



ANNUAL REPORT

2022

GEOLOGICAL SURVEY & MINES BUREAU



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2022



Ministry of Environment

GEOLOGICAL SURVEY AND MINES BUREAU

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“Contribute towards the socio economic development of sri lanka by understanding and managing earth and its dynamism to uplift people’s living standards and livelihoods while upholding social, cultural and environmental values”.

VISION



To promote the conservation and management of the mineral resources of Sri Lanka and to ensure that the mineral potential is realized for the benefit of the country and the minerals are extracted in an efficient, safe and environmentally sound way.

MISSION





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Chairman's Review

To its stakeholders, GSMB has once more delivered an authentic performance. By virtue of being one of the major tax contributors to state revenue, GSMB is a proud partner of the Sri Lankan government's growth and development initiatives. The GSMB gave the government LKR 662 million in tax income in 2022. These accomplishments were attained during a challenging year in which internal economic challenges, recession, growing energy prices, and worldwide volatility necessitated significant modifications, vividly illustrating the strength and tractability of our Bureau.

Been a significant development partner of the state, I firmly believe it is imperative that the GSMB is consulted on deliberations and decisions that will impact the mineral industry. Therefore, the GSMB revised mineral regulations, and the national mineral policies were constructed accordingly. Furthermore, the GSMB takes an extra step to further enhance this mineral industry, where foreign investments are scheduled to be fetched onto Sri Lanka. In order for these investments to be a success, ideas of experts in the respective industry and the new technology has been premeditated to be considered.

In 2022, the total revenue of the GSMB has been recorded at a value of LKR 3790 million. Comparative to the year 2021 this recorded total revenue in 2022 is a significant increment. Within the year



2022 our contribution to the consolidated fund was logged at a value of LKR 1 billion. Our Net income for 2022 was recorded at LKR 1901 million, after deducting the tax component.

I firmly believe that the employees in the GSMB are one of the most important asset that the organization consists of. For the livelihood of this organization the experts who provide their knowledge to identification and monitor of

mineral resources in the country. The GSMB has over 900 employees who support us to the overall management of the mineral process. The Board of management's guidance and their direction were directly provide the GSMB for this strong development. Also, I would like to give my grateful thanks to the Hon. Minister of the Environment, that because of his consultation and guidance to improvement of the GSMB.

We wish to develop this organization as the most fruitful bureau in the country in near future to contribute significant value to the Gross Domestic Product. I have confidence that the expertise knowledge and their experience, sophisticated instruments, strategies that we utilize to the mines and mineral process and foreign investments will be the most important factors in this industry.

Ravirajasinghe Sanjipaan
Chairman

Director General's Review

Geological Survey & Mines Bureau is one of the "A" grade State institutions that significantly contribute to the consolidated fund of Sri Lanka.

2022 was an extraordinary year for the Bureau since the economic and financial crises directly affected its main operations due scarcity of fuel and explosive along with many other constituents required for the mining industry. However, the GSMB has taken effective measures, practices and strategies to overcome the hindrances to achieve the targets of year 2022. Despite of the difficult time, as the Director General of the Geological Survey and Mines Bureau, I assure you that our operations are secured, efficient, and will be reorganized in 2023 and beyond, to deliver the expected outcome via high-quality and reliable performances. As an entity we are determined and motivated with new structural adjustments of the Bureau and looking forward to provide a better service to our clientele.

As the Director General of the GSMB, I would proudly say that Sri Lanka is enriched with valuable minerals that have high demand in the global market such as Graphite, Mineral Sands, Vein Quartz, Kaolin, Apatite (Phosphate Rock), Limestone and Silica Sand. During 2022 our team functioned to develop national policies for minerals, amendment of regulations to facilitate smooth functionality of the Bureau, while identifying new avenues to enhance the income-generation of the same. Having recognized the drawbacks of the mineral exploration system, we have tirelessly worked round-the-clock to make positive changes that will deliver positive results in



near-future.

We expect to attract foreign investors and grow our industries whilst continuing to pay taxes and other dues to the Government while creating hundreds of job opportunities facilitating local companies. However, none of this will be possible

without the commitment and hard work of our employees and customers, at this unprecedented time. .

Furthermore, I would like to thank all officers and employees of the Bureau for their commendable contributions rendered toward the success of the GSMB, with all external hindrances. Also, I believe and wish that the difficult time has already elapsed and avenues are wide open us to excel in the mineral industry.

Finally, I would like to pay my heartfelt thankfulness to the Ministry of Environment and the Government of Sri Lanka and to our loyal customers, partners, and the reliable staff members who have tirelessly rendered their services making our objective a reality.

**Chartered Geologist Janaka Ajith Prema
Director General (Actg.)**



At a glance of GSMB

The main objective of this statutory body was to regulate the exploration for minerals, mining, transportation, processing, trading in and export of mineral products. The Geological Survey and Mines Bureau was established under the Mines and Minerals Act, No 33 of 1992. A section of this Act provides the transferring of functions of the Bureau of the Geological Survey Department which was one of the oldest government establishments set up in the year 1903.

The establishment of the Bureau as the lead agency in mineral development underscores the Government's commitment to promoting mineral-based industries. Minerals, by providing substitutes for expensive imports; commodities for the building and construction industry and the raw materials for export industries, create employment and generate income for the country. The Bureau is also responsible for maintaining the national geo-science database, and ensuring that this information is made available to the public.


Further, the speciality of this Bureau is to promote the conservation and management of the mineral resources of the country. Its main initiative is to ensure that the mineral potential is realized for the benefit of the country and the minerals are extracted in an efficient, safe and environmentally sound way. The major responsibilities of the Bureau are undertaking the systematic geological mapping and assessing the mineral resources of the country.

This Bureau has already achieved its targets from the facts discussed in previous Sections. Hence based at several Meetings, as suggested by the Chairman, it is proposed to present the projected plan for the upcoming year under the headings of Structural alterations and Procedural alterations respectively.

Under the Structural Alterations, the following topics are to be addressed.

- Amendment of GSMB Governing Act and Regulations
- Mineral Transportation using the Railway
- Value Additions – Processing of Minerals
- Increasing the Royalty of Limestone
- ERP System (Enterprise Resource Planning)
- Implementation of the decisions of PTF
- Exploration license
- Matters arising out of Contract Basis Employees
- Promoting industrial Minerals

The GSMB is expecting to significantly increase the contribution to the Gross Domestic Product (GDP) from 0.1% to 4% of the country.



This analysis is intended to assess the Bureau's current status enabling to make necessary structural adjustments towards the enhancement of its functions by strengthening the same. In a standard SWOT analysis the Strengths and Weaknesses are considered to be internal factors whereas the Opportunities and Threats are external.

Soundness of GSMB

The main strength of the Bureau is its regulatory authority, which is empowered by the Mines and Mineral Act of 1992. Managing minerals and fulfilling the regulatory obligations of the mineral industry, the Bureau has strengthened its capacity along with required expertise with excellent standards. Experienced core-group of Professionals, facilitated by the supporting staff, including laboratory assistance along with the state-of-art equipment are the strengths of the Bureau which is considered to be unique. For more than hundred-year-long reputation of the Bureau, one of the main strengths have been the edge in competing as a service provider. Accumulated knowledge on minerals, long-developed strategies, norms in mineral exploration and related disciplines make the Bureau the pioneer entity in the sector.

Required Improvements

The imbalance between the core-Professionals and the supporting staff is considered as the main hindrance in addition to the existing structural weaknesses. The dwindling Professionals to non-Professional ratio makes the Bureau an institute which shoulders unbearable overheads. Despite the core-groups and core-functions, such as the mineral exploration and issuance of licenses, remain constant for over decades, despite the supporting staff being accumulated. The ad-hoc decentralization of the issuance of licenses via regional set-up is another weakness of the Bureau, which

has been added drastically to the overheads. Absence of Standard Operational Procedures (SOP) in almost all sectors of the Bureau is a great weakness that allows personalizing decisions on its functions. The Bureau has heavily invested its man-power and resources in the construction of raw materials, particularly on sand, without carrying out a proper analysis which has neglected the opportunities which would have been a major contributory factor in making industrial minerals. The failure/shotcoming in the implementation of a secure mechanism for the acquisition of royalty is a lapse which eroded the financial strength of the Bureau.



Untapped Potentials

The survival of State Regulatory Institutions in the open and liberalized economic environment depends on its appropriated transformation. The Bureau presently has an opportunity to transform /evolve into a cordial facilitator from stringent regulator, whilst providing an equal ground for all players in the sector keeping in tact the regulatory norms.

The Bureau has further overlooked for decades the fact of facilitating the mineral investments sector assuring raw material security in order to attract investments.

Possibility Threats

The immediate, short-term, threat to the Bureau is its unprecedented overheads that have been further worsened due to the partial collapse of the construction industry. The mid-term threats are devolving of GSMB functions to external authorities involving committees and other entities. Professional staff leaving the Bureau seeking greener pastures abroad is a long standing threat to the Bureau which could have a great impact on the industry as a whole.

Board of Management - 2022

318th to 319th Board of Management – (25/02/2022 to 22/03/2022)

Secretary	-	Miss Nilmini Taldena
Board Members	-	Dr.Senarath Hewage (Chairman)
	-	Eng. D.Sajjana De Silva
	-	Mr.A.R.Wickramarathna
	-	Mr.W.D.S.C Weliwatta
	-	Mr.I.C.Pathiraja
	-	Mr.T.H.M.P Sagara
	-	Mr.T.H.Eknathgedara

320th Board of Management – 07/04/2022

Secretary	-	Miss Nilmini Taldena
Board Members	-	Dr.Senarath Hewage (Chairman)
	-	Eng. D.Sajjana De Silva
	-	Mr.W.D.S.C Weliwatta
	-	Mr.I.C.Pathiraja
	-	Ms.Ajitha Batagoda
	-	Mr.T.H.M.P Sagara
	-	Mr.T.H.Eknathgedara

321st Board of Management – 05/05/2022

Secretary	-	Miss Nilmini Taldena
Board Members	-	Dr.Senarath Hewage (Chairman)
	-	Eng. D.Sajjana De Silva
	-	Mr.W.D.S.C Weliwatta
	-	Mr.I.C.Pathiraja
	-	Ms.Ajitha Batagoda
	-	Mr.T.H.M.P Sagara



322nd Board of Management – 06/06/2022

- Secretary** - **Mrs Samanthi Rahubaddha**
- Board Members** - Dr.Senarath Hewage (Chairman)
- Eng. D.Sajjana De Silva
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja
 - Ms.Ajitha Batagoda
 - Mr.T.H.M.P Sagara

323rd Board of Management – 21/06/2022

- Secretary** - **Mrs Samanthi Rahubaddha**
- Board Members** - Dr.Senarath Hewage (Chairman)
- Eng. D.Sajjana De Silva
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja
 - Ms.Ajitha Batagoda
 - Dr.Sarath obesekara

324th Board of Management – 02/08/2022

- Secretary** - Mrs Samanthi Rahubaddha
- Board Members –** - Dr.Senarath Hewage (Chairman)
- Eng. D.Sajjana De Silva
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja
 - Ms.Ajitha Batagoda
 - Dr.Sarath obesekara
 - Mr.Feroze Noon

325th – 328th Board of Management

- Secretary** - **Mrs Samanthi Rahubaddha**
- Board Members** - Dr.Senarath Hewage (Chairman)
- Eng. D.Sajjana De Silva
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja

- Ms.Ajitha Batagoda
- Dr.Sarath obesekara
- Mr.Feroze Noon

329th Board of Management - 2022-12-23

- Board Members
- Mr.Ravirajasinghe Sanjipaan (Chairman)
 - M.M.J.P.Ajith Prem – DG –Attend to duties
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja
 - Ms.Ajitha Batagoda
 - Dr.Sarath obesekara
 - Mr.Feroze Noon

Present Board Members

- Board Members
- Mr.Ravirajasinghe Sanjipaan (Chairman)
 - M.M.J.P.Ajith Prem – DG –Attend to duties
 - Mr.W.D.S.C Weliwatta
 - Mr.I.C.Pathiraja
 - Ms.Ajitha Batagoda
 - Dr.Sarath obesekara
 - Mr.Feroze Noon



Senior Management



Dr.W.I.S Fernando
Senior Director (Geology) Acting



Mr.M.M.J.P Ajith Prema
Director (Mapping & Geo Information)



Mrs.K.A.P.H Liyanarachchi
Director (Mineral Titling)



Mrs.Y.P.S Siriwardhana
Director (Lab & Mineral Testing)



Mr.L.A Fernando
Director (Environment Impact Assesment & Regions)



Mr.K.V Jagath Keerthi Kumara
Director (Mines Safety)



Mr.U.J.P Senarathna
Director (Human Resources)



Mrs. Sumedha Rahubaddhe
Director (Finance)



Mrs.M.S.K Fernando
Director (Legal) Attn.to duty



Upcoming Strategies of the GSMB

Under the Procedural Alterations, the following topics are to be addressed.

01

Amendments to be done for the governing Act of GSMB - This will ease the operational/functional difficulties and to update aligned with modern day market requirements. To achieve this task, it has been decided to finalize the identified amendments by obtaining Expertise guidance/assistance.

02

Adoption of a Procedural Manual for the smooth functioning of the Bureau. This task was decided to be assigned to an outside Human Resources Consultant.

03

Scheme of Recruitment (SOR) Change to minimize the issues of the workers which task will be handed over to the Human Resources Division.

04

To raise awareness on the kinds of minerals in Sri Lanka, it is proposed to prepare the Geology Map, Mineral and Quaternary Map of Sri Lanka. This task will also cover the compilation and printing of the Southern Province Mineral Map, Field and Lab work of Kathiraveli- Kalkudah-Vakaneri.

05

ERP System (Enterprise Resource Planning) – This task will be done in line with the Government Procurement procedure which will assist the streamlining of the operational functions and optimize its Organizational productivity.

06

In order to uplift the standards of GSMB, it was decided to apply for the implementation of the Quality Management System ISO 9000/2015.

07

It was decided to implement the “One stop shop’ concept specially to procure Industrial Minerals under one Roof. This will ease the burden of preparation of documentation involving Government Institutions.

08

To make the public aware of accurate information, it was decided to publish such information in the printed media.

09

It was also decided to finalize the Action Plan for 2023, Corporate Plan and the Annual Report of the Mining Division along with the following activities.

(i) Issuing of two Mining Licenses for Off –Shore Sand dredging for Port Development Project.

(ii) To smoothen the process for exporting One Hundred Cubic Metres of Sea Sand to the Maldiv Islands.

(iii) Implementation of large scale rehabilitation projects

(iv) To continue with the Safety Awareness programmes for remaining Regions

It has been suggested to extend the scope of the regional activities and uplifting of the Regional Offices by establishing a Regional Office in the Puttalam District

10

11

Based on the Off Shore Mining License, it has been suggested to generate income from the Mining Division.

Suggested to implement a rehabilitation programme by the Mining Safety Division for one of the Regions to restore the impact made in the environment.

12

In addition to the above, the Geological Survey and Mines Bureau is pleased to announce that it has contributed Rs.1 billion to the Consolidated Fund in 2022 whilst paying an Income Tax of 17% for the total income earned by the Bureau.



Strategic Objectives

Given the broad range and complexity of GSMBs programs, the research is not an inventory of all objectives and initiatives. The GSMB will however, pursue on all actions that it will undertake instead and will prioritize objectives reflecting important changes and its outcome which the GSMB hopes to achieve. The key strategies direct at the main approaches, which is intended to meet these objectives.



There are 10 objectives and strategies outlined for GSMB which is discussed under each of the four strategic frameworks with their respective strategies for achievement.

About the Bureau

We lead the Mineral Industries in Sri Lanka

The GSMB, established for provision of services under the Mines and Minerals act, No.33 of 1992, is the lead agency in mineral development underscores the Government's commitment to promoting mineral-based industries.

The Geological Survey and Mines Bureau (GSMB), being the authorized agency for the minerals development in Sri Lanka, is the organization for mineral investigations carried out to date and the accrued benefits to the country.

Sri Lanka being a small country, its sub surface mineral wealth is also equally small. Therefore, the organization, whilst encouraging the establishment of mineral based industries, emphasizes frugal use

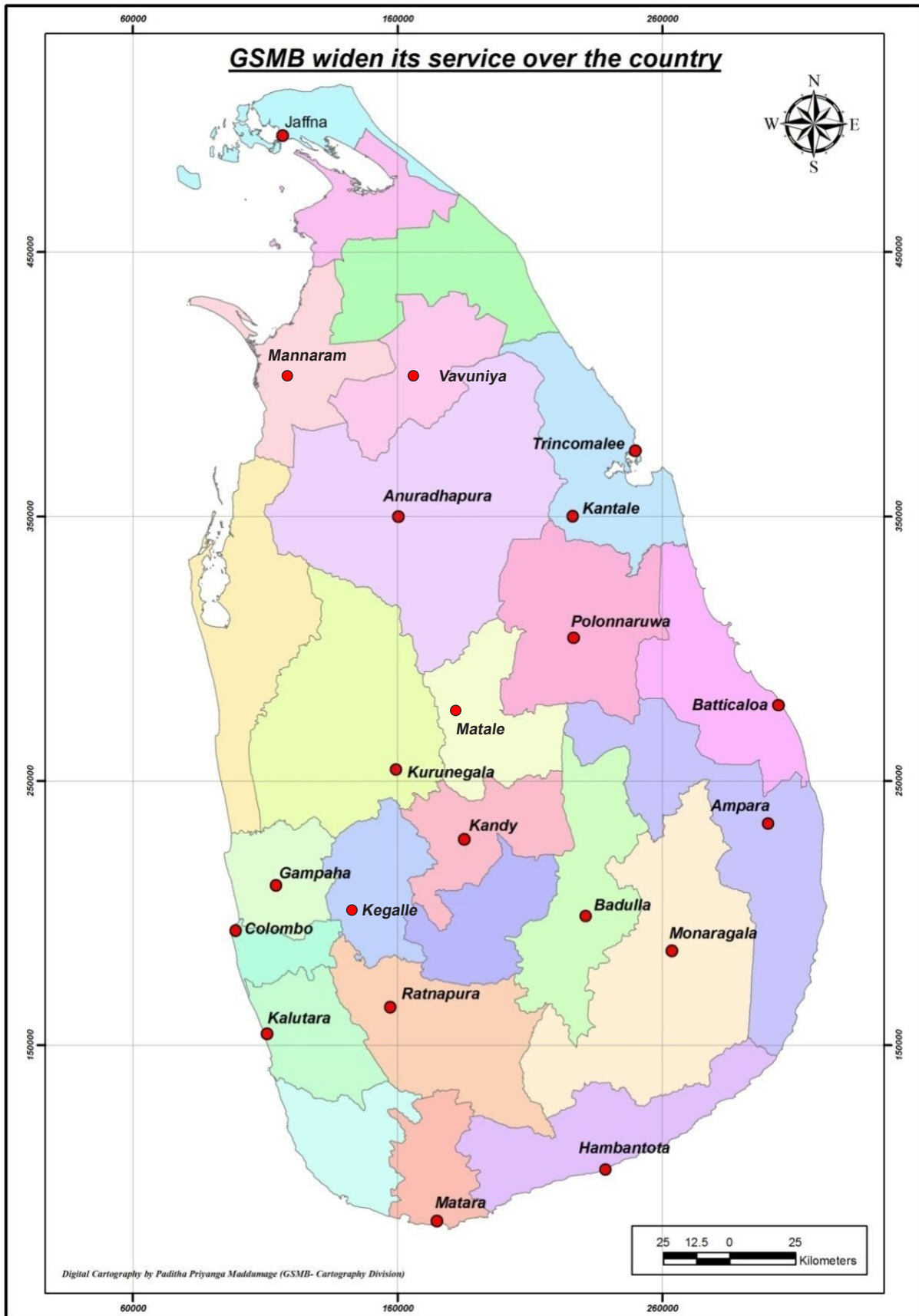
of minerals and warns against waste, as minerals are non-renewable commodities.

Being the nation's principal provider of the Geoscientific capability, GSMB advances the understanding about earth resources, related issues and problems. The diversity of the scientific expertise enables us to carry out multi-disciplinary investigations and provide impartial scientific information including a series of Geoscientific maps to resource managers, planners, and other customers. The GSMB serves the nation to describe and understand the Earth; minimize loss of life and property from natural disasters; manage geological, energy, and mineral resources; and enhance and protect our quality of life.

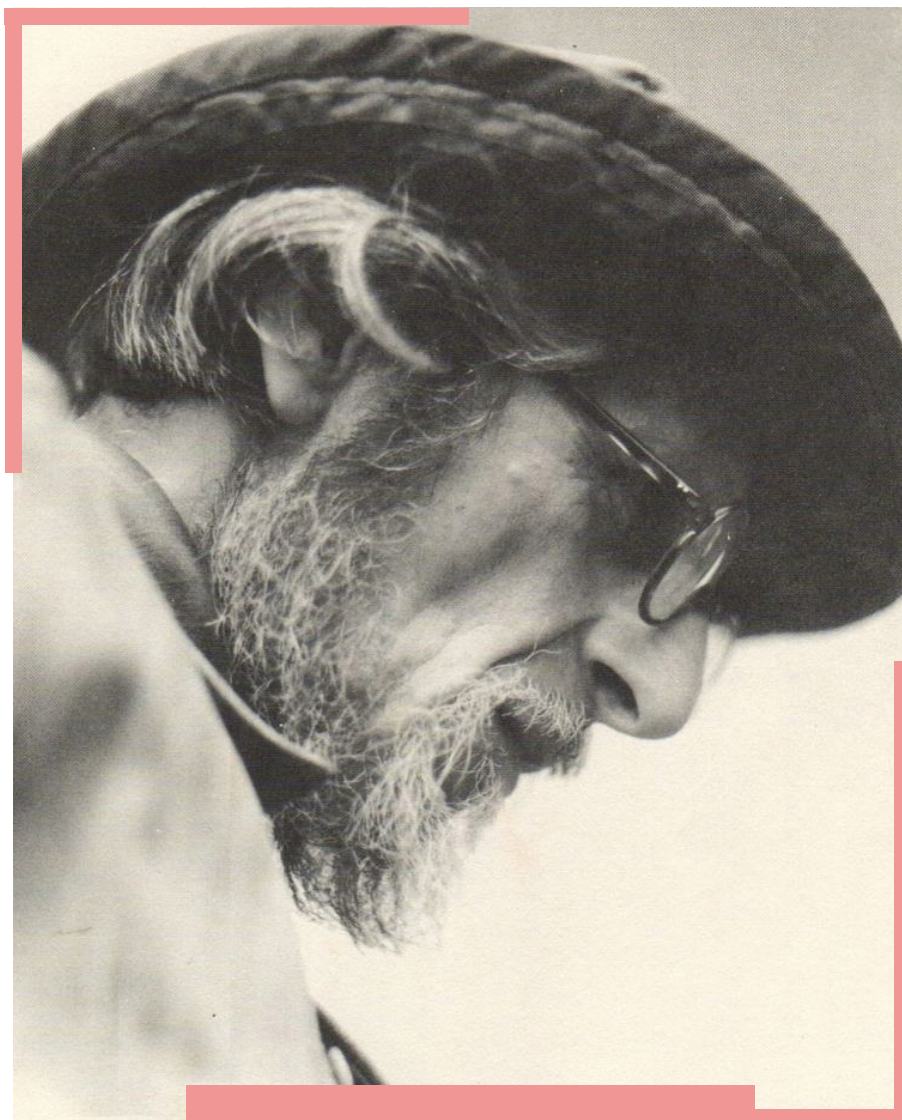
The Bureau has four primary operations: geological mapping and mineral exploration, mining titles and mining

regulation (core activity); client responsive activities (mineral resource surveys, laboratory services, geophysical and drilling contracts) and geo-science information (access to published and unpublished reports, maps and other archives in its Library).

The Mines Division is presently functioning with 20 Regional Offices at Kandy, Matara, Kurunegala, Badulla, Ratnapura, Anuradhapura, Ampara, Monaragala, Hambantota, Trincomalee, Kalutara, Jaffna, Batticaloa, Gampaha, Polonnaruwa, Colombo, Vavuniya, Kegalle, Mathle, Mannar and with 2 sub offices at Hasalaka and Kantale. The major activities of these Regional Offices are to cater better services for the customers who are engaged in various Mining Industries in relevant provinces and control the illegal mining activities.



Historical Background



The Geological Survey and Mines Bureau is the proud successor to a series of geo-scientific departments which spans more than a century, starting as the Mineral Survey of Ceylon (MSC) in 1903 headed by Dr. Ananda Coomaraswamy. Throughout the history, these departments had an exceptional record of discovering, promoting and acquiring data on the country's mineral resources, to which all currently operating mineral-based industries owe their existence.

By 1939, the MSC was known as the Department of Mineralogy and in 1962 renamed again as the Geological Survey Department. On 18th March 1993 the Bureau was established through the Mines and Minerals Act#33 of 1992 to combine the functions of the Geological Survey with the new responsibilities of a modern Mines Department.

The establishment of the Bureau as the lead agency in mineral development underscores the Government's commitment to promoting mineral-based industries. Minerals, by providing substitutes for expensive imports; commodities for the building and construction industry and the raw materials for export industries, create employment and generate income for the country. The Bureau is also responsible for maintaining the national geo-science database, and ensuring that this information is made available to the public.



GEOLOGY DIVISION

1.0 GEOLOGY DIVISION (GD)

1.1. Action Plan Activities (GSMB Funds)

MPA - 1 Mapping, Generation of Geo-scientific Information (Geo-data) and Data Dissemination

(a) Printing of Geological Maps:

Publishing of the geological maps covering entire Sri Lanka is one of the major functions of the Bureau. The geological maps which contain the geo-information of the terrain are used in a wide range of activities including mineral and ground water exploration, major construction and civil engineering works and preparation of landslide hazard maps etc. The GSMB completed the printing of all 21 geological maps (1:100,000 scale) covering the entire country in year 2014. Compiling Geology maps as quadrant maps to cover whole country as 4 quadrant maps were completed in 2017. A single Geology map to cover whole country was undertaken last year and was completed compilation. It was ready to print at the end of 2022.

