A continent's risk-reward balance

A summary of the political scene and recent mining developments

ALGERIA

Algeria is the second-largest country in Africa, with a surface area of 2.4 million km^2, and a population of over 34 million.

President Abdelaziz Bouteflika has been in power since 1999, and he was overwhelmingly re-elected to a third term in April 2009 (the government amended the constitution in 2008 to remove term limits).

ANGOLA

The country has a population of 12.8 million and a land area of 1.25km^2. Angola has been rebuilding its economy since the 27-year civil war ended in 2002, but continues to be heavily dependant on minerals – principally oil.

Legislative elections were held in September 2008, and despite promising to hold presidential elections in 2009, President Jose Dos Santos has since made a presidential poll contingent on the drafting of a new constitution.

BENIN

President Kerekou stepped down at the end of his second five-year term in 2006, and was succeeded by Thomas Yayi Boni, who launched a high-profile fight against corruption and has attempted to accelerate economic growth in Benin.

The task will be a difficult one, however, as with a population of under 9 million, and limited natural resources, Benin is one of the world's 20 poorest countries.

BOTSWANA

After ten years in office, Festus Mogae stood down as president two years ago, and was succeeded in April 2008 by Lieutenant General Sereste Ian Khama.

The country (population just under 2 million, land area 600,370km^2) continues to be characterised by political stability and economic pragmatism. This has proved attractive to foreign investors, especially in the mining sector.

Botswana again raised its appeal in 2009, and the country was ranked a creditable 18th (out of 71 jurisdictions, and the highest in Africa) by the Fraser Institute in its annual survey of mining-investment climates.

However, with the economy still suffering, in mid-year the government announced plans to assist the fledgling diamond-cutting sector.

On the exploration front, Discovery Metals Ltd raised funds in October for a definitive feasibility study on its Boseto copper project. In November, Lucara Diamond Corp acquired a 71% stake in the AK6 kimberlite from De Beers (Africa Diamonds plc has an option to increase is own stake to 40%). In December, Lucara completed a US$100 million private placement to fund the acquisition and pay for further development of AK6.

BURKINA FASO

Landlocked, with a population of 15.7 million and land area of 274,000km^2, Burkina Faso has extensive plains, low hills, high savannas and (particularly in the north) limited rainfall.

President Blaise Compaore (in power since 1987) was re-elected in 2005 and the next election is scheduled for later this year. He appointed a new prime minister (Tertius Zongo) in June 2007.

Blackthorn Resources Ltd recently signed an agreement with Glencore International AG to fund completion of the Perkoa zinc project. Development of this project was suspended in 2008 but is designed to produce 6.3Mt/y of ore at almost 14% Zn.

Ampella Mining Ltd recently announced a new gold zone on its Batie West property.

BURUNDI

This landlocked country is situated within the East African Rift Zone and covers an area of 27,800km^2. Burundi has considerable mineral potential, and for lateritic-nickel deposits in particular. Other mineral prospects have been identified, including phosphate at Matongo and vanadium at Muknanda, and there is also potential for gold and tin deposits. However the country remains among the world's poorest nations.

A power-sharing agreement in 2003 between the Tutsi-dominated government and the Hutu rebels led to a transition government and a new constitution.

A majority Hutu government was elected in 2005, with Pierre Nkurunziza elected president for a five-year term. The government signed a ceasefire with the last rebel group in September 2006.

CAMEROON

The country (population of 18.9 million; land area 475,000km^2) is politically stable, and democratic institutions have been progressively introduced since the early 1990s. President Paul Biya has been in power since the end-1982, and appointed Ephraim Inoni as prime minister in December 2004. The next elections are due to be held by October 2011.

In October last year, Geovic Mining Corp announced an almost doubling in cobalt-nickel-manganese resources at its Nkamouna project.

In November, Sundance Resources Ltd raised almost US$80 million for further studies on its 90%-owned Mbalam iron-ore project. The deposit contains an estimated 215Mt of high-grade hematite (60% Fe) and 2,325Mt of itabirite hematite (38% Fe). The company is anticipating an operation costing US$3.3 billion to produce 35Mt/y over a 25-year life.

CENTRAL AFRICAN REPUBLIC

This landlocked country (population 4.5 million; land area 623,000km^2) lies on the northern edge of the Congo River basin and has a poorly developed transportation system.

President François Bozize took power following a coup in March 2003, but was affirmed as president for a five-year term after an election in 2005. Prime Minister Faustin-Archange Touadera was appointed in January 2008.

The country is relatively stable, but problems in the Sudan spilled over into a northern area at the end of 2006. Unrest in the other neighbouring nations of Chad and the DRC continues to affect stability.

