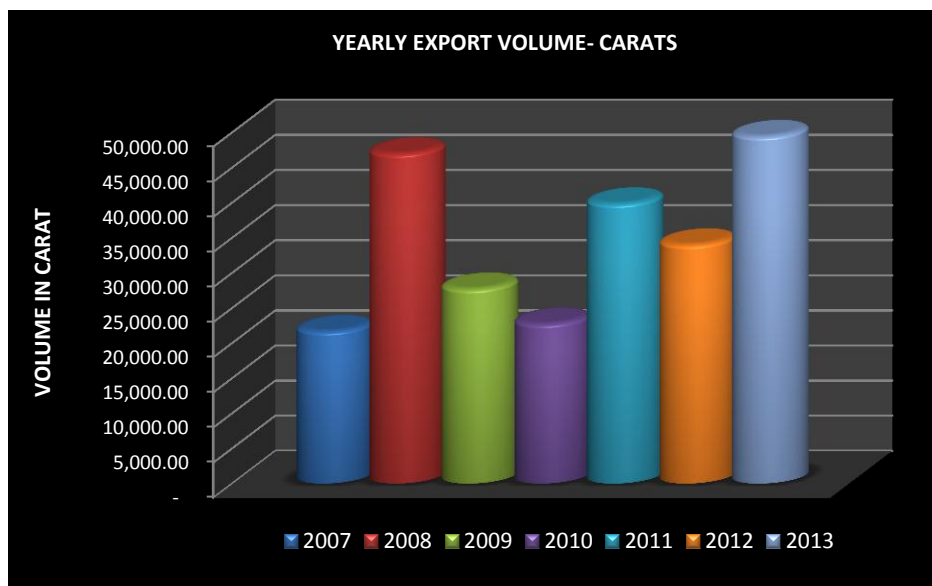


Fig 8b Total production of diamonds for 2013

The most recent (2014) figures for gold export shows a total value of USD15,833,840.28 representing a total production of 16,216.77 ounces.

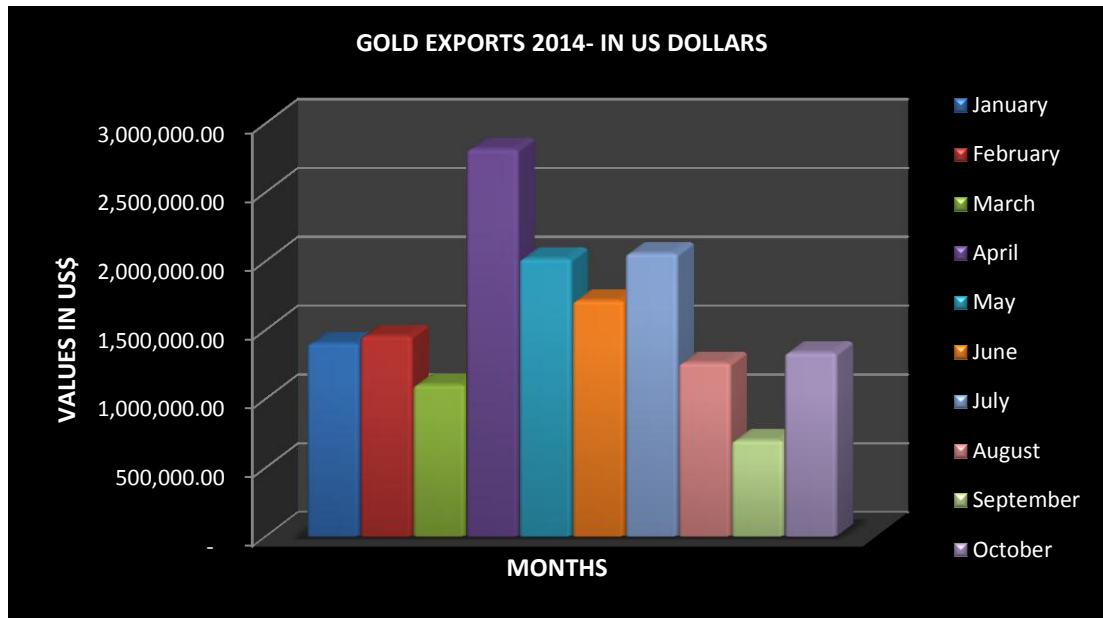


Fig 9a Total export of gold for 2014

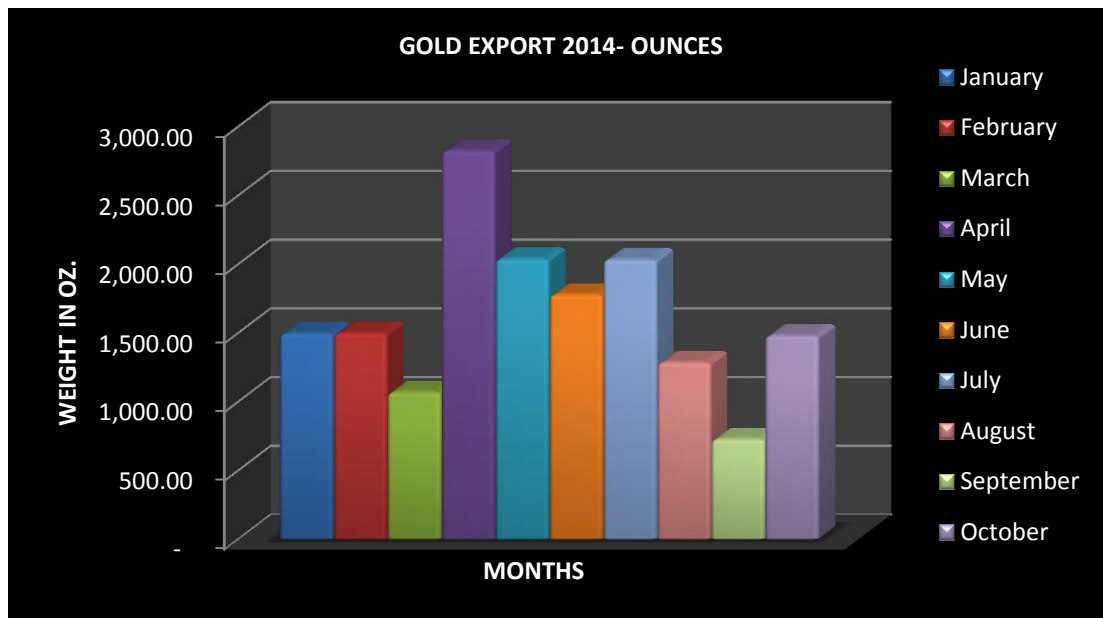


Fig 9b Total production of gold for 2014

Total revenue generated from the mining sector (5th LEITI Report for Liberia, 19 June 2014) reflected an amount of USD53,663,278 as reported by the sector ministry.

6.3.4.1 River Sand and Crushed Rocks (Quarry)

6.3.4.1.1 River Sand Mining

Beach sand mining has been banned by the Ministry of Lands, Mines & Energy due to the serious environmental degradation on our coastal environment. The MLME now has a policy of encouraging river sand mining as an alternative and several licenses have been issued to entities to engage in this sector.

The MLME has recently begun the process of putting together a database to capture the revenue and production figures from river sand mining. Table 7a is the result of statistical analysis done on raw data for river sand production for the period January – August 2015 (Table 7b).

Table 7a Report on Total loads of sand mined from the various River Sand Mining Companies listed below, covering the period January to August 2015 (statistical analysis made from Table 8 provided by Inspectorate of MLME)

No.	Name of Company	No. of Trucks (size of truck = 10 tires)	Estimated no. of m ³ (where 12m ³ = 1 10 tire truck)	No. of Trucks (size of truck = 6 tires)	Estimated no. of m ³ (where 8m ³ = 1 6 tire truck)	Total Estimated no. of m ³	Estimated revenue (sale) generated/ USD*
1	Goodrich, Robertsfield Highway	425	5100	105	840	5940	41580
2	Lichi, Robertsfield Highway	397	4764	446	3568	8332	58324
3	Hualee, Caldwell	3240	38880	143	1144	40024	280168
4	Lichi, Virginia	1132	13584	202	1616	15200	106400
5	Enag, Virginia	1519	18228	163	1304	19532	136724
6	Grass Field, Caldwell	1739	20868	105	840	21708	151956
7	Meleke,	409	4908	89	712	5620	39340

	Caldwell						
	TOTAL	8861	106332	1253	10824	116356	814492

* Industry average for 3m³ of sand (1 front end loader/bucket) = USD21. Therefore, 1m³ = USD7

The total production of sand for this period, (116,356 m³), closely correlate to the figure provided the United States Geological Survey, 114,660m³, by the MLME (Table 8).

Table 7b Total loads of sand mined (Jan – Aug 2015) from sand mining companies

REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
P.O.BOX 10-9024
1000 MOPNROVIA, 10 LIBERIA

August 25, 2015

Report on total load of sand mined from the various River Sand Mining Companies listed below, covering the period January to August.

1	GOODRICH, ROBERTFIELD HIGHWAY	10 TYRES LOAD	6 TYRES LOAD
		425	105
2	LICHI, ROBERTFIELD HIGHWAY	10 TYRES LOAD	6 TYRES LOAD
		397	446
3	HUALEE, CALDWELL	10 TYRES LOAD	6 TYRES LOAD
		3,240	243
4	LICHI, VIRGINIA	10 TYRES LOAD	6 TYRES LOAD
		1,132	202
5	ENAG, VIRGINIA	10 TYRES LOAD	6 TYRES LOAD
		1,519	163
6	GRASS FIELD, CALDWELL	10 TYRES LOAD	6 TYRES LOAD
		1,739	105
7	MELEKE, CALDWELL	10 TYRES LOAD	6 TYRES LOAD
		409	89

TOTAL AMOUNT OF TEN (10) TYRES LOAD MINED FROM ALL OF THE SITES
425+397+3,240+1,132+1,519+1,739+409= 8,861 LOAD

TOTAL AMOUNT OF SIX (6) TYRES LOAD MINED FROM ALL OF THE SITES
105+446+143+202+163+105+89= 1,253 LOAD

TOTAL AMOUNT OF SAND MINED BOTH 10 AND 6 TYRES
8,861+1,253= 10,114

Table 8 Quantity of minerals produced in Liberia, calendar year 2013 – 2015 (courtesy MLME)

UNITED STATES GEOLOGICAL SURVEY
NATIONAL MINERALS INFORMATION CENTER

Minerals Questionnaire
Quantity of Minerals Produced in

LIBERIA

Calendar Year 2013-2015

Commodity	Unit of weight or measure ¹	QUANTITY			For ores and concentrates, state average metal content (%)
		2013 FINAL	2014 (mark e/for estimates)	2015 preliminary	
Comments:					
Hydraulic					
Clinker					
Diamond:	Carat				
Gem, quality	Carat	38,602.69	54,253.50	33,468.61	
Industrial, quality	Carat	10,865.42	21,384.44	9,959.44	
Total	Carat	49,468.11	75,637.94	43,428.05	
Gold:					
Industrial scale					
Small-scale					
Artisanal	Ounces	18,868.15	19,935.71	7,110.63	
Total gold production					
Iron ore:	Tonnage				
Gross weight	Tonnage	5,102,567.00	5,744,432.00	3,388,980.33	
Fe content	%	59-62	59-62	59-62	
Stone, sand and gravel:					
Granite					
Gravel and crushed rock	Cubic meter	763,952.53	219,457.71	612,950.00	
Limestone other than dimension					
Marble					
Quartz, quartzite, and silica san					
Sand (construction)	Cubic meter	655,200.00	409,500.00	114,660.00	
Other minerals(please, list individually)					
Barite	Metric Tons	23,000.00	48,213.724	"0"	
Corundum	Kilogram	"0"	3,565.94	N/A	

Metric tons unless otherwise specified:

Using the official data presented to the United States Geological Survey (Table 8), estimated revenue for 2013, 2014 and mid 2015 can be summarized as follow taking the industry average price for cubic meter of sand as USD7:

Year	Total Production m³	Total Revenue/Sale (USD)
2013	655,200	4,586,400
2014	409,500	2,866,500
2015 (Jan - Aug)	114,660	802,620

6.3.4.1.2 Crushed Rocks (Quarry)

The MLME could not provided data on the production and revenue figures for the individual rock quarries operating in the country at this time. The consultant was informed that work is in progress to achieve this. However, using official consolidated figures from Table 8 for the years 2013 – 2015 reveal total estimated revenue as follow taking the industry average price for cubic meter of crushed rocks as USD45:

Year	Total Production m³	Total Revenue/Sale (USD)
2013	763,952.53	34,377,863.90
2014	219,457.71	9,875,596.95
2015 (Jan - Aug)	612,950.00	27,582,750.00

6.3.4.2 Guidance on minimum “materiality levels” for payments and revenues from ASM miners and Quarry operations

6.3.4.2.1 Miners (Class C License Holders)

The only required payment to GOL account by the Class C License holders is the annual license fees of USD150. All other fees (clearance fees, survey fees, ID card fees, etc) are purely administrative and there is no requirement to remit into GOL revenue. These fees are collected by MLME for administrative use.

Until such time when the ASM sector can be formalized either through the establishment of mining cooperatives or the registration of miners as business entities where income from the sale of their “goods” can be tracked for the payment of royalties or taxes, the consultant recommends a laissez-faire approach to avoid the flight of “goods’ from the country into neighboring countries.

