

## Establishing Material Threshold for Post Award Process Audit/Investigation

### Background

Pursuant to the LEITI Act of 2009, the LEITI shall perform “appropriate audits/investigations of the process by which each material concession, contract, license, and other rights is awarded by the Government in respect of forestry, mining, oil, agriculture and other designated resource sectors of Liberia in order to determine that each concession, contract, license, and similar right was awarded in compliance with applicable Liberian laws”.

Accordingly, the LEITI lifted in its 2009/10 Work Plan, and the Multi-stakeholder Steering Group (MSG) approved, the conduct of process audit/investigation of all material concession, contract, license, and other rights awarded by the Government in respect of, mining, oil, forestry, and agriculture. The initial challenge to this task was securing funds amidst government’s own constraints in a post conflict environment. This was resolved when the African Development Bank, under its Fragile States Facility Program extended a grant of \$95k towards this exercise. Administrative changes at the Secretariat hindered tackling and completing this task. Subsequently, a grant extension was sought and received to allow the exercise to be carried out before December 2012.

With these hurdles being cleared, the MSG instructed the Secretariat to conduct a materiality assessment on all reported sectors to determine the basis on which individual/companies may be included in the process audit.

It is against this background that the LEITI Secretariat carried out this study with intent to provide analysis and recommendation for the establishment of material threshold(s) to be used in the LEITI Post Award Process Audit.

### Definition

The MSG agreed that the effective date of the LEITI Act of 2009 serves as the initial basis on which materiality will be defined. In other words, all rights granted/amended by the Government before July 13, 2009 will not be included in this process audit/investigation.

The date on which concession and other rights were printed into handbill was used to determine if it should form part of the process audit, however, where that information was unavailable the Secretariat use the approval date as a default.

Realizing the LEITI Act of 2009 requires that the process audit/investigation is carried out annually, the Secretariat decided setting December 31, 2011 as a logical cutoff point. Rights granted/amended after this date will form part of the next process audit.

With this establishment, materiality is therefore defined such that by excluding an individual(s), company or group of companies whose rights were granted/amended effective July 13, 2009 through December 31, 2011 from the review exercise the outcome would not be significantly affected.

A firm considered immaterial for this study does not forbid the MSG from seeking to singly or collectively review the award process if it so desires.

## Methodology

The Secretariat's attempt at data collection posed the heaviest challenge in this exercise. Except the National Oil Company of Liberia (NOCAL), supervising ministries and agencies could not provide copies of all concessions, contracts, licenses, etc. for individuals and companies under their supervision. The Secretariat used additional sources including National Bureau of Concession, Nation Investment Commission, Ministry of Foreign Affairs, etc. to secure data use in this report. Even with additional support from these agencies, the Secretariat could not obtain a comprehensive listing of all companies along with documents assigning rights for this project.

Given the unmatched characteristics of these sectors, it was logical to use separate indicators (i.e. investment amount, land area, etc.), where possible, to determine materiality.

The analysis and recommendation in this report is based only on information gathered and in the possession of the Secretariat.

## A. Oil Sector

From data gathered there are nine (9) existing concession rights in the oil sector, ranging from Blocks 8 through 17. There is no evidence of existing concession rights awarded for Blocks 1 through 7. Evidence shows Blocks 11, 12 and 14 which were initially passed into law prior to July 13, 2009, and amended during the period under review.

