

Turning A Finite Resource into a Sustainable Endeavour.

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Informal miners have been extracting the gold endowment of Paleoproterozoic West African greenstone belts since the 14th century. Industrial scale mining began in Ghana in the 19th century but with few minor exceptions, modern mining did not take hold. Discoveries in the 1990s led to a boom in exploration and mine development in West Africa but poor infrastructure and lack of local technical and financial capacity, predated that only deposits with > 1M oz extractable gold were developed and sub 1 Moz deposits have been 'orphaned'.

Some of these 'orphan' deposits are informally exploited by local syndicates of financial backers and artisanal miners with significant, mostly negative, social and environmental impacts. Others are controlled by foreign-based private or public companies who struggle to find development capital.

In general, mining operations in West Africa are a partnership with a foreign mining company and the government but because a 1 Moz gold mine has an average life of 7-10 years, at the end of the mine life the government is left with an unemployed labor force and, even with remediation, a despoiled mine footprint that is usually useless for other economic activity. The government's share of profits and taxes accrue to the general fund and then widely distributed. The local community often sees little direct benefit.

A novel development model for 'orphan' resources that may maximize the benefit to the immediate local population while still providing a return to the discoverers and investors could be a four-way partnership among the local community, the mine developer, the government and international development agencies. The plan effectively becomes a local, self-financing development project in which the resource is ceded by the explorer to the local community. The explorer/developer retains a nominal percentage or a royalty in the resource but retains the management contract. A mining corporation consisting of the developer, the local community and the government would be set up to funnel the cash flow generated by the mining operation to a local development corporation overseen by an international development agency.

An example is the Tabakorole deposit in southern Mali containing approximately 70K oz gold in oxide over a 1M oz lower grade sulfide gold resource. The deposit has issues with, the small size of the oxide cap, distance from infrastructure, a local orchard over part of the deposit and a village on another portion. By making the local villagers the owner of the resource, it is hoped to enlist their support in relocating their village and orchard. Income generated by the mine would be directed to expand the local agricultural base which would provide income well beyond the life of the mine. We believe that international funding agencies could be persuaded to participate in such a venture because development funding would be directly channeled into a sustainable benefit for the local population.