SLEITI
Extractive Industries
Transparency Initiative
Sierra Leone

SIERRA LEONE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (SLEITI)



EITI Summary Report 2020-21

13 May 2023

BDO

This report has been prepared at the request of the Multi-Stakeholder Group (MSG) in charge of the implementation of the Extractive Industries Transparency Initiative in Sierra Leone (SLEITI). The opinion expressed in the report are those of the Independent Administrator and the report has been approved by the SLEITI MSG. This report has been prepared exclusively for use by EITI Sierra Leone and must not be used by other parties, nor for any purposes other than those for which it is intended.

TABLE OF CONTENTS

INTRODUCTION 8
Extractive Industries Transparency Initiative (EITI) 8
EITI in Sierra Leone 9
Scope of Work 9
1. EXECUTIVE SUMMARY 10
1.1. Objective of the Report 10
1.2. Key Conclusions 10
1.3. Findings and Recommendations 18
2. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTORS 20
2.1. Mining Sector 20
2.2. Oil & Gas Sector 34
2.3. Beneficial Ownership 37
2.4. Collection and Distribution of the Extractive Revenues 39
3. ANALYSIS OF EITI DATA 41
3.1. Production 41
3.2. Exports 43
3.3. Analysis of Government revenues from Extractive Sector 44
3.4. Analysis of Sub-national Payments 56
3.5. Analysis of Social Payments 57
3.6. Analysis of Environmental Payments 59

LIST OF TABLES

Table 1: Breakdown of Extractive Revenues by Type of Payment (2020 and 2021) 11
Table 2: Growth of Total Value of Mining Production Between 2020 and 2021 12
Table 3: Growth of Total Value of Mining Exports Between 2020 and 2021 13
Table 4: List of in-scope Government Agencies (2020 and 2021)..... 14
Table 5: List of in-scope Companies (2020)..... 15
Table 6: List of in-scope Companies (2021)..... 15
Table 7: Details of Non-Compliant Companies 16
Table 8: Data Completeness and Assurance Compliance by mining company (2020) 17
Table 9: Data Completeness and Assurance Compliance by mining company (2021) 17
Table 10: List of Recommendations..... 18
Table 11: Institutional Framework 21
Table 12: revenue streams paid by mining companies..... 22
Table 13: Types of Licenses 24
Table 14: Licence allocation process 26
Table 15: Amount due of the Transfers to DACDF 29
Table 16: Production and Exports Data (2020 and 2021) 29
Table 17: Detailed Production and Exports Data (2020) 30
Table 18: Detailed Production and Exports Data (2021) 31
TABLE 19: TOP MINERALS (2020)..... 32
Table 20: Top Minerals (2021)..... 33
Table 21: Taxes payable by Oil and Gas Companies..... 35
Table 22: Oil and Gas Licences..... 36
Table 23: Oil and Gas Award Process 36
Table 24: Main Recommendations of the BO Report 38
Table 25: Details of Production Disclosed by In-scope Companies (2020) 41
Table 26: Details of Production Disclosed by In-scope Companies (2021) 42
Table 27: Details of Exports Disclosed by In-scope Companies (2020)..... 43
Table 28: Details of Exports Disclosed by In-scope Companies (2021)..... 44
Table 29: Breakdown of Extractive Revenues by Company (2020) 45
Table 30: Breakdown of Extractive Revenues by Company (2021) 46
Table 31: Breakdown of Extractive Revenues by Agency (2020)..... 47
Table 32: Breakdown of Extractive Revenues by Agency (2021)..... 48
Table 33: Breakdown of Extractive Revenues by Revenue Stream (2020) 49
Table 34: Breakdown of Extractive Revenues by Revenue Stream (2021) 50
Table 35: Breakdown of Extractive Revenues by Commodity (2020) 51
Table 36: Breakdown of Extractive Revenues by Commodity (2021) 52
Table 37: Breakdown of Extractive Revenues by District (2020) 53
Table 38: Breakdown of Extractive Revenues by District (2021) 54
Table 39: Breakdown of Extractive Revenues by Project (2020) 55
Table 40: Breakdown of Extractive Revenues by Project (2021) 56

Table 41: Breakdown of Surface Rent by Region (2020 and 2021) 56
Table 42: Breakdown of Surface Rent by Company (2020 and 2021) 57
Table 43: Breakdown of Social Payments by Company and Type of Payment (2020) 57
Table 44: Breakdown of Social Payments by Company and Type of Payment (2021) 58
Table 45: Breakdown of Environmental Payments by company and Type of Payment (2020) ... 59
Table 46: Breakdown of Environmental Payments by company and Type of Payment (2021) ... 59

LISTE OF FIGURES

Figure 1: Evolving normative framework (2003-2020) 8
Figure 2: Trend of The Extractive Revenues Between 2017 and 2021 (in USD million) 10
Figure 3: Breakdown of Extractive Revenues by Type of Payment (2020) 11
Figure 4: Breakdown of Extractive Revenues by Type of Payment (2021) 11
Figure 5: Growth of Total Value of Mining Production Between 2017 and 2021 (in USD million) 12
Figure 6: Growth of Total Value of Mining Exports Between 2017 and 2021 (in USD million) 13
Figure 7: Contribution of The Extractive Sectors to The Economy in 2020 14
Figure 8: Contribution of The Extractive Sectors to The Economy in 2021 14
Figure 9: Mining Revenue Collections Framework 24
Figure 10: Licensing process 27
Figure 11: Main Production (2020) 32
Figure 12: Main Exports (2020) 32
Figure 13: Main Production (2021) 33
Figure 14: Main Exports (2021) 33
Figure 15: Map of Onshore and Offshore Blocks in Sierra Leone 34
Figure 16: Breakdown of Extractive Revenues by Company (2020) 45
Figure 17: Breakdown of Extractive Revenues by Company (2021) 46
Figure 18: Breakdown of Extractive Revenues by Agency (2020) 47
Figure 19: Breakdown of Extractive Revenues by Agency (2021) 48
Figure 20: Breakdown of Extractive Revenues by Revenue Stream (2020) 49
Figure 21: Breakdown of Extractive Revenues by Revenue Stream (2021) 50
Figure 22: Breakdown of Extractive Revenues by Commodity (2020) 51
Figure 23: Breakdown of Extractive Revenues by Commodity (2021) 52
Figure 24: Breakdown of Extractive Revenues by District (2020) 53
Figure 25: Breakdown of Extractive Revenues by District (2021) 54
Figure 26: Breakdown of Extractive Revenues by Project (2020) 55
Figure 27: Breakdown of Extractive Revenues by Project (2021) 56
Figure 28: Breakdown of Social Payments by Company and Type of Payment (2020) 58
Figure 29: Breakdown of Social Payments by Company and Type of Payment (2021) 58

LIST OF ABBREVIATIONS

AML/CFT Act	Anti-Money Laundering and Combating of Financing of Terrorism Act
ASSL	Audit Service Sierra Leone
BO	Beneficial ownership
BSL	Bank of Sierra Leone
CAC	Corporate Affairs Commission
CAGR	Compound Annual Growth Rate
CGT	Capital Gains tax
CIT	Corporate Income Tax
DACDF	Diamond Area Community Development Fund
EIA	Environmental Impact Assessment
EIRA	Extractive Industries Revenue Act
EITI	Extractive Industries Transparency Initiative
EPA	Environmental Protection Agency
FIFA	First-in first-assessed
GDP	Gross Domestic Product
GoSL	Government of Sierra Leone
GPFS	General Purpose Financial Statements
GST	Goods and Services Tax
IOG	Innoson Oil and Gas
ITAS	Integrated Tax Administration System
J4P	Justice for the Poor
MCAS	Mining Cadastre Administration System
MCO	Mining Cadastre Office
MDAs	Ministries Department Agencies
MLA	Mining Lease Agreement
MLGCA	Ministry of Local Government and Community Affairs
MMA	Mines and Minerals Act
MMMR	Ministry of Mines & Mineral Resources
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MPs	Members of Parliament
MSG	Multi-Stakeholder Group
NMA	National Minerals Agency
NMJD	Network Movement for Justice and Development
NRA	National Revenue Authority
OCR	Optical character recognition
PAYE	Pay As You Earn
PD	Petroleum Directorate
PEPA	Petroleum Exploration and Production Act

INTRODUCTION

Extractive Industries Transparency Initiative (EITI)

Background

The Extractive Industries Transparency Initiative (EITI) is a global Standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debates, and enhance trust. In each implementing country, it is supported by a coalition of governments, companies operating in the extractive sector and civil society organisations working together. [1]

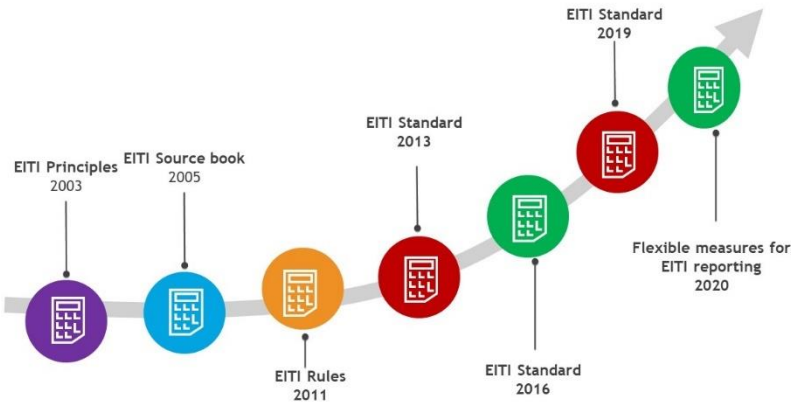
Evolving normative framework (2003-2020)

From 1 January 2020 onwards, EITI reports should be prepared based on the 2019 EITI Standard (here in after referred to as the "The EITI Standard"). This is the sixth version of the Standard since the EITI Principles were declared in 2003. Please see Figure 1 below.

The EITI Standard encourages countries to make use of existing reporting systems for EITI data collection and to make the results transparent at source. The 2019 EITI Standard introduced new aspects on environmental, social, and gender impacts. It also broke ground on the disclosure of the identity of the real owners – the 'beneficial owners' – of the companies that have obtained rights to extract oil, gas and minerals starting from 2020. The EITI Standard sets out the requirements which countries need to meet to be recognised, first as EITI Candidates and subsequently as EITI Compliant countries.

Recognising the ongoing challenges associated with the COVID-19 pandemic, the EITI Board has issued new measures to provide flexibility in EITI implementation and reporting scheduled for publication in 2021 and 2022.[2]

FIGURE 1: EVOLVING NORMATIVE FRAMEWORK (2003-2020)



[1] For more information on the EITI, please visit their website here.
[2] For more information on these measures, please see here.

EITI in Sierra Leone[3]

The Government of Sierra Leone (GoSL) first announced its intention to join the EITI programme in June 2006 to promote transparency and accountability in the management of its mineral resources. The country formed its first multi-stakeholder group (MSG), the Sierra Leone Extractive Industries Transparency Initiative (SLEITI) in June 2007. Sierra Leone became an EITI Candidate in February 2008, and it became a compliant country in 2014.

The SLEITI MSG was set up by a Memorandum of Understanding (MoU) dated 20th July 2011. The MoU is a tripartite agreement entered into by the GoSL, Civil Society Organisations jointly or severally, and mining companies operating in Sierra Leone in the Oil, Gas and mineral sectors and is collectively known as the MSG.

The **SLEITI** MSG is responsible for developing policies and programmes that align with the EITI Standard and reflect national priorities, oversee the EITI reporting process, approve work plans and effectively undertake outreach activities on necessary information that emanate from the EITI Process.

EITI Validation

In October 2022, The EITI Board concluded that Sierra Leone has achieved a high overall score (87.5 out of 100 points) in EITI implementation. Despite challenges related to COVID-19, the country has used the EITI to engage with host communities and drive reforms in the extractive sector.[4]

Scope of Work

This report summarises the eleventh EITI report for Sierra Leone which covers the period from 1 January 2020 to 31 December 2021.[5]

This Report includes three Sections as follows:

- Executive Summary;
- Contextual Information on the Extractive Sectors; and
- Analysis of EITI data.

The data reported has been disaggregated by individual project, by company, by government agency and by revenue stream. The amounts in this report are stated in Leones (here after referred to as "Le"), unless otherwise stated. For payments made in other currencies, reporting entities were required to report in the currency of payment. Payments made in USD have been converted to Le. The exchange rate used is in the General Purpose Financial Statements (GPFS) of the Consolidated Fund for the financial years ended 31 December 2020 and 31 December 2021. (2020: 1 USD = Le 10,133[6] / 2021: 1 USD = Le 10,800[7])

[3] For more information on EITI in Sierra Leone, see the website here.
[4] https://eiti.org/board-decision/2022-48
[5] The full EITI Report is available here.
[6] https://mof.gov.sl/wp-content/uploads/2021/04/Annual-Accunts-2020-Unaudited.pdf
[7] https://mofsl.gov.sl/wp-content/uploads/2022/04/Annual-Public-Accounts-202116-th-March-2022-18-3-22-Repaired-reviewed-signed.pdf

1. EXECUTIVE SUMMARY

1.1. Objective of the Report

This summary report presents the data provided by the extractive companies in comparison with the relevant data provided by Government Agencies for effective governance of the sector. The overall objective of this exercise is to assist the GoSL in identifying the positive contribution that mineral resources make to the economic and social development of the country and to realise their potential through improved resource governance that encompasses and fully implements the principles and criteria of the EITI.

1.2. Key Conclusions

This report summarises information about the revenues generated from the extractive industries in Sierra Leone during the years 2020 and 2021 as part of the EITI process. In this context, extractive companies and government agencies report payments, revenues and non-financial (contextual) information respectively.

a. Revenues Generated from the Extractive Sector

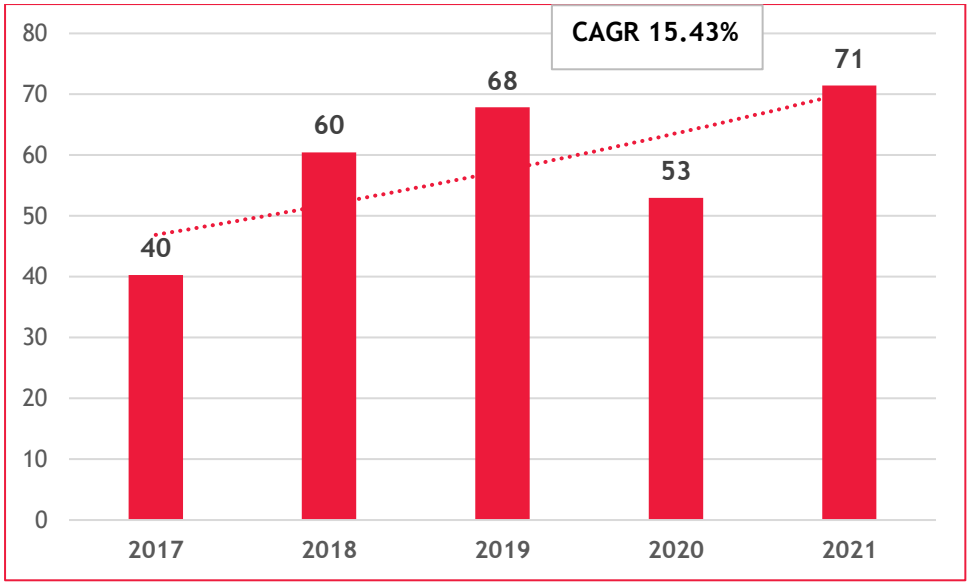
Based on the data collected from government agencies and extractive companies, the total revenues generated from the extractive sector in Sierra Leone (including social and environmental expenditure) amounted to **USD 53 million** and **71 million** respectively in 2020 and 2021, an increase of USD 18 million or 35%.

b. Review of the extractive revenues between 2017 and 2021

The average annual increase of the extractive revenues between 2017 and 2021 was 15%. Revenues dropped by 22% between 2020 and 2019 because of the Covid-19 pandemic. During 2021, the figures improved significantly compared with 2020 as mining activities had resumed almost as normal and the prices of most minerals had increased.

