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UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION

PROJECT RECOMMENDATION BY THE ADMINISTRATOR

Gold Exploration in the Sula Mountains-Kangari Hills of Sierra Leone (SIL/NR/82/001)

I. Background

- 1. The initial contact between the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) and the Government of Sierra Leone was established in late 1974. In May 1982, the Government officially accepted the Operational Procedures and Administrative Arrangements contained in document DP/142. This acceptance was accompanied by a request for UNRFNRE assistance in mineral exploration.
- 2. Prior to the Government's request, the World Bank had been asked to consider the financing of a multi-disciplinary mining development programme. The Fund collaborated with the World Bank with the objective of maximizing co-operation and expertise for the upgrading of the mining industry in Sierra Leone. It was agreed that the Fund would carry out the exploration component of the assistance package, while the Bank would make every effort to investigate the possibility of developing and financing complementary activities.
- 3. As a result of two consultancy missions, two areas considered most favourable to contain economically exploitable mineral deposits were selected by UNRFNRE: (a) the southern portion of the Sula Mountains-Kangari Hills for the exploration of bedrock gold; and (b) the Pampana River flood plain which drains part of the bedrock area for exploration for placer gold.

4. Sierra Leone has recently been offically declared a least developed country (LDC) and, consequently, UNRFNRE's reduced replenishment rate of 1 per cent applies.

II. The project

5. The objective of the project will be the identification and, to the degree necessary, the evaluation of deposits of bedrock and placer gold and other potentially economic minerals existing in an area of central Sierra Leone. The proposed exploration area covers approximately 1,764 square kilometers.

Minimum Work

6. (a) Bedrock gold and other mineral exploration

- (i) Collection of stream sediment samples from catchments draining the schist belt within the Exploration Area and their analysis for selected elements;
 - (ii) Review and reinterpretation of all relevant available data;
 - (iii) Supplementary stream sediment sampling and analysis as required;
- (iv) Depending on the results obtained in (i), (ii) and (iii) above, undertake close-interval stream sediment, bank or soil sampling to define target areas.

(b) Placer gold exploration

- (i) Drilling and sampling approximately 25 boreholes on a wide-spread grid aimed at developing sufficient data about the lithology and gold potential;
- (ii) Test pitting will be carried out if warranted to supplement borehole data;
- (iii) Evaluation of data to decide whether continuation of the programme into more detailed subsequent work activities is justified.

Subsequent work

7. If the results of the Minimum Work are favourable, further exploration will be carried out in order to evaluate in more detail the parameters of mineral concentrations that may be indicated and to establish their possible economic potential. Such work may include any required combination of exploration methods as appropriate for bedrock gold, alluvial gold or other minerals.

III. Financial data

8. UNRFNRE allocation

Minimum Work 970 000

Possible additional expenditure for further 1 750 000 activities following the Minimum Work

Maximum possible cost of the project 2 720 000

The financial assets of the Fund are adequate to meet the cost of the project.

IV. Recommendation

9. In the light of the above, the Administrator recommends that:

The Governing Council

- (a) Take note of the approval by the Administrator of the Minimum Work for the Project, Gold Exploration in the Sula Mountains-Kangari Hills of Sierra Leone (SIL/NR/82/001), at a cost of \$0.97 million, as an obligation of the United Nations Revolving Fund for Natural Resources Exploration;
- (b) Approve this project involving a maximum possible expenditure of \$2.72 million.

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