Report from Sierra Leone The dismantling of – what would be – a national asset.

Sierra Leone saw much misery and destruction during the 1991-2002 rebel wars. Peace has returned. The country is being rebuilt, funded and supported by the UN, European Union and other international organizations. Before the wars, mining created much work for Sierra Leoneans and much revenue for the government. Now foreign companies are rebuilding mines that were destroyed (e.g. the Mokanji bauxite mine and the rutile mine nearby) and are developing new mines. Scrap dealing has also become big business.

The Sierra Leone Development Corporation (DELCO) operated the large Marampa iron ore mine from 1933 to 1975 and Austrominerals operated it from 1981 to 1985. To ship the ore, DELCO built an 85km mineral railway to Pepel on an inlet of the Atlantic. At Pepel it built storage and ship loading facilities. The railway was rebuilt in the early sixties and four Alco engines were acquired around that time (see <a href="http://www.derbysulzers.com/sierra%20leone.html">http://www.derbysulzers.com/sierra%20leone.html</a>). The installations at Pepel were also expanded. The railway, overgrown and forgotten, and Pepel Port, maintained by a small group of committed people and too isolated to suffer much in the wars, have been dormant for forty years and were until recently in surprisingly good condition. At Marampa, the mine infrastructure is gone.

From north-northwest to south-southeast through Sierra Leone runs a belt with rocks favourable to bauxite alteration. Bauxite is the source of aluminium. The Sierra Leone Ore and Metal Company (Sieromco) - a subsidiary of Alusuisse – mined the Mokanji deposit in the south from 1963 to 1994 when operations stopped because of rebel activities and the destruction of the mine infrastructure. Presently, further north, a Company explores the Port Loko bauxite deposit since December. Sieromco explored this deposit for about five years in the early seventies and had planned to mine the deposit after Mokanji. The recent exploration is largely done to validate the Sieromco work.

The Marampa-Pepel mineral railway crosses the Port Loko bauxite at its centre just west of Rogberi, 62km from Pepel. All work at the Port Loko bauxite deposit has been done with the railway in mind as the grade of the deposit is such that it most favourably can be mined economically if the railway and Pepel harbour installations can be used; preferentially, by leasing them from the government.

In April it was discovered that parts of the railway west of Rogberi had been removed. Culprits and a container with parts were apprehended but escaped. Sleepers and associated small parts had been removed over 10km. Patrolling of the railway was first done by Company employees and the last two months by police. Sleepers and other parts that had been removed from the rail track and that were stacked for shipment were collected for safekeeping.

The Company commissioned a feasibility study (ca. \$12,000) of the railway and had - for that purpose - the railway track cleared of vegetation between Rogbere and Pepel (ca. \$9,000 paid to villagers along the line). The feasibility study was favourable and showed that the Rogbere-Pepel line could be fixed in a relative short time and relative cheaply using retrieved parts and temporarily borrowing parts of the Rogberi-Marampa stretch for the destroyed 10km, (it would

take a long time before Marampa would operate again, if ever). Borrowed parts could be replaced when the Rogberi-Pepel part would be upgraded at a later stage. Preliminary results of the study were presented to the government two weeks ago.

## However.

Ten days ago, after a tip off, two trucks with containers were intercepted at Rogberi, a third one escaped. The containers contained sleepers and other parts that came from the Rogberi–Marampa stretch. An investigation showed that from the 17.5km Rogberi–Lunsar stretch, over 12.5km rails had been shifted and sleepers had been removed. Only a few of the missing sleepers were retrieved. The 6.5km Lunsar-Marampa stretch is still intact, although at the Marampa mine, scrap collection is in full swing. On two places, gas cylinders have been confiscated that were used to cut the 27m lengths of rail in pieces that can be shipped. Judged form vegetation re-growth, more than half of the 12.5km is from the last weeks, the other parts from earlier this year. The cutting is very recent.

The Company says that it is their policy to stop ongoing destruction and to salvage as much of what has been retrieved to ensure that the Rogberi-Pepel stretch, which is needed for bauxite transportation, can be repaired. It is clear that although the government owns the railway and harbour facilities, the Company has a vested interest in their existence. If the railway goes under, the Port Loko deposit might not become a mine. A mine that would generate much revenue for the government and that would generate work for 20 to 30 years for hundreds of people in an area where unemployment is close to 100%.

Police officers and government officials have visited parts of the railway and have been instrumental in efforts to halt the looting and to stop shipping railway parts abroad. The Company is supporting the police force in the Port Loko–Lunsar area with manpower and supplies.

