



# **BURKINA FASO's MINING SECTOR**



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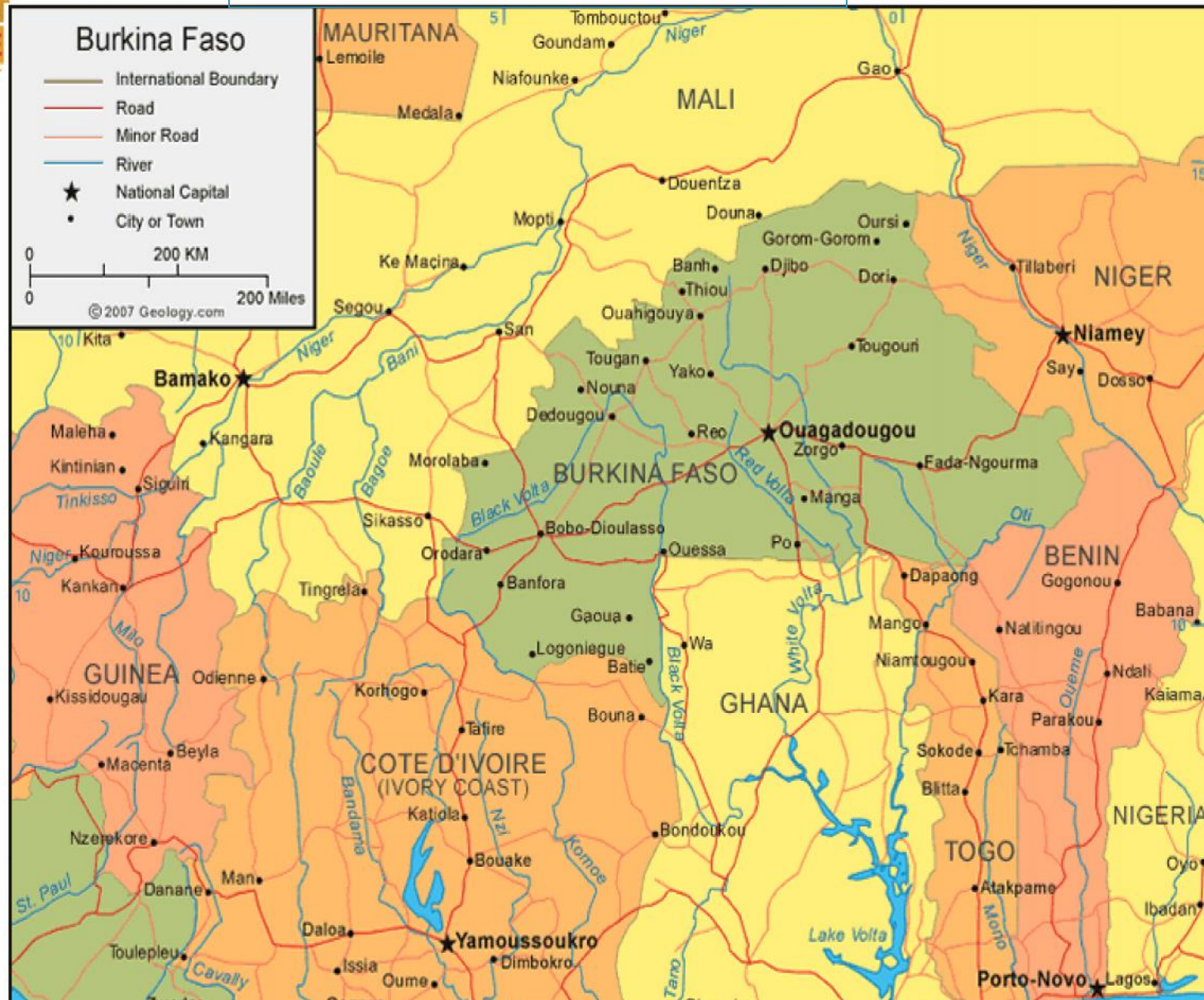
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# INTRODUCTION

## LOCATION





# BURKINA FASO'S INVESTMENT CLIMATE

## A SAFE AND VERY HOSPITABLE COUNTRY

### OPENNESS TO FOREIGN INVESTMENT

- ❑ The Government of Burkina Faso (GOBF) has been implementing, over the years, **reforms to make Burkina Faso more attractive to international investors.**
- ❑ The country is currently ranked **151 out of 190 for the ease of doing business, 79 for the ease of starting business, and 58 for dealing with construction permits; according to the World Bank's "Doing Business 2019" report.**
- ❑ The country made enforcing contracts easier, through a law that regulates all aspects of mediation.
- ❑ Investment code which offers tax and customs exemptions as well as exemptions from value added tax (VAT) on operational equipment.



