



Mali sees gold output rising to 54 t this year

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Mali, Africa's third-largest gold producer after South Africa and Ghana, expects output to rise to 54 t this year thanks to two new mines starting up, even as production at the Morila deposit is forecast to decline further.

Production in 2004 stood at around 49 t - 42 of which came from the country's main mines - according to data from the Mines Ministry seen by *Reuters* on Monday, down from 52 t in 2003 and 63,6 t the year before.

This year, the leading mining firms are expected to produce about 47 t, with the remaining seven tonnes coming from small, artisan-like gold diggers, the data showed.

Morila, which is Mali's second biggest mine and is jointly owned by African companies **Randgold Resources** and **AngloGold Ashanti**, was forecast to produce 12,5 t compared to 17 t in 2004.

Morila produced 39 t of gold in 2002 and 27 t in 2003, way above forecasts, mainly thanks to exceptionally high ore grades which have since fallen back to normal levels.

Output at **Randgold's Loulo mine**, due to start production this summer, is expected to reach 7,7 t in 2005, the ministry data said.

A second new mine, Canadian firm **Nevsun Resources' Tabakoto** in southwestern Mali, is also expected to begin production in the third quarter of 2005, with output seen at 2,6 t by year-end.



'Mali gold project will be world-class'

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Gold-miner **Randgold Resources** says development of its Loulo mine, in Mali – scheduled to pour its first gold in the third quarter of this year – is on track.

“We’re going all out to get the opencast operation at Loulo into production and to firm up our grip on the project’s underground potential. “It looks increasingly like the Loulo project is going to grow into a world-class mine,” says CEO Dr Mark Bristow.

Chairperson Phillipe Lietard even hints at the possibility that the mine may be at the heart of a new African gold-province, especially as the company is increasing its exploration activities in the areas surrounding Loulo and its other Mali asset, the Morila gold-mine, with some promising results.

Mining operations at Loulo started in December last year, in preparation for the plant commissioning later this year. The first of two ball-mills is currently being installed and the construction programme is reported to be on track. Ongoing exploration has increased the total Loulo resource to more than eight-million ounces, and a study to determine the feasibility of an underground operation at the mine is scheduled for completion in the first half of this year. Bristow reports that the exploration programmes at and around Loulo and Morila, as well as in Senegal, Burkina Faso, Ghana and Tanzania, have all been advancing steadily, with reconnaissance drilling in Senegal and, yet again, Mali outlining significant targets for further follow-up.

In Senegal, six targets (from a total of 32) have now been subjected to reconnaissance drilling. The most advanced of these is Sofia, where gold mineralisation has been confirmed over a strike of 3 400 m.

In Burkina Faso, a three-hole reconnaissance diamond-drilling programme has been completed along a two-kilometre segment of a 4,5-km mineralised structure in the Kiaka permit area, and further drilling is planned to explore the untested length. In Tanzania, reconnaissance exploration continued in the Mara and Musoma greenstone belts. In Ghana, the Adansi Asaasi joint venture has been terminated and the focus now is on generative work to identify areas of interest.

The prefeasibility study on the company’s Tongon project, in **Cote d’Ivoire**, is being updated ahead of the anticipated resolution of the conflict in that country.

Bristow says the company is planning a high-level visit to that country later in May, on the back of an agreement on an election date by the various parties in the political dispute.

In general, “as far as our exploration effort is concerned, this remains the engine that will drive our future growth through the continued discovery and development of exceptional value-creation opportunities,” says Bristow.

Lietard adds that the company’s focus remains on organic growth and value creation.

In contrast to the positive news around Loulo and the company’s exploration programmes, its joint venture with AngloGold Ashanti, Morila, is still struggling to improve its output.

Throughput at Morila’s recently-expanded plant has been constrained by operational and mechanical problems and, at 857 000 tons in recent months, it was well below the design capacity of 350 000 t a month. “The continued underperformance of the upgraded plant at Morila is frustrating, but we’re making a renewed effort with our partners to understand the issues there, so that they can be dealt with properly. We’re also maintaining a strong focus on controlling costs,” says Bristow.