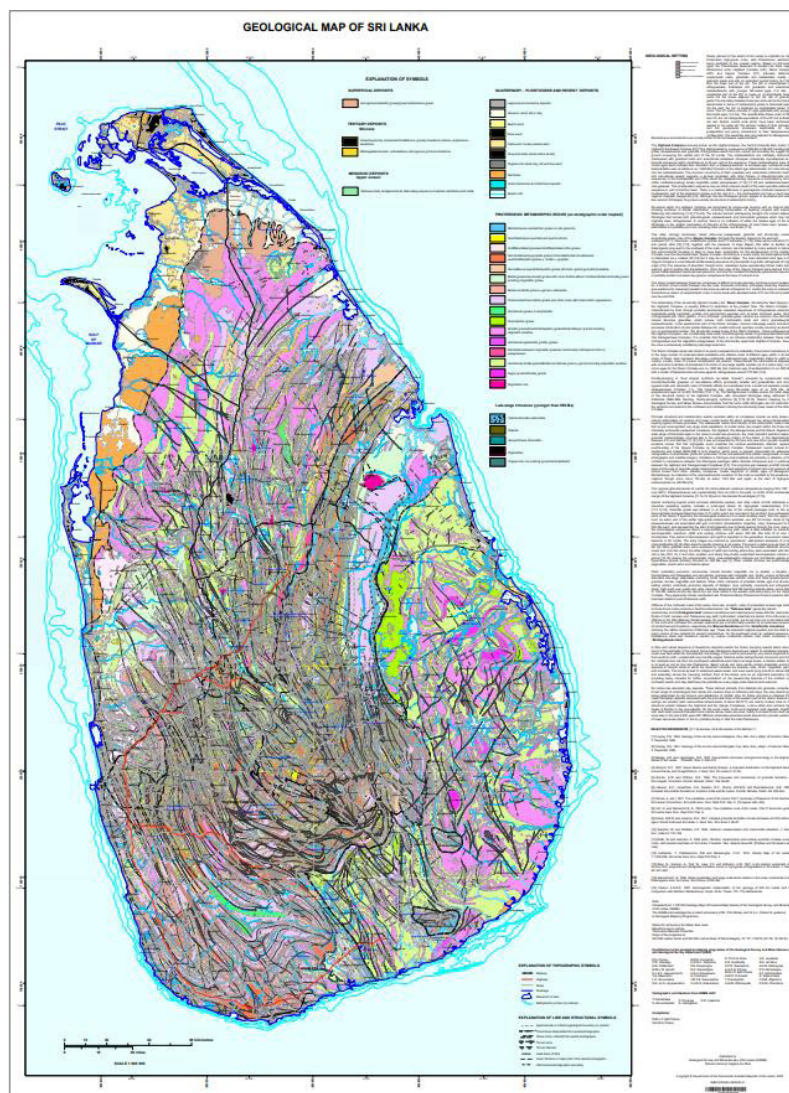


Fig.1: Geology map of Sri Lanka 1:500,000 scale

(b) Quaternary Mapping (Coastal Zone) Program

The 'Quaternary' period of the geological time scale span from about two million years ago to the present. The

quaternary formations of Sri Lanka are mainly restricted to coastal sediments, alluvial sediments in the flood plains and include soil formations. Yet, these formations are highly significant as they include economically

important clay and sand deposits, coral deposits, the fertile soil cover and ground water bodies, The Geological Survey & Mines Bureau launched a project entitled "Quaternary Geological Mapping" in 2008.

Printing of Quaternary Maps

.Silavatturai and Tissamaharama maps were ready for printing and the procurement process was completed.

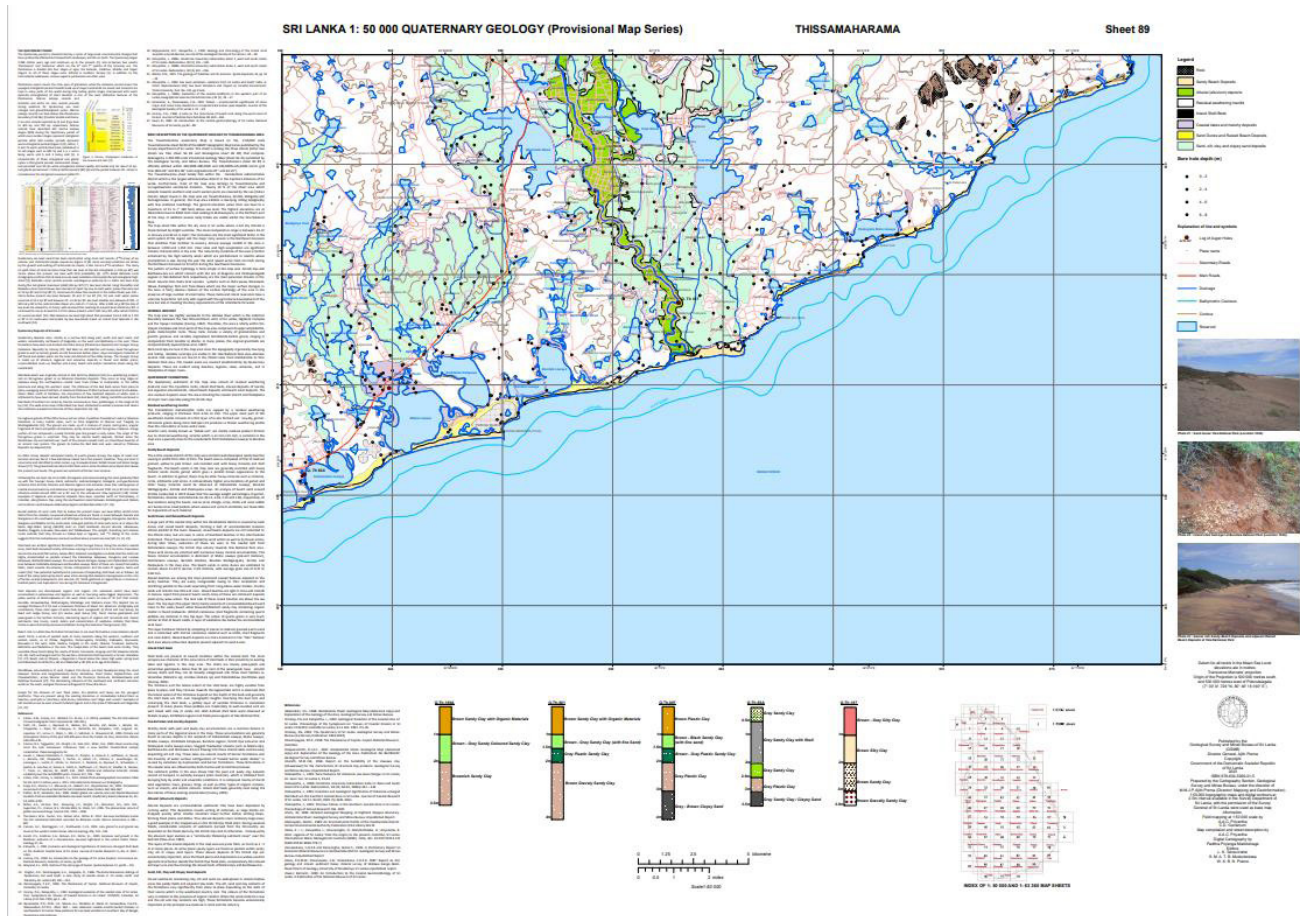


Fig 2: Tissamaharama Quaternary map which is ready to print

Compilation of Quaternary Mapping

Map compilation of Kalpitiya and Wilpattu sheets were carried out. Their compilation is almost completed.

(c) Soil Geochemical Mapping Programme

The soil geochemical mapping programme was initiated in year the 2008 to study the geochemical characteristics of soil. These maps are useful in mineral exploration, environmental monitoring, and agricultural research and in geo-health hazard studies. Geochemical mapping work is being

carried out on 1:50,000 scale base maps. Two soil samples are collected from the surface and 2m depth, for each 1 km² grid area at each 4km². The chemical properties are analyzed using the Atomic Absorption Spectrophotometer (AAS) and the Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES).

Field work of Soil Geochemical Mapping Programme

Field work of Sheet No. 9 (Kathiraveli - Kalkudah) was completed. The samples were submitted to the laboratory for analysis.



Fig 3: Soil sampling by augering method for Geo-chemical mapping

Laboratory work of Soil Geochemical Mapping Programme

Sample analysis was carried out for samples of Aluthgama – Galle (Sheet No 19). Details are given under Analytical

Laboratory work.

Compilation and Printing of Soil Geochemical Mapping Programme

Compilation of sheet No 6 (Vavuniya – Trincomalee)

of Geochemical Atlas was completed and ready to be submitted to the editorial board at the end of year 2022. The atlas contains analytical results and distribution of 15 elements in the study area.

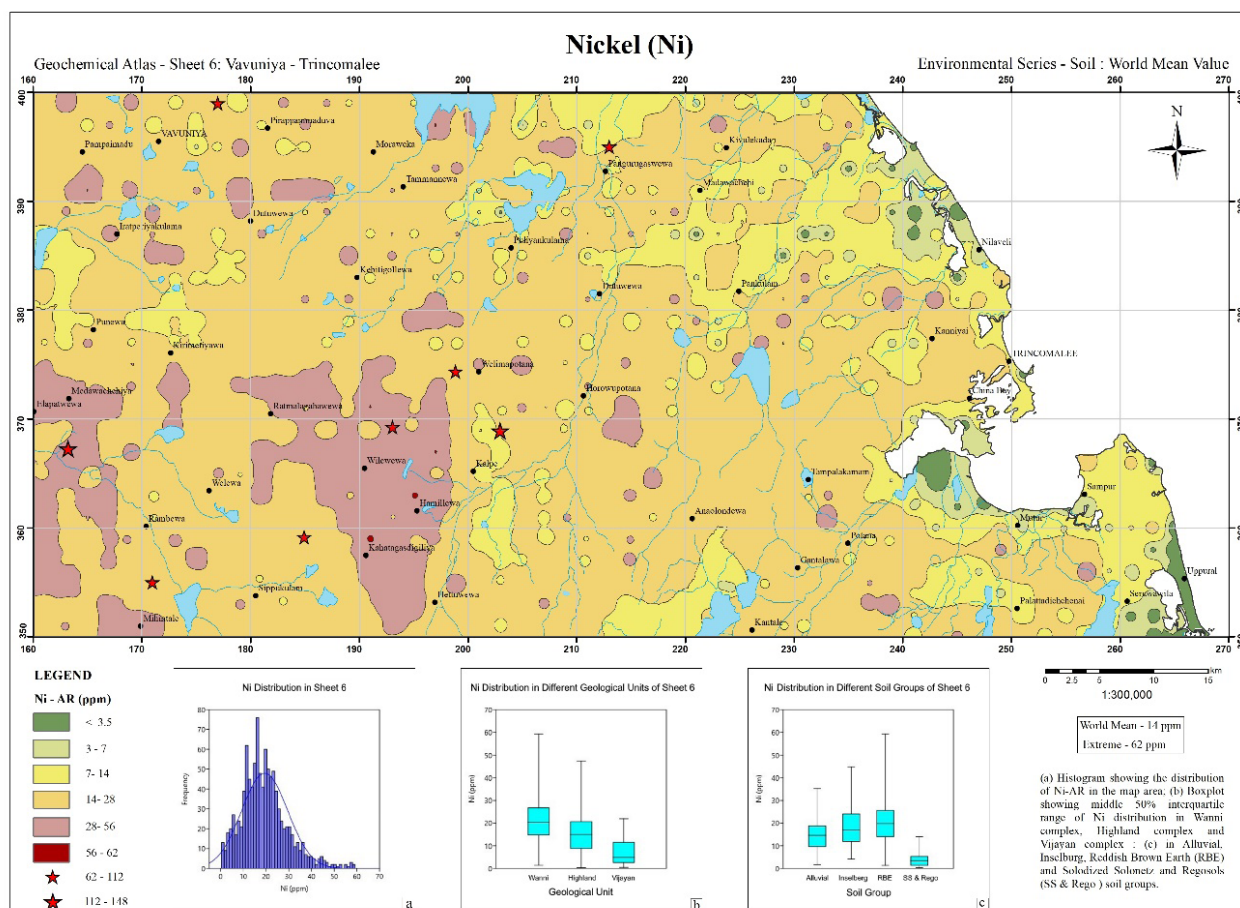


Fig 4: One page of the Geochemical Atlas of Vavuniya – Trincomalee which shows distribution of Nickel.

(d) The “Minerals Year Book - 2022”

Data analysis of Mineral Year Book of Year 2022 is in progress. It was delayed as data from other institutes were not received in time.

(e) Provincial Mineral Surveys and Provincial Mineral Maps

The compilation and printing of Provincial Mineral Maps was commenced in 2015. Maps

of Central, North Central, Sabaragamuwa and Uva Provinces are already printed. Compilation of Southern Province Mineral Map was completed and print ready version was ready to be submitted to the printer at the end of year 2022. Provincial Mineral Map of Eastern province was postponed to the next year due to fuel crisis and cost cutting policy of the government.

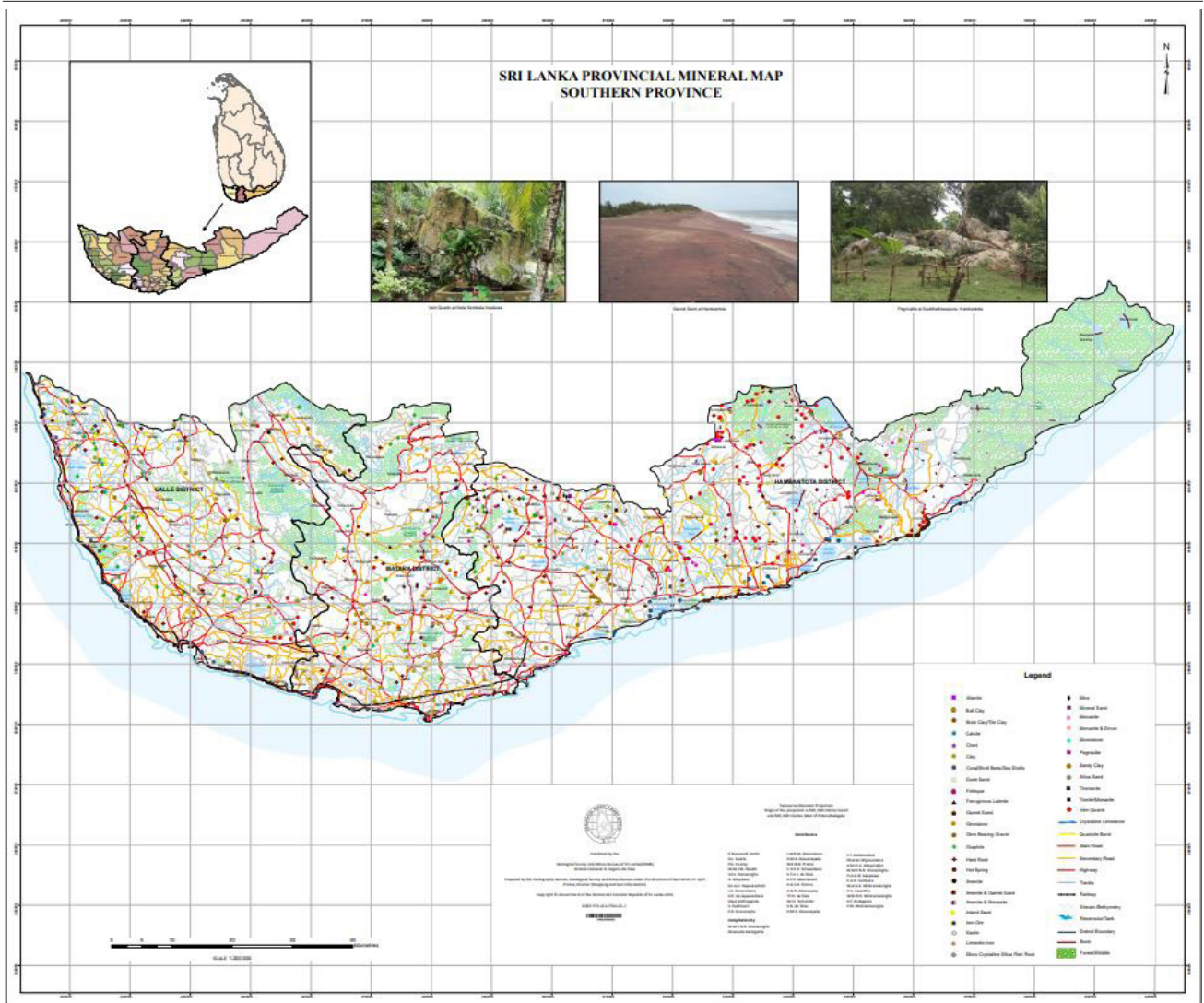


Fig. 5: Print-ready version of Southern Provincial Mineral map.

(f) Preparation of Mineral Resources Map of Sri Lanka

Compilation of Mineral resources Map to cover the whole country was commenced in 2021. Compilation was completed at the end of 2022 and the print ready version was to be submitted to the printer.

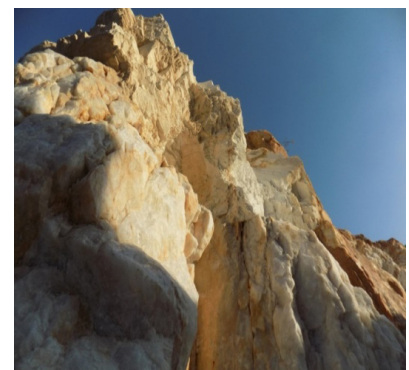
MPA-2 Mineral Surveys, Geophysical Surveys and Resource Assessment

The Mineral Survey section has accomplished a commendable degree of work throughout the year 2022, being adapting to the post-COVID settings. The resources available to conduct physical work remained at its lowest due to fuel shortages; hence, the work is largely focused on compiling and formulating existing data

towards formulation a common platform. During the year 2022, besides of conducting limited and confined surveys, the groundwork has lay-down to a program for detailed study on selected types of minerals.

Mineral Surveys in 2021/22

One of the main functions of the Geological Survey and Mines Bureau is to assess the mineral wealth of the country as per the Mines and Minerals

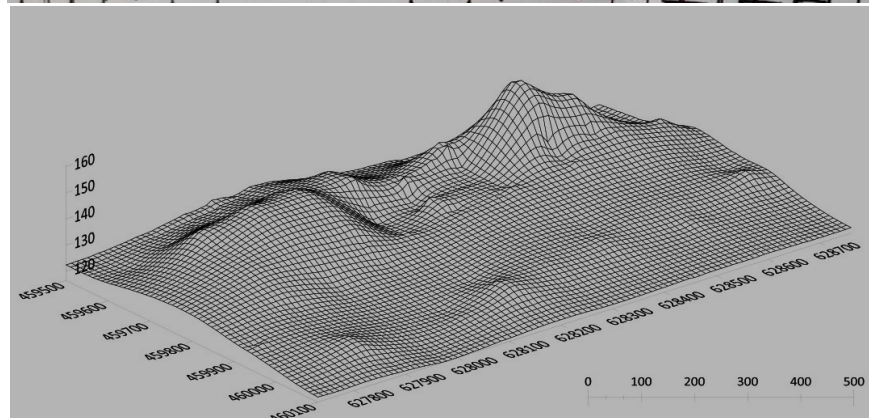


Act of 1992 [Section 12 (b) to identify and assess the mineral resources of Sri Lanka”]. Towards fulfilling this intent and purpose, the Mineral

Survey Directorate has been engaged in systematic surveys of selected mineral types that are having high tendency for the export market and local industrial development. During the year 2022, the scattered data has been compiled into a living database enabling to identify the gaps and methodologies have been developed to identify minerals, particularly with the subsurface extension, that are briefly explained herein.

Graphite, Vein Quartz and Mineral Sands

Since the beginning of the year 2022, it has decided to engage in thorough studies on graphite, vein quartz and mineral sands as export-oriented minerals. The study aimed in two perspectives, compiling of available information into a single platform and developing survey methodology to assess the subsurface extension of selected three types of minerals. An integrated approach was made to quantify mineral sand and vein quartz, the most prominent types that is having a positive impact in the mineral exports, years to come. Graphite, where external assistance is required in estimating quantities, necessary proposals are being made to estimate the reserves. The models that explain the occurrence and extent of main deposits are being studies for better understanding of the reserves. The work conducted in Year 2022 managed to estimate mineral sands and vein quartz with acceptable accuracies.



Phosphate and Limestone Surveys in 2021/22

Along with the minerals that have been selected to develop for the export market, the



survey has been extended to identify phosphate and limestone reserves with due recognitions for local industrial development. Adhering to the Supreme Court Judgment on the Eppawala phosphate deposit, the same has been quantified with an integrated approach; detailed geological mapping, geophysical investigation and drilling. Over 30 drill holes were completed in the northern sector of the deposit, north to the Jaya

Ganga, and the southern sector was estimated almost based on the geophysical methods by synthesizing a model that explains the occurrence of phosphate reserves.

Limestone is one other mineral in the focus of mineral surveys that conducted in 2012/22 period. With due recognition of the requirement to enhance the local cement production, which is barely 15% of the total demand, surveys were

conducted to identify minable reserves.

One of the main techniques that have been deployed in the field for reserves estimating of limestone and phosphate is resistivity measurements. As of the high resistivity contrast of the both fresh formations of apatite and limestone, than of the background resistivity values the technique has confirm as an effective tool for mapping both types of reserves.

Mineral	Locations	Qty. Mil. Mt	Utilization	Remarks
Graphite	Central Highlands in Highland Complex rocks	Being estimated	battery, lubricants carbon-brush	One of the key minerals of Sri Lanka having high prospects to the export market mainly due to ultra-purity.
Vein Quartz	Highland/Vijayan boundary and central highlands	2.3-2.8	solar cells, fibre optics, lenses, micro-chips, table-tops	Most of reserves are in State lands, need to address "land policy" towards minerals, promptly
Mineral Sand	Coastal deposits mainly concentrated to eastern coast.	25-30	Titanium extraction, zirconium powder, monazite for radio-active minerals	Replacing the 2012 Cabinet Paper, which is the hindrance for the mineral sand sector, new Cabinet Paper is being formulated
Phosphate	Mainly at Eppawala, Kawisigamuwa	32	Fertilizer production SSP and TSP	Excess amount will be considered for the export market
Limestone	North-western part of the country	Sufficient material	Portland cement production	Focus is to enhance the local cement production via a new factory

Construction Material Surveys

Besides of developing a knowledge-base on the selected minerals, the Mineral Survey Directorate has been engaged in construction material frontier concluding sand surveys in the major rivers as a pre-require for licensing procedure. The construction material requirement and potential localities for mining is being prepared as of the guidelines of the Presidential Task Force (PTF). A methodology has been developed to quantify the construction material sites, particularly gravel and aggregates, integration of drone-images, geological mapping and geophysical investigations. Once the minable sites are confirmed by the landowners, basically the State landowners, the quantifying will be initiate in regional basis.

The construction material requirement will be calculated mainly based on the National Physical Plan (NPP). The material will be identified close to the development centres and minimizing the transport requirements. The approvals and necessary administrative requirements relation with mining will be conducted under a single umbrella.

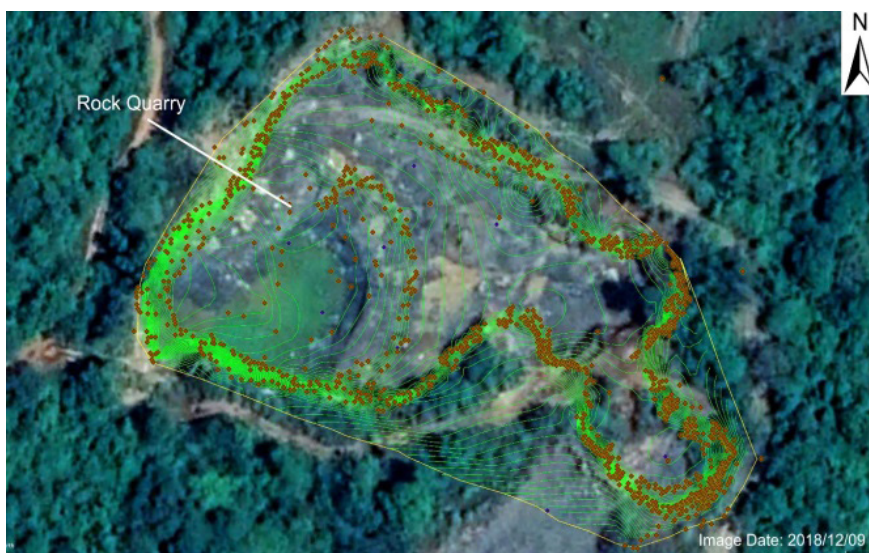
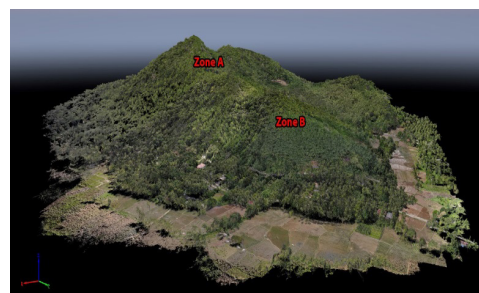
A similar type of mechanism is proposed to build for industrial minerals which are in the state-owned lands.

The sand requirement is addressed separately as the surveys are mainly conducted based on major rivers. The

lower Mahaweli region is presently subjected to detailed studies to quantify minable sand reserves and to assess the potential impact to the environment due to such mining.

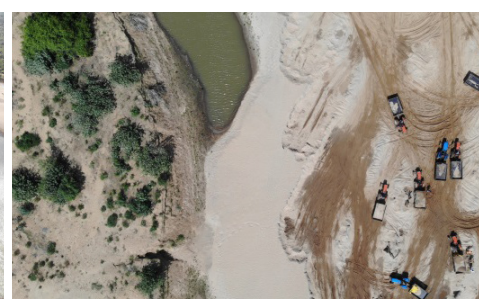
Contribution to Institutional and National issues

The Mineral Survey Directorate has been actively contributed to the wider issues that is not confined to the Directorate; streamlining of Exploration



Sand mining in major rivers have been subjected to close monitoring as continuous

License (EL) system, introducing of Standard Evaluation Procedures (SEP)



mining of riverbeds leads to environmental damages including seawater intrusion.

for EL evaluation, identifying threshold value for “value addition” and most importantly formulation of the “National



Mineral Policy”. The policy will be completed in year 2023 along with necessary legal-administrative framework to facilitate the policy and appropriate corporate plans to make the policy principles a reality.

The Exploration License system of the Bureau is one

of the areas where updating is required as considered the performances of last two decades under the EL system. The Directorate directly involved in formularization of Standard Evaluation Procedure (SEP) for Exploration Licenses which has become a mal-functional system that run to

cater bogus investors hardly involved in any productive mineral exploration.

Towards formulation of National Mineral policy and Value Addition, the Directorate has invested its time and resources finding a lasting conclusion for both nationally important aspects.

MPA-3 (Geology): Research & Development Earth properties and Seismic Activity Monitoring

(a) Professional and academic interaction

The Directorate is involved in bridging the academic and professional gap in mineral exploration by conducting workshops in selected universities. With due recognition of the student requirements, the standard program is being prepared and will be put into practice in well-organized manner in the coming academic years.