Sector	Company	Origin	Type	Approved	Printed	Tenure	Location	Investment Size	%age	Contract Available
Oil	GOL, Anadarko Liberia	Cayman Island	PSC	23-Jul-09	29-Jul-09	7 Years	LB - 10	\$ 33,000,000	28.4%	Y
Oil	GOL, Broadway Consolidated PLC	United Kingdom	PSC	16-Apr-07	22-May-07	9 Years	LB - 13	\$ 5,000,000	4.3%	Y
Oil	GOL, Hong Kong Tongtai Petroleum Intl Corp LTD			NO DATE			LB - 6 & 7		0.0%	Not Signed
Oil	GOL, Oranto Petroleum Ltd w/ Addendum	Nigeria	PSC	16-Apr-07	22-May-07	8 Years	LB - 11	\$ 8,000,000	6.9%	Y
Oil	GOL, Oranto & Chevron Liberia Ltd. (2nd Addendum)	British Virgin Is./ Bermuda	PSC	3-Sep-10	6-Sep-10	9 Years	LB - 11	\$ 4,500,000	3.9%	Y
Oil	GOL, Oranto Petroleum Ltd w/ Addendum	Nigeria	PSC	16-Apr-07	22-May-07	8 Years	LB - 12	\$ 8,000,000	6.9%	Y
Oil	GOL, Oranto & Chevron Liberia Ltd. (2nd Addendum)	British Virgin Is./ Bermuda	PSC	3-Sep-10	6-Sep-10	9 Years	LB - 12	\$ 4,500,000	3.9%	Y
Oil	GOL, Oranto Petroleum Ltd	Nigeria	PSC	23-Jul-09	29-Jul-09	9 Years	LB - 14	\$ 10,000,000	8.6%	Y
Oil	GOL, Oranto & Chevron Liberia Ltd. (2nd Addendum)	British Virgin Is./ Bermuda	PSC	3-Sep-10	6-Sep-10	9 Years	LB - 14	\$ 10,000,000	8.6%	Y
Oil	GOL, Regal Liberia Ltd. & European Hydrocarbons Ltd.	England	PSC	11-Jun-08	23-Jun-08	4 Years	LB - 8	\$ 4,500,000	3.9%	Y
Oil	GOL, Regal Liberia Ltd. & European Hydrocarbons Ltd.	England	PSC	11-Jun-08	23-Jun-08	4 Years	LB - 9	\$ 4,500,000	3.9%	Y
Oil	GOL, Repsol Exploration S.A	Spain	PSC	11-Jun-08	23-Jun-08	8 years	LB - 16	\$ 8,000,000	6.9%	Y
Oil	GOL, Repsol Exploration S.A	Spain	PSC	11-Jun-08	23-Jun-08	8 years	LB - 17	\$ 8,000,000	6.9%	Y
Oil	GOL, Woodside West Africa PTYLTD	Australia	PSC	11-Jun-08	23-Jun-08	4 Years	LB - 15	\$ 8,400,000	7.2%	Y
<b>Total</b>								<b>\$ 116,400,000</b>		

A review of the table shows 5 rights were awarded and or amended effective July 13, 2009. Excluding any of these would have a significant impact on our analysis based on the size of investment. Accordingly, the Secretariat recommends that the process by which each right was awarded be subject to process review to determine if it was done in keeping with applicable Liberian laws. The firms/blocks involved are:

1. GOL, Anardako, Block 10
2. GOL, Oranto & Chevron (2<sup>nd</sup> Addendum), Block 11
3. GOL, Oranto & Chevron, Block 12
4. GOL, Oranto, Block 14
5. GOL, Oranto & Chevron (2<sup>nd</sup> Addendum), Block 14

## **B. Agriculture**

A review of the Agriculture sector shows 15 concessions, 2 contracts, and 1 Memorandum of Understanding (MOU) with a combined investment size of at least US\$2.9m, based on information available to the Secretariat.

