

# LIBERIA

*By Leslie Wright and Jenkins Dorbor*

Liberia is not a member of the British Commonwealth 'club', nor is it part of the French African Community and, if it were not for its remoteness from the US, Liberia might well be like Puerto Rico, with a privileged US relationship. The constitution of Liberia was drafted along the lines of that of the US. During and after the cold war, Liberia's participation and voting at the United Nations was always in line with the US. Other African countries took issue with Liberia, because of her close ties with the US, describing her at one time as a puppet state to America. It is therefore sad to see this relationship currently in dire straits, relegated to a lesser agenda against a backdrop of overriding geopolitical change.

President Taylor was democratically elected in 1997. Subsequently, partly because of his pre-election civil war history, and partly because of his alleged continuing involvement with the RUF in the Sierra Leone conflict, he has been sidelined as a rogue head of state.

The UN-imposed sanctions were designed originally to cut off Liberian support for Sierra Leone rebels. They were then extended to create further isolation, with the intention of weakening Taylor's government and forcing it to create a level-playing field ensuring free and fair elections, with national media resources openly accessible and affordable to all political aspirants or candidates. The sanctions, though described as smart, eventually generated the contrary effect. They were interpreted by exiled opposition rebels as justification for expanding their campaign to overthrow the government. The prevailing state of emergency has created an opaque situation across a large part of the country and whatever was left of the economy has been virtually eliminated, bringing about displacement and even greater poverty. Clearly, this is not the best environment for the

people of Liberia to ensure their right to choose freely at the elections in October 2003. It is now more likely that a more cooperative attitude will prevail between the various opposition factions and government.

A reconciliation conference is being held in Monrovia on Liberia's Independence Day (Friday, July 26) and it is hoped that all political parties will be represented, in addition to heads of state of ECOWAS and the African Union (AU). The opposition is fragmented, with many elements only obsessed with their common enemy, President Taylor, and unable to unify their action plans. It is extremely important that opposition political parties and independent candidates narrow the number of presidential candidates in the upcoming election, from about 17 political parties and 23 presidential hopefuls. It would also be important for the present government to face a seriously unified opposition, ideally under the presidency of a candidate with reasonable grass roots popular support and not tainted by previous associations with power.

The fact that certain US-based opposition, backed by powerful lobbies, considers vital the investigation of the Taylor regime for constitutional violations, and the International Community may bring war crimes indictment against Mr Taylor as part of the Sierra Leone War Crimes Tribunal sponsored by the United Nations, is not exactly an agenda that encourages peaceful competitive elections. It is hoped that some of the wisdom that prevailed in South Africa can be instilled in the Liberian political process.

Meanwhile, within the context of the renamed African Union (AU) and the New Partnership for Africa's Development (NEPAD), which puts forward peace, security, democracy and political governance as its primary priority, efforts are being made to eradicate all

remaining conflict in Africa. The initial focus is on the DRC, but there is also strong support for ECOWAS (West Africa) in its long standing championing of elected governments (which includes that of Liberia). There is a clear message from the re-vitalised AU to all members to respect the electoral agenda, to let peaceful means rather than militarily supported dissidents resolve problems of domestic governance. Hopefully this message from the AU will find an echo with the UN Security Council in the immediate-term interest of the population.

### Mineral Development

Liberia lost its place as a major iron-ore producing country in the 1960-70s, but remains one of the least explored and most highly prospective countries in the world. Its geological setting, of typical Pre-Cambrian schist belt granite-gneiss craton terrain with Archaean rocks in the west of the country and Birimian rocks in the east, provides very high prospects in terms of mineral potential and wealth. Liberia is believed to have economic concentrations of iron ore, diamonds and gold, and is highly prospective for platinum, palladium, base metals, nickel, manganese, uranium and rutile, and other heavy minerals in beach sands.

During the period under review, field-based mineral exploration in the west and centre of the country largely came to a halt because of the internal situation. However, the Ministry of Lands Mines and Energy, continued to work towards the development of a formal mining sector, negotiating four additional Mineral Development Agreements (covering for pre-feasibility, feasibility and mining, under the terms of the new Mining Code passed into law last year) with:

- Mano River Resources for kimberlitic diamonds in the Kpo Range and gold in the Bea Mountains;
- AmLib for gold in the Kukoya area; and
- Freedom Gold for gold in Bukon Gedeh.

Subsequent to the signing of the MDAs, Mano River Resources contracted one of South Africa's leading engineering and design firms, MDM, together with UK consultants ACA Howe International Ltd, to undertake a feasibility study on the most advanced of its Bea Mountain gold deposits. In addition it has signed a heads of agreement with a leading South African diamond mining company, Trans Hex Group (THG), to undertake the next phase of exploration on its kimberlite discoveries in the Kpo Range.

### Projects

Mano River Resources Inc. continued its exploration activities on its main permits in western Liberia, having now identified over fifteen targets for gold. More detailed evaluation has been carried out on three of these, namely King George Larjor, Weaju and Gondoja.

