

LIBERIA

*By Leslie Wright, independent consultant, and Jenkins K Dorbor,
Ministry of Lands, Mines and Energy, Republic of Liberia*

With Liberia at peace following years of internal conflict, the United Nations is nearing completion of a demobilisation, disarmament and rehabilitation programme (DDR) throughout the whole country. An interim government is in place and Liberians are looking forward to a much brighter future. Elections are planned for 2005 and many Liberians have returned to their lands and have commenced farming.

However, to allow Liberians to reconstruct the vibrant growth of the economy maintained during the 1970s and 1980s, and in the interests of bringing the country back to the position it once held as one of the most favourable countries for investment in West Africa, the lifting of sanctions is essential. Rubber-plantation owners have begun rehabilitation and production, and Firestone, the largest, has re-commenced processing in an industry not affected by the sanctions. Meanwhile, mining and forestry are still stalled.

A UN arms embargo on Liberia had existed since the early 1990s, and UN Security Council Resolution 1348 extended this to the export of rough diamonds and a travel ban on members of the government. An additional embargo on timber exports entered into force on July 7, 2003 and control of shipping registration was also added.

The Interim Government prioritised the lifting of sanctions as a key element in the reconstruction and re-establishment of the economy as a fundamental key to allowing self-sufficiency and poverty reduction in the country, this even before the formal appointment of government ministers. The chairman, Gyude Bryant, established three committees, which reported in December 2003, to examine the sanctions situation in the three fundamental industries of forestry, shipping and diamond production and export, with a view to producing a blueprint to get the sanctions lifted. A government task force chaired by the foreign minister was established to review and facilitate the necessary plans and amendments.

In the diamond sector, significant progress has been made, in association with the Higher Diamond Council of Antwerp, towards the planning and implementation of a control system intended to satisfy the requirement of the Kimberley Process, that diamond production must be monitored from mine to export. However, the sanctions were extended at a meeting of the UN Security Council for a further six months in May 2004 on the basis, primarily, that although planning was proceeding, a full monitoring system had not, and could not, be put in place until the Interim Government had jurisdiction over the whole country.

At the time, rebel factions (MODEL in the east and LURD in the west of the country), while generally observing the ceasefire, still controlled a majority of the country and could continue to mine. However, observations from the air by the UN indicated that this was not the case, and that all the main diamond-mining areas were effectively dormant, with several years of tropical growth re-possessing areas, which, in 2001, were occupied by many artisanal miners. Liberian diamonds could not therefore have contributed significantly to the funding of the recent conflict.

Since May this year, the government has gained jurisdiction over the whole country. A detailed and costed proposal is in preparation for completion in October, prior to the UN Security Council meeting in November on the subject of internal controls. Both the Higher Diamond Council of Antwerp and the Kimberley Process have agreed to help the country in establishing these systems even prior to the lifting of sanctions.

Mining

Liberia was a significant iron-ore producer in the 1980s. The mines have been dormant since the commencement of the civil war. A number of companies have shown interest in re-commencing production, although activity at the moment is confined to trying to ship the ore stockpiles and recover scrap metal.

Mining of alluvial gold and diamonds was at a much lower level than 2002 through most of 2003, owing to the widespread instability, and most of the little that was produced did not find its way out of the country through official channels. Previously the Western Region (Cape Mount, Bomi and Gbapolu, formerly Lower Lofa County) supplied more than 75% of both commodities.

Since the ceasefire, many of the ex-fighters and miners from all over the country have returned to the mining sector and particularly to artisanal gold mining in the east, which under MODEL control returned to stability relatively quickly. A number of new mining areas have opened up. This production is expected increasingly to move through official channels as mines' inspectors, at present being re-deployed in the mining areas, re-commence operations.

To assist in reducing poverty and encouraging increased productivity in this sector, the government is implementing plans to encourage the formation of co-operatives among the artisanal workers and in partnership with expert companies from overseas. This will also increase the quantity of diamonds that will pass through official channels, especially if conducted in tandem with a scheme to market these diamonds as 'diamonds for peace' as a counter to the previous, largely erroneous title of 'conflict diamonds'.

In the formal mining sector, exploration activities by Mano River Resources Inc, America Liberia United Mineral Co (Am-Lib) and Freedom Gold could not recommence seriously until the completion of disarmament in their areas, although Am-Lib was able to work sporadically at its Kle-Kle prospect, an area relatively close to Monrovia.

Am-Lib and Mano River Resources are now in the process of recommencing activities at their prospects: Am-lib, most notably at Kukoya and in the Cestos area, and Mano River at its prospects at Weasua, with six diamondiferous kimberlites to investigate further in a joint venture with Trans-Hex of South Africa, and in the Bea Mountains, with a continuation of drilling at its prospects of KGL and Weaju where the priority is gold.

Liberia remains largely unexplored but is highly prospective, and besides primary and alluvial gold and diamonds, it possesses a wide variety of other minerals. These include beryl, tin, columbite-tantalite, phosphates, zinc, copper, lead, rare earths, nickel, molybdenum, beach sand (zircon, rutile, ilmenite, and monazite), bauxite, kyanite, chromite, uranium and silica sands. All are characteristically associated with the Precambrian/Proterozoic rocks that underlie most of the country. Sedimentary rocks deposited in the coastal basin and on the continental shelf, during and since the splitting of South America away from the African continent, are highly prospective for oil and gas.

Since 1997, publicly-listed Mano River has made by far the greatest contribution to exploration in Liberia. Mano holds two Mineral Development Agreements (MDAs) with the government. The first targets a number of Archaean greenstone gold prospects in Cape Mount County, as well as the highly prospective diamond area of Mabong. The second target is focused on the company's diamondiferous kimberlite discoveries in Gbapolu (formerly Lower Lofa County). A 2,500 m diamond-drilling programme, in addition to extensive soil geochemical sampling and trenching, has already been carried out on the gold projects and has demonstrated a total resource of some 800,000 oz of gold. There is also the possibility to combine the resources at the KGL, Weaju, Gondoja, Silver Hills and some other prospects to create a world-class production unit.

With regard to diamonds, Mano River has signed a joint venture agreement with Trans-Hex for the latter to undertake airborne geophysics followed by bulk sampling of the diamondiferous kimberlite cluster discovered by Mano River in the Weasua area (the first known in Liberia).

Recently, Mano River signed a three-year Mineral Co-operation Agreement with the Ministry of Lands Mines and Energy for a joint multi-commodity exploration programme over an area of 15,000 km² in western Liberia.

Privately-held America Liberia United Mineral Co holds one MDA for its Kukoya project, a primary gold prospect in Bong County where it has conducted a drilling programme and, with a partner, intends to continue diamond drilling in the near future. It also has a number of other exploration licences, in Cestos, and in Grand Gedeh and River Gee Counties.

Privately-held Freedom Gold holds one MDA for a gold prospect at Bukon Jedeh in Sinoe County, where it has carried out diamond drilling with reportedly marginal results. It is not certain when it will resume activities.

A number of other companies have taken exploration licences in Liberia since it became certain that the war really was over, including Diamond Fields, with two licences, the larger of which is in the diamond districts of the Mt Nimba region. A few small companies retain permits for semi-mechanised alluvial mining.