



**MINING INVESTMENT IN BF:
RISKS AND SECURITY ACTIONS**



PRESENTATION PLAN

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- ✓ The institutional framework
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II- RISKS AND SECURITY ACTIONS

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Introduction

The mining sector today has a prominent place in the economy of Burkina Faso and is the first among export-related sector.

What opportunities does the current mining boom offer? What are the potential risks that are incurred due to the boom? What are the prospects considered for a sustainable development of the sector? These are some questions we will try to answer through this presentation. But first, a brief overview of the sector is needed.



I. GENERAL PRESENTATION OF THE MINING SECTOR

✓ Geological and Mining Research

Burkina Faso, through its national geological service put a focus on the production of geological and mining information with an inventory of clues. The purpose of these information is within the scope of the valorisation of our mineral resources to make it a pillar of economic and social development of the country.

Thereby, the country adopted a policy of partnership with potential investors. To date, Burkina has a set of ores and mining indices largely located in sedimentary formations of Birrimian volcano making the mining potential.



✓ *The mining potential*

A number of minerals identified include :

<i>Minerals highlighted</i>	<i>Projects or indices</i>
<ul style="list-style-type: none">❖ gold (<i>Au</i>),❖ zinc(<i>Zn</i>)❖ lead(<i>Pb</i>)❖ phosphates❖ cement limestone❖ marble❖ kaolin❖ silica sands❖ granites❖ the dolomitic limestones❖ manganese(<i>Mn</i>)	<ul style="list-style-type: none">❖ iron (Fe),❖ Titanium (Ti)❖ diamond (C),❖ copper (Cu),❖ vanadium (V)❖ nickel(<i>Ni</i>)



✓ *The promotion*

From 1995, with the creation of a Ministry fully in charge of Mines, the priority was given to promoting the mining potential of Burkina.

Among these actions are the organization of mining promotion days in 1995, 1998, 2006, 2009 and 2012.

The 6th edition scheduled to be held from September 17 to 19, 2015 in Ouagadougou under the theme: « The Mining Industry: Challenges and Perspectives for a sustainable socio economic development » could not take place because of the events that occurred in our country.

This is the place for me to take this opportunity to apologize to all those who had travelled to Ouagadougou for this great event and to reassure them that measures are taken to ensure that all of Burkina friends can stay in peace in our country.



✓ *The institutional and legislative framework*

The current institutional framework of mining sector are under the authority of the Ministry of Energy, Mines and Quarries and include :

- Headquarters (DGMG, DGCM, DGC)
- The other structures (National Commission of Mines, BUMIGEB, BNAF, PADSEM et ANEMAS)

At the private sector level, the Chamber of Mines of Burkina(CMB) was created in July 2011.

Burkina Faso has a mining code that favours and protects foreign investment. This code adopted in 2015 unanimously by Members of Parliament of the National Transitional Council, foresees a tax and customs scheme favorable for investment, The creation of a mining Local Development Fund that will promote the financing of local development programs.



The results

- More than 900 valid titles (exploration permits) and licenses (artisanal mining, quarry substances exploitation);
- Between 2007 and 2010, 9 industrial mines began production. The list includes seven gold (**Taparko-Boroum** with SOMITA SA, **Youga** with BMC SA, **Mana** with SEMAFO SA, **Kalsaka** with Kalsaka MINING SA, **Inata** with SMB SA, **Essakane** with ESSAKANE SA and **GUIRO BAYILDIAGA** with Stremco SA), one manganese (**kiere** with MANGANESE BURKINA SARL) one zinc mine in **Perkoa** (with the company NANTOU MINING SA) and **Bissa gold Zandkoom** with the company BISSA gOLD SA;
- The ongoing construction Kiaka mine (with VOLTA RESOURCES) Nianka-Nogbelé (with GRYPHON MINERALS) Konkéra (with Ampella MINING), Karma (with RIVERSTONE RESOURCES INC) Houndé (with Gold Avion) Tambao with PAN African
- The advanced projects of gold deposits are Yaramoko mine (with Roxgold Sanu SA), Bombore (with OREZONE RESOURCES INC) ,Mankarga with Tanlouka Sarl.



II- Risks and security Actions

1. The risks

- ✓ Potential conflicts between local populations
- ✓ Conflicts between workers and operating companies
- ✓ Conflicts between artisanal miners and mining companies
- ✓ Security problems in the sub-region

The sub-region is threatened by jihadist attacks and kidnappings.

But for those risks, Burkina Faso has taken some steps to ensure security of mining investments and of people and goods.



II- Risks and security Actions

2. Security Actions

THE MINING LEGISLATION

Mining legislation guarantees to every investor to secure its following provisions:

- ✓ Establishment of Conventions agreements between the state and investors can be concluded to complete the mining legislation on condition that they do not derogate.
- ✓ Clarifying the powers of the administration while providing opportunities to appeal to the courts by the aggrieved.



II- Risks and Security Actions

2. Security Actions

THE MINING LEGISLATION

- ✓ Disputes between the State and the investor are submitted to the ordinary courts or an international arbitral tribunal depending on the case.
- ✓ Mining legislation develops the principles of control by the State so that the mining sector will benefit the populations and contribute to sustainable development.
- ✓ Tax and customs exemption according to each phase of mining activity,
- ✓ The free use and ability to repatriate the profits of the mining sector.



II- Risks and Security Actions

2. Security Actions

SECURITY OF PERSONS AND PROPERTY AROUND THE MINING AREAS

The creation of the National Office for Securing Mining Sites(ONASSIM) whose main tasks are among others:

- ❖ Ensure the protection of mining sites, including persons and goods;
- ❖ Provide security for transfer of exploitation's products, funds and sites personnel on work mission;
- ❖ Fight against all forms of crime on mining sites etc...



II- Risks and Security Actions

2. Security Actions

SECURITY OF PERSONS AND PROPERTY AROUND THE MINING AREAS

- ✓ The creation of regional cooperation frameworks on mining areas with a goal of providing spaces for dialogue between the regional development actors in view of searching a synergy of actions and harmonization of interventions on mining operational issues for the sake of transparency, equity, security and development.
- ✓ The creation of mining fund for local development that will help improve the living conditions of local communities and everywhere in peaceful coexistence with mining companies.



II- Risks and Security Actions

2. Security Actions

SECURITY OF PERSONS AND PROPERTY AROUND THE MINING AREAS

- ✓ The creation of an agency responsible to mentor miners for rational exploitation and protection of the environment.



II- Risks and Security Actions

2. Security Actions

TRANSPARENCY

The modernization of the mining cadastre and publication of mining titles, mining conventions and contracts.

The following principles are applied. It 's about:

- ❖ Burkina Faso's mineral resources are the property of the State which manages them on behalf of the people of Burkinabe;
- ❖ The mining area is open to free enterprise;
- ❖ Any mining activity on any part of the Burkinabe national territory is subject to the prior issuance of mining permits or authorizations by the competent authorities;
- ❖ The acquisition of mining title in Burkina Faso is based on simple and transparent procedures. At equal condition, the principle of "first come, first served" is applied;



II- Risks and Security Actions

2. Security Actions

TRANSPARENCY

The adoption of a law on the prevention and punishment of corruption in Burkina Faso. It's about the Law No. 004-2015 / CNT of March 3, 2015



Conclusion

In conclusion, I can assure all of Burkina partners and in particular you the investors in the mining sector, That our country will make every effort to ensure your security and that of your investments for a peaceful mining operation in a win - win tripartite (State, investors and communities).

I take this opportunity to invite you to our mining promotion days called PROMIN to be held in September 2016.

Thank you for your attention