The Figure below shows the trend of the extractive revenues over five years (2017-2021).

FIGURE 2: TREND OF THE EXTRACTIVE REVENUES BETWEEN 2017 AND 2021 (IN USD MILLION)



c. Breakdown by type of revenue

The analysis of the extractive revenues by type indicates that tax revenues represented approximately **98% and 95%** of the total revenues collected in 2020 and 2021 respectively. Surface rent made by extractive companies to sub-national agencies accounted for less than **1%**. The table and Figures below present the contribution by type of revenue.

TABLE 1: BREAKDOWN OF EXTRACTIVE REVENUES BY TYPE OF PAYMENT (2020 AND 2021)

In USD	Disclosed by	2020	%	2021	%
Tax revenues from in-scope companies	Government agencies	47,405,666	89.26%	63,135,837	88.33%
Tax revenues from out-of-scope companies	Government agencies	3,914,855	7.37%	4,077,097	5.70%
Surface rent	Sub-national agencies	386,665	0.73%	500,752	0.70%
Total tax revenues		**51,707,186**	**97.36%**	**67,713,686**	**94.74%**
Social payments	Mining companies	1,320,365	2.49%	3,526,302	4.93%
Environmental payments	Mining companies	82,162	0.15%	236,396	0.33%
Total social and environmental payments		**1,402,527**	**2.64%**	**3,762,699**	**5.26%**
Total		**53,109,713**	**100.00%**	**71,476,384**	**100.00%**

FIGURE 3: BREAKDOWN OF EXTRACTIVE REVENUES BY TYPE OF PAYMENT (2020)

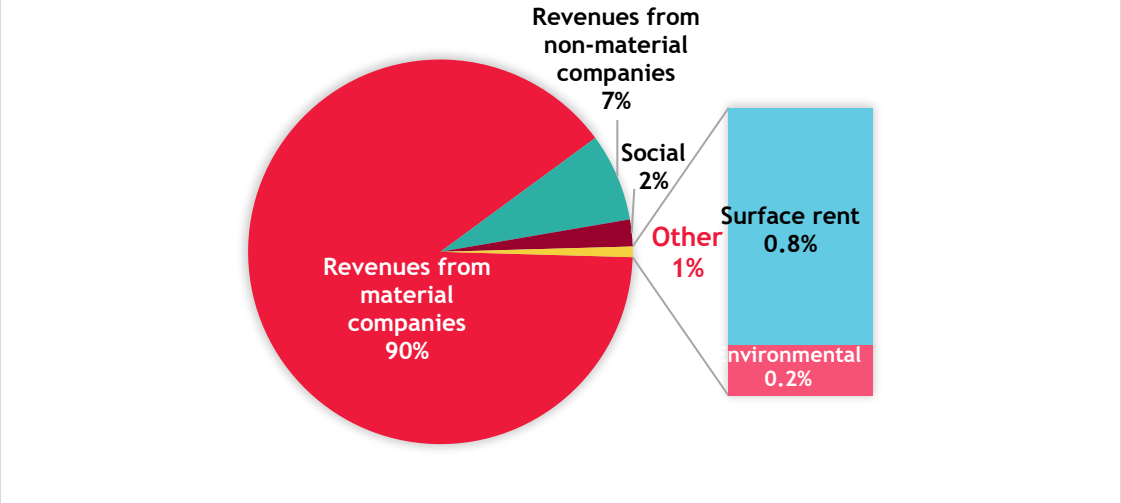
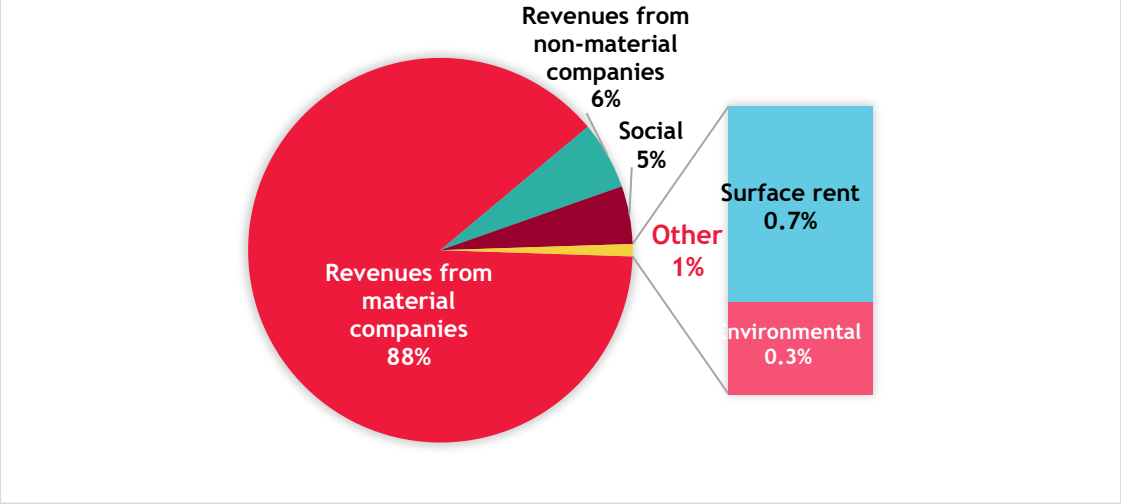


FIGURE 4: BREAKDOWN OF EXTRACTIVE REVENUES BY TYPE OF PAYMENT (2021)



d. Analysis of production data

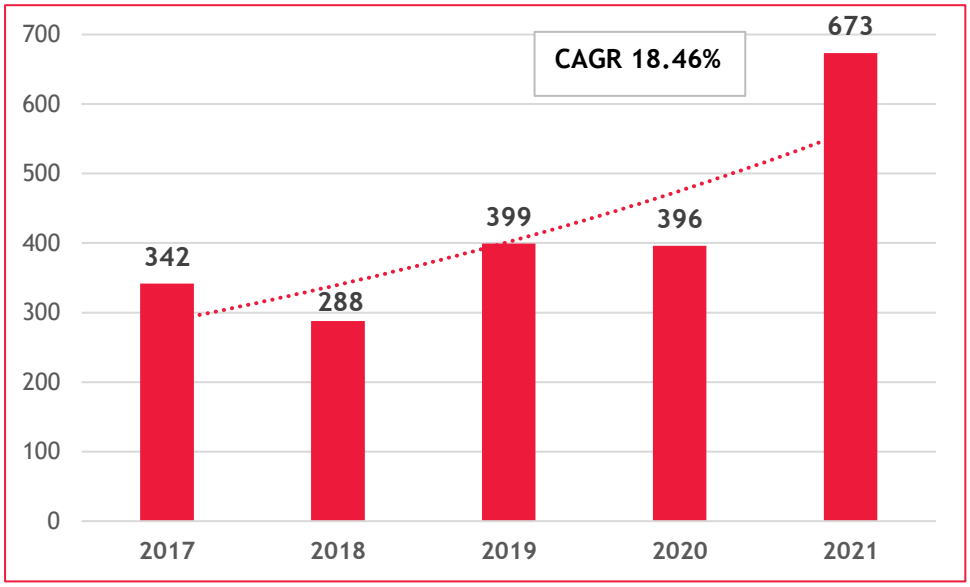
The mining production value has increased by more than 70% between 2021 and 2020 reaching **USD 673 million** in 2021. This was notably through iron ore Marampa Mines Limited produced in 2021 and the price increase of most minerals (for instance, Zircon's average price was USD 507 in 2020 Vs USD 1,486 in 2021). The table below shows the growth in production value by commodity.

TABLE 2: GROWTH OF TOTAL VALUE OF MINING PRODUCTION BETWEEN 2020 AND 2021

In USD Million	2020	2021	Variation	%
Iron Ore	0	154	154	-
Zircon	8	74	65	773%
Titanium Dioxide	9	48	39	430%
Rutile	142	160	17	12%
Gold	1	6	5	425%
Gold Concentrate	3	4	1	34%
Coltan	4	4	1	16%
Ilmenite	8	8	0.4	6%
Garnet	0	0	0	-
Bauxite	48	47	(1)	-2%
Diamond	173	169	(4)	-2%
Total	**396**	**673**	**277**	**70%**

Source: NMA

FIGURE 5: GROWTH OF TOTAL VALUE OF MINING PRODUCTION BETWEEN 2017 AND 2021 (IN USD MILLION)



e. Analysis of exports data

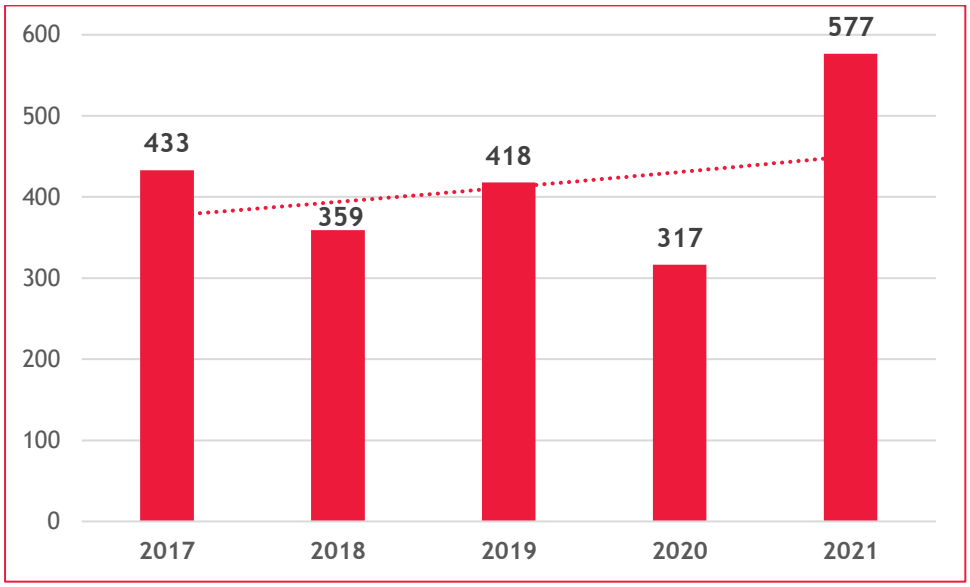
The mining export value has increased by more than 82% between 2021 and 2020 reaching **USD 577 million** in 2021. This was notably through iron ore Marampa Mines Limited exported in 2021 and the increase of diamond and rutile. The table below shows the evolution of the production value by commodity.

TABLE 3: GROWTH OF TOTAL VALUE OF MINING EXPORTS BETWEEN 2020 AND 2021

In USD Million	2020	2021	Variation	%
Iron Ore	0	151	151	-
Diamond	119	164	45	37%
Rutile	120	161	41	34%
Titanium Dioxide	2	17	15	606%
Zircon	11	17	6	49%
Bauxite	44	48	4	9%
Gold	3	5	2	62%
Gold Concentrate	3	4	1	34%
Coltan	4	4	1	16%
Garnet	1	0	(0.4)	-51%
Ilmenite	9	6	(3)	-34%
Total	**317**	**577**	**260**	**82%**

Source: NMA

FIGURE 6: GROWTH OF TOTAL VALUE OF MINING EXPORTS BETWEEN 2017 AND 2021 (IN USD MILLION)



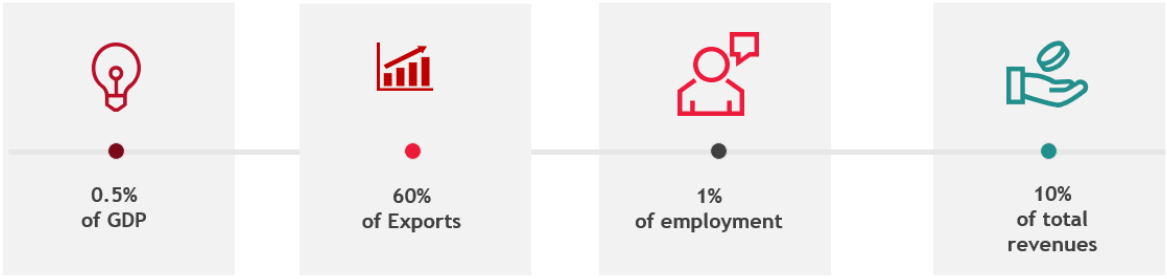
CAGR 7.42%

f. Contribution of the Extractive Sectors to the Economy in 2020-2021

The figures below show the contribution of the extractive sectors to the economy of Sierra Leone in 2020 and 2021.

2020

FIGURE 7: CONTRIBUTION OF THE EXTRACTIVE SECTORS TO THE ECONOMY IN 2020



2021

FIGURE 8: CONTRIBUTION OF THE EXTRACTIVE SECTORS TO THE ECONOMY IN 2021



g. Data completeness

Government Agencies

The SLEITI MSG agreed that ten (10) government agencies would be required to disclose the revenues received from extractive companies, contextual data related the exploration, production, exports, state participation, infrastructure provisions and barter agreements, environmental and social expenditure, and employment as required by the EITI Standard. The government agencies selected in the scope are presented in the table below.

TABLE 4: LIST OF IN-SCOPE GOVERNMENT AGENCIES (2020 AND 2021)

N°	Government Agency
1	National Revenue Authority (NRA)
2	National Minerals Agency (NMA)[8]
3	Ministry of Finance (MoF)
4	Ministry of Mines & Mineral Resources (MMMR)
5	Petroleum Directorate (PD)
6	Environmental Protection Agency (EPA)
7	Ministry of Local Government and Community Affairs (MLGCA)[9]
8	District Councils / City Councils
9	Chiefdom Administrations
10	Members of Parliament (MPs)

[8] Including the Directorate of Precious Minerals Trading.
[9] Formerly Ministry of Local Government and Rural Development (MLGRD).

All in-scope government agencies have submitted their Reporting Templates. Because of lack of time, the templates were not distributed to MPs. The figures provided in this report were then disclosed by companies.

Extractive companies

The SLEITI MSG agreed that mining companies that paid more than US$ 450,000 during the years 2020 and 2021 should disclose the following information:

- surface rental payments;
- legal ownership;
- beneficial ownership (BO);
- exploration;
- production;
- exports;
- state participation;
- infrastructure provisions and barter agreements;
- environmental and social expenditure; and
- employment statistics.

Based on the above, 11 and 17 mining companies have been selected in the scope respectively for 2020 and 2021 as shown in the following two tables.

2020

TABLE 5: LIST OF IN-SCOPE COMPANIES (2020)

N°	Company
1	Cheng Li Trading Mining
2	Dayu Mining Co
3	Kingho Mining Company Limited
4	Koidu Limited
5	Meya Mining Limited
6	Northern Mining Company Limited
7	Sierra Diamond Ltd
8	Sierra Mineral Holdings 1 Limited
9	Sierra Rutile Limited
10	Tonguma Ltd
11	Wongor Investments and Mining Corporation Limited

2021

TABLE 6: LIST OF IN-SCOPE COMPANIES (2021)

N°	Company
1	Cheng Li Trading Mining
2	Dayu Mining Co
3	FG Gold Ltd
4	KaSino Mining Company Limited
5	Kingho Mining Company Limited
6	Koidu Limited
7	Marampa Mines Limited
8	Meya Mining Limited
9	Pan African Rare Metal Mining Co
10	Seawright Mining Co
11	Sierra Diamond Limited
12	Sierra Mineral Holdings 1 Limited
13	Sierra Rutile Limited
14	Sierramin Bauxite (SL) Limited
15	Supreme Minerals Corp
16	Tonguma Limited
17	Wongor Investments and Mining Corporation Limited

All extractive companies selected in the scope for the 2020 year have submitted their Reporting Templates. However, there were two non-compliant companies for the 2021 year as shown in Table 7 below.

