

CENTRAL AFRICAN REPUBLIC

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The Central African Republic (CAR) is landlocked in the heart of the continent and has long been famous for its diamonds. With 3.2 million people, it has one of the lowest population densities in Africa and a limited resource based economy; French is the official language with Sango generally spoken. Peace is slowly returning after several years of political instability and military mutinies. Last year, UN peacekeepers finally ended their presence, but the CAR is not unaffected by neighbouring turbulence. While its relations with Cameroon have warmed after incidents on the frontier prompted a successful CAR delegation led by the Minister of Foreign Affairs, events and refugees from Congo (DR) have impinged on it. The CAR's oil company Petroca has even squabbled with Congolaise des Hydrocarbures when the Congo retained 25,000 m³ of fuel last year. There have also been talks about building a hydro-electric dam at Palambo on the Ubangi river to supply both countries, but to proceed the project needs a more peaceful Congo. Recently 120 Moroccan UN troops landed in Bangui, the capital, when rebel forces refused to allow them to land in Congo. Internally it hasn't been smooth sailing either. In January, UN Secretary-General Kofi Annan urged dialogue between the ruling party and the opposition and described the country as being gripped by political crisis, mired in social tension and underpinned by a fragile economy. He hoped that President Patasse would take the necessary measures to lower the existing tension between his government and the opposition that he noted had used every possible means to seize power that it was unable to win through the ballot box. Although summary executions seem to have diminished, Annan still deplored the living conditions of prisoners and has been concerned about the Congo refugees in makeshift camps along the CAR border. The

government itself has been trying to encourage investment and has perhaps optimistically set targets of annual growth at 5% and 2.5% inflation for 2000-2001.

If agriculture accounts for about 54% of GDP (estimated to be about US\$2 billion), both it and mining, mainly uncontrolled artisanal, plus some timber are the mainstays of the weak economy. Diamonds have long played an important and dramatic role and account for nearly 54% of export earnings. The country has traditionally been ranked among the top ten diamond producers of the world with a production of some 500,000 ct/y, over half being of gem quality. A cessation of smuggling could lead to the doubling of official figures, and the government has been trying to address the situation.

Hostilities in Congo re-routed diamond trading patterns and last year paths led to the CAR when warring Congo factions imposed taxes on diamond exports on operators who decided to buy their supplies directly at the mining sites. One such operator was the CAR's Sodiam, an affiliate of Arslanian Freres in Antwerp. The CAR defence ministry banned all flights to the contested area, redirecting Bangui traders through Uganda.

The Boungou River in the CAR and its tributaries account for about a quarter of the country's annual diamond production and artisanal mining accounts for some 15,000 ct/y from the Trouapou-Boungou deposits. Vaaldiam owns an 80% equity interest in Belafrique SARL, a CAR company that holds title to the Boungou River Property, and it is going to establish a small-scale mining operation on the Boungou River that will be capable of processing 300,000 t of alluvial gravel each year. Based on an average recovered grade of 0.1 ct/t, the mining

operation could produce over 30,000 ct/y with a gross value of over US\$6.5 million.

On the gold scene two outcropping greenstone belts, the Bandas and the Bogoin-Boali, attract most artisanal activity, which produces only about 1 t/y. Drilling by Canada's Asquith Resources and privately held UK-based exploration company AXMIN Ltd has intersected gold mineralisation at the former's Roandji property after a joint venture agreed upon in June 1999. The 2,000 km² Roandji permit covers a 90 km strike length of a virtually unexplored Archean greenstone belt that has produced 1.75 t of alluvial gold over a 20-year period. The companies began fieldwork in September 2000 to define targets for the next phase of drilling at Passendro and follow up new large gold-in-soil anomalies. They have subsequently identified more than four new substantial gold-in-soil anomalies worthy of follow-up drilling on the Ao prospect. At least two of the anomalies probably represent the source area from which alluvial mining was conducted in the 1930s. Located within 15 km of the gold mineralisation at the Main Zone and French Camp prospects in the Passendro area of the Bambari Permit, these discoveries conclude the first phase of regional exploration with more than 14 new drill targets identified, including those reported in February 2001. Together they indicate that the 1,700 km² of the Bandas Greenstone Belt lying within the permit could emerge as a significant new gold

province. Reconnaissance and detailed exploration by Asquith and AXMIN to date have covered less than 50% of the prospective structures and lithologies of the belt within the permit.

The joint-venture partners intend to give priority ranking to the targets from this phase of exploration to enable a systematic reconnaissance-drilling programme that is scheduled for the third quarter of this year. In February 2001, Asquith Resources also announced the discovery of a large body of massive high-grade lump iron ore within the 2,000 km² Bambari permit, which was amended to include the exclusive rights to explore for both ferrous and base metals. Ten grab samples returned an average iron content of 66.7%, along with values of up to 0.6% of phosphorus, potassium, silicon, aluminium and manganese.

While gold and diamonds have always sparkeded in the CAR, and the latter has been colourfully linked with its turbulent history as well as the unsettled present, there are more than 370 other mineral indications. Mineral possibilities include salt deposits, copper, tin, iron, limestone and dolomite, manganese, uranium, kaolin (at Bimbo near Bangui, exploited to make bricks, and Bombabia), kyanite, graphite, lignite, monazite, ilmenite and rutile, nickel and chrome anomalies, and the small-scale mining of quartz crystals.