The workshops and study-programs conducted by the Directorate ends up with pleasing experience as this provide an opportunity to educate the young and eager students. The custom-made geophysical workshops are the highlights of the programs which is entirely handled by the Mineral Survey Directorate.

The year 2022 is one of the most successful periods for the mineral surveys as the necessity of national drive for the same has been accepted by the Bureau to the Ministry level replacing the aged-old



mal-functioning exploration strategy by Exploration Licensing system via third parties.

(b) Enhancement of passive Seismic Monitoring Capacity

Action Plan Activities: Enhancement of Passive Seismic Monitoring Capacity

and Data Application

Installation of Seismic Station in Western Side: Initial discussions were carried out with Chinese Earthquake Administration, China (CEA) regarding installation of seismic stations in Sri Lanka. They agreed to provide assistance to install 2 or 3 seismic stations.

The content of the MOU between Government of Sri Lanka and the CEA, China has been finalized and the draft document was submitted for ministry approval and necessary actions within year 2022.

Maintenance of Seismic Stations and Data Center: All three seismic stations (BULK,

MALK and HALK) other than PALK seismic station functioned with good status. The scheduled daily power disruptions affected on the power system at PALK station where commercial power is used as the mail power source while other stations did not affect as they run on solar power. The power system at

the PALK station was updated and the deep bore sensor was replaced by the technical team from Project IDA, USGS, USA.

Preparation of Seismic Zonation Map and Research Activities: A draft map with the available data has been prepared. It contains data collected by GSMB since year 2012.

(b) Enhancement of passive Seismic Monitoring Capacity

Action Plan Activities: Enhancement of Passive Seismic Monitoring Capacity and Data Application

Installation of Seismic Station in Western Side:

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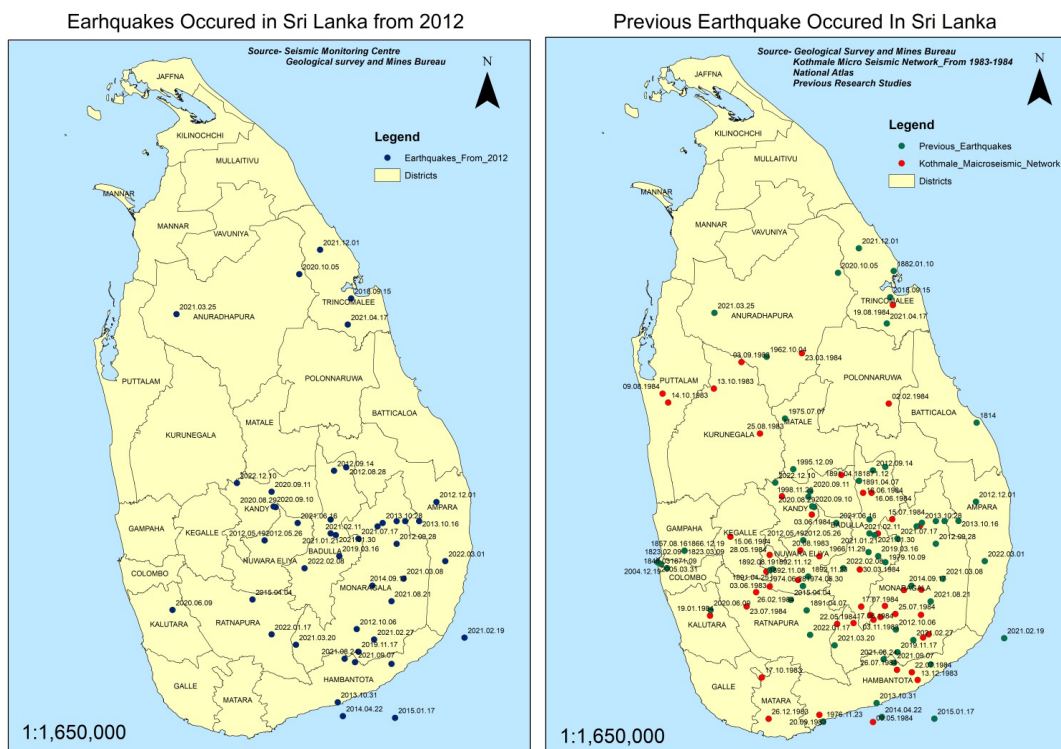


Fig 01: Draft Seismic Map of Sri Lanka (Data Source: GSMB Data Base, Research Papers)



(d) Upgrading the GSMB-Library

1. KOHA Software for Library data management continuation

Data entry for Dissertation was completed.

Data entry for Geological Maps and other Map was completed.

Data entry for Journal Articles was commenced and this will be operational over the next few years.

The following activities were removed from the action plan due to government policy on cost cutting.

1. Purchasing textbooks
2. Preservation/Conservation
3. Journal binding
4. Purchasing scientific journals
5. Documents scanning

MPA-4: Development of Infrastructure, Laboratory Facilities and Drilling Capacity

(A) PETROLOGY LABORATORY

The petrology laboratory GSMB was able to complete the analysis of 1097 samples (rock, sand, soil, mineral sand)

during the year 2022. This includes samples submitted by individual clients and private projects, samples submitted by magistrate courts and other government institutions and samples submitted by the

GSMB officers during their annual action plan activities. The total value of all the projects is Rs. 6,015,159.72. The summary of samples analysis are mentioned below.

Description	Nos. of samples	Amount/ Rs. (without VAT)
1. Direct income from the testing done for the individual clients	1,039	5,747,159.72
2. Other analysis on requests of the officers of GSMB	40	184,750.00
3. Analysis done for Magistrate court and others	18	83,250.00
Total	1097	6,015,159.72

Description	Amount/ Rs. (without VAT)
Total value of all the project	6,015,159.72
Free of charge Analysis	268,000.00
Direct income in the laboratory in 2022	5,747,159.72

Details of Sample Analysis in the Petrology Lab

1. Direct income from the testing done for the individual clients

Month	Sample Type						Total	Amount/ Rs. (Without Vat)
	Sand/ Soil			Rock				
	Particle size analysis	Mineralogical Analysis	Other	Thin section preparation & Petrographic analysis	Mineral Identification	Other		
January	20	-	-	02	8	-	30	108000.00
February	12	722	24		01	01	761	4,682,430.00
March	29	01	-	-	09	-	39	157500.00
April	14	-	-	-	-	-	14	73500.00
May	15	-	-	02	02	01	20	102,560.00
June	08	27	02	-	05	-	42	268,739.00
July	10	03	-	-	-	-	13	36,250.00
August	02	02	-	-	01	-	05	28,730.72
September	15	-	-	-	06	-	21	86,250.00
October	13	01	-	2	-	-	16	104,750.00
November	23	41	-	01	01	-	66	602,500.00
December	02	08	-	-	02	-	12	88,200.00
Total							1,039	5,747,159.72

2. Other analysis done for projects and field works on requests of the officers of GSMB

(Free of Charge)

Month	Analysis requested by		Sample nature	Nos of Samples	Amount (without VAT)/ Rs.	Progress
January	-	Chairman	Rock	01	3250.00	Completed
	Dr. Starin Fernando	SD/Geology	sand	01	12,000.00	Completed
	W.A.G.K.Wickramasinghe	Geologist	Rock	02	10,000.00	Completed
	Thishani Amarathunga		Tile	01	3250.00	Completed
February	T.P. Madushanka	Geologist	Clay	19	68250.00	Completed



March	W.A.G.K. Wickramasinghe	Geologist	Rock	06	30,000.00	Completed
April	K.R.G.P.M. Wickramasinghe	Geologist	sand	02	10,500.00	Completed
May	N.H.M.C. Nawarathne	Geologist	sand	01	12000.00	Completed
June	K.R.G.P.M. Wickramasinghe	Geologist	sand	01	12,000.00	Completed
	-	Chairman	Rock	01	3250.00	Completed
	R.M.A.K. Rathnayaka	Geologist	sand	01	5250.00	Completed
	RO/ Kandy	-	Sand	01	5250.00	Completed
July	-	Chairman	Rock	01	3250.00	Completed
August	RO/Hambantota	RME	Rock	01	3250.00	Completed
September	-	Chairman	Rock	01	3250.00	Completed
October	-	-	-	-	-	-
November	-	-	-	-	-	-
December	-	-	-	-	-	-
Total				40	184,750.00	

3. Analysis done for Magistrate Court and Others

Month	Analysis Requested by		Sample type	# Samples	Amount Rs (without VAT)	Progress (end of the year)
	Magistrate Courts	Other				
January	Polonnaruwa		Sand	1	4500.00	Completed and submitted
February	Galle		Sand	1	4500.00	Completed and submitted
	Morawaka		Sand	1	4500.00	Completed and submitted
	Galle		Rock	2	3000.00	Completed and submitted
March	Udugama		Sand	1	4500.00	Completed and submitted
	Udugama		Sand	1	4500.00	Completed and submitted
July	Udugama		Sand	2	10500.00	Completed and submitted
August	Galle		Sand	2	10500.00	Completed and submitted
September	Baddegama		Sand	1	5250.00	Completed and submitted
	Kilinochchi		Sand	1	5250.00	Completed and submitted
October	Wauniya		Sand	1	5250.00	Completed and submitted
November	Tissamaharama		Sand	2	10500.00	Completed and submitted
December	Kebithigollewa		Sand	1	5250.00	Completed and submitted
	Ampara		Sand	1	5250.00	Completed and submitted
		Total		18	83250.00	

(B) ANALYTICAL LABORATORY**(1) CHEMICAL ANALYSES CARRIED OUT FOR OUTSIDE CLIENTS**

Analysis of 725 samples consisting of limestone, quartz, dolomite, graphite, feldspar, soil, sand, cement, mica, mineral sand, clay, water, digested rocks, metal alloys, body mixtures of tiles and ceramic etc, were carried out by the laboratory on the requests made by various institutions and individuals. This brought Rs 6,462,744.00 (without taxes) as Analytical laboratory income.

(2) CHEMICAL ANALYSES DONE FOR THE PROJECTS UNDERTAKEN BY GEOLOGY DIVISION.

Name of the project	Number of samples	Income (Rs)
1. Tokyo Cement drilling project -limestone analysis	73	675,000.00

(3) CHEMICAL ANALYSES DONE ON THE REQUEST OF GSMB OFFICERS FOR THEIR PROJECTS/RESEARCH

Name of the officer	Sample type/ No of samples	Value of the analysis
1. Mr K G Sameera, Geologist	Rock/14	Rs 280,000.00
2. Mr. Goyum Wickramasinghe, Geologist	Soil/13	Rs 260,000.00
3. Mr. Piyathissa, Geologist	Water/21	Rs 199,500.00
4. Mr. Weligepola, Geologist	Water/10	Rs 5000.00
5. Mr N Ramesh, Mining Engineer	Water/ 17	Rs 272,000.00
6. Regional Mining Engineer, Matale	Dolomite/01	Rs 4500.00
7. Chairman, GSMB	Quartz/01	Rs 20,000.00
8. Mr. N.H.M.C. Nawarathna, Geologist	Apatite/15	Rs 60,000.00
9. Dr. W.I.S.Fernando Senior Director (Geology)	Red Clay/02	Rs 40,000.00
10. Mr. A.S. Jayakody, Geologist	Apatite/06	Rs 120,000.00



(5). ACTION PLAN WORK.

(a) CHEMICAL ANALYSES DONE FOR GEOCHEMICAL MAP PREPARATION

(i) Sheet No 19- Aluthgama-Galle

Completed the initial sample preparation/digestion and analysis of some trace elements using ICP-OES of 635 soil samples collected from Matugama, Aluthgama, Balapitya, Galle and Ambalangoda 1:50,000

sheets for the preparation of Geochemical map sheet #19. The analysis of Arsenic, Selenium and Mercury are in progress.

6 . L A B O R A T O R Y ACCREDITATION – ISO 17025:2018

The analytical laboratory has been awarded ISO/IEC 17025:2018 accreditation from Sri Lanka Accreditation Board for chemical analysis of quartz,

dolomite and water in 2019.

The 1st surveillance assessment of the laboratory to extend the accreditation was held on 03rd and 04th March 2022 and extended the accreditation of the laboratory.

7. SHIFTING OF THE LABORATORY TO NEW LABORATORY BUILDING

The laboratories were shifted to the new laboratory building in August/September.

CLIENT RESPONSIVE PROJECTS AND ACTIVITIES (INCOME GENERATING)

Client responsive Projects/ Field visits

(a) Income generating

Field name	Officers Involved	From	To	Cost
Exploration for limestone under EL/213/R/3 at Veravil Ponnaveili in Kilinochchi District TOKYO CEMENT COMPANY	W.M.R.R. Wickramasinghe (Geo) E.M.J.N. Ekanayake (TO) M.M.S.L. Ranaweera (TA) R.A. Karunarathne (Driver)	2022.02.10	2022.04.10	4,685,580.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (කරුවලසේවාව) L. Chandrika	K.M.N. Kandaragama (Geo)			113,400.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (කරුවලසේවාව) S.P.S. Kumara	P.M. Wickramasinghe (Geo)	2020.02.08	2022.02.11	75,600.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (දංකොටුව) I.A.T. Upendra	W.P.S.A. witharana (Geo)			103,140.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම Athula padmasiri	H.M.U.A.S. Hitihami (TA)			75,816.00
Peraj Mining	W.M.R.R. Wickramasinghe (Geo)	2022.02.11		42,120.00

Metal Quarry at Oddusudan, Mulativu (Business Promoters & Partners Engineering (Pvt) Ltd)	W.A.G.K. Wickramasinghe (Geo)			454,680.00
Metal Quarry at Oddusudan, Mullativu (Business Promoters and Partners Engineering (BPPE) (Pvt) Ltd)	W.A.G.K. Wickramasinghe (Geo)	2022.03.07	2022.03.12	454,680.00
	D.K.S.T. Piyathissa (Geo)			
	H.M.U.A.S. Hitihami (TA)			
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (R.M. Gnawathi)	M.M.T.N.B. Munasinghe (Geo)/S.N. de Silva (Geophy)			47,736.00
Soil augering Project in Bundala, Yala	W.P.S.A. witharana (Geo) G.C.C. Ariyawansa (TO) H.A.A.P. Hettiarachchi (TO)	2022.03.14	2022.03.25	100,000.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (කළුතර) Lankan Resources & Mining (pvt) Ltd	M.L.G.N.T. Jayathilaka (Geo) D.K.S.T. Piyatissa (Geo) M.B.M.de Silva (TO)	2022.03.29/2022.04.05		85,320.40
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (තබ්බේව) (M.C. Arunashantha)	W.K.G.V. Weligepola (Geo)	2022.03.30		75,816.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම (තබ්බේව) (R.P. Sunil Gunawardhena)	W.K.G.V. Weligepola (Geo)	2022.03.30		75,816.00
Prym Intimates Sri Lanka (Pvt) Ltd Geophysical Survey and Auger holes for Bedrock Survey	D (MS) S.B. Harankahawa (Geophy)	2022.10.31	2022.11.02	162,667.50
River Sand Survey in Manampitiya	J.A.C.M. Jayasuriya (Geo) T.P. Madushanka (Geo) M.B.M. de Silva (TO) W.A.I.P. Weerasinghe (TA)	2022.12.16	2022.12.18	363,055.00
Sand Mining Mundalam (Mr. J.B.J. de Silva	S.B. Harankahawa (Geophy) D (MS)	2022.12.13		506,155.25



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Field Visit in North East & North West Coastal Areas	W.M.R.R. Wickramasinghe (Geo)	2022.12.10	50,000.00
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබාගැනීම Mr.A.N.S.K. Fernando	W.M.R.R. Wicramasinghe (Geo)	2022.11.25	100,193.75

Work done by cartography section in addition to Action Plan work - Preparation & Sale of Maps (Digital Map & Softcopies) on Request

Date	Client	Income (Rs)
2022/02/14	Sampath Marasinghe	6000.00
2022/02/25	M.D.L.K. Abeynayake	3000.00
2022/06/15	E.P. Suresh Indika Jayawardana	66000.00
2022/08/08	Thulitha Dharmarathna	3000.00
2022/09/01	Tissa Abewickrama	3000.00
2022/09/06	DGM/ CEB	3000.00
2022/10/19	Boralugoda Graphite Pvt Ltd	12000.00
2022/10/19	W N Shanali Minoli Fernando	3000.00
2022/11/15	P H Abeygunawardhane	3000.00
2022/11/17	Japan Clean Energy Pvt Ltd	12000.00
2022/12/06	H M Ranjith Premasiri	18000.00
2022/12/23	Japan Clean Energy Pvt Ltd	6000.00

(b) Free of charge (done as a service)

Field name	Officers Involved	From	To
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබා ගැනීම. (puttalama) P.W. Perera	P.M. Wickramasinghe (Geo) D.K.S.T. Piyatissa (Geo)	2022.01.03	
භූ විද්‍යා සමීක්ෂණ වාර්තාවක් ලබා ගැනීම. (puttalama) V.S.S. Products (Pvt)Ltd	P.M. Wickramasinghe (Geo) D.K.S.T. Piyatissa (Geo)	2022.01.03	
The river Sand Survey at Mollimadu Trincomalee	S.N de Silva (S. Geophy) S.B. Harankahawa (Geophy) W.K.G.V. Weligepola (Geo)	2022.01.24	2022.01.28

හු විද්‍යා සමීක්ෂණ වාර්තාවක් ලබා ගැනීම. (කඳුවලසේවුව) J.I. Sampath	P.M. Wickramasinghe (Geo)	2022.01.16	2022.01.19
හු විද්‍යා සමීක්ෂණ වාර්තාවක් ලබා ගැනීම. () Wasnathi Perera	P.M. Wickramasinghe (Geologist)		
Geophysical model to explain groundwater issues at Chenakudierruppu,Puttalam	S.N. de Silva (Geophy) S.B. Harankahawa (Geophy) N.H.M.C. Nawarathne (Geophy) D.K.S.T. Piyathissa (Geo) M.B.M.de Silva (TO)	2022.02.09	2022.03.01
River Sand Survey of Mahaweli river at Trincomalee	P.M. Wickramasinghe (Geo) E.P.A.H.E. Vijenayake (TA)	2022.02.14	2022.03.02
	W.K.G.V. Weligepola (Geo) H.A.A.P. Hettiararchchi (TO)	2022.02.10	2022.03.02
River Sand Survey in Maa Oya 2022	J.A.C.M. Jayasuriya (Geo) M.B.M.de Silva (TO)	2022.03.11	2022.04.01
River Sand Survey Maduru Oya	J.A.C.M. Jayasuriya (Geo) T.P. Madushanka (Geo) M.B.M.de Silva (TO) C.D. Gunamuni (TO)	2022.10.03	
land subsidence in Kantale	CNB Wijeratne (Geo)		
Slope Failure in Pasyala	Dharani Wijesundara (DD (M&GI))		
River Sand Survey in Ma Oya	T.P. Madushanka (Geo) J.A.C.M. Jayasuriya (Geo) W.A.I.P. Weerasinghe (TA)	2022.12.27	

Other work undertaken by cartography section as a part of GSMB work and work done for other government organizations as a service (non profit)

- Sand Volume variation maps- Kochchikade to Pannala
- UDA – Puttalam district mineral locations and areas
- Database for wind and solar energy project Poonakary
- Maps for reserved areas for gold, graphite, limestone, mineral Sand
- Feldspar locations in Sri Lanka map
- Highway related shapefiles and maps
- Construction raw material and industrial minerals in Mahaweli areas, database and maps



-
- Malwathu Oya IDW maps and borehole maps
 - Electrical conductivity distribution map-Lower Mahaweli Riverine System
 - Clay deposits along Mo Oya maps
 - Completed to Batticaloa & Paddiruppu Area Mineral Sand Volume Maps.
 - Completed to Mullaitivu to Alampil Area Mineral Sand Volume Maps.
 - Completed to Mullaitivu to Chalai Area Mineral Sand Volume Maps.
 - Creating Geology & Google Maps Pooneryn Area
 - Shell Bed Map (Southern Province) Prepared for Ministry of Defense
 - Creating Geology Map Muthurajawela Lagoon Area
 - Completed to Batticaloa & Paddiruppu Area Mineral Sand Volume Maps.
 - Completed Mullaitivu to Alampil Area Mineral Sand Volume Maps.
 - Completed Mahawewa & Naththandiya DS Division Area Silica Sand Maps
 - Completed Eppawala Phosphate Project area Maps (Google, Geology & Location Maps)
 - Completed Apatite, Graphite, Hot Springs, Iron Ore, Limestone, Mineral Sand & Vein Quartz Map
 - Preparation of Graphite zone map & Mineral Zone map
 - Preparation of Mahaweli River Area GPS Point map
 - Preparation of Vein Quartz Mineral Map
 - Preparation of Vein Quartz Mineral Map
 - Sand survey Map for Maduru Oya
 - Industrial Mineral Map for Mahaweli System.
 - Preparation of NPPP Project Maps
 - Preparation of Udawalawe Field Map
 - Preparation of Geochemical Map for Hambantota Industrial Zone
 - Map to show reserved areas for mineral resources
 - Mahaweli System Maps – Construction raw materials
 - Continuing National Physical Policy Planning Project Maps
 - Sand volume variation maps – River sand survey of Lavani Aru
 - Sand volume variation maps – River sand survey of Ma Oya
 - Sand volume variation maps – River sand survey of Nawakiri Aru
 - Sand volume variation maps – River sand survey of Maduru Oya

- Map of Electrical conductivity variation for Mahaweli area in Trincomalee
- Cross section Maps for Limestone –Veraveli Ponnaveli
- IDW maps and Bore hole logs of Malwathu oya basin
- Maps for Exploration License
- Clay survey map of Ma oya
- Sand volume variation maps – River sand survey of Ma Oya
- Sand volume variation maps – River sand survey of Mahaweli Ganga

OTHER ACTIVITIES

Mining related activities

- ◀ Several geologists have participated joint inspections in collaboration with regional offices regarding issuance of licenses.
- ◀ Several geologists have participated joint inspections with officials of Divisional Secretaries Offices on mining activities

Workshops, Seminars, Awareness Programmes and Trainings

(a) Awareness Programs

- ◀ Awareness Program for media Officers in Kandy District

An awareness program was successfully conducted for media officers by GSMB at Kandy District about Geo Resource Management and Earthquakes. It was held on 23rd January 2022 at Oak Ray Regency, Kandy from 9.00 am to 12.00 pm with the presence of Hon. Minister Mahinda Amaraweera.

Objectives of this awareness program were,

- ◀ Major regional/ National programs carried out by GSMB.
- ◀ Scientific background of earthquakes and their occurrences.
- ◀ Recent developments on seismic monitoring in Sri Lanka.





◀ Awareness Program for media Officers In Hambantota District

An awareness program was successfully conducted for media officers at Hambantota District about Geo Resource Management and Earthquakes. It was held on 13th March 2022 at Kamatha Hotel, Am-balantota from 10.30am to 15.30 pm with the presence of Hon. Minister Mahinda Amaraweera.

Objectives of this awareness program were,

- ◀ Introduction to utilization of geo resources for development activities while protecting the environment.
- ◀ To introduce geological explanation on Natural Hazards.
- ◀ Mineral resources in Sri Lanka and specifically in Hambantota area
- ◀ Discussion session regarding environmental issues in this area.



(b) Foreign Seminars/ Workshops

- ◀ NDC Capacity Building Workshop and Regional Seismic Travel Time (RSTT) in combination with Data Sharing and Integration Training for the Middle East and South Asia (MESA) region, 04 - 08 September 2022, Muscat-Oman

Ms. Nilmini Thaldena (Senior Seismologist) and Mr. Jayanath Herath (Seismologist) successfully completed this workshop.

The objectives for the NDC Capacity Building Workshop are:

- ◀ to strengthen participants' knowledge of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and the work of the Preparatory Commission
- ◀ Further build up the national and regional capacities in implementing the Treaty and participating in the verification regime;
- ◀ To promote the civil and scientific application of verification technologies.;



Meetings

- ◀ Several geologists participated meetings related to mining activities held at Divisional secretaries and other government institutes.

Other work

- ◀ Nuclear Power Programme (NPP) in Sri Lanka

On 13 January 2020, the Director General of the Sri Lanka Atomic Energy Board (SLAEB) on behalf of the Ministry of Power, Energy and Business Development of the Democratic Socialist Republic

of Sri Lanka requested the International Atomic Energy Agency (IAEA) to carry out a Phase 1 Integrated Nuclear Infrastructure Review (INIR) mission in the Democratic Socialist Republic of Sri Lanka. In February 2020, the IAEA agreed to conduct the INIR Phase 1 mission, and requested that the final Self-Evaluation Report (SER) be prepared using IAEA Nuclear Energy Series NG-T-3.2 (Rev. 1) Evaluation of the Status of National Nuclear Infrastructure Development and submitted to the IAEA. Sri Lanka sent a preliminary SER and supporting documents

to the IAEA in May 2020 and a final SER in April 2021 addressing some of the suggestions provided by the Agency in the meantime.

The main INIR mission was conducted from 4-11 April 2022 and as a member of Working group: Siting of NPPs /Nuclear Facilities, Ms. Nilmini Thaldena (Senior Seismologist) attended the above mission.

- ◀ Several geologists were involved in rocks/sand samples identifications of customer samples for exports purposes.



MINING DIVISION

ANNUAL REPORT FOR 2022 - MINING DIVISION OF GSMB

1. INTRODUCTION

The mining industry provides raw materials, minerals and metals critical to our economy, which are of utmost importance since it provides the foundations for modern living, innovation and engineering achievements. All Minerals except hydro carbon and gems are regulated in Sri Lanka by the Act No.33 of

1992 Mines & Minerals act and the amended Act No. 66 of 2009 and the published several gazettes under these acts. With the introduction of this act, the Geological Survey & Mines Bureau was established and it consists of two major divisions i.e. Mines division and Geology division. The Mines division

is divided to three main sub divisions i.e. Environmental Impact Analysis & Region, Mines Safety and Mineral Titling and these sub divisions are administered by three directors. Its services and operational works are carried out by Head Office as well as twenty-one regional offices located island wide.

2. TOP MANAGEMENT OF THE MINES DIVISION

Mines division is headed by Senior Director (Mining) and he is assisted by three directors. Top management of the mines division consist of following staff personnel.

Senior Director (Mining) (Actg.)	-	
Director (EIA & Regions)	-	
Director (Mines Safety)	-	
Director (Mineral Titling) (Actg.)	-	
Deputy Director (EIA & Regions)	-	Vacant since 2018
Deputy Director (Mines Safety)	-	Vacant since 2021
Chief Mining Engineer (Mines Safety)	-	
Chief Mining Engineer (EIA & Regions)	-	
Senior Mining Engineer (Mines Safety)	-	
Senior Mining Engineer (EIA & Regions)	-	
Senior Registrar	-	

The Mines Division is presently functioning with twenty-two regional offices at Ampara, Anuradhapura, Badulla, Batticaloa, Colombo, Gampaha, Hambantota, Jaffna, Kegalle, Kalutara,

Kandy, Kurunegala, Matale, Matara, Mannar, Monaragala, Mullaitivu, Polonnaruwa, Ratnapura, Trincomalee, Vavuniya and Puttlam with (02) sub offices at Hasalaka and Kantale. The major

activities of these Regional offices are to provide better island wide service for the customers who are engaged in the Mining Industry and to control the illegal mining activities.