TABLE 7: DETAILS OF NON-COMPLIANT COMPANIES

N°	Non-compliant company	Details	Payments (USD)	% to the total
1	Supreme Minerals Corp	Request made on the 2nd January 2023 along with three chaser emails respectively on the 7th, 23rd of January and 14th March. The Ministry of Mines and Mineral Resources has also sent them a formal chaser letter.	317,042	0.47%
2	Sierramin Bauxite (SL) Limited	The GoSL cancelled its mining license in 2021.	60,605	0.09%
		Total	**377,647**	**0.56%**

Assessment of the comprehensiveness

Based on above, we can confirm that both financial and non-financial data included in the SLEITI report for 2020 and 2021 is **comprehensive**.

h. Data quality and assurance

Government Agencies

To comply with EITI Requirement 4.9 on Data quality and assurance, the SLEITI MSG agreed that the reporting templates for government agencies should be:

- co-signed by an authorised senior manager and the finance/tax officer; and
- certified by the Auditor General of Sierra Leone who should submit a report confirming that the figures and information reported in the government agencies' Reporting Templates are in accordance with instructions issued by SLEITI MSG, are comprehensive and agree with the government accounts for the FYs 2020 and 2021.

NMA,[10] NRA and EPA have submitted signed and certified reporting templates by ASSL.

Assessment of the data quality of government agencies

The assessment of the data quality of government agencies depends on the percentage (%) of contribution of the institutions that failed to submit signed and certified reporting templates to the total extractive revenues as indicated in the table below:

Reporting entities	Data	Less than 5%	Between 5% and less than 20%	20% and above
Government agencies	Financial and contextual data	High data quality	Medium data quality	Low data quality

As all Government agencies have submitted signed and certified reporting templates, we can conclude that the data disclosed by Government agencies was of high quality.

Extractive companies

[10] Excluding the production and export figures.

To comply with EITI Requirement 4.9 on Data quality and assurance, the SLEITI MSG agreed that reporting templates for the extractive companies should be:

- co-signed by an authorised senior manager and the finance/tax officer;
- certified by an external auditor who should confirm that the figures and information included in the RT are in accordance with instructions issued by SLEITI MSG, comprehensive and agree with the company's accounts for the FY 2020 and 2021; and
- accompanied by the company audited financial statements for the FYs 2020 and 2021 in order to compare the information reported in their reporting templates against those of the audited Financial Statements.

Assessment of the data quality of extractive companies

The assessment of the data quality of extractive companies depends on the percentage (%) of contribution of the companies that failed to submit signed and certified reporting templates and BO declaration forms to the total extractive revenues as indicated in the table below.

Reporting entities	Data	Less than 5%	Between 5% and less than 20%	20% and above
Extractive companies	Contextual data	High data quality	Medium data quality	Low data quality

The tables below provide the compliance status of each in-scope company for 2020 and 2021.

TABLE 8: DATA COMPLETENESS AND ASSURANCE COMPLIANCE BY MINING COMPANY (2020)

N°	Company	RTs (Excel)	BO declaration form	Legal ownership	RTs (Certified)	Audited Financial Statements	Status
1	Kingho Mining	Yes	Yes	Yes	Yes	No	Mostly compliant
2	Northern Mining	Yes	Yes	Yes	Yes	No	Mostly compliant
3	Wongor Invest. and Mining	Yes	Yes	Yes	Yes	No	Mostly compliant
4	Cheng Li Trading Mining	No	Yes	Yes	No	No	Partly compliant
5	Dayu Mining	Yes	Yes	Yes	Yes	Yes	Compliant
6	Koidu	Yes	Yes	Yes	Yes	Yes	Compliant
7	Meya Mining	Yes	Yes	Yes	Yes	Yes	Compliant
8	Sierra Diamonds (including Tonguma)	Yes	Yes	Yes	Yes	Yes	Compliant
9	Sierra Mineral Holdings 1	Yes	Yes	Yes	Yes	Yes	Compliant
10	Sierra Rutile	Yes	Yes	Yes	Yes	Yes	Compliant

TABLE 9: DATA COMPLETENESS AND ASSURANCE COMPLIANCE BY MINING COMPANY (2021)

N°	Company	RTs (Excel)	BO declaration form	Legal ownership	RTs (Certified)	Audited Financial Statements	Status
1	Sierramin Bauxite (SL)	No	No	No	No	No	Non-compliant
2	Supreme Minerals	No	No	No	No	No	Non-compliant
3	Seawright Mining	Yes	No	Yes	Yes	Yes	Mostly compliant
4	FG Gold	Yes	No	Yes	Yes	Yes	Mostly compliant
5	FG Gold	Yes	No	Yes	Yes	Yes	Mostly compliant
6	KaSino Mining Company	Yes	No	Yes	No	Yes	Mostly compliant

N°	Company	RTs (Excel)	BO declaration form	Legal ownership	RTs (Certified)	Audited Financial Statements	Status
7	Kingho Mining Company	Yes	Yes	Yes	Yes	No	Mostly compliant
8	Pan African Rare Metal Mining	Yes	Yes	Yes	Yes	No	Mostly compliant
9	Wongor Invest. and Mining	Yes	Yes	Yes	Yes	No	Mostly compliant
10	Cheng Li Trading	Yes	Yes	Yes	Yes	Yes	Compliant
11	Dayu Mining	Yes	Yes	Yes	Yes	Yes	Compliant
12	Koidu	Yes	Yes	Yes	Yes	Yes	Compliant
13	Marampa Mines	Yes	Yes	Yes	Yes	Yes	Compliant
14	Meya Mining	Yes	Yes	Yes	Yes	Yes	Compliant
15	Sierra Diamonds (including Tonguma)	Yes	Yes	Yes	Yes	Yes	Compliant
16	Sierra Mineral Holdings 1	Yes	Yes	Yes	Yes	Yes	Compliant
17	Sierra Rutile	Yes	Yes	Yes	Yes	Yes	Compliant

The contribution of the two non-compliant mining companies contributed 0.56% to the total Government extractive revenues, we can conclude the high quality of data reported by extractive companies.

Assessment of the overall data quality and assurance

The assessment the overall data quality and assurance of the SLEITI report for the years 2020 and 2021 is based on a combination between the assessment of data quality for both Government agencies and extractive companies as set out in the table below.

Reporting entities		Extractive companies		
		High data quality	Medium data Quality	Low data quality
Government Agencies	High data quality	High data quality	High data Quality	Medium data quality
	Medium data quality	Medium data quality	Medium data Quality	Low data quality
	Low data quality	Medium data quality	Low data Quality	Low data quality

Given the high quality of data reported by Government agencies and high quality of data reported by extractive companies, we can conclude the high quality of the overall data included in the SLEITI report for the years 2020 and 2021.

1.3. Findings and Recommendations

We have made three recommendations to improve the EITI implementation in Sierra Leone as well as the overall governance of the extractive sector and revenue management.

These recommendations are summarised in the following table:

TABLE 10: LIST OF RECOMMENDATIONS

Title	Responsible	Recommendation
Future EITI scope	SLEITI MSG	Discuss the possibility of extending the EITI scope by including all revenues collected from the forestry sector as well as any other relevant sector.
EITI Systematic disclosure	SLEITI MSG	Implement the recommendations suggested by the Feasibility Study, so that the concept of mainstreaming can gradually be embedded in the Sierra Leone context.

Title	Responsible	Recommendation
Production and export data	NMA and BSL	Harmonise their data on their sources of information to ensure data accuracy. This can only be achieved by setting up periodic task force meetings and agree on the data to be published. Any discrepancies should be fully investigated before the data is published by each government agency. Such exercise would also assist in the mainstreaming process.

These recommendations are detailed in Section 6.1 of the report.

Sections 6.2 and 6.3 of this report show the progress the SLEITI MSG made towards the implementation of the previous IA recommendations and the latest corrective actions respectively.

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13 May 2023

2. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTORS

2.1. Mining Sector

a. General context of the mining sector

Sierra Leone is rich in natural resources and is well known for its vast endowment in minerals which include diamonds, rutile, bauxite, gold, iron ore, limonite, platinum, chromite, coltan, tantalite, columbite and zircon. In the 1990s, the 11-year civil war funded with revenues from the minerals sector engulfed the country, resulting in the destruction of infrastructures and a severe contraction in the economy. The sector was also greatly affected by the dual shock of the drop in iron ore prices and the Ebola epidemic in 2014.

Apart from iron ore, the country has proven deposits of bauxite, chromite, diamonds, gold, platinum and rutile with several foreign operators already involved in most of these sub-sectors. All operators are being challenged by current adverse world supply and demand conditions, and it is highly likely that these conditions will persist for the foreseeable future.[11]

b. Legal Framework

The main legislation and regulations governing the mining activities in Sierra Leone are:

- The Mineral and Mines Act (MMA, 2009 Act): which provides details on how mining is to be conducted in Sierra Leone. It advocates the setting up of a modern cadastral system for issuing, registering and surveying mining operations. The Act provides that all rights of ownership and control of minerals in Sierra Leone including its continental shelf are vested in the State not withstanding any other ownership rights.
- The National Minerals Agency Act, 2012;
- The Extractive Industry Revenue Act 2018;
- The Mines and Minerals Operational Regulations of July 2013;
- The Diamond Cutting and Polishing Act;
- The Diamond Trading Act;
- The Environment Protection (Mines and Minerals) Regulations of July 2013;
- The Income Tax Act, 2000 as amended by the Finance Acts;
- The Customs Act 2011;
- The Sierra Leone Local Content Agency Act, 2016 [No. 3 of 2016];
- The Public Financial Management Act; and
- The Local Content Act.

c. Institutional Framework

The Ministry of Mines and Mineral Resources (MMMR) and the National Minerals Agency (NMA) are the main government agencies responsible for the promotion and control of exploration and mining activities in Sierra Leone. They are also responsible for the implementation and monitoring of government policies and the development of legislative and regulatory

[11] http://documents1.worldbank.org/curated/zh/272761511578835426/pdf/SIERRA-LEONE-PAD-11032017.pdf

provisions applicable to the mining sector. The key responsibilities of each government agency in the managing of the mining sector are summarised in the table below:

TABLE 11: INSTITUTIONAL FRAMEWORK

Entity	Functions
MMMR	**MMMR** is responsible for policy making in the extractive sector. It oversees the issuance of all mineral rights and the administration and supervision of all activities under these rights and administers regulations on mining and marketing of precious minerals through the Precious Mineral Trading. Further information is available on their website on: https://www.slminerals.org/
NMA	NMA was set up in 2012 by the National Minerals Agency Act 2012. Its mandate is the administration and regulation of the minerals sector. It is responsible for the day-to-day implementation of the Mines and Minerals Act (2009) and other mining acts and other relevant regulations. This includes responsibility for mineral rights management, collecting and disseminating geological information and regulating the trading of precious minerals. It provides fairer and more predictable implementation of laws and regulations, which will encourage investment in the minerals sector. NMA also works closely with other Government Agencies with responsibilities in the sector (such as the NRA and the EPA to support them in implementing those policy areas for which they are responsible and impact upon the minerals sector. Further information is available on their website on: https://www.nma.gov.sl/
Mining Cadastre Office (MCO)	MCO is responsible for the management of the Mining Cadastre Administration System (MCAS) including: • the processing of mineral rights applications, the issuance and administration of licenses and permits; • the maintenance of cadastral records, registers, and maps; and • the receipt and safe keeping of reports in a non-discretionary and transparent manner in accordance with the laws of Sierra Leone. All applications, requests, and communications regarding a mining license and documents required to maintain and manage a license should be addressed to MCO directly. This Unit sits within the Directorate of Mines at NMA's Headquarters. Further information is available on their website on: https://www.nma.gov.sl/mining-cadastre-office/
Environmental Protection Agency (EPA)	EPA was created following the Environmental Protection Agency Act (2008) as amended in 2022. Its objective is to create and enforce strict regulatory framework for environmental regulation in Sierra Leone. Its mandate is to coordinate, monitor and evaluate the implementation of national environmental policies, programmers, and projects, including issuing Environmental Impact Assessment (EIA) licenses. It also effectively protects and manages the environment by monitoring and regulation of companies with EIA licenses. Additionally, EPA investigates illegal operations that have an impact on the environment and advises the Minister of Environment and Climate Change on all environmental matters. Further information is available on their website on: https://epa.gov.sl/
National Revenue Authority (NRA)	NRA was set up by the National Revenue Act 2002 (Act No-11) in September 2002. It is responsible for assessing and collecting domestic taxes, customs duties and other revenues specified by law, as well as administering and enforcing laws related to these revenues. Further information is available on their website on: nra.gov.sl
Ministry of Local Government and Community Affairs (MLGCA)	The Ministry of Local Government and Community Affairs is responsible for local government, which comprises six urban councils (Freetown, Bo, Kenema, Makeni, Koidu and Bonthe) and 16 district councils under the Local Government Act 2004. In the third sphere of Government, there are chiefdom councils. Local authorities and chiefdom councils have revenue-raising powers, and they impose levy property taxes and license fees for mining activities in host communities. Further information is available on their website on: https://mlgrd.gov.sl/

Entity	Functions
Chiefdoms and District Councils	The paramount chiefs and ruling families in the chiefdoms have been recognised and empowered by Sierra Leone's British Colonial Administration. All Chiefdoms have been constituted into district councils. These sub-national Government Agencies receive surface rentals from mining companies.
Members of Parliament	Parliament oversees the activities of the extractive Sector in Sierra Leone. Members of Parliament who receive 10% surface rent from mining companies or more must disclose payments received from mining companies to the IA during data collection phase.
Minerals Advisory Board	The Minerals Advisory Board advises the Minister in the discharge of his statutory responsibilities under the Mines and Minerals Act. In fact, the act restricts the wide range of discretionary powers the minister had under the previous legislation which the average investor was hardly ever comfortable with. The Board is made up of fourteen (14) members including the Director of Mines as Secretary and the Director of Geological Survey as member. The local Chamber of Mines is well represented on the Board with others from the industry and together, presents an informed voice of the industry in its deliberation. The Secretary to the Board is a senior member of the Ministry of Mineral Resources. Composition of the Minerals Advisory Board: • Chairman; • Director of Mines (Secretary of the Minerals Advisory Board); • Director of Geological Survey; • Commissioner-General of National Revenue Authority; • Representative of Attorney-General and Minister of Justice; • Representative of the Ministry responsible for local government; • Representatives of the Ministry of Environment and Climate Change; • The Permanent Secretary of the Ministry of Mineral Resources; and • Two persons with considerable qualifications and experience in the mining industry.[12]

d. Tax regime

The tax regime in the mining sector is governed by:

- the Income Tax Act, 2000 as amended by subsequent Finance Acts (available here)
- the Mines and Mineral Act 2009 (available here); and
- the Extractive Industries Revenue Act (EIRA), 2018 (available here).

The main revenue streams paid by mining companies are: Corporate Income taxes, Royalties, Surface rentals and Mining license fees:

TABLE 12: REVENUE STREAMS PAID BY MINING COMPANIES

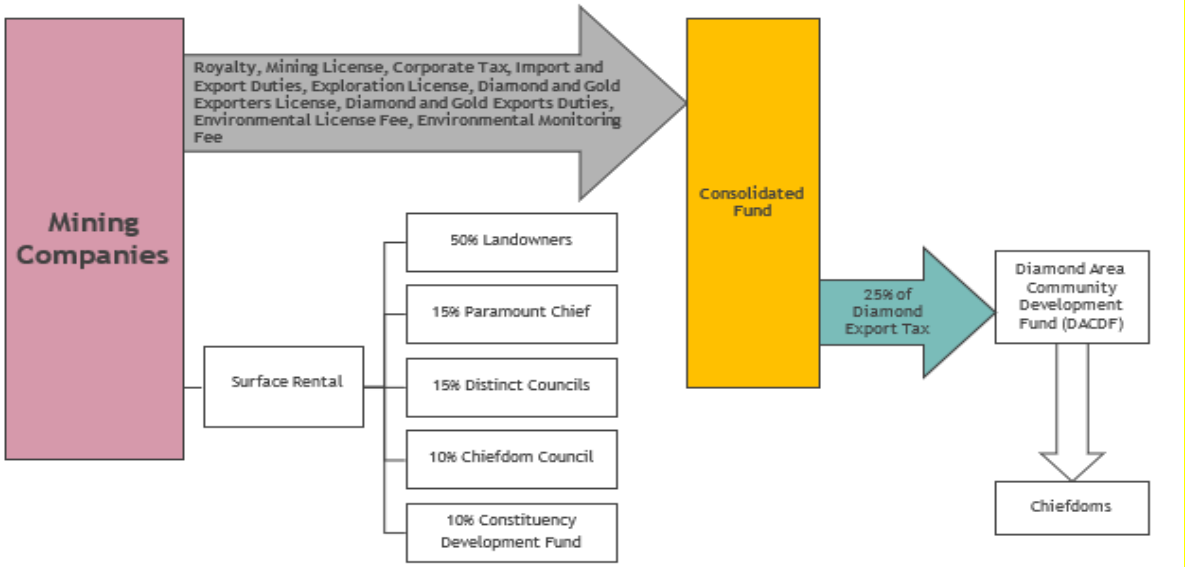
Tax	Description
Royalty	The EIRA 2018 sets out the rates of royalty as follows: For minerals other than by artisanal mining licenses: ▪ 8% for special stones; ▪ 6.5% for precious stones other than special stones; ▪ 5% for precious metals; and ▪ 3% in other cases, including bulk minerals. 3% for minerals obtained pursuant to an artisanal mining license. Samples of minerals obtained for purposes of assay, analysis or other examination or testing shall be exempt from royalties, but royalties shall apply if a sample is sold.

