



DEFINITION

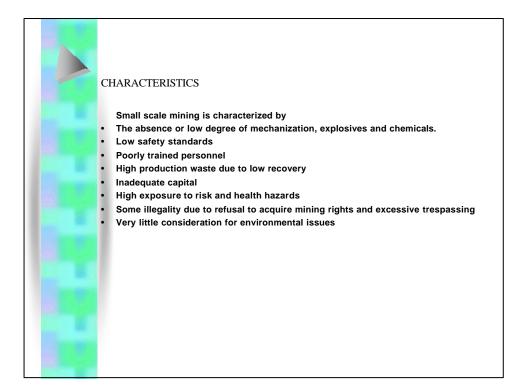
Small scale mining

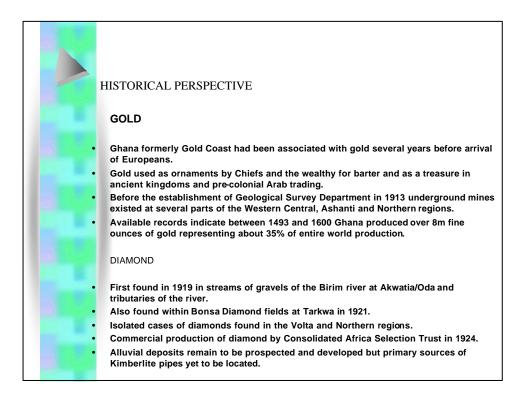
- Is also called artisanal mining
- It involves alluvial mining operations (alluvial gold) from uncertain reserves.
- It is a process where peasant miners pan for gold along the banks and the beds of rivers and streams
- May involve mining deep down to gold bearing rocks (lode gold) and diamondiferous gravels.

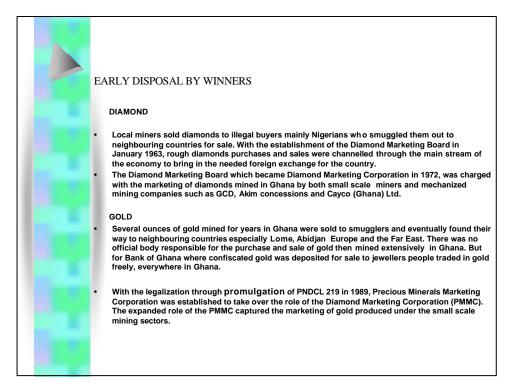
NATURE

Small scale mining is:

- Driven by the get rich quick mentality of transient youth.
- Family- oriented analogous to subsistence farming
- Largely poverty driven activity
- Generally labour intensive
- Widespread and prevalent in many of the world's poorest countries in Africa and South America.

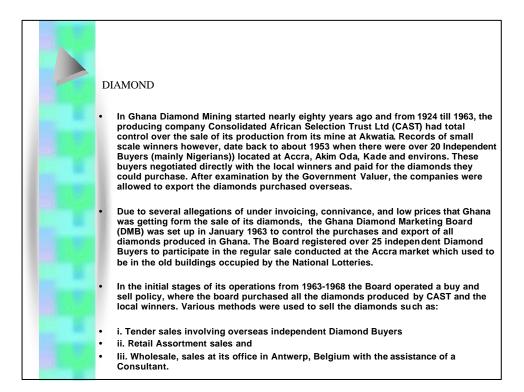


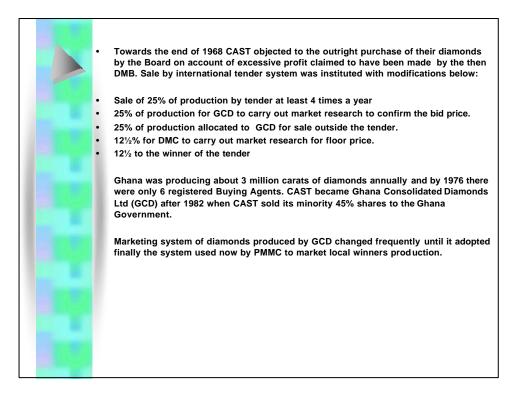














Marketing of artisanal diamond mining winnings have actually gone through several process

- Purchased diamonds were shipped to PMMC officer in Antwerp for both wholesale outright sale and retail sorting sales with the assistance of a Consultant. This proved expensive and unprofitable due to taxes, rent and payment of emoluments to staff and Consultant.
- Registered overseas buyers (6 in number) were invited every quarter for tender sales. The system was abrogated due to consistent low prices offered, resulting in near losses and marginal profits on account of collusion between the buyers expected to be independent.
- In operation now is an open market system whereby registered buyers from various countries India, Belgium, South Africa, far East and Israel have been provided with offices to offer competitive prices. Winners are at liberty to show the mixed parcel of diamonds to any of them and take same away if there is deadlock in price negotiation. The local seller decides on whom to sell to after negotiation on price with as many of them as possible.