The Bea Mountain MDA, signed in March 2002, includes the King George Larjor prospect where soil geo-chemical and trenching programmes have demonstrated that the 2 km long auriferous body delineated by a 2,500 m diamond drilling programme is open along strike. Soil geo-chemical programmes and limited diamond drilling have similarly shown that the Weaju deposit has the potential to hold over 200,000 oz already inferred from preliminary drilling. Other targets under investigation, which should allow rapid expansion of the total of 800,000 oz of gold in geological resource already delineated, include Gondoja, Soso Camp, Vaney Camp, Silver Hills and Benjeh.

Focussing on targets defined by the study of artisanal diamond mining activity, within six months of commencing operation, Mano's reconnaissance diamond indicator mineral survey had discovered six kimberlites in the Wuesua area of the western Kpo Range. Three of these kimberlites tested positive for micro-diamonds and also display excellent indicator mineral chemistry. Widespread artisanal mining of diamonds is taking place in the vicinity of the exposures of the kimberlites.

Besides Mano River, two other companies are active in Liberia:

1. Freedom Gold holds a 1,000 km<sup>2</sup> Mineral Development Agreement in one of the better known gold mining areas of the country, Bukon Gedeh, where artisanal mining has been in progress since the 1930s. The primary source of the gold mineralisation is a quartz vein stockwork within dioritic and grano-dioritic intrusive rocks. A 1,000 m diamond drilling campaign has been completed targeting primary gold mineralisation, at the same time as attempts are made to start gold production from lateritised source rocks containing a surface concentration of gold;
2. America-Liberia United Minerals (AmLib) is in the process of an evaluation of the Kukoya gold field in Bong County. The company has an MDA signed with the government in March 2002 across 200 km<sup>2</sup> of a shear zone hosted quartz vein deposit and has conducted soil geo-chemical and trenching prior to the planning of a diamond drilling programme.

### **Petroleum exploration**

Since 1968, several companies have carried out exploration for oil and gas along the continental shelf of Liberia.

In the period 1968-73, five exploration blocks covering an area of some 15,000 km<sup>2</sup> were explored. 16,711 km of seismic lines were completed and four wells drilled, two by Union Carbide to 3,100 m and 1,800 m respectively, one by Chevron to almost 2,900 m, and one by Frontier Co. to over 1,700 m. These wells were located 20 km off Liberia's coast and hydrocarbons were encountered in all four.

As a result of a 1981 loan from the International Bank for Reconstruction and Development, J.C. Ferrand and Associates completed 2,390 km of new seismic survey and a re-evaluation of existing data. As a result of this survey, AMOCO took four exploration blocks and completed three wells

to 410 m, 3,000 m and 3,480 m respectively. Because of the civil disturbance in the country, Amoco suspended work in 1987 and finally closed down operations in 1989. At that point a total of 27,950 km of seismic lines and seven test wells had been completed. The result of this work is that the Liberian continental shelf has been shown to have the correct conditions in that good Lower Cretaceous source rocks have been shown to contain hydrocarbons and potential structural and stratigraphic trap sites. However, experience from continuing exploration off the Ivory Coast suggests that the survey needed to be extended into deeper water.

Following the result of an initiative by the Sierra Leone Government, which signed a non-exclusive exploration deal with TGS/NOPEL, a joint American/ Norwegian company, for the completion of a two-dimensional seismic survey of the Sierra Leone continental shelf, an in-fill survey was conducted for the eastern Sierra Leone shelf. An agreement was signed with the Liberian Government for the completion of the same style of survey for the potentially interesting continuation onto the Liberian continental shelf. As a result a programme of 7,500 line kilometres of two-dimensional seismic survey was completed in the deeper water areas of the Liberian continental shelf from September 1, 2000 to February 9, 2001.

In the meantime, the Liberian Government had established, in 1999, the National Oil Co. of Liberia (NOCAL) as an independent entity to the Ministry of Lands Mines and Energy with the authority to develop Liberia's petroleum potential. At present the continental shelf is divided into eight exploration blocks, extending from the tidewater to the edge of the shelf. Onshore potential is also recognised. Following the full evaluation of the survey, offers will be invited for continuing exploration in the Liberian offshore area. It is intended that the present blocks will be re-defined and this will be done in the light of the nature of the interest that oil companies show in the data.

### **Mineral Resource Development**

Liberia lags behind many other African countries in the development of its mineral resources, because of the time lost due to the long period of civil unrest in the country ended by democratic elections in July 1997. In spite of the obvious potential of the Archaean areas of mineralisation to emulate the recent discoveries of the Victoria goldfields of Tanzania in terms of hosting large, high grade gold mines, at present only artisanal mining of gold (and diamonds) is in progress. Revenue intake for the government continues to be at a lower level than prior to the civil unrest and, since UN sanctions were imposed, this revenue has almost disappeared. This is

particularly true in the case of diamonds where large scale smuggling of the diamonds from the country is suspected.

Present production is estimated at upwards of half a ton of gold and several thousand carats of diamond production per annum, but none of the production of diamonds and very little of the gold passes through official channels. In the year prior to the imposition of sanctions 157 artisanal diamond licences were issued and 14 dealers and brokers licences. Only 12 artisanal gold mining licences were issued in the past year, significantly fewer than in recent years. Total income from the artisanal sector to government was only US\$82,000.