[12] https://www.slminerals.org/structure-of-the-ministry/

Tax	Description
Corporate Income Tax (CIT)	The CIT rate is 30% on profits. According to EIRA, the effective income tax rate for mineral operations is set at 30%.
Mining license fees	In accordance with section 152 of the MMA 2009, the annual charge in respect of mineral rights shall be payable to the Government by the holder of any mineral right. The annual charge payable pursuant shall be payable on the grant of a mineral right and thereafter annually on the anniversary of the grant until the termination of the mineral right.
Surface Rent	According to paragraph 34.A of the MMA (2009) land lease or other rights to use land obtained by the holder of a large-scale mining license, shall be subject to surface rent which shall be distributed as follows: ▪ 50% >> Landowners ▪ 15% >> District Council ▪ 15% >> Paramount Chiefs ▪ 10% >> Chiefdom Administration ▪ 10% >> Constituency Development Fund
Goods and Services Tax (GST)	The GST Act 2009 stipulates that a tax on the domestic consumption of imported and locally produced goods and/or services, is payable as a percentage of their value at the time they are imported, sold, exchanged, or delivered. 15% GST is applicable on most goods and services (including imports) supplied in Sierra Leone for local use or benefit.
Withholding of tax by employers	According to the Income Tax Act 2000 as amended by subsequent Finance Acts, an employer shall withhold tax from employment income as instructed by the Commissioner: (a) in the case of an employee who is resident or temporarily resident in Sierra Leone, at the rates prescribed in Part I of the First Schedule; or (b) in the case of an employee who is not resident in Sierra Leone at the rate prescribed in Part II of the Second Schedule.
Capital Gains tax (CGT)	CGT is a tax on gains, the profit realised on the sale of a non-inventory assets that was purchased at a cost that was lower than the amount realised on the sale. 30% of the capital gain acquired from the disposal of a chargeable asset is taxable.
Environmental License fee	License obtained after conducting Environmental impact studies and approval by the EPA Board. It is a pre-requisite for obtaining mining license. Its payment is based on the Environmental Protection Act 2008 as amended in 2010.
Environmental Monitoring Fee	Amount levied to enable the EPA to ensure compliance and enforcement.

The mining revenue collections framework can be represented diagrammatically as follows:

FIGURE 9: MINING REVENUE COLLECTIONS FRAMEWORK



e. Types of licenses

All individuals or operators wishing to participate in the minerals sector of Sierra Leone are required to be licensed before they can engage in the mining activities. We present in the table below, the types of mining licenses in Sierra Leone, their duration and rights conferred by each type of mining license:

TABLE 13: TYPES OF LICENSES

Type	Duration	Rights conferred
Reconnaissance License	One year renewable once*	A reconnaissance license is the first stage in the mining enterprise entitles the holder to search for all minerals by geological, geophysical, and geochemical means. In general, reconnaissance licenses do not allow drilling, excavation, or other physical activities on the land, except where such activity is specifically mentioned by the license. A reconnaissance area shall not exceed 10,000 square kilometres.
Exploration License	Four years, renewable twice (first for three years then for two years)*	Exploration licenses which cover the second stage of mining operations entitle the holder to search for the stipulated minerals and to determine their extent and economic value. The size of the concession granted for the first 4 years is a maximum of 250 km^2. This size is halved (i.e. 125 $km^{2)}$ from the 4^{th} year onwards. If one holds more than 125 km^2 then the license fees is increased.
Small Scale Mining License	Limited to three years, renewable.	Between one and one hundred hectares. The holder of a small-scale-mining license shall have the exclusive right to carry on exploration and mining operations in the licensed area.
Large Scale Mining License	Limited to 25 years or the estimated life of the ore body proposed to be mined, whichever is shorter. Renewable for a	The holder of a large-scale mining license shall have the exclusive right to carry on exploration and mining operations in the large-scale mining license area.

Type	Duration	Rights conferred
	period limited to fifteen years.**	
Artisanal mining License	One year, renewable for up to three further periods not exceeding one year at a time.	An artisanal mining license area shall not be more than one half hectare. The holder of an artisanal license shall have the exclusive right to carry on exploration and mining operations in the licensed area.

Source: Mineral and Mines Act (MMA, 2009 Act)

** Renewal should be applied for no later than 90 days before the expiry of the license*

*** Renewal should be applied for no later than 1 year before expiry of the license*

f. Mining Cadastre Office (MCO)

The Mining Cadastre Office (MCO) is responsible for the management of the MCAS including:

- the processing of mineral rights applications;
- the issuance and administration of licenses and permits;
- the maintenance of cadastral records, registers and maps; and
- the receipt and safe-keeping of reports, all in an objective, non-discretionary and transparent manner in accordance with the laws of Sierra Leone.

All applications, requests, communications regarding a mining license and documents required to maintain and manage a license should be addressed to the MCO, directly.

This Unit sits within the Directorate of Mines at NMA. The Cadastre is guided by the principle of transparency in handling applications for mining and mineral-related rights on a first-in first-assessed (FIFA) basis.[13]

g. Register of mining licenses

According to section 39 of the 2009 MMA, the Director of Mines shall establish and maintain an MCO which shall be accessible to the Public.

According to section 40 of the 2009 MMA, the MCO shall open and maintain for the purposes of this Act registers and a cadastral survey map, to be known collectively as the mining cadastre, comprising:

- the register of mineral rights;
- the register of mineral rights applications; and
- the cadastral survey map of mineral rights and mineral rights applications.

Sierra Leone has an Online (an updated) cadastre system, the MCAS[14] which provides information on the following with the view to ensuring transparency in the management of minerals rights. This Online Repository of mining licenses contains data on all issued mineral rights, exploration, mining, as well as dealers and export licenses, related payments (type of license, license holder, license code, status active/non active, coordinates, start date, expiry date, application date, the commodity being produced, etc.).

[13] https://www.nma.gov.sl/mining-cadastre-office/
[14] https://sierraleone.revenuedev.org/dashboard

Open to the public, the system is further linked to the tax authorities' systems. This system allows them to publish revenues from the sector online and therefore makes a significant contribution to transparency efforts in license management.

The data is published directly from the MME Mining Cadastre Administration System (MCAS), where all licenses are managed by the Mining Cadastre Management Unit (MCIMU).

Coordinates are provided in online MCAS.[15]

h. Mining lease agreements

The mining lease agreements (MLA) are legally binding agreements between mining companies and the GoSL.

They set out the main following rules:

- exploration and production work programmes;
- environmental protection and management;
- fiscal and tax obligations;
- financial reporting;
- terms guaranteeing the right of the other party to be free from currency of other exchange controls with respect to the proceeds of export sales, to repatriate earnings, and to exchange currency in Sierra Leone at fair market rates of exchange; and
- terms providing for international binding arbitration of disputes arising, terms affirming such party's right to import goods and equipment for use in its operations and to export minerals.

i. Licences allocation

There is a strict requirement that no individual or company shall prospect for minerals or carry out mining operations or mineral processing operations without a mining right or a mineral processing licence being granted under the 2009 MMA. We present in the table below, the allocation process of each type of mining licence:

TABLE 14: LICENCE ALLOCATION PROCESS

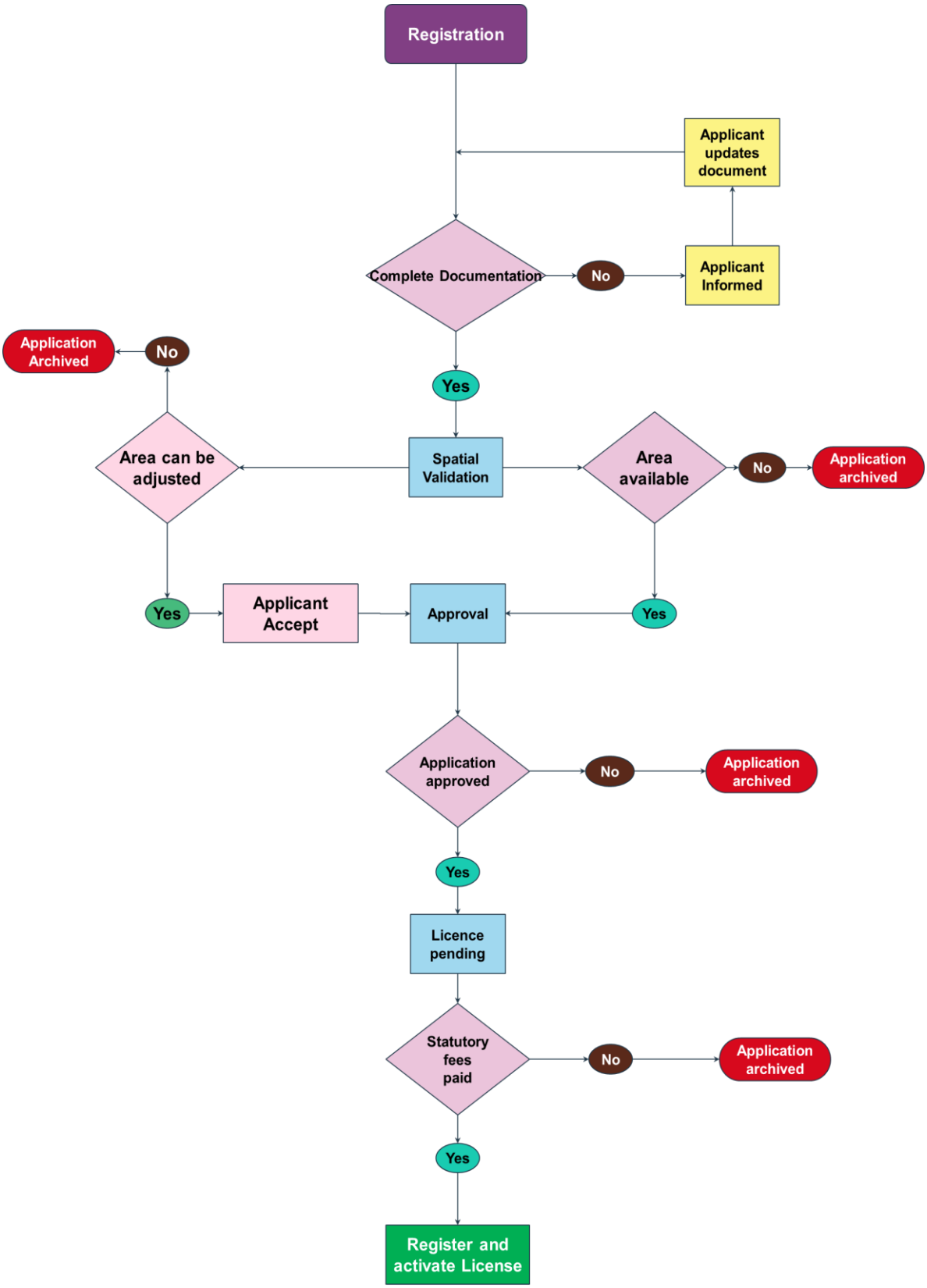
N°	Type	Granted by	Granting process
1	Reconnaissance License	Minister of Mines upon advice of the Minerals Advisory Board.	An application shall be submitted to the Mining Cadastre Office in the prescribed form and content.
2	Exploration License	Same as above	Same as above
3	Small Scale Mining License	Same as above	Same as above
4	Large Scale Mining License	Same as above	Same as above
5	Artisanal mining License	Director of Mines.	An application shall be made to the Director of Mines in such form as may be prescribed.

Licensing process

Figure below describes the licencing process:

[15] https://sierraleone.revenuedev.org/dashboard

FIGURE 10: LICENSING PROCESS



j. Artisanal Mining

The artisanal sector comprises individual miners who operate independently of one another. No cooperatives have been set up in the sector to date.

Artisanal Mining takes place in several parts of Sierra Leone. Artisanal mining traditionally contributes to the country's economy through royalties and taxes paid by licensed dealers and exporters of Gold and diamond.

However, other artisanal miners hold mining artisanal licenses. Some of the most lucrative mines are in remote and inaccessible areas in the forest regions, and the government is challenged in effectively monitoring mining activities.

A baseline study on artisanal mining was published in May 2020 with the overall objective of having quantitative and qualitative data on the current status of artisanal mining in Sierra Leone. The study estimated that artisanal miners represent up to **1%** of the national population (18% are women), while around 900,000 people, or nearly 15% of the population, rely directly or indirectly on artisanal mining for a living.

The study estimated that at the time of research there were 700 active mine sites, of which 485 were diamond sites, 200 gold sites and 15 coltan. On these sites, an estimated 70,000 miners were working, of which 55% primarily mined diamonds, 40% primarily gold and 5% primarily coltan.

For further information, please see the study here.

The GoSL also published a report on the National Action Plan for Reducing Mercury Use in the Artisanal and Small-scale Gold Mining (ASGM) Sectors in April 2020.

For further information, please see the study here.

k. Subnational payments

There is direct payment from mining companies to subnational Government Agencies in accordance with EITI Requirement 4.6. Section 34 (A) of the MMA (2009) stipulates that **Surface Rent** is a sub-national payment made by companies or holders of mining licenses and which should be shared amongst five categories of recipients as follows:

- 50%-Landowners;
- 15%-Paramount chief;
- 15%-District councils;
- 10%-Chiefdom Council; and
- 10%-Constituency development fund.

Diamond Area Community Development Fund (DACDF)

The SLEITI MSG agreed that the DACDF is a sub-national transfer in Sierra Leone. DACDF was formally approved by Sierra Leone's Ministry of Mineral Resources in December 2001, as part of a broader reform programme for the diamond sector initiated after the end of the civil war. DACDF is funded by a **25%** of the government's 3% diamond export tax.

The main reasons for setting up DACDF were:

- to give back some of the money it (Government) gets from the sale of diamonds to chiefdoms in diamond mining areas to carry out development projects in their towns and villages; and
- to encourage the Chiefs and other local leaders in mining chiefdoms assist in stopping all forms of illegal mining activities.

The SLEITI MSG agreed that Government agencies should report transfers made to DACDF in 2020-2021 and disbursements made to Chiefdoms in 2020-2021.

For more information on DACDF, please see its Operational Procedures and Guidelines issued in November 2008, here.

The World Bank Justice for the Poor (J4P) in partnership with Network Movement for Justice and Development (NMJD) has also issued a simplified handbook on the GoSL's new operational procedures and guidelines for the DACDF, available here.

Transfers made to DACDF during 2020 and 2021

NMA confirmed that no transfer was made into the DACDF account between 2020 and 2021. They have stated that the deductions were made accordingly and set into a suspense account, waiting for certain administrative issues to be resolved before the transfers can be made into the DACDF account.

There are administrative issues between NMA & MMMR which are being addressed before transfers will be made.

The table below shows the amount due of transfers to DACFD (i.e., 25% of the total Diamond Export duties) between 2020 and 2021.

