



2005 Minerals Yearbook

FIJI

THE MINERAL INDUSTRY OF FIJI

By Travis Q. Lyday

The Republic of the Fiji Islands is an island group, or archipelago, comprised of more than 800 islands and islets, of which only about 110 are inhabited. The Fiji archipelago is part of Oceania and is located about two-thirds of the way from Hawaii to New Zealand, or about 4,450 kilometers (km) southwest of Honolulu and 1,770 km north of New Zealand (U.S. Department of State, 2005¹; U.S. Central Intelligence Agency, 2006[§]). Fiji's capital city is Suva, which is on Viti Levu, the largest of the country's four main islands. The others, in decreasing size, are Vanua Levu, Taveuni, and Kandavu. Other major cities include Lautoka and Nadi on Viti Levu, and Labasa and Savusavu on Vanua Levu. Fiji's total land area is 18,270 square kilometers (km²), which is slightly smaller than New Jersey. Fiji has zero water area and zero land boundaries. Fiji has 1,129 km of coastline (U.S. Central Intelligence Agency, 2006[§]). Fiji's population of nearly 900,000 includes native Fijians (5.1%), which are a mixture of Melanesian and Polynesian peoples and East Indians (4.4%); the remainder is a combination of peoples of European, other Pacific islander, and Chinese descent (Resource Information Unit, 2006, p. 15).

The country's gross domestic product (GDP) based on purchasing power parity was estimated to be \$5.409 billion in 2005. The estimated real GDP growth rate based on purchasing power parity was 2% (U.S. Central Intelligence Agency, 2006[§]).

Fiji was one of the most developed of the Pacific Island economies in 2005, although it remained a developing country with a large subsistence agriculture sector. Fiji also had the greatest political instability in the Asia and the Pacific region (Resource Information Unit, 2006, p. 15). Australian companies were the leading foreign investors in Fiji, where gold was the main mineral attraction, followed by byproduct silver. Sugar exports and a growing tourist industry, which hosted between 300,000 and 400,000 tourists annually, were the major sources of foreign exchange. Sugar processing composed up to one-third of Fiji's industrial activity, but the industry remained inefficient (U. S. Department of State, 2005[§]).

Commodity Review

Exploration licenses within Fiji are granted for aggregate, base metals, bauxite, gold, limestone, marble, natural gas, and petroleum (Resource Information Unit, 2006, p. 15).

Emperor Mines Ltd, which was headquartered in Sydney, Australia, and listed on the Sydney stock exchange, has dominated the Fiji mining sector for 70 years, with continuous operation of the epithermal Vatukoula gold-silver mine from which more than 20,000 metric tons of gold have been mined since the mid-1930s (Resource Information Unit, 2006, p. 2). While fiscal year 2005 production levels essentially were maintained at the Emperor Mine, the need to meet changing

operational requirements and contain costs led the company to announce in December 2005 its intention to lay off 374 members of its workforce. The general manager of the Emperor Mine was quoted as saying that rising costs, especially oil prices, had contributed to the decision to lay off staff. One week following the layoff announcement, Fiji's Mine Workers Union announced that Emperor Mines had agreed to reinstate 141 of the newly redundant staff. The union had threatened to strike after the company announced its redundancy plan (Resource Information Unit, 2006, p. 2).

The original Emperor Mine was located on the western flank of the Tavua volcanic caldera about 14 km from the northwest coast of Viti Levu. The current 2005 operation is a multishaft (four) underground gold-silver mine that produces about 4,000 kilograms of gold annually (Resource Information Unit, 2006, p. 2). Future capital spending programs at the Vatukoula mine will include refurbishment of the Phillip Shaft to increase capacity and feasibility studies and test work to construct a fluidized bed roaster to assist in processing ore with higher sulfur levels and reduce emissions, by which the company hoped to achieve a return to cash positive operations.

In addition to the Vatukoula project, Emperor held a 100% interest in the Tuvatu tenements, which are located just 50 km south of Vatukoula. In February 2005, Emperor entered into an agreement with Perth, Australia-based Alcaston Mining NL for Alcaston to acquire Emperor's interests in the Tuvatu tenements. Alcaston had until the end of January 2006 to complete the acquisition of the Tuvatu gold project under which Emperor would receive cash and shares in Alcaston in exchange for the project. Emperor granted numerous extensions to Alcaston Mining and agreed to amend the terms during the course of 2005 to enable Alcaston to put in place appropriate financing to complete the transaction and to fund working capital for a bankable feasibility study for possible further exploration at Tuvatu. In January 2006, the Board of Emperor Mines considered the latest revised financing terms proposed by Alcaston to be unacceptable and the agreement was terminated (Emperor Mines Ltd., 2006[§]).

Another major Fiji mine was the Mt. Kasi open-cut gold mine on the south coast of Vanua Levu. Pacific Islands Gold (Fiji) Ltd. briefly operated the mine from early 1996 until mid-1998, after which the mine was placed on care and maintenance status. Financial difficulties, which were exacerbated by falling gold prices, were cited as the main contributors to the early closure of the mine.

BlueScope Lysaght Fiji Ltd, a subsidiary of BlueScope Steel Ltd. of Australia, had roll-forming operations at Suva and Lautoka.

Outlook

For at least the next decade, Fiji's mining sector is expected to remain reliant on the mining of gold and associated silver

¹References that include a section mark (§) are found in the Internet References Cited section.

from the Vatukoula Mine. The Tavua Basin and Tuvatu gold prospects, which are located just a few kilometers to the northeast of Nadi and close to the Vatukoula Mine, have been exploration targets with viable results for the past few years.

Reference Cited

Resource Information Unit, 2006, Register of Indo-Pacific mining, 2006: Subiaco, Australia, Resource Information Unit, 157 p.

Internet References Cited

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U.S. Central Intelligence Agency, 2006, Fiji, World Factbook 2006, accessed May 16, 2006, via URL <http://www.cia.gov/cia/publications/factbook/index.html>.

U.S. Department of State, 2005 (September) Fiji, Background Note, accessed April 25, 2006, via URL <http://www.state.gov/r/pa/ci/bgn/1834pf.htm>.

Major Source of Information

Mineral Resources Department
Private Mail Bag, GPO
Suva Fiji Islands
Telephone: (679) 338 1611
Fax: (679) 337 0039

TABLE 1
FIJI: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

Commodity ³		2001	2002	2003	2004	2005
Cement, hydraulic	metric tons	95,000 ⁴	95,000 ^r	95,000 ^r	100,000 ^r	100,000
Gold, mine output, Au content	kilograms	4,430 ^r	3,840 ^r	3,836 ^{r,4}	3,731 ^{r,4}	3,800
Silver, mine output, Ag content	do.	2,130 ^r	1,480 ^r	1,974 ^{r,4}	1,901 ^{r,4}	1,500

^rRevised.

¹Estimated data are rounded to no more than three significant digits.

²Table includes data available through June 20, 2006.

³In addition to the commodities listed, bauxite, crushed and dimension stone, limestone/marble, sand, sand and gravel, and sand for cement manufacture were produced, but data are insufficient to make reliable estimates of output.

⁴Reported figure.