

PRESS STATEMENT

Government's Transitional Agreement for the Damang Mine: A Positive Signal for Sector Stability

Accra, Ghana – April 24, 2025

Introduction

ACEP commends the Government of Ghana's decision to grant Abosso Goldfields Limited (AGL) a 12-month extension of its lease at the Damang Mine, subject to parliamentary ratification in May 2025. Under this arrangement, open-pit mining will proceed, existing stockpiles will continue to be processed under a joint government-company management team, and no final transfer of ownership will occur until the extended lease period elapses. This phased, consultative approach aligns with ACEP's call for dialogue, adherence to due process and caution against sacrificing investor confidence at the altar of expediency, as set out in our [press statement](#) of April 17, 2025.

Outstanding Issues

While ACEP appreciates the local content spirit in the government's intention to eventually transition the Damang Mine into Ghanaian ownership after the extension period, we are mindful that mining is a capital-intensive and high-risk venture that demands more than patriotic aspirations. If the government intends to assume direct operational control, as it has communicated, it must be transparent about how it plans to do so sustainably. The Minerals Income Investment Fund (MIIF), the most convenient candidate for such an undertaking, has not demonstrated the operational readiness to manage a mine of this scale, especially given its track record in handling mineral royalties for investment purposes. The government must also recognise the significant funding needs of the Damang project, which requires over \$600 million in additional investment to sustain operations. Any proposed takeover must convince the Ghanaian public of a credible financing strategy and operational plan. The more prudent option would be for the government to stagger its equity acquisition and strategically share the risk with an experienced investor. Mining is not without its challenges. We have the lived experience from the 1970s, and we must approach this transition with caution, lest the government risk institutionalizing the very resource hemorrhages it claims to cure.

ACEP encourages continued and broader consultations to explore alternative models that deliver sustainable, long-term value for the people of Ghana.

Signed.

Benjamin Boakye

Executive Director