The latest method have actually increased sales, raised the confidence, transparency and has brought about sustainable healthy competition in the one- stop Diamond

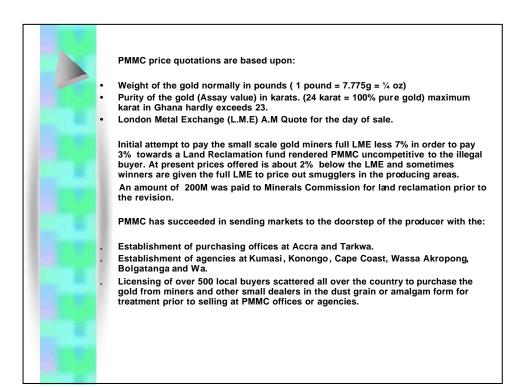


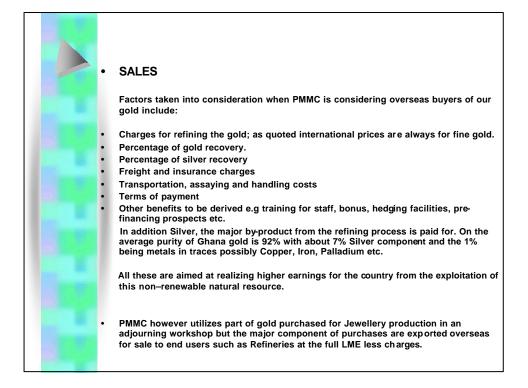
Bourse created at the same floor in the Diamond House Head Office, Accra of PMMC.

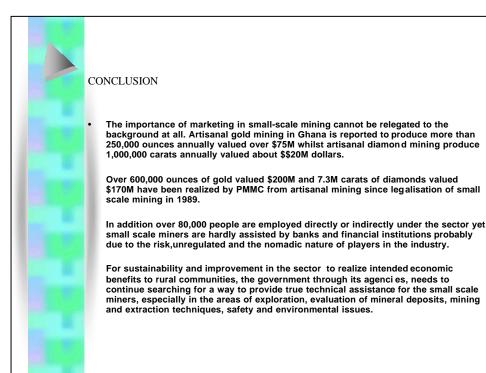
- Management ensures the financial strength, integrity and credibility of prospective buyers by conducting Dun & Bradstreet report on their companies prior to commencement of operations. All resident buyers transfer upfront in US Dollars funds through the Central Bank for the purchase of the diamonds. Winners are paid immediately after sale at a Bank at the Diamond House. Diamonds purchased by the registered buyers under lock and key, are kept in custody of PMMC pending shipment to various destinations on request.
- Diamonds for shipment are subjected to PMMC's pre-shipment inspection of the value, weight and 'conflict diamonds' prior to processing of export documents and subsequent shipment.

GOLD

Marketing of gold produced by the major mining companies such as Ashanti Goldfields Company Ltd (AGC), Goldfields Ghana Ltd, Billion Bogoso Gold Ltd. etc is carried out under various marketing and refining agreements independent of PMMC. Under the provisions of PNDCL 219 gold produced by small scale miners as well as medium sized companies are to be purchased by PMMC.









In addition it is important to encourage a perfect co-existence of small and large scale miners for the exploitation of pockets of lands not economically feasible to mine mechanically. Sustainable development however entails the building of necessary technical capacity/direction and enhancing greater productivity and job security while minimising the negative impacts on environment.

The artisanal mining sector however, serve as an economic anchor point for stimulating the development of complementary, sustainable and revenue generating activities to be integrated into the local economic structure. This can go a long way to check rural-urban drift by the youth for non-existent jobs and reduce social menace in such communities.