6.3.4.2.2 Dealers & Brokers (Diamond and Gold)

The table below is set out using the payment of license fees and royalty paid into GOL revenue by Diamond and Gold Dealers & Brokers for 2012 – 2013 as provided by the MCIMU of the Ministry of Lands, Mines & Energy (“MLME 2012-2013 LEITI Report” on data disk)

No.	Company	Total Payment License- fees and Royalty (USD)	Weight (%)
1	AFRIC DIAM COMPANY INC.	113,721.53	7.35
2	WEST AFRICA DIAMONDS INC.	202,055.61	13.07
3	WEST AFRICA GOLD AND DIAMOND INC.	112,751.05	7.29
4	ROYAL COMPANY (Atef Aidibe)	311,587.18	20.15
5	GOLDEN MASS TRADING INC.	230,785.54	14.93
6	DIAMOND STAR PLUS INC.	49,957.08	3.23
7	GOLDEN VISION TRADING	193,987.86	12.55
8	NYAH O. BARTEE CORPORATION	12,915.70	0.84
9	T&A DIAMOND COMPANY INCORPORATED	45,860.45	2.97
10	PROGRESSIVE AFRICAN INITIATIVE DEVELOPMENT (TIM M. WEAH)	5,590.38	0.36
11	GERMI INC. (CHARLES TOE TOEQUIE)	5000.00	0.32
12	SINOE GOLD INCORPORATED (SIGCOR)	42,064.00	2.72
13	LIBERIA INVESTMENT AND TRADING COMPANY	1,500.00	0.10
14	DCL NAVIGATOR INC. (VINDERS S. GILL)	5,000.00	0.32
15	ZWEDRU MINERAL BUSINESS INC.	10,996.88	0.71
16	A.I.M.E.D CORPORATION	5,147.06	0.33
17	GOOD BROTHER TRADING ENTERPRISE (JACKSON GONO)	1,500.00	0.10
18	THEOPHILUS F. MOINENA	1,500.00	0.10
19	YANGROIN ENTERPRISE (YANKEE YENEKEN)	1,500.00	0.10
20	ALPHONSO Z. MARKPAH TRADING	1,500.00	0.10
21	STAR DIAMOND INC.	1,500.00	0.10

22	BILL BUSINESS CENTER	1,500.00	0.10
23	PROGRESSIVE YOUTH (ANTHONY SOLUNTEH)	1,500.00	0.10
24	ABDK BUSINESS CENTER	1,500.00	0.10
25	TULAY ENTERPRISE (MOHAMMED TULAY)	1,500.00	0.10
26	GOOD FRIEND MINERAL BUSINESS CENTER (BANGALY JABATEH)	1,500.00	0.10
27	MILLINARIE GOLD (JAMES COOPER)	1,500.00	0.10
28	YMD TRADING ENTERPRISE (YAYA M. DUKULY)	1,500.00	0.10
29	STEPHEN TIYEN ENTERPRISE	1,500.00	0.10
30	HAMANA GOLD SMITH SHOP	12,840.73	0.83
31	A.B. KROMAH BUSINESS CENTER	1,500.00	0.10
32	HIXON M. GATEWEH	1,500.00	0.10
33	YEM BERING B BUSINESS CENTER (MANNE Dialo)	1,500.00	0.10
34	FRANKPDOLO ENTERPRISE (DANIEL DOLO)	1,500.00	0.10
35	GRAND GEDEH HUSTLERS (JUSU DUNOR)	1,500.00	0.10
36	JACKSON VAH BUSINESS CENTER	1,500.00	0.10
37	EXECUTIVE INTERNATIONAL SERVICES IMPORT & EXPORT	1,500.00	0.10
38	ALKALAY SANNAH (A.B.C.D. INC)	1,500.00	0.10
39	ALEXANDER R. STUMMER	1,500.00	0.10
40	SWISS LIBERIAN TRADING INC. (COOPER C. JONES)	1,500.00	0.10
41	JERRY JOHNSON BUSINESS CENTER (JERRY T. JOHNSON)	1,500.00	0.10
42	GOOD SUNRISE INC.(TRAWALLEY ABRAHIMA)	1,500.00	0.10
43	DIAMCO INC.	25,869.25	1.67
44	G.B.S LIMITED	32,755.87	2.12

45	KILDOON ENTERPRISE	12,143.36	0.79
46	B-2 (BTWO) BEREKET D. TESFAMARIAM	13,411.66	0.87
47	JUNGLE ROCK INC.	11,782.46	0.76
48	BENJAMIN ALPHA DEALERSHIP GOLD	12,915.70	0.84
49	ACROSS AFRICA COMPANY (MAMA KROMAH)	1,500.00	0.10
50	HAMANA INTERNATIONAL MINERALS	11,340.73	0.73
51	ENGINEERING AND ECOLOGICAL COMPANY	25,275.19	1.63
	TOTAL	1,546,255.27	100

Based on the above, license and royalty payments by Diamond/ Gold Dealers & Brokers, the profile for payments for diamond and gold dealerships and brokers is set out in the following table:

Payment Threshold	Number of companies	Royalty Collected (USD)	Weight (%)	Cumulative Weight (%)
Amount >USD300,000	1	311,587.18	20.15	20.15
USD300,000> Amount> USD 200,000	2	432,841.15	27.99	48.14
USD200,000> Amount> USD 100,000	3	420460.44	27.20	75.34
USD100,000> Amount> USD 10,000	14	320,129.06	20.70	96.04
Amount< USD 10,000	31	61,237.44	3.96	100
Total	51	1,546,255.27	100	

According to the above table, companies paying more than **USD10,000** represent **96.04%** of the total revenue deposited into GOL account for the 2012 – 2013 by MLME reports. This amount represents 20 out of a total of 51 companies and is reflective of those companies that are actually doing business as evident by royalties paid on shipment of “goods” as compare to companies that only possess licenses but are not actively shipping.

6.3.4.2.3 Quarry (River Sand Mining & Rock Crushers)

The only required payment from quarries (sand and rock) is limited to annual license fees which is set at USD10,000. 2013 – 2014 revenue payments received from the MCIMU of the MLME are summarized below. No statistical analyses could be done with such data.

Quarry: River sand and Rock Crushers (“MLME 2012-2013 LEITI Report” on data disk)

No.	Company	Total Payment License- fees and Royalty (USD)
1	Madina Rock Crusher Inc.	19,166
2	Hualee International Corporation Ltd.	10,000
3	Western Quarry Inc.	10,000
4	CONTINENTAL Investment Inc.	
5	Sino-Liberia Investment Company Inc.	10,000
6	Madinah Rock Crusher Inc.	10,000
7	Liberia Africa Associates Inc.	10,000
8	Sino-Liberia Investment Company Inc.	10,000
9	N.E.S Inc.	10,000
10	ENAG Inc.	
11	QINGDAO LIBERIA CONSTRUCTION CORP.	10,000
12	Road Construction & Engineering Company	10,000
13	N. E. S. INC.	10,000
14	LIB-AFRIC ASSOCIATES, INC.	10,000
15	West Africa Rock Concrete Products LLC	10,000
16	Western Quarry Inc.	10,000
17	Zhao Li Mining Company	10,000
18	Grass field Sand Mining Company	10,000
	Total	189,166

The Consultant highly recommends that the industry/building minerals be assessed a royalty payment of 3% (same as gold & diamond). Substantial revenue (especially from rock quarry operations) can be accrued to GOL revenue if this royalty is applied as evident in the estimate below (figures given for total production from 2013 – 2015, table 8)

Sand

Year	Total Production m ³	Total Revenue/Sale (USD)	Estimated royalty payment @ 3%
2013	655,200	4,586,400	137,592.00
2014	409,500	2,866,500	85,995.00
2015 (Jan - Aug)	114,660	802,620	24,078.60

Crushed Rocks

Year	Total Production m³	Total Revenue/Sale (USD)	Estimated royalty payment @ 3%
2013	763,952.53	34,377,863.90	1,031,335.92
2014	219,457.71	9,875,596.95	296,267.91
2015 (Jan - Aug)	612,950.00	27,582,750.00	827,482.50

6.4 Strategic Opportunities Available for the Full Inclusion of the Mining Sector in Implementing the EITI

Several emerging sector agencies and policy reform measures have been put in place that present favorable opportunities within the mineral sector for its full inclusion in implementing the EITI principles. Existing policy documents and laws, while not fully addressing the many issues in the mineral sector, still present an opportunity for revision and inclusion of present day realities to bring changes into the system. Strategic opportunities available include:

The Establishment of the Liberia Revenue Authority

The higher hierarchy (Commissioner General) of the newly formed LRA realizes the need for strengthening the administration of the ASM sector and has already begun the process of capturing the ASM sector in the tax base by firstly including the license fee payment into its matrix. Dedicated payment windows have been established at the MLME to collect payments alleviating the need for miners to go to the central office which is usually very busy.

A newly formed section (Natural Resource Tax Unit) at the LRA caters directly to issues relating to Natural resources, Lands, Mines & Energy and the environment.

Unlike in the past, the LRA is now a member of the ASM Task Force and is trying to promote the idea of having exclusive zones for artisanal mining.

The LRA has hinted that it could facilitate the setting up of the Mobile Licensing System that have been suggested in the past as a means of alleviating the constraints faced by miners in coming all the way down to Monrovia to have their claims registered and therefore, reducing non-compliance in the ASM sector.

Revision of the Minerals and Mining Law of 2000

In 2012, the GIZ Project “Regional Resource Governance in West Africa” which sought to improve the conditions under which development benefits can accrue from the extractive industry in Liberia provided assistance to the MLME for the revision and update of the MML of 2000.

This initiative needs to be completed as it presents an opportunity to include all issues relating to the ASM sector that was not captured in the MML. Alternatively, a new Class C Mining Regulations could be promulgated under the aegis of this program.

Communities where gold & diamonds are mined and sold should benefit from the sale of these minerals. This is or was in the mining law. It stated that 10% of all royalties would return to the community from where the minerals are extracted but that was never done. The reintroduction of this scheme with assurance that it would be implemented will serve as an incentive for miners' cooperation with the LRA/LEITI.

7 RECOMMENDATIONS

The following recommendations should be given high priority as they are essential elements defining needs of the sector deserving support for full compliance with the EITI principles:

Need for the Establishment of Mining Cooperatives

The need for the establishment of miners into cooperatives within the ASM sector cannot be over emphasized as the benefits that will be accrued from this scheme will go a long way in empowering the miners in assessing funding and thus, increasing their production. Presently, miners wholly rely on the “supporter” system for financing their mining operations and are under obligation to these supporters to sell their “goods” to them for whatever price that is offered after the expenditure by the supporters have been deducted leaving the miners with little or nothing.

Cooperatives are recognized business entities which are required to declare their income and therefore subject to taxation. This scheme is the most convenient way of directly receiving revenue from the income generated from ASM sector through the sale of their “goods”.

Furthermore, mining cooperatives have the added advantage of sourcing funding through micro credit that can be a shared responsibility instead of an individual burden as many miners do not have the capital to sustain their claims (purchase of shovels, diggers,

cutlasses, food, gasoline & fuel, medical supplies, payment of administrative & license fees, mining equipment, vehicles, etc.)

Revision of the Licensing Procedures for the ASM Sector

The present Licensing Procedure for the ASM sector is ambiguous and not clearly defined. While the work flow of the MCIMU has a defined time span for obtaining licenses this is far from reality. Many miners have to spend weeks if not months in Monrovia trying to secure their licenses that should take no more than 2 weeks according to the flow chart of the MCIMU. This leads to abandonment of the process and puts them at the mercy of unscrupulous middle men who dub them of their money. Additionally, “hidden costs” in the cost a license tend to far exceed the USD300 for the license fees and survey fees

Decentralization of the Administration of the Mining Sector

Artisanal and Small Scale mining is prevalent all over the length and breadth of the Country with the latest (2009) estimate of over 100,000 persons involved in the sector. However, Monrovia is the hub where all administrative activities (payment of licenses & survey fees, application process, taking of ID cards) relating to the governance of the sector takes place. This creates an added burden for applicants from faraway places to commute and spend considerable time and money in a city where they may have no relations for as long as many weeks and months.

The setting up of Regional Offices in the various counties and/or mining districts will greatly reduce the time and money constraints on the miners. These Regional offices should serve as a “one stop shop” having all the manpower (administrative & technical) to facilitate the licensing process from application to surveying and issuance of licenses as is done in neighboring Sierra Leone.

Many of the ASM miners are uneducated and illiterate and do not understand how to interact with officials of the sector ministry. It would be comforting for them to have offices in their regions where help with their licensing could be given by relatives or employees that know the vernaculars of the region.

Establishment of a Mobile Licensing System

The proposal made by previous administrations of the MLME for the establishment of a Mobile Licensing System needs to be revisited. This will help alleviate the burden placed on the miners to travel all the way to Monrovia to process their license.

The Mobile Licensing System will be staffed with employees from the financial (LRA) and the technical (MLME) institutions of Government that will be able to process applications

on site within these mining regions and within a specific time frame. On site payment of claims and issuance of authentic flag receipts can be made with immediate licenses being issued at a very early date. The scheme will take advantage of “market days” within these regions as a means of attracting miners to register their claims.

Need for the Promulgation of ASM Regulations and its Enforcement

The Minerals and Mining Law of 2000 does not adequately address the issue of Artisanal and Small Scale Mining. Hence, in 2010 under the auspices of the USAID Governance & Economic Assistance Program GEMAP program, an attempt was made to draft an ASM Regulations document. There is a need to complete the drafting of these ASM Regulations that would fully address the problems facing the sector (licensing procedures, fixed license and administrative fees, surveying claims before issuance of licenses, environmental issues). In the absence of these regulations, miners see no need to pay clearance fees to mining agents who do not report same to the government

Training and Capacity Building for the ASM Sector

Small scale miners are at a great disadvantage when it comes to getting a fair value for their “goods” due to lack of knowledge in valuing the price of their finds. The USAID sponsored project, PRADD, conducted a pilot program of training in diamond valuation for miners, mining agents, and other stakeholders in the mining sector in selected mining agencies in the western part of the Country. Under this same program, the “Smarter Mining Technique” was introduced to miners which aimed at reducing negative environmental impacts on the various mining claims and helping to increase their recoveries. The resuscitation of training programs of this kind will go a long way in giving miners leverage when dealing with buyers for their commodities and affording a more sustainable means of mining.

