Client Alert

Ghana's Green Minerals Policy: What Investors Need to Know

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Ghana is taking significant steps to reshape the regulation of its green minerals sector as it seeks to capture greater value from the global transition to clean energy. One such step was the introduction of a Green Minerals Policy ("Policy") which was formulated and subsequently approved by Cabinet in July 2023.

Although the Policy has not yet been published, recent legislative reforms and public statements by Government indicate a clear policy direction aimed towards greater domestic value addition, increased state participation and enhanced local involvement cross the green minerals value chain.

For investors, the significance of these developments extends beyond regulatory compliance. The proposed reforms have the potential to influence project structuring, financing, valuation, offtake arrangements and long-term investment strategy

Key Proposed Policy Changes

- Restrictions on the export of unprocessed green minerals and increased emphasis on local beneficiation and downstream processing.
- ·Enhanced local content and participation requirements, including possible accelerated Ghana Stock
- Exchange listing obligations and increased community participation. Potential increases in royalty rates and expanded state participation in green mineral projects.
- Greater involvement of state institutions such as the Minerals Income Investment Fund (MIIF), the Ghana Integrated Aluminum Development Corporation (GIADEC) and the Ghana Integrated Iron and Steel Development Corporation GIISDEC in project development and mineral offtake arrangements.
- Stronger sustainability and environmental governance expectations for operators in the sector

The proposed policy changes are generally consistent with recent legislative reforms, including the Ghana Gold Board Act, 2025 (Act 1140), the Local Content Regulations and the recently introduced royalty framework for lithium in the Minerals and Mining (Royalty Regulations), 2025 (L.I. 2517). Collectively, these measures demonstrate an increasing policy preference for retaining greater economic value from Ghana's mineral resources.

Why This Matters For Existing Investors and Operators

For investors, the significance of these developments extends beyond regulatory compliance. The proposed reforms have the potential to influence project structuring, financing, valuation, offtake arrangements and long-term investment strategy

However, the proposed measures may also increase operational, compliance and financing burdens for market participants. Increased royalties, mandatory beneficiation and expanded state participation could affect project valuation, financing assumptions and expected rates of return. Mining companies generally should also revisit stabilisation provisions, development agreements and fiscal protections to determine the extent to which existing contractual arrangements provide protection against future legislative or policy changes. Likewise, businesses contemplating greenfield investments should consider allocating regulatory risk more carefully during negotiations

The anticipated requirement for local processing could reshape supply chains and offtake arrangements. Projects that currently rely on exporting raw mineral products may need to evaluate local refining solutions or strategic partnerships, particularly where beneficiation becomes a condition of project development

What Remains Uncertain

The Policy itself has not yet been released publicly, leaving several important questions unanswered, including implementation timelines, whether requirements will apply uniformly across projects, and the extent to which certain reforms will require amendments to existing legislation.

The practical application of the Policy may therefore emerge gradually through legislation, mining leases and negotiated investment agreements.

A key policy challenge will be balancing legitimate national development objectives with maintaining Ghana's competitiveness as an investment destination. Excessive fiscal or operational burdens, without corresponding commercial incentives or infrastructure, could also discourage investment at a time when competition for critical minerals capital is intensifying globally.

Action Points for Mining Companies and Investors

In anticipation of the implementation of the policy, mining companies and investors should begin preparing for:

- potential increases state participation;
- stricter local content and Ghana Stock Exchange listing requirements;
- possible restrictions on the export of unprocessed minerals;
- mandatory beneficiation and local processing expectations; and
- enhanced ESG, community engagement and regulatory compliance obligations.

Businesses should also review existing mineral rights agreements, investment agreements, financing structures and supply chain arrangements to assess exposure to future regulatory and fiscal changes.

Early engagement with regulators and proactive regulatory risk assessments will be critical as Ghana continues to develop its green minerals framework

How JLD & MB Can Assist

Our Mining and Natural Resources practice regularly advises mining companies, investors, financiers and governments on complex mining transactions and regulatory matters. We assist clients with regulatory strategy, mining and investment agreements, project structuring, local content compliance, financing, beneficiation and offtake arrangements, and ongoing regulatory engagement.

As Ghana positions itself within the global energy transition value chain, investors and operators should closely monitor ongoing policy and legislative developments and proactively assess their legal and commercial implications

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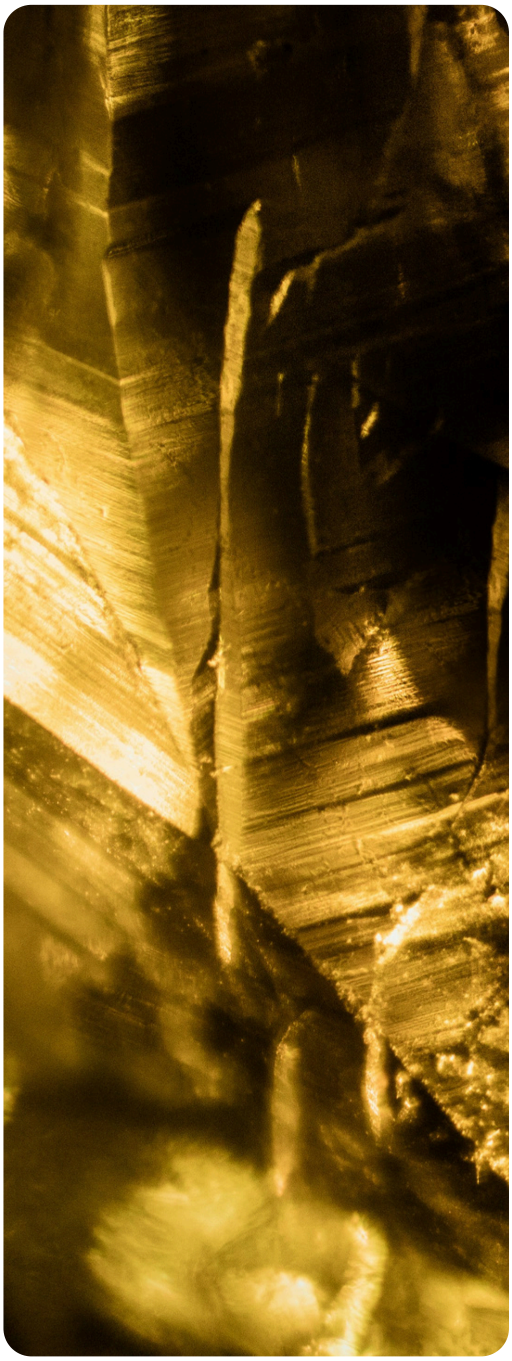

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