

SULTANATE OF OMAN

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Oman continued to be mainly dependent on petroleum production, which constitutes the major part of its export earnings. However, it is enthusiastically pursuing a plan to diversify the economy. This plan focuses on Oman's non-oil resources, such as agriculture, fisheries, tourism and minerals. The exploration and the development of mineral resources are being promoted by the Ministry of Commerce and Industry which has long pursued an ambitious and systematic programme of developing and exploiting the mineral wealth of the Sultanate.

Oman is blessed with enormous mineral resources. Some of them are being exploited on a commercial scale, while the rest are waiting either detailed exploration or exploitation. These resources include base metals and industrial minerals. Oman possesses extensive ophiolites, which have the potential to host copper, nickel, chromite, iron ore, gold and silver.

The entire country has been geologically mapped, laboratory facilities have been provided to handle all types of investigations related to the field of geological and mineral exploration as well as geophysical surveying and aerial photography. The Directorate General of Minerals, within the Ministry of Commerce and Industry, is responsible for exploration and has been able to attract the private sector through the provision of mineral inventories of potential areas, based on the exploratory work carried out so far in Oman.

Technical co-operation provided by the Government of Japan continued during 2001 and a techno-economic study was expected to be completed by April this year. The study will cover all the discovered copper and gold deposits in Yanqul and Khabborah and Ghazain. During the year, a feasibility study of Mine Pollution Control in the abandoned

Sohar mine area was also completed with the technical and financial assistance of the Japanese Government. Remedial measures assessed and agreed with the concerned ministry are now being implemented.

A private local company was granted a Prospecting Permit for Exploration Block No 1 carried out extensive exploratory work. This block covers an area of 364 Km² within the northern portion of the major copper/gold-bearing Samail ophiolite belt of northern Oman. The area lies in the Batinah coastal region extending south from the UAE border near Shinas. The comprehensive exploratory programme comprised the interpretation of air-borne geophysics, detailed ground magnetics, TEM and induced polarisation surveys, followed by diamond drilling of resultant combined IP-TEM targets. The results achieved so far are encouraging and indicate potentially exploitable reserves of copper and gold. The reserves will be assessed after the completion of the current exploration activities.

The state-owned mining company, Oman Mining Co. continued treating imported copper concentrates on a toll treatment basis. The existing smelter was utilised to its full capacity. During the year, the total imported copper for toll treatment was 80,732 t, which in turn produced about 24,000 t of copper cathode. The company's gold processing plant continued to produce gold doré from the gold-bearing gossans at Rakah near Yanqul. The doré is further refined to produce pure gold by treating it outside Oman. With the exhaustion of gold-bearing gossans at Rakah, a new gossan at Bishara is now being developed. This mine is expected to commence production early next year.

In April 2002, National Mining Co., a subsidiary of Muscat-based MB Petroleum,

announced the discovery of a group of basalt-hosted Cyprus-style volcanogenic massive sulphide zones to the north of Sohar near the border with the UAE. The main zones are in the Shinas and Hatta areas. Regional exploration, comprising geochemical sampling and airborne geophysics, began in late 2000 and subsequent drilling targeted a number of geophysical anomalies downdip from gossan outcrops. Drill intersections have included 10 m at 8.29% Cu and 0.24 g/t Au from a depth of 17 m, and 51 m at 1.83% Cu and 0.4 g/t Au from a depth of 30.5 m. Zinc and silver mineralisation is also present and a pre-feasibility study is proposed.

Exploitation of chromite deposits continued through a public limited company, Oman Chromite Co. Chromite is being mined through open-pit operations, and the ore is beneficiated to produce chips and fines to meet the requirements of the international market. Both refractory and metallurgical grades were exploited and marketed. Oman Chromite Co. has already established a good name for its product in the Far East market.

As a result of vigorous efforts, the Directorate General of Minerals has achieved an impressive feat in the domain of import substitution. Industrial salt, which until recently was being imported to meet oil industry

requirements, is now being produced indigenously. Similarly, gypsum production is not only meeting the local industry demands but also being exported to the United Arab Emirates. Soon, locally-exploited kaolin is expected to replace imported bauxite in the cement industry a source of alumina. Indigenous materials have also replaced imported raw materials for Oman's ceramic industry. This has not only made the local industry more competitive in the region but also has resulted in an expansion of the ceramics plant.

Production ('000 t except where stated)

	1999	2000	2001
Marble	188.54	147.68	155.93
Limestone	3,497.05	3,808.63	3,294.04
Gypsum	180.12	131.90	30.60
Salt	11.22	11.70	13.98
Chromite	26.00	15.11	30.15
Laterite	47.07	32.58	83.12
Gold (kg)	597	604	603
Silver (kg)	-	306	289
Building Materials	15,682	22,448	21,181