CHAD

Chad has a population of 10.3 million in an area of 1.3 million km^2. Power remains in the hands of an ethnic minority, with sporadic rebel campaigns continuing throughout 2006 and 2007.

President Idriss Deby (in power since December 1990) held a referendum in 2005, successfully removing constitutional term limits, and won another (controversial) election in 2006. The next election is due to be held by May 2011.

CONGO (REPUBLIC OF)

The country (population 4 million; land area 342,000km^2) has seen a continuous decline in per capita income since the late 1980s (about 70% of Congolese live below the poverty line).

Southern-based rebel groups agreed to a cease-fire in March 2003, but the peace is tenuous. The country is controlled by Partie Congolais du Travail, and President Denis Sassou-Nguesso has been in power since toppling the elected president, Pascal Lissouba, in 1997 after a civil war. He was re-elected by popular vote for a seven-year term in July 2009 (the next election is due to be held in 2016). The position of prime minister was abolished in September 2009.

CONGO (DEMOCRATIC REPUBLIC)

The DRC (population 68.7 million; land area 2.35 million km^2) remains one of the poorest countries in the world and life expectancy is under 50.

Joseph Kabila succeeded to the presidency following the assassination of his father in January 2001, and retained the position through the 2003-06 transition government. A successful constitutional referendum was held in December 2005, and elections followed in 2006 (the next elections are due in 2011). Prime Minister Adolphe Muzito was appointed in October 2008.

Most of the long-running disputes over mining contracts were resolved early last year but uncertainty has continued over the Tenke Fungurume copper mine (apparently owned by Freeport McMoRan Copper & Gold Inc and Lundin Mining Corp). Also unresolved is the operating licence for the Kolwezi copper-talings project held by First Quantum Minerals Ltd.

In mid year, Central African Mining & Exploration Co (CAMEC) secured financing for an expansion at its Murkondo Mountain cobalt mine by arranging a long-term off-take agreement for cobalt-in-

concentrate with China's Zhejiang Galico Cobalt & Nickel Materials Co. The company is lifting output to 8,000t/y.

In August, Anvil Mining Ltd agreed a strategic alliance with Trafigura Beheer BV, the world's second-largest, independent non-ferrous metals trader. The agreement included a US$200 million financing and off-take agreement for the Kinsevere copper mine.

Trafigura was also involved (in November) in a funding deal with Tiger Resources Ltd for funding of the latter's Kipoi copper project. Also in November, BRC Diamondcore Ltd entered into a diamond exploration joint venture with Rio Tinto at Tshikapa.

In December, Randgold Resources Ltd released a revised resource for its Kibali (formerly Moto) joint-venture gold project. The overall contained gold was reduced 12% to just under 20Moz.

CÔTE D'IVOIRE (SEE IVORY COAST)

DJIBOUTI

Located in eastern Africa, with Ethiopia to the north and Somalia to the south, Djibouti (with an area of just 23,000km^2 and population of barely 500,000) has few natural resources and little industry but occupies a strategic geographic location at the mouth of the Red Sea. It serves as an important transhipment location for goods entering and leaving the east African highlands.

The present leadership favours close ties to France, which maintains a significant military presence in the country, but also has strong ties with the US.

EGYPT

Located in the northeastern corner of Africa, bordering the Mediterranean Sea between Libya and the Gaza Strip, Egypt has a land area of just over 1.0 million km^2 and the largest population in the Arab world.

Mohamed Hosni Mubarak took over as president in 1981. There are no limits on the number of six-year terms that can be served, although a national referendum in May 2005 approved a constitutional amendment that changed the presidential election to a (multi-candidate) popular vote. The next election is scheduled for 2011.

On the mining front, Centamin Egypt Ltd announced in December an upgraded resources at its Sukari gold deposit, which now contains 10.3Moz in the measured and indicated categories, plus 3.5Moz inferred.

EQUATORIAL GUINEA

Equatorial Guinea comprises the islands of Bioko and Annobon, and the mainland enclave of Rio Muni, which is bordered to the north by Cameroon and to the south and east by Gabon. The population is only 0.6 million, with a total surface area of 28,051 km^2.

Teodoro Obiang Nguema Mbasogo seized power in 1979 following a military coup. He exerts almost total control over the political system and has discouraged political opposition. Elections during the past 14 years have been widely seen as flawed. Ignacio Milan Tang was appointed prime minister in July 2008.