Sector	Company	Type	Approved	Printed	Tenure	Location	Investment Size	%age	Contract Available
Agriculture	ADA/LAP Commercial Inc	Concessi	11-Jun-08	8-Jul-08	20 Years	Lofa	\$ 30,000,000	1.0%	Y
Agriculture	Buchanan Renewable Energies	Contract	14-Apr-08	14-Apr-08	3 Years	Bassa	\$ 150,000,000	5.1%	Y
Agriculture	Cavalla Rubber Corporation	Concession		16-Dec-10	50 Years	Maryland	\$ 78,000,000	2.7%	Y
Agriculture	Equitorial Palm Oil	Concession		2007		Bassa	\$ 100,000,000	3.4%	N
Agriculture	Firestone Rubber	Concession		31-Mar-08			N/A		Y
Agriculture	Golden Veroleum (Liberia) Inc.	Concessi	1-Sep-10	2-Sep-10	65 Years	Multiple	\$ 1,600,000,000	54.5%	Y
Agriculture	Lee Group of Companies	Contract	19-May-03				N/A		Y
Agriculture	Liberia Agriculture Company (LAC)	Concessi	12-May-05			Bassa	\$ 87,000,000	3.0%	Y
Agriculture	Liberia Cocoa Corporation	MOU	N/A	N/A		Lofa	\$ 12,000,000	0.4%	N
Agriculture	Liberia Company	Concessi	22-Dec-49	18-Jan-50			N/A		Y
Agriculture	Liberia Forests Products	Concessi	22-May-08	6-Aug-08			N/A		Y
Agriculture	Libinc Oil Palm Inc	Concessi	22-May-08	6-Aug-08	40 Years		N/A		Y
Agriculture	Maryland Palm Oil / Decoris	Concessi	2011	2011	33 Years	Maryland	\$ 64,000,000	2.2%	N
Agriculture	Morris American Rubber Company	Contract	10-Aug-07				N/A		Y
Agriculture	Novel Liberia Inc.	Concessi	22-Jun-08			Cape Mount	N/A		Y
Agriculture	Novel Rice	Concessi	11-Sep-08	23-Sep-08		Cape Mount	N/A		N
Agriculture	Salala Rubber / Cultuur Maatschappij	Concessi	1-Aug-59			Bong	N/A		Y
Agriculture	Sime Darby Plantation (Liberia) Inc	Concessi	30-Apr-09		63 Years	Multiple	\$ 800,000,000	27.2%	Y
Agriculture	Sinoe Rubber Corporation	Concessi	N/A	N/A			\$ 15,000,000	0.5%	N
<b>Total</b>							<b>\$ 2,936,000,000</b>		

A careful review of the sector shows that three companies were granted rights by the Government of Liberia during the period under review. Those companies are the Cavalla Rubber Corporation, Maryland Oil Palm/Decoris, and Golden Veroleum on September 2, 2010.

While the Cavalla Rubber Corporation accounts for only about 3% of total sector investment, the Secretariat recommends the company forms part of the process audit based on tenure (50 years) of the rights assigned. Golden Voreleum should also form part of the review based on size of investment and tenure.

## **C. Forestry**

Rights in the forestry sector are awarded in three categories, namely: Forestry Management Contract (FMC), Private Use Permit (PUP), and Timber Sales Contract (TSC). Due to incomplete data on investment size for this sector, our attempt at defining materiality for FMCs and PUPs is based on total area which is measured in hectare. The analysis on TSC will base on minimum investment size.

