

ACT

*Supplement to the Sierra Leone Gazette Vol. CXII, No. 27*  
*dated 7th May, 1981*

SIGNED this 6th day of May, 1981.

S. I. KOROMA,  
*Acting President.*

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1981

**Sierra Leone**

**The Bauxite Mineral Prospecting and Mining  
Supplementary Agreement 1980 (Special Provisions) Short title.  
(Ratification) Act, 1981**

[1st January, 1978] Date of commencement.

WHEREAS an agreement (hereinafter referred to as the Principal Agreement) was made on the 31st day of October, 1961 between the Minister of Lands, Mines and Labour acting for and on behalf of the Government of Sierra Leone (hereinafter referred to as "the

Government”) of the First part, the Sierra Leone Ore and Metal Company Limited, a company incorporated in Sierra Leone, whose registered office is at Ludgate House, Freetown (hereinafter referred to as “The Company”) of the Second part and Swiss Aluminium Limited then known and infact known up to 1963 as Aluminium Industries—Aktien-Gesellschaft (hereinafter referred to as “Alusuisse”) of the Third part.

Act No. 35 of 1962. AND WHEREAS the Principal Agreement was ratified and confirmed by an Act shortly entitled The Bauxite Mineral Prospecting and Mining Agreement (1961) (Ratification) Act, 1962. :

AND WHEREAS an Agreement (hereinafter referred to as “the Supplementary Agreement of 1976”) was made on 24th August 1976 between the Minister of Mines and Lands for and on behalf of the Government of Sierra Leone of the First Part and the Sierra Leone Ore and Metal Company Limited, a Company incorporated in Sierra Leone, whose registered office is at Ludgate House Freetown (hereinafter referred to as “The Company”) of the Second Part and Swiss Aluminium then known as Aluminium-Industrie—Aktien—Gesellschaft (hereinafter referred to as “Alusuisse”) of the Third Part.

Act No. 2 of 1977. AND WHEREAS the Supplementary Agreement of 1976 was ratified by an Act shortly entitled The Bauxite Mineral Prospecting and Mining Supplementary Agreement 1976 (Ratification) Act, 1977.

AND WHEREAS the Government, the Company and Alusuisse have agreed to make certain amendments and variations to the Principal Agreement:

AND WHEREAS the amendments and variations aforesaid are contained in an Agreement (hereinafter referred to as the “Supplementary Agreement of 1980”) made on the 18th day of March, 1980 between the Minister of Mines acting for and on behalf of the Government of the First Part, Mr. J. J. Comtesse acting for and on behalf of the Company of the second part and Dr. P. H. Mueller and Mr. J. L. Chevaillier acting for and on behalf of Alusuisse of the third part, which Agreement is set out in the Schedule hereto:

AND WHEREAS it is desirable that the Supplementary Agreement of 1980 should be ratified and confirmed:

BE IT THEREFORE ENACTED by the President and Members of Parliament in this present Parliament assembled, as follows:—

Commence-  
ment. 1. This Act shall be deemed to have come into operation on the 1st day of January, 1978.

2. The Agreement set out in the Schedule hereto is hereby ratified and confirmed and all rights and obligations purported to be confirmed or imposed hereby are declared valid any law to the contrary notwithstanding, and notwithstanding anything in any law contained, the Minister assigned with the responsibility for matters relating to Mines or any other person shall have power to do on behalf of the Government of Sierra Leone any act which the aforesaid Agreement may require or allow in the name of the said Minister or of the Government of Sierra Leone:

Provided, however, that, in the event of any conflict or inconsistency between the provisions of this Act and the provisions of the Principal Act, the provisions of this Act shall, to the extent of such conflict or inconsistency, prevail over the provisions of the Principal Act.

#### THE SCHEDULE

#### BAUXITE MINERAL PROSPECTING AND MINING SUPPLEMENTARY AGREEMENT, 1980 MEMORANDUM OF AGREEMENT

THIS AGREEMENT made the 18th day of MARCH One Thousand Nine Hundred and Eighty BETWEEN The Honourable FRANCIS STEPHEN CONTEH, Esquire, Minister of Mines, acting for and on behalf of the Government of the Republic of Sierra Leone (hereinafter referred to as "the Government") of the One Part and the Sierra Leone Ore and Metal Company Limited, a Company incorporated and existing under the laws of Sierra Leone whose registered Office is at Ludgate House Freetown (hereinafter referred to as "the Company") of the Second Part and Swiss Aluminium Limited, a Company incorporated and existing under the laws of Switzerland with its Head Office in Zurich, Switzerland (hereinafter referred to as "ALUSUISSE") of the Third Part.