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## BURKINA FASO's INVESTMENT CLIMATE

- ❑ **2003 mining code revised and adopted at the National Assembly on 26<sup>th</sup> June 2015;** to better capitalize on its mineral resources and create a more favorable climate for the mining industry.
- ❑ **Privatization bids for both local and foreign investors:** Bids are published in local papers, international magazines, mailed to different diplomatic missions, e-mailed to interested foreign investors, and published on the Internet on sites such as <http://www.dgmarket.com>. Foreign investors receive the same treatment and timetable as local investors in the bidding process.



# BURKINA FASO's INVESTMENT CLIMATE

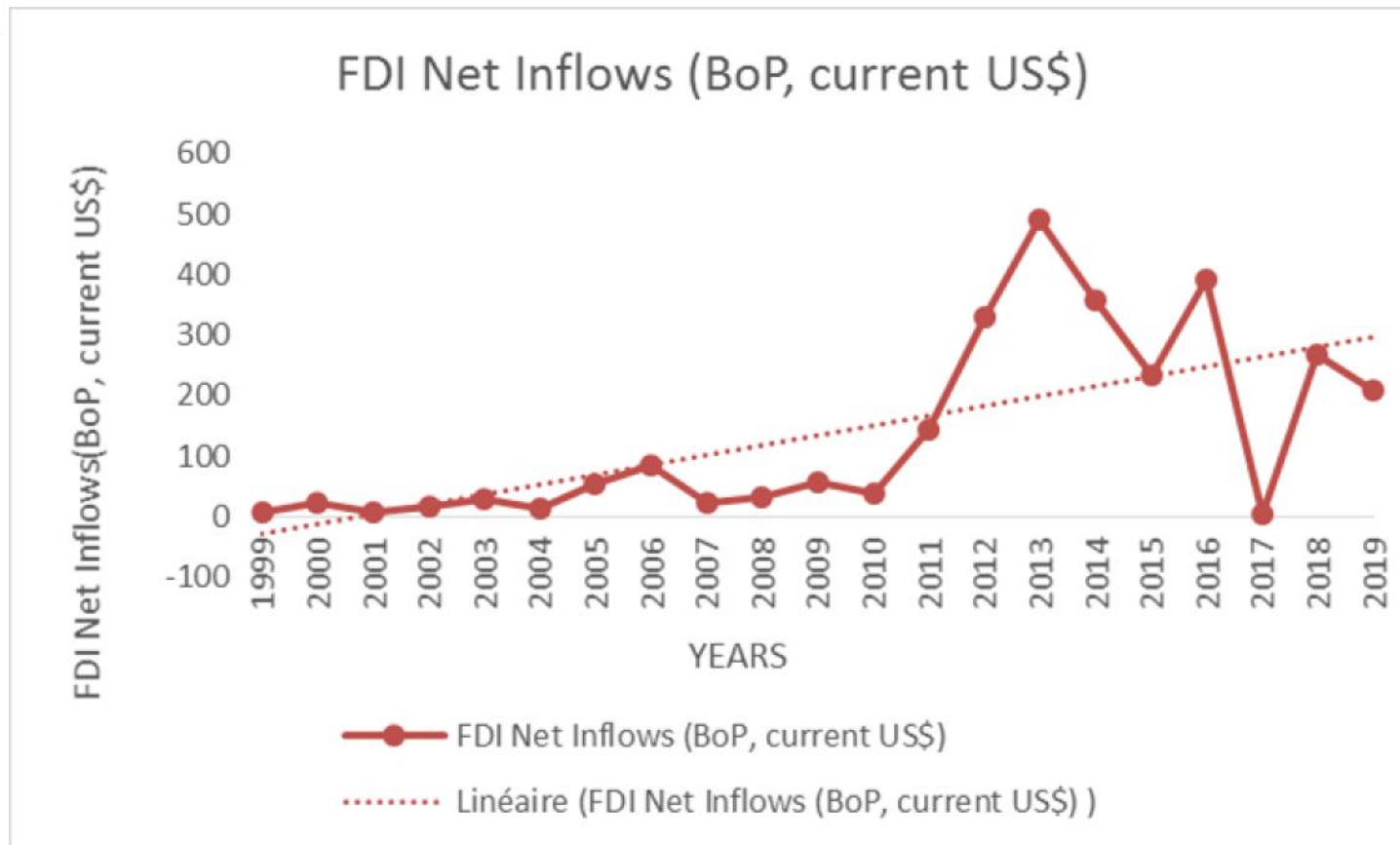
## Burkina Faso's economic indices

Measure	Year	Index/Rating
TI Corruption Perception Index	2019	85/180
Index of Transaction Transparency	2016	7.0
Heritage Economic Freedom	2019	56.7/119
World Bank Doing Business	2019	151/190
MCC Government Effectiveness	2019	86%
MCC Rule of Law	2019	84%
MCC Control of Corruption	2019	92%
MCC Fiscal Policy	2019	46%
MCC Trade Policy	2019	43%
MCC Regulatory Quality	2019	82%
MCC Business Start-Up	2019	40%
MCC Land Rights and Access	2019	17%
MCC Natural Resource Protection	2019	65%

**Sources: Transparency International, World Bank Doing Business & Millenium Challenge Corporation**

# BURKINA FASO's INVESTMENT CLIMATE

## Foreign Direct Investment towards Burkina Faso (in Millions \$ US)



**Source: International Monetary Fund, Balance of Payments database, supplemented by data from the United Nations Conference on Trade and Development and official national**

# BURKINA FASO'S INVESTMENT CLIMATE



## Strong points for investing in burkina faso

- Burkina Faso is a member of the West African Economic and Monetary Union (which ensures the stability of the CFA franc (freely exchangeable to EUR at a fixed rate));
- The country's legal, regulatory, and accounting systems are transparent and consistent with international norms;
- The country's investment code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries.