ERITREA

Eritrea (population 5.6 million; land area 121,320km^2) borders the Red Sea and is wedged between Sudan and Ethiopia. Although over 75% of its people are engaged in subsistence farming, Eritrea offers an opportunity for significant new discoveries of greenstone shear-hosted gold and volcanic-hosted massive sulphide deposits in late Proterozoic volcanic arc terranes.

The president is elected by the National Assembly (for a five-year term) but the only election held to-date was in 1993, when Isaias Afworki was elected. The next election date is uncertain.

On the mining front, Nevsun Resources Ltd completed financing in August 2009 of US$235 million for its Bisha gold-silver-copper-zinc project. The debt arrangements included an over-run facility of US$30 million and US$32 million in contingencies. The facility, which completed the financing for Eritrea's first major mining project, was a collaboration between Nevsun and Eritrean National Mining Corp.

ETHIOPIA

The country (population 85 million, area 1.13 million km^2) is poverty stricken, with agriculture contributing 50% of GDP and 80% of employment.

Girma Woldegioris has been president since October 2001 but will stand down at the next election, which is scheduled for October 2013. The prime minister is designated by the party in power following legislative elections, and Meles Zenawi has held the position since August 1995.

GABON

Despite difficult political conditions and a small population, the country's abundant natural resources, and considerable foreign support, have helped make Gabon (population 1.5 million; land area 268,000km^2) one of the more prosperous and stable African countries.

President El Hadj Omar Bongo Ondimba, who had been one of the longest-serving heads of state in the world, died in June 2009. New elections in August 2009 brought his son, Ali Ben Bongo, to power.

GAMBIA

Surrounded by Senegal, the Gambia gained independence from the UK in 1965, and formed a short-lived federation of Senegambia between 1982 and 1989. Yahya Jammeh led a military coup in 1994 and subsequently banned political activity. He has been re-elected president in all subsequent elections, including most recently in 2006. The next presidential election is due in 2011.

GHANA

The country, which has a population of nearly 24 million and land area 239,460km^2, lies on the gulf of Guinea, between Togo and the Ivory Coast.

After serving two four-year terms, President John Agyekum Kufuor stood down in late 2008. Following a political hiatus, a run-off election in January 2009 resulted in John Atta Mills becoming president by a margin of less than 1%.

The country is Africa's second largest gold producer but the government recently passed new laws that will double royalties on mining. However, most companies operating there said that they were protected by stability agreements, and do not expect to pay the new 6% rate.

Gold Fields Ltd is still the country's biggest producer, with its assets centred on the Tarkwa mine. The company's subsidiary Abosso Goldfields Ltd is increasing production at the Damaqng mine.

Elsewhere, Adamus Resources Ltd is hoping to commission its Southern Ashanti gold project by the end of this year (the deposit contains 30.2Mt at 1.80g/t), and Signature Metals Ltd has reported high-grade mineralisation at its Konongo gold mine.

GUINEA

Located on the Gulf of Guinea in west Africa, Guinea has a population of 10 million and a land area of 246,000km^2.

Following the death of Lansana Conte, who had been president since 1993, Captain Moussa Dadis Camara led a military coup in December 2008. He suspended the constitution, and appears unwilling to yield to domestic and international pressure calling for him to step down. Kabine Komara, a banker, was appointed prime minister a year ago

The newgovernment briefly suspended operations at UC Rusal's Friguia bauxite complex and at AngloGold Ashanti's Siguiri gold mine. The government subsequently launched a US$1 billion lawsuit against Rusal claiming that the Russian company's purchase of Friguia was invalid.

In October, the new military junta agreed a huge mining-for-infrastructure deal with China (reminiscent of the deal done between China and the DRC in 2008). Under the agreement, China will provide US$7 billion in aid for infrastructure in return for a share of mining projects.

GUINEA-BISSAU

Since independence from Portugal in 1974, Guinea-Bissau has experienced considerable political and military upheaval. In February 2000, a transitional government turned over power to opposition leader Kumba Yala. He was ousted, barely three years later, by the military in a bloodless coup, and businessman Henrique Rosa was sworn in as interim president.

Former President Vieira was re-elected president in October 2005, but he was assassinated in March 2009. Three months later, Malam Bacai Sanha was elected in an emergency election. The prime minister has been Carlos Gomes since end-2008.

IVORY COAST

The Ivory Coast (population 20.6 million; land area 318,000km^2) lies on the Gulf of Guinea in west Africa. Almost 70% of the population are involved in agriculture.

Since a military coup in 1999, the country has suffered rigged elections, failed coup attempts and civil unrest. Laurent Gbagbo has been president since October 2000 but much of the north remains under

the control of those opposed to his government.