#### WHEREAS

- (1) The Government, the Company and Alusuisse have conducted negotiations with a view to improving the terms of the existing Principal and Supplemental Agreements.
- (2) This Agreement is supplemental to the Bauxite Mineral Prospecting and Mining Agreement made the 31st day of October, 1961 between the Government, the Company and ALUSUISSE (at that time known as Aluminium-Industrie-Atkien-Gesellschaft (ALAG) which together with the Bauxite Mineral Prospecting and Mining Supplementary Agreement made the 24th day of August, 1976 except as hereinafter provided, shall remain in full force and effect.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. The Company shall continue to be a wholly owned subsidiary of Alusuisse for ten years with effect from 1st January, 1978 after which the Government may, at its option, acquire a controlling interest in the Company in accordance with its declared Mining Policy.

2. (1) With effect from 1st January, 1978, the total revenue payable to the Government in respect of bauxite produced and exported from Sierra Leone shall be a lump sum of Le2 (two leones) per metric ton of bauxite exported in lieu of Royalty, Mining Lease and Special Exclusive Prospecting Licence (SEPL) rents, Income Tax, Surtax, if any.

2. (2) The said lump sum of Le2 (two leones) per metric ton of bauxite exported is established on the basis of an Aluminium Metal price of US dollars 1,300.00 such Aluminium Metal Price being published twice weekly in the "Metal Bulletin", London (hereinafter referred to as "MBL"), under the headings "Non-ferrous primary metals" Aluminium virgin ingots world price, Canadian cif all main ports excluding USA, Canada and Latin America).

2. (3) The said lump sum of Le2 (two leones) per metric ton of bauxite exported shall be adjusted upward or downward on the 1st day of January each year for the respective calendar year (the first time on 1st January, 1980, for the calendar year 1980) in direct proportion to the change in the Aluminium Metal price considering the last publication of such Aluminium metal price in the MBL (or in any periodical that may at any time take the place of the MBL) in December of the preceding year. On 1st January, 1980 for example, the lump sum shall be adjusted for the calendar year 1980 according to the following formula:

Escalated lump sum:

$$1. 1. 1980-31. 12. 1980 = \frac{\text{Le2} \times X}{\text{US DLRS. 1,300.00}}$$

being the last Aluminium metal price in (US dollars) published in the MBL in December, 1979:

Provided that the payable lump sum shall at no time be less than Le2 (two leones) per metric ton of bauxite exported.

3. The Company shall in addition pay all normal customs charges e.g. duties, fees, dues, etc., on its direct imports providing that it shall not pay such customs charges on the following capital items essential for the development and extension of the Company's mining operations.

- (a) Drilling machines for prospection;
- (b) Mining equipment (dozers, excavators, graders, payloaders and scrapers);
- (c) Dumpers for transportation of bauxite ore;
- (d) Semi-Trailers and Tractors for semi-trailers;
- (e) Marine equipment (pushboats, barges and launches);

In addition it is agreed that all spare parts and tyres for the mining operation related to items (a) to (e) above are exempt from all such custom charges.

4. The Government in pursuance of its indigenisation policy shall be allowed to nominate suitably qualified Sierra Leoneans to the posts of Deputy General Manager, Deputy Chief Geologist and Deputy Chief Accountant for appointments by the Company.

5. The Company shall pay to the land owners through the District Officer an annual surface rent for all land occupied or used for the purposes enumerated in Section 35 (1) of the Minerals Act (Cap 196) at the rate of Le10 (ten leones) per acre per annum with effect from 1st January, 1978.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

FOR THE GOVERNMENT OF SIERRA LEONE.

(SIGNED) F. S. CONTEH  
SIGNED, SEALED AND DELIVERED by  
the said FRANCIS STEPHEN CONTEH,

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Minister of Mines, in the presence of:  
S. M. JONJO

SIMEON M. JONJO  
Permanent Secretary  
*Ministry of Mines*

FOR SIERRA LEONE ORE AND METAL COMPANY LIMITED.

(SIGNED) J. J. COMTESSE  
SIGNED, SEALED AND DELIVERED by  
the said J. J. COMTESSE

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in the presence of:  
P. A. PAUL

FOR SWISS ALUMINIUM LIMITED

(SIGNED) P. H. MUELLER and J. L. CHEVAILLIER

SIGNED, SEALED AND DELIVERED by

the said P. H. MUELLER and J. L. CHEVAILLIER

in the presence of:

P. A. PAUL

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Passed in Parliament this *6th* day of *April*, in the year of our Lord one thousand nine hundred and eighty-one.

J. W. E. DAVIES,  
*Clerk of Parliament.*

THIS PRINTED IMPRESSION has been carefully compared by me with the Bill which has passed Parliament and found by me to be a true and correctly printed copy of the said Bill.

J. W. E. DAVIES,  
*Clerk of Parliament.*