# BURKINA FASO's INVESTMENT CLIMATE

## Incitative mining code

### ❑ **During exploration:**

- ✓ The fixed tax for the granting of an exploration permit is two million CFA francs (2 000 000 CFA F);
- ✓ The exploration permit is valid for three (3) years from the date it is granted;
- ✓ It may be renewed twice by consecutive periods of three (3) years subject to the payment of taxes and obligations provided in the mining regulations;
- ✓ During the second renewal of the exploration permit, the permit surface area is reduced by one fourth. The remaining surface area is still defined by the holder;
- ✓ Exemption of Value Added Tax (VAT) related to exploration works, industrial, agricultural and commercial benefit tax, commercial and industrial professions minimum flat-rate tax, employer's and apprenticeship tax, and registration fee for acts relating to capital increase, instalment, and contribution on patents;
- ✓ Category I customs duties at the rate of 5%; for the importation of materials, raw materials, and fuel & lubricants for research activities.



## **BURKINA FASO's INVESTMENT CLIMATE**

### **During development stage:**

- ✓ Exemption for VAT for required equipment imported and required equipment locally manufactured ;
- ✓ Exemption for VAT for services provided by companies of geo-services and assimilated.;
- ✓ Category I customs duties at the rate of 5%; for the importation of materials, raw materials, and fuel and lubricants for the pre-mining activities.

### **□ During exploitation:**

- ✓ Industrial operating permits for industrial mines are granted and valid for twenty years ;
- ✓ Permit renewable for consecutive periods of five years each, until exhaustion of the deposit;
- ✓ Exemption for seven (7) years for industrial and commercial profession's minimum flat-rate tax, employers and apprenticeship tax, and goods of dead hand, and contribution on patents;
- ✓ Category I customs duties at the rate of 5%; for the importation of materials, raw materials, and fuel and lubricants for the pre-mining activities.