Workshops and seminars (on a continuous basis) are needed to educate and sensitize miners on issues such as the KPSC, Licensing procedures of the MLME, Financial responsibilities, environmental issues responsibilities to the community, etc.

Provision/Creation of Incentives for the ASM Sector

Small Scale mining is highly labor and capital intensive and very speculative (no systematic or scientific principles are applied). Miners perceive the Government as only concern about compliance issues and not their plight.

Incentives in the form of micro-financing, training and education need to be given miners as a means of boosting their recovery and increasing their revenue base which will

encourage them to disclose their finds so as to increase the amount of goods going through the sector.

The miners need incentives (larger profit margin, source of funding) to produce; less government bureaucracy, etc. as any further taxation to their income will result in no disclosure of production.

Strengthening of the Mineral Inspectorate

The best control mechanism for the mining sector is firstly to empower the mineral inspectorate so that they can get actively involved in monitoring the alluvial mining sector. Logistical as well as financial support to the inspectorate in terms of training, equipment and remuneration will serve as an impetus for a robust monitoring program.

Secondly the KP Regional Officers/offices need to be reactivated and properly manned in order to carry out the KP procedures as set out in the KP regulations. Formalization of the gold sector so that gold produced in Liberia is monitored with the aim to not only get the required taxes but to compile the statistics on gold production in Liberia. Such statistics coupled with that of diamonds could serve as an index of alluvial production for Liberia.

7.1 Summary

Based on the findings of the Scoping Study, the consultant is of the opinion that the issues of compliance, i.e. revenue generation, reporting requirements, HR development policy, safety, and environment are issues that currently face the entire sector. This cannot be singularly addressed by the LEITI. All functionalities must effectively play their role in the entire governance of the sector.

The ASM operators must begin to see the regulatory institutions as a partner – they must begin to see the impact of their taxes and other payments to regulatory bodies within their areas of operations.

The regulatory bodies must be prepared to handle their section of the compliance scheme; i.e. creating the opportunity that payment venues are located and in operational mode within the immediate vicinity of the mining operations – that is, having the miners have immediate and direct access to centers of revenue collections.

The time involved in the processing of applications must be shortened – so that the operator or license holder can get back to his operations.

Other regulatory/compliance reporting must be in-synch with the MLME or vice-versa so that operators are reporting across the board; and reporting requirements should be made easier; i.e. digitally (email);

Capacity building of the regulator and the operator in terms of compliance is also crucial. Institutional capacities must also be synchronized so as to attain the greatest good of the resources spent; i.e. donors working as partners across the sector need to collaborate so that strategies, plans, policies, can be strengthened across the impacted sector.

In summary the issue of compliance with LEITI reporting scheme can only be achieved if the sector is reformed in its entirety; i.e.

Regulatory institutions reform;

Operating sector reform;

Revenue sector reform;

These reforms must first address the institutional mandates (law/legal framework) – that does not see the ASM as only a source of revenue and reporting; but rather creating a long term vision and aspirations of the sector;

Building the capacities of the sector ensuring that operators understands the operations, policies – perhaps from the application of a license – the granting of a license. Ensure training for those applying for these licenses.

Revenue sector must ensure that; e.g. 2% payments from exploration firms are spent directly in the operating areas; revenues collected from operators are used as part of their capacity building strategy – not just in the reporting mechanisms; but having certified professionals work with them in the areas of environment, geology, mining, health, safety, reporting, auditing, etc. -anything that will increase productivity, and compliance reporting.

The Minerals and Mining Law of 2000 only addresses the issues of eligibility for the attainment of quarry mining rights and the tenement limits in size. It is necessary to have regulations that will help to formalize the ASM and quarry mining sector, encourage private sector investment while at the same time helping to increase government revenue, provide legitimate means of employment for tens of thousands of inhabitants there helping to reduce poverty rate in the Country. It is recommended that the Revised MML inserts specific provisions with a time limit for the promulgation of an Artisanal and Small Scale

and Quarry mining Regulations that will full address all the concerns associated with the sector to include:

Legal and Regulatory framework

- Well defined Licensing procedures
- Clearly defined mandates and roles of ministries, agencies and commissions in ASM

Financial Aspects

- Employers responsibility
- Setting of royalties (if applicable)

Environmental Management

- Waste generation
- Remediation measures
- Environmental pollution
- Mine waste

Health and Safety Issues

- Health hazards
- Occupational safety measures

Mine Closure

- Waste treatment

Processing and value chain addition

- Cutting and polishing
- Manufacturing plants

Research and Development

- Introduction of new technology for increased revenue generation

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ANNEX I

CONSULTATIONS WITH RELEVANT STAKEHOLDERS
SCOPING STUDY OF LIBERIAN MINING SECTOR

INTERVIEWEE	LOCATION, DATE & TIME	INTERVIEW OUTCOME (DISCUSSIONS)
MINISTRY OF LANDS, MINES & ENERGY (MLME)		
<ul style="list-style-type: none"> ▪ Hon. William Hines – Assistant Minister for Mines, MLME 	Ministry of Lands, Mines & Energy, Central Office, Capitol Hill, Monrovia, Liberia April 24, 2015 12: 55 – 02:10 pm	<ul style="list-style-type: none"> ▪ The present ASM regime in Liberia provides no incentives for miners to disclose their finds and incomes, therefore GOL may lose more revenue given the lack of incentives ▪ One has to realize that the ASM sector is comprise on people that are highly illiterate and no not have the slightest clue of financial reporting or any formal business sense. There isn't any understanding of record keeping ▪ In order for one to report any income, there has to be an understanding of expenditure in their mining activities versus revenue generated. A very large percentage of our miners cannot do this!!! ▪ Miners perceive the fees that are being paid for their licenses as “taxes” and therefore do not understand nor believe that they should be paying any different taxes. ▪ If pressure is put on these miners to pay any kind of income tax or disclose their income, there is a serious risk of them not disclosing any finds or income which will result into flight of diamonds across our borders to neighboring Countries that do not have these policies ▪ “IF YOU WANT ALL YOU TEND TO LOSE ALL!!!” This policy is not done in our neighboring Countries and we should be careful not to invoke a situation that will lead to smuggling of our gold

		<p>and diamond into these Countries which is still going on a lower basis</p> <ul style="list-style-type: none"> ▪ We should take our lesson from Sierra Leone which tried this scheme by increasing royalty on gold and diamond to 16-20% for a certain cutoff carat. After the first year all the diamonds over that cutoff carat disappeared from the market thus resulting in a serious drop in revenue and the practice was discontinued!!! ▪ The GOL should focus more on the dealers (exporters) and provide more incentives to them to increase their export because the burden of paying “income taxes” on the sale of gold and diamonds is actually shifted to them. There is a direct trace of exports from the dealers because the goods are valued and declared before shipping ▪ When dealers purchase goods from brokers or miners they are mindful to negotiate the lowest buying price because the burden of paying tax (royalty, income, rental, etc) is on them and not the seller. Therefore, in essence they are indirectly paying the income tax for the seller ▪ GOL need to put I mechanisms to encourage the establishment of cooperatives and carefully monitor their activities in terms of production to track revenue generation because once they become a business entity it would be easier to track their reporting obligations because all of their goods will be accounted for ▪ Instead of focusing on the miners (sellers) the capacity of the exporters (dealers) need to be enhanced by providing more incentives to increase the amount of goods they are buying
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		<p>and selling (exporting) to increase their royalty, corporate income tax, rental percentage, etc payments to Government.</p> <ul style="list-style-type: none"> ▪ One way to do this is to decentralize the operations of dealers to have direct access into the field to purchase their goods which will lead to lower smuggling of goods across the borders by foreign supporters ▪ The Department of Mines has started the process of geo-referencing the Class C mining claims. A minimum of two coordinates (one at the beginning and one at the end of the stream) is required for all new applications ▪ The LEITI needs to help in strengthening the capacities of those institutions and agencies involved in the extractive sector for them to adequately provide the kind of information needed. ▪ Instead of only focusing on compliance issues, this enhancement will go a long way in providing credible information on the sector. For example, the MLME inspectorate is highly incapacitated in its data gathering due to lack of trained and sufficient inspectors, most mining agents and patrolmen are not formally employed, mining agents and patrolmen are not protected in the field from illicit miners, lack of training is prevalent in the sector
<ul style="list-style-type: none"> ▪ Mr. Kemboe T. Sneh, Director of Mines, MLME 	<p>Bureau of Mines Building, Ministry of Lands, Mines & Energy, Central Office, Capitol Hill, Monrovia, Liberia</p> <p>May 01, 2015</p>	<ul style="list-style-type: none"> ▪ The initial project that was funded by the GIZ to geo-reference all mining claims failed principally because data was not properly stored ▪ The present scheme is to collect GPS coordinates/raw data from all new applicants (on application forms) and transfer to the MCIMU for storage into

	2:55 – 3:15	<p>their system</p> <ul style="list-style-type: none"> ▪ The establishment of mining cooperatives will allow for proper monitoring. ▪ Therefore, we need to firstly find out the production of each mining Agency which will increase the royalty paid by dealers/exporters when more goods pass through the Chain Of Custody ▪ The sector needs to keep the miners satisfied to disclose their goods in the Chain of Custody. It is because of the miners that we have brokers – dealers who pay royalties, taxes etc to GOL (therefore there is some considerable income generated by GOL) ▪ An individual miner spends a lot of overhead in maintaining his claim (license fees, survey fees, ID fees, transportation, equipment, feeding, medical, etc) and may not have any find/recovery for that period and takes this as a loss. When he does find something, he first has to recover his losses and would not take kindly to anyone trying to impose tax on that find ▪ There is a need to formalize the sector first (miners responsibility to their communities i.e. a small percentage of income has to go back to the community) ▪ We should not rush to tax the income of individual miners or we may miss the mark ▪ Need to encourage the formation of cooperatives (which will be better structured than the individual miner) in which a percentage of earning/find will be paid to the cooperative which in turn pays taxes to the government ▪ Miners will have a fear to fully disclose
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		<p>their findings for fear of paying income tax to government</p> <ul style="list-style-type: none"> ▪ While it is a good thing to set up dealers' offices directly in the field, there are also security implications to that – dealers carry huge amounts of physical cash and goods that need to be protected in the field. These offices need to be in close proximity to banks, etc ▪ Coops can help sustain the communities by providing schools thereby increasing the HR capacity
<ul style="list-style-type: none"> ▪ Mr. Jerome P. Wotorson - Manager, Office of Precious Minerals, MLME ▪ Mr. Corvah Baysah, Chief Diamond Appraiser, Office of Precious Minerals, MLME 	<p>Office of Precious Minerals, Ministry of Lands, Mines & Energy, Central Office, Capitol Hill, Monrovia, Liberia</p> <p>May 01, 2015</p> <p>1:00 – 2:45</p>	<ul style="list-style-type: none"> ▪ The GOL needs to build trust between it and the miners ▪ The miners need to be educated/sensitize about the benefit of forming themselves into cooperatives ▪ There is too much Government bureaucracy which leads to unnecessary delays in issuing of licenses/payment forms ▪ With its limited capacity, the OPM is reporting about 40% of production to the tune of more than USD1.5 million annually. This amount could be drastically increased if the OPM is capacitated to monitor the sector!!! ▪ Presently, there is no regulation that compels miners/brokers to put diamonds/gold into the Chain of Custody within a specific time period ▪ It should be noted that most miners are not stationary (no permanent office), therefore, it would be extremely difficult to locate them for accessing tax purposes ▪ The present voucher system does not include the price of the goods when sold at the point of sale, therefore, the selling price is not known at this time.

