



# 2011 Minerals Yearbook

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**FIJI**

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# THE MINERAL INDUSTRY OF FIJI

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Fiji has the most developed economy of the Pacific island countries. In 2011, Fiji's real gross domestic product (GDP) growth rate was about 2%, the value of the nominal GDP was about \$3.4 billion, and the average annual inflation rate was about 7%. Fiji's mineral resources include copper, gold, limestone, and silver. Gross earnings from tourism were the leading source of Fiji's foreign exchange, followed by Fijian overseas remittances, which had been decreasing significantly in recent years (especially those from Kuwait and Iraq) (ANZ Pacific Quarterly, 2012; U.S. Central Intelligence Agency, 2012; U.S. Department of State, 2012). In August 2011, Nautilus Minerals Inc. of Canada acquired 14 special prospecting licenses to explore the potential mineral deposits offshore Fiji in an exploration area that covers 60,000 square kilometers of ocean floor; the licenses were each valid for 2 years. The company expected to find underwater deposits of high-grade copper, gold, silver, and zinc. Nautilus was the first foreign private company to do offshore exploration in Fiji (Nautilus Minerals Inc., 2011).

## Government Policies and Programs

The Mineral Resources Department (MRD) is Fiji's national geological survey and mining organization. The MRD develops mining policies, provides geologic information, assists mining investors, and facilitates the exploration and development of mineral and petroleum resources in the country (Mineral Resources Department, 2012).

## Production

In the second quarter of 2011 (the latest period for which data were available), the industrial production index (IPI) of Fiji's mining and quarrying sector was 43.1 based on the 2005 constant price, and the IPI for nonmetallic mineral products was 119.2. Gold production decreased by 11% to about 700 kilograms (kg) (reported as 22,504 troy ounces) in the first half of 2011 from 785 kg (reported as 25,239 troy ounces) in the same period of 2010. Silver production increased by 9% to 181 kg in the first half of 2011 from 166 kg in the same period of 2010 (Fiji Islands Bureau of Statistics, 2011).

## Structure of the Mineral Industry

Fiji had one British-owned gold and silver mining company, one locally operated cement company, and several small locally operated industrial mineral quarries that produced construction materials, such as limestone, sand and gravel, and other construction aggregates. Fiji was a major regional gold producer, and it hosts several major porphyry copper-gold and epithermal gold mineralized deposits.

## Mineral Trade

In 2011, the leading exports partners of Fiji were Australia (which received 14.3% of Fiji's exports), the United States (11%), Japan (6.3%), the United Kingdom (5.9%), Samoa (5.8%), and Tonga (5.1%). Fiji's major mineral commodity export was gold. The leading imports partners of Fiji were Singapore (which supplied 34.1% of Fiji's imports), Australia (16.3%), New Zealand (14.1%), and China (8.9%). Fiji's major mineral commodity import was petroleum products (U.S. Central Intelligence Agency, 2012).

## Commodity Review

### Metals

**Bauxite and Alumina.**—Aurum Exploration Ltd. mined bauxite in a 165-acre (66.8-hectare) area of Bua Province. In 2011, Aurum prepared to ship bauxite valued at \$992,000 to China from the stockpile site at Niviqiri, and the company expected to expand its capacity to produce bauxite (Fijilive, 2012; Fijisun.com, 2012).

**Copper.**—At the Namosi copper mine, porphyry copper-gold and epithermal-style gold mineralization was being explored; however, mine development had been halted for years. The Fiji Ministry of Lands and Mineral Resources had expected the Namosi copper mine to begin operations by June 2012 and that Newcrest Mining Ltd. of Australia (the owner) would initially focus on about 15 significant copper and gold prospects that had been identified during previous exploration in the area; however, the Newcrest project remained on hold pending the completion of a prefeasibility study (Fiji Government Online Portal, 2011; Newcrest Mining Ltd., 2012).

**Gold and Silver.**—The Vatukoula gold mine, which was 100% owned by Vatukoula Gold Mines plc. (VGM), was the country's primary gold-and-silver-producing mine. The mine began production in 1933, closed in 2006, and was acquired by VGM and reopened in 2008. In 2011, VGM announced that the mine had mineral resources of about 131,000 kg (4,200,000 troy ounces) and mineral reserves of about 24,600 kg (790,000 troy ounces) of gold and silver. The company processed 498,123 metric tons of ore, produced 1,622 kg (52,157 troy ounces) of gold, and sold 1,663 kg (53,461 troy ounces) of gold in 2011 (Vatukoula Gold Mines plc., 2012, p. 3, 5, 18). In June, Dome Gold Mines Ltd. of Australia launched the company's initial public offering for its drilling projects in Fiji, which included the Nasivi Delta gold and magnetite project, the Kadavu gold project, and the Central Viti Levu copper project. Dome planned to drill at the Nasivi Delta and to begin a feasibility study by 2013 (Australia's Paydirt, 2012, p. 81).

## Outlook

Fiji's economy is expected to grow by about 2.2% in 2012, and the average annual inflation rate was expected to be less than 6%. The implementation of the Government's public capital projects is likely to create job opportunities and to support Fiji's economy. Because of the lower copper and gold prices and the slowdown of economic growth in China and the United States, foreign demand for copper and gold from Fiji is likely to remain at the current level. If gold trade in China and India markets increases, however, the gold mine output, exports, and recycling at the Vatukoula Mine are expected to increase. The Namosi Mine is expected to start up in the near future (ANZ Pacific Quarterly, 2012; Newcrest Mining Ltd., 2012; Vatukoula Gold Mines plc., 2012).

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TABLE 1  
FIJI: ESTIMATED PRODUCTION OF MINERAL COMMODITIES<sup>1,2</sup>

Commodity <sup>3</sup>		2007	2008	2009	2010	2011
Cement, hydraulic	metric tons	145,000	143,000	110,000	120,000	120,000
Gold, mine output, Au content	kilograms	837	871	1,040	1,856 <sup>4</sup>	1,622 <sup>4</sup>
Limestone	metric tons	220,000	215,000	215,000	50,000	50,000
Sand and gravel	cubic meters	310,000	300,000	300,000	300,000	300,000
Silver, mine output, Ag content	kilograms	3	265 <sup>4</sup>	293	500	400

<sup>1</sup>Estimated data are rounded to no more than three significant digits.

<sup>2</sup>Table includes data available through July 27, 2012.

<sup>3</sup>In addition to the commodities listed, bauxite, crushed and dimension stone, coral sand, marble, and other construction materials are produced, but available data are insufficient to make reliable estimates of output.

<sup>4</sup>Reported figure.

TABLE 2  
FIJI: STRUCTURE OF THE MINERAL INDUSTRY IN 2011

(Thousand metric tons unless otherwise specified)

Commodity		Major operating companies and major equity owners	Location of main facilities	Annual capacity <sup>e</sup>
Cement		Fiji Industries Ltd. (FIL) (an affiliate company of Holcim Group)	Lami, Suva, Fiji	150
Gold	kilograms	Vatukoula Gold Mines plc., 100%	Vatukoula, on the island of Viti Levu	1,800
Silver	do.	do.	do.	500

<sup>e</sup>Estimated. do. Ditto.