TABLE 15: AMOUNT DUE OF THE TRANSFERS TO DACDF

In Leones	2020	2021
Amount due of the transfers to DACFD	1,883,825,375	4,245,396,461

Disbursements made from DACDF to Chiefdoms during 2020 and 2021

As a result of no transfers being made into the account, the MMMR has also confirmed there was no disbursement to chiefdoms in the periods under review.

l. Production and exports

The table below shows the significant increase in both mining production and exports.[16]

TABLE 16: PRODUCTION AND EXPORTS DATA (2020 AND 2021)

In USD million	2020	2021	Increase	%
Mining production	396	673	277	70%
Mining exports	317	577	260	82%

[16] NMA.

The increase of production can be explained by:

- the value of iron ore Marampa Mines Limited produced in 2021; and
- the noticeable rises of average prices for most minerals (For instance, Zircon's average price was USD 507 in 2020 Vs USD 1,486 in 2021).

The increase of exports can be attributed to:

- the value iron ore Marampa Mines Limited exported in 2021 (USD 151 million); and
- the increase in diamond and Rutile respectively for USD 45 and 41 million.

The tables below provide the production and exports data detailed by volume and value between 2020 and 2021:

TABLE 17: DETAILED PRODUCTION AND EXPORTS DATA (2020)

Minerals / Category	Production			Export			Average Price (USD)	Unit
	Volume	Unit	Value (USD)	Volume	Unit	Value (USD)		
Iron Ore	0	WMT	0	0	DMT	0	0	USD/DMT
Diamond	686,032	Carats	172,774,358	641,469	Carats	119,434,480	258	USD/Carats
Large Scale	602,993	Carats	102,379,953	558,331	Carats	93,671,581	170	USD/Carats
Artisanal	83,039	Carats	70,394,405	83,138	Carats	25,762,899	848	USD/Carats
Gold	24	Kg	1,189,732	56	Kg	3,011,928	48,768	USD/Kg
Large Scale	0	Kg	0	0	Kg	0	0	USD/Kg
Artisanal	24	Kg	1,189,732	56	Kg	3,011,928	48,768	USD/Kg
Gold Concentrate	783	WMT	3,037,916	75	Kg	3,037,916	40,593	USD/Kg
Coltan	396	DMT	3,619,686	396	DMT	3,619,686	136	USD/DMT
Artisanal	277	DMT	2,388,401	277	DMT	2,388,401	137	USD/DMT
Small Scale	119	DMT	1,231,285	119	DMT	1,231,285	132	USD/DMT
Bauxite	1,441,982	WMT	47,881,015	1,308,951	DMT	43,778,222	33	USD/DMT
Rutile	116,564	DMT	142,356,347	107,829	DMT	119,752,845	1,221	USD/DMT
Ilmenite	45,822	DMT	7,555,075	58,468	DMT	9,451,140	165	USD/DMT
Garnet	0	DMT	0	6,126	DMT	863,484	141	USD/DMT
Zircon	6,564	DMT	8,446,422	37,205	DMT	11,122,445	507	USD/DMT
Artisanal	3,064	DMT	3,925,052	3,064	DMT	378,296	1,281	USD/DMT
Small Scale	3,500	DMT	4,521,370	3,500	DMT	310,957	1,292	USD/DMT
Large Scale	0	DMT	0	30,641	DMT	10,433,192	341	USD/DMT
Titanium Dioxide	6,831	DMT	9,053,838	6,831	DMT	2,437,499	1,326	USD/DMT
Artisanal	3,245	DMT	4,233,282	3,245	DMT	692,062	1,305	USD/DMT
Small Scale	3,586	DMT	4,820,555	3,586	DMT	1,745,436	1,344	USD/DMT
Total			**395,914,389**			**316,509,645**		

TABLE 18: DETAILED PRODUCTION AND EXPORTS DATA (2021)

Minerals / Category	Production			Export			Average Price (USD)	Unit
	Volume	Unit	Value (USD)	Volume	Unit	Value (USD)		
Iron Ore	1,583,828	WMT	153,597,628	1,732,081	DMT	150,587,414	97	USD/DMT
Diamond	841,832	Carats	168,874,728	838,384	Carats	163,994,352	201	USD/Carats
Large Scale	653,584	Carats	109,927,775	650,135	Carats	109,548,975	168	USD/Carats
Artisanal	188,248	Carats	58,946,953	188,249	Carats	54,445,377	313	USD/Carats
Gold	117	Kg	6,242,410	94	Kg	4,887,739	53,178	USD/Kg
Large Scale	77	Kg	4,129,823	54	Kg	2,841,648	53,765	USD/Kg
Artisanal	40	Kg	2,112,587	40	Kg	2,046,091	52,505	USD/Kg
Gold Concentrate	453	WMT	4,067,905	775	Kg	4,067,905	52,511	USD/Kg
Coltan	353	DMT	4,183,904	353	DMT	4,183,904	168	USD/DMT
Artisanal	218	DMT	2,459,486	218	DMT	2,459,486	170	USD/DMT
Small Scale	135	DMT	1,724,418	135	DMT	1,724,418	165	USD/DMT
Bauxite	1,443,691	WMT	47,029,355	1,462,650	DMT	47,613,667	33	USD/DMT
Rutile	127,053	DMT	159,519,706	129,359	DMT	160,818,838	1,256	USD/DMT
Ilmenite	52,142	DMT	7,991,712	39,915	DMT	6,208,471	153	USD/DMT
Garnet	2,219	DMT	122,018	7,711	DMT	424,673	55	USD/DMT
Zircon	39,352	DMT	73,697,019	55,680	DMT	16,625,352	1,486	USD/DMT
Artisanal	9,555	DMT	19,506,841	9,555	DMT	1,627,030	2,042	USD/DMT
Small Scale	25,725	DMT	51,938,025	25,725	DMT	3,717,123	2,019	USD/DMT
Large Scale	4,073	DMT	2,252,153	20,400	DMT	11,281,200	553	USD/DMT
Titanium Dioxide	25,208	DMT	47,958,210	25,208	DMT	17,204,266	1,902	USD/DMT
Artisanal	9,859	DMT	18,781,142	9,859	DMT	4,254,600	1,905	USD/DMT
Small Scale	15,349	DMT	29,177,068	15,349	DMT	12,949,666	1,901	USD/DMT
Total			**673,284,593**			**576,616,581**		

The following tables and figures show that Diamond, Rutile, Iron Ore, Zircon and Titanium are the main minerals produced and exported from Sierra Leone.

2020

TABLE 19: TOP MINERALS (2020)

In USD Million	Production	%	Export	%
Diamond	173	44%	119	38%
Rutile	142	36%	120	38%
Bauxite	48	12%	44	14%
Top 3	**363**	**92%**	**283**	**90%**
Titanium Dioxide	9	2%	2	1%
Zircon	8	2%	11	4%
Ilmenite	8	2%	9	3%
Coltan	4	1%	4	1.1%
Gold Concentrate	3	1%	3	1.0%
Gold	1	0.3%	3	1.0%
Garnet	0	0%	0.9	0.3%
Total	**396**	**100%**	**317**	**100%**

FIGURE 11: MAIN PRODUCTION (2020)

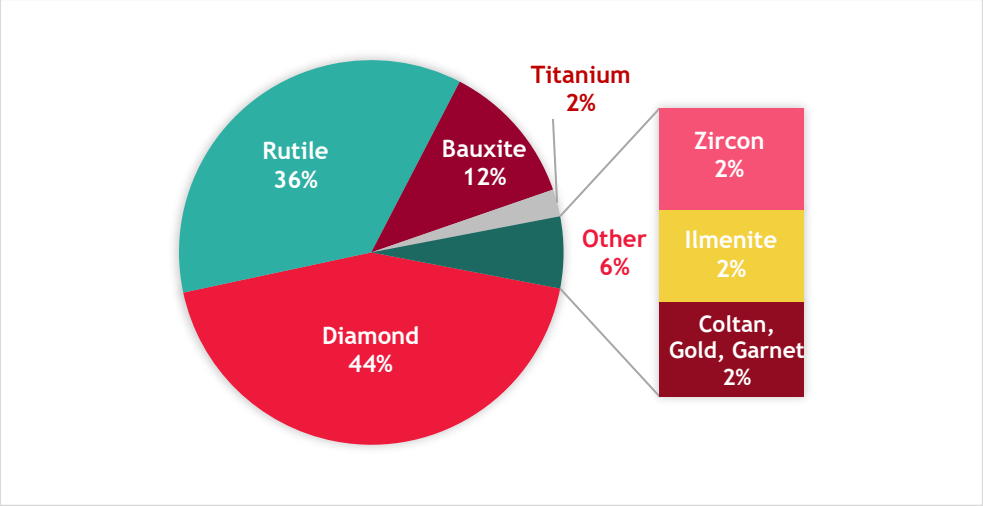
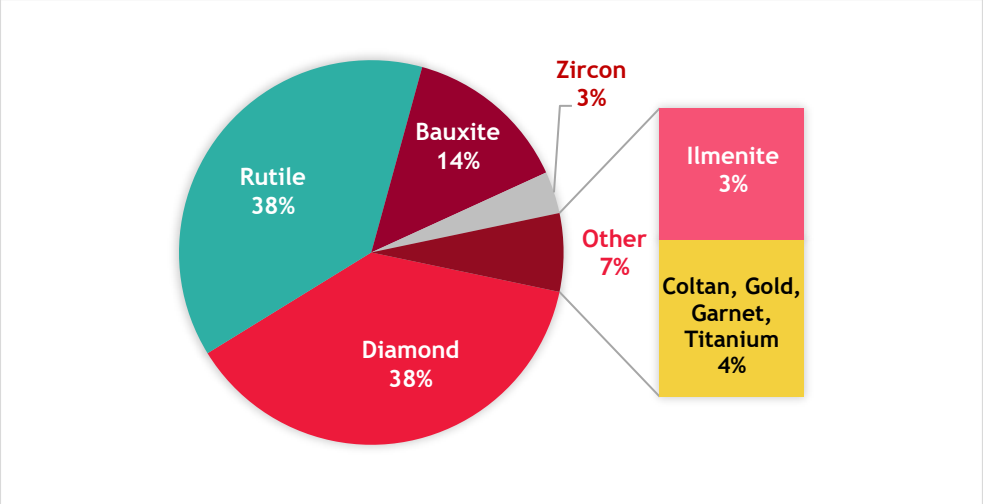


FIGURE 12: MAIN EXPORTS (2020)



2021

TABLE 20: TOP MINERALS (2021)

In USD Million	Production	%	Export	%
Diamond	169	25%	164	28%
Rutile	160	24%	161	28%
Iron Ore	154	23%	151	26%
Zircon	74	11%	17	3%
Titanium Dioxide	48	7%	17	3%
Top 5	604	90%	509	88%
Bauxite	47	7%	48	8%
Ilmenite	8	1.2%	6	1.1%
Gold	6	0.9%	5	0.8%
Coltan	4	0.6%	4	0.7%
Gold Concentrate	4	0.6%	4	0.7%
Garnet	0.1	0.02%	0.4	0.1%
Total	**673**	**100%**	**577**	**100%**

FIGURE 13: MAIN PRODUCTION (2021)

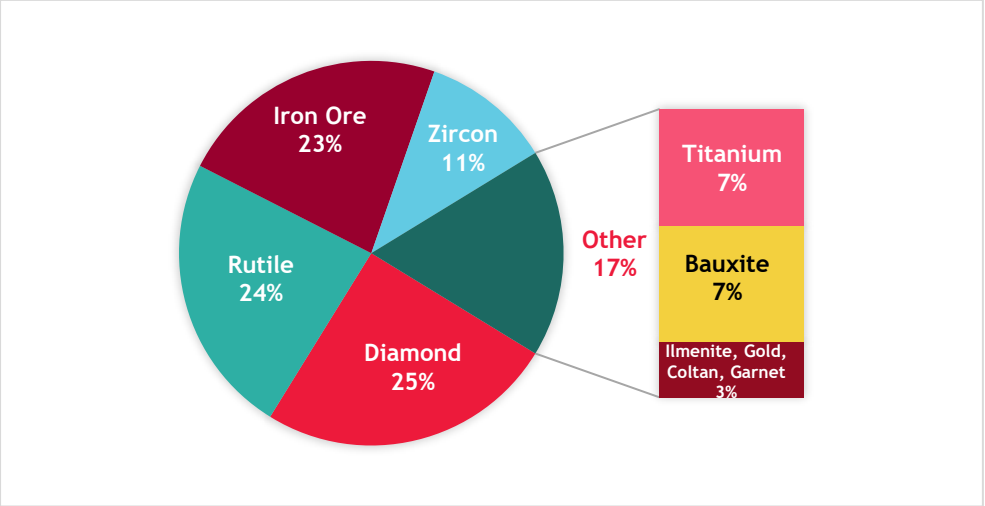
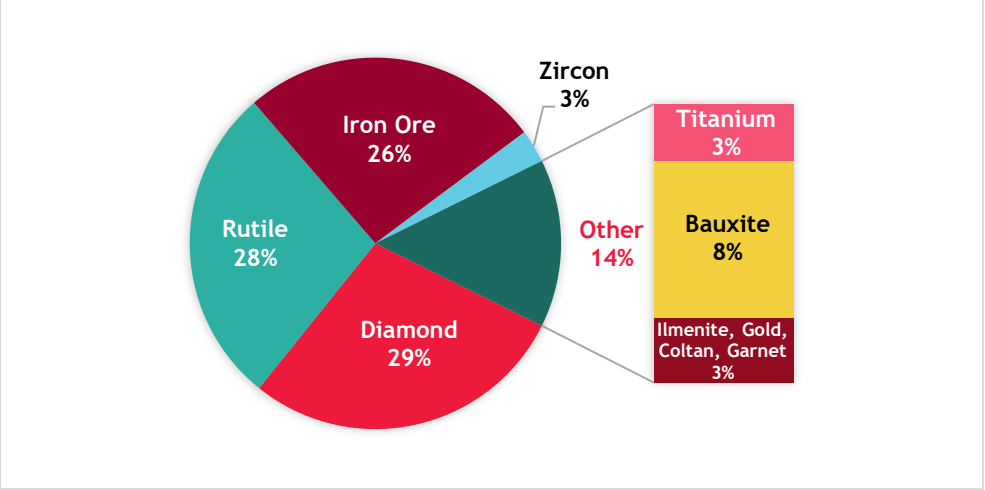


FIGURE 14: MAIN EXPORTS (2021)



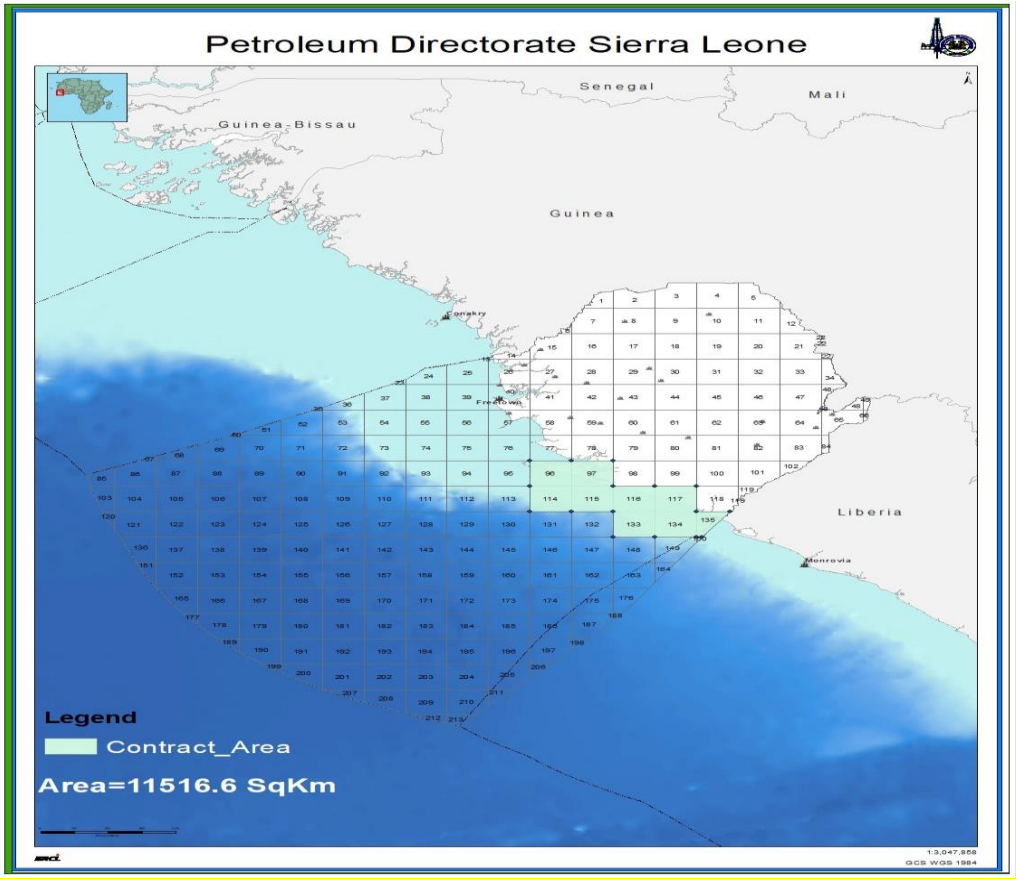
2.2. Oil & Gas Sector

a. Context of the Oil & Gas sector in Sierra Leone

Oil and Gas exploration activities started in the early 1980's with two dry wells drilled by Mobil and Amoco. Due to technological challenges and price volatility, interest waned out until the onset of the current millennium when GoSL partnered with TGS Geophysical Company to undertake a preliminary survey, and subsequently market the hydrocarbon potential, and held two bidding rounds in 2003 and 2005.