Elections have been repeatedly postponed by the government (and the UN Security Council has extended the government's mandate). In March 2007, President Gbagbo and former New Force rebel leader Guillaume Soro signed the Ouagadougou Political Agreement. As a result of the agreement, Mr Soro joined the government as prime minister and the two agreed to reunite the country.

Meanwhile, the Ministry of Mines and Energy is being restructured to manage better the growing exploration and mining activity in the country. Prominent among these companies is Randgold Resources, which is focused on its Tongon gold project on the Senoufo Greenstone Belt. The company has delineated 3.2Mt of reserves, and the first gold pour is scheduled for the fourth quarter this year, yielding an average of 270,000oz/y to 2021.

La Mancha Resources operates the Ity gold mine, which has produced over 600,000oz since its inauguration in 1991. Output was increased recently with the new, higher-grade, Mount Ity pit. Elsewhere, Cluff Gold plc finally commissioned its Angovia gold mine in October (the first gold pour was back in March 2008).

Other recent activity in the country includes exploration by Perseus Mining Ltd, which has reported additional mineralisation at its Tengrela gold project.

KENYA

Economic growth in Kenya (population 39 million; land area 569,250km^2) has accelerated in recent years. Mwai Kibaki has been president since end-2002 but his re-election in December 2007 brought charges of vote rigging from ODM candidate Raila Odinga, and unleashed two months of violence. UN-sponsored talks in February 2008 produced a power-sharing accord, bringing Mr Odinga into government in the restored position of prime minister.

LESOTHO

Lesotho (population 2.1 million; land area 30,355km^2) is landlocked and entirely surrounded by South Africa. It is a constitutional monarchy and multi-party democracy. The monarch has been Letsie III since 1996, and Pakaltha Mosisili has been prime minister since 1998 (the leader of the majority party in the Assembly automatically becomes prime minister).

Lesotho may have enjoyed political stability for the past decade, but it remains one of sub-Saharan Africa's poorest countries.

The government recently transferred the lease for the Kao kimberlite pipe to Namakwa Batla Diamonds Ltd. Resources are given as 173Mt containing an estimated 12.4Mct.

LIBERIA

Liberia (population 3.4 million; land area 111,369km^2) lies on the west coast of Africa and borders Sierra Leone, Guinea and the Ivory Coast. The process of rebuilding the war-torn country will take many years, but after two years of a transitional government, democratic elections in late 2005 brought Ellen Johnson Sirleaf to the presidency (the first woman to hold that position in Africa).

The president is elected by popular vote for a six-year term, the next being due in 2011. Meanwhile, the UN remains a strong presence but the security situation is still fragile.

On the mining front, Mano River Resources and African Aura Resources merged last year to form African Aura Mining Inc. The enlarged company is focused on the development of gold and iron-ore deposits in sub-Saharan Africa. Assets in Liberia include the New Liberty gold deposit and the Putu iron-ore project. African Aura subsequently reached an agreement to combine its Stellar Diamonds subsidiary with West African Diamonds Ltd.

LIBYA

Revolutionary Leader Muammar Abu Minyar-al-Gaddafi has been in power since 1969 (national elections are indirect through a hierarchy of people's committees) but his government has started gradually to liberalise the socialist-orientated economy.

The US rescinded Libya's designation as a state sponsor of terrorism in June 2006, and Libya assumed a non-permanent seat on the UN Security Council in January 2008. In February 2009, Mr Gaddafi took over as chairman of the African Union for a one-year term, and in September 2009 a Libyan took over the year-long presidency of UN General Assembly.

MADAGASCAR

Madagascar (population 20.7 million; land area 587,040km^2) is the largest island in the Indian Ocean and is separated from the African continent by the Mozambique Channel. In early 2009, protests due to increasing political restrictions resulted in Marc Ravolomanana stepping down. The presidency was conferred on the mayor of Antananarivo, Andry Rajoelina.

Following negotiations in the middle of last year, a power-sharing agreement with a 15-month transitional period was established. The prime minister has been Albert Camille Vital since December 2009.

The new government has moved to suspend all mining contracts, and last year announced a review of all tax and royalty arrangements.

Nevertheless, Sherritt International Corp raised funding in mid-2009 for development of its Ambatovy nickel project by securing a non-recourse loan from its three partners.

MALAWI

Malawi (population 14.3 million; land area 118,480km^2) is heavily reliant on agriculture. President Bingu wa Mutharika was elected in May 2004 after a failed attempt by the previous president to amend the constitution to permit another term.