Sector	Company	Type	Approved	Printed	Tenure	Location	Investment Size	Total Area (hectacre)	%age	Contract Available
Forestry	Alpha Logging & Wood Processing Inc.	FMC	27-May-09	4-Jul-09	25 yrs	A - A, Lofa	\$ 24,500,000	119,240	12%	Y
Forestry	Atlantic Resources Ltd.	FMC	30-Sep-09	1-Oct-09	25 yrs	A - P, Multiple	\$ 22,200,000	119,344	12%	Y
Forestry	Eco Timber Liberia Ltd	FMC							0%	N
Forestry	EJ & J Investment Corp.	FMC	27-May-09		25 yrs	A - B, Rivercess	\$ 1,000,000	57,262	6%	Y
Forestry	Euro Liberia Logging Co.	FMC	30-Sep-09	1-Oct-09	25yrs	A - F, Multiple	\$ 2,060,266	253,670	25%	Y
Forestry	Geblo Inc	FMC	17-Sep-09	1-Oct-09	25 yrs	A - I, Multiple	\$ 5,875,000	131,466	13%	Y
Forestry	International Consultant Capital (ICC)	FMC	30-Sep-09	1-Oct-09	25 yrs	A - K, Multiple	\$ 10,000,000	266,910	26%	Y
Forestry	Liberia Tree & Trading Co.	FMC	27-May-09	4-Jul-09	25yrs	A - C, Rivercess	\$ 2,000,000	59,374	6%	Y
Forestry	Mandra Forestry Liberia Limited	FMC								N
								<b>1,007,266</b>		
Forestry	Ecowood Incorporated/Texas International	PUP							0.0%	N
Forestry	Monica Cooper /Margibi County	PUP							0.0%	N
Forestry	Nimley Equipment Logging Inc	PUP							0.0%	N
Forestry	People of Chedepo and Potupo Districts	PUP	28-Apr-11		25yrs	River Gee	\$ 50,000	51,262	4.9%	Y
Forestry	People of Bade Clan	PUP							0.0%	N
Forestry	People of Bella Yellah District	PUP							0.0%	N
Forestry	People of Bolloh, Dorbor and Fenetoe	PUP							0.0%	N
Forestry	People of Bopolu District	PUP							0.0%	N
Forestry	People of Campwood/Gheegbahn Dist.	PUP	16-Mar-11		25 yrs	Grand Bassa	\$ 50,000	51,472	5.0%	Y
Forestry	People of Cavalla Dist.	PUP	15-Jun-11		23 yrs	Grand Gedeh	\$ 50,000	38,956	3.7%	Y
Forestry	People of Chedepo & Potupo Dists.	PUP	28-Apr-11		23 yrs	River Gee	\$ 50,000	45,873	4.4%	Y
Forestry	People of Deegba Clan	PUP							0.0%	N
Forestry	People of Deekpeh Section	PUP	3-May-11		27 yrs	Grand Bassa	\$ 25,000	4,503	0.4%	Y
Forestry	People of Dobi Clan	PUP	4-Jan-11		4.8 yrs	Bong	\$ 50,000	8,078	0.8%	Y
Forestry	People of Doedian District	PUP	15-Jun-11		30 yrs	Rivercess	\$ 50,000	49,394	4.8%	Y
Forestry	People of Doe's Chiefdom	PUP	17-Jan-11		25 yrs	Nimba	\$ 50,000	79,263	7.6%	Y
Forestry	People of Dugbeh River District	PUP	6-Oct-11		25 yrs	Sinoe	\$ 50,000	52,858	5.1%	Y
Forestry	People of Foya Dist.	PUP	19-Dec-11		25 yrs	Gbarpolu	\$ 100,000	121,834	11.7%	Y
Forestry	People of Gbarma District	PUP							0.0%	N
Forestry	People of Gbeapo, Potupo and Sarbo Dist	PUP	4-May-10		23 yrs	River Gee	\$ 50,000	45,873	4.4%	Y
Forestry	People of Gbeapo and Potupo Dists.	PUP	4-May-10		25 yrs	River Gee	\$ 50,000	51,262	4.9%	Y
Forestry	People of Gbeapo-Thienpo Dist.	PUP	15-Jun-11		25 yrs	River Gee	\$ 50,000	63,287	6.1%	Y
Forestry	People of Gbewor District	PUP							0.0%	N
Forestry	People of Geetroh Comm. Forest Mgmt. O	PUP	23-Apr-10		11 yrs	Sinoe Co	\$ 50,000	22,831	2.2%	Y
Forestry	People of Gibi Dist.	PUP	19-Jan-11		13 yrs	Margibi	\$ 50,000	22,163	2.1%	Y
Forestry	People of Gola-Konneh District	PUP							0.0%	N