The oil and gas sector in Sierra Leone was in exploration phase during 2020-2021. The map below shows the current onshore and offshore blocks in Sierra Leone.

FIGURE 15: MAP OF ONSHORE AND OFFSHORE BLOCKS IN SIERRA LEONE



A fifth round started on 19 May 2022 and concluded on 30 September 2022. The evaluation results are yet to be published. For more information on this 5th licensing round EPA Act, please visit the Petroleum Directorate website here.

b. Legal Framework

Oil and gas exploration and production activities in Sierra Leone are governed by the main following legislations:

- the petroleum policy 2010
- the Petroleum Exploration and Production Act (PEPA) 2011;
- the Petroleum Exploration and Production Amendment Act 2014;

- the Extractive Industries Revenue Act (EIRA) 2018;
- the Income Tax Act 2000 as amended by subsequent Finance Acts;
- the Companies Act 2009;
- the Environment Protection Act 2008; and
- the Local Contents Act 2016.

The table above provided links to these legislations.

c. Institutional Framework

The oil and gas sector in Sierra Leone is administered by the Petroleum Directorate (PD). The key responsibilities of the PD can be summarised as follows:

- coordinating the award of licences;
- negotiating the terms of licences;
- monitoring, regulating, and facilitating upstream activities on behalf of the state; and
- developing regulations from the beginning of exploration to decommissioning.

d. Tax regime

The tax regime for the oil and gas sector is set by:

- the Income Tax Act, 2000 as amended by subsequent Finance Laws;
- the PEPA 2011; and
- the EIRA, 2018.

The table below shows the main revenue streams payable by oil and gas companies.

TABLE 21: TAXES PAYABLE BY OIL AND GAS COMPANIES

Tax	Description
Royalty	The holder of a petroleum right shall pay royalties for petroleum obtained pursuant to the right. The royalty rates: ▪ for crude oil - **10%**; and ▪ for natural gas - **5%**. Royalties may be paid in kind in accordance with section 107 of the Petroleum (Exploration and Production) Act, 2011, provided that no more than 15% of royalties are payable under a petroleum right for a year of assessment may be paid in kind unless the Minister of Finance agrees otherwise.
Income Tax	The income tax for petroleum operations for a year of assessment shall be calculated by applying the rate set out in paragraph 4 of the Second Schedule to a person's chargeable income from petroleum operations for the year and if the person has other chargeable income, that income shall be charged at the appropriate rate under the Income Tax Act, 2000. The income tax rate for petroleum operations shall be **30%**.
Petroleum resource rent tax	Paragraph 30 of the EIRA stipulates that the holder of a petroleum license who has accumulated net receipts or a year of assessment from production activities of a separate petroleum operation shall pay petroleum resource rent tax. The amount of petroleum resource rent tax shall be calculated by applying the rate specified in paragraph 6 of the Second Schedule of the EIRA to the accumulated net receipts for the year.

The EIRA (2018) aims to streamline taxes and levies on extractive industries, including new regulations on fiscal aspects of agreements with extractive companies. It provides for various taxes and charges on extractive companies, the regulation of fiscal aspects of extractive industry agreements and for other related matters. It aims also to support

revenue mobilisation efforts through harmonisation and consolidation of the extractive sector fiscal regime.

e. Types of licenses

According to the PEPA (2011), there are two types of oil and gas licences: Reconnaissance permits and Petroleum licences.

TABLE 22: OIL AND GAS LICENCES

Type	Duration	Rights conferred
Reconnaissance permit	Specified in the reconnaissance permit	A reconnaissance permit shall confer to the holder a non-exclusive right to undertake reconnaissance operations in the permit area.
Petroleum license	30 years from the effective date, unless sooner cancelled or terminated	A petroleum license shall confer on the licensee an exclusive right to undertake exploration and production within a license area.

Source: PEPA (2011)

According to PD there is only one active oil and gas license with Innoson Oil and Gas (IOG) Ltd during 2020 and 2021.

f. Licenses allocation

The table below shows the award process of each type of Oil & Gas licence:

TABLE 23: OIL AND GAS AWARD PROCESS

Type	Awarded by	Award process
Reconnaissance permit	The Minister on the advice of the Directorate	A company or group of companies may, upon payment of the prescribed non-refundable application fee, apply to the Minister for a reconnaissance permit.
Petroleum License	The Minister	The Minister may prescribe a petroleum license shall be acquired through: • a call for tenders; or • direct negotiations.

Source: PEPA (2011)

Oil & Gas licences awarded during FY 2020-2021

According to PD, the only oil and gas licence awarded during 2020 and 2021 was to Innoson Oil & Gas (IOG) Ltd, a Nigerian company.

Further information is available on the company website: https://innosonoil.com/.

Transfer of Oil & Gas licenses

According to section 114 (1) of PEPA (2011), a licensee shall not directly Transfer of or indirectly assign its participating interest in a petroleum right, license. whether in whole or in part, to a third party or an affiliate without the prior written approval by the Minister.

According to the Petroleum Directorate, there was not transfer of oil & gas licence between 2020 and 2021.

g. Oil and gas licences register

Section 117 of PEPA (2011) prescribes that, the Minister should maintain a register of permits and licenses granted under PEPA (2011). A person may upon the payment of the prescribed fee, inspect the register or take copies of an entry in the register.

There is currently no publicly available register or cadastre in oil & gas sector as required by EITI requirement 2.3 (b).

h. Oil and gas agreements

Section 40 (2) of PEPA (2011) stipulates that, each petroleum license, and any accompanying agreement between the State and the licensee providing details on the license conditions attached to the license, shall be published in its entirety in the Gazette and in such other manner as may be prescribed.

Section 150 states that, payments made to the State shall be disclosed according to the terms and procedures of the SLEITI.

Public disclosure of oil and gas agreements

According to article 40 A of Petroleum Law amendment 2014: "Petroleum licence granted under section 39 shall be delivered by the Director-General to the Registrar-General for registration in a book kept for that purpose".

This amended article 40 A of Petroleum Law amendment 2014 aims that a copies of petroleum Licenses are normally deposited to the Registrar-General for interested members of the public to inspect.

2.3. Beneficial Ownership

As of 1 January 2020, the EITI Standard prescribes "that implementing countries request, and companies disclose, beneficial ownership (BO) information for inclusion in the EITI Report. This applies to corporate entity(ies) that apply for or hold a participating interest in an exploration or production oil, gas or mining license or contract and should include the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. (Requirement 2.5 (c)."

a. Beneficial Ownership disclosure requirements in the extractive sector

Mining Sector

Section 42 (3) of MMA (2009) stipulates that: The register of mineral rights shall, for every license granting a mineral right, contain a record in sufficient detail of:

- the name of the holder of the mineral right, and if the holder is a company the names of the principal owners and or shareholders.

Section 106 (2) also states that an application for the grant of a large-scale mining licence shall contain:

- the registered name and place of incorporation of the company, its certificate of incorporation and a certified copy of its memorandum and articles of association, the names and nationalities of its directors and the name of every shareholder who is the beneficial owner of **5% or more** of the capital share.

Oil and gas

Section 21 of PEPA (2011) states that an application for a reconnaissance permit should include:

- the name of each person who is the beneficial owner of **5% or more** of the capital share

The same requirement applies for applications for a petroleum licence according to Section 37.

All sectors

For non-extractive activities, the Companies Act (2009), which set up the Corporate Affairs Commission (CAC), and the 2014 Amendments to that Act, give powers to the CAC to request and receive BO information from companies. However, this is limited only to public companies. (i.e., private companies are not then required by law to disclose BO information).

b. Progress made on Beneficial Ownership (BO)

In order to comply with Requirement 2.5 (a), the SLEITI recruited a Consultant in January 2021 to support the implementation of BO Transparency by developing BO Registry for the mining and oil and gas sectors with a long-term plan for extending the registry to all areas of business. The report was published in August 2021.

The consultant performed the following tasks:

- mapping of existing CAC/NMA/PD processes;
- stakeholder Mapping and Engagement;
- review the findings and recommendations of the 2017 report;
- review and update of template for the collection of Beneficial Ownership (BO) information;
- inter-agency coordination, data collection, and sharing:
- support SLEITI and CAC/NMA in technical capacity building and transfer of expert knowledge in the field;
- undertake an initial paper-based BO disclosure based on reviewed BO declaration forms for the upcoming validation; and
- report and Roadmap for phase two.

The table below summarises the main recommendations of the report.

TABLE 24: MAIN RECOMMENDATIONS OF THE BO REPORT

N°	Area	Recommendation
1	Legislative process	The Mines and Minerals Bill should be revised to reflect a more comprehensive definition of BO which covers indirect interests as well as controls exercised by BO without holding interests. The amendment of the Bill should also allow clear differentiation between BO definition and legal shareholder definition. The Bill would also need to refer to the AML/CFT Act (2012) which provided a definition of BO in order to avoid any risk of contradiction in the legislation of the country. The legislation should explicitly mandate CAC for maintaining the BO register through the amendment of the Companies Act (2009) as well as in the Mines and Minerals Bill. Clear processes to ensure reliability of the information on beneficial ownership should be included in the legislation through the reform of the Companies Act (2009).
2	BO IT systems	BO IT systems CAC system is required to be upgraded to:- use of the Https protocol and TLS certificate;- use of an OCR system for real-time document validation;- use of two-factor identification system and e-signature to enhance system security; - create a separate BO module in order to restrict access to personal data which would

N°	Area	Recommendation
		not be made publicly available; and - allow data synchronisation between ITAS and CAC system.
3	BO declaration form	In order to apply governance best practices and to comply with the EITI Standard requirements, the declaration form which would be used to collect BO data should consider: - a set of required and optional information to be requested; and- a set of collected BO data to be publicly available and personal data to be collected for the Government internal use.

For further information, please see the BO roadmap here.

2.4. Collection and Distribution of the Extractive Revenues

a. Budget process

Budget preparation

Section 107 of the Constitution of Sierra Leone mandates the Minister for Finance to prepare and lay before Parliament in each financial year estimates of the revenues and expenditure of Sierra Leone for the following financial year.

The MoF initiates the budget preparation phase which deals principally with policy. The elements that comprise this phase include:

- the National Strategy;
- the Ministries Department Agencies (MDAs)/Sector Planning;
- the Macro-fiscal analysis and forecasting;
- the Public Investment Planning;
- the External Assistance planning; and
- the Budget Policy Hearings.

Budget Implementation

At implementation, MDAs are required to complete Medium Term Expenditure Framework/Public Expenditure Tracking Survey Forms I and II for the release/expending of their quarterly allocations as well as quarterly procurement and cash flow plans to MOF. Vote controllers within the various MDAs capture expenditure for the Accountant-General.

b. Revenues Collection

NRA is the principal Government Agency responsible for revenue collection from the extractive sector. The revenues collected are transferred to the Sierra Leone National Treasury. The revenues from the extractive sector are not reported separately in the national budget. They are recorded primarily as departmental receipts as part of the overall tax revenue estimates for each tax category of the budget books prepared for each year.

Revenue collection in the mining sector

Revenues collected from the mining sector are from large and small-scale mining operations. These are non-tax and tax revenues.

The non-tax revenues include exploration and mining licenses as well as mineral royalties. Mining entities engaged in exploration and mining activities pay exploration and mining

licenses respectively. Mineral royalties are paid by entities engaged in the production of minerals. Companies producing minerals also pay corporate income tax on profits declared annually. Exploration/ Mining licenses, royalties and corporate income tax are collected by NRA.

In addition to the above, large scale mining lease holders also pay surface rentals to district councils, Paramount Chiefs/ Chiefdom Administration, Constituency Development Fund and individuals with surface rights within their areas of operation. Surface rent is paid in accordance with part 5, section 34 of the Mining and Minerals Act 2009. Surface rents are negotiated between the companies and the communities.

c. Budget Audit

Section 119 of the constitution of Sierra Leone mandates the Audit Service of Sierra Leone (ASSL) to audit the Public Accounts of Sierra Leone and all public offices, including courts, the accounts of the Central and Local Government Administration, universities and public institutions of like nature, statutory corporations, companies or other bodies and organisations, set up by an Act of Parliament or statutory instrument or otherwise set up partly or wholly out of public funds shall be audited and reported by or on behalf of the Auditor General.[17]

The 2020 Annual Financial Report can be found here.

[17] http://www.sierra-leone.org/Laws/constitution1991.pdf

3. ANALYSIS OF EITI DATA

3.1. Production

According to NMA, the calculation of production values is based on production costs (direct and indirect costs) as reported by mining companies. Production volumes are based on mining companies monthly reporting. The full production data NMA provided was presented in Section 4.1 above.

This Section summarises the same data disclosed by in-scope companies only detailed by volume, by value, by commodity and by region, mining company and project.

2020

TABLE 25: DETAILS OF PRODUCTION DISCLOSED BY IN-SCOPE COMPANIES (2020)

N°	Company	Commodity	Region	Licence	Unit	Volume	Value USD
1	Sierra Rutile	Rutile	Southern	ML-2134	MT	116,564	141,113,689
2	Koidu	Diamond	Eastern	ML-06/95	Carat	603,042	102,390,489
3	Sierra Mineral Holdings 1	Bauxite	Southern	ML01/05	MT	1,342,139	43,874,524
4	Sierra Rutile	Ilmenite	Southern	ML-2134	MT	45,822	7,407,015
5	Sierra Rutile	Zircon	Southern	ML-2134	MT	6,616	5,506,909
6	Meya Mining	Diamond	Eastern	ML 2/2019	Carat	12,531	3,384,832
7	Sierra Rutile	Garnet	Southern	ML-2134	MT	3,629	2,062,739
8	Dayu Mining	Gold	Northern	ML-1/2018	WMT	919	1,951,956
	Total						**307,692,153**

The total production value NMA provided amounted to USD 396 million. The difference could be due to the lack of data provided by these companies:

- Cheng Li Trading Mining
- Kingho Mining Company Limited
- Northern Mining Company Limited
- Sierra Diamond Ltd
- Wongor Investments and Mining Corporation Limited

However, it is worth highlighting some discrepancies between the company data and NMA. For instance, Sierra Rutile disclosed a production of 3,629 metric tons of garnet while NMA stated only 2,219.

