Early Warning System

IFC-40101

Sierra Rutile 2

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Quick Facts

Countries	Sierra Leone
Specific Location	Bonthe and Moyamba districts
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Voting Date	2019-04-25
Borrower	SIERRA RUTILE LIMITED
Sectors	Mining, Technical Cooperation
Investment Type(s)	Equity
Investment Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 450.00 million

Project Description

Accoording to IFC project disclosure information, the project entails the expansion of Sierra Rutile Limited (“SRL”), a mineral sands mining operation with a 50-year history producing high quality rutile and smaller quantities of ilmenite and zircon. The expansion is expected to increase production from current levels of about 150,000 tons per annum up to 300,000 tons per annum and extend the life of SRL’s operations by ~20 years. The expansion encompasses a staged approach to several projects, including expansions at the existing operations of Lanti Dry and Gangama (already underway, with commissioning planned in mid-2019), as well as a potential new mining development at the Sembehun group of deposits.

SRL has historically implemented social and economic development programs in support of its host communities. IFC will work with SRL, building upon IFC’s experience with other mining operations and SRL’s experience in the local community to enhance SRL’s impact on local community development, improve company-community dialogue, and develop SRL’s local supply chain. IFC will also launch a sector-level dialogue on the role of mining in Sierra Leone’s economic development and explore opportunities to enhance local benefits from Sierra Leone’s mining sector for local stakeholders.

SRL’s existing operations are located in the Bonthe and Moyamba districts, south west Sierra Leone. The Sembehun group of deposits are located 20 to 30 kilometers north-west of the existing operations.

Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated at approximately US$450 million over the next 5 years, subject to ongoing studies. IFC’s proposed investment is US$60 million to acquire a 10% equity stake in SRL.

Private Actors Description

Iluka Resources Limited (“Iluka”) is the project sponsor and 100% shareholder of Sierra Rutile Limited. Iluka is an international mineral sands company with over 60 years of experience in exploration, development, mining, processing, marketing and rehabilitation. The company is headquartered in Perth, Western Australia, and listed on the Australian Stock Exchange (ASX: ILU). Iluka acquired SRL in December 2016.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Iluka Resources Limited	Parent Company	-
-	-	-	-	Sierra Rutile Limited	Client	-

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Environmental & Social Review Summary

Media

- Awoko - Sierra Leone New: Sierra Rutile Ltd responds to complaints from Foinda