

SPEAKING NOTES

SIGNING OF MINING LEASE FOR ATLANTIC LITHIUM

Chairman of Atlantic Lithium Ltd;

Distinguished Ladies and Gentlemen;

Members of the Press.

- Let me thank you for joining us this afternoon for this brief, but important ceremony.
- You may recall that for some time now, we have been talking about green minerals, which include bauxite and manganese we have been mining already in the country, but more importantly, lithium, a new mineral discovered in our country which we are yet to exploit.
- These green minerals are the minerals required for the green energy transition, which is, moving away from fossil fuels, like the petrochemicals, to energy sources that are climate friendly.
- Lithium and the other green minerals are used in the production of batteries, as a replacement for fossil fuels to achieve zero emission, and to halt climate change.
- In 2017, Atlantic Lithium Ltd commenced exploration for lithium at Ewoyaa in the Central Region, and discovered high grade lithium in commercial quantities.

- By the mining laws of our country, where a company undertakes exploration and discovers minerals in commercial quantities, the company is entitled to the first right of refusal. That is to say, if the company wants to go in the mining, the company is entitled to be given a mining lease to mine.
- Without breaching our mining laws, and while respecting the sanctity of contracts, Government took a decision not to treat these new minerals the way we have done with other minerals over the years.
- Accordingly, on 13th July, 2022, on behalf of the President of the Republic, Nana Addo Dankwa Akufo-Addo, I presented a policy statement on the development and management of our green minerals to Parliament, which was anchored on ensuring that the exploitation of these green minerals inures to the benefit of Ghanaians, the true owners of these minerals, through
 - Effective and efficient exploitation;
 - Local content and local participation; and
 - Value addition.
- Subsequently, we submitted to Cabinet, Policy proposals for the exploitation and management of our green minerals, which Cabinet, after considerable debate and critique, approved on 27th July, 2023.
- Among the approved policies are:

- an increased royalty rate for green minerals;
 - an increase in State and Ghanaian participation in all green mineral operations to a minimum of thirty percent (30%);
 - an enhanced local content and local participation, including listing on the Ghana Stock Exchange; and
 - value addition and beneficiation.
- Based on these policies, we entered into negotiations with Atlantic Lithium, which at certain times, President Akufo-Addo, himself, as a distinguished lawyer, made several inputs to ensure that we get the best deal.
 - So following series of negotiations, we concluded an agreement with Atlantic Lithium for the exploitation of lithium in Ewoyaa.
 - And today, we are granting to the Company a mining lease to commence construction for the mining of lithium.
 - For the avoidance of doubt, this is the first lease granted for the mining of lithium in the country.
 - And the Lease we are signing today differs from our standard Mining Lease, in that, it incorporates the agreed terms we have concluded with the company, based on the Policy approved by Cabinet;
 - Among the innovative provisions in this lease are:

- an increase in royalties rate from the standard five percent (5%) to ten percent (10%). The company will therefore pay 10% royalties on all minerals mined;
- an increase in the State's free carried interest from ten percent (10%) to thirteen percent (13%). Government will, therefore, hold 13% shares in the company which it will not pay for; but would be entitled to dividends and other rights;
- an additional Government participation through the acquisition of shares. Thus, in addition to the 13% shares, Government, through the Minerals Income Investment Fund (MIIF) will acquire additional six percent (6%) shares in the mining company, and 3.06% shares in the holding company, which is listed on the Australian and London Stocks Exchange. This will bring Government's interest in the company to nineteen percent (19%) in the local company, and 3.06% in the foreign holding company;
- additionally, Government and MIIF will have representations on the Board of both the local company and the foreign company to protect Government's interest;

- to ensure that other interested Ghanaians benefit from this mining operation, the company will list on the Ghana Stock Exchange, and their shares will be made available to Ghanaian entities and individuals, including SSNIT, pension funds and other high income individuals;
- in addition to all taxes, royalties, and levies, including one percent (1%) Growth and Sustainability Levey, the Company will also pay one percent (1%) of its revenue into a Community Development Fund, to be utilised for the development of communities impacted by their operations;
- in terms of value addition, the company has committed to complete a feasibility study for the establishment of a chemical plant within four (4) months of the signing of the lease. As I have said repeatedly, our commitment is to ensure that, as much as possible, we add value to these minerals before exporting them. We do not intend to export lithium in its raw state;
- so, we have agreed that if the company is unable to establish a chemical plant in the country, it will provide its mineral mined to any chemical plant established in the country. This will ensure that we do not export lithium in its raw state; and
- finally, all by products from the operation, such as feldspar and kaolin would have to be sold locally to feed the local ceramic and other industries.

- All these measures have been put in place to ensure that we derive optimal benefit from these minerals.
- Maintaining the full value chain of lithium is a huge task and very capital intensive. Currently, only China, has an end-to-end lithium – battery industry, from mining to battery production. But we are committed to ensure that what can be done here, remains here.
- To the company, I urge you to continue to abide by the mining laws of our country, and ensure that your operations are responsible, sustainable and environmentally-sound.
- So once again I want to thank you all for coming.
- I thank you for your attention.