Forestry	People of Jeadea District	PUP							0.0%	N
Forestry	People of Jo-River District	PUP	6-Oct-11		3 yrs	Rivercess	\$ 50,000	30,765	3.0%	Y
Forestry	People of Karlway Dist.	PUP	31-Aug-10		17 yrs	Maryland	\$ 50,000	28,847	2.8%	Y
Forestry	People of Kokoyah Dist.	PUP	23-May-11		13 yrs	Bong	\$ 50,000	21,549	2.1%	Y
Forestry	People of Kolahun Dist. ( Mary Kpoto )	PUP	25-Nov-09		3 yrs	Lofa	\$ 50,000	4,058	0.4%	Y
Forestry	People of Kongba District	PUP							0.0%	N
Forestry	People of Kulu Shaw-Boe Dist.	PUP	12-Aug-11		12yrs	Sinoe	\$ 50,000	20,193	1.9%	Y
Forestry	People of Loria Clan	PUP	4-Jan-11		8 yrs	Bong	\$ 50,000	13,636	1.3%	Y
Forestry	People of Lower & Upper Jloh Dist.	PUP	1-Sep-10		22yrs	Grand Kru	\$ 50,000	36,509	3.5%	Y
Forestry	People of Marbo Clan	PUP							0.0%	N
Forestry	People of Nitrian Community, Kpanyan Dis	PUP	16-Sep-11		15 yrs	Sinoe Co	\$ 50,000	947	0.1%	Y
Forestry	People of Sam Gbalor Dist.	PUP	12-Aug-11		14 yrs	River Cess	\$ 50,000	23,432	2.3%	Y
Forestry	People of Seekon District	PUP							0.0%	N
Forestry	People of Tarsue Dist.	PUP	12-Aug-11		25 yrs	Sinoe	\$ 50,000	63,002	6.1%	Y
Forestry	People of Teemor Section	PUP	23-May-11		11 yrs	Grand Bassa	\$ 50,000	18,779	1.8%	Y
Forestry	People of Thiene District/Tienpo Communi	PUP							0.0%	N
Forestry	People of Vahun District	PUP							0.0%	N
Forestry	People of Voinjama District	PUP							0.0%	N
Forestry	People of Zleeh Town	PUP	3-Jun-11		17 yrs	Grand Gedeh	\$ 50,000	28,143	2.7%	Y
Forestry	People of Zodia Section	PUP	10-Jan-11		7 yrs	Grand Cape Mount	\$ 50,000	11,324	1.1%	Y
Forestry	People of Zorzor District	PUP							0.0%	N
Forestry	People of Zota District	PUP							0.0%	N
Forestry	People of Zoye Town, Doe Clan	PUP	17-Dec-10		2.5 yrs	Grand Bassa	\$ 50,000	5,564	0.5%	Y
Forestry	People of Zulo Clan	PUP	4-Jan-11		14 yrs	Bong	\$ 50,000	23,306	2.2%	Y
Forestry	Tartweh-Drapoh Management & Developm	PUP							0.0%	N
Forestry	Universal Forestry Corporation	PUP							0.0%	N
								<b>1,038,963</b>		
Forestry	Akewa Group of Companies	TSC	21-Jul-10		3 yrs	A - 3, Grand Bassa	\$ 250,000	5,000	13.9%	Y
Forestry	B & V Timber Co.	TSC	1-Jun-08		3 yrs	A - 9, Cape Mount	\$ 25,000	5,000	1.4%	Y
Forestry	B & V Timber Co.	TSC	1-Jun-08		3 yrs	A - 6, Multiple	\$ 25,000	5,000	1.4%	Y
Forestry	Bargor & Bargor Enterprise Inc.	TSC	1-Jun-08		3 yrs	A - 7, Gbarpolu	\$ 250,000	5,000	13.9%	Y
Forestry	Bassa Logging & Timber Corporation	TSC	21-Jul-10		3 yrs	A - 11, Cape Mount	\$ 250,000	5,000	13.9%	Y
Forestry	Bopolu Development/BODECO	TSC							0.0%	N
Forestry	Global Logging Company	TSC							0.0%	N
Forestry	New Liberia Resources International Inc.	TSC							0.0%	N
Forestry	Sun Yeun Corp.	TSC	21-Jul-10		3 yrs	A-16, Cape Mount	\$ 250,000	5,000	13.9%	Y
Forestry	Sun Yeun Corp.	TSC	21-Jul-10		3 yrs	A-15, Cape Mount	\$ 250,000	5,000	13.9%	Y
Forestry	Tarpeh Timber Corp.	TSC	1-Jun-08		3 yrs	A - 2, Grand Bassa	\$ 250,000	5,000	13.9%	Y
Forestry	Thunderbird Intl. Lib	TSC	1-Oct-10		2 yrs	A - 8, Cape Mount	\$ 250,000	5,000	13.9%	Y
							<b>\$ 1,800,000</b>			