The Regional Mining Engineers attached to the regional offices in Year 2022 were as follows.

Regional Office	Regional Mining Engineer
Ampara	Eng. M.R.M.Farees
Anuradhapura	Eng. C.K. Karunanda
Baticcaloa	Eng. H.A.C.K.W.Bandara
Badulla	Eng. T.M.W.Bandara
Colombo	Eng. I.G.V.Sandamali (Covering)
Gampaha	Eng. W.M.Perera (Covering)
Hambantota	Eng. N.W.C.P.Lanka
Jaffna	Eng. C .Jayaroopan (Acting)
Kandy	Eng. P. Asanka Wimalasena
Kalutara	Eng. W.A.A.C. Wanniarachchi
Kurunegala	Eng. P.A.S. Ratnayake
Kegalle	Eng. K.G.G.Kumburuhena (Covering)
Puttlam	Eng. W.M.N.T.Waranasooriya (Mining Engineer)
Mannar	Eng. S.Sivalingam (Covering)
Mathale	Eng. A.M.H.V.Adikari
Mathara	Eng. U.H.T.Priyantha
Monaragala	Eng. W.K.A.S.Rupawansa
Mulathiv	Eng. D. Mayooraan
Polonnaruwa	Eng. H.A.C.K.W.Jayasinghe
Rathnapura	Eng. S.Abesinghe (Covering)
Trincomalee	Eng. K.Vignamoorthi
Vauniyawa	Eng. Krishna Kumar (Covering)

1. MAIN FUNCTIONS OF THE MINES DIVISION

I. Activities related to mining of minerals.

- Performing Site Inspections
- Providing Technical Advices
- Conducting Test Blasts
- Ore Reserve estimation (Mine site surveys)
- Technical Report Evaluation
- Issuing licenses for Exploration, Mining, Storing, Transportation and Exporting
- Acquisition of Royalty charges
- Monitoring Rehabilitation activities of the sites

- Accident Investigation
 - Safety Auditing of the mine sites
 - Complaint investigations
- II. Conducting awareness programs and workshops among all stake holders related to mining and mineral industry.
- III. Soft skill development
- Conducting training programs for employees
 - performance evaluation
- IV. Advise the subject minister on policies to be adopted for the promotion of the extraction and production of minerals on a commercial basis
- V. Focusing on improving and developing of regional infrastructure

2. SERVICES CURRENTLY OFFERED BY MINES DIVISION OF THE GSMB

- Mine site inspections
- Expert services (blasting techniques, license upgrading, safety methods, test blast, crack surveys)
- Awareness programs for public officers ,license holders and section of the public who are interested in mining
- Conducting Workshops for mining people to improve related knowledge and knowhow and knowledge sharing.
- Conducting exhibitions to develop public awareness on the industry
- Implementation of mine site rehabilitation programs (develop the culture among the mining community on the importance of rehabilitation of mine sites and the aware of responsibility vested on them regarding land degradation and sharing among them the restoration methods)
- Investigation of public complaints regarding the mine sites
- Get the mining industry within the legal frame work by conducting raids on illegal mine sites.

3. INCOME GENERATED BY THE MINES DIVISION

5.1 Income Generated through Issuing of various types Licenses mentioned in the act and regulations.

Geological Survey and Mines Bureau issues following types of licenses.

- a. Exploration licenses
- b. Mining Licenses (ML)
 - Artisanal Mining Licenses (AML)



-
- Industrial Mining Licenses (IML)
 - Reserved Minerals
 - c. Trading Licenses
 - d. Transport Licenses
 - e. Export Licenses

A brief explanation on above license types are as follows.

I. Exploration Licenses

An Exploration license grants the license holder the exclusive right to explore for all mineral categories authorized by the license.

II. Mining Licenses

Mining licenses grants the license holder the exclusive right to mine, process and trade in all minerals specified in the license. They are divided into two categories i.e. artisanal licenses and Industrial licenses. Artisanal licenses issue an area not exceeding ten hectare or to a depth not exceeding twenty five meters. Artisanal licenses fall into two categories i.e.

- ***Artisanal Mining Licenses - Category A***

This includes one or more of the under-mentioned criteria.

- The depth of bore hole to be less than 1.5 meters
- The production volume to be not less than 100 m³ and not more than 600 m³ per month
- No machinery to be used

- ***Artisanal Mining License - Category B***

This includes any one or more of the under mentioned criteria.

- The depth of the borehole to be less than 1.5 meters
- Production volume to be not exceeding 100m³ per month
- No machinery to be used

Industrial licenses fall into four categories i.e.

- ***Industrial Mining License – Category A***

(which shall include any one or more of the following criteria)

- The blasting method shall be multi – bore holes using high explosives and more than five (5) electric detonators and five (5) bore holes at a time.
- The depth of a bore hole shall be more than three (3) meters.
- The production volume shall be more than two thousand (2,000) cubes

per month.

- The machinery permitted to be used by the Bureau shall be dredgers, track-drills, jack hammers, compressors, rock breakers, front-end loaders, excavators and backhoe loaders.
- Any other machinery to be used as permitted by the Bureau.
- Mining area shall be more than ten (10) hectares.
- The depth of mine shall be more than twenty-five (25) meters.
- The diameter of a bore hole shall be more than forty-two (42) millimeters.

- **Industrial Mining License – Category B**

(which shall include any one or more of the following criteria)

- The blasting method shall be multi-bore holes using high explosives and shall not exceeded five (05) electric detonators and five (05) bore holes.
- The blasting method shall be multi-bore holes using detonating code or expansion by non-explosives.
- The depth of a bore hole shall not exceed three (03) meters.
- The machinery permitted to be used by the Bureau shall be dredgers, jack hammers, compressors, rock breakers, front-end loaders, excavators and backhoe loaders.
- Any other machinery to be used as permitted by the Bureau.
- The production volume shall not exceed two thousand (2,000) cubes per month.
- The depth of the mine shall not exceed twenty-five (25) meters.
- The mining area shall not exceed ten (10) hectares.
- The diameter of the bore hole shall not exceed forty-two (42) millimeters.

- **Industrial Mining License – Category C**

(which shall include any one or more of the following criteria)

- The blasting method shall be single shot hole.
- The depth of a bore hole shall not exceed three (03) meters.
- The production volume shall not exceed thousand (1,000) cubes per month.
- Machinery permitted to be used by the Bureau shall be jack hammers, compressors, rock breakers, front-end loaders, excavators and backhoe loaders.
- The mining area shall not exceed two (02) hectares and the depth of the mine shall not exceed twenty-five (25) meters.



- **Industrial Mining License – Category D**

(which shall include any one or more of the following criteria)

- The blasting method shall be single shot hole.
- The depth of a bore hole shall not exceed one decimal five (1.5) meters.
- The production volume shall not exceed five hundred (500) cubes per month.
- Machinery permitted to be used by the Bureau shall be jack hammers with compressors, front-end loaders and excavators.
- The mining area shall not exceed two (02) hectares and the depth of the mine shall not exceed twenty-five (25) meters.
- **Reserved Minerals (RML)**

License to explore, mine, process and trade in reserved minerals may be granted with the approval of the Minister.

I. Trading Licenses (TDL)

A trading license grants the non-exclusive right to purchase, store, process, trade in and with the special authorization of the Director to export minerals in respect of which the license is issued.

- **Trading License – Category A**

This type of license is issued to trade in minerals for exporting.

- **Trading License – Category B**

This type of license is issued to trade in minerals locally.

- **Trading License – Category C**

This type of license is issued to trade in bricks and lime produced manually.

II. Transport Licenses

License to transport minerals bearing substances or mineral shall be issued for such quantity and period and for such minerals as may be specified in such license. All exploration, mining and trading licenses shall require a transport license to transport mineral bearing substances or minerals.

III. Export of Minerals

All exploration, mining and trading licensee shall obtain the special authorization of the Director of the GSMB to export minerals in respect of which the license is issued.

5.2 Income generated by Royalty

The ownership of minerals is vested to the Republic according to the clause 26 in the act No.33 of 1992. Therefore, minerals should be extracted with the approval of GSMB and royalty should be paid for the quantity of minerals extracted.

Year	Royalty Income (Rs Mn.)	Year	Royalty Income (Rs Mn.)
2005	143.06	2014	1,128.46
2006	150.26	2015	1,293.43
2007	199.66	2016	1,578.58
2008	284.05	2017	2,569.32
2009	378.29	2018	4,202.44
2010	453.85	2019	1,977.61
2011	586.89	2020	1,594.37
2012	732.71	2021	2,295.53
2013	681.27	2022	2,297.25

Following chart shows the royalty income collected by the GSMB.

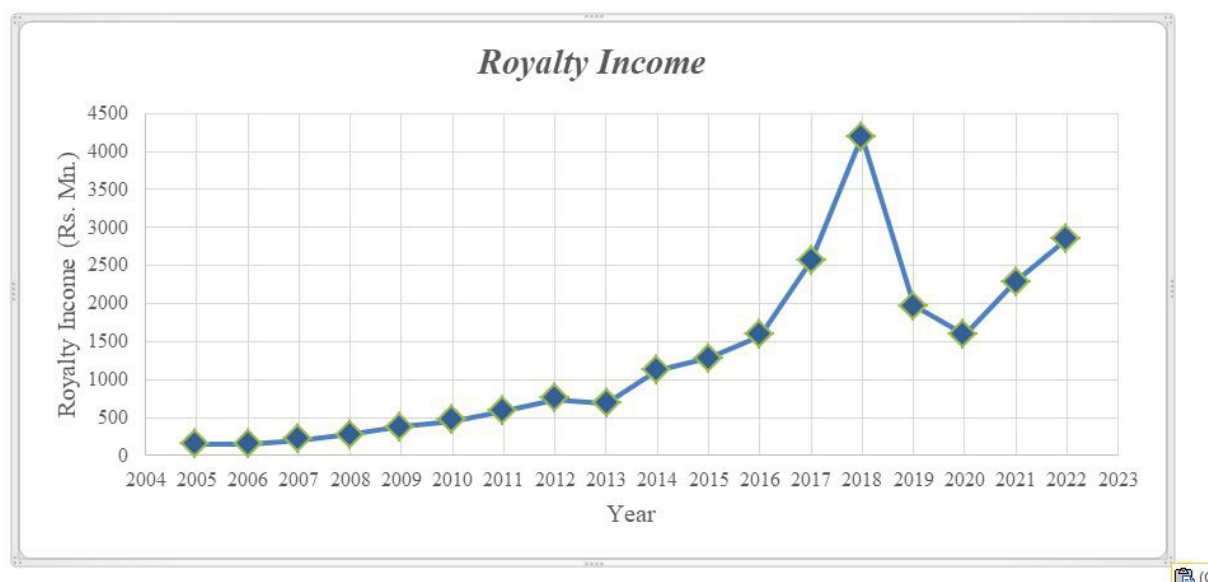


Fig.1: Income generated by royalty during the period of 2005 to 2022

5.3 Income generated by Mine Inspections

The principal purpose of a mine inspection is to verify compliance with regulatory requirements and where necessary take appropriate action. For a site visit, the Bureau charges a relevant fee based on the license category. Rapid increase of income generated by Mine inspections shown in the following graph enlightens the improvement of Mineral industry of the country.

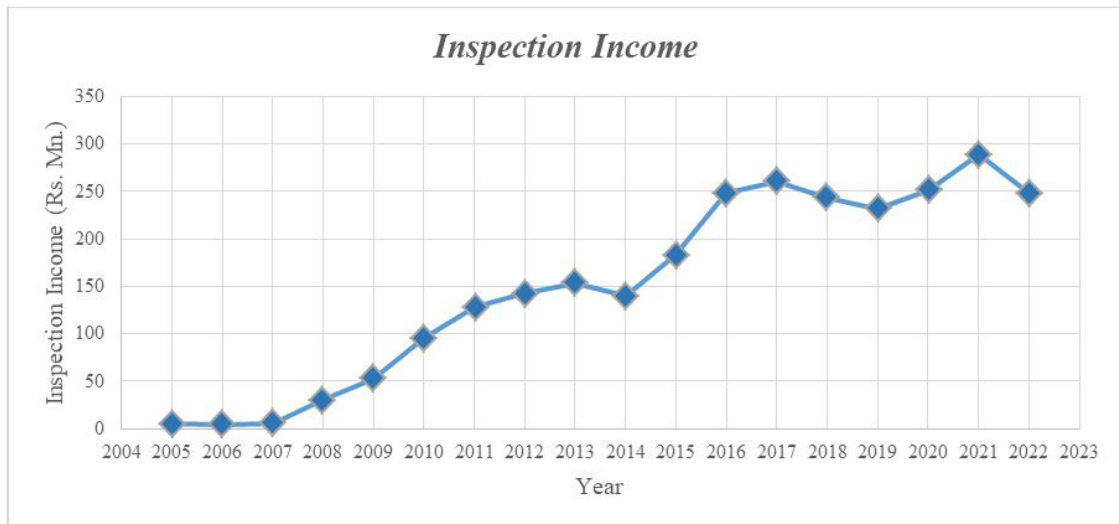


Fig.2: Income generated by mines inspection during the period of 2005 to 2022

Year	Inspection Income (Rs Mn.)	Year	Inspection Income (Rs Mn.)
2005	5.25	2014	140.15
2006	4.43	2015	182.94
2007	5.61	2016	247.95
2008	30.07	2017	260.66
2009	52.76	2018	243.54
2010	95.45	2019	231.81
2011	128.42	2020	250.83
2012	142.52	2021	289.31
2013	153.23	2022	248.06

5.3 Income generated by issuing licenses

Income generated through number of licenses which were issued by the Bureau for various mineral categories is as follows.

License category	No. of licenses issued	Total charge
Exploration License	12	1,920,000.00
Industrial Mining License A	105	44,310,000.00
Industrial Mining License B	121	5,130,000.00
Industrial Mining License C	1874	19,950,000.00
Industrial Mining License D	365	1,900,000.00
Artisanal Mining License A	869	4,260,000.00

Artisanal Mining License B	1451	2,880,000.00
Trading License A	8	120,000.00
Trading License B	3250	17,690,000.00
Trading License C	-	-
Transport License	529,509	88,840,000.00
Export License	576	2,940,000.00
Total		189,940,000.00

Following chart shows the income generated by issuing licenses for exploration, mining, trading, transportation and export of minerals.



Fig.3: Income generated by issuing licenses during the period of 2005 to 2022

Year	License Fee (Rs Mn.)	Year	License Fee (Rs Mn.)
2005	36.05	2014	75.60
2006	47.04	2015	80.00
2007	48.04	2016	224.80
2008	41.90	2017	176.40
2009	45.07	2018	145.47
2010	57.64	2019	180.81
2011	79.46	2020	149.22
2012	69.82	2021	229.14
2013	91.15	2022	189.94



6. Summary Performance (Financial and Physical) – Year 2022

6.1 Regulating mining activities in Sri Lanka

	Annual Target & Allocation		Physical and Financial achieved		Progress (%)	
	Physical target	Financial target (Rs. Mn)	Physical target achieved	Financial target achieved (Rs. Mn)	Physical	Financial
License Issuing						
Exploration License	48	10.40	12	1.92	25.0	18.46
Industrial Mining License A	80	7.53	105	44.31	131.3	588.45
Industrial Mining License B	100	3.23	121	5.13	121.0	158.82
Industrial Mining License C	1760	15.84	1874	19.95	106.5	125.95
Industrial Mining License D	800	3.85	365	1.90	45.6	49.35
Artisanal Mining License A	1600	7.86	869	4.26	54.3	54.20
Artisanal Mining License B	1500	2.88	1451	2.88	96.3	100.00
Trading License A	5	0.03	8	0.12	160.0	400.00
Trading License B	2000	10.14	3250	17.69	162.5	174.46
Trading License C	1	0.001	-	-	-	-
Transport License	900,000	81.02	529509	88.84	58.8	109.65
Export License	800	4.50	576	2.94	72	65.30
Royalty	-	1882.00	-	2,854.03	-	151.60
Inspection Charges	-	438.00	-	248.06	-	56.63
Other Income	-	12.00	-	36.06	-	300.50
Conducting Test Blasts (No.)	140	7.50	159	10.59	114	141.20

6.2 Development of Expert Engineering Services

Activity	Estimated Target (No.)	Target Achieved (No.)	Progress (%)	Remarks
Conducting market value surveys	01	01	100	A market value survey for Building Materials was conducted
Evaluation for IML/B metal quarries	20	29	145	

6.3 Mining related IT solutions

Activity	Estimated Target (No.)	Target Achieved (No.)	Progress (%)	Remarks
Government Process Restructuring	-	-	-	Instead of GPR process, Enterprise Resource Planning (ERP) system will be established.
Document scanning	-	-	-	This is included in ERP system.

6.4 Mine site surveys

Activity	Estimated Target (No.)	Target Achieved (No.)	Progress (%)	Remarks
The quantitative estimation of the mineral in metal quarries	15	10	66.66	Interviews were done to recruit engineers for survey unit to expedite surveying activities. But, recruitments were not done due to prevailing situation of the country.



7. AWARENESS PROGRAMS, WORKSHOPS AND REHABILITATION PROGRAMS CONDUCTED DURING 2022

- a. “Mihikathata Kandemu” awareness program regarding Seismology and Earth Resources for media in Kandy district on 23rd January, 2022.



- b. “Nekathata Pelayak” plantation program was conducted at the river sand ferry owned by Mr.A.A.Senarathna, Monaragala district on April, 2022.



- c. “Ratatama Husma Dena Nekatha” plantation program was conducted at following locations with the supervision of Regional Mining Engineer, Ampara, Eng.M.R.M.Faris and the participation of the employees of the regional office.

- Am/ Vidya Shashtra Model School
- Nawagampura Aramaya
- Gal Oya tank bund



d. Based on the advices given by Hon.Naseer Ahamed, Minister of Environment, a mobile service was started to discuss and address the issues facing by mining license holders. This program for Anuradhapura district was held at Anuradhapura District Secretariat on 23rd August, 2022.



Above program was conducted for Polonnaruwa district on 24th August 2022.

e. As a solution for the food scarcity which can be arisen in the future, vegetable plants and fertilizer were distributed among employees in Polonnaruwa regional office to plant in the office premises.



f. Colombo Regional Office of the Bureau was established at the Head office and commenced the duties at this new location on 29th August, 2022.



g. A meeting was held with the participation of the Chairman and Director General to review the progress of Regional offices of the Bureau on 26th September, 2022 at the Head office. Regional Mining Engineers, Mining Engineers and Registrars participated in this event. Also, Chairman and Director General advised to discuss prevailing issues in Regional offices and take suitable solutions.



h. An awareness program was held at the Auditorium of the Bureau to educate the officers regarding the Legal background of Mines and Minerals Act, on 11th November, 2022.



i. Workshop conducted by Mines Safety division under the theme of “wdrIaIs; jev iula - iqrlaIs; fyglā”

No	District	Theme	Date	Income-LKR
1	Matale	ආරක්ෂිත වැඩ විමක් - සුරක්ෂිත හෙටක්	2022.01.25-26	365,500.00
2	Kandy.	ආරක්ෂිත වැඩ විමක් - සුරක්ෂිත හෙටක්	2022.03.30-31	436,500.00





k. wdrlals; jev iula - iqrlals; fyglaf Kandy l awareness Programe 2022.03.30-31





8. COMPLAIN INVESTIGATION

Summary of the complaints received to the GSMB for last three years is mentioned regional office wise in the below table.

No	Regional Offices	Year-2020		Year-2021		Year-2022	
		Received	Replied	Received	Replied	Received	Replied
01.	Ampara	25	06	24	17	05	05
02.	Anuradhapura	33	31	52	46	14	14
03.	Badulla	50	45	50	49	08	08
04.	Batticaloe	14	09	11	10	09	09
05.	Colombo	73	20	122	12	52	12
06.	Gampaha	53	42	61	59	36	24
07.	Hambantota	21	13	29	18	09	06
08.	Head Office	-	-	268	232	131	97
09.	Jaffna	13	11	06	06	01	01
10.	Kaluthara	65	50	53	49	27	25
11.	Kandy	49	24	39	39	21	21
12.	Kegalle	27	23	47	37	16	16
13.	Kurunegala	136	55	142	66	73	15
14.	Matale	25	20	22	21	09	09
15.	Matara	98	76	79	68	32	30
16.	Monaragala	40	33	31	31	05	05
17.	Polonnaruwa	26	15	31	24	05	05
18.	Rathnapura	40	26	40	36	21	20
19.	Trincomalee	23	11	58	11	14	12
20.	Vavunia	03	02	04	04	0	0

9. ILLEGAL MINE SITE INVESTIGATIONS

Investigating mine site becomes a part and parcel of the GSMB. Therefore, the team headed by Field Officer attached to Mines Safety division was entrusted to take part this duty. Here are the details of illegal mine sites which run by various individuals that were investigated in 2022.

Year	Date	Illegal sites raided	Number of Person arrested
2022	2022.01.04	Kurunegala, Pannala	01
	2022.01.06	Ratnapura, Nivithigala	03
	2022.01.08	Kurunegala, Pannala	01
	2022.01.08	Kurunegala, Pannala	01
	2022.01.11	Matale, Galewela	03
	2022.01.12	Anuradhapura Nuwaragam Palatha	01
	2022.01.21	Ratnapura, Godakawela	03
	2022.01.22	Ratnapura, Imbulpe	05
	2022.01.23	Ratnapura, Diggitiya	02
	2022.01.25	Kurunegala, Pannala	03
	2022.01.27	Anuradhapura, Talawa	-
	2022.01.28	Puttalam, Karuwalagaswewa	02
	2022.02.03	Kandy, GagewateKoraleya	02
	2022.02.04	Mathale,Mathale	01
	2022.02.10	Kurunegala,Narammala	03
	2022.02.15	Gampaha, Badalgama	04
	2022.02.19	Kandy, Doluwa	-
	2022.02.21	Monaragala	03
	2022.02.23	Kurunegala, Bingiriye	-
	2022.03.16	Kurunegala,Melsiripura	01
	2022.08.24	Kurunegala,Melsiripura	01
	2022.08.24	Kurunegala,Melsiripura	01
	2022.09.21	Kurunegala,Kurunegala	01
	2022.09.21	Kurunegala,Kurunegala	01
	2022.10.05	Gampaha, Badalgama	02
	2022.11.25-26	polonnaruwa, Minneriya	01
	2022.11.29	Kurunegala,Polgahawela	01
			47



10. MINE SITES REHABILITATION

10.1 Individual mine site restoration programs

Details of the Mine site restoration programs done by involvement of the head office of the GSMB

	ML No	Before Rehabilitation of Mine Site	After Rehabilitation of Mine Site
01	IML/B/ HO/11641		
02	IML/B/ HO/11997		
03	IML/C/ HO/N/12546		

04	IML/C/ HO/N/13696		
05	IML/B/ HO/13034		
06	IML/B/ HO/11432/ LR/01		
07	IML/B/ HO/10458		



08	IML/B/ HO/11364		
09	IML/B/ HO/10714/ LR/1		
10	IML/D/ HO/N/12674/ LR/01		

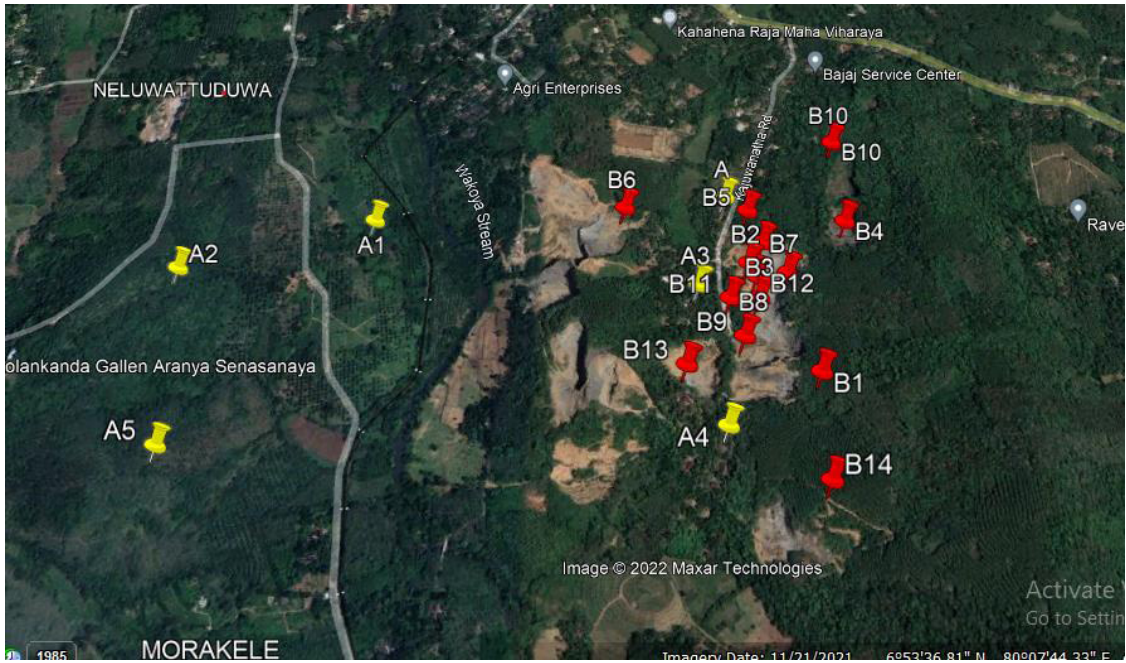
REGIONAL OFFICE	INEPECTED BY RO	INSPECTED BY HO	REHABILITATED	In Complete of Rehabilitation
Ampara	45	0	43	2
Anuradapura	54	95	64	85
Badulla	2	0	0	2
Batticaloa	13	0	13	0
Colombo	3	4	4	3
Matara	11	2	6	7
Gampaha	13	7	9	11
Hambantota	4	8	5	7
Jaffna	0	0	0	0
Kalutara	28	7	17	18
Kandy	0	0	0	0
Kegalla	0	1	1	0
Kurunegala	37	79	68	48
Matale	4	0	3	1
Monaragala	27	0	13	14
Mulativu	14	0	2	12
Polonnaruwa	30	0	21	9
Ratnapura	5	5	5	5
Trincomalee	14	6	14	6
Vavunia	4	16	15	5
TOTAL	308	230	303	235

10.2 Proposing integrated rehabilitation programs (Mine Cluster Observation)

Under this Head Office has observed mine clusters and necessary instructions were given in respect of mine safety and rehabilitation mine sites. Each mine's all activities are affected to the rest of mine sites of the mine cluster. Therefore, mining licence holders were convinced for integrated rehabilitation plans so as to reclaim the whole land in which mine sites are located to usable state. Few of the observations conducted are as follows.