President Bingu, who was re-elected in May 2009, has overseen substantial financial improvement but his party has been unable to pass significant legislation, and anti-corruption measures have stalled. Meanwhile, population growth, increasing pressure on agricultural lands, corruption, and the spread of HIV/AIDS pose major problems for this landlocked country in east Africa

On the mining front, Paladin Energy Ltd has secured US$167 million in project financing to develop the Kayelekera uranium mine, which is expected to produce 3.3Mlb/y over a 10-year period. The development is the first to be built in Malawi.

MALI

Dictatorial rule in Mali was brought to a close in 1991 by a military coup, facilitating the country's emergence as one of the strongest democracies on the continent. Alpha Konare won the first democratic election in 1992 and was re-elected in 1997.

In keeping with the two-term constitutional limit, President Konare stepped down in 2002 and was succeeded by Amadou Toure, who was subsequently elected to a second term in 2007. The elections were widely judged to be free and fair. Modibo Sidibe was appointed prime minister in September 2007.

Gold production in Mali has been steadily declining. Although the government has said that it will be taking measures to address the situation, a large number of the country's exploration permits remain dormant.

Late last year, International Finance Corp sold its 6% stake in Societe d'Exploitation des Mines d'Or de Sadiola SA to partners AngloGold Ashanti Ltd and Iamgold Corp. The government owns the remaining 18% of the mine, which is the country's largest gold operation (producing 453,000oz in 2008). The same partners also own the nearby Yatela mine, which produced 165,000oz in 2008 but is nearing the end of its life.

Randgold Resources's Loulo gold operation has been upgraded, and is now able to process 3.2Mt/y. The mine is ramping up to an output of 400,000oz/y by 2011 when the underground mines are fully operational.

A prefeasibility study is underway at Randgold's 80%-owned Gounkoto gold project. This follows a scoping study that suggested overall gold recovery of 2.3Moz over a mine life of six years.

MAURITANIA

Mauritania (population 3.1 million; land area 1.01 million km^2) is a desert country in west Africa and has a 2,500km coastline on the Indian Ocean.

The country continues to experience ethnic tensions among its black population (Afro-Mauritanians) and white and black Moor (Arab-Berber) communities. It is also having to confront a growing terrorism threat by al-Qa'ida in the Islamic Mahgreb.

A bloodless coup in August 2005 deposed President Taya and ushered in a military council that oversaw a transition to democratic rule. Independent candidate Sidi Ould Cheikh Abdallahi was inaugurated in April 2007 as Mauritania's first freely and fairly elected president.

President Abdallahi's term ended prematurely in August 2008 when a military junta led by General Mohamed Ould Abdel Aziz deposed him and ushered in a military council government. Mr Aziz was subsequently elected to the presidency in August 2009.

MOROCCO

Morocco has a coastline bordering both the Atlantic Ocean and the Mediterranean Sea, and has a population of some 35 million and land area of 446,550km^2. The country is a constitutional monarchy, with King Mohamed VI (monarch since 1999) appointing Abbas el Fassi as prime minister in September 2007.

MOZAMBIQUE

Mozambique (population 21.7 million, land area 801,000km^2) is located in southeastern Africa and has a 2,500km coastline on the Indian Ocean. The country has seen very strong economic growth since the end of the civil war, largely due to post-conflict reconstruction.

Mozambique underwent a transition at the end of 2004 when Joaquim Chissano stepped down after 18 years in office. His elected successor, Armando Emilio Guebuza, promised to continue the sound economic policies that had encouraged foreign investment. He was re-elected for a second five-year term in October 2009. Luisa Diogo has been prime minister since February 2004.

Prospects for Mozambique's mining sector look bright. Optimism has been buoyed by a recent announcement from the government that it had secured US$500 million to finance a railway from the coal-rich Tete region to the port of Nacala by 2015.

Earlier in 2009, Vale SA confirmed its intention to invest almost US$600 million this year on its US$1.3 billion Moatize coal project. The initial stages will yield 11Mt/y, starting in the first half of 2011. Mining development in the Tete region was also boosted in October by approval for the 5.3Mt/y Benga coal project, owned by Riversdale Mining Ltd (65%) and Tata Steel Ltd (35%). Riversdale also completed an in-house resource estimate of 1,700Mt for its nearby Zambeze deposit.

In September, African Queen Mines Ltd announced encouraging exploration results for its King Solomin project on the Fingoe Belt in western Tete Province.

Also active in the Tete region, Baobab Resources plc announced in October that it is to spend most of a US$4.7 million fund raising on magnetite-ilmenite deposits on its Massamba project.

NAMIBIA

Namibia has a population of 2.1 million and a land area of 825,000km^2. It is one of the Africa's most politically stable countries.

