



2015 Minerals Yearbook

THE GAMBIA [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF THE GAMBIA

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The Gambia, with a total area of 11,300 square kilometers, was the smallest country on the mainland of Africa and was completely surrounded by the country of Senegal, excluding its coastline with the Atlantic Ocean. The country's real gross domestic product (GDP) increased by 4.4% in 2015 after decreasing by 0.2% in 2014. Mining did not play a significant role in The Gambia's economy. Mineral output was limited to the production of industrial minerals, such as clay, ilmenite, laterite, silica sand, and zircon, and the information available was not adequate to make reliable estimates of output (U.S. Central Intelligence Agency, 2014; International Monetary Fund, 2016).

In 2008, the Government seized the assets and revoked the mining licenses for the heavy-mineral-sand (ilmenite, rutile, and zircon) mines located near the towns of Batukunku and Sanyang. These mines were owned by Carnegie Minerals (Gambia) Ltd., which was a wholly owned subsidiary of Astron Ltd. of China. The Government alleged that Carnegie Minerals had commercially exploited minerals outside of the mining license. Carnegie Minerals filed for arbitration with the International Centre for Settlement of Investment Disputes (ICSID) and, in September 2014, the ICSID ruled in favor of Carnegie Minerals. In July 2015, the ICSID awarded almost \$23 million to Astron, which included \$18.6 million in damages for breach of contract. In November, the Government of The Gambia filed a petition with the ICSID for an annulment of the award (Astron Ltd., 2015, p. ii; International Centre for Settlement of Investment Disputes, 2015; Roskill Information Services, 2015; Sharp, 2015).

The Gambia did not produce petroleum and depended upon imports to meet its domestic energy requirements. Despite declining oil prices, offshore exploration continued in The Gambia. To diversify risk, United Kingdom-based African Petroleum Corp. Ltd. was in the process of farming-out shares of its licenses for Blocks A1 and A4. In May, Erin Energy Corp. (formerly CAMAC Energy Inc.) of Texas (United States)

was granted a 2-year extension on its exploration permits for Blocks A2 and A5; the exploration permits would now expire in December 2018. Three-dimensional seismic work was expected to be completed and available in the third quarter of 2016 (African Petroleum Corp. Ltd., 2015; Erin Energy Corp., 2016, p. 7, 48).

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