- Colombo –Kahahena, Hanwella

Head Office has been involved to smooth the licenses activities and rehabilitations of the mine sites situated in Kahahena, Hanwella area in Colombo District. Several site inspections have been done by the mine safety division regarding the quarry operations.



B1, B2,.....B14 – Quarry sites – Cluster
A1,A2.....A5 – Villages of the area.



- Madampe – Silica Sand and Inland Sand

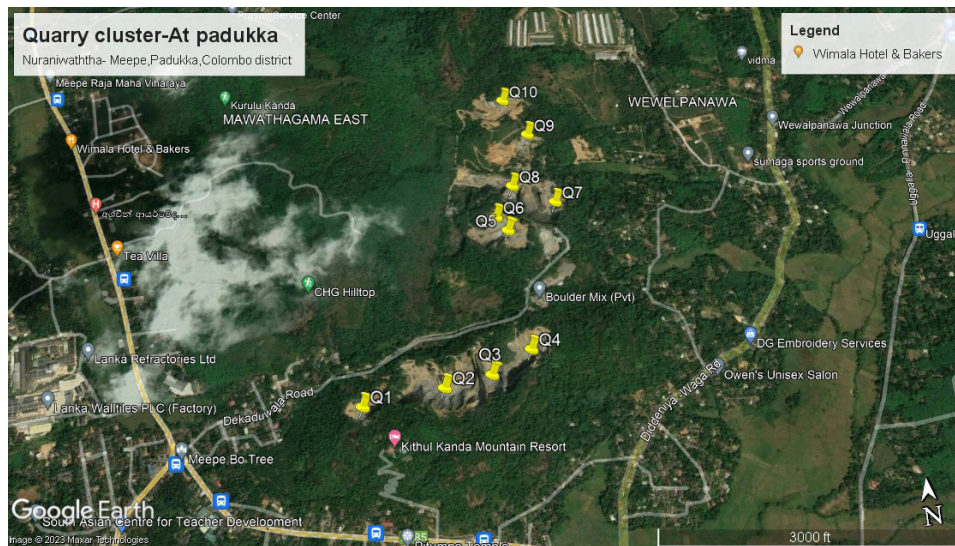
Division has been involved to smooth the licenses activities and rehabilitations of the mine sites situated in Madampe puttalama area. Several site inspections have been done as follows.

	License Number	Mineral Type
01	IML/B/HO/4215/LR/3	Silica Sand
02	IML/B/HO/5921	Silica Sand
03	IML/B/HO/6399/LR/4	Silica Sand
04	IML/B/HO/6682/LR/02	Silica Sand
05	IML/B/HO/6708	In land Sand
06	IML/B/HO/6893	Processing Sand
07	IML/B/HO/7457/LR/1	Silica Sand
08	IML/B/HO/8366/LR/3	Silica Sand
09	IML/B/HO/8382	In land Sand
10	IML/B/HO/8388	Silica Sand
11	IML/B/HO/8513	In land Sand
12	IML/B/HO/8811	In land Sand
13	IML/B/HO/8896	In land Sand
14	IML/B/HO/8913	Sand and Gravel
15	IML/B/HO/9073/LR/1	Silica Sand
16	IML/B/HO/9144	Silica Sand
17	IML/B/HO/9249	Silica Sand
18	IML/B/HO/9427	Silica Sand
19	IML/B/HO/9497	Silica Sand
20	IML/B/HO/9596	In land Sand
21	IML/B/HO/9913	Silica Sand
22	IML/B/HO/9975	Silica Sand
23	IML/B/HO/10042	Soil
24	IML/B/HO/10219	Sand and Gravel
25	IML/C/HO/N/10476/LR/2	Silica Sand
26	IML/B/HO/10497	Silica Sand
27	IML/B/HO/11177	In land Sand
28	IML/B/HO/N/11432/LR/7	In land Sand
30	IML/B/HO/11478	Silica Sand
31	IML/B/HO/11571/LR/1	Silica Sand
32	IML/B/HO/11700	In land Sand
33	IML/B/HO/11963/LR/1	Silica Sand
34	IML/B/HO/12596	Silica Sand
35	IML/C/HO/N/12915/LR/1	Silica Sand
36	IML/C/HO/N/13351/LR1	Silica Sand
37	IML/D/HO/13557	In land Sand
38	IML/B/HO/13634	Silica Sand
39	IML/C/HO/N/13696	Silica Sand
40	IML/B/HO/N/13898	Silica Sand
41	IML/D/HO/N/14114	Silica Sand
42	IML/C/HO/N/14352	Silica Sand



- Quarry cluster at padukka

Several complaints have been collected regarding the quarry operations at nuraniwatta padukka area in Colombo district. Mine safety division has been involved to smooth the licenses activities and rehabilitations of the mine sites in that area. The spread of sites of the area are as follows.



No	License Name	License Number
Q1	M.D.Kuruwitaarchchi	IML/C/COL/N/031
Q2	M.S.D. Perera	IML/C/COL/N/057
Q3	A.S.S. Perera	IML/C/COL/N/045/R/01
Q4	Boulder Mix (PVT) LTD	IML/A/
Q5	L.H.Piyasena and Company (PVT) LTD	IML/C/COL/N/043/R/01
Q6	L.H.Piyasena and Company (PVT) LTD	IML/C/COL/N/044/R/01
Q7	New Prema Metal Crusher	IML/C/COL/N/069/R/01
Q8	K.G.G. Hemachandra	IML/C/COL/N/065/LR/01
Q9	K.A. Lalith Nandana	IML/C/COL/N/053/LR/01
Q10	H.M.N.Nawenandana	IML/C/COL/N/105/R/01



11. ACCIDENT INVESTIGATION & REPORTING

Investigating accidents and reporting them is also comes under this unit and it has investigated a incident and details of it as below.

Accident Investigation Date	ML No	ML ID	District	No of Death
2022.10.18	IML/C/Col/ N/121/R/01	M.H.Priyantha	Colombo	02



Corrective actions have been done by the license owner with the instructions given by the mine safety division through the Colombo regional office. The photo graphic evidences are as follows.



12. SAFETY AUDITING

Safety auditing and make proposal for the mine sites so as to facilitate converting mine site into a safer place becomes an integral part of the Mines division. Under this the mines safety division has done several safety audits and the example is given as below.

- Bogala Mines PLC: This inspection was organized to coincide with the annual safety audit and the directive given by the COPE. This inspection was mainly focused on safety auditing and the audit query.

13. OTHER ACTIVITIES

- Preparation of Special permission guide lines (SPI)
- Preparation of rehabilitation guide line circulars

14. FUTURE PLANS

- Market Survey

It is planned to conduct a market survey covering whole country to find out commercial value of the cube/tonne of each mineral and make proposal to revise values of the cube/tonne of each mineral for obtaining royalty.

- Mine Cluster observation

It is planned to conduct more mine cluster observations so as to promote license holders for integrated mine rehabilitation plan.

- Random monitoring and inspection of the mine site regarding the complaints and rehabilitation of sites.

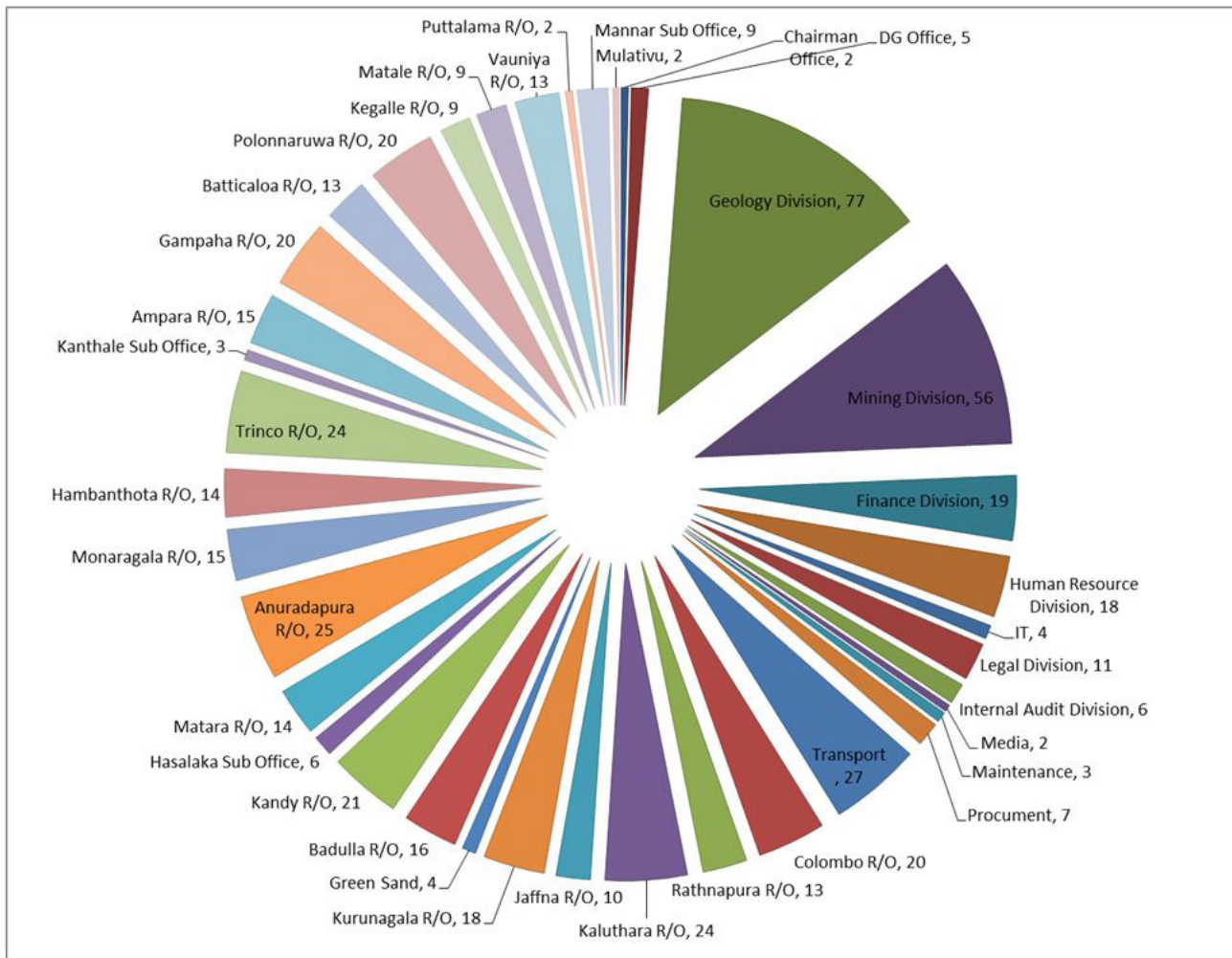
- Conducting the workshops regarding the mine safety activities.
- Future accident investigation.
- Future safety audits.
- Future complain Investigations
- Raiding of illegal mine sites
- Inspections of mine site rehabilitation.
- Mine sites monitoring.
- Implementation of rehabilitation circulars.



Human Resources Division



Human Resource Review

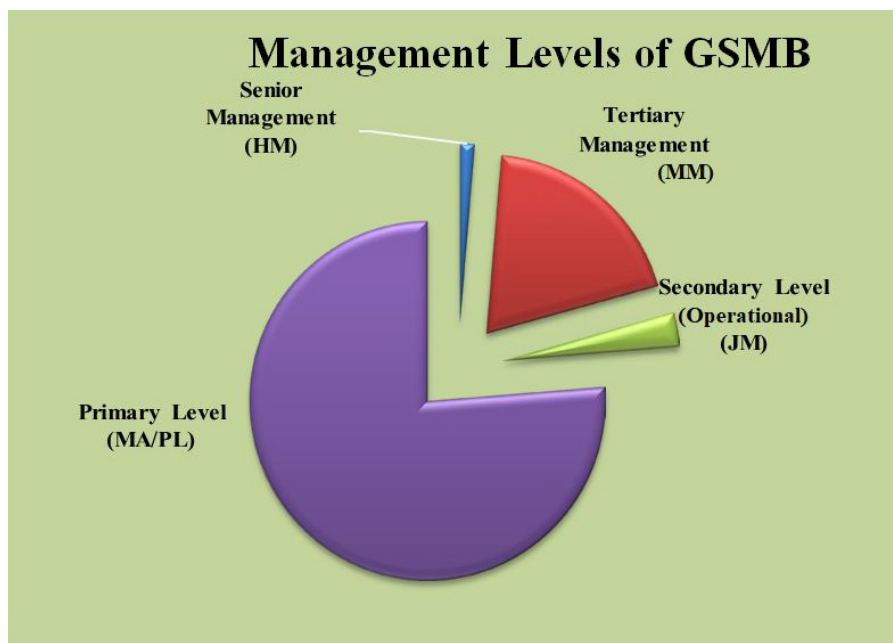


GSMB has 21 regional offices and 3 sub offices island wide to facilitate the general public who seek the services of the bureau and the staff dissemination of those regional and sub offices is shown below. Most of the staff members have been recruited from the areas where the relevant office is located to provide employment opportunities.

GSMB head office is located at Pitakotte having a staff membership of 291 and all the main Departments are stationed there in a Six Storied building. Basically the Strategic and the controlling part is handled from the Head Office. All the Key officers including Chairman, Director General, Directors are stationed here.

Scheme of Recruitment (SOR) has introduced five management levels for the GSMB which consists of Senior Management, Tertiary Management,

Secondary level and Primary level. These all levels of management provide their fullest support to smooth functioning of the GSMB.



PLANS FOR 2022 - HUMAN RESOURCES AND ADMINISTRATION DIVISION

1. Obtaining the approval from the board to implement the automated Leave and Attendance system
2. Preparing a new Cadre and refer it to the Management Services Department for approval, with the approval of the Board of Management.
3. Complete all the recruitments during the 1st six months of the year.
4. Upon the approval of the board, commence the implementation of the short term, medium term and long term recommendations of the Grievance committee.
5. Organizing training programs for employees, relating to their job role, twice a month.
6. Organizing six training programs during the year relating to Leadership and enhancement of the English Language.
7. Introducing five “ S “ concept and Organizing three training programs with the assistance of National Productivity Institute.
8. Organizing at least two out bound training programs.
9. Organizing a cricket tournament, New year ceremony, Vesak Festival in order to enhance the harmony among the employees with the assistance of the Welfare society.
10. To open a Milk Bar and to install a machine to pay utility bills of the employees.



LEGAL DIVISION

LEGAL DIVISION

No	Action / Activity	Month	Officer	Target	Actual
1	"Total Number of Cases handled by Legal Section Suprem Court - 11 Court of Appeal -15 Civil Appellate High Court - 0 High Court - 03 District Court - 03 Magistrate Court - 22 Labour Tribunal - 0"			Expected Cases - 75	55 Cases
2	"Appearing in Courts"	"January - 21 February - 15 March - 17 April - 04 May - 09 June - 20 July - 12 August - 12 September - 15 October - 12 November - 18 December - 14"		Expected Appearance - 200	169 Appearances
4	Consultations held with Attorney General Department regarding cases handled by legal section and for obtainig legal option				20
5	Registrar of Company file search regarding Mining Files				48
6	"Investigations and Raids conducted by Enforcement Unit Investigation 27 Raids - 48"			Expected No of 140 Raids and Investigations	75 Raids and Investigation
7	Total Complaints Handled by the Enforcement Unit			Expected No of 300 Complaints	355 Complaints
8	Total sum of Rupees collected as fine to Government,through the investigation and raids			Expected Fine 5,000,000	Rs. 820,000.00



9	Total sum Rupees Collected as royalty,through Letters of Demand and filing Court Actions -			expected Rs. 2,000,000	Rs.3,075,505.65
10	Total Rehabilitated sites for the year			expected 20 sites	21 Sites
12	Total Sites that has Agreed to Rehabilitate by the License Holders				17
13	Letters received by legal section for obtainig legal advices and for take necessary actions				1583
14	Preparation of Letters,Reports, Memos to send to Polices Stations,Courts, Government Authorities,subordinates, License Holders/Applicants & Others				484
15	Appeal Mining Files Handled by Legal Section				33
16	Mining Files Handled by Legal Section for providing legal Advices			expected 2000 files	269 Mining files
17	Letters and Files handled by Enforcement Unit				547
18	Awareness Programmes for Police Officers and for Police Special Task Force Officers conducted by Legal Section regarding provisions of Mines and Minerals Act	"March - 02 (monaragala andampara) October - 01 (for registrars attached to the GSMB) November-02 December - 01"		expected 20	06 Programmes
19	Awareness Programmes for GSMB Offiecers conducted by Legal Section regarding provisions of Mines and Minerals Act				02 Programmes
20	"Agreements prepared on behalf of GSMB Lease Agreements - 18 Drilling Agreements - 14 Service Agreements - 10 MIA Agreements - 04 Memorandum of Understanding (MoU) -0"			expected 50	46 Agreements

21	"Amendments to the Mines and Minerals Act . Internal Meetings were held to obtain the views of other sections . Identified important areas to be amended . Draft prepared by legal section as a base document and submitted for the approval of the Environment Ministry"				
	"Amendements to the Regulation "				Final Regulation has been forwarded for signatures of the Ministry of Environmental 02nd January 2023
22	Other Internal/External Meetings				201



Financial Review

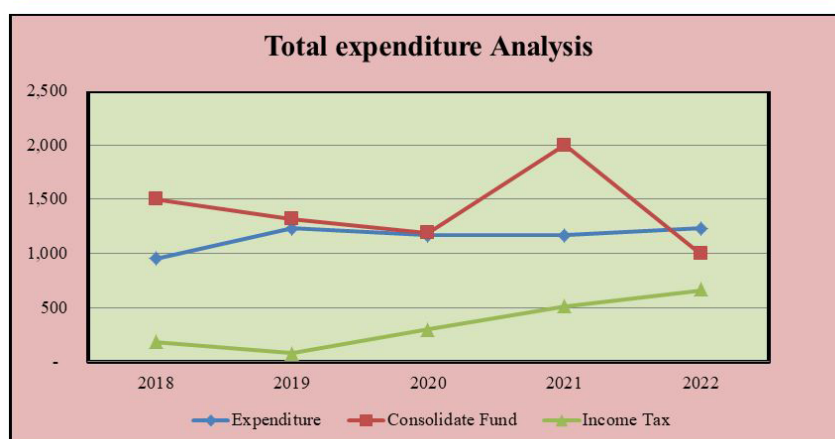
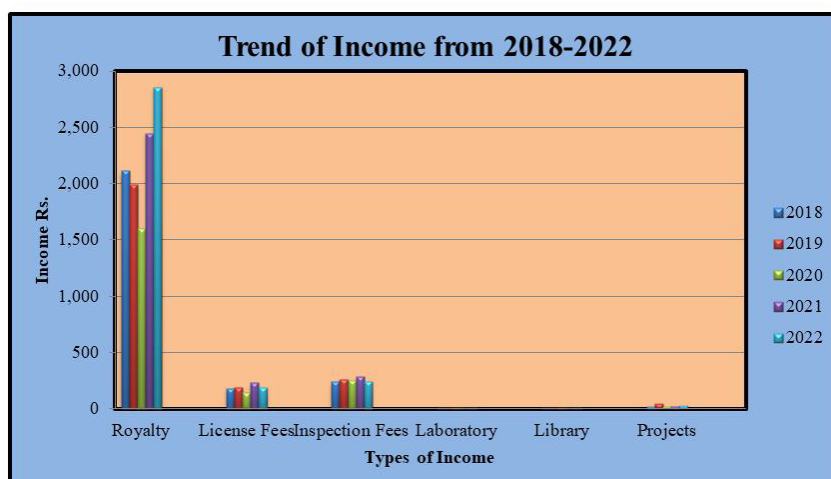
The income and expenditure of the Geological Survey and Mines Bureau for the year 2022 have significantly changed in comparison with the year 2021. Though, the country has faced the pandemic situation and the economic crisis, the income has increased compared with the year 2021. The income generated by the Bureau in the year 2022 was 3,793 million rupees including

royalty and is an increase of 17.4% from the income of the year 2021. Similarly, the annual expenditure of the year 2022 was Rs.1, 229 million excluding contribution to the consolidated fund and the Income-tax amount of Rs.662 million. Geological Survey and Mines Bureau contributed Rs.1000 million to the consolidated fund in the year 2022. It is a decline

of 5.13% in comparison with the expenditure of the year 2021. As a result of that, the net income of the year was Rs.1, 901 million rupees and it is a growth of 22.4%. The income and the expenditure of the Bureau from the year 2018 up to the year 2022 can be analyzed as follows and the variation in income category can be noticed through it.

Rs. Million

Income source	2018	2019	2020	2021	2022
Royalty	2,115	1,997	1,602	2,450	2,855
License Fees	182	194	143	232	190
Inspection Fees	243	262	252	286	247
Laboratory	2.5	4	5	3	4
Library	0.5	0.5	0.5	0.08	0.2
Projects	23	46	18	24	26





FINANCIAL REPORTS



1. Significant Accounting Policies
 - 1.1 General Policies
 - 1.1.1 Reporting entity

The Geological Survey and Mines Bureau (GSMB) is a statutory body established by Act No. 33 of 1992 under the Mines and Minerals Act. The principal place of business is situated at No. 569, Epitamulla Road, Pitakotte.

GSMB is presently functioning with 22 Regional offices situated in Anuradhapura, Ampara, Baticalo, Badulla, Colombo, Gampaha, Hambantota, Jaffna, Kandy, Kurunegala, Kurunegala- Haritha, Kalutara, Matara, Monaragala, Mannar, Mathale, Mulathive, Polonnaruwa, Puththalam, Ratnapura, Trincomalee and Vavuniya.

1.1.1 Subsidiary of GSMB

The Bureau has invested in 66% of the issued share capital of the Geological Survey and Mines Bureau Technical Services Private Limited (400,000 Shares) and its registered office is located at No.190/A, Stanly Thilakeratne Mawatha, Nugegoda.

The GSMB Technical Services (Pvt) Ltd.'s principal activities are to carry out trading and project trading activities to control and regulate the prices of sand in the market. It is selling sand at a subsidized price as a government policy decision, mainly to support the construction sector and the company has set up locations for trading activities. Also the private company has undertaken technical support services as projects to its clients and services such as manpower and technical expert related work is provided to its clients which are not coming under the GSMB mandate.

The Chairman of the GSMB is also the Chairman of GSMB Technical Services (Pvt) Ltd. and no other Director(s) or employees of GSMB are appointed to the Board of the subsidiary company.

1.1.1 Preparation of Consolidated accounts

The accounting year of the subsidiary company has changed in accordance with the Parent company and action has been taken to prepare and present the consolidated accounts.

Date of Authorization for Issue the Financial statements were authorized for issue by the Board on 27th February 2022.

1.1.2 Principal activities and nature of operations

To undertake systematic geological mapping of Sri Lanka and preparation of Geological Maps ,to identify and assess the mineral resources of Sri Lanka, to evaluate the commercial viability of mining

for, processing and export of such Minerals, to regulate the exploration and mining for minerals and processing, trading in and Export of such minerals by the issue of licenses, to advise the Minister on measures to be adopted for the promotion of the extraction and production of minerals on a commercial basis, to disseminate in appropriate media, information and data acquired during the exercise of functions under the Act; to undertake projects in regard to engineering geology and provide advice and Remedial measures caused in respect of geological hazards and disaster. The National Mineral Policy is being preparing and action has been taken to revise the regulation of the GSMB.

1.1.3 Basis of Preparation

(a) Statement of Compliance

The financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements. These statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards issued by the Institute of chartered Accountants of Sri Lanka.

(b) Presentation of Financial Statements

The Financial Statement of the year 2022 is changed in accordance with the IFRS No.10.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes.

(d) Comparative Information

The Accounting policies set out below have been applied consistently to all periods presented in these financial statements and in reporting the Public Sector Accounting Standards volumes 1, 11 and 111 issued by the Institute of Chartered Accounts of Sri Lanka.

It is also disclosed that when the presentation or classification of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current in order to provide a better presentation. Hence Fixed Assets, Current Assets & Equity classification errors have been corrected as per SLPSAS and Treasury Guide Lines.

(e) Financial and presentation currency

These financial statements prepared in Sri Lanka Rupees which is the functional and presentation currency of the GSMB.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, unless stated otherwise.

(f) Use of Estimates and Judgments

These preparation and presentation of financial statements in conformity with Public Sector Accounting Standards requires management to make judgments, estimates and assumptions that affects the



application of accounting policies and reported amounts of assets, liabilities, income and estimates. Actual results may differ from these estimates and judgments used.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements as included in the notes to the financial statements.

1.1.4 Presentation of Budget information in Financial Statements

The Budget that was originally approved by the Board of Directors for the year was amended due to necessities of reallocation within the budget and also in certain instances due to decisions taken to carryout activities of the Bureau.

1.1.5 Assets and basis of Valuation

1.1.6 Property, Plant & Equipment

(a) Recognition and Measurement

Items of property plant and equipment are stated at cost or at their fair value less accumulated depreciation or impairment losses.

GSMB considers the minimum value of fixed assets as rupees 5,000. All items of property, plant, and equipment are initially recorded at cost less accumulated depreciation or impairment losses. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant, and equipment are required to be replaced at intervals, the entity derecognizes the replaced part and recognizes the new part with its own useful life and depreciation. All other repair and maintenance costs are recognized in the income statement as incurred.

(b) Cost

Cost of Property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for intended use.

Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or increase the earning capacity of the assets have been treated as capital expenditure.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalized only if it is probable that the future economic benefits embodied within the part will flow to the GSMB and its cost can be measured reliably.

(c) Restoration Costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(d) Revaluation of certain selected class of assets

The Bureau has decided to revalue the selected class of assets. Computer accessories, Office Equipment purchased were fully depreciated items that were out-of-date and due to the existing economic crisis of the country, the fair value is difficult to consider. The realistic figures are not shown in the market prices. Revaluation was conducted as per the circular Number 4/2018 issued by the General Treasury.

GSMB will adopt as a policy to revalue such assets every five years and will revalue Motor Vehicles and Communication Equipment during the course of the next financial year.

(e) Depreciation

Depreciation is charged to the statement of comprehensive income on the straight-line method from the date of purchase on the cost of all property, plant, and equipment other than freehold land, in order to write off the cost of such assets over the following estimated useful lives.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de recognition of the assets is included in the statement of comprehensive income in the year the asset is derecognized.