Namibia has been governed by SWAPO since the country won independence in 1990. Hifikepunye Pohamba was elected president in November 2004, he was re-elected in November 2009. Nahas Angula has been prime minister since March 2005.

At the end of 2009, the government established a state-owned mining company to take advantage of the country's diamond and uranium mineral wealth.

Extract Resources Ltd's Rossing South project won *Mining Journal*'s 2009 Exploration award, sponsored by Sandvik Mining & Construction. The deposit could support one of the world's largest uranium mines. Resources are believed to contain 267Mlb U_3O_8, at an average grade of 487ppm U_3O_8. Rio Tinto has taken a 15% stake in the company.

Bannerman Resources Ltd has moved its Etango uranium project to the definitive feasibility stage after a pre-feasibility study outlined an open-pit mine with a potential output of 7Mlb/y for 16 years.

NIGER

The economy of Niger (population 15.3 million; land area 1.27 million km^2) is centred in subsistence agriculture, animal husbandry, and on uranium and gold mining. Political tension has increased since February 2007, when a predominantly Tuareg ethnic group emerged and attacked several military targets in Niger's northern region.

Mamadou Tandja has been president since December 1999, and appointed Ali Badjo Gamatie as prime minister in October 2009.

NIGERIA

Nigeria (population 149.2 million; land area 924,000km^2) was one of the top destinations for mining investment in Africa.

The general election of April 2007 that brought

from exploration to development

Our Mining Group, working from our domestic Canadian offices and our international bases in London, China, the United States and the Gulf Region, have been involved in transactions on every continent involving a wide range of commodities. Our client base spans the spectrum from major multinationals to junior exploration companies. We act for mining companies and the banks and underwriters that finance them on mergers and acquisitions, joint ventures, listings, equity and debt financings and project finance. The team has carried out numerous secondary listings, re-domiciles and financings for Australian and other non-Canadian companies.

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Umaru Musa Yar'Adua to the presidency marked the first civilian-to-civilian transfer of power in the country's history. Although the 2007 and previous 2003 presidential elections were marred by significant irregularities and violence, Nigeria is experiencing its longest period of civilian rule since independence.

RWANDA

This small landlocked country, in the Great Lakes region of central Africa, has an area of some 26,000km^2. With around 10.5 million people, Rwanda is Africa's most densely populated country, but the people are poor, with the vast majority engaged in agriculture.

The country has benefitted from substantial international reforms, including Rwanda's first local elections in 1999, and its first post-genocide presidential and legislative elections in 2003. Nevertheless, the country continues to struggle to boost investment. Ethnic reconciliation is complicated by the real and perceived Tutsi political dominance, the nagging Hutu extremist insurgency across the border, and Rwandan involvement in two wars in recent years in the neighbouring DRC.

In 2009, the country staged a joint military operation with the Congolese Army in DRC to rout out the Hutu extremist insurgency there, and Kigali and Kinshasa restored diplomatic relations. Rwanda also joined the Commonwealth in late 2009.

Both President Paul Kagame and Prime Minister Bernard Makuza have been in power since 2000. The president is elected by popular vote for a seven-year term, and the next election is due to be held in August this year.

SENEGAL

Located at the western extremity of Africa's tropical zone, Senegal (population 13.7 million; land area 192,000km^2) is bounded by Mauritania, Mali, Guinea and Guinea Bissau, and surrounds Gambia on three sides. Dakar, the capital, is located on the Atlantic coast, and is an important commercial centre for the region.

Senegal was ruled by a socialist party for 40 years until the current president (Abdoulaye Wade) was elected in 2000. He was re-elected in 2007, but allegations of fraud led opposition parties to boycott the subsequent legislative polls.

Soulayemane Ndene Ndiaye was appointed prime minister in May 2009.

On the mining front, Randgold Resources Ltd confirmed the potential of its 83%-owned Massawa gold discovery in April 2009 with an initial inferred resource containing more than 3Moz of gold.

SIERRA LEONE

Sierra Leone (population 6.4 million; land area 71,740km^2) has benefitted since 2005 from the end of the civil war, and there has been an upsurge in mining activity despite continued corruption. President Ernest Bai Koroma took office in September 2007 (the next election is due in 2012) promising "zero tolerance" on this problem.

In December, the government passed a new mining law that raised royalties and community benefits. Chinese investors have also made a move into the country's mining industry via a recent US$250 million equity and off-take deal with African Minerals Ltd. The company also raised US$104 million from a mid-year share sale to continue its iron-ore exploration in the country.