		<p>The selling price (what is paid to the broker or miners) is only known when the goods is presented to the OPM for export</p> <ul style="list-style-type: none"> ▪ There is no regulation to hold a miner to a particular location (he is at liberty to sell anywhere within the Country), he only declares goods to the Regional Office within his mining agency and that is where statistics are received from by the OPM. ▪ There is a need to have legislation to compel miners to only sell their goods within the particular jurisdiction /agency where they are a part of ▪ A pilot project should be initiated to allow dealers to buy/operate directly in the field/mining areas (Kumgbor, Weasua, Mano River) which would increase their production and also allays fear of miners of being rob when bringing their goods all the way down to Monrovia ▪ The formation of cooperatives will go a long way in increasing production, thereby, putting more goods into the Chain of Custody. It will help miners in properly valuing their goods; registered as business thereby having a fixed address with all business requirements for tax purposes ▪ The absence of dealers' offices in areas of high production which are very close to our borders with neighboring Countries lead to revenue flight from the country as miners are weary to travel all the way to Monrovia or the distant Regional Office. They prefer to sell to the nearer available buyer who in most instances is foreign and not registered to do business in Liberia ▪ The best approach is to increase the
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		amount of goods entering the Chain of Custody by providing incentives for better management of the ASM sector by enhancing the capacity of the inspectorate
<ul style="list-style-type: none"> ▪ Mr. Cooper Pency – Manager, Mining Cadastre Information Management Unit, MLME 	<p>MCIMU Building, Ministry of Lands, Mines & Energy, Central Office, Capitol Hill, Monrovia, Liberia</p> <p>April 24, 2015</p> <p>12:00 – 12:45 pm</p>	<ul style="list-style-type: none"> ▪ The MCIMU does not have any spatial data for Class C licenses at the present ▪ Since 2010 there has been plans for capturing this data but have not been implemented as there have been incomplete data from the surveyors ▪ Department of Mines might have a better data collection of points because the surveyors report directly to that bureau ▪ Some of the many challenges faced by the system especially leading to improper licensing of miners include <ul style="list-style-type: none"> ✚ the long distances miners have to travel from their mining claims to come all the way to Monrovia to register their licenses ✚ on many occasions the MCIMU is out of electricity thereby wasting many man hours because the system is down which leads to delays in the processing of licenses and increase burden on the miners to sustain themselves while in Monrovia ✚ because of these delays, many miners decide to give their registration fees to mining agents and other individuals to do their registration; this has the propensity for unscrupulous behavior which could further lead to more delays or fees being

		<p>misapplied by these individuals</p> <ul style="list-style-type: none"> ▪ There is a dire need to decentralize the licensing process by having field offices in the various mining districts which will lead to increase in the volume of registered claims and also allow for proper monitoring and evaluation of the ASM sector ▪ Initial exercise can be experimented based on the UNMIL Quick Impact Project in which field offices can be quickly constructed in the various mining communities using minimum financial resources ▪ Many miners have a problem finding supporters for their claims as they themselves do not have the finances to support mining activities on their claims and therefore hoard these claims as a means of security of tenure to protect same from others applying for the rights to these areas ▪ The establishment of mining cooperatives should be seriously considered as many miners do not have the money to finance their claims. Cooperatives can easily source funding through microfinance loans that can be spread across the different mining claims to stop the reliance on outside (foreign) supporters
LIBERIA REVENUE AUTHORITY (LRA)		
<ul style="list-style-type: none"> ▪ Mrs. Elfreda Stewart Tamba – Director General, Liberia Revenue Authority 	<p>Liberia Revenue Authority, NASSCORP House, ELWA Junction, Paynesville City, Liberia</p> <p>June 10, 2015</p>	<ul style="list-style-type: none"> ▪ There is a dire need to strengthen the administration of the ASM sector. The LRA has already began the process of capturing the ASM sector in the tax base by their inclusion in the license fees being paid ▪ The Government needs to fully identify potential areas of mineral deposits

	04:15pm – 04:55pm	<p>(gold & diamond) and to have these areas exclusively delineated for artisanal or small scale mining</p> <ul style="list-style-type: none"> ▪ The LRA is now on the ASM Task Force and is trying to promote the idea of having exclusive zones for artisanal mining ▪ A Mobile Licensing System which has been previously proposed by preceding administrations of the MLME which might help in reducing non-compliance in the ASM sector could possibly be facilitated by the LRA ▪ The Government needs to solicit the help of the international community in following the sale of precious minerals up to the end buyer to know the final selling price of these minerals so as to get a fair royalty from the sale of the minerals
LIBERIA DIAMOND & GOLD DEALERS ASSOCIATION (LDGDA)		
<ul style="list-style-type: none"> ▪ Mustapha Tounkara, President, LDGDA & President, Afric Diam Company Inc. ▪ Esaika Barkut, President, Brokers Association of Liberia ▪ Jamoil Cummings, Special Assistant to President, LDGDA 	<p>Afric Diam Company Inc. Building, 1st Floor, Beauty building, Mechlin Street, Monrovia, Liberia</p> <p>April 22, 2015</p> <p>11:00 am – 01: 10 pm</p>	<ul style="list-style-type: none"> ▪ There are so many issues that need to be addressed by the regulatory institutions of the mining sector ▪ At the hierarchy of the small scale mining support system, the dealers support (financially) the brokers who in turn support the miners or dealers may directly support the miners (i.e. in terms of operating costs – payment of required fees, buying of equipment, feeding of diggers, medical care, transportation, etc) ▪ In short, it is the dealers that bear the blunt of the financial burden when it comes to the small scale mining sector ▪ Diamond mining is presently dominant in the western region of the Country in that Nimba miners have all migrated into this region with gold mining taking place in Buchanan, Sinoe and Bomi Counties

		<ul style="list-style-type: none"> ▪ It is frustrating when the LDGDA hears that its miners are paying “taxes” because they believe that the full fees paid for their licenses are not truly reflected in the reporting system. As an example, a total of nearly USD500 is paid for one Class C license but only the USD150 is officially reported! The breakdown of fees include: <ul style="list-style-type: none"> ✓ USD150 – license fees ✓ USD150 – survey fees ✓ Excess of USD50 – surveyor transport fees (not standard) ✓ Excess of USD50 – clearance fees (individual mining agents set fees, no standard fees for this item) ✓ Excess of USD10 – for ID card (not standard) ▪ With the payment of all of these and some other hidden fees, the miners cannot understand why GOL will want them to pay “additional tax”! ▪ LDGDA strongly believes that MLME should fully disclose all fees paid by all players (miners, brokers, dealers) in the sector and should not limit disclosure to license fees ▪ Furthermore, official flag receipts should be issued for all payments ▪ LDGDA believes that there is a strong disconnect in the present KPCS chain of custody in Liberia in tracing the flow of cash between miner – brokers – dealers. For example, if a miner sells directly to a broker, there is no authentic receipt given for the exact amount the goods was sold for ▪ The GDO voucher needs to carry the sale price paid by the broker/dealer to the miner and there has to be a way to verify this amount
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		<ul style="list-style-type: none"> ▪ Brokers and dealers feel that they are paying more than their fair share of taxes as evident by fees paid to GOL through the regulatory institutions. For example, brokers pay USD1500 license fees + 10% of their rental space (office space) to GOL while dealers pay: <ul style="list-style-type: none"> ✓ USD25,000 license fees ✓ 10% of their rental space (office space) ✓ 3% royalty ✓ Withholding tax ✓ Corporate income tax ▪ GOL needs to pursue harmonization of policies & regulations especially as it relates to fees and taxes in the sub-region to avoid smuggling of minerals to other countries ▪ Smuggling of gold and diamonds to other countries affects the bottom line of dealers (dealers are paying high fees and taxes but do not receive the “good” to buy and sell) and robs GOL of revenue when foreign supporters and buyers purchase directly from miners without going through the KPCS chain of custody ▪ Because of so much ambiguity in the artisanal mining sector, from a taxation perspective, GOL will not be able to capture all revenue streams especially at the level of the miners. Therefore, GOL should shift the burden to those that have a broader play in the sector (brokers & dealers.) However, the GOL should institute mechanisms to increase brokers and dealers productivity by reducing smuggling in the sector, providing adequate services ▪ Most if not a very large percentage of miners are highly uneducated, therefore, introducing a scheme to
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		<p>have them pay some kind of tax will be widely misunderstood. Furthermore, they will not understand the whole financial structure of taxation</p> <ul style="list-style-type: none"> ▪ GOL needs to find means of curtailing smuggling in the sector instead of chasing “nickels and dimes” from miners ▪ Dealers need to be allowed in operate (open offices and engaged in direct buying in the field) as a means of circumventing foreign buyers from taking away “goods” ▪ Buyers from neighboring countries illegally buying from miners in Liberia take “goods” to their countries thus hurting dealers in the country ▪ It is estimated that only about 40% of “goods” produced in Liberia is left in the Country ▪ GOL needs to have a regional conference to harmonize policies and regulations especially in pricing ▪ Dealers and brokers foot (sponsor) all the expenses for miners but the miners have all the “power” (i.e. to sell to anybody). There needs to be some regulation to obligate the miners to sell only to their “sponsors” ▪ To effectively capture revenue from the artisanal sector, miners need to be form into cooperatives whereby there can be some organization structure into a business entity which can be formally recognized into the reporting structure of the LEITI
MINERS UNION		
<ul style="list-style-type: none"> ▪ Ezekiel S. Johnson, President of the Gold & Diamond 	<p>GODIMWUL Office, Carey Street, Monrovia, Liberia, Liberia</p>	<ul style="list-style-type: none"> ▪ Some serious issues involving the ASM sector in Liberia include: <ul style="list-style-type: none"> ✚ Mining agents being the principle cause of many problems faced by the miners

<p>Miners and Workers Unions of Liberia (GODIMWUL)</p> <ul style="list-style-type: none"> ▪ Varney W. Gbernay, President, National Mineral Brokers Association (NAMBA) ▪ Winston Wreh, Vice President, Gold and Diamond Miners and Workers Unions of Liberia (GODIMWUL) ▪ Alex T. Johnson, PRO, Gold and Diamond Miners and Workers Unions of Liberia (GODIMWUL) 	<p>May 05, 2015</p> <p>01: 00 – 02:30 pm</p>	<ul style="list-style-type: none"> ✚ The need to decentralize the payments of license fees and associated payments. This will avoid the need for miners to spend money which they do not have to travel long distances and to lodge themselves while in Monrovia ✚ Mining agents assigned in the various mining agencies are collecting clearance fees (which are not set by any regulation) that varies anywhere between USD50 – 100 from miners ✚ When miners ask for official receipts from the mining agents, they refuse to give such receipts and threaten not to issue said claims to applicants or even process applications ✚ The actual amount spent by miners in the application process far exceeds the USD150 that is officially reported. Miners tend to spend between USD450 -500 on the application clearance fees – 50 to 100, process (license fees – 150, surveying fees – 150, processing fees – 25 to 30, surveyors transportation - 50) ▪ Presently, there are four (4) collaborating associations in the ASM sector (as FORMAL) is now inactive: National Mineral Brokers Association (NIMBA), Gold & Diamond Brokers Association, Gold & Diamond Dealers Association and GODIMWUL ▪ GODIMWUL recommends that: <ul style="list-style-type: none"> ✚ Class C or ASM regulations be formulated that will address many of the problems facing
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		<p>the sector (force issuance of flag receipts for all payments made by miners for services provided by government). In the absence of these regulations, miners see no need to pay clearance fees to mining agents who do not report same to the government</p> <ul style="list-style-type: none"> ✚ The decentralization process should involve the setting up of field offices by MLME (pilot after that of the GDO field offices) and the LRA should have verification officers assigned to these offices to ascertain payments amounts received ✚ Under no circumstance should the income of miners be taxed because they are selling at a much lower price to brokers and dealers who increase their sale price of goods when the export and sell on the international market, so the burden should rest on the dealer/exporter who make considerable profit from the sale of the goods (indirectly, the miners are paying tax through the dealers/exporters who buy diamonds/gold at a very low price) ✚ The Government needs to start giving incentives (training in diamond valuation, micro-loans to miners, etc) to the miners to encourage them to disclose their finds so as to increase the amount of goods going through the sector
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		<ul style="list-style-type: none"> ✚ The duties presently being performed by the mining agents should be transferred to the most Senior Mining Chairman in the mining agency (because he is also a miner and will be neutral) who will be charged with the responsibility of receiving and recording all payments made by miners to central government. This will serve as independent verification for the LRA/LEITI reporting process to compare with government records ✚ This Senior Mining Chairman should not be an employee of government but should be periodically elected by the miners as an independent person in the 46 mining agencies ✚ The payment of Clearance fees and Survey fees should be scrapped because these services are rendered by government employees who are paid as civil servants and furthermore, it is governments' responsibility to sustain their field offices and this burden should not be shifted to the miners
PROFESSIONAL STAKEHOLDERS		
<ul style="list-style-type: none"> ▪ A. Kpandel Fayia, Former Deputy Minister for Planning & HR Development & KPCS Focal Point, MLME; 	<p>Mr. Fayia's Residence, Schiefflin Highway, Liberia</p> <p>May 29, 2015</p> <p>05:10 – 06:00 pm</p>	<ul style="list-style-type: none"> ▪ The delay in processing license documents at the Ministry is one of the biggest impediments in the sector. Some licenses take about a year to be processed. Besides the delay, the bottlenecks created for processing fees causes miners to shy away from obtaining licenses. Another setback is