### **FMC**

There are four companies granted FMCs rights between July 13, 2009 and December 31, 2011. They are Atlantic Resources, Euro Liberia Logging, Geblo Inc., and International Consultant Capital, with 12%, 25%, 13% and 26%, respectively, of total land area occupied by all FMCs.

Excluding any of these from the analysis would significantly alter the analysis based on land area. The Secretariat recommends that all four companies form part of the process review audit.

### **PUP**

The Secretariat counted fifty-two PUPs issued by the Forestry Development Authority (FDA). Of this count, thirty were issued between July 13, 2009 and December 31, 2011. The Secretariat has all these contracts in its possession.

Five of these companies have rights over land area less than one percentage of the total land area occupied by PUPs. The Secretariat recommends that these companies be excluded from the process audit, and that the remaining twenty-five firms with land area equal to or greater than one percentage point are included in the process audit.

### **TSC**

The Secretariat counted twelve TSCs issued by the Forestry Development Authority. Five (5) of these contracts were awarded between July 13, 2009 and December 31, 2011. Based on minimum investment required, each of the five firms account for roughly 14% of minimum investment for all companies in this sub-sector.

The Secretariat recommends that each of the five company's rights forms part of the process audit, given that by excluding anyone will materially affect the outcome of the audit.

### **D. Mining**

Mining rights are grouped into the following categories with annual renewal required for continued operations.

1. Prospecting (\$125)
2. Class C (\$150)
3. Class B (\$10,000)
4. Gold Brokers (\$1,500)
5. Diamond Brokers (\$1,500)
6. Gold Dealers (\$5,000)
7. Diamond Dealers (\$25,000)
8. Reconnaissance (\$15,000)
9. Exploration (\$5,000 plus surface rental)
10. Mineral Development Agreement (MDA)
11. Class A (\$50,000)

Prospecting, Class C, Gold and Diamond Brokers are considered immaterial based on the cost of obtaining rights and are therefore excluded from these analyses.

