

BURUNDI

By Tharcisse Songore, Ministry of Energy and Mines

Following the assassination of its first democratically-elected president in 1993, the small central African state of Burundi (area 27,830 km²; population six million) witnessed almost a decade of ethnic violence. It was not until December 2002 that decisive steps towards peace were made. The leader of the main Hutu rebel group, the CNDD-FDD, joined the transitional government of Burundi as Minister for Good Governance, along with three other CNDD leaders. This was as a result of a ceasefire agreement signed between the transitional government and the rebel group in October 2002, in Dar es Salaam, Tanzania, under the auspices of regional Heads of State.

The ceasefire agreement followed by CNDD leaders joining the transitional government and parliament, are unanimously recognised as the most significant move towards stabilising the security situation in Burundi since the beginning of the Arusha peace process in 1996. Even though the FNL Palipehutu rebel group is still fighting, talks between that group and the transitional government continue, and it is hoped that further talks will eventually lead to a total ceasefire.

The breakthrough in the peace process seems to have raised optimism amongst the mining community, since an application for an exploration permit for sulphide nickel and associated copper, cobalt and platinum group metals, has been lodged by Mineral Search of Africa Ltd (MSA) on behalf of a joint venture between MSA, Corporate and Resources Consultants Pty Ltd (CRC) of Australia and Burundi Trade Promotion, a local company.

MSA, registered in Jersey, Channel Islands, signed a joint venture and participation agreement with its partners in May, 2003, and subsequently applied for an exploration permit for nickel, copper, cobalt and platinum group metals on behalf of the JV, over the Buhoro, Bukirasazi areas in central Burundi, in the vicinity of the Musongati nickel deposit and the Rutovu prospect. CRC has since assigned its rights and obligations pursuant to the JV agreement to Equus Limited, an Australian-listed company currently exploring for gold in neighbouring Democratic Republic of Congo.

A convention between the Burundi Ministry of Energy and Mines and MSA has been drafted and submitted to the Council of Ministers for approval. It is anticipated that the convention will be approved and signed in early 2004. According to the terms of the convention, the JV is committed to a three-year exploration programme for an estimated total cost of US\$2.4 million. The exploration permit will be granted for an initial period of three years, renewable once, for an additional three-year period in accordance with the Burundi mining code.

Meanwhile, Argosy Minerals Inc's subsidiary, Andover Resources NL, is evidently yet to be convinced about a lasting breakthrough in the peace process in Burundi, and continues to maintain the *force majeure* on its Musongati nickel project which it declared in mid-2002. Andover had negotiated a comprehensive mining convention with the government in respect of Musongati, and was carrying out a feasibility study for an open-pit mine producing 45,000 t/y of nickel plus 7,500 t/y of cobalt and 2,500 t/y of copper. The Musongati deposit has an inferred resource of some 185 Mt at 1.31% Ni.

Interest in the nickel-bearing greenstone belt that hosts the Musongati deposit extends into western Tanzania and here, too, interest in nickel has grown, with the Canadian company Falconbridge now a participant in Tanzania's Kabanga nickel project, located some 100 km from the Burundi border and immediately northeast of the Muremera nickel deposit in Burundi.

It is worth recalling that an exploration permit over the Muremera deposit was applied for by Anglo America subsidiary, Ambase Exploration, in 1999. The project was abandoned prior to the granting of the permit because of the worsening security situation in Burundi, but also because Anglo was relinquishing its interest in the Kabanga project (following the takeover of the project's owner Sutton Resources Ltd by Barrick Gold Corp). Initially, Anglo American had been brought into the Kabanga project by F.C. Bömke, principal consultant to MSA, and an advocate of the merits and economic potential of the nickel deposits of central Africa for the past 15 years – Rio Tinto's involvement in Musongati in the early 1990s was also attributable to F.C. Bömke.

Unlike major mining projects, which are highly sensitive to the political environment and concern over the security situation, the trend in artisanal mining and trading of gold, coltan and, to a lesser extent, wolframite and cassiterite, depend mainly on the price paid to the miners. In this respect, the low price of tantalum oxide on the international market, coupled with the relatively high cost of transportation, kept coltan (colombo-tantalite) exports to a minimum in 2003, as shown in the table. By contrast, the volume of gold exported increased significantly thanks to the increased price of the precious metal on the international market and the outstanding experience and financial capability of Matchanga Ltd, a company which exported 2.8 t of gold in its first year of operation.

Table next page.

Mineral Exports in 2003				
Company	Gold (kg)	Coltan (kg)	Wolframite (kg)	Cassiterite (kg)
Interbee	83.488			
Matchanga Ltd	2,771.255			
Hamza		1,950	19,600	2,600
Asyst Mines		7,663		
Comebu		14,769		6,167
Habonimana			13,188	

Source: Ministry of Energy and Mines, Mines Department, 2003 Annual Report