<p>Natural Resources Consultant</p>		<p>the requirement to pay survey fees when such surveys are never carried by the Ministry personnel responsible for such. The survey fees are simply diverted for other uses. Year after year miners pay survey fees but few or no survey is ever carried out.</p> <ul style="list-style-type: none"> ▪ There is a dire need to decentralize the tax collection system. Miners travel long distances to reach Monrovia for license and survey fees payment. This costs money. When they meet up with delays at the Ministry, they end up spending the money intended for license to sustain them in Monrovia thereby returning home without a license and a little poorer. Setting up an organized LRA collectorate in each cluster of mining claims/communities would eliminate the headache of coming to Monrovia to pay fees. Revisiting the mining fees and survey fees will serve as another incentive. ▪ Diamond mining is at least regulated and controlled to some degree but gold mining and sales is a free for all. The KPCS had set up a system of monitoring diamond production and sales to some degree which has resulted in the statistics we get quarterly from the GDO but gold has had no monitoring mechanism. Diamond exporters as well as gold exporters do pay export fees called royalty to the Ministry of Finance but those who extract these minerals pay no taxes besides their license fees. Take for example, a miner in Kumgbor found a diamond that sold for \$2M in Monrovia but did not pay any income tax. Such huge amounts should be regulated for income taxation but this
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		<p>will require educating the miners on such income tax issues. It cannot be imposed abruptly else people will go underground and declare nothing.</p> <ul style="list-style-type: none"> ▪ With respect to ways to include ASM sector in the reporting scheme of LEITI there is a need to conduct workshops and carefully explain the procedures and requirements to the miners. Such workshops must be repeated over and over as was done with the KPCS. Also see the possibility of reviewing mining license and survey fees to make them affordable under the prevailing economic conditions of hardship. Most miners are unemployed and are only dependent on the dry season mining period to earn money for all aspects of their livelihood. ▪ Communities where gold & diamonds are mined and sold should benefit from the sale of these minerals. This is or was in the mining law. It stated that 10% of all royalties would return to the community from where the minerals are extracted but that was never done as far as I am concerned. May be the reintroduction of this scheme with assurance that it would be implemented will serve as an incentive for miners' cooperation with the LRA/LEITI. ▪ The major players in the ASM sector include miners, supporters, brokers and dealers. However, the roles of these players are very complex. The supporters are the most problematic because they do not have any identity. They support and metamorphose into buyers, brokers, dealers. No supporter ever obtains a license and is never registered with any agency. It is a
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		<p>violation for these supporters to purchase minerals when it is clearly written in the KP act that only legally registered persons can partake in mineral purchase. The worse aspect is that since the supporters are not formalized, they smuggle minerals that they purchase because they cannot sell legally.</p> <p>The brokers are registered with the MLME but the loophole in their operations is what they term as broker agents. There is a huge proliferation of broker agents in both the gold and diamond sectors. These agents move from mine to mine with a lot of cash to purchase for dealers, brokers and supporters. The question is, do these agents pay taxes? Some agents get agent ID cards from whomever they work for without reference to mining regulatory agencies, hence the proliferation of broker agents. This is a serious impediment for the alluvial mining sector.</p> <ul style="list-style-type: none"> ▪ The best control mechanism for the mining sector is firstly to empower the mineral inspectorate so that they can get actively involved in monitoring the alluvial mining sector. Secondly the KP Regional Officers/offices be reactivated and properly manned in order to carry out the KP procedures as set out in the KP regulations. <p>The third and final recommendation is to formalize the gold sector so that gold produced in Liberia is monitored with the aim to not only get the required taxes but to compile the statistics on gold production in Liberia.</p>
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		Such statistics coupled with that of diamonds could serve as an index of alluvial production for Liberia.
CIVIL SOCIETY ORGANIZATIONS (CSOs)		
<ul style="list-style-type: none"> ▪ Thomas Doe Nah –Director, Center for Accountability and Transparency Liberia (CENTAL) 	<p>University of Liberia Main Campus, Capitol Hill, Monrovia, Liberia</p> <p>May 05, 2015</p> <p>03: 00 – 04:10 pm</p>	<ul style="list-style-type: none"> ▪ We should try not to find ourselves double taxing this commodity because it seems like the dealers/experts are already paying both royalty and corporate income taxes on these commodities ▪ The need to formalize (system of factual reporting) the sector before trying to assess any form of taxation on the individual miners should be of paramount concern or else there would be a scenario where miners will be afraid to fully disclose their finds/production due to the perceived notion of being penalized for doing so through a tax regime ▪ One way of formalizing the system could be the formation of cooperatives in which production and sales can be tracked to the point of sale thereby assuring full disclosure ▪ Only income that is disclosed can be taxed so there has to be a system of formally capturing income of the miners before they can be taxed. Therefore information on known income has to be established through good monitoring (inspectorate, financial regime, etc) ▪ The brokers/dealers already have the advantage over the miners when it comes to bargaining the price of the goods because they are more experienced in valuation of the goods in getting a far better price for the commodity, therefore, the tax burden should be shifted to them

		<ul style="list-style-type: none">▪ The miners need incentives (larger profit margin, source of funding) to produce, less government bureaucracy, etc. any further taxation to their income will result in no disclosure of production
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ANNEX II SAMPLE OF CLASS B MINING LICENSE



REPUBLIC OF LIBERIA



MINERALS AND MINING ACT 2000
CLASS B MINING LICENSE

License No: MBL XXXXXXXXXXXX

Authorisation is hereby granted to operate a Class B Mine under and subject to the provisions of Minerals and Mining Act 2000 and the Regulations including the terms and conditions herewith attached. The license is granted to:

Name: XXXXXXXXXXXXXXXXXXXX

Registration/Identity No.: FLAG RECEIPT # XXXXXXXX TIN #: XXXXXXXX

Address: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Mineral to be mined: XXXXX Size of production area: XXXXXX Acres

Claim no.: XXXXXXXXXXXX

County: XXXXXXXX Code: XXXX

Mining Agency: XXXXXXXX

Date of issue: XXXXXXXX

Date of expiry: XXXXXXXX

Place of issue: Monrovia

Unless this certificate is suspended or cancelled, it shall be valid for 5 YEARS from the date of issuance. License fees are required to be paid yearly within the license period.

SIGNED: _____
DIRECTOR OF MINES

APPROVED: _____
ASSISTANT MINISTER FOR MINES

Location of production area (coordinates):

Map of production area:



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINERALS AND ENERGY



BASIC LAWS GOVERNING CLASS B MINING

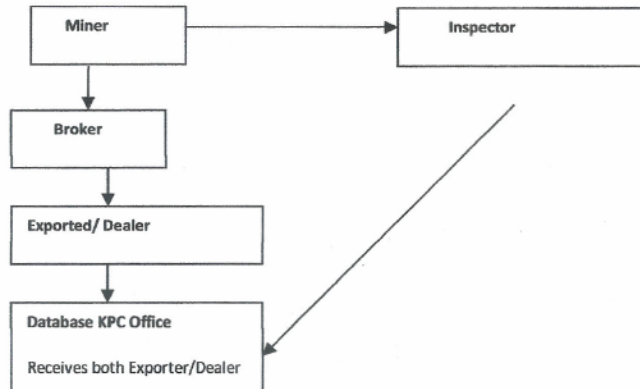
1. Smuggling is an economic crime against the State.
2. License is granted to only Liberians of legal age.
3. Illicit mining is strictly prohibited. Violators found will forfeit mineral (gold/diamond) and tools by confiscation or fine and/or serve imprisonment.
4. Security for restoration of operation site shall be paid at each time a license hereunder is being issued.
5. Mining rights granted hereunder shall not be assignable or hypothecated but are transferable in case of death.

KIMBERLEY PROCESS REQUIREMENTS

The Kimberly process certification scheme which has been passed into law in Liberia requires the following steps for internal control and transparency in mineral production and trading activities:

1. All Miners are to be organized into mining cooperatives for internal control purposes.
2. There are heavy penalties for smuggling or any illicit activity in the mineral sector as stipulated by law. Illicit activity means transaction with unauthorized persons, conducting mineral operations without proper documentation, questionable activities as it relates to the mineral sector.
3. For transparency in mineral trade, the follow steps must be followed:
 - a) Miner gets serialized vendor forms from the Ministry of Lands, Mines & Energy/ KPC Database Office.
 - b). Miner transacts business (conducts trading) in the presence of the Mineral Inspector(s); Mineral Inspector(s) takes a copy of the transaction document(s) to the KPC Database Office in Monrovia for production data and verification. Miner retains one copy of vendor form.
 - c). The Broker / buyer takes two of the vendor forms, retains one and takes one to the exporter/dealer to whom he sells his diamonds previously bought from the miners.
 - d). The exporter/dealer takes his diamonds to the KPC Database Office where his form is verified with the Inspector's form. The Kimberly Process Certification process begins.

Procedure on Internal Control of Diamond Production in the Alluvial Sector Serialized Vendor Forms



I, the undersigned swear to abide by these basic laws, and also agreed to become a member of the Ministry's mining cooperative Scheme

SIGNED: _____

ANNEX III SAMPLE OF CLASS C MINING LICENSE



REPUBLIC OF LIBERIA



MINERALS AND MINING ACT 2000
CLASS C MINING LICENSE

License No: **MCL XXXXXX**

Authorisation is hereby granted to operate a Class C Mine under and subject to the provisions of Minerals and Mining Act 2000 and the Regulations including the terms and conditions herewith attached. The license is granted to:

Name: **XXXXXXXXXXXXXXXX**

Registration/Identity No.: **FLAG RECEIPT # XXXXXX TIN # XXXXXX**

Address: **XX**

Mineral to be mined: **XXXX** Size of production area: 25 Acres

Claim no.: **XXXXXXXXXXXXXXXX**

County: **XXXXXXXX** Code: **XXXXX**

Mining Agency: **XXXXXXXXXXXXXXXX**

Date of issue: **XXXXXXXXXXXXXXXX**

Date of expiry: **XXXXXXXXXXXXXXXX**

Place of issue: **Monrovia**

Unless this certificate is suspended or cancelled, it shall be valid for 12 MONTHS from the date of issuance, renewable annually.

SIGNED: _____
DIRECTOR OF MINES

APPROVED: _____
ASSISTANT MINISTER FOR MINES

MINERALS AND MINING LAW 2000

CLASS C MINING REGULATIONS

Terms and Conditions for a Class C Mining Right

The granting of Class C mining rights is made under the terms and conditions set here forth. These terms and conditions are read together with the Minerals and Mining Act of 2000, hereto forward referred to as the "Act" and the Class C Mining Rights Regulations hereto forth referred to as the "Regulations", as well as other relevant statutes.

The granting of a Class C Mining license shall confer the following rights on the license holder:

- (1) The right to operate an Class C mining operation under the provisions set out in the Act and the regulations
- (2) Right to use public infrastructure for transportation and communication pertaining to the mining operation
- (3) Surface rights on the land relating to the license
 - a. access to the land on the conditions set out in the surface rent agreement
 - b. use such land for activities pertaining to the mining operation
 - c. use resources such as timber and water found on the land for the purpose of the mining operation
 - d. clear land to perform activities related to the mining operation
 - e. put up buildings and other structures for habitation, offices and to house plant and machinery for the purposes of the mining operation
 - f. make open pits, trenches and other excavations necessary for the mining operation
 - g. build roads, dumps and drainage ditches within the boundary limits of the production area for the purposes of mine development
- (4) Right to sell minerals to any licensed broker subject to the provisions of Section 15.5 of the Act
- (5) Right to appeal against any decision by the Minister to revoke, cancel or suspend Class C mining right
- (6) Right to appeal against any decision by the Minister to refuse granting of Class C mining right

The granting of a Class C Mining license shall confer these obligations on the holder of the license:

- (1) Conduct mining at a small-scale with limited use of mechanised equipment
- (2) Conduct a mining operation to extract only secondary deposits, i.e. unconsolidated alluvial, cluvial and soil
- (3) Conduct mining to extract only the mineral specified in the license
- (4) Conduct mining only in the metes and bounds of the production area as demarcated by a government surveyor
- (5) Carry out the mining operation in a way that minimises negative environmental impacts pursuant to regulation 5.1 and Chapter 8 of the Act
- (6) Obtain permission to carry out dredging for the purposes of mining
- (7) Obtain permission from the Minister to divert a water course for the purposes of mining
- (8) Fulfilment of the conditions of surface rent agreement with respect to reasonable access and compensation of lawful owner or occupier of land to which the mining rights applies, pursuant to regulation 3.13
- (9) Carry out all rehabilitation at mine closure as indicated in the environmental management plan
- (10) If the mining license is not renewed, carry out all reclamation work with one (1) month of the expiry of the license
- (11) Give a notice of one (1) month to surrender mineral rights
- (12) Pay all taxes and duties levied by government pertaining to the operation
- (13) Take all precautions to minimise pollution and negative health and safety impacts pursuant to regulation 7.1 and Chapter 16 of the Act
- (14) Keep all records pertaining to the mining operation as directed by the regulations
- (15) Submit all reports required by the Minister regarding the running of the operation

Signed: _____ Date: ____/____/____

DIRECTOR OF MINES

Signed: _____ Date: ____/____/____

LICENSE HOLDER

ANNEX IV SAMPLE OF RECONNAISSANCE LICENSE



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
 P.O. BOX 10-9024
 1000 MONROVIA 10
 LIBERIA, WEST AFRICA



License Number: xxxxx

MINERAL RECONNAISSANCE LICENSE

This License is hereby granted by the Government of Liberia, through the Ministry of Lands, Mines and Energy (the “Ministry”), to XXXXXXXXXX (the “Licensee”).

SECTION 1. SCOPE OF LICENSE

1.1. This License entitles the Licensee to conduct airborne survey for minerals identified in Section 1.2 in the reconnaissance area defined in Section 3 of this License (the “Reconnaissance Area”) in order to ascertain the potential of minerals in the Reconnaissance Area of such minerals.

1.2. The mineral covered by this License is: xxxxx

SECTION 2. EFFECTIVE DATE

The Effective Date of this License is the date on which the Minister approves the license.

SECTION 3. RECONNAISSANCE AREA

The Reconnaissance Area covers approximately xxxxx sq km in area defined by the UTM coordinates of *SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N)* set forth below:

SECTION 4. CONCERNING THE LICENSE

4.1. This License and the rights of the Licensee hereunder are subject to:

- (a) exploration regulations to be issued by the Minister of Lands, Mines and Energy (the “Minister”) pursuant to the authority granted the Minister under the Liberia Minerals and Mining Law of 2000 (the “exploration regulations”); and
- (b) the Liberia Minerals and Mining Law of 2000, the Liberia Revenue Code of 2000, the environmental laws and regulations of the Republic of Liberia and all other applicable laws and regulations of the Republic of Liberia,

as such laws and regulations may from time to time be amended, modified or supplemented.

4.2. The Reconnaissance Area granted by this License excludes areas within the Exploration Area excluded by Section 10 of the Minerals and Mining Law and areas subject to Class B mining licenses previously granted by the Republic of Liberia, and the Licensee shall not interfere with the activities of licensees under such licenses.

4.3. The Licensee will be required to make detailed quarterly reports of all airborne activities, and results and to make quarterly deposits with the Ministry of all geological information gained from its reconnaissance work in the Reconnaissance Area.