The principal annual rates used are:-

Category of Assets	Useful life	Rate of Depreciation
Buildings & Partitioning	20 years	5%
Fencing	5 years	20%
Plant & Machinery	8 years	12.5%
Laboratory Equipment	5 years	20%
Motor Vehicles	5 years	20%
Furniture and Fittings	10 years	10%
Office Equipment	5 years	20%
Field Equipment	5 years	20%
Mapping Equipment	5 years	20%
Communication Equipment	8 years	12.5%
Library Books and Maps	20 years	5%
Software Accessories	5 years	20%
Computer & Accessories	5 years	20%



1.2.2 Work In Progress

Constructions of the new building at Pitakotte and Regional offices in Rathnapura, Polonnaruwa, Ampara, and Kurunegala have not been fully completed.

1.2.3 Inventory

Inventories are stated at the lower cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course business less estimated costs of completion and selling expenses. The cost includes expenditure in acquiring the inventories and bringing them to the existing location and condition less impairment of obsolete and slow-moving items. GSMB is using the first in first out method when issuing stocks.

1.2.4 Impairment of Assets

The carrying amounts of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.2.5 Financial Assets

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position. GSMB has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Financial assets of GSMB include cash and short-term investments and trade and other receivables.

(a) Receivables

Receivables comprise trade receivables, employee loans, deposits, advances, other receivables and cash and cash equivalents.

GSMB continues to record and present employee loans at contracted amounts.

(b) Held to Maturity Investments (HTM)

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to- maturity when the GSMB has the positive intention and ability to hold them to maturity. There are no Investments in government securities and in fixed deposits have been classified under HTM investments.

(c) Distress and Employee Benifi8t Account

The distress and employee benefits account has been established to provide welfare to the employees. The name of the bank account is still using the GSMB name. Currently, it has been taken action to change the bank account and it will be separated from the GSMB financial statement.

(d) The Global Seismographic Network (GSN)

The Bureau and the University of California San Diego have entered into an agreement to monitor the Sri Lanka earth quake. The expenditure related to the activities identified in the agreement has been discharged against the GSN fund (Advanced Account) and another related expenditure charge to the profit and loss account of the GSMB.

1.2.6 Impairment of Financial Assets

GSMB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the asset's carrying amount and the present value of estimated future cash flows.

1.2.7 Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and deposits at bank.

1.1 Liabilities and Provisions

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from reporting date.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the GSMB has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.3.1 Provision for Bad and Doubtful Debts

Although the Bureau has limited in entering in to credit transactions, project work that is undertaken on a pre-signed agreement, certain amounts that is due to the GSMB on such contacts are long outstanding and provision has been made for such outstanding amounts using the following criteria.

Debtors Outstanding Amount	Outstanding for less than a year (0-1year)	Outstanding for more than a year and less than two years (1-2years)	Outstanding for more than two years and less than three years (2-3years)	Outstanding for more than three years and less than four years (3-4years)	Outstanding for more than five years (Above 5 years)
Provision Amount	No Provision	40% of the Debtors Value	50% of the Debtors Value	60% of the Debtors Value	100% Provision



1.3.2 Grants

(a) Accounting for Grants

Grants that compensate the GSMB for expenses incurred are recognized as revenue in the statement of comprehensive income in the same period in which the expenses are recognized. Grants that compensate the GSMB for the cost of an asset are recognized in the statement of comprehensive income on a systematic basis over the useful life of the related asset.

1.1.3 Employee Benefits

(a) Provision for retiring gratuity

GSMB has adopted the benefit plan as required under the Payment of Gratuity Act No. 12 of 1983 for all eligible employees. The benefit plan is unfunded. Provision for gratuity is computed by GSMB taking into account the guidance of Public Sector Accounting Standard SLPSAS 19 Employee Benefits.

Defined benefit plans estimate the amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

(a) Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as an expense in the statement of comprehensive income as and when they are due.

(b) Employees' Provident Fund

GSMB and employees contribute 15% and 10% respectively on the salary of such employee to the Employee Provident Fund.

However GSMB has held discussions with the Department of Labour to maintain the correct ratio of employee contributions.

(c) Employees' Trust Fund

GSMB contributes 3% on the salary of each employee to the Employee's Trust Fund.

1.3.4 Trade and Other Payables

Trade and other payables are stated at cost.

1.3.5 Taxation

Provision for taxation has been made on the basis of profit for the year as adjusted for taxation purposes in accordance with the Inland Revenue Act No 10 of 2016 and the new Inland Revenue Act No 24 of 2017. The Bureau is liable for income tax on its total earnings effective from 01.04.2018 and taxes are computed at the rate of 24% & 30% for earnings after the effective date.

GSMB is liable to value-added tax (VAT), Social Security Levy and Stamp duty. GSMB has complied with the provisions of the relevant acts. VAT payable and/or recoverable amounts are reflected in the Statement of Financial Position.

1.3.6 Deferred Taxation

The differed tax liability as of the balance sheet date is Rs. 51,805,485/= and the differed Tax Assets reports as of the balance sheet date are Rs.73, 695,513/=.

1.3.7 Foreign Currency Transaction

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rates of exchange prevailing at the time the transactions were affected.

1.3.8 Contingent Liabilities & Assets

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Contingent liabilities and assets of the GSMB are disclosed as stated below. The total numbers of Court cases are 48 and there are 27 complaints against the GSMB in Human Rights Commission.

	<u>Payable amount Rs.</u>	<u>Receivable amount Rs.</u>
Supreme Court Cases	2.00 Mn	-
District Court Cases	2.24 Mn	-
Magistrate Court Cases	-	2.95 Mn

1.2 Statement of Comprehensive Income

1.4.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to GSMB and that it can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

(a) Royalty Income

Action has been taken to identify the royalty in accordance with the Section five (5) of the special Gazette no 794/23 issued by the Government of Sri Lanka on 26th November 1993.

Royalty transfers to the General Treasury during the year are adjusted in the changes of Equity since it is not directly relevant to the operating expenditure of the GSMB.



(b) Interest Income

Interest income is recognized on a time proportion basis that takes into accounts effective yield on the assets.

(c) Other Income

Other income is recognized on accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non current assets have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

(d) Consolidated Fund

In 2022 the GSMB has remitted Rs.1 billion to the Consolidated Fund. The GSMB has remitted funds to the consolidated fund from 1995 to date.

(e) Investment Income

Dividend income of Rs.1.2Mn was received in 2022 which is relevant to the year 2021 but not received dividend for 2022 yet from the subsidiary company. However, this dividend income might be received during the year 2023.

1.4.2 Expenditure

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

(a) Operating Activities include the expenditure incurred on the Mining and Geology divisions as the main divisions of the GSMB.

(b) Administrative Expenditure includes the expenditure incurred on the other supporting division's expenditure during the year 2022. The presentations of operating and administration expenditures have been classified based on divisional activities.

1.3 Cash Flow Statement

Cash Flow statement has been prepared in accordance with SLPSAS 2.

1.4 Events after the reporting date

The materiality of events occurring after the reporting date is considered and appropriate adjustments wherever necessary are made in the accounts.

No circumstances have arisen since the reporting date which requires material adjustments or disclosure

in the financial statements.

1.5 Related Party Transactions

No Director(s) is interested in contracts and /or proposed contracts with the Bureau as at the reporting date. However the Chairman of GSMB is also the Chairman of the Subsidiary Company (GSMB Technical Services Pvt. Ltd). Senior Mining Engineer of GSMB is a Board Director of SLRDC; (i.e. a Public Institution).

1.7.1 Fair Value or Revaluation as Deemed Cost

Freehold property, plant, and equipment are carried out in the statement of financial position prepared in accordance with the SLPAS, using the cost modal. The GSMB has not elected to use the fair value as deemed cost.

1.7.2 Significant Accounting Judgment, Estimates and Assumptions

Standards issued and effective during the year have been adopted by the GSMB when presenting the Financial Statements.



GEOLOGICAL SURVEY AND MINES BUREAU

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

2021 Rs.		ASSETS	Note	2022 Rs.	
GSMB	GROUP			GROUP	GSMB
		Non Current Assets			
464,956,754	493,727,022	Property, Plant & Equipments	1	434,413,044	412,788,101
326,616,983	326,616,983	Capital Working Progress	2	467,379,260	467,379,260
791,573,737	820,344,005	Total Non - Current Assets		901,792,304	880,167,361
		Other Non Current Assets			
4,000,000	-	Investment	3	-	4,000,000
65,860,635	82,214,179	Differed Tax Assets	4	21,586,374	4,077,823
2,596,992,830	2,882,877,543	Fixed Deposits	5	3,225,157,740	2,906,614,409
2,666,853,465	2,965,091,722	Total other Non Current Assets		3,246,744,114	2,914,692,232
		Current Assets			
31,804,432	48,759,103	Inventory	6	65,799,190	42,637,048
180,234,642	192,495,931	Trade Debtors	7	570,504,924	558,820,804
149,541,193	221,379,926	Other Receivables	8	555,598,396	482,589,866
24,092,839	27,277,360	Inter Company	9	19,762,547	62,568,829
14,509,329	14,509,329	Pre Payment & Deposits	10	16,983,252	16,983,252
157,916,939	199,260,399	Cash & Cash Equivalents	11	179,318,342	100,028,368
558,099,373	703,682,048	Total Current Assets		1,407,966,651	1,263,628,167
4,016,526,576	4,489,117,775	Total Assets		5,556,503,068	5,058,487,761
		EQUITY & LIABILITIES			
		Equity and Reserves			
2,612,432,098	2,778,886,771	Opening Equity & Reserves		2,398,621,946	2,211,242,352
28,611,675	41,863,532	Add: Prior Year Adjustment		7,113,173	10,195,572
(2,000,000,000)	(2,000,000,000)	Less: Treasury Contribution		(1,000,000,000)	(1,000,000,000)
1,552,956,756	1,560,629,821	Profit for the year		1,945,406,107	1,896,933,573
-	95,689,797	Non Controlling Interest		117,784,863	-
-	-	Dividend Paid		(1,200,000)	-
17,241,822	17,241,822	Revaluation Reserve		-	-
2,211,242,351	2,494,311,743			3,467,726,089	3,118,371,497
2,370,912	2,370,912	Foreign Remittance Received	12	2,320,395	2,320,395
-	-	Distress & Employee Benefit Account		42,206,305	42,206,305
-	-	Land Rehabilitation Fund		292,478,175	292,478,175
2,213,613,263	2,496,682,655	Total Equity & Reserves		3,804,730,964	3,455,376,372
		Non Current Liabilities			
267,810,585	292,966,115	Provision for Retiring Gratuity	13	308,323,050	282,378,990
15,964,704	15,964,704	Lease Payble Long Term (vehicle)	14	5,237,643	5,237,643
49,919,112	50,504,795	Differed Tax Liability	4	-	-
333,694,401	359,435,615	Total Non Current Liabilities		313,560,693	287,616,633
		Current Liabilities			
525,013,234	643,424,633	Creditors and Payables	15	595,046,985	545,120,370
203,859,561	249,228,756	Accruals Expenses	16	300,082,926	227,292,887
13,781,054	13,781,054	Lease Payble Short Term (vehicle)	14	13,781,772	13,781,772
3,264,024	3,264,024	Provision for inspection Refund	17	3,512,054	3,512,054
723,301,038	723,301,038	Other Payables	18	525,787,673	525,787,673
1,469,218,911	1,632,999,505	Total Current Liabilities		1,438,211,410	1,315,494,756
1,802,913,312	1,992,435,120	Total Liabilities		1,751,772,103	1,603,111,389
4,016,526,576	4,489,117,775	Total Equity & Liabilities		5,556,503,068	5,058,487,761

GEOLOGICAL SURVEY AND MINES BUREAU**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31ST DECEMBER 2022**

2021 Rs.		Description	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
2,999,814,453	3,752,577,431	Income	4,496,510,300	3,349,462,018
64,741,549	87,367,815	Other Income	99,213,386	58,100,862
(672,882,796)	(1,326,099,355)	Operating Expenses	(1,166,193,927)	(174,055,399)
(492,011,335)	(585,094,263)	Administration Expenses	(1,156,446,749)	(1,057,869,309)
1,899,661,871	1,928,751,627	Operating Profit	2,273,083,010	2,175,638,172
(4,319,059)	(4,655,790)	Finance Cost	(4,234,148)	(3,870,912)
165,836,217	165,836,217	Net Finance Income	385,529,585	385,529,585
2,061,179,029	2,089,932,054	Profit Before Tax	2,654,378,448	2,557,296,846
508,222,272	525,465,700	Income Tax Expenses	(684,736,075)	(660,363,273)
1,552,956,756	1,564,466,354	Profit for the Year	1,969,642,374	1,896,933,573
		Profit is attributable to:		
1,552,956,756	1,560,629,821	Owners (GSMB)	1,945,406,107.0	1,896,933,573.0
	3,836,532	Non Controlling Interest	24,236,267.0	
1,552,956,756	1,564,466,354		1,969,642,374	1,896,933,573



GEOLOGICAL SURVEY & MINES BUREAU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP	CONSOLIDATED FUND - Rs.	DEPARTMENT FUND - Rs.	CAPITAL FUND - Rs.	REVALUATION RESERVE - Rs.	RETAINED EARNING - Rs.	NON-CONTROLLING INTEREST - Rs.	TOTAL - Rs.
Balance At 1st January 2022 Brought Forward	27,652,883	1,746,726	68,916,655	323,024,418	1,977,281,266	95,689,796	2,494,311,743
Profit for the Year					1,945,406,107	24,236,267	1,969,642,374
Income - Prior Year Adjustment					10,195,572	-	10,195,572
Expenses - Prior Year Adjustment					(3,082,399)	(1,541,200)	(4,623,599)
Transferred to Treasury					(1,000,000,000)	-	(1,000,000,000)
Dividends					(1,200,000)	(600,000)	(1,800,000)
Balance As At 31 December 2022	27,652,883	1,746,726	68,916,655	323,024,418	2,928,600,545	117,784,863	3,467,726,090

GEOLOGICAL SURVEY AND MINES BUREAU
STATEMENT OF CASH FLOW AS AT 31 DECEMBER 2022

2021 Rs.		Description	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
1,552,956,756	1,564,466,354	Excess or Revenue over Recurrent expenditure Before Tax	2,654,378,448	2,557,296,846
99,549,064	115,257,802	Depreciation	115,843,995	100,142,697
30,906,805	34,625,333	Gratuity	32,764,320	31,099,085
28,611,675	48,489,461	Prio Year Adjustment	5,571,973	10,195,572
-	17,243,428	Income Tax	(487,704,091)	(487,704,091)
1,511,201	(5,660,884)	Priv for Bad Debts	(1,769,270)	14,294
-	-	Write off Bad Debtors	1,197,629	-
-	25,938	Profit From Asset Disposal	(908,250)	(908,250)
-	(15,170,906)	Finance Income	(39,197,823)	-
-	(2,000,000)	Dividend Income From Subsidiary	(1,200,000)	(1,200,000)
1,713,535,503	1,757,276,525		2,278,976,931	2,208,936,153
		Working capital adjustment		
311,185	3,266,041	Stock (Increased) / Decreased	(17,040,086)	(10,832,616)
(124,161,000)	(110,900,731)	Trade Debtors (Increased) / Decreased	(376,565,910)	(378,600,456)
(24,824,384)	(24,824,384)	Deferred Tax (Increased) / Decreased	11,863,700	11,863,700
(8,793,879)	(14,540,638)	Other Receivable (Increased) / Decreased	(326,112,913)	(333,048,673)
(24,092,839)	(19,629,337)	Inter Company (Increased) / Decreased	(29,326,132)	(38,475,990)
1,953,895	1,953,895	Pre Payment & Deposit (Increased) / Decreased	(2,473,923)	(2,473,923)
194,063,799	160,251,973	Creditors and Other Payables Increased / (Decreased)	(11,210,516)	20,107,136
9,729,260	26,383,627	Accrued Expenses Increased / (Decreased)	50,854,170	23,433,326
3,264,024	3,264,024	Provision for Inspection Refund Increased / (Decreased)	248,030	248,030
110,194,922	110,194,922	Other Payable Increased / (Decreased)	(197,513,365)	(197,513,365)
1,851,180,486	1,892,695,917	CASH GENERATING FROM OPERATING ACTIVITIES	1,381,699,985	1,303,643,321
(1,417,610)	(1,768,195)	Gratuity Paid	(17,407,385)	(16,530,680)
1,849,762,876	1,890,927,722	NET CASH GENERATING FROM OPERATING ACTIVITIES BEFORE TAX	1,364,292,600	1,287,112,641
-	(14,735,916)	Income Tax Paid	(181,333,600)	(172,659,182)
1,849,762,876	1,876,191,806	NET CASH FROM OPERATING ACTIVITIES	1,182,959,001	1,114,453,460
		CASH FLOW FROM INVESTING ACTIVITY		
(84,354,959)	(87,741,211)	Purchase of property Plant & Equipment	(56,715,187)	(48,159,214)
(167,571,432)	(167,571,432)	Addition to Working Progress	(140,762,277)	(140,762,277)
522,316,696	522,316,696	Fixed deposit Withdrawal	(342,280,197)	(309,621,579)
-	(14,700,899)	Investment in Fixed Deposit	-	-
-	15,170,906	Finance Income	12,455,563	-
-	-	Disposal of Asset	1,093,420	1,093,420
270,390,305	267,474,060	NET CASH GENERATING FROM INVESTING ACTIVITIES	(526,208,678)	(497,449,650)
		FINANCING ACTIVITY		
(2,000,000,000)	(2,000,000,000)	Transfer to Treasury	(1,000,000,000)	(1,000,000,000)
-	(1,000,000)	Dividend Paid	(600,000)	1,200,000
(9,493,839)	(9,493,839)	Lease Paid	(10,726,343)	(10,726,343)
(35,750,159)	(35,750,159)	Distress Fund	42,206,305	42,206,305
(1,764,266)	(1,764,266)	Remittance Received (Overcies)	(50,517)	(50,517)
-	-	Land Rehabilitation Fund	292,478,175	292,478,175
(2,047,008,264)	(2,048,008,264)	NET CASH FLOWS FROM FINANCING ACTIVITIES	(676,692,380)	(674,892,380)
73,144,917	95,657,602	Net cash generated / (used) during the year	(19,942,057)	(57,888,570)
84,772,024	103,602,798	Cash & cash equivalents at the beginning of the year	199,260,399	157,916,939
157,916,939	199,260,399	Cash & cash equivalents at the end of the year	179,318,342	100,028,368
157,916,939	199,260,399	Cash & Cash Equivalents	179,318,342	100,028,368



**GEOLOGICAL SURVEY AND MINES BUREAU
CONSOLIDATED FINANCIAL STATEMENT -2022**

**Note 01
Property, Plant & Equipments
1.1 GROUP**

Description	Balance as at 01.01.2022	Addition during the year	Revaluation for the year	Disposal Item	Balance as at 31.12.2022	Cumulative Depreciation as at 01.01.2022	Depreciation for the year	Disposal Item	Cumulative Depreciation as at 31.12.2022	Written Down Value as at 31.12.2022
Land Fencing	6,757,029.63	-			6,757,029.63	1,162,047.40	1,223,463.42		2,385,510.82	4,371,518.81
Building	67,787,402.93	3,790,589.00			71,577,991.93	16,630,107.23	3,559,370.16		20,189,477.39	51,388,514.54
Building Partitioning	71,621,160.74				71,621,160.74	49,497,034.54	9,722,661.69		59,219,696.23	12,401,464.51
Plant & Machinery	53,613,316.15	3,225,629.00			56,838,945.15	17,069,101.27	6,592,364.38		23,661,465.65	33,177,479.50
Motor Vehicles	358,977,261.00				358,977,261.00	305,967,217.87	20,520,000.36		326,487,218.23	32,490,042.77
Mapping Equipment	9,103,384.44			280,084.00	8,823,300.44	9,103,316.60	0.84	280,084.00	8,823,233.44	67.00
Drilling Spares	141,763,201.64	1,078,017.00		5,000.00	142,836,218.64	40,558,342.94	17,752,666.46	2,061.49	58,308,947.91	84,527,270.73
Lab Equipment	277,540,881.90			153,072.00	277,387,809.90	224,984,831.15	14,005,987.12	153,069.50	238,837,748.77	38,550,061.13
Field Equipment	67,245,223.79	3,702,865.00		58,531.50	70,889,557.29	47,281,865.90	8,233,603.40	58,245.78	55,457,223.52	15,432,333.78
Office Equipment	129,706,556.53	16,273,146.00		8,728,731.32	137,250,971.21	106,983,674.70	10,945,751.52	8,721,799.90	109,207,626.32	28,043,344.89
Communication Equipmnet	16,405,362.73	2,922,371.00		447,979.10	18,879,754.63	9,564,977.41	1,630,431.31	398,993.32	10,796,415.40	8,083,339.23
Furniture & Fittings	54,945,200.38	4,956,442.00		672,497.70	59,229,144.68	30,476,134.77	5,110,717.80	671,262.88	34,915,589.69	24,313,554.99
Name Board	1,684,881.00				1,684,881.00	1,399,181.95	199,609.00		1,598,790.95	86,090.05
Maps	475,824.75				475,824.75	383,753.23	11,725.20		395,478.43	80,346.32
Library Books	30,525,272.86				30,525,272.86	18,871,782.80	1,202,934.60		20,074,717.40	10,450,555.46
Museum Items	1,337,055.87				1,337,055.87	-			-	1,337,055.87
Software & Accessories	10,504,638.00	1,428,900.00			11,933,538.00	10,450,729.87	259,845.22		10,710,575.09	1,222,962.91
Co-repository at yakkala Werallawatha	27,207,663.15	8,230,688.00			35,438,351.15	27,116,660.64	14,024.20		27,130,684.84	8,307,666.31
Building at Gampaha Regional Office	19,251,356.42				19,251,356.42	18,671,508.86	256,506.40		18,928,015.26	323,341.16
Computer & Accessories	111,644,300.03	11,106,541.00		4,663,702.80	118,087,138.23	82,030,658.81	14,602,332.89	4,538,911.56	92,094,080.14	25,993,058.09
Land - GSMB	35,000,000.00				35,000,000.00	-			-	35,000,000.00
Kandy Regional Office	1,745,685.00				1,745,685.00	-			-	1,745,685.00
Rathnapura Regional Office	13,687,290.79				13,687,290.79	-			-	13,687,290.79
GFZ Station Mahakadarawa	1,700,000.00				1,700,000.00	-			-	1,700,000.00
GFZ Station Hakmana	1,700,000.00				1,700,000.00	-			-	1,700,000.00
Total	1,511,929,949.73	56,715,188.00	-	15,009,598.42	1,553,635,539.31	1,018,202,927.94	115,843,995.97	14,824,428.43	1,119,222,495.48	434,413,043.83

**GEOLOGICAL SURVEY AND MINES BUREAU
CONSOLIDATED FINANCIAL STATEMENT - 2022**

**Note 01
Property, Plant & Equipments
1.2 GSMB**

Description	Balance as at 01.01.2022	Addition during the year	Revaluation for the year	Disposal Item	Balance as at 31.12.2022	Cumulative Depreciation as at 01.01.2022	Depreciation for the year	Disposal Item	Cumulative Depreciation as at 31.12.2022	Written Down Value as at 31.12.2022
Land Fencing	6,757,029.63	-	-	-	6,757,029.63	1,162,047.40	1,223,463.42	-	2,385,510.82	4,371,518.81
Building	67,787,402.93	3,790,589	-	-	71,187,402.93	16,630,107.23	3,559,370.16	-	20,189,477.39	50,997,925.54
Building Partioning	48,337,818.14	-	-	-	52,128,407.36	30,964,472.23	6,535,513.69	-	37,499,985.92	14,628,421.44
Plant & Machinery	53,613,316.15	3,225,629	-	-	56,838,944.72	17,069,101.27	6,592,364.38	-	23,661,465.65	33,177,479.07
Motor Vehicles	340,065,299.00	-	-	-	340,065,299.00	287,055,255.87	20,520,000.36	-	307,575,256.23	32,490,042.77
Mapping & Drawing Equipment	9,103,384.44	-	-	280,084.00	8,823,300.44	9,103,316.60	0.84	280,084.00	8,823,233.44	67.00
Drilling Spares	141,763,201.64	1,078,017	-	5,000.00	142,836,218.64	40,558,342.94	17,752,666.46	2,061.49	58,308,947.91	84,527,270.73
Lab Equipment	276,206,289.02	-	-	153,072.00	276,053,217.02	223,674,905.47	13,987,486.12	153,069.50	237,509,322.09	38,543,894.93
Field Equipment	13,511,441.45	73,780	-	58,531.50	13,526,689.95	8,345,808.28	1,950,675.40	58,245.78	10,238,237.90	3,288,452.05
Office Equipment	116,289,066.66	14,582,846	-	8,728,731.32	122,143,180.89	97,017,180.26	8,797,049.52	8,721,799.90	97,092,429.88	23,050,751.01
Communication Equipmnet	15,961,374.52	2,922,371	-	447,979.10	18,435,766.42	9,402,856.85	1,519,434.31	398,993.32	10,523,297.84	7,912,468.58
Furniture & Fittings	46,358,998.54	4,005,854	-	672,497.70	49,692,354.75	23,163,958.14	4,140,625.80	671,262.88	26,633,321.06	23,059,033.69
Maps	475,824.75	-	-	-	475,824.75	383,733.23	11,725.20	-	395,478.43	80,346.32
Library Books	30,525,272.86	-	-	-	30,525,272.86	18,871,782.80	1,202,934.60	-	20,074,717.40	10,450,555.46
Museum Items	1,337,055.87	-	-	-	1,337,055.87	-	-	-	-	1,337,055.87
Software & Accessories	10,504,638.00	1,428,900	-	-	11,933,538.00	10,450,729.87	259,845.22	-	10,710,575.09	1,222,962.91
Co-repository at yakkala Werallawatha	27,207,663.15	8,230,688	-	-	35,438,350.78	27,116,660.64	14,024.20	-	27,130,684.84	8,307,665.94
Building at Gampaha Regional Office	19,251,356.42	-	-	-	19,251,356.42	18,671,508.86	256,506.40	-	18,928,015.26	323,341.16
Computer & Accessories	92,381,436.03	8,820,541	-	4,663,702.80	96,538,274.23	66,672,302.60	11,819,010.89	4,538,911.56	73,952,401.93	22,585,872.30
Land - GSMB	35,000,000.00	-	-	-	35,000,000.00	-	-	-	-	35,000,000.00
Kandy Regional Office	1,745,685.00	-	-	-	1,745,685.00	-	-	-	-	1,745,685.00
Rathnapura Regional Office	13,687,290.79	-	-	-	13,687,290.79	-	-	-	-	13,687,290.79
Total	1,567,870,844.99	48,159,213.88	-	15,009,598.42	1,404,420,460.45	906,314,090.54	100,142,696.98	14,824,428.43	991,632,359.09	412,788,101.36