Sector	Company	Type	Approved	Printed	Tenure	Location	Investment Size	%age	Contract Available
Mining	Global Mineral Investment LLC	Class B	2011				\$ 10,000	13%	MLME
Mining	Liberia Tailings Inc	Class B	2011				\$ 10,000	13%	MLME
Mining	Lichi INC.	Class B	2011				\$ 10,000	13%	MLME
Mining	Longda Business INC.	Class B	2011				\$ 10,000	13%	MLME
Mining	Massa Investment Corporation	Class B	2011				\$ 10,000	13%	MLME
Mining	PEDRA MINING CORPORATION (CLARE	Class B	2011				\$ 10,000	13%	MLME
Mining	vandillay Industries Inc. (Daniel S. Burden)	Class B	2011				\$ 10,000	13%	MLME
Mining	West Africa Mines Ltd	Class B	2011				\$ 10,000	13%	MLME
							<b>Total \$ 80,000</b>		MLME
Mining	A.D.M.T (Liberia)	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	AFRIC DIAM COMPANY INC.(Mustapha Tr	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Brown Stone INC	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	CHARIS MINERALS, INC.	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Diamco INC.	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Konblo Bumi Inc.(KBi) (CHOLOH)	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Massa Investment Corporation	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Royal Company	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	SPRI GROUP AFRICA LIMITED	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	Star Diamond Company	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	TASK INTERNATIONAL LTD	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	THACKETT MINING INC.	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	The Diamond Star Plus	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	TRECO MINING COMPANY	Diamond Dealer	2011				\$ 25,000	7%	MLME
Mining	WEST AFRICA GOLD & DIAMOND INC.	Diamond Dealer	2011				\$ 25,000	7%	MLME
							<b>Total \$ 375,000</b>		MLME
Mining	African Gold Mining (Liberia) Ltd	Exploration	2011				\$ 55,000	5%	MLME
Mining	Afro Minerals Inc./Kana Hills	Exploration	2011				\$ 6,276	1%	MLME
Mining	AmLib United Minerals, Inc.	Exploration	2011				\$ 5,000	0%	Y
Mining	AmLib United Minerals, Inc.(Klekle)	Exploration	2011				\$ 5,000	0%	Y
Mining	AmLib United Minerals, Inc.(Konobo/Grand	Exploration	2011				\$ 8,909	1%	Y
Mining	Archean Gold	Exploration	2011				\$ -	0%	MLME
Mining	Ascension Resources Corp.	Exploration	2011				\$ 24,000	2%	MLME
Mining	Bea Mountain Mining Corporation	Exploration	2011				\$ 200,448	16%	Y
Mining	Bukon Jedeh Resources Inc.	Exploration	2011				\$ 36,420	3%	Y
Mining	China henan International Cooperation Gro	Exploration	2011				\$ 9,370	1%	MLME
Mining	Fine Minerals International	Exploration	2011				\$ 20,584	2%	MLME
Mining	G-4 WAO	Exploration	2011				\$ 6,800	1%	MLME
Mining	GLOBAL Mineral Investment LLC.	Exploration	2011				\$ 24,905	2%	MLME
Mining	Gryphon Minerals Limited	Exploration	2011				\$ 54,515	4%	MLME
Mining	Hummingbird Resources Inc.	Exploration	2011				\$ 12,880	1%	Y
Mining	International Business Exchange Inc.	Exploration	2011				\$ 40,947	3%	MLME
Mining	Investment Development Corporation	Exploration	2011				\$ 50,117	4%	MLME
Mining	Iron Resources Limited	Exploration	2011				\$ 35,000	3%	MLME
Mining	KONBLO BUMI INC.	Exploration	2011				\$ 13,661	1%	Y
Mining	KONBLO BUMI_ Dugbe	Exploration	2011				\$ 17,350	1%	Y
Mining	KONBLO BUMI_ Kakata	Exploration	2011				\$ 26,973	2%	Y
Mining	Massa Investment Corp. (Formerly Target F	Exploration	2011				\$ 14,500	1%	MLME
Mining	Middle Island Resources - Liberia Ltd_ Au	Exploration	2011				\$ 47,317	4%	MLME
Mining	PEDRA MINING CORP.	Exploration	2011				\$ 25,000	2%	MLME
Mining	SALMEC Resource Limited (Formerly Bell	Exploration	2011				\$ 31,595	3%	MLME
Mining	SHANKIL RESOURCES (LIBERIA) INC.	Exploration	2011				\$ 18,500	2%	MLME
Mining	Sinoe Exploration limited	Exploration	2011				\$ 40,000	3%	MLME
Mining	Solomon Resource Corporation	Exploration	2011				\$ 53,309	4%	MLME
Mining	Southern Cross Investment Limited (Gbarp	Exploration	2011				\$ 20,400	2%	MLME
Mining	Southern Cross Investment Limited (Timbo	Exploration	2011				\$ 22,457	2%	MLME
Mining	Superior Mineral Resources Inc.	Exploration	2011				\$ 32,925	3%	MLME
Mining	Thackett Mining Inc	Exploration	2011				\$ 20,504	2%	MLME
Mining	Treco Mining Company	Exploration	2011				\$ 22,400	2%	MLME
Mining	VBG-VALE BSGR LIBERIA LIMITED	Exploration	2011				\$ 38,100	3%	MLME
Mining	Voila International Inc.	Exploration	2011				\$ 40,000	3%	MLME
Mining	West African Resources (Lib.) Corp. Limite	Exploration	2011				\$ 42,500	3%	MLME
Mining	West Peak Iron Ltd	Exploration	2011				\$ 33,664	3%	MLME
Mining	Winestock Dev Liberia Corp	Exploration	2011				\$ 8,419	1%	MLME
Mining	YOUSSEF DIAMOND MINING COMPANY	Exploration	2011				\$ 54,816	4%	MLME
							<b>Total \$ 1,220,560</b>		