4.4. The initial term of this License is six months from the Effective Date, subject to the ability of the Ministry in accordance with the Mining Laws to terminate this License for non-compliance with the regulations or other applicable law. If the Licensee is in compliance with its obligations during the initial term it will be entitled to a six month extension of its License without relinquishing any portion of the licensed area.

4.5. If the Licensee identify in the Reconnaissance Area anomalies of the minerals referred to in Section 1.2 and has complied during the reconnaissance period with its obligations under the Mining Law, and other applicable Law, it will have the right to enter into a Mineral Exploration Agreement in accordance with the Minerals and Mining Law and the applicable regulations of the Ministry governing the issuance of and operations under an Exploration license.

SECTION 5. BINDING ON GOVERNMENT

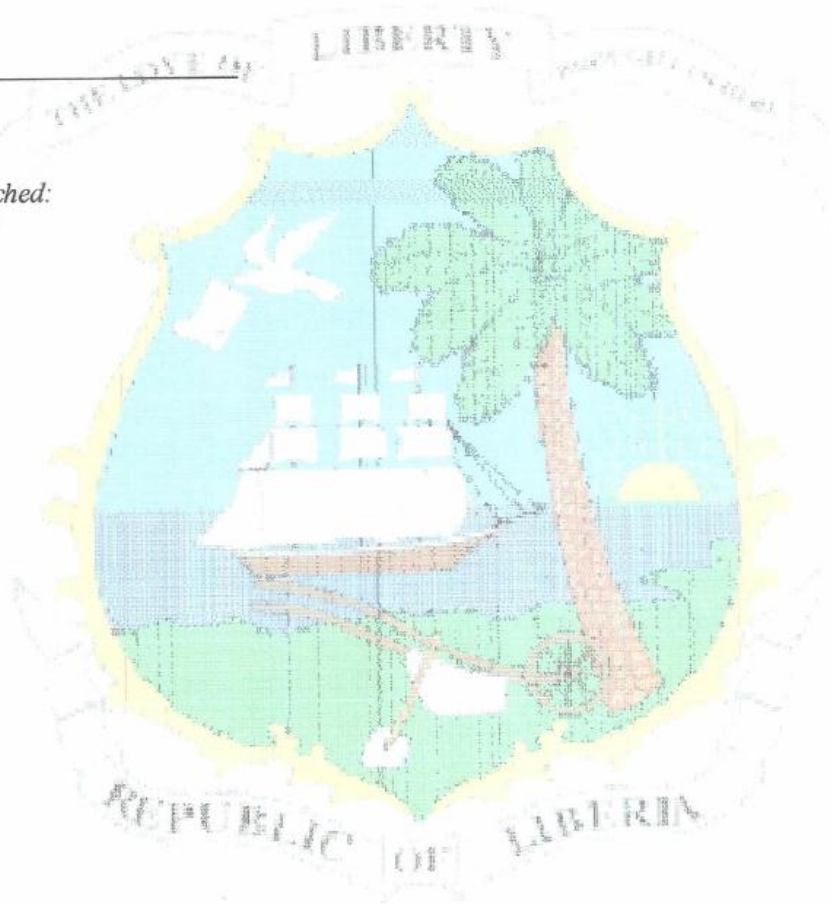
This License is duly issued and binding on the Government of Liberia when signed by the Assistant Minister for Mineral Exploration and approved by the Minister.

Signed: _____
Boiyan K. Kpakolo
Assistant Minister
Mineral Exploration & Environmental Research

Approved: _____
Patrick Sendolo
MINISTER



Attn: Map Attached:



ANNEX V SAMPLE OF PROSPECTING LICENSE



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
 P.O. BOX 10-9024
 1000 MONROVIA 10
 LIBERIA, WEST AFRICA



License Number: MPL XXXXXXX

MINERAL PROSPECTING LICENSE

This License is hereby granted by the Government of Liberia, through the Ministry of Lands, Mines and Energy (the "Ministry"), to XXXXXXX. (the "Licensee").

SECTION 6. SCOPE OF LICENSE

6.1. This License entitles the Licensee to explore for the minerals identified in Section 1.2 in the Prospecting area defined in Section 3 of this License (the "Prospecting Area") in order to determine prospective grounds for either a Class C or B mining license.

6.2. The mineral covered by this License is: XXXX

SECTION 7. EFFECTIVE DATE

The Effective Date of this License is the date on which the license is granted by the Ministry.

SECTION 8. PROSPECTING AREA

The Prospecting Area covers approximately XXX Acres in area defined by the UTM coordinates of *SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N)*
 COUNTY: XXXXX CODE XXXX

SECTION 4. CONCERNING THE LICENSE

4.1. This License and the rights of the Licensee hereunder are subject to:

- (a) the authority granted the Minister under the New Minerals and Mining Law of 2000 and any future regulations to be promulgated by the Minister;
- (b) that the area shall not already be subject to a valid Mineral Right granted to another Person;
- (c) that the area granted under this Prospecting License shall not exceed one hundred (100) acres;

(d) that the Holder of the Prospecting License shall have the exclusive right during its term to conduct Prospecting over the area specified in sec.3 of this license and to apply for a Class B or Class C Mining License with respect to any part of the granted area;

(e) that the Prospecting License granted herein to prospect shall not be interpreted as the right to conduct mining. However, a Holder of a Prospecting License shall have the right to dispose of Minerals extracted in the course of Prospecting subject only to declaration of such Mineral finds to the Minister;

4.2. The Prospecting Area granted by this License excludes areas within the Prospecting Area subject to valid Class B and C mining licenses previously granted by the Republic of Liberia, and the Licensee shall not interfere with the activities of licensees under such licenses.

4.3. The initial term of this License is six months from the Effective Date, subject to the ability of the Ministry in accordance with the Minerals and Mining Laws to terminate this License for non-compliance with the regulations or other applicable law. If the Licensee is in compliance with its obligations during the initial term it will be entitled to a six month extension of its License with respect to a portion of the Prospecting Area on the terms set forth in the Minerals and Mining Law of 2000 and related regulations.

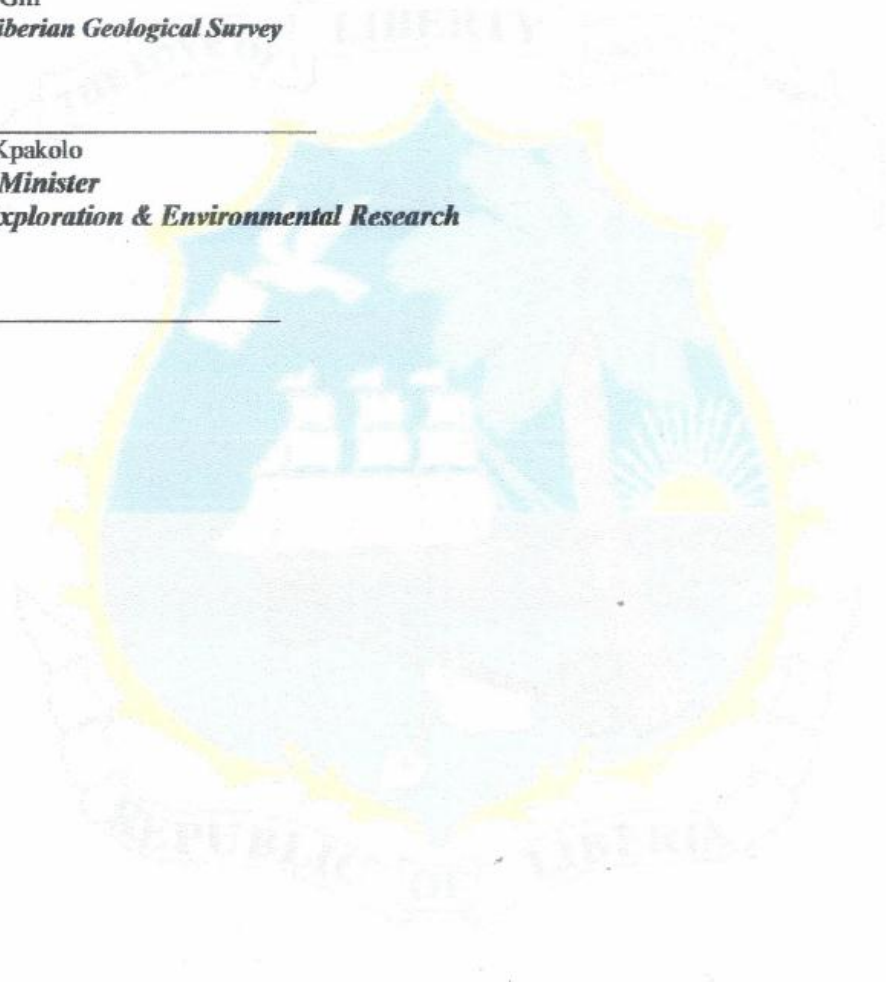
SECTION 5. BINDING ON GOVERNMENT

This License is duly issued and binding on the Government of Liberia when signed by the Director of the Liberian Geological Survey and approved by the Assistant Minister for Mineral Exploration and Environmental Research.

Signed: _____
John K. McGill
Director Liberian Geological Survey

Approved: _____
Boiyan K. Kpakolo
*Assistant Minister
Mineral Exploration & Environmental Research*

DATE: _____



ANNEX VI SAMPLE OF MINERAL EXPLORATION LICENSE



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINES AND ENERGY
P.O. BOX 10-9024
1000 MONROVIA 10
LIBERIA, WEST AFRICA



License Number: MEL XXXXXXX

MINERAL EXPLORATION LICENSE

This License is hereby granted by the Government of Liberia, through the Ministry of Lands, Mines and Energy (the "Ministry"), to XXXXXXX (the "Licensee").

SECTION 1: SCOPE OF LICENSE

1.1 This License entitles the Licensee to explore for the minerals identified in Section 1.2 in the exploration area defined in Section 3 of this License (the "Exploration Area") in order to ascertain the existence, location, quantity, and quality or commercial value of deposits in the Exploration Area of such minerals. This Exploration area shall not include protected zones (Section 10.1 of the New Minerals and Mining Law of 2000).

1.2 The mineral(s) covered by this License are: XXX

SECTION 2: EFFECTIVE DATE

The Effective Date of this License is the date on which it is approved by the Minister.

SECTION 3: EXPLORATION AREA

The Exploration Area covers approximately XXX sq km in area defined by the UTM coordinates of *SPATIAL REFERENCE (WGS84 UTM GRID ZONE 29N)* set forth below:

SECTION 4: CONCERNING THE LICENSE

4.1 This License and the rights of the Licensee hereunder are subject to:

- a) exploration regulations to be issued by the Minister of Lands, Mines and Energy (the "Minister") pursuant to the authority granted the Minister under the Liberia Minerals and Mining Law of 2000 (the "exploration regulations"), and
- b) the Liberia Minerals and Mining Law of 2000, the Liberia Revenue Code of 2000, the environmental laws and regulations of the Republic of Liberia and all other applicable laws and regulations of the Republic of Liberia,

as such laws and regulations may from time to time be amended, modified or supplemented.

4.2 The Exploration Area granted by this License excludes areas within the Exploration Area excluded by Section 10 of the Minerals and Mining Law and areas subject to Class B mining licenses previously granted by the Republic of Liberia, and the Licensee shall not interfere with the activities of licensees under such licenses.

4.3 The Licensee will be required under the exploration regulations to make detailed quarterly reports of all field and sampling activities, and results and to make quarterly deposits with the Ministry of all geological information and samples gained from its exploration work in the Exploration Area, other than that portion of the samples subjected to destructive analysis or testing, in each case within specified periods after the end of a quarter.

4.4 The initial term of this License is three years from the Effective Date, subject to the ability of the Ministry in accordance with the exploration regulations to terminate this License for non-compliance with the regulations or other applicable law. If the Licensee is in compliance with its obligations during the initial term it will be entitled to a two year extension of its License with respect to a portion of the Exploration Area on the terms set forth in the Minerals and Mining Law of 2000 and the exploration regulations.

4.5 If the Licensee discovers in the Exploration Area exploitable deposits of the minerals referred to in Section 1.2 and has complied during the exploration period with its obligations under the Mining Law, the exploration regulations, and other applicable Law, it will have the right to enter into a Mineral Development Agreement (in the form then generally used by the Ministry in circumstances in which known deposits are not being put out for tender) and to obtain a Class A Mining License for the mining of such deposits in accordance with the Minerals and Mining Law and the applicable regulations of the Ministry governing the issuance of and operations under a Class A Mining license.

SECTION 5: BINDING ON GOVERNMENT

Minister for Mineral Exploration and approved by the Minister.