2021

TABLE 26: DETAILS OF PRODUCTION DISCLOSED BY IN-SCOPE COMPANIES (2021)

N°	Company	Commodity	Region	Licence	Unit	Volume	Value USD
1	Sierra Rutile	Rutile	Southern	ML-2134	MT	127,054	154,370,610
2	Koidu	Diamond	Eastern	ML06/95	Carats	649,795	110,803,207
3	Sierra Mineral Holdings 1	Bauxite	Southern	ML01/05	MT	1,396,678	42,919,915
4	Marampa Mines	IRON ORE	Northern	ML 4/2021	WMT	254,837	10,703,154
5	Sierra Rutile	Ilmenite	Southern	ML-2134	MT	52,142	8,134,152
6	Sierra Rutile	Zircon	Southern	ML-2134	MT	4,500	5,616,000
7	KaSino Mining	Zircon	Southern	SML 10/2019	MT	15,200	4,560,000
8	Wongor	GOLD	Eastern	ML01/2019	Kg	71	3,654,793
9	Dayu Mining	Gold	Northern	ML-1/2018	WMT	1,045	2,788,060
10	Sierra Rutile	Garnet	Southern	ML-2134	MT	2,500	2,057,500
11	Meya Mining	Diamond	Eastern	ML 2/2019	Carats	4,343	1,172,991
12	Sierra Diamond	Diamond	Eastern	Tonguma	Carats	343	45,041
13	Kingho Mining Company	Iron ore	Northern	ML 1/2020	WMT	NP	NP
	Total						**346,825,423**

The total production value NMA provided amounted to USD 673 million. The difference could be due to the lack of data provided by these companies:

- Cheng Li Trading Mining
- FG Gold Ltd
- Pan African Rare Metal Mining Co
- Sierramin Bauxite (SL) Limited
- Supreme Minerals Corp
- Seawright Mining Co

3.2. Exports

The full production data NMA provided is presented in Section 4.1 above. This Section summarises the same date as disclosed by in-scope companies only detailed by volume, value, commodity and region, mining company and project.

2020

TABLE 27: DETAILS OF EXPORTS DISCLOSED BY IN-SCOPE COMPANIES (2020)

N°	Company	Commodity	License	Volume	Unit	Unit Price (USD)	Total value (USD)
1	Sierra Rutile Limited	Standard Grade Rutile	ML-2134	99,121	MT	1,225	121,458,707
2	Sierra Mineral Holdings 1	Bauxite	Ml01/05	1,321,685	MT	33	43,905,012
3	Koidu	Diamond	ML06/95	124,060	Carat	155	19,258,404
4	Sierra Rutile Limited	Industrial Grade Rutile	ML-2134	13,020	MT	1,389	18,078,519
5	Koidu	Diamond	ML06/95	98,970	Carat	176	17,412,753
6	Koidu	Diamond	ML06/95	96,256	Carat	161	15,541,387
7	Koidu	Diamond	ML06/95	63,981	Carat	174	11,104,846
8	Koidu	Diamond	ML06/95	57,107	Carat	175	10,021,049
9	Sierra Rutile Limited	Zircon (concentrate)	ML-2134	30,641	MT	312	9,557,396
10	Sierra Rutile Limited	Ilmenite	ML-2134	58,468	MT	162	9,451,139
11	Koidu	Diamond	ML06/95	43,039	Carat	175	7,525,532
12	Koidu	Diamond	ML06/95	41,474	Carat	172	7,113,697
13	Koidu	Diamond	ML06/95	33,445	Carat	170	5,693,912
14	Dayu Mining	Gold (concentrate)	ML 1/2018	414	WMT	3,075	1,272,948
15	Sierra Rutile Limited	Garnet (concentrate)	ML-2134	6,126	MT	141	863,484
16	Dayu Mining	Gold (concentrate)	ML 1/2018	232	WMT	3,017	699,925
17	Dayu Mining	Gold (concentrate)	ML 1/2018	218	WMT	3,058	666,648
18	Sierra Diamond Limited	Diamond	ML 2/2018	343	Carats	131	45,041
	Total						**299,670,398**

The total exports value NMA provided amounted to USD 317 million. The difference could be due to the lack of data provided by these companies:

- Kingho Mining Company Limited
- Meya Mining Co. Ltd
- Cheng Li Trading Mining
- Northern Mining Company Limited
- Wongor Investments and Mining Corporation Limited

2021

TABLE 28: DETAILS OF EXPORTS DISCLOSED BY IN-SCOPE COMPANIES (2021)

N°	Company	Commodity	Licence	Volume	Unit	Unit Price (USD)	Total value (USD)
1	Sierra Rutile	Standard Grade Rutile	ML-2134	115,672	MT	1,231	142,349,728
2	Kingho Mining	IRON ORE	ML 1/2020	2,032,015	MT	57	116,090,101
3	Sierra Mineral Holdings	Bauxite	Ml01/05	1,478,700	MT	32	47,613,347
4	Sierra Rutile	Industrial Grade Rutile	ML-2134	14,081	MT	1,535	21,617,867
5	Koidu	Diamond	ML06/95	116,818	Carats	166	19,366,576
6	Koidu	Diamond	ML06/95	92,492	Carats	165	15,300,254
7	Koidu	Diamond	ML06/95	72,548	Carats	181	13,156,216
8	Koidu	Diamond	ML06/95	81,165	Carats	161	13,043,543
9	Koidu	Diamond	ML06/95	51,396	Carats	231	11,881,797
10	Koidu	Diamond	ML06/95	70,209	Carats	151	10,583,201
11	Sierra Rutile	Zircon in concentrate	ML-2134	20,400	MT	500	10,194,000
12	Koidu	Diamond	ML06/95	52,612	Carats	173	9,108,579
13	Koidu	Diamond	ML06/95	68,221	Carats	129	8,800,567
14	Koidu	Diamond	ML06/95	39,801	Carats	177	7,059,828
15	Sierra Rutile	Ilmenite	ML-2134	39,915	MT	156	6,208,471
16	Kasino Mining	Heavy Minerals Concentrate	SML 10/2019	15,200		300	4,560,000
17	Wongor	Gold	ML01/2019	70,756	GRAMS	N/A	3,654,793
18	Dayu Mining	Gold (concentrate)	ML 1/2018	866	WMT	3,036	2,628,917
19	Sierra Rutile	Garnet in concentrate	ML-2134	7,711	MT	235	1,811,740
20	Meya Mining	Diamonds	ML 2/2019	2,622	Carats	327	857,849
21	Dayu Mining	Gold (concentrate)	ML 1/2018	146	WMT	2,922	426,554
22	Meya Mining	Diamonds	ML 2/2019	1,762	Carats	185	326,218
23	Sierra Diamond	Diamond	ML 2/2018	343	Carats	131	45,041
	Total						**466,685,189**

The total exports value NMA provided amounted to USD 577 million. The difference could be due to the lack of data provided by these companies:

- FG Gold Ltd
- Marampa Mines Limited
- Pan African Rare Metal Mining Co
- Seawright Mining Co

3.3. Analysis of Government revenues from Extractive Sector

In Sierra Leone extractive revenues are derived entirely from the mining sector. The petroleum sector has yet to contribute to the Government revenues for the years 2020 and 2021.

This section shows the details of Government tax revenues by

- company;
- revenue stream;
- government agency;
- commodity;
- region; and
- project (mining agreement).

Analysis by extractive company

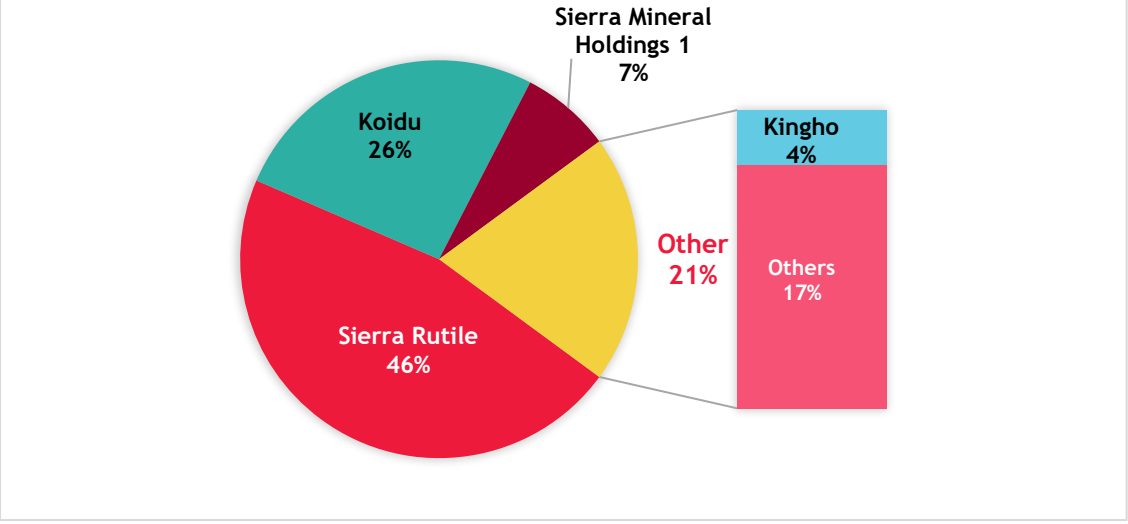
2020

The analysis of tax revenues from the extractive industries shows that top 10 companies contributed almost **92%** of the total revenues. Both Sierra Rutile and Koidu accounted for **72%**. The table and Figure below set out the breakdown of extractive revenues by mining company.

TABLE 29: BREAKDOWN OF EXTRACTIVE REVENUES BY COMPANY (2020)

N°	Company	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Sierra Rutile Limited	Rutile	23.99	46.39%	46.39%
2	Koidu Limited	Diamond	13.50	26.10%	72.49%
3	Sierra Mineral Holdings 1 Limited	Bauxite	3.79	7.33%	79.82%
4	Kingho mining company Limited	Iron Ore	1.93	3.73%	83.55%
5	Sierra Diamonds Limited	Diamond	1.11	2.14%	85.69%
6	Dayu Mining Company	Gold	0.79	1.52%	87.21%
7	Wongor Invest. and Mining Corporation Ltd	Gold	0.58	1.12%	88.33%
8	Meya Mining Limited	Diamond	0.57	1.09%	89.43%
9	H M Diamond Limited	Diamond	0.56	1.07%	90.50%
10	Cheng Li Trading Mining Comp. (SL) Ltd	Gold	0.54	1.04%	91.54%
	Top 10		**47.33**	**91.54%**	
	Other companies and individuals		**4.38**	**8.46%**	**100.00%**
	Total		**51.71**	**100.00%**	

FIGURE 16: BREAKDOWN OF EXTRACTIVE REVENUES BY COMPANY (2020)



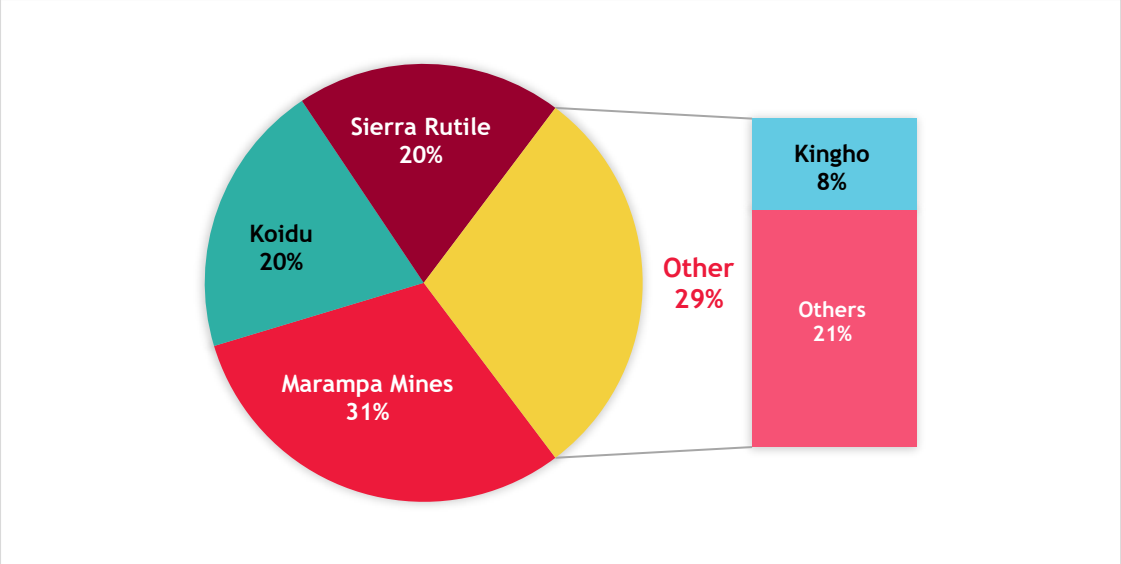
2021

The analysis of tax revenues from the extractive industries shows that top 10 companies contributed for **91%** of the total revenues. Marampa Mines, Koidu and Sierra Rutile accounted for **71%**. The table and Figure below set out the breakdown of extractive revenues by mining company.

TABLE 30: BREAKDOWN OF EXTRACTIVE REVENUES BY COMPANY (2021)

N°	Company	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Marampa Mines Limited	Iron ore	20.73	30.62%	30.62%
2	Koidu Limited	Diamond	13.73	20.27%	50.89%
3	Sierra Rutile Limited	Rutile	13.31	19.66%	70.54%
4	Kingho Mining Company Limited	Iron Ore	5.59	8.25%	78.80%
5	Sierra Mineral Holdings 1 Limited	Bauxite	3.87	5.72%	84.52%
6	Seawright Mining Company	Diamond	1.20	1.77%	86.29%
7	Sierra Diamonds Limited	Diamond	1.16	1.71%	88.00%
8	Wongor Invest. and Mining Corporation Ltd	Gold	0.74	1.10%	89.10%
9	Dayu Mining Co	Gold	0.73	1.08%	90.18%
10	Meya Mining Limited	Diamond	0.65	0.96%	91.14%
	Top 10		**61.71**	**91.14%**	
-	Other companies and individuals		6.00	8.86%	100.00%
	Total		**67.71**	**100.00%**	

FIGURE 17: BREAKDOWN OF EXTRACTIVE REVENUES BY COMPANY (2021)



Analysis by Government Agency and sub-national entity

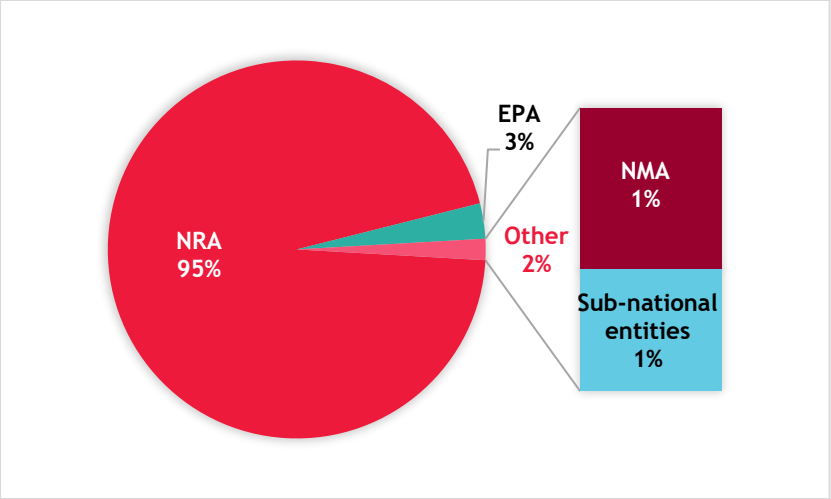
2020

The analysis of tax revenues from the extractive industries shows that NRA contributed **95%** of the total revenues. The table and Figure below set out the breakdown of extractive revenues by government agency.