The destruction in the last half-year appears to be systematic and well organized. In some countries destruction of public infrastructure is deemed "treason". People that have been involved refer to "Indians" who buy scrap metal from them. A simple calculation shows that removing sleepers over 22.5km must have involved the removal of about 34,000 sleepers to be shipped in about 115 containers! Only a few of those have been confiscated. Scans from containers that had been cleared at the Freetown harbour show clearly railway parts, although two years ago a law was passed to make shipping of railway parts illegal.

Local people have been supplied with professional tools to do the work. It is obvious that they are not the main culprits, they want to make a living and often don't know the difference between real scrap and what is still valuable. However, the people involved in transport and shipping abroad know better and do their best to hide their activities. It was reported that recently also more became known about very unhelpful activities of people who should have known better and who might have compromised their office.

Scrap dealing is essentially the scavenging of leftovers and does not contribute much to the improvement of a country. Scrap dealers are not really and truly investors. Scrap generates

temporarily some revenue for the country, it are the dealers and some involved with them that benefit most.

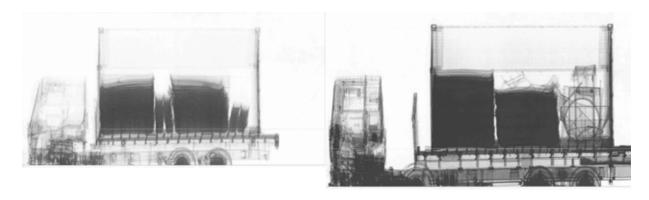
Another unhelpful issue with respect to the railway, harbour and bauxite mining:

A company related to the Indian Mittal Group (of which another related company has been involved with Irish Steel) had for a long time and might still have representatives in Sierra Leone. This company, which has no direct interest in the bauxite deposit, tried in an underhand way to get control of the Marampa-Pepel railway and Pepel Port, and might for all I know still be trying. Although a favourable feasibility study has already been done, that company seems to want to do another one. Of course, the following is purely conjecture. One can imagine a scenario in which the rehabilitation of the railway is deemed uneconomical. After the railway is gone, Pepel Port – which exists by the grace of the railway - would be the next target. However, a fact is that there are massive amounts of steel at Pepel that without the railway and without a bauxite mine to support the railway would indeed be "scrap", then mostly for the benefit of scrap dealers and their associates.

It is not too late yet. But only with a concerted effort enough can be salvaged to repair the damage. Otherwise soon it will be too late.



Trucks and containers in Freetown harbour, September 2005:

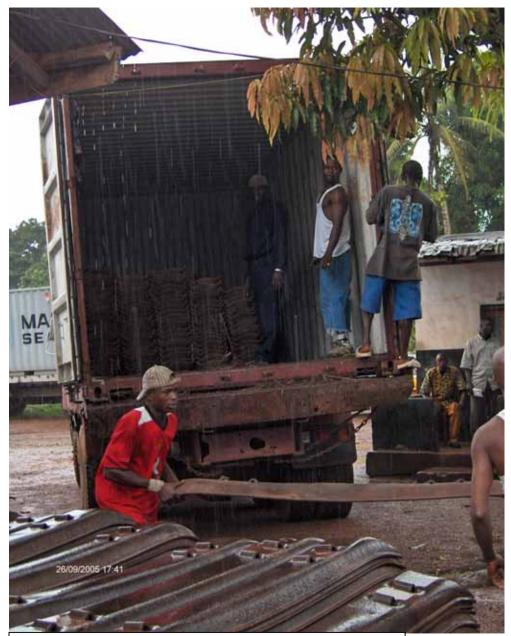




Trucks impounded at Port Loko Police Station - 26 September 2005 (a 3<sup>rd</sup> truck escaped):



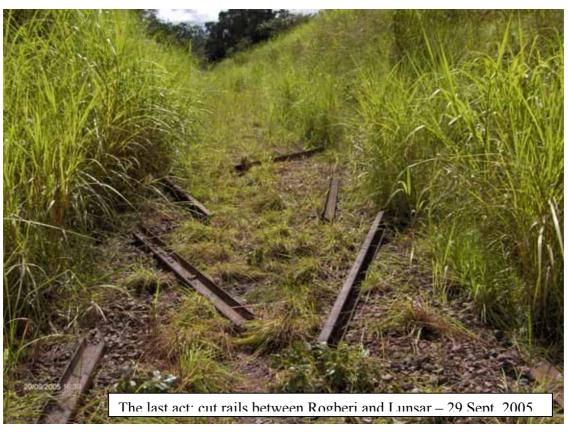






Unloading sleepers at Port Loko Police Station. – 26 Sept. 2005. Wood was used to cover and hide the sleepers.





## Scenes from Pepel:

