

GABON

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The Republic of Gabon borders Congo (Brazzaville), Equatorial Guinea, Cameroon and, to the west, the Atlantic Ocean. It covers an area of approximately 268,000 km² and has a population of 1.3 million. French is the official language, with Fang and Myene the most widely spoken of the indigenous Bantu languages. The narrow coastal strip rises to a series of plateaux, three-quarters of the country is covered by tropical rain forest, and deep river valleys divide the country. The equatorial climate is characterised by high temperatures and considerable amounts of rainfall, with only one dry season between June and September. The capital, Libreville, is the only large city and there are major ports at Port Gentil, Owendo and Manyamba.

President Omar Bongo is Africa's second longest-serving head of state, in power since 1967. Opposition parties were finally allowed to function openly and legally in 1990 after 23 years of one-party rule, but the Parti Democratique Gabonais (PDG) has never lost power. The opposition has consistently alleged electoral fraud since the start of multi-party elections. The most recent parliamentary elections took place in 2001, and the PDG won a sweeping victory, after which it effected 'open government' that included more power-sharing and opposition party members in cabinet posts. The PDG pushed through a constitutional amendment in 2003 that allows Mr Bongo to run for president again in the future, instead of the 2005 time limit previously in force.

Gabon is one of the more prosperous nations in Sub-Saharan Africa, enjoying GDP per capita at least six times higher than the regional average. This relative affluence is due to political stability, a small population, abundant natural resources and substantial foreign investment. Gabon's wealth is not distributed equitably, however, with over half of the population below the poverty line, although extremes of poverty have been eradicated since independence, and Gabon stands out in the region for the quality of its social conditions.

Export earnings were largely based on timber, manganese and uranium until oil production took off in the 1970s. The oil sector contributed 78% of export earnings and 41% of GDP in 2002, although production has gradually fallen since its hey-day in the 1980s, perhaps without Gabon fully realising the potential. The economy has recently been stagnating, and GDP growth has been curtailed by global oil prices and the dollar exchange rate. From recession (-0.3%) in 2002, GDP increased by 1% in 2003 and is forecast at 1.7% this year, although this apparent improvement is driven by oil prices, and, given Gabon's waning oil production, the medium-term economic forecast does not look good.

Gabon's main export commodities include crude oil, manganese, timber, palm oil, coffee and cocoa. Downstream development has not occurred, except in the oil sector, with an oil refinery at Port Gentil, and foreign activity in petroleum distribution and marketing. With improving production from the Moanda mine, Gabon is now the world's second largest manganese dioxide producer. Gabon also produces minor artisanal gold and diamonds.

All useful mineral substances occurring under the surface are the property of the State, and administered by the Ministry of Mines, Energy and Petroleum, which is headed by Richard Onouviet, a former environment minister. The Mining Code (2000) grants exclusive rights, with four types of mining permit:

- Prospecting, for regional reconnaissance, valid for two years;
- Exploration, for mining exploration and evaluation. A licence with concession is valid for three years and is renewable for two further periods of three years. Without a concession, the licence is valid for two years, renewable for one period of two years;
- Mining (with concession) for mineral extraction, renewable as many times as required; and
- Mining (without a concession) for extraction of construction materials and related minerals.

Diamonds are increasingly being seen as a possible saviour for Gabon's economy that is so dependent on oil. De Beers, Southern Era Resources and BHP Billiton have all been active in the country for several years, taking two-thirds of Gabon's available exploration acreage, and most of the North Congo Craton. Historically, about 38,000 ct of diamonds have been produced in Gabon, mainly recovered in the 1940s from the Makongonio placers in the south. There are also metamorphosed kimberlites around Mitzic in the north of the country, where local artisans produce small quantities of diamonds. Mitzic is in the western half of the vast De Beers' permit area, where the company is currently investigating targets generated by an extensive programme of aeromagnetic, alluvial and geochemical surveys conducted over the past five years.

Southern Era remains active, focussing on kimberlite discoveries and leads in the three main permit blocks: Kango, South and North. The Canadian company signed a joint-venture agreement on Makongonio in July 2002 with local firm Cie Generale de Matériels et de Matériaux (Cogemat) to explore the historic alluvial placers and their source. BHP Billiton also has a large area extending across southern and central Gabon, but the level of activity remains unreported.

Although historical gold production from Gabon is estimated at up to 60 t, current annual production is only around 50 kg, all from artisanal workings of alluvial and eluvial deposits. Production of gold from hard-rock deposits has not exceeded 1.5 t, with most of the production in the Etéké region.

The Etéké group contains three high-grade gold resources within Birimian greenstone rocks of central Gabon; the older Archaean greenstone belts also host gold deposits. During the 1990s, there were a number of exploration groups with permits in both Archaean and Birimian greenstone belts, but only Canadian-based Searchgold Resources remains. Its Bakoudou gold project in southeast Gabon lies within Archaean volcanic rocks of the du Chaillu Massif, 55 km southwest of Franceville. Last year, a prefeasibility study estimated the total resource as 3.9 Mt at an average grade of 6.4 g/t Au, and envisaged a rapid five-year mine production plan. Searchgold has a bankable feasibility study under way, comprising an 81-hole drill programme to provide a more definitive orebody model. Current gold prices would push up total mine-life revenue estimates from US\$71.7 million at US\$325/oz, to US\$89.4 million at US\$400/oz.

In the past two years, Southern Era has also become an active explorer for gold, with preliminary soil surveys, and a drill programme on its Koumba project – originally a diamond exploration permit. Koumba is located in western Gabon, 180 km southeast of Libreville, on Birimian greenstones. The mineralisation is in stockworks and shear zones extending along strike for 6 km. The area was previously worked during the 1930s to 1950s when 1.5 t of gold was extracted, mainly from the Mainou Vein, where an adit survives. The first phase of drilling by Southern Era was begun in November 2003 on targets within and around the Mainou Vein trend, and final results are awaited.

Manganese is mined by open pit at several separate sites and occurs as bedded oxide deposits in the early Proterozoic Francevillian Basin of the Moanda region in the southeastern part of the country. The operations represent the world's second-largest source of high-grade manganese ore, and are controlled by Eramet (60%) through its subsidiary, Cie Minière de l'Ogooué SA (Comilog), with a 25% government interest. Production capacity is 2.5 Mt/y and reserves are sufficient for 100 years based on current mining rates. In 2003, some 2.0 Mt of ore was mined, a significant improvement compared with the declining production of the past decade, and largely due to a programme of investment in mine infrastructure. Most of the production goes to the Comilog smelter in France, and the balance is exported for conversion to ferroalloys and manganese-based chemicals at plants in Europe, the US and China.

Kumba Resource's due diligence study on the Belinga, Boka Boka and Batoula iron ore deposits in northern Gabon concluded that resource quality and the absence of rail and port infrastructure detract from their development potential. Other deposits closer to existing rail infrastructure are currently under investigation.

No further activity is reported at the Mabounie carbonatite niobium deposit, located 200 km southeast of Libreville. Mabounie was discovered in 1986 and has a resource estimate of 21.6 Mt averaging 1.6% Nb₂O₅ or 350,000 t of niobium. Cluff Mining acquired a 35% stake in 2000 to become the largest shareholder, but has been seeking to divest for some time. Whether or not Mabounie will remain with Cluff Mining or Cluff Gold Co, as a result of the recent company reorganisation, had not been reported at the date of this report.