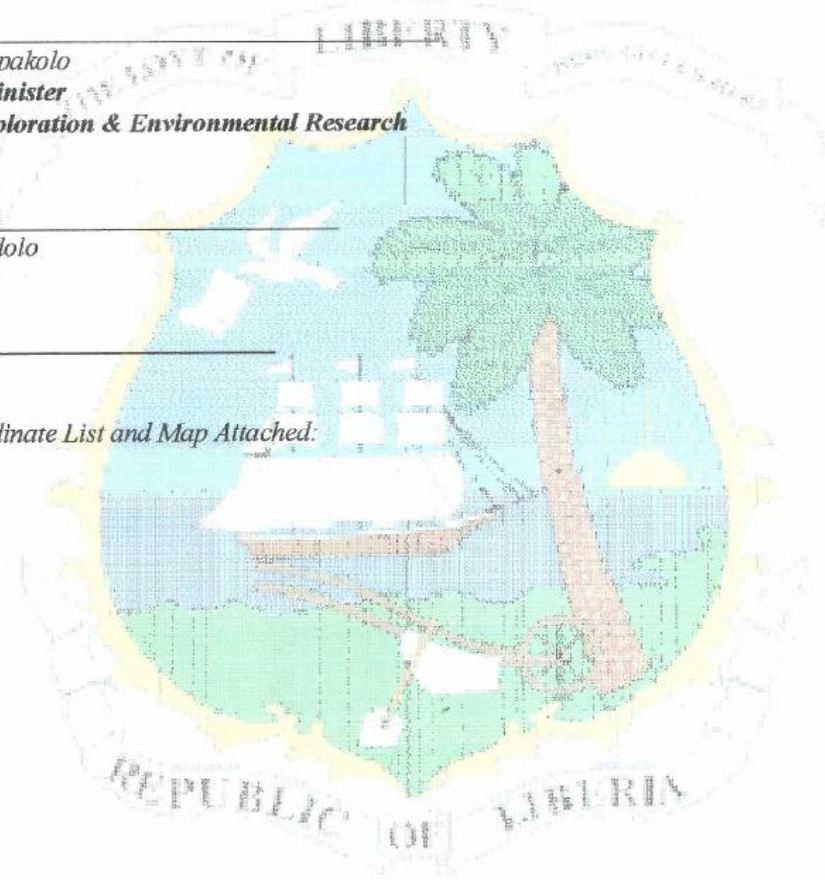
This License is duly issued and binding on the Government of Liberia when signed by the Assistant

Signed: _____
Boiyan K. Kpakolo
Assistant Minister
Mineral Exploration & Environmental Research

Approved: _____
Patrick Sendolo
MINISTER



DATE: _____
Attn: Coordinate List and Map Attached:



ANNEX VII SAMPLE OF QUARRY LICENSE



REPUBLIC OF LIBERIA



MINERALS AND MINING ACT 2000

QUARRY MINING LICENSE

License No: **SQL**

Authorisation is hereby granted to operate a Quarry Mine under and subject to the provisions of Minerals and Mining Act 2000 and the Regulations including the terms and conditions herewith attached. The license is granted to:

Name: [REDACTED]

Registration/Identity No.: [REDACTED]

Address: [REDACTED]

Mineral to be mined: **Rock** Size of production area:

County: **MARGIBI** Code: [REDACTED]

Mining Agency: **KAKATA**

Date of issue: **NOVEMBER 07, 2014**

Date of expiry: **NOVEMBER 07, 2019**

Place of issue: **Monrovia**

Unless this certificate is suspended or cancelled, it shall be valid for 5 YEARS from the date of issuance. License fees are required to be paid yearly within the license period.

SIGNED: _____

DIRECTOR OF MINES

APPROVED: _____

ASSISTANT MINISTER FOR MINES

Location of production area (coordinates):

Map of production area:

ANNEX VIII SAMPLE OF DEALERS LICENSE



REPUBLIC OF LIBERIA



MINERALS AND MINING ACT 2000
DEALER LICENSE

License No: GDL XXXXXXXXXX

Authorisation is hereby granted to operate a Dealership under and subject to the provisions of Minerals and Mining Act 2000 and the Regulations including the terms and conditions herewith attached. The license is granted to:

Name: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Registration/Identity No: FLAG RECEIPT # XXXXXX/ TIN # XXXXXXXX

Address: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

To buy and sell: XXXXXX

County: XXXXXXXXXX Code: XXXXXX

Name of Cooperative broker belongs to: N/A

Date of issue: XXXXXXXXXX

Date of expiry: XXXXXXXXXX

Place of issue: MONROVIA

Unless this certificate is suspended or cancelled, it shall be valid for 12 MONTHS from the date of issuance, renewable annually.

SIGNED: _____
ASSISTANT MINISTER FOR MINES

APPROVED: _____
MINISTER



REPUBLIC OF LIBERIA MINISTRY OF LANDS, MINES AND ENERGY

BASIC LAWS GOVERNING DEALERSHIP

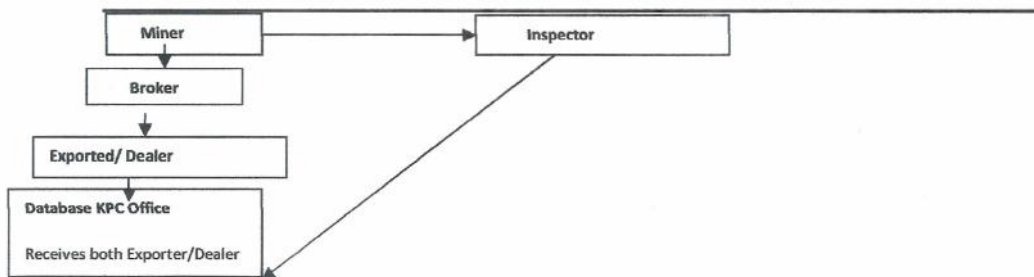
1. **Smuggling is an economic crime against the State;**
2. License is opened to Liberians and or foreigners with Liberian Participation;
3. Dealers are not permitted to buy minerals from or illicit handlers. Violators will forfeit minerals and/or be fined;
4. Every purchase made shall be verified on a vender form received from the Broker as indicated in the diagram below.
5. A minimum of US\$100,000.00 compulsory shipments of minerals on a quarterly basis is required. Failure to export as required, a fine will be imposed.
6. Payment of Royalty.
7. All purchases shall be made readily available for inspection by the Ministry of Lands, Mines & Energy.
8. Local sales must be done by a licensed dealer on any person authorized by the Minister/Ministry of Lands, Mines & Energy.
9. This license is not transferable.

KIMBERLEY PROCESS REQUIREMENTS

The Kimberly process certification scheme which has been passed into law in Liberia requires the following steps for internal control and transparency in mineral production and trading activities:

1. All Miners are to be organized into mining cooperatives for internal control purposes.
2. There are heavy penalties for smuggling or any illicit activity in the mineral sector as stipulated by law. Illicit activity means transaction with unauthorized persons, conducting mineral operations without proper documentation, questionable activities as it relates to the mineral sector.
3. For transparency in mineral trade, the follow steps must be followed:
 - a) Miner gets serialized vendor forms from the Ministry of Lands, Mines & Energy/ KPC Database Office.
 - b) Miner transacts business (conducts trading) in the presence of the Mineral Inspector(s); Mineral Inspector(s) takes a copy of the transaction document(s) to the KPC Database Office in Monrovia for production data and verification. Miner retains one copy of vendor form.
 - c) The Broker / buyer takes two of the vendor forms, retains one and takes one to the exporter/dealer to whom he sells his diamonds previously bought from the miners.
 - d) The exporter/dealer takes his diamonds to the KPC Database Office where his form is verified with the Inspector's form. The Kimberley Process Certification process begins.

Procedure on Internal Control of Diamond Production in the Alluvial Sector Serialized Vendor Forms



I, the undersigned swear to abide by these basic laws, and also agreed to become a member of the Ministry's mining cooperative Scheme

SIGNED: _____

ANNEX IX SAMPLE OF BROKERS LICENSE



REPUBLIC OF LIBERIA



MINERALS AND MINING ACT 2000

BROKER LICENSE

License No: DBL XXXXXX

Authorisation is hereby granted to operate a Brokership under and subject to the provisions of Minerals and Mining Act 2000 and the Regulations including the terms and conditions herewith attached. The license is granted to:

Name: XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Registration/Identity No.: FLAG RECEIPT XXXXXXXX TIN # XXXXXXXXX

Address: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

To buy and sell: XXXXXXXXXX

County: XXXXXXXXXXXX Code: XXXXX

Name of Cooperative broker belongs to: N/A

Date of issue: XXXXXXXXXXXX

Date of expiry: XXXXXXXXXXXX

Place of issue: Monrovia

Unless this certificate is suspended or cancelled, it shall be valid for 12 MONTHS from the date of issuance, renewable annually.

SIGNED: _____
ASSISTANT MINISTER FOR MINES

APPROVED: _____
MINISTER



REPUBLIC OF LIBERIA
MINISTRY OF LANDS, MINERALS AND ENERGY

MINES AND MINERALS ACT 2009
BROKER LICENSE REGULATIONS

BASIC LAWS GOVERNING BROKERAGE

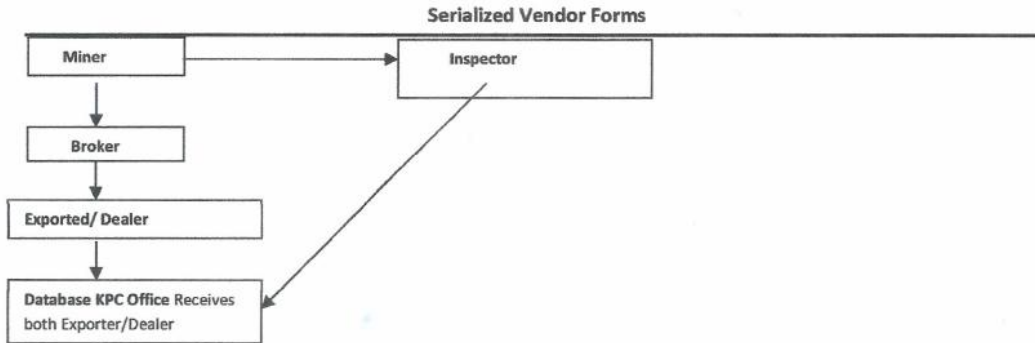
1. **Smuggling is an economic crime against the state.**
2. License is to issued only to Liberians of legal age.
3. Purchase of minerals on the mining claim operation site is prohibited. A violator's Mineral will confiscated and deposit into Government of Liberia revenues and license revoked.
4. Purchases of minerals are made directly from licensed miners in the mining camps, towns, and/or city.
5. A **monthly report on purchases is made on a monthly basis.** Failure will lead to a fine and/ or cancellation of license.
6. A compulsory sale of 20, 000 USD is required per quarter.
7. License is not transferable

KIMBERLEY PROCESS REQUIREMENTS

The Kimberly process certification scheme which has been passed into law in Liberia requires the following steps for internal control and transparency in mineral production and trading activities:

1. All Miners are to be organized into mining cooperatives for internal control purposes.
2. There are heavy penalties for smuggling or any illicit activity in the mineral sector as stipulated by law. Illicit activity means transaction with unauthorized persons, conducting mineral operations without proper documentation, questionable activities as it relates to the mineral sector.
3. For transparency in mineral trade, the follow steps must be followed:
 - a) Miner gets serialized vendor forms from the Ministry of Lands, Mines & Energy/ KPC Database Office.
 - b). Miner transacts business (conducts trading) in the presence of the Mineral Inspector(s); Mineral Inspector(s) takes a copy of the transaction document(s) to the KPC Database Office in Monrovia for production data and verification. Miner retains one copy of vendor form.
 - c). The Broker / buyer takes two of the vendor forms, retains one and takes one to the exporter/dealer to whom he sells his diamonds previously bought from the miners.
 - d). The exporter/dealer takes his diamonds to the KPC Database Office where his form is verified with the Inspector's form. The Kimberley Process Certification process begins.

Procedure on Internal Control of Diamond Production in the Alluvial Sector



I, the undersigned swear to abide by these basic laws, and also agreed to become a member of the

Ministry's mining cooperative Scheme

SIGNED: _____

ANNEX X STAKEHOLDERS CONSULTATIONS REPORT

- Purpose of the Consultations
- Procedure
- Summary of Comments
- Questionnaire
- Photos from Town Hall Consultations

Purpose of the Consultation

The Northwestern region of Liberia comprises three counties. There are two major rivers located in the region. These include the Mano River and the Lofa River. These rivers have served as major mining areas for the past sixty years. There are eight major mining agencies found in the northwestern region of Liberia. These mining agencies were established by the Ministry of Lands Mines and Energy to regulate illicit mining activities in these areas. Each of these agencies is headed by a mining agent who serves as the direct representative of the Ministry of Lands Mine and Energy. Miners at each of these agencies are represented by a mining chairman. Mining Agencies found in this region include: Henry town mining agency, Bopolu mining agency, Gbarma mining agency, Varguay mining agency Mecca mining agency Camp Freeman/ Camp Israel mining agency, Weasua mining agency, Kawallahum mining agency, Zelekai Mining agency Keita mining agency, Kumgbor mining agency, Bankoma mining agency and Bellehyalla mining agency.

The second Town Hall stakeholders consultation included three (3) counties from Northern and Central Liberia – Bong, Nimba and Lofa Counties. Mining agencies represented included: Totota, Wainsue, Botota, Gbarpa, Ganta, Sanniquellie, Zorzor, Voinjama, Gbahn, Buutu & Yarpea.

The objective of these Town Hall Consultations is primarily to have a direct dialogue with the main stakeholders in the ASM sector – the diggers and miners – as a means to solicit their inputs on the status of the ASM sector and how best to improve the governance of the sector especially to increase production levels, improve the well being of diggers and miners, benefits accruing to the communities and how the stakeholders can help improve the LEITI reporting scheme as it relates to the sector.

Procedure

The consultation meeting with stakeholders in the Northwestern Region was attended by 44 persons comprising of the district commissioner of Gola Konneh District, the Mining Coordinator of the Northwestern Region, Mining agents from the thirteen (13) mining agencies, Mining Chairmen from the mining agencies and a Miner from each of the mining agencies. Also in attendance were two (2) observers, and the chairlady of Gola Konneh district along with the youth chair of Gola Konneh District. Starting the meeting was prayer done by a Muslim. Mr. Clarence E. Buigbo (MAC Africa Environmental Specialist) served as moderator during the course of the consultation. Following introduction of the team and members of the body, the District commissioner was allowed to speak to the body. He thanked the organizers for the meeting and informed the body that such meeting is healthy for development and appreciation of the mining sector. The mining coordinator of the region was given the floor to make statements at the meeting. Two mining chairmen were also allowed to make statements. Due to time allotted for the meeting, a miner was allowed to make statement on behalf of all the miners from that region. All the statements were appreciation for the meeting. The speakers were glad that this form of consultation was a platform where the mining agents, mining chairmen and miners from different counties and district were able to meet in one room to discuss problems within the mining sector without fear or favor.

