Thirty-fifth session
6 June-1 July 1988, Geneva
Item 8 (c) of the provisional agenda

OTHER FUNDS AND PROGRAMMES

Replenishment of the United Nations Revolving Fund for Natural Resources Exploration

Exploration for Precious and Base Metals in Ghana (GHA/86/No. 1)

Recommendation of the Administrator

I. BACKGROUND

1. The United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) received a request from the Government of Ghana in July 1986 to consider two possible project areas:

   (a) Reconnaissance exploration for gold and base metals covering the north-western part of Ghana;

   (b) Exploration aimed at the discovery of the kimberlite source of the Birim alluvial diamond field in the south of Ghana.

Following this request, a mission visited Ghana in December 1986 to review the viability of the proposed areas and for discussion with the Government. During the mission, following the indication by the Fund that it was specifically interested in projects involving advanced level exploration, two additional exploration areas were proposed by the Government:

   (c) An outcropping zone of auriferous quartz pebble (banket) conglomerates in the Akontansi concession, near Tarkwa;

   (d) The two-mile section of the Prestea Gold Belt situated between Brumasi and Buesichem immediately to the north-north-east of the operating mine of Prestea Goldfields Ltd.
2. Two further visits were made to Ghana in January and February 1987, to review background information and available data and to assess the feasibility and suitability of the proposed areas in terms of the Fund's policy and available resources. Evaluation of the viability of the four proposed areas eliminated the first three - (a), (b) and (c) - but the fourth, (d), was considered to be a suitable advanced-level exploration project, over a defined target area.

3. The project area contains two former mines. Drilling below one of the former workings has indicated 3 million tonnes of 5.3 grams/tonne gold with the width and grade improving with depth. The available information warrants an initial investigation (Minimum Work) to assess more conclusively the grade and extent of the mineralization and to determine whether or not further expenditure for more detailed information is justified.

II. THE PROJECT

4. The objective of the project will be the discovery of mineralization of possible economic potential and the preliminary evaluation of such mineralization in the Brumasi-Buesichem area of Ghana.

5. The Minimum Work will last about 12 months and will include the following activities:

(a) Compilation of existing data;
(b) Grid soil sampling;
(c) Detailed geological mapping;
(d) Geophysical surveys;
(e) Diamond drilling;
(f) Pitting and trenching as required.

III. FINANCIAL DATA

<table>
<thead>
<tr>
<th>UNRFNRE allocations</th>
<th>$</th>
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<tbody>
<tr>
<td>Minimum Work</td>
<td>1 086 500</td>
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<tr>
<td>Possible additional expenditure for further activities following the Minimum Work</td>
<td>1 655 000</td>
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<tr>
<td>Total possible cost of the project</td>
<td>2 741 500</td>
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6. In carrying out the Minimum Work described above, the Fund will expend the equivalent of $1,086,500 to finance the services of nationally and internationally recruited staff, as well as the provision of the necessary supplies, equipment and supporting services.
7. The Administrator of the United Nations Development Programme (UNDP), in accordance with Governing Council decision 80/29 of 26 June 1980, approved the Minimum Work for the project on 3 November 1987. The financial assets of the Fund are adequate to meet the cost of the project.

8. If the results of the Minimum Work are favourable, it is estimated that to define and evaluate more accurately the economic potential of individual deposit(s) to the point where, in the opinion of the Fund, development investment can be attracted, additional expenditure of up to $1,655,000 will be required.

IV. RECOMMENDATION OF THE ADMINISTRATOR

9. In the light of the above, the Administrator recommends that the Governing Council take note of the approval by the Administrator of the Minimum Work for the project, Exploration for Precious and Base Metals in Ghana (GHA/86/No.1) at a cost of $1,086,500 as an obligation of the United Nations Revolving Fund for Natural Resources Exploration, and approve this project, involving a total possible expenditure of $2,741,500. The Project Agreement between the Fund and the Government of Ghana was signed on 21 December 1987.

Notes
