

THE MINERAL INDUSTRY OF

FIJI

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Mining was a small but integral part of Fiji's economy. Unrefined gold exports, which represented the second largest export commodity, typically composed about 6% of Fiji's export revenues (Emperor Mines Ltd., March 1, 2001, Emperor Mines—Gold mining in Fiji, accessed March 1, 2001, via URL <http://www.emperor.com.au>). Fiji's agrarian economy depended primarily on the sugar industry and a large subsistence sector. The sugar industry, which was the largest contributor to the country's export earnings, contributed an estimated 8% to 10% of the gross domestic product (GDP).

Gold, which was the basis of Fiji's minerals industry, was produced solely at Emperor Mines Ltd.'s Vatukoula Mine. The Vatukoula Mine, which is often referred to as the "Emperor Mine," is situated on the northwestern coast approximately 380 kilometers (km) by road from the capital at Suva on the main island of Viti Levu. It accounted for about 3% of the country's GDP and employed about 2% of the nation's workforce, or about 1,700 people (Resource Information Unit, 2000, p. 28). Despite an attempted coup in May, the Vatukoula Mine continued to operate under near-normal conditions. Consequently, the event had no significant direct effect on mine production (Emperor Mines Ltd., 2000, p. 6).

On September 15, the Government agreed to \$963,000 worth of reductions in Government duties and taxes on mining operations of the Emperor Mines during the next 6 months. The Government provided this assistance to "help preserve a vital national industry with good potential for long term growth." The assistance allowed Emperor Mines to continue at planned full production (Australian Mining and Exploration Companies, September 15, 2000, Company news—Emperor Mines, accessed September 16, 2000, at URL <http://www.reflections.com.au/MiningandExploration/Companies/NewsSep00.html>).

The Vatukoula Mine increased gold production to 4,449 kilograms in fiscal year 1999-2000, the highest level ever achieved in the more than 65 years of mine operations. Some gold was recovered from a tailings retreatment plant that had been commissioned in November 1998, although tailings retreatment was suspended early in the first quarter 2000 (Mining Journal, 2000; Emperor Mines Ltd., March 2000, September 2000 quarterly report—Overview, accessed February 28, 2001, at URL <http://www.emperor.com.au/QrtlyAnnualReport/quarterMarch00/Overview.htm>).

In the third quarter of 2000, the processing plant at the Vatukoula Mine maintained its recently improved performance; recovery for the quarter again was higher than that of the previous quarter at 88.10% versus 87.26%. This recovery level was the highest quarterly level ever recorded in the operation's history (Emperor Mines Ltd., October 2000, September 2000 quarterly report—Overview, accessed February 28, 2001, at URL <http://www.emperor.com.au/QrtlyAnnualReport/>

[quarterOct00/Overview.htm](http://www.emperor.com.au/QrtlyAnnualReport/quarterOct00/Overview.htm)).

Also during the third quarter, no work was done on Emperor Mine's Tuvatu project feasibility study. The project, which is 50 km south of the Vatukoula Mine and about 15 km inland from the city of Nadi, was suspended until international investor confidence in Fiji improved. Analysis of the geologic data to date indicated a gold resource of 1.6 million metric tons at 8.5 grams per metric ton. The company also indicated that it was still committed to the project (Emperor Mines Ltd., October 2000, September 2000 quarterly report—Overview, accessed February 28, 2001, at URL <http://www.emperor.com.au/QrtlyAnnualReport/quarterOct00/Overview.htm>).

On January 5, 2001, Emperor Mines repaid debts that totaled \$286,000 to Macquarie Bank of Australia, thus leaving the company debt free. This was achieved by reducing the forward hedge price on gold received from \$320 per troy ounce to \$311 per troy ounce for the next 6 years (Metal Bulletin, 2000).

Polymetallic deposits in Fiji typically have high precious- and base-metal grades. A number of base-metal sulfide deposits, disseminated porphyry copper deposits, epithermal precious-metal deposits, residual bauxite deposits, and manganese and heavy-mineral sands deposits previously had been identified and evaluated. Because none has been shown to have sufficient tonnage to be economically viable, gold and associated silver have been the only metal commodities mined to date.

Fiji's mineral industry also consisted of a cement plant next to the harbor at Suva and several quarries for the production of crushed gravel and stone, limestone, and coral and river sands. The cement plant has been operated by Fiji Industries Ltd. since it was commissioned in 1961.

References Cited

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Major Source of Information

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TABLE 1
 FIJI: PRODUCTION OF MINERAL COMMODITIES 1/

Commodity 2/		1996	1997	1998 e/	1999	2000
Cement, hydraulic	metric tons	83,500	95,800	90,000	95,000 e/	95,000 e/
Gold, mine output, Au content	kilograms	4,452	4,671	3,690	4,428 r/	3,842
Silver, mine output, Ag content	do.	1,882	2,594	1,780	2,129	1,475

e/ Estimated. r/ Revised.

1/ Table includes data available through August 13, 2001.

2/ In addition to the commodities listed, crushed and dimension stone, sand and gravel, and sand for cement manufacture are produced, but data are insufficient to make reliable estimates of quantities.