Similar procedure and agenda was carried out in the second Town Hall consultation in Ganta City, Nimba County. 31 persons attended this consultation to include a Regional Officer/Coordinator, a Youth Representative, 2 mining patrolmen, 2 mining Chairmen, 8 mining agents and 17 miners.

Mr. Carlton Miller of MacAfrica Consultant inc. gave an overview of the consultation meeting. During his discussion, he informed the miners about the need to abide by the legal channels of obtaining registration. He laid the basis for the discussion acknowledging the participants to be free to relate any irregularity they have concerning license acquisition and fees required by Government agencies to obtain legal documents in the mining sector.

Following Mr. Miller's discussion a Question and Answer section was allowed then the participants were broken up in 3 groups for deliberations on the questionnaire provided by MAC Africa Inc. Team leaders from each group presented on behalf of their respective groups and another Q & A section was allowed for further explanations on their concerns that were captured.

Summary of Comments

The following table gives a combined the list of issues arising from the 2 Town Hall meetings held in Cape Mount County (Western Region) and Nimba County (North & Central & Regions):

	Issues	Recommendations
Mining agents/Mining Chairmen/Regional Officers/Patrolmen	<ol style="list-style-type: none"> 1. Delaying of mining licenses at the Ministry of Lands Mines and Energy. 2. The Cadastre System is not up to the task 3. It is difficult to put in huge money in individual class "C" mining activities thereby government is not generating enough incomes from the sector. 4. Class "C" miners are not paying tax to government but are paying for only licenses 5. ASM and Class "C" miners should be encouraged to form cooperative 6. If there is a cooperative system the community will be able to know how much mineral is found thereby allowing 	<ol style="list-style-type: none"> 1. The Ministry must be able to provide mining licenses within the required time frame. 2. Improve the Cadastre System 3. Investors should be encouraged in the sector. 4. Special stones (10 Carats and above) found during mining activities should be taxed on by government before a miners can sell it to a broker 5. Miners should be encouraged to form cooperative 6. The community should work along with the cooperative. 7. Government must work along with cooperative to better acquire an understanding of the sector to be able to generate proceed from the sector 8. Government should increase the salaries of mining agents and provide the necessary logistical supports to enhance the work of the mining agents.

	<p>the communities to generate income from the cooperative</p> <p>7. Currently it is only the ASM miners who are lucky enough to come across high quality gem are benefiting from the sector</p> <p>8. Mining agents are not better paid and lack the logistical support to better carry on their functions.</p>	
	Issues	Recommendations
Miners	<ol style="list-style-type: none"> 1. It is difficult to obtain license 2. No surveyor is located in the region therefore it is difficult to demarcate a meet and bounds of a specific mining area which is posing a major problem for both mining agents and miners as well 3. Most of the time mining licenses are delayed the mining agents put the blames on the Cadastre thereby causing the mining agents to present only receipts to miner. The receipts do not specify neither expiration date nor amount paid, therefore most of the times miners pay more for licenses than the normal fees. 4. Miners do not pay for 	<ol style="list-style-type: none"> 1. Licensing procedures must be improved. 2. There should be at least a surveyor assigned in each region 3. The government must improve the Cadastre system 4. The ministry of Lands Mines and Energy should have a sub-office in the region or each district to help with constrains on transportation to get to Monrovia for licenses. 5. Surveyors should be facilitated to work in the area 6. For every community where gold & diamond is extracted, a 2% royalty should be allocated for the development purposes of the community

	<p>licenses by themselves rather the money is given to the mining agents who do the payment</p> <ol style="list-style-type: none"> 5. The sector is entrenched with survey dispute 6. The ministry of Lands Mines and Energy needs to decentralize its offices to create smooth working relationship with miners 7. Most of the time miners are requested to pay delinquent fees but these fees are never reflected on the receipts brought to the miners in question 8. Dealers should deal directly with the miners 9. so that the miners can be 10. able to pay the just taxes 11. The government must set a standard at which specific diamond must be purchased from a miner 12. The government is not giving loans to miner. 	
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Annex XI Questionnaire

TOWN HALL CONSULTATIONS WITH ARTISANAL AND SMALL SCALE MINERS OF THE WESTERN, NORTHERN & CENTRAL MINING REGIONS

1. What are the things you do not like about the Licensing Procedure, Registration and Revenue Payments scheme by the Government?
2. What suggestions do you have on improving the Licensing Procedure, Registration and Revenue Payments scheme by the Government?
3. What kind of support does the Artisanal & Small Scale Mining Sector need to assist it to be in full compliance with the EITI principles?
4. Small Scale mining has been going on in Liberia for decades, but only the individual miners & sellers have directly benefited, how can the Government of Liberia benefit from the sale of gold & diamonds by the miners & sellers to increase its revenue to provide development for the Country
5. What recommendations do you have for the inclusion of the small-scale mining sector into the reporting scheme of the LEITI?
6. What recommendations do you have for communities where gold & diamonds are mined and sold from to benefit from the sale of these minerals
7. Who are the major players in the ASM sector to include:
 - a. Miners
 - b. Supporters
 - c. Brokers
 - d. Dealers
8. What other concerns do you have about the ASM sector that you would like us to know about?

ANNEX XII Participants Attendance

Than, Gola Konneh District, Cape Mount County

TOWN HALL CONSULTATIONS WITH ARTISANAL AND SMALL SCALE MINERS OF THE WESTERN
MINING REGION
FRIDAY, JUNE 05, 2015
HELD AT GOLA KONNEH DISTRICT HALL
GOLA KONNEH DISTRICT, CAPE MOUNT COUNTY, LIBERIA

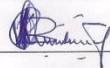
PARTICIPANTS ATTENDANCE

No.	Name	Occupation/Title	Mining District/Mining Town	Contact #	Signature
1.	Gr. Kopa Gmah	Mining Agent	Henry Town Mining	0888781211	<i>[Signature]</i>
2.	Alphonso Freeman	Mining Chairman	✓	0888856605	<i>[Signature]</i>
3.	Hannah S. Kamara	Mining Agent	Gbarma Mining Agency	088056179	<i>[Signature]</i>
4.	Wessah Kamara	Patrol Man	Gbarma Mining Agency	0888825552	<i>[Signature]</i>
5.	Fayjah Saah	General Chairman	Gbarma Mining Agency	-	<i>[Signature]</i>
6.	Stephen S. Jerue	General Chairman	Suehn Mecca Mining Agency	088855654	<i>[Signature]</i>
7.	Lusine Vaye	Miner	Suehn Mecca Mining Agency	071572987	<i>[Signature]</i>

8.	Miatta Johnson	Miner	Bopolu Mining Agency	0880077124	MJ
9.	Morris Momo	General Mining Chairman	Zeke Kai Mining Agency	0886985678	Momo
10.	James Barshell	Miner	Henry Town Mining Agency	0886891455	JB
11.	James Lama	Mining Agent	Suehn Mecca Mining Agency	0880477992	JL
12.	James Barlakpai	Miner	Zeke Kai Mining Agency	0888199571	JB James Sr
13.	Jackson J. Koyeyon	Mining Agent	Wleasua	0715930453	JJK
14.	Janet S. Kanneh	Miner Agent	Wleasua	0888434244	JK
15.	Dusmae Dolley	Mining Chairperson	Wleasua	0775910046	DD
16.	G. Amos Whei	Regional Coordinator	North Western Reg.	0886699975	AW
17.	Jame Sumo	Mining Chairperson	Gold Camp Mining Agency	0880962149	J. Sumo
18.	Morris Yah	General Mining Chairperson	Kauta Mining Agency	0770038528	MY
19.	Zoe Jackson	Youth Chairlady (Town) Miner	Shabolon Mining Agency	0886274073	ZJ

20.	George Goffa	Mining Chairman	Bopolu Mining Agency	0886589106	
21.	Mulbah Kelleh	Mining Chairman	Komgor Mining Agency	08860683599	MK
22.	Fulley Norma	Miner	Komgor Mining Agency	0886857838	
23.	Thomas Zorb	GDO Coordinator	Lofa Bridge	0886291240	
24.	Tonie B. Fahnbulleh	Mining Agent	Lands & Mins	08868810157	
25.	Baccus N. Sayegh	Mining Agent	Lands & Mines	0886477966	
26.	Jackson F. Yelewon	Mining Agent	Zelekai Mining Agency	0886310815	
27.	Crowoo Nuan	General Chairman	Bamgorima Mining Agency	0886465303	
28.	Varney Kormah	Miner	Bamgorima Mining Agency	—	
29.	Sando Johnson	Miner	Mano River Mining Agency	0886645226	S. J.
30.	Baima Sheriff	Mining Agent	Kawallahum Mining Agency	0886594213	
31.	Joseph Sami	Mining Chairman	Kawallahum Mining Agency	—	








32.	A. Baïma Kiauw	Mining Agent	Bopolu Mining Agency	0886953531	S.B.K.
33.	Moses W. Bartuah	Mining Agent	Camp Freeman Mining Agency	0886658615	D.B.
34.	Moses Ciapa	General Mining Chairman	Bellehyala Mining Agency	0886605128	D.B.
35.	D. Emmanuel Bainda	Miner	Bellehyala Mining Agency	0886382138	D.B.
36.	Philip S.K. Joe	General Mining Chairman	Camp Freeman Mining Agency	088829449	D.B.
37.	Sylvester Kieh	Miners Spokeman	Camp Freeman Mining Agency	0886738886	S.M.K.
38.	Fulley Feika	General Mining Chairman	Varguaye Mining Agency	077812010	F. Feika
39.	Selekei Konneh	Miner	Varguaye Mining Agency	0880655486	S.K.
40.	George L. Biah	Mining Agent	Varguaye Mining Agency	0886426107	S.K.
41.	Moses T. Lamin	Miner	Varguaye Mining Agency	0888388255	A.T. Lamin
42.	Sando Konneh	Town Chief	Tahn Town	0888872192	S.K.
43.	S. Betty Moore	Chairlady (Tahn Town)	Tahn Town	-	B.M.











44.	Amos M. Musa	Commissioner	Tamn Town Cola Koneh Dis.	0886926547	
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Ganta City, Nimba County

TOWN HALL CONSULTATIONS WITH ARTISANAL AND SMALL SCALE MINERS OF THE CENTRAL
& EASTERN MINING REGIONS
SATURDAY, JULY 04, 2015
GANTA CITY, NIMBA COUNTY, LIBERIA

PARTICIPANTS ATTENDANCE

No.	Name	Occupation/Title	Mining District/Mining Town	Contact #	Signature
1.	Henry Dibah	Miner	Ganta Mining Agency	0886922730	
2.	Thomas Gbah	Miner	Ganta/Gbapa Mining Agency	0886406875 077923594	
3.	Soah Johnson	Mining Agent	Totota Mining Agency	0886682099	
4.	Ericson Vaye	Mining Agency	Saniquele Mining Agency	0886907217	
5.	Helen Martiah	Miner	Saniquele Mining Agency		
6.	Helena Dolo	Miner	Botota Mining Agency	0886142377	
7.	Joseph J. Telee	Mining Agent	Klainsue Mining Agency	0886888740	
8.	Moses Nagbah	Chairman Miner	Botota Mining Agency	886530688	Nagbah

9.	Moses Brown	Miner	Botota Mining Agency	088642048	
10.	Christopher Yormie	Mining Agent	Ganta Mining Agency	0886991389	
11.	J. Sumo Talar	Regional Officer Coordinator Bong/Kofa/Nimba	—	0886588331	
12.	Matthao Yormie	Miner	Zorzor Mining Agency	0886289943	
13.	Daniel Mooney	Mining Agent	Zorzor Mining Agency	0877220049	
14.	Esther Newah	Miner	Voinjama Mining Agency	0776705797	
15.	Rufus Z. Diah	Chairman	Gbapa Mining Agency	0776823230	
16.	Alvin B. Wannah	Miner	Gbahn Mining Agency	—	
17.	Edwin Tozay	Miner	Gbahn Mining Agency	0776068480	
18.	Yan Deoub	Miner			
19.	Tilmemo Bonokae	Miner	Ganta Mining Agency	0886572558	
20.	Theresa Johnson	Miner	Ganta Mining Agency	—	Theresa John

21	Anthony Gono	Miner	Totota Mining Agency	0775185114	
22	Timothy Yellah	Miner	Saniquele Mining Agency	0886040305	TIMOTHY
23	Jonathan B. Talar	Miner	Zorzor Mining Agency	0886758669	
24	Melvin Gbarzeh	Miner	Ganta Mining Agency	0880283434	
25	Sam Tuah	Mining Agent	Gbapa Mining Agency	0775324212	
26	Adolphus Kpekand	Mining Agent	Buutu Mining Agency	0886805072	
27	Macley Jlay	Mining Agent	Yarpea Mining Agency	0770361353	
28	Festus T. Quewon	Patrol man	Yarpea Mining Agency	0777866195	
29	Clarence Boye	Patrol man	Yarpea Mining Agency	—	
30	Raye M. Gbozuah	Miner	Ganta Mining Agency	0777636338	
31	Stanley Konah	Youth	Ganta Youth Center	0880905711	
32	Sam Samagan	Miner	Ganta Mining Agency	0886203995	

Annex XIII Photos form Than, Gola Konneh District, Cape Mount County



Scoping Study in the Mining Sector conducted by MAC Africa Consultants for LEITI

ANNEX XIV Photos from the Ganta City, Nimba County Town Hall Consultations