Mining	ALMETEV LIBERIA LIMITED	Gold Dealer	2011					5000	4%	MLME
Mining	Bailey Group of Companies	Gold Dealer	2011					5000	4%	MLME
Mining	Barclay Trading Enterprise	Gold Dealer	2011					5000	4%	MLME
Mining	BAU-TON INC.	Gold Dealer	2011					5000	4%	MLME
Mining	CAMPBELL ENTERPRISE	Gold Dealer	2011					5000	4%	MLME
Mining	CONSOR INTERNATIONAL (LIBERIA) INC	Gold Dealer	2011					5000	4%	MLME
Mining	Dapi Mining Company INC.	Gold Dealer	2011					5000	4%	MLME
Mining	FCE CORPORATION INTERNATIONAL	Gold Dealer	2011					5000	4%	MLME
Mining	Golden Mass Trading	Gold Dealer	2011					5000	4%	MLME
Mining	Golden Vision Trading (Mohammed Aidibi)	Gold Dealer	2011					5000	4%	MLME
Mining	H & W Trading Inc.	Gold Dealer	2011					5000	4%	MLME
Mining	Hamana International Mineral Business	Gold Dealer	2011					5000	4%	MLME
Mining	INDO-AFRICA TRADING COMPANY	Gold Dealer	2011					5000	4%	MLME
Mining	Konblo Bumi Inc.(KB)	Gold Dealer	2011					5000	4%	MLME
Mining	M & G INFINITY INC.	Gold Dealer	2011					5000	4%	MLME
Mining	MID-WEST DIAMOND & GOLD (LIB) INC.	Gold Dealer	2011					5000	4%	MLME
Mining	NYAH BARTEE CORPORATION	Gold Dealer	2011					5000	4%	MLME
Mining	Pan Liberia Resource Developement Corp	Gold Dealer	2011					5000	4%	MLME
Mining	Rod Trading INC	Gold Dealer	2011					5000	4%	MLME
Mining	Royal Company	Gold Dealer	2011					5000	4%	MLME
Mining	THACKETT MINING INC.	Gold Dealer	2011					5000	4%	MLME
Mining	THE LIBAM GROUP	Gold Dealer	2011					5000	4%	MLME
Mining	Trade Right International (LIB)INC.	Gold Dealer	2011					5000	4%	MLME
Mining	TRECO MINING COMPANY	Gold Dealer	2011					5000	4%	MLME
								<b>Total</b>	<b>\$</b>	<b>120,000</b>
Mining	African Aura / Bea Mntn	MDA	28-Nov-01		25 years			\$	150,000,000	1.4% N
Mining	AmLib (Klekle & Cestos)	MDA	2010					\$	150,000,000	1.4% Y
Mining	BHP Billiton	MDA	2010		25 years	Multiple		\$	1,500,000,000	14.2% Y
Mining	China Union(Hong Kong) Mining Co. & Chi	MDA	19-Jan-09		25 years	Bong		\$	2,600,000,000	24.5% Y
Mining	Mittal Steel	MDA	28-Jun-05		25 years	Multiple		\$	1,600,000,000	15.1% Y
Mining	Putu / Seversta	MDA	2010		25 years	Grand Gedeh		\$	2,000,000,000	18.9% N
Mining	Western Cluster, SESA GOA Ltd., Bloom F	MDA	22-Aug-11	22-Aug-11	25 years	Multiple		\$	2,600,000,000	24.5% Y
								<b>Total</b>	<b>\$</b>	<b>10,600,190,000</b>

Given rights granted under Class B, Diamond Dealers, and Gold Dealers all have fixed amounts respective to their categories, the Secretariat recommends random sampling be applied to determine which individuals/companies form part of the review process.

For firms bearing Exploration rights, the cost for acquiring license is \$5k plus surface rental. Surface rental is levied at .50 per hectare. It means that the total amount paid for exploration rights takes into account the total land area, so that companies with bigger land mass will pay more to maintain or obtain rights from the Government of Liberia.

The Secretariat recommends that all companies having at least 4% be subject to the process audit. If this recommendation holds, seven companies from this category will form part of the audit process.

The table above shows seven MDAs currently active within the mining sector. Rights assigned to four companies (AmLib, BHP, Putu, and Western Cluster) were issued during the period under review. The Secretariat recommends that all of these companies based on the value of their individual investment forms part of the process audit.

## **E. Conclusion**

It is important to note that materiality should not be viewed as a one size-fits-all. The fact that materiality was defined between July 13, 2009 and December 31, 2011 based on concessions, contracts, and licenses that are in possession of the LEITI Secretariat should not exempt those firms whose rights were not available to the Secretariat from the review process.

In fact, the LEITI Secretariat further recommends that these rights form part of the next process whenever they are available to the Secretariat. The Secretariat will continue to exert every effort to secure these documents.