African Minerals, which was subsequently targeted for acquisition by Eurasian Natural Resources Corp, had confirmed a JORC-compliant resource containing 5,100Mt of iron ore at its Tonkolili deposit.

The updated estimate included mineralisation from the newly-delineated Marampon deposit. The company says that there is the potential for as much again, which would make this the largest iron-ore mine in the world.

SOMALIA

The former Italian colony of Somalia (population 9.8 million; land area 627,657 km^2) is one of Africa's poorest countries. Located in the Horn of Africa, it separates Ethiopia, Djibouti and Kenya from the Gulf of Aden and the Indian Ocean. More than 70% of the population depend on pastoral pursuits for subsistence.

Since the 1991 collapse of the central government based in Mogadishu, the country's development has been derailed by the lack of any cohesive authority.

In May 1991, the former British Protectorate of Somaliland in the north declared itself an autonomous nation, with its capital at Hargeisa, completely independent of the southern area.

Abdullahi Yusuf Ahmed was elected president of a Transitional Federal Government (TFG) in October 2004. In June 2006, the Council of Islamic Courts (CIC) defeated powerful Mogadishu warlords and took control of the capital.

In January 2009, an expanded parliament elected as its president Sheikh Sharif Sheikh Ahmed, the former chairman of the CIC and ARS (Alliance for the Re-Liberation of Somalia). President Sharif subsequently appointed Omar Abdirashid ali Sharmarke as prime minister.

SOUTH AFRICA

In April 2009, as widely expected, Jacob Zuma (leader of the African National Congress Party) won the presidential election in South Africa (population 49 million; land area 1.22 million km^2).

The government completed its review of the country's Mining Charter in November, and it has now been forwarded to the Chamber of Mines for consultation.

On the exploration front, intersections announced in August convinced UraniumSA Ltd that it had found a new uranium province on the Mullaquana property in the Eyre Peninsula. Earlier in 2009 the company had outlined inferred resources of 12Mt at 224ppm eU_3O_8.

- Water Supply
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Sylvania Resources Ltd and Jubilee Platinum plc formed a strategic alliance in October to provide a "complete mine-to-metal solution in South Africa's platinum group metals industry". At about the same time, a feasibility study for Platinum Group Metals Ltd suggested 10% higher output and 13% lower capital costs for the 74%-owned Project 1 of the Western Bushveld joint venture.

In November, Petra Diamonds Ltd doubled its stake in the Cullinan mine to 74%, and Great Basin Gold Corp lifted resources at its Burnstone project in Mpumalanga after analysing data from 296 boreholes.

Strikes earlier in the year included unrest at the operations of DRDGold Ltd. In December, DRDGold agreed to sell 60% of its Blyvooruitzicht gold mine to Aurora Empowerment Systems Ltd for over US$40 million. The mine had been under judicial management since mid-November in an attempt to save it from insolvency.

SUDAN

The economy of Sudan (population 41 million; land area 2.38 million km^2) has been transformed by the discovery of oil, such that crude oil accounts for about 75% of the country's earnings.

Although significant political unrest continues, the signing of a peace agreement between the government and Sudan People's Liberation Movement at the beginning of 2005 signalled the start of a slow return of investors to the country.

However, the Darfur region continues to be troubled, and the United Nations took command of the peacekeeping operation there from the African Union (AU) in December 2007. As of early 2009, peacekeeping troops were struggling to stabilise the situation.

Umar Hassan Ahmad al-Bashir has been president since 1993 and the next elections are due to be held in February of this year.

SWAZILAND

The country has been ruled since 1986 by King Mswati, who appoints the prime minister from among the elected members of the House of Assembly (Barnabas Sibusiso Dlamini since October 2008). Political unrest in the 1990s put pressure on the king (often described as the world's last absolute monarch) to allow greater democracy, and a constitution came into effect in 2006.

Progress in implementing economic liberalisation has also been slow, and Swaziland recently surpassed Botswana as the country with the world's highest known prevalence of HIV/AIDS.

TANZANIA

Tanzania (population 41 million; land area 945,000km^2) is located in east Africa and has a coastline on the Indian Ocean. Jakaya Kikwete has been president since December 2005, the next election being due in October of this year.

Since the introduction of its 1998 Mining Act, Tanzania has been one of the world's fastest-growing gold producers. It is now ranked as the third largest in Africa (after South Africa and Ghana). The country's proven reserves are now over 45Moz.

However, the government announced in June 2009 that it plans to take a 10% stake in all Tanzanian gold mines, remove tax breaks and incentives, and increase royalty payments.

Nevertheless, there is still considerable activity in the country. In December, Tusker Gold Ltd raised funds for a full feasibility study at its flagship Tusker gold deposit (held in a joint venture with Barrick Gold Corp as part of the Nyanzaga property).

