Early Warning System

IFC-34785

New Liberty Gold Project

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Quick Facts

Countries	Liberia
Specific Location	Grand Cape Mount County
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	A
Voting Date	2014-07-17
Borrower	Bea Mountain Mining Corporation
Sectors	Construction, Mining
Investment Type(s)	Equity
Investment Amount (USD)	$ 19.17 million
Project Cost (USD)	$ 136.00 million

Project Description

The New Liberty Gold Project entails the construction of a greenfield open pit gold mine located in the Grand Cape Mount County of northwest Liberia. The current Life of Mine (“LoM”) is estimated to be eight years with an average gold production rate of 110,000 ounces per year. It is possible that the LoM would be extended through further exploration within and around the New Liberty deposit. The Project has as a Measured & Indicated resource of 9.8 million tonnes at 3.63g/t for 1.14Moz of gold and Inferred resources of 5.7 million tonnes at 3.2g/t containing 0.59Moz of gold. Initial capex for the construction of the mine is estimated at US$136 million. Construction is currently underway and is expected to be completed by end of March 2015. The processing of the ore will use established conventional gravity and carbon-in-leach technology.

The New Liberty Mine project will comprise an open pit mining operation extracting ore at a nominal rate of 1.1 million tonnes per annum. The open pit will comprise two adjacent and interconnecting pits. Mining will be based on conventional drill-and-blast, load-and-haul techniques with both ore and waste rock being blasted and then loaded into 100 t trucks with hydraulic excavators. It is envisaged that 50 percent of the ore will report directly to the crusher tip and 50 percent to the ore pad. The New Liberty plant design is based on an industry-standard arrangement consisting of two-stage crushing, ore stockpiling, milling and classification, gravity and carbon-in-leach, cyanide detoxification, arsenic precipitation, tailings disposal, acid wash, elution, electrowinning and gold room, carbon regeneration, reagent preparation, storage and dosing, oxygen, air and water systems. The project infrastructure consists of the processing plant, tailings storage facility (TSF), waste rock storage, accommodation camp, workshop facilities, office facilities, power supply and a small creek diversion. Construction of the project is currently underway by a reputable EPCM contractor, DRA Mineral Projects (DRA) (an established global company with HQ in South Africa and operations in Botswana, Mozambique, Zimbabwe, DR Congo, Australia, India, China, Canada and Brazil) and its completion is expected at the end of March 2015.

The Project is located in a rural part of Grand Cape Mount County of Liberia, approximately 100 km northwest of the capital, Monrovia. Access to the Project is by 80 kilometers of tarred road from Monrovia to Daniel’s Town and then 20 kilometers of laterite road to the project site.

This is a Category A project because it is a large, complex project with correspondingly significant risks and impacts on the environment and the way of life of the impacted local communities. Key issues to address during the various phases of the Project include resettlement, pollution prevention, surface and ground water management, biodiversity management, cyanide and arsenic management, non-hazardous and hazardous waste management, community health and safety, security, labor, potential influx, strategic community development and stakeholder engagement.

Investment Description

- International Finance Corporation (IFC)

The total initial Project cost is estimated at US$136 million with US$77 million in deferred capex. This will be financed through a combination of equity and debt funding. The Company has secured debt funding commitments of US$100 million from some commercial banks. IFC’s proposed equity investment of C$12 million will support the construction of the Project. IFC will also receive warrants to subscribe to additional shares in the Company.

Private Actors Description

The Project sponsor is Avesoro Resources Inc. (previously called Aureus Mining Inc.), an AIM and TSX-Venture listed Canadian junior exploration company that operates in Liberia and Cameroon. Aureus was incorporated under the Canada Business Corporations Act on February 1, 2011. The focus of Aureus is the exploration and development of gold assets in West Africa, particularly the construction of the New Liberty Gold Mine in Liberia. Aureus owns the Project through its wholly owned Liberian subsidiary, Bea Mountain Mining Corporation.The Company was created from a split of African Aura Resources, a Canadian mineral exploration company, which had a portfolio of gold, iron and diamond projects in Liberia and Cameroon. The split created separate gold and iron ore exploration companies. All the gold assets of African Aura, including NLGP were transferred to Aureus. The Company has a share registry of institutional investors which includes: Blackrock (9.1%); JP Morgan Asset Management (7.6%); Blakeney (7.5%); Genesis (6.1%); Baker Steel (5.9%); and RBC Asset Management (5.7%).

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Avesoro Resources Inc.	Parent Company	-
-	-	-	-	Bea Mountain Mining Corporation	Client	-
-	-	-	-	DRA Mineral Projects	Contractor	-

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

Campaign Documents

- Bea Mountain Fined US$99,999 for Breaching Environmental Laws, Polluting Environment