TABLE 31: BREAKDOWN OF EXTRACTIVE REVENUES BY AGENCY (2020)

N°	Agency	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	NRA	49.22	95.19%	95.19%
2	EPA	1.56	3.02%	98.22%
3	NMA	0.54	1.04%	99.25%
4	Sub-national entities	0.39	0.75%	100.00%
	Total	**51.71**	**100.00%**	

FIGURE 18: BREAKDOWN OF EXTRACTIVE REVENUES BY AGENCY (2020)



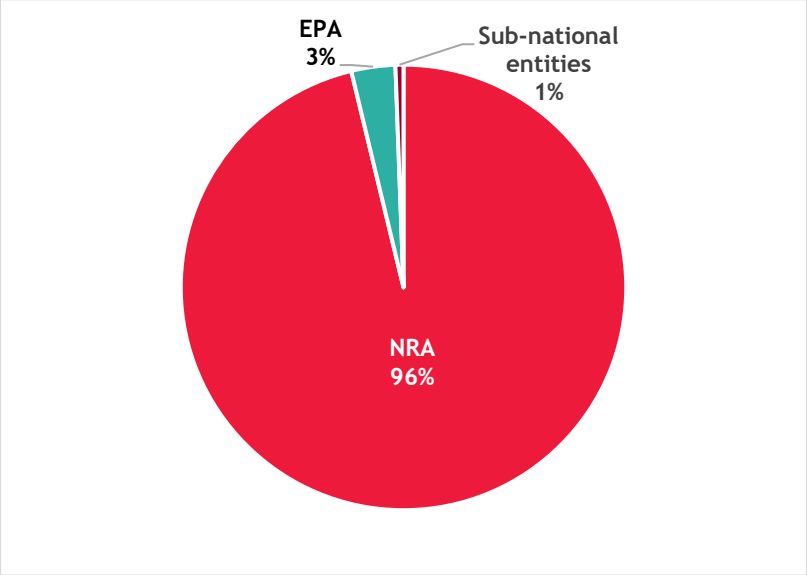
2021

The analysis of tax revenues from the extractive industries shows that NRA contributed **96%** of the total revenues. The table and Figure below set out the breakdown of extractive revenues by government agency.

TABLE 32: BREAKDOWN OF EXTRACTIVE REVENUES BY AGENCY (2021)

N°	Agency	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	NRA	65.05	96.07%	96.07%
2	EPA	2.16	3.19%	99.26%
3	Sub-national entities	0.50	0.74%	100.00%
	Total	**67.71**	**100.00%**	

FIGURE 19: BREAKDOWN OF EXTRACTIVE REVENUES BY AGENCY (2021)



Analysis by revenue stream

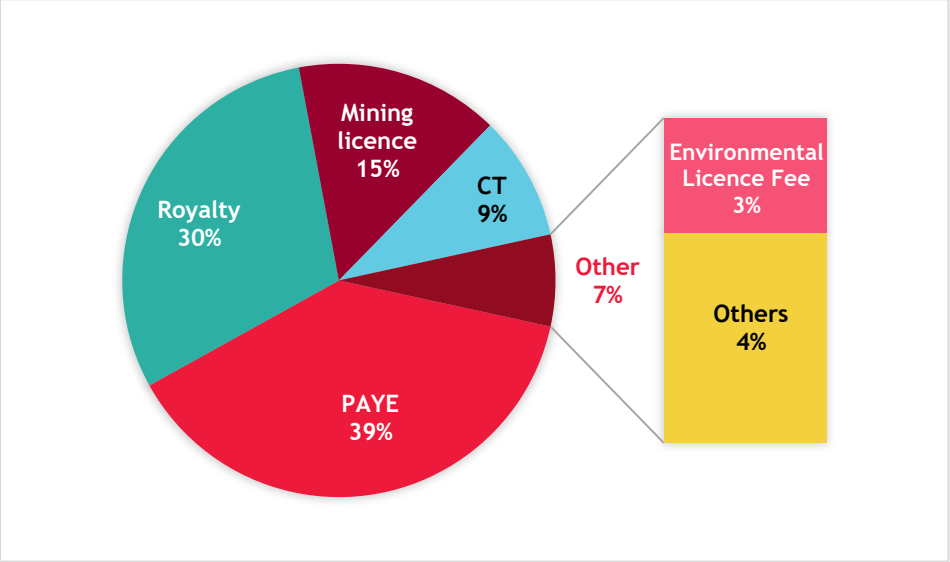
2020

The analysis of tax revenues from the extractive industries shows that top 5 revenue streams contributed almost for **96%** of the total revenues. The table and Figure below set out the breakdown of extractive revenues by revenue stream.

TABLE 33: BREAKDOWN OF EXTRACTIVE REVENUES BY REVENUE STREAM (2020)

N°	Revenue stream	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	PAYE	19.93	38.54%	38.54%
2	Royalty	15.56	30.10%	68.64%
3	Mining licence	7.90	15.27%	83.91%
4	Corporate Tax	4.80	9.28%	93.19%
5	Environmental Licence Fee	1.25	2.42%	95.61%
	Top 5	**49.44**	**95.61%**	
	Other revenue streams	**2.27**	**4.39%**	**100.00%**
	Total	**51.71**	**100.00%**	

FIGURE 20: BREAKDOWN OF EXTRACTIVE REVENUES BY REVENUE STREAM (2020)



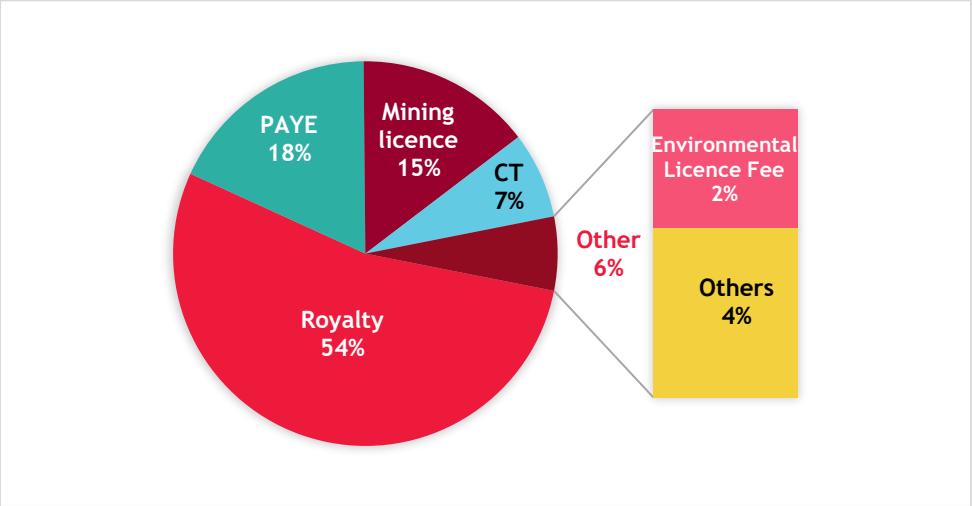
2021

The analysis of tax revenues from the extractive industries shows that top 5 revenue streams contributed almost for **96%** of the total revenues. The table and Figure below set out the breakdown of extractive revenues by revenue stream.

TABLE 34: BREAKDOWN OF EXTRACTIVE REVENUES BY REVENUE STREAM (2021)

N°	Revenue stream	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Royalty	36.31	53.62%	53.62%
2	PAYE	12.20	18.01%	71.63%
3	Mining licence	10.00	14.76%	86.40%
4	Corporate Tax	4.90	7.24%	93.64%
5	Environmental Licence Fee	1.73	2.55%	96.19%
	Top 5	**65.13**	**96.19%**	
	Other 6 revenue streams	**2.58**	**3.81%**	**100.00%**
	Total	**67.71**	**100.00%**	

FIGURE 21: BREAKDOWN OF EXTRACTIVE REVENUES BY REVENUE STREAM (2021)



Analysis by commodity

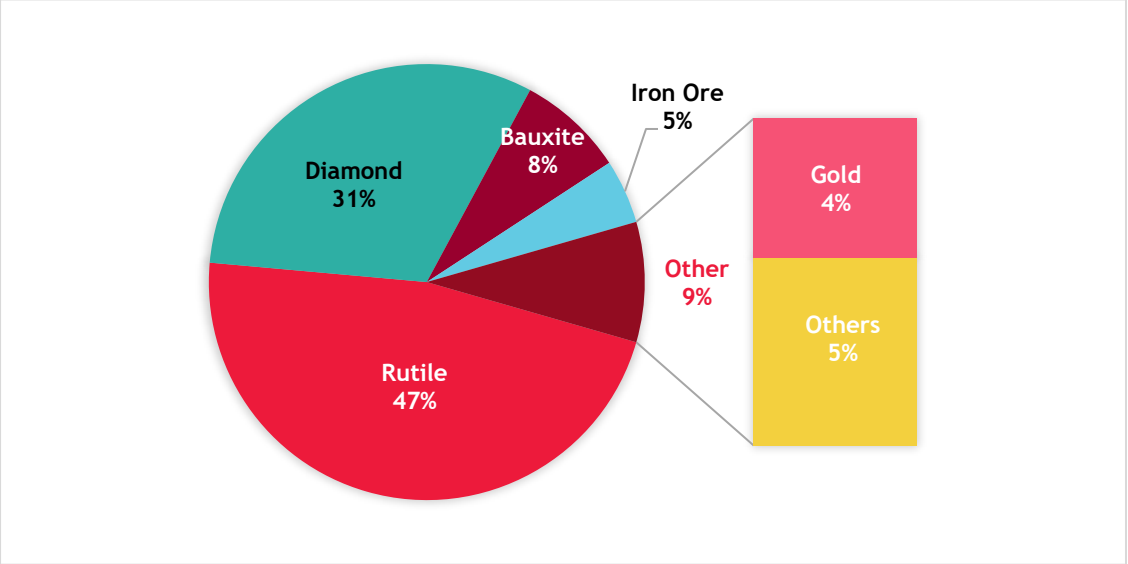
2020

The analysis of tax revenues from the extractive industries shows that **rutile** accounted for approximately **half** the total revenues. Top 5 commodities accounted for almost **95%**. The table and Figure below set out the breakdown of extractive revenues by commodity.

TABLE 35: BREAKDOWN OF EXTRACTIVE REVENUES BY COMMODITY (2020)

N°	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Rutile	24.29	46.97%	46.97%
2	Diamond	16.26	31.44%	78.41%
3	Bauxite	4.10	7.93%	86.33%
4	Iron Ore	2.46	4.76%	91.09%
5	Gold	1.96	3.79%	94.88%
	Top 5	**49.06**	**94.88%**	
	Other commodities	**2.65**	**5.12%**	**100.00%**
	Total	**51.71**	**100.00%**	

FIGURE 22: BREAKDOWN OF EXTRACTIVE REVENUES BY COMMODITY (2020)



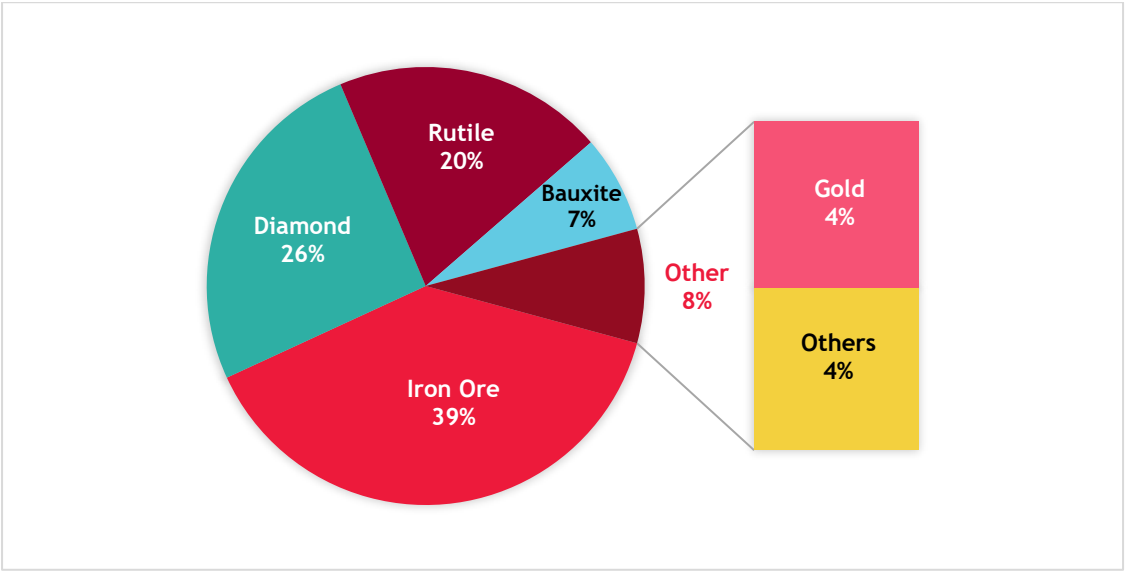
2021

The analysis of tax revenues from the extractive industries shows that **iron ore** accounted for approximately **39%** the total revenues. Top 5 commodities accounted for **96%**. The table and Figure below set out the breakdown of extractive revenues by commodity.

TABLE 36: BREAKDOWN OF EXTRACTIVE REVENUES BY COMMODITY (2021)

N°	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Iron Ore	26.35	38.91%	38.91%
2	Diamond	17.27	25.51%	64.42%
3	Rutile	13.53	19.98%	84.40%
4	Bauxite	4.86	7.18%	91.58%
5	Gold	2.89	4.27%	95.85%
	Top 5	**64.90**	**95.85%**	
	Other commodities	**2.81**	**4.15%**	**100.00%**
	Total	**67.71**	**100.00%**	

FIGURE 23: BREAKDOWN OF EXTRACTIVE REVENUES BY COMMODITY (2021)



Analysis by District

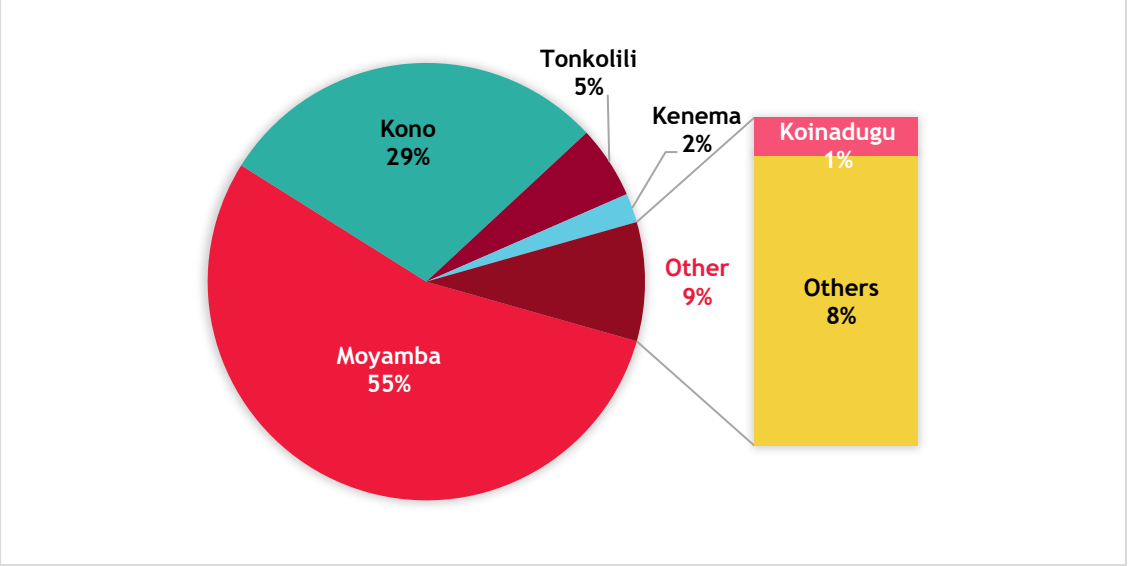
2020

The analysis of tax revenues from the extractive industries shows that **Moyamba** and **Kono** districts accounted for approximately **84%** the total revenues. The table and Figure below set out the breakdown of extractive revenues by district.

TABLE 37: BREAKDOWN OF EXTRACTIVE REVENUES BY DISTRICT (2020)

N°	District	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Moyamba	28.20	54.53%	54.53%
2	Kono	15.08	29.16%	83.69%
3	Tonkolili	2.77	5.36%	89.06%
4	Kenema	1.12	2.16%	91.21%
5	Koinadugu	0.54	1.04%	92.25%
	Top 5	**47.70**	**92.25%**	
	Other Districts	4.01	7.75%	100.00%
	Total	**51.71**	**100.00%**	

FIGURE 24: BREAKDOWN OF EXTRACTIVE REVENUES BY DISTRICT (2020)