Also in December, Mantra Resources Ltd lifted estimates of the U_3O_8 in its Nyota deposit by 24% to 44.6Mlb.

Barrick Gold Corp has four operating mines in the country; North Mara, Bulyanhulu, Tulawaka and Bugwazi. The latter poured its first gold in May last year.

The Geita mine in Tanzania is the largest of AngloGold Ashanti's eight open-pit gold mines in Africa, and the company announced in June that tonnage throughput had increased after a difficult period at the mine.

Elsewhere, Helio Resource Corp is developing the SMP gold project in the southwest, and the company has been encouraged by recent high-grade intersections.

A feasibility study is due to be completed shortly on the Kabanga nickel-sulphide project, owned equally by Barrick Gold and Xstrata. The deposit has an indicated resource of over 500Mlb nickel and a further 2,200Mlb in the inferred category.

TOGO

The country (population 6 million; land area 56,765km^2) has an 80km coastline on the Gulf of Guinea and extends north as a narrow strip of land for 550km. It is flanked by Ghana to the west and Benin to the east. Lomé, its capital city, is also the main port of access to Niger and Burkina Faso to the north. About 80% of the population relies upon subsistence farming and to a lesser degree on export crops.

On the death of President Eyadema in February 2005, the military installed his son, Faure Gnassingbe, and then engineered his formal election two months later. Democratic gains since then allowed Togo to hold its first relatively free and fair legislative elections in October 2007.

TUNISIA

Tunisia is the smallest of the north African 'Maghreb' countries, and supports a population of only 10.5 million, with all but a small nomadic population confined to the cities.

Zine el Abidine Ben Ali replaced the country's first president, Habib Bourguiba, in a bloodless coup in November 1987. Mr Ben Ali is currently serving his fifth consecutive five-year term as president. Tunisia has long taken a moderate, non-aligned stance in its foreign relations.

UGANDA

Uganda (population 32.4 million; land area 200,000km^2) is located in east Africa and is bounded by Sudan to the north, Kenya to the east, Tanzania to the south, Rwanda to the south-west and the Democratic Republic of the Congo to the west.

President Yoweri Kaguta Museveni seized power in 1986, and Apolo Nsibambi has been prime minister since 1999.

ZAMBIA

The economy of this southern, landlocked state (population 11.9 million; land area 740,724km^2) continues to perform relatively well thanks to the country's mineral wealth and growing contribution from agriculture and tourism.

First elected in 2001, President Levy Mwanawasa was re-elected in 2006 in an election deemed free and fair. Upon his sudden death in August 2008, he was succeeded by Vice-President Rupiah Banda, who subsequently won a special presidential election in October 2008. The next elections are to be held in 2011.

The improved investment climate in Zambia has generated a mood of cautious optimism. Problems remain but foreign direct investment is flowing once more, and falling production is being reversed.

First Quantum Minerals is the largest copper producer in the country, and is focused on increasing production at its flagship Kansanshi mine. The cathode copper production facility was recently expanded, and concentrator throughput increased by 50%.

Equinox Minerals Ltd is poised this year to overtake Konkola Copper Mines as the second-largest Zambian producer. The ramp-up of production at the company's Lumwana mine is continuing.

In October, the government approved a mining licence for the Chirundu uranium joint venture, owned 70% by African Energy Resources Ltd.

ZIMBABWE

The collapse of this once vibrant economy (population 11.4 million; land area 386,670km^2) can be laid entirely at the door of President Robert Gabriel Mugabe, who has been in power since 1987.

General elections held in March 2008 contained blatant irregularities but still amounted to a censure of the Zanu-PF government (with significant gains in opposition seats in parliament). MDC opposition leader Morgan Tsvangirai won the presidential poll, and may have won an outright majority, but the official results did not reflect this situation.

Difficult negotiations over a power-sharing government, in which Mr Mugabe remained president and Tsvangirai became prime minister, were finally settled in February 2009, although the leaders have still not agreed upon many key outstanding governmental issues.

As a result, last year was another difficult one for mining companies in the country. One of the worst examples came at the Marange diamond deposit, for which the government has signed a joint venture with New Reclamation Group Ltd. In November, African Consolidated Resources plc said it "will fight" to regain its title to Marange. Despite international concern, the government escaped censure by the diamond-industry watchdog, the Kimberley Process.

In a positive development, Mwana Africa plc secured US$10 million in debt funding in October for its Freda Rebecca gold mine, which had just poured its first doré bar. The mine has a target output of 50,000oz/y.