## BURKINA FASO's INVESTMENT CLIMATE

### □ The new mining code added value in terms of sustainable development

- ✓ **The country will benefit more of raw materials;**
- ✓ **Good governance and transparency :** the new mining code reaffirm the membership of Burkina Faso to the Initiative for the Transparency in the Extractive Industries (ITEI) and plan from now to make mandatory the publication in the official book, of all the mining conventions and contracts concluded with the mining companies operating in the country (**article 6 of the new mining code**);
- ✓ **Local development :** implementation of a Local Development Mining Fund for the financing of local and regional plans of development;
- ✓ **National expertise development :** in term of services or goods supplies, and in term of training of local workers;
- ✓ **The protection of the environment :** from now, any application for mining permit must receive un favorable opinion from the minister of environment (before this opinion appeared to be just consultative) (**article 41 of the new mining code**).

More over, any holder of an industrial mining permit should realize an audit, every two years, « on the environmental management»; whose report must be presented to the minister of environment for approval.

# BURKINA FASO'S GEOLOGY & MINES



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## GEOSCIENCES DATA AVAILABILITY

- ❑ The all country has been mapped at scales of 1:1 000 000, and 1:200 000 (revised in 2018) by aerial photo, satellite images and geophysical survey interpretation and ground checks;
- ❑ A geochemical database covering most of the greenstone belts has been established since 1960, and 40% of the territory has been covered by stream sediment survey;
- ❑ Airborne magnetics were carried out over the eastern and western halves of the country with a smaller area of magnetics and EM covering the Boromo-Goren belt.

## FAVOURABLE GEOLOGY

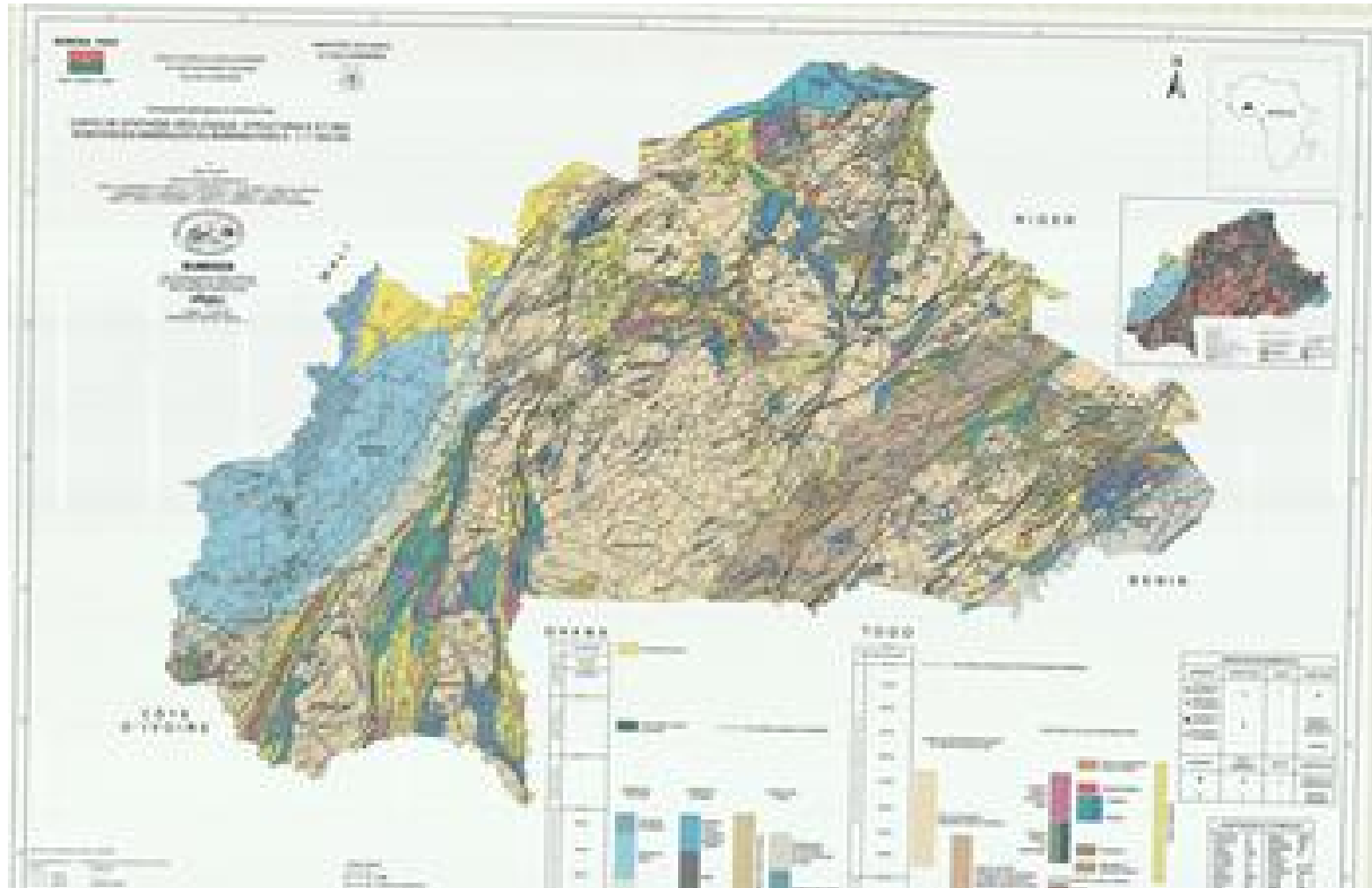
- ❑ The Birimian system is represented in Burkina Faso as elsewhere in West Africa by intensely deformed pelitic and psammitic metasediments and volcano-sedimentary complexes; consisting into 20% of the country surface;
- ❑ There are three (3) major birimian greenstone belts in the south and west of the country in which volcano-sedimentary sequences are dominant and a fourth in the central and north eastern regions besides numerous other smaller greenstone belts which are found throughout the country;
- ❑ Gold occurrences have been described from more than seven (7) districts.



# BURKINA FASO'S GEOLOGY & MINES

## FAVOURABLE GEOLOGY

### Regional geology map





# BURKINA FASO'S GEOLOGY & MINES

## FAVOURABLE GEOLOGY

### Deposits and occurrences map





# BURKINA FASO'S GEOLOGY & MINES

## MINING COUNTRY SINCE 2008

### Mines in operation

Currently eleven (6) mining companies hold nine (11) industrial gold mines in production, and one holds an industrial zinc mine:

- **The Essakane gold mine** : owned at 90% and operated by Iamgold from Canada, it had an initial three millions five hundred thousand ounces (3 500 000 ounces) reserves Essakane gold mine.

**In commercial production since July 2010, more than three million ounces (>3,000,000 oz Au) have been mined to end of 2019, with three hundred sixty eight thousand ounces (368,000 oz) produced in 2019. As at 31 December 2019, the total indicated resources are 150,693,000t @1g/t Au (4,688,000 oz Au) including 124,713,000t@1g/t Au (3,805,000 oz Au) probable reserves. Total inferred resources are 12,586,000t@1.1g/t (446,000 oz Au).**



## BURKINA FASO'S GEOLOGY & MINES

- **The Taparko/Bouroum gold mine:** with an initial eight hundred and forty five thousand ounces (1 130 000 Oz) reserves, Taparko open pit gold mine was launched in late 2007 by “Société des Mines de Taparko” (at that time, owned at 90% and operated by Canada-based High river gold mines).

Nordgold (Russia-based) acquired control over Taparko mine in August 2008. The mine is now owned at 90% by Nordgold, but operated by its subsidiary High River Gold. The remaining 10% belongs to the Government of Burkina Faso.

**As at end of 2017, the total measured & indicated resources were 11,420,000t@2.45g/t Au (904,000 oz Au); for proven and probable reserves of 5,900,000t@2.55 g/t Au (483,000 oz Au).**

The total inferred resources were 2,063,000t@3.28g/t (218,000 oz Au).

- **Bissa Gold mine (owned by Nordgold)** was launched in January 2013, and fully paid back the investment within 21 months after the launch.

**As at 31<sup>st</sup> December 2017, 55,938,000t@1.42g/t (2,550,000 oz) measured & indicated resources, including 43,768,000t@1.40g/t Au (1,972,000 oz Au) proven & probable reserves; at Bissa**



## BURKINA FASO'S GEOLOGY & MINES

Bouly : Nordgold expanded its flagship Bissa mine with the launch of a heap leach operation at the nearby Bouly deposit in September 2016.

**The average annual production is approximately 120 koz over a life of mine of 10 years.**

**As at 31st December 2017, 206,940,000t@0.55g/t Au (3,653,000 oz Au) measured & indicated resources, including 101,379,000t@0.52g/t Au (1,696,000 oz Au) proven & probable reserves; at Bouly.**

➤ **The Mana mine:** it had an initial one million one hundred thirty thousands ounces ounces (1.13 M oz Au) reserves.

The Mana open pit then underground mine was launched in 2008, and was owned by “Société d'Exploitation des Mines d'Afrique de l'Ouest” (SEMAFO from Canada).

Endeavour Mining acquired SEMAFO July 1, 2020, and consequently owns the Mana mine (at 90%) since.

**As at 31<sup>st</sup> December 2019, 57,700,000 t@2.23g/t Au (4,139,000 oz Au) measured & indicated resources, including 15,000,000 tonnes @ 2.91 g/t Au (1,407,000 oz Au) proven & probable reserves.**

# BURKINA FASO'S GEOLOGY & MINES



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➤ **The Bounou gold mine:** it had an initial one million two hundred eighty thousands ounces ounces (1.28 M oz) reserves.

The Bounou open pit mine was launched in June 2018, and was owned by “Société d’Exploitation des Mines d’Afrique de l’Ouest” (SEMAFO from Canada).

Endeavour Mining acquired SEMAFO July 1, 2020, and consequently owns the Mana mine (at 90%) since.

**As at 31<sup>st</sup> December 2019, 13,000,000 t@4.06g/t Au (1,699,000 oz Au) measured & indicated resources, including 9,200,000t@3.76g/t Au (1,109,000 oz Au).**

➤ **The Karma open gold mine:** it had an initial of 33.2 Mt @ 0.89g/t Au for 0.9Moz Au reserves and 5,000,000 oz Au total resources; for a 8.5 years life of mine.

The open pit mine was launched in April 2016 by True Gold.

In mid-2016, Endeavour mining acquired True Gold and its Karma mine that it since owns at 90%.

As of 31st December 2019, 52,600,000t@1.21g/t Au (2,042,000 oz Au) measured & indicated resources, including 9,200,000t@0.99g/t Au (293,000 oz Au) proven & probable reserves.



## BURKINA FASO'S GEOLOGY & MINES

- **The Houndé gold mine** : it was launched by Houndé Operations (90% owned by Endeavour Mining) in October 2017; with an initial 29,410,000t@1.98g/t Au (1,874,000 oz Au) measured & indicated resources, including 24,640,000t@1.95g/t Au (1,550,000 oz Au).

**As at 31st December 2019, 60,400,000t@2.01g/t Au (3,893,000 oz Au) measured & indicated resources, including 32,600,000t@2.06g/t Au (2,164,000 oz Au) proven & probable reserves.**

- **The Yaramoko gold mine:** owned by Canada-based Roxgold, with an initial 759,000 oz Au ( 1,996,000 t@11.83g/t Au) proven and probable reserves, the underground gold mine was launched in June 2016 for a mine life of seven point 4 (7.4) years mine of live.

**As at 31st December 2018, 2,122,000t@12.13g/t Au (827,000 oz Au) measured & indicated resources, including 2,484,000t@8.24g/t Au (658,000 oz Au).**



## BURKINA FASO'S GEOLOGY & MINES

- **The Niaka-Nogbéle gold mine:** : the open pit mine was launched by Wahgnion Gold Operations (90% owned by Canada-based Teranga gold corporation) in November 2019; with an initial 31,100,000t@1.61g/t Au (1,610,000 oz Au) proven & probable reserves.

**As at 31st December 2019, 49,620,000t@1.49g/t Au (2,370,000 oz Au) measured & indicated resources, including 30,320,000t@1.59g/t Au (1,550,000 oz Au) proven & probable reserves.**

- **The Sanbrado gold mine:** open pit mine that was launched by Sanbrado Gold Operations (90% owned by Australia-based West Africa Resources Ltd) in March 2020; with an initial 21,600,000t@2.4g/t Au (1,650,000 oz Au) for 10 years.
- **The Youga gold mine:** It was launched in 2008 by Burkina Mining Company (90% owned Canada-based Endeavour Mining); with an initial eight hundred thousands ounces gold (800 000 oz Au ) reserves.



## BURKINA FASO'S GEOLOGY & MINES

In February 2016 the mine was acquired by Avesoro Holdings (a Turkey-based company).

**As of 31<sup>st</sup> December 2017, 16,640,000t@1.73gt Au (924,200 oz Au) measured & indicated resources,, including 11,200,000t@1.84g/t Au (660,100 oz Au).**

➤ **The Perkoa Zinc mine:** this underground mine was launched in 2013 by Nantou mining (owned by Glencore Strata from Switzerland); with an initial hundred and ten thousands of Zinc (910 000 t Zn).

Trevali Mining Corporation acquired the mine from Glencore in August 2017.

As at 31<sup>st</sup> December 2019, the total measured & indicated resources were 4,400,000 t@12.64% Zn (556,160t Zn), including 2,060,000t@12.80% Zn (263,680t Zn).



# BURKINA FASO'S GEOLOGY & MINES

## MINING COUNTRY SINCE 2008

### Some West Africa's Mines & Deposits



06/11/2020



# BURKINA FASO'S GEOLOGY & MINES

## MINING COUNTRY SINCE 2008

Some West Africa's Mines & Deposits





# BURKINA FASO'S GEOLOGY & MINES

## MINING COUNTRY SINCE 2008

### ❑ Advanced projects

Interesting resourceful advanced gold projects, in the country.

### ❑ Brownfield Projects

Prospective gold projects in resourceful gold belts and near existing mines, through the country

### ❑ Other advantages

- **Burkina Faso is still not totally explored;**
- **Potential for gold not completely known and underestimated;**
- **Investment for exploration for gold is relatively low;**
- **Investment is much lower or inexistent for the other commodities like base metals and uranium.**

# BURKINA FASO's GEOGRAPHY & INFRASTRUCTURES

## GEOGRAPHY

- **Country located in the heart of West Africa;** bordered by Ghana, Mali, Ivory Coast, Niger, Togo and Benin;
- Major part of the the country consists of gently rolling low laterite plateaous, some times with hardpans, and lowlands **relatively good accessibility to exploration and mining areas;**
- **A short rainy season** from July to October.

## INFRASTRUCTURES

- Asphalt roads from Ougadougou towards **exploration and mining areas.**
- In the Energy sector, a reform is in implementation with the objective to improve the energetic cover of the country;
- An Electrification Development Funds **for an electricity access rate of sixty per cent (60%) in 2015** versus barely twenty per cent (20%) in 2008;
- Project including renewable energy promotion.



# BURKINA FASO'S INVESTMENT ADVANTAGES

## ❑ GOLD POTENTIAL

- **Second best potential (after Ghana), in West Africa, regarding unexploited gold deposits; with thirty four millions ounces (34 M Oz Au) resources;**
- **One of the best Best Practices Mineral Potential Index (65%) in Africa (Fraser Institut 2019 annual survey).**

## ❑ MINING POLICY

- **One of the best Policy Perception Index (55.48%) in (Fraser Institut 2019 annual survey).**

## ❑ FISCALITY

- **Competitive fiscality.**

## ❑ INVESTMENT ATTRACTIVENESS INDEX

- **4th of the surveyed Africa countries (61.19%) (Fraser Institut 2019 Survey)**



## CONCLUSION

- ❑ Safe and very hospitable country opened to foreign investment
- ❑ Very strong mining potential advantages
- ❑ Strong fiscality advantages
- ❑ A country to invest in the mining sector
- ❑ BEGIMINE offer services for investing into the West Africa's mining sector
- ❑ BEGIMINE as a portfolio of brownfield exploration projects to propose for Joint-Ventures



## **INVEST IN THE BURKINA FASO's MINING SECTOR**



**THANK YOU FOR YOUR INTEREST**



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