**GEOLOGICAL SURVEY AND MINES BUREAU
CONSOLIDATED FINANCIAL STATEMENT -2022**

Note 01

Property, Plant & Equipments

1.3 GSMBTS

Description	Balance as at 01.01.2022	Addition during the year	Revaluation for the year	Disposal Item	Balance as at 31.12.2022	Cumulative Depreciation as at 01.01.2022	Depreciation for the year	Adjustments	Cumulative Depreciation as at 31.12.2022	Written Down Value as at 31.12.2022
Office Partitioning	23,283,343				23,283,343	18,532,562	3,187,148		21,719,710	1,563,633
Name Board	1,684,881				1,684,881	1,399,182	199,609		1,598,791	86,090
Furniture & Fittings	8,586,202	950,588			9,536,790	7,312,177	970,092		8,282,269	1,254,522
Computer & Accessories	19,262,864	2,286,000			21,548,864	15,358,356	2,783,322		18,141,678	3,407,186
Office Equipment	13,417,490	1,690,300			15,107,790	9,966,494	2,148,702		12,115,196	2,992,593
Field Equipment	53,733,782	3,629,085			57,362,867	38,936,058	6,282,928		45,218,986	12,143,882
Motor Vehicles	18,911,962				18,911,962	18,911,962	-		18,911,962	-
Laboratory Equipment	1,334,593				1,334,593	1,309,926	18,501		1,328,427	6,167
Communication Equipment	443,988				443,988	162,121	110,997		273,118	170,871
	140,659,105	8,555,973	-	-	149,215,078	111,888,837	15,701,298	-	127,590,135	21,624,943

Note 02	2021 Rs.		Capital Working Progress	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	503,540	503,540	Proposed GPR/ERP System {Intangible Asset }	1,661,910	1,661,910
	280,073,784	280,073,784	Proposed Building For Laboratory at Pitakotte	408,858,451	408,858,451
	69,890	69,890	Proposed Building - Circuit Bungalow - Nuwara Eliya	69,890	69,890
	8,881,474	8,881,474	Proposed Building -Regional Office Rathnapura	8,881,474	8,881,474
	32,025,499	32,025,499	Proposed Regional Office -Polonnaruwa	39,930,586	39,930,586
	366,000	366,000	Proposed Building Ampara	366,000	366,000
	4,696,795	4,696,795	Proposed Building Kurunegala	7,610,949	7,610,949
	326,616,983	326,616,983		467,379,260	467,379,260

Note 03	2021 Rs.		Investment	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	4,000,000	-	Investment in Subdiary Company	-	4,000,000
	4,000,000	-		-	4,000,000

Note 04	2021 Rs.		Differed Tax Assets	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	51,370,580	70,636,872	Opening Balance As At 01-01-2022	31,709,384	15,941,523
	14,490,055	11,577,308	Adjusment	- 10,123,010	- 11,863,700
	65,860,635	82,214,179	Closing Balance As At 31-12-2022	21,586,374	4,077,823

	2021 Rs.		Differed Tax Liability	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	60,253,441	61,244,360	Opening Balance As At 01-01-2022	-	49,919,112
	- 10,334,329	- 10,739,565	Adjusted Differed Asset Opening Balance	-	49,919,112
	49,919,112	50,504,795	Closing Balance As At 31-12-2022	-	-

Note 05	2021 Rs.		Fixed Deposit	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	880,469,276	880,469,276	Fixed Deposit Bank of Ceylon	188,561,552	188,561,552
	1,459,802,351	1,459,802,351	Fixed Deposit Peoples Bank Galle Road Dehiwela	1,483,200,299	1,483,200,299
	-	-	State Institutions temporary surplus Trust	-	-
	256,721,203	256,721,203	Fixed Deposit Peoples BNK on Gratuity Provision	265,040,012	265,040,012
	-	282,208,676	Fixed Deposits -People's Bank (GSMB ts)	248530198	-
	-	3,676,037	Fixed Deposits - State Margage Bank (GSMB ts)	5013133	-
	-	-	Fixed Deposits - BOC (GSMB ts)	65000000	-
	-	-	Fixed Deposit Peoples Bank Galle Rd.-For GSN Account	14,088,472	14,088,472
	-	-	FD-GSMB Distress Fund- PPLs Bank Pitakotte	41,286,348	41,286,348
	-	-	Fixed Deposit -Nomal -PPLS Bank Pitakotte	624,437,726	624,437,726
	-	-	FD-GSMB Rehabil. Fund- PPLs Bank Galle RD	290,000,000	290,000,000
	2,596,992,830	2,882,877,543		3,225,157,740	2,906,614,409



Note 06

2021 Rs.		Inventory	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
3160478	3160478	Stationary	7,178,115.23	7,178,115
-	12123460	Sand & Gravel	16,738,596.00	
10833097	15448117	Consumabale Item	19,390,874.98	12,967,329
-	216192	Sand Bags	-	-
690805	690805	Book Licence	5,371,552.20	5,371,552
635,303.00	635303	Library Books	635,303.24	635,303
22724	22724	Maps	22,724.06	22,724
16462025	16462025	Drilling & Other Consumable Items	16,462,024.62	16,462,025
31,804,432	48,759,103		65,799,190	42,637,048

Note 07

2021 Rs.		Trade Debtors	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
6142124.35	6142124.35	Debtors - Project	2,685,132	2,685,132
149917.5	149917.5	Debtors - Chemical Analysis	149,918	149,918
2491979.14	2491979.14	Debtors - Return Cheques	2,574,468	2,574,468
1344893.4	1344893.4	Sundry Debtors	1,473,498	1,473,498
298480.34	298480.34	Debtors - Insurance Claim	490,000	490,000
134740.68	134740.68	Debtors - H & S Insurance Claim	329,872	329,872
90796.8	90796.8	Debtors - Debit Notes	90,797	90,797
25736424.32	25736424.32	S Vat Customers	-	-
150454013.7	150454013.7	Debtors on Royalty	557,650,142	557,650,142
-	41131700	Trade Debtors on GSMB ts	39,097,154	-
186,843,370	227,975,070		604,540,980	565,443,826
		Less: Provision for Bad Debts		
5,097,527	5,097,527	Balance as at 01.01.2021	35,479,139	6,608,728
1,511,201	30,381,612	Add: Provision made during the year	1,443,083	14,294
6,608,728	35,479,139	Balance as at 31.12.2022	34,036,056	6,623,022
180,234,642	192,495,931		570,504,924	558,820,804

2021 Rs.		Other Receivables	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
208,775	208,775	Advance & Loan (Advance 'B)	208,775	208,775
3,258,959	3,258,959	Advance Paid For Local Purchases	2,764,919	2,764,919
1,520,913	1,520,913	Advance Paid for Field Officers	1,630,313	1,630,313
2,571,013	2,571,013	Advance Paid for Other Employees	2,088,697	2,088,697
28,066	28,066	Mobitel Pvt Ltd	-	-
3,956,780	3,956,780	Mobitel Pvt Ltd - Huwawei Phone CP -2	3,890,642	3,890,642
11,544,506	11,544,506		10,583,345	10,583,345
Staff Loan & Advances				
-	-	Salary Advance	-	-
8,200.00	8,200.00	Special Advances	8,200.00	8,200.00
78,400.00	78,400.00	Festival Advance	54,050.00	54,050.00
90,837,135.37	90,837,135.37	Staff Loan (Distress)Comb.	100,260,933.10	100,260,933.10
118,696.18	118,696.18	Suspence A/C Incentive	11,419.36	11,419.36
91,042,431.55	91,042,431.55		100,334,602.46	100,334,602.46
Interest Receivables				
11,444,475.43	11,444,475.43	Interest Receivable on F/D B.O.C.	27,772,792	27,772,792
-	-	Interest Receivable on F/D Peoples Bank	69,135,241	69,135,241
-	-	Receivable Interest on Treasury Bills	0	0.00
35,509,780.22	35,509,780.22	Int.Receivable PPLS Bank Galle Road	274,763,885	274,763,885
46,954,256	46,954,256		371,671,918	371,671,918
-	71838733	Other Receivable on GSMB ts	73,008,530	-
149,541,193	221,379,926		555,598,396	482,589,866

2021 Rs.		GSMB TS Inter Company	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
27,360,000	32,058,378	Inter Company Assets	73,257,325.78	71,711,804
-	3,267,161	Inter Company Liability	-	9,142,975
24,092,839	27,277,360		19,762,547	62,568,829

2021 Rs.		Pre Payment & Deposits	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
3,629,292	3,629,292	Rent Advance- Building	3,297,229	3,297,229
366,000	366,000	Building Deposit	66,000	66,000
973,143	973,143	G.S.T. Recoverable	973,143	973,143
8,500	8,500	Deposit for Water	8,500	8,500
348,000	348,000	Deposite for Fuel	2,498,000	2,498,000
87,500	87,500	Deposits Sundry	87,500	87,500
840,000	840,000	Deposit For Regional Office Buildings	840,000	840,000
8,253,276	8,253,276	Prepayments for sundry expences	9,021,130	9,021,130
3,600	3,600	Banks	3,600	3,600
18	18	Stamp Duty on TPL/HWTPL	-	-
-	-	Welfare Society	-	-
-	-	Accued Allawance -Telephone	-	-
-	-	Bank Gurantee Amount - Assign For Rehabilitation	188,150	188,150
14,509,329	14,509,329		16,983,252	16,983,252



Note 11

2021 Rs.		Cash & Cash Equivalents	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
130,240	130,240	Commercial Bank Current A/C	80,552	80,552
11,192,975	11,192,975	Bank Of Ceylon Current A/C	7,613,736	7,613,736
10,768,832	10,768,832	Sampath Bank Current A/C	10,944,524	10,944,524
25,000	25,000	Peoples Bank Wellawatte Current A/C	25,000	25,000
671,006	671,006	Peoples Bank Matara Current A/C	19,354	19,354
-	-	Sampath Bank G.S.N. Station Cu.A/C	1,470,774	1,470,774
89,856,286	89,856,286	Peoples Bank Galle Rd.Dehiwela. Current A/C	17,243,654	17,243,654
-	-	Peoples Bank - Pitakotte	917,311	917,311
1,846,860	1,846,860	Peoples Bank - Borella Current A/C	341,430	341,430
43,326,369	43,326,369	GSMB Savings Ac-337-2-001-7-6137984 Peoples Bank Galle Rd.	58,056,842	58,056,842
-	-	Peoples Bank Galle Rd.Rehabil.Fund Current A/C	3,232,128	3,232,128
65,595	65,595	Stamp Imprest - Admin.	44,440	44,440
1,016	1,016	Petty Cash Imprest - Kandy	1,014	1,014
970	970	Petty Cash Imprest - Matara	1,003	1,003
1,024	1,024	Petty Cash Imprest - Kurunegala	1,049	1,049
1,027	1,027	Petty Cash Imprest - Anuradhapura	1,045	1,045
2,026	2,026	Petty Cash Imprest - Badulla	17,087	17,087
1,002	1,002	Petty Cash Imprest - Polonnaruwa	1,003	1,003
1,000	1,000	Petty Cash Imprest - Rathnapura	1,003	1,003
1,828	1,828	Petty Cash Imprest - Ampara	1,003	1,003
1,012	1,012	Petty Cash Imprest - Monaragala	1,013	1,013
1,027	1,027	Petty Cash Imprest - Hambanthota	1,050	1,050
1,000	1,000	Petty Cash Imprest - Jaffna	1,003	1,003
1,004	1,004	Petty Cash Imprest - Trincomalee	1,041	1,041
1,000	1,000	Petty Cash Imprest - Batticolo	1,003	1,003
1,000	1,000	Petty Cash Imprest - Kaluthara	1,177	1,177
1,001	1,001	Petty Cash Imprest - Gampaha	1,003	1,003
1,000	1,000	Petty Cash Imprest - Colombo	1,003	1,003
1,026	1,026	Petty Cash Imprest - Vavuniya	1,033	1,033
12,770	12,770	Petty Cash Imprest - Mathale	1,003	1,003
2,043	2,043	Petty Cash Imprest - Kegalle	2,071	2,071
-	-	Petty Cash Imprest - Mannar	1,003	1,003
-	-	Petty Cash Imprest - Puttalam	1,016	1,016
-	22,086,021	People's Bank A/C No.337100140000881	16,117,412	-
-	2,364,998	People's Bank Savings A/C No.337200140004454	61,647,994	-
-	-	Bank of Ceylon C/A No.89636201	529,625	-
-	-	Bank of Ceylon S/A No.89633196	20,152	-
-	16,835,809	Sampath Bank C/A No.001710004982	974,791	-
-	56,632	Nations' Trust Bank A/C No.100270004596	-	-
157,916,939	199,260,399		179,318,342	100,028,368

Note 12	2021 Rs.		Foreign Remittance Received	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	2,370,912	2,370,912	Remittance Received from USA	2,320,395	2,320,395
	2,370,912	2,370,912		2,320,395	2,320,395

Note 13	2021 Rs.		Provision for Retiring Gratuity	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	238321390	260108978	Balance as at 01.01.2022	292,966,115	267,810,585
	30906805	34625333	Add: Provision made during the year	32,764,320	31,099,085
	269,228,195	294,734,311	Total Provision as at 31.03.2022	325,730,435	298,909,670
	-1417610	-1768195	Paid during the year	(17,407,385)	(16,530,680)
	267,810,585	292,966,116	Balance Provision as at 30.04.2022	308,323,050	282,378,990
	206216105	231371635	Gratuity Provision (Long Term Liability)	249,811,470	223,867,410
	61,594,480	61,594,480	Gratuity Provision (Short Term Liability)	58,511,580	58,511,580
	267,810,585	292,966,115		308,323,050	282,378,990

Note 14	2021 Rs.		Lease Payable - Vehicle	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	48,427,904.00	48,427,904.00	Opening Balnce as at 01.01.2022	34,646,131.76	34,646,131.76
	13,781,772.00	13,781,772.00	Less: Instalments & Interest for the year	13,781,772.00	13,781,772.00
	34,646,132.00	34,646,132.00		20,864,359.76	20,864,359.76
	- 4,900,374.00	- 4,900,374.00	Less Interest In Suspense	- 1,845,662.93	- 1,845,662.93
	29,745,758.00	29,745,758.00		19,018,696.83	19,018,696.83
	15,964,704.00	15,964,704.00	Lease Payable Long Term (Vehicle)	5,237,643.07	5,237,643.07
	13,781,054.00	13,781,054.00	Lease Payable Short Term (Vehicle)	13,781,772.00	13,781,772.00
	29,745,758.00	29,745,758.00		19,019,415.07	19,019,415.07



Note 15	2021 Rs.		Creditors and Payables	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	1,973,783	1,973,783	Unpresented Cheques	2,495,828	2,495,828
	5,900	5,900	Advace B Liability	5,900	5,900
	27,613,555	27,613,555	creditors on purchasing	28,320,950	28,320,950
	8,614,169	8,614,169	E.P.F. Payble	8,473,021	8,473,021
	1,033,703	1,033,703	E.T.F. Payble	1,016,776	1,016,776
	6,207,999	6,207,999	Inland Revenus - Sramp Duty	3,502,993	3,502,993
	14,693,274	14,693,274	V.A.T. Payble	17,419,260	17,419,260
	3,306,253	3,306,253	N.B.T. Payble	3,310,988	3,310,988
	435,828,939	435,828,939	Income Tax Payble	475,840,391	475,840,391
	25,735,659	25,735,659	S.V.A.T. Payble	-	-
	-	-	Mobitel Pvt.Ltd.	188,777	188,777
	-	-	Field Assistants Union of Geological survey & Mines Bureau	6,000	6,000
	-	-	SSCL Payable	4,539,486	4,539,486
	-	118,411,399	Creditors and Payables on GSMB ts	49926615	-
	525,013,234	643,424,633		595,046,985	545,120,370

Note 16	2021 Rs.		Accrual Expenses	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	1,464,523	1,464,523	Accrued Exp.on Electricity	955,269	955,269
	3,834,255	3,834,255	Accrued Exp. On Telephone	1,509,395	1,509,395
	2,428,980	2,428,980	Accrued Exp on Cleaning	1,819,813	1,819,813
	7,632,715	7,632,715	Accrued Exp. On Security	4,355,499	4,355,499
	3,075,667	3,075,667	Accrued exp on Building rent	1,383,583	1,383,583
	16,254	16,254	Accrued Exp. On Water	49,610	49,610
	3,000,000	3,000,000	Accrued Exp. On Audit Fee	3,300,000	3,300,000
	147,206,395	147,206,395	Accrued Exp on Incentive & Bonus	153,950,166	153,950,166
	26,204,977	26,204,977	Accrued Sundry Expenses	56,065,121	56,065,121
	5,625,669	5,625,669	Accrued Over Time Expenses	692,178	692,178
	697,000	697,000	Accrued Allowance - Uniform	540,750	540,750
	2,673,127	2,673,127	Accrued Travelling & Subsistance	1,792,232	1,792,232
	-	-	Accued Allowance -Telephone	879,272	879,272
	-	45,369,195	Accrual Expenses & Other Payable GSMB ts	72790039	-
	203,859,561	249,228,756		300,082,926	227,292,887

Note 17	2021 Rs.		Provision for Inspection Refund	2022 Rs.	
	GSMB	GROUP		GROUP	GSMB
	3,264,024	3,264,024	Provision for inspection Refund	3,512,054	3,512,054
	3,264,024	3,264,024		3,512,054	3,512,054

Note 18

2021 Rs.		Other Payable Advance & Bank Gurantee	2022 Rs.	
GSMB	GROUP		GROUP	GSMB
2,722,612	2,722,612	Advance Received On Project	219,631	219,631
650,240	650,240	Advance Received on Chemical Analysis	5,188,740	5,188,740
35,500	35,500	Advance Received On Expoot Of Sample	36,000	36,000
137,685	137,685	Advance on I.E.E.R	137,685	137,685
-	-	Advance On G.S.N Station 17A	15,259,906	15,259,906
276,750	276,750	Advance received on Petrological Lab	769,677	769,677
6,000	6,000	Advance Received for Mining Detail Board	6,000	6,000
30,704,630	30,704,630	Advance Received on Exploration Licence	28,978,030	28,978,030
50,706,485	50,706,485	Advance Received on IML . A.	43,812,485	43,812,485
40,215,856	40,215,856	Advance Received On I.M.L. - B	42,815,968	42,815,968
33,581,066	33,581,066	Advance Received on I.M.L. - C	37,412,710	37,412,710
3,918,233	3,918,233	Advance Received on I.M.L. - D	4,285,633	4,285,633
22,555,180	22,555,180	Advance Received on A.M.L. - A	23,227,392	23,227,392
10,419,319	10,419,319	Advance Received on A.M.L. - B	10,737,019	10,737,019
416,276	416,276	Advance Received on T.D.L. - A	495,026	495,026
19,290,508	19,290,508	Advance Received b on T.D.L. - B	19,590,808	19,590,808
13,917	13,917	Advance Received on T. D. L. - C	13,917	13,917
145,957	145,957	Excess Money On Mining Licence	146,103	146,103
276,490,300	276,490,300	Advance Received on Royalty	289,742,532	289,742,532
230,540,175	230,540,175	Bank Gurantee Received from Banks	-	-
(188,150)	(188,150)	Bank Gurantee Amount - Assign For Rehabilitation	-	-
616,000	616,000	Excess BG Amount After Rrehabilitaion From Mines Safty Unit	616,000	616,000
46,500	46,500	Refundable Deposit	56,500	56,500
-	-	Direct Deposit	2,239,912	2,239,912
723,301,038	723,301,038	Total	525,787,673	525,787,673



Corporate Governance

Good corporate governance is globally accepted as being fundamental to an organization's competitiveness, growth and sustainability. There is great attention on Board of Management to discharge their duties with high ethical values and accountability in their commitment to good governance practices.

For our Bureau to be successful over the long term and create value of customers, it must create value for society. Our approach to Creating Value is built upon a set of strong principles and values set by the Board of Directors. We regularly review our governance against legal requirements and best practices.

The Board is the custodian of the Bureau's values and of its long-term vision, and provides strategies direction and guidance to the Bureau. The Board receives regular updates, including between meetings if necessary, on a range of matters including core activities, financial, legal and customer affairs.

The GSMB is governed by the Board of Management.

The members of the Board of Management (BOM) are appointed by the Hon. Minister in charge of the subject as per the requirements of the Mines and Mineral Act. The Board of Management is consisted of 7 members and they are as follows. The Legal Officer of GSMB serves as the Secretary to the BOM.

- **The Secretary to the Ministry of the Minister in charge of the subject of industries or his representative**
- **The Secretary to the Ministry of the Minister in charge of the subject of environment or his representative**
- **Three members who appear to the Minister to have demonstrated practical experience and possess knowledge in the field of Geology, Mining, Business Management, Finance and Law**
- **One member appointed by the Minister in consultation with the Minister in charge of the subject of Finance**
- **The Director General of Geological Survey and Mines Bureau**

Board Meetings

The Board of Management meets monthly and holds additional meetings as and when the Board thinks appropriate.

Twelve(12) Board meetings were held during FY2022. The Agenda and draft minutes for Board meetings are prepared by the Board Secretary with details of decisions reached, any concerns raised and dissenting views expressed and are circulated to all members for comments before each meeting with Board papers within three business days before the intended date of the Board of Management. At each regular Board meeting, Head of the divisions of the Bureau made presentations to the Board on various aspects, including the Bureau performances, financial performances etc.

The Board of Management of the Bureau plays an active role in participating the Bureau's meeting

through contribution of their professional opinions and active participation in discussion.



AUDITOR'S REPORT



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



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My No. }

IWM/C/GSMB/1/22

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திகதி }
Date }

22nd August 2023

The Chairman,

Geological Survey and Mines Bureau.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Geological Survey and Mines Bureau for the Year Ended 31st December 2022 in terms of the Section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1.1 Qualified Audit Opinion

The audit of the financial statements of Geological Survey and Mines Bureau for the year ended 31st December 2022 which comprise the Statement of Financial Position as at 31st December 2022 and the Statement of Financial Performance, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and Notes to the Financial Statements including a Summary of Significant Accounting Policies was carried out under my direction in pursuance of the provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971. My report to Parliament in pursuance of the provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for the Qualified Opinion section of my report, a true and fair view of the Financial Position of the Bureau as at 31st December 2022, and the Financial Performance and Cash Flow of it for the year then ended is given in accordance with the Sri Lanka Public Sector Accounting Standards.

1.2 Basis for the Qualified Opinion

- (a) The salaries and allowances that had been recorded under operational cost of the previous years have been recorded under administrative expenses in the year under review. In that perspective the reason for the reclassification of the comparative values have not been disclosed as per Para No. 55 of the Sri Lanka Public Sector Accounting Standard No. 01.
- (b) Previous period adjustments of 10,195,572 rupees have not been retrospectively disclosed in the financial statements as per Para No. 54 of the Sri Lanka Public Sector Accounting Standard No. 03.
- (c) Despite the fact that the Group's fixed assets with a cost of 749,442,316 rupees that had been fully depreciated were being used continually, their fair value has not been disclosed in financial statements in accordance with Paragraph 42 of the Sri Lanka Public Sector Accounting Standard No. 7.
- (d) The accounting policy based on which the royalty income had been identified has not disclosed in the financial statements in accordance with Paragraph 39 (a) of the Sri Lanka Public Sector Accounting Standard No. 10 .
- (e) The remunerations and other allowances paid to the other related parties have not been disclosed in the financial statements in accordance with Paragraph 34 of the Sri Lanka Public Sector Accounting Standard No. 14.
- (f) A comparison of the budgeted value and the actual value has not been included or the reasons for the quantitative differences between the budgeted value and the actual value have not been explained in accordance
- (g) with Paragraph 14 of the Sri Lanka Public Sector Accounting Standard No. 15.
- (h) Even though the construction work of the new laboratory building established in the premises of the Bureau in Pitakotte was completed by 28th July 2022 and the said building is being used at present ,the associated cost of 408,858,451 rupees has been listed as work in progress. The building depreciation for the year under review has been understated by 8,466,636 rupees as a result of this.
- (i) Due to the fact that the recurrent expenditures of transport, entertainment, travelling and testing - totaling 1,309,812 rupees- had been listed in the work in progress account, the



work in progress had been overstated in accounts while the profit had been understated in accounts by the same amount.

- (j) An overstatement had been made in the work in progress account of the new laboratory building due to the recoding in that account of an amount of 210,000 rupees paid as consultancy fees for the construction of the Kurunegala District Office and an amount totaling 1,500,256 rupees spent for installing the oil tank of the head office of the Bureau.
- (k) The penalties for failing to duly pay the required royalties for industrial minerals and building materials, which totaled 15,768,351 and 970,482 rupees, respectively, had been incorrectly represented as royalty income.
- (l) The balances of the amounts to be paid by the subsidiary company of the Bureau to the Bureau and vice versa were 44,351,804 rupees and 1,545,522 rupees respectively according to the financial statements of the subsidiary company of the Bureau. The balances of the amounts to be received by the Bureau from the subsidiary company of the Bureau and vice versa were 71,711,804 rupees and 9,142,975 rupees respectively according to the financial statements of the Bureau. Accordingly a discrepancy of 27,360,000 rupees and a discrepancy of 7,597,453 rupees were observed respectively.
- (m) A detailed schedule or a time analysis had not been submitted to the audit for the advance of 211,368,988 rupees received for issuing transport, mining, and exploration licences, which had been listed under other payable advances.
- (n) Action had not been taken to identify an amount of 2,239,912 rupees that had been directly credited to the bank and the said amount has been brought forward in the financial statements having transferred it to a payable account.

I conducted my audit in accordance with Sri Lanka Auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 The Other Information Included in the Annual Report of the Bureau for the Year 2022.

The other information means the information obtained by me before the date of this audit report, which has been included in 2022 Annual Report of the Bureau but is not included in the financial statements and in the audit report prepared by me in regard to those financial statements. The management is responsible for this other information.

My opinion in regard to the financial statements does not disclose other information and neither confirm such information nor express any opinion in that regard.

My responsibility in regard to the audit of the financial statements is to read the other information mentioned above and to consider whether the other information is materially incongruent with the financial statements or with my knowledge obtained through the audit or some other means.

If I conclude that this other information is materially erroneous based on the other information obtained by me or based on the functions carried out by me before the date of the audit report, I am required to report that matter. I do not have anything to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation of these financial statements in accordance with the Sri Lanka Accounting Standards, presentation of the said financial statements in a fair manner and for the determination of such internal controls that are necessary to enable the preparation of financial statements without material misstatements whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing matters related to a going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations when other alternative is not available.

Those charged with governance are responsible for overseeing the company's financial reporting process.

As per sub section 16 (1) of the National Audit Act No 19 of 2018, books and records should be properly maintained in regard to the income, expenditure, assets and liabilities of the company in order that its annual and periodic financial statements could be prepared.



1.5 Auditor's Responsibilities for the Audit of the Financial Statements.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercised professional judgment and maintained professional scepters throughout the audit. I also

- identified and assessed the material misstatements of the financial statements, whether due to fraud or error, designed and performed the audit procedures responsive to those risks and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The effect resulting from a fraud is higher than the effect resulting from a material misstatement and a fraud may involve collusion, forgery, intentional omissions, or the override of internal controls.
- obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluated the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and the related disclosures made by the management.
- concluded on the appropriateness of the management's use of the going concern basis of the company for accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the institution to cease to continue as a going concern.
- evaluated the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with those charged with governance regarding, among other matters, significant audit findings including any significant deficiencies in the internal controls that were identified during my audit.

2. Report on Other Legal and Regulatory Requirements.

2.1 Special provisions are included in regard to the following requirements of the National Audit Act No. 19 of 2018.

2.1.1 I obtained all the necessary information and explanations subject to the observations set out in Para No. 1.2 of this report as per the requirements of section 12(a) of the National Audit Act No. 19 of 2018 and as it appears from my examination, proper financial reports have been maintained by the Bureau.

2.1.2 The financial statements of the Bureau are consistent with the requirements of section 6(1) d (iii) of the National Audit Act No. 19 of 2018.

2.1.3 Corrections related to the recommendations made by me in the previous year in regard to the observations mentioned in Para Nos. 1.2(a), (f), (g), (h) and (i) of this report have not been done even when submitting the financial statements of the year under review as per the requirements of section 6(1) (d) (iv) of the National Audit Act No. 19 of 2018.

2.2 Based on the procedures followed and the evidence obtained, which were limited to the matters that are material, nothing has come to my attention that requires the following statements to be made.

2.2.1 To state that any member of the governing body of the Bureau has direct or indirect interest in any contract entered into by the Bureau which is out of the ordinary course of business as per the requirement of section 12(d) of the National Audit Act No. 19 of 2018.

2.2.2 To state that the Bureau has not complied with any applicable written law, general and special directions issued by the governing body of the Bureau as per the requirements of section 12(f) of the National Audit Act No. 19 of 2018, except for the following observations.

Reference to Law and Rules / Directions	Observations
Mines and Minerals Act No. 33 of 1992 amended by Act No. 66 of 2009	
(i) 12 (b)	Identification and assessment of the mineral resources of Sri Lanka had not been done.



(ii) Section 28(1)	A methodology had not been formulated to grant licenses for the transport of granite
(iii) Section 44 (c)	Even though the Authority was vested with the power to monitor the exploration activities granted through a licence issued under the Act and to direct the licensee in regard to the continuation of such activities, the Bureau, in contravention of it, carried out the necessary activities required for exploration activities for 3 licences on a fee-levying basis for a charge of 4,632 689 rupees within the year under review.
(iv) Section 52(2)	Though the mining sites should be rehabilitated after the mining activities, action had not been taken to get it done through licensees.
(b) Code of procedure on the mining, transport and trade of the minerals used in construction industries, formulated in accordance with the Cabinet Decision No. 21/1799/301/022 dated 06 th October 2021	The Geological Division was supposed to categorize mining sites as requiring no clearances or a minimal number of clearances, requiring a few clearances, and requiring a number of clearances based on a priority basis in the order of 1, 2, and 3, and maintain documents with updates, but even by the end of the year under review, such documentation had not been maintained.
(c) The Public Circular No. 01/2020 dated 28 th August 2020 and the Financial Regulation No. 189 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Even though 38 cheques of the value of 2,574,468 rupees received from trade debtors from the year 2017 until the end of the year under review had been dishonored action had not been taken to recover the said amounts.

(d) Paragraph No. 3.2 V of the Guideline and Operational Manual for Institutional Good Governance of the State Owned Enterprises introduced by the Public Enterprises Circular No.01.2021 dated 16 th November 2021	Though motivational programmes should always be implemented with the approval of the Director General of the Public Enterprises, the Bureau paid an amount of 107,000,000 rupees as incentives in the year under review without such an approved incentive scheme.
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2.2.3 The fact that the Bureau has acted in a manner which is inconsistent with the powers, duties and functions of the Bureau as per the requirements of section 12(g) of the National Audit Act No. 19 of 2018.

2.2.4 The fact that the resources of the Bureau has not been procured in accordance with the relevant rules and regulations within the time frames in a frugal, efficient and effective manner except for the following observations as per the requirements of section 12(h) of the National Audit Act No. 19 of 2018.

An amount of 4,401,262 rupees had been spent by the Bureau for preparing a fuel storage place in the premises of the Bureau after a fuel tank was purchased by the Bureau and the said asset had not been utilized even by 31st May 2021.

3. Other Matters

(a) An amount of 2,764,918 rupees had been given to 23 suppliers as advance payment for purchases at the end of the year under review, and the said amount included an amount of 1,074,409 rupees paid as advance during the period 2015–2020. Action had not been taken to settle the advance after completing the procurement.

(b) An amount of 2,120,713 rupees had to be paid on March 29, 2022, to the lessor of the building, which had been taken on a lease basis to house the Budulla regional office, as compensation to cover the damages caused by fire to the said building because a fire insurance cover policy had not been obtained for the said building. The Bureau had not taken action against the officers responsible for it .

(c) The accumulated incentives totaling 38,533,958 rupees that were allocated for 171 unemployed employees and the over- allocations for incentives during the period from the year 2014 up to 2021 had been recorded under creditor and payable balances and the aforesaid balances had not been settled .



- (d) When issuing mining licences for granite, the Bureau had requested economic viability reports from the miners, and a statement was included in those reports stating that there was no need to fill the land because it remained at a higher level than the surrounding plain areas after granite mining and could be used for cultivation and other purposes after being rehabilitated by laying the upper soil layer that had been removed. Even though the land should be rehabilitated after mining in accordance with Section 52(2) of the Mines and Minerals Act No. 33 of 1992, the Bureau had not obtained bonds for the rehabilitation of the lands when issuing mining licences based on the aforesaid statement. Furthermore, a condition had been imposed in the licences to the effect that granite mining should not be done deep into the earth below the existing land level. However, pits created by mining deeply underground were found in most of the granite mining sites, and these pits, which were filled with water, had been abandoned in a dangerous manner. The Bureau had not taken action to get the aforesaid pits restored or take legal action in connection with the violation of the conditions of the mining licences.
- (e) Undertaking the preparation of systematic geological maps and preparation of geological maps, identification of the mineral resources of Sri Lanka and assessment of those resources were the main functions of the Bureau in accordance with the Section 12 of the Mines and Minerals Act No. 33 of 1992. The following facts were observed in regard to the action plan of the year under review and the performance related to it in relation to the functions of the Bureau.
- I. Because 75% of the field work for the mapping of the Wilpattu zone had been completed under the Quaternary Mapping Programme in 2015, the mapping activities that should have been done in relation to it, the activities of the geo-chemical mapping programme, and the nuclear raw material survey activities carried out in the Yala-Kataragama and Mannar-Kirinda areas had not been completed even by the end of the year under review.
 - II. It had been planned to complete the compilation and printing of the geological map of Sri Lanka by April of the year under review, but the printing of the map had not been completed, even though the compilation of the map had been completed by the end of the year.
 - III. The compilation of the Kalpitiya Zone No. 29 map was completed under the 1:50,000 quaternary mapping programme in the year 2015, and though it had been planned to complete the printing of the map by April of the year under review, the map was not printed even by the end of the year under review.
 - IV. Though it had been planned to complete the printing of the Vavuniya-Trincomalee No. 6 Geo- Chemical Map by the end of March of the year under

review , printing of the maps was not completed even by the end of the year under review.

- V. Though it had been planned to complete the tasks of compiling and printing the mineral map of the Southern Province by December of the year under review , only the task of compilation of the map had been completed.
- VI. Although the fieldwork, compilation, and printing for the Eastern Province Mineral Map were supposed to be finished by October of the year under review, no such work had even begun by then.
- (f) Although arrangements had been made to publish the Mineral Year Books of the years 2021 and 2022 within the year under review, the said task had not been completed, and the publication of the Mineral Year Book of the year 2020 had been delayed, and it was only published on 13th May 2023.
- (g) A data base had not been maintained in order that the lands that had been rehabilitated and those that had not been rehabilitated by the licensees could be identified and the details related to the bonds obtained could be recorded.
- (h) A company in Dambulla had assigned to the Sri Lanka Atomic Energy Regulatory Council the task of assessing the radiation level of a particular type of mineral sand known as Sircon Mudlin in order to import 416 metric tonnes of that material. The radiation of the said samples exceeded the approved radiation level that should be maintained in transportation, as stipulated by the International Atomic Energy Agency. However, the Bureau has issued two importation licences to the aforesaid company without paying consideration to the quantitative composition of the radiation in mineral sand and without obtaining the approval of the Sri Lanka Atomic Energy Regulatory Council.
- (i) Exploration licences had been granted to five companies registered in Sri Lanka for mineral sand surveys on the island of Mannar, while nine graphite exploration licences had been granted to four companies. Though the aforesaid companies had carried out exploration activities for a period of 10–13 years, they had not discovered new graphite mines and mineral sand deposits until the year under review. Due to the fact that the holders of exploration licences have reserved these regions without engaging in any mineral exploration activities, other potential local and international investors have limited opportunities to invest in mineral exploration projects.
- (j) Within the year under review, 1226 "special licences for the removal of the minerals created by processes other than mining" had been awarded to remove the minerals known as granite soil, sand, gravel, and clay outside the normal procedure adopted by the Bureau when issuing mining licences. It was observed that consideration had not been



paid when issuing these licences to the restrictions on the powers for issuing licences and the areas in respect of which licences should be issued in accordance with Sections 30 and 31 of the Mines and Minerals Act No. 33 of 1992.

- (k) A newspaper advertisement had been published on 17th November 2022 incurring a cost of 128,736 rupees for establishing an Enterprise Resource Planning System for the Bureau and consultancy services had been obtained from the University of Moratuwa, which was the institution selected for that purpose, in regard to the formulation of bidding documents and other documents paying an amount of 1,125,000 rupees. Due to the decision made in the Technical Evaluation Committee convened in February 2023 that new bidding documents should be prepared instead of the present bidding documents, the cost of 1,253,736 rupees incurred for that purpose has become an idle expenditure.

W.C.P. Wickremaratne
Auditor General



AUDITOR'S REPORT - ANSWER



01.09.2023

Your No. : IWR/C/GSMB/1/22

My No. : DF/AR/09

The Auditor General,
Auditor General's Department
No.306/72,
Polduwa Road,
Battaramulla.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Geological Survey and Mines Bureau and its Subsidiaries for the Year Ended as at 31st December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018.

The answers relevant for the paragraphs included in the aforesaid report are given below.

1.2 Qualified Opinion and the Basis

- (a) This is correctly stated in the accounts.
- (b) Agree on the matters pointed out by the audit and action will be taken in the future to disclose the adjustments of the preceding period .
- (c) A revaluation will be conducted in the year 2023.
- (d) In accordance with paragraph 39(a) of Sri Lanka Public Sector Accounting Standard No. 10, royalty income is recorded in accounts on an accrual basis. It will be disclosed in the financial statements in the future.
- (e) Action will be taken to disclose this in the future
- (g) Although the new laboratory building related to the Bureau is already in use, it is being used in that manner due to the fact that the available space in the Bureau is insufficient. This construction work is carried out by the Central Engineering Bureau. However, since the construction work of this building has not yet been completed, the certificate to be given after the completion of the work has not yet been given to the building department. Therefore, this asset has not been stated as asset of the Bureau.

- (h) Agree with the fact stated in the audit, and the transport expense and entertainment expense of 44,619.00 have not been included in the aforesaid account. Action will be taken to remove this amount from the account in the future.
- (i) Agree with the points mentioned in the audit and this will be rectified in the future.
- (j) The system of issuing mining licenses will be corrected in the future, and the powers are exercised and the duties are performed in accordance with the Mines and Minerals Act No. 33 of 1992, which is in force. Accordingly, penalties are charged to the relevant stakeholders who do not pay the royalty correctly. Action will be taken to present royalty payments and fines separately in the future.
- (k) Action was taken to settle this in the year 2023. The relevant settlements are being done properly.
- (o) Arrangements will be made to submit a detailed schedule or a time analysis to the audit as has been pointed out by the audit.
- (p) An amount of Rs. 2,239,912 has been paid by clients to the Bureau in the form of direct bank deposits in order to obtain licences. The subsequent steps for securing licences have not been finished by these clients, though.

2.2.2 Reference to Rules/ Regulations

- (i) Mapping of mineral locations is a continuous activity carried out by the Bureau and arrangements have been made for the purchase of provincial mineral maps prepared by the Bureau from the Bureau's library. These maps are updated from time to time by the Bureau. A lot of money has to be spent for the valuation of minerals as drilling work has to be carried out for that. But the valuation the important deposits, for example, deposits like apatite, has been carried out by the Bureau.
- (ii) It is mentioned that a license should be obtained for the transportation of certain minerals. in terms of section 28 (4) of the Mines and Minerals Act No. 33 of 1992. Accordingly, a licence should be obtained for the transportation of granite as well. But as far as the granite production (crushing) process is concerned, according to the current system, the aforesaid activity is regulated by three licences, namely a mining licence issued as per the Mines and Minerals Act No. 33 of 1992, amended by Act No. 66 of 2009, an environmental protection licence issued by the Central Environment Authority, and a licence issued as per the Explosives Act for the use of explosives.

Also, granite quarrying is not a fast process like sand mining, and since granite quarrying is done using explosives, the production speed is controlled in the quarrying method itself. Also, if an unauthorized granite pit is operating somewhere, the existing laws related to the use of unauthorized explosives in terms of the Explosives Act are in force, so the operation of unauthorized granite pits is also at a minimum. In the mean time, the Bureau has also introduced by now a methodology to accurately calculate the amount of granite broken in a certain place. According



to these facts, although licences for the transportation of granite are not currently issued by the Bureau, the regulatory activity carried out by issuing licenses is already being done quantitatively and qualitatively.

Regarding the matter raised by the National Audit Office, if licences are granted for the transportation of granite, there won't be any qualitative or quantitative improvement, aside from the ongoing regulatory work, but this alone may be the cause of the sharp rise of the granite price in the market. Also, if the Bureau starts issuing licenses for the transportation of granite, it will have to bear additional administrative costs, such as hiring employees for it and the inspection of the transportation licences. Furthermore, as the mineral regulatory body, the Bureau is entrusted with a great responsibility under the Mines and Minerals Act No. 33 of 1992 to maintain a stable price of minerals, and this regulatory action may cause a huge increase in the current market price. The Bureau has decided not to issue transport licences for granite after studying all the factors regarding this increase in price as it will adversely affect the progress of the construction industry.

- (iii) The Bureau carries out geological services. Its purpose is to obtain additional income for the Bureau and obtain geological data with a proper standard.

The preparation of complete exploration reports for the exploration licensees is done by an expert committee of the licensee company, and the Bureau only carries out a part of the activities carried out by the exploration licensee in the exploration process submitted to it. There, data is provided in the relevant fields and the preparation of the report is done by the expert committee of the exploration licensee. Since the data obtained from these surveys is added to the Bureau's data system, I would like to inform that it is very important for the Bureau to carry out the field work in consideration of the accuracy and quality of the data.

The geological division prepares the aforesaid the geological reports for minerals such as land sand, silica sand, gravel and clay after charging a fee from the proposed licensee. In this way, the conditions for issuing the mining license are established by monitoring the nature and depth of the mineral location, and when mining is done by the Bureau, the depth to which the mining should be done is monitored by the Bureau, and the data obtained from our institution is more accurate when imposing conditions to prevent mining that may cause environmental damage. Also, since an image taken by a drone is also included in the reports, the data of the mining site is accurately recorded through it .

- (iv) After mining , the Bureau takes action to rehabilitate the mining areas, and if the rehabilitation has been done to the satisfaction of the Bureau, the money is released to the relevant licensees. In addition, legal action will be taken against the licensees if they do not undertake further rehabilitation. In doing so, circular 236/04/2023 has provided for the Bureau to obtain bank bonds held by licensees by court orders (as non-releasable amount to licensees). Also, Mine Safety Division takes action to rehabilitate the mined land.

- . (b) At present, the relevant documents are classified as priorities and updated and maintained.

c) As per the audit, dishonored checks amounting to Rs. 2,574,460 have been shown in the year under review and the relevant department has been informed to take action to recover the money from the respective borrowers.

d) Some consensus was reached at in the year 2023 in consultation with the officials of the Public Enterprises Department for the incentive scheme. It was advised to revise the existing system, and resubmit it ,and the necessary approvals were duly obtained to pay the incentives for the year 2022 based on the existing system.

2.2.4 Due to non-opening of rupee accounts due to a decision taken by the Government, there occurred a delay in getting fuel to the Bureau directly through the Corporation. But now the corporation has agreed to provide oil to the Bureau at the normal market price through rupee accounts, and I would like to inform you that the Bureau will use this tank for necessary purposes in the future.

2 Other matters

(a) We will look into this and provide the necessary answers in the future.

(b) Action will be to provide necessary information in this regard in the future.

(c) The incentives reserved for the employees who have resigned or died from the service of the Bureau and the employees who have undergone disciplinary investigation are related to this matter. This matter should be referred to the Board of management of the Bureau, and the relevant corrections will be made in the year 2023.

(d) The Bureau has currently introduced a system of obtaining a rehabilitation plan related to the rehabilitation of mining land and obtaining rehabilitation bonds to suit the suitability of the said plan and issuing mining licences , which is set out in detail in Circular 236/04/2023.

Depending on the location of the granite, there are places where mining is done below the existing ground level and they may be filled with water during the rainy season. This is a temporary situation and is not much of a problem for quarries where mining operations are ongoing because water has to be removed during the quarrying of granite

However, due to the current economic crisis in Sri Lanka, the construction industry has collapsed, so most of the quarries remain inactive. But as these granite quarries are likely to be operated according to the future needs, by rehabilitating such places where minerals can be extracted, there will be a shortage of minerals required for the sustainable use of minerals in the country. Therefore, it is advisable to rehabilitate these mining areas only after extracting the entire amount of minerals that can be extracted.

However, since the presence of water pits can cause accidents, the Bureau has already taken action



to inform the licensees to cover the quarries with pits, identified during the field inspection and make sure that unauthorized persons do not enter the quarry premises.

(e) (i) Quaternary map program

The quaternary map program is in the final stage with the following changes.

- ❖ By 2015, the field work (mapping) related to the maps of Puttalam, Kalpitiya, Hambanthota, Tangalle, Tissamaharama, Galle, Yala, Halawata, Battuluoya and Silawathura had been completed and about 75% of the field work on the Wilpattu map. However, in 2016, the expert committee decided to conduct some deep core drilling for these maps and prepare them to reflect the relationship between the Quaternary deposits on the surface and the rock types inside them. Until then the completion of the maps was temporarily stopped and during the period 2016 - 2019, ground drilling was carried out in the areas belonging to the maps of Puttalam, Kalpitiya, Silawathura and Wilpattu.
- ❖ Although it was decided to print all the maps in 2020 including the above data, the Board of Management decided to print two quarterly geological maps each year because the funds of the Bureau has to be used for printing these maps. Accordingly, Silawathura, Tissamaharama Puttalam and Hambantota-Thangalla maps for the years 2021 and 2022 have been printed so far.
- ❖ The Kalpitiya and Wilpattu maps were completed in 2022 and the printing work is expected to be completed in 2023.

Kataragama - Yala Nuclear Raw Material Survey

The nuclear raw material survey that was supposed to cover the area related to the Kataragama-Yala geological map was temporarily suspended due to the faults and repair work of the MONA equipment used for that purpose. Based on the priority of the survey activities carried out by the Geological Division that year (reducing fuel costs and selecting only essential projects), it was proposed to completely drop the Kataragama-Yala nuclear raw material survey.

Geochemical maps

The project of geochemical mapping took longer than anticipated because it was necessary to create maps by making changes on a number of occasions based on the opinions and suggestions of related experts because it is a method that is developing in various fields related to it because it is a project that has just started in Sri Lanka and because one geologist who was involved in it unexpectedly passed away.

(ii) Geological map of Sri Lanka has been printed by now

(iii) Mentioned in (i) above.

(iv) Mentioned in (i) above.

(v) Southern Province Mineral Map has been printed by now.

The above maps were compiled at the beginning of the year and procurement activities had been started for final handing over it for printing. But since the map had to be sent to China for printing, the printing was delayed due to the delays in the communication between the printer and the Chinese company. However, by now all relevant maps have been printed.

vi) The Eastern Province Mineral Map was included in the 2022 action plan but was postponed to 2023 due to the fuel crisis that existed in the country at that time. Currently, the basic map has been prepared based on the data obtained in relation to the Eastern Province, and some data in the field needs to be re-checked. But this mineral survey has to be temporarily postponed as the Cabinet approval has been given to hold the International Mineral Conference in October this year.

Also, the fact that a large number of scientists who were working in the Bureau have quit their jobs and gone abroad has also caused delays in the activities to be done by the geological division.

(f) Data is obtained from within the Bureau, as well as from those engaged in mineral business and other government agencies for the publication of the Annual Mineral Handbook. The data regarding the production volume and the import and export volumes of various minerals is included in this data.

However, it was often not possible to launch this mineral manual at the right time due to the fact that these companies did not provide the relevant data at the right time and institutions such as the Sri Lanka Customs decided to charge money for providing the data,

(g) A data system has been developed by now and it is maintained by the Mine Safety Division.

(h) The Bureau has by now taken action to resolve this issue. Accordingly, the Director General's memo No. DG.Mining/In.Memo/2023/02 dated 20.03.2023 has been issued.

- According to this method, the approval issued by the Sri Lanka Atomic Energy Board/Sri Lanka Atomic Energy Regulatory Council should be submitted along with the relevant application when applying for an export license for the export of minerals.

- The Bureau will grant permission for export only to the mineral stocks approved by the said agency.

- Accordingly, this problem will not arise in the future.

(i) The Bureau had issued nine (09) exploration licenses to five companies registered in Sri Lanka for mineral sand exploration in Mannar Island.

- According to the report of the committee appointed by the Secretary to the Ministry of Environment, only five out of these nine licenses were reissued.



- The exploration activities of all five licences were completed in 2022, and the Bureau evaluated the related final exploration reports. These projects were identified as economically effective projects for drilling, and the relevant licensees were informed to apply for drilling, but exploration was not extended.
- .According to the regulations only a grace period (Retention) is given for obtaining land and other recommendations related to licenses.

(j)

- Special licences were issued for the removal and excavation and transportation of mineral materials (black stone, soil, sand, gravel) that have to be removed in other activities without commercial mining purpose.
- The goal of this course of action was to give people who are involved in activities that are exempt from the Mining and Minerals Act's licencing requirements an opportunity to do so without interference.
- However, once it was reported that a large number of irregularities were being committed using these special licences, the Bureau has decided to limit the issuance of these licences.
- .Accordingly, the Bureau issued the circular No. 231/02/2023 dated 16.02.2023 and according to that circular, it has been decided to limit the issuance of special licences for the following matters.

.01. Claims arising out of a natural disaster situation.

02. Requests for removal of minerals for the purpose of construction of a private house or building with relevant institutional recommendations.

03. Requests submitted with approval from the relevant government agency for mineral removal and transportation opportunities for government development projects/irrigation whose primary purpose is not mining.

- If any request is made outside the basis of these facts, those facts will be taken into special consideration, and special licences will be issued.
- Under the new system, the requests are forwarded to a special committee appointed by the Director General before issuing special licences.
- Accordingly, only a very limited number of special licences are issued, for which guidelines have been drawn up.

(k) The preliminary activities of installing an ERP system was started in order to streamline the activities of the Bureau with the financial allocations made through the budget of the year 2022 and the Faculty of Information Technology of the University of Moratuwa functioned as a consultant for this.

However, it was later discovered that some scopes had been omitted in the basic documents related to the ERP system installation, and the procurement process that followed had to be halted.

But it was a temporary measure and now the scope of all the sectors are being covered and the requirements are being revised. After this process, all arrangements have been made to commence the procurement process after preparing the bid documents again with the help of the consultant. There will be no clearance of expenses incurred as consultant fees at this time and the consultant will prepare fresh bid documents and provide further consultancy without additional charge under the agreed total estimate.



Audit and Management Committee (AMC) Report – 2022

The audit and management committee is an oversight committee to assist the Board to ensure that the Bureau has maintain an effective internal control systems and governance. The chair of the committee is Treasury representative and comprised of two non-Executive Directors of the Board as below.

1. Chairman - Ms. Ajitha Batagoda

(Additional Director General - Department of National Budget)

2. Member - Mr. W.D.S.C. Weliwatta

(Additional Secretary – Natural Resources - Ministry of Environment)

3. Member - Mr. I. C Pathiraja

(Additional Secretary – Ministry of Industries)

Roles and Responsibilities

The Roles and Responsibilities of the Audit Committee are based on the “Guidelines on Corporate Governance for State Owned Enterprises” and circulars issued by the Department of Management Audit of the Ministry of Finance. The committee is responsible for the Board of Management and report its findings to the Board quarterly.

Meetings of the Committee

During the year ended 31st December 2022, four (04) meetings were held. The proceedings of the committee meetings are recorded with adequate details and are reported regularly to the Board of Directors. On invitation, the Chief Internal Auditor of the Ministry of Environment, which is the line agency of GSMB and the Audit Superintend of National Audit Office, attended the committee meetings during the year. The attendance of the committee members are given below.

Name of the Director	No of meetings attended
Ajitha Batagoda	4
W.D.S.C. Weliwatta	4
I. C Pathiraja	4

Internal Audit

The **GSMB** has its own Internal Audit section headed by an Internal Auditor. The Internal audit Plan was presented and approved by the AMC before implementation during the year. The committee reviewed the inspection reports of the Internal Audit Section at its meetings and monitor the progress as per the internal audit plan.

External Audit

The National Audit Office is undertaken the external audit as per the article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The AMC reviews the reports submitted by the Auditor General to ensure all reported instances of non compliance and irregular Accounting and Reporting issues are addressed on time.

Conclusion

The committee is of the view that the internal audit division and external auditors have undertaken

their duties effectively and independent throughout the year. The Committee is satisfied with the appropriateness of the accounting policies and thus gives a reasonable assurance that the Financial Statement of the GSMB is reliable. Further, the committee is satisfied that the GSMB complies with the applicable laws, rules and regulations and corrective and preventive actions were taken with regard to the reported non – compliances during the year under review.

The Board of Management of GSMB approved this report at the meeting held on 02.02.2023.

Ms. Ajitha Batagoda

Chairman

Audit and Management Committee



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