



PARLIAMENT OF SIERRA LEONE

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PRESS RELEASE



MINES COMMITTEE ENGAGES SIERRA RUTILE COMPANY

The Parliamentary Oversight Committee on Mines and Mineral Resources chaired by the Acting Chairperson Hon. Bintu Fatmata Bockarie on Wednesday, 10/07/2024 engaged Sierra Rutile Mining Company in its mining site and Community Development Committee (CDC) Management in Moyamb/Bonthe District respectively.

In her opening statement, the Acting Chairperson explained the Constitutional mandate of the Committee and asked the company to frankly share their successes and challenges during the discussion.

Chairing the meeting, Hon. Musa Fofana stressed on collaborative relationship among the company, host communities and the Government, adding that win-win objective for any investors is very essential. He recalled the approval of the company's agreement and used the opportunity to ask the management to work with host MPs and Parliament.

The MP narrowed his statement down on the critical nature of the Medium Term National Development Plan and how the company was implementing the aforesaid, in light of complementing Government efforts. While recalling the support of the host MP, he lauded the company's efforts for employment and resumption of operation after shut down for few months.

The Acting Chair asked the company's management to liaise with Parliament in term of support and collaborative relationship and went on to express the Committee's fear of potential redundancy in the near future.

In his welcome address, the CEO of Sierra Rutile Limited, Theuns Debruyne explained and recalled what the company was going through including financial challenges (lack of profit maximization) and its repercussion on the company's operation. He informed the Committee about their encounter with shareholders. "We went into suspension and intended to sell shares" he maintained. He went on to explain their series of efforts to maintain the mining operation including their demand for USD40M to mine the current operational area which could only be made available by a shareholder he referred to as Gemcorp. He told the Committee that they need over USD 300 for the Sembehun Project, which he said will be mined for 14 years with possibility of operational extension.

The CEO explained that the Management responded positively to address the recent fatality involving one of the company's employees who died on the 18th June, 2024.

Continuing, the CEO strongly informed the MPs that, if the 3rd Amendment Agreement is not reviewed and approved by Parliament, Sierra Rutile operations would be closed and workers would be automatically laid off, and went on to note that, they are currently envisaging shock in the product market of rutile.

It was disclosed that, if the agreement is not maintained or amended it would affect production and if approved it will be a win win situation.

Failure to approve the agreement the Committee noted would be a big loss and would cause the company to cease production for three years.

It was also discovered that the company's social investments are predicated on three pillars, including agricultural support, livelihood and educational support. There was also a list of statutory payments including agricultural development funds, surface rent to the community development committee which is in the sum of USD100,000 every year. The Community Relations and Social Development Manager, Osman Lahai also said that 15 schools have been built in communities affected by the company's operations over the past years and that supports to university such as Njala and other technical institutes in the community have also been forthcoming, including the Ruby Rose Resource Center and Jackson and Devon Anderson Technical Institute. He mentioned school feeding and scholarship payment as support to the government Free Quality Education initiative. He added that the company supported a USD50000 project to promote fish farming and other agricultural activities.

It was also discovered that the company promotes a strong local content policy drive and ensuring the replacement of expatriates with nationals. There was also a skill transfer from expatriate to locals. Non-skilled work is transferred to community stakeholders. The Committee observed that Sierra Rutile is leading in Government compliance including recent payment of twenty billion surface rent.

The Committee advised Sierra Rutile Management to work in collaboration with the political representation, in light of development and other related activities. It was revealed that, if the said agreement is not approved, three thousand out of five thousand people will lose jobs.

It was sadly observed that last year the company lost over twenty seven million US dollars amidst the company's difficulties at the moment they were doing well for their host communities.

Series of concerns were also raised including whether scholarship was awarded to private or public schools and yardstick to offering scholarship. Welfares of the management and staff Members were also raised.

Responding the company demonstrated evidence of beneficiaries of scholarship and that majority of the Scholarship Committee members were community stakeholders. The scholarship is complementing government efforts and supplements to educational support amounting to five thousand new Leone per school pupil and ten thousand Leone per university student.

It was also observed that most of the senior management staff members had succeeded expatriates and that the company currently has 2% expatriate.

Mano Mining, the management revealed, a Sierra Leonean local company was contacted by Sierra Rutile to mine one of its major deposits.

It was explained that the loss of last year was cushioned from the investment of proceeds they made in 2020 and the Company was advised to consider the 1% profit for CDA.

However, the Committee expressed deep concern over utilization of the Community Development Fund allocated to the CDC management and during the Committee visit it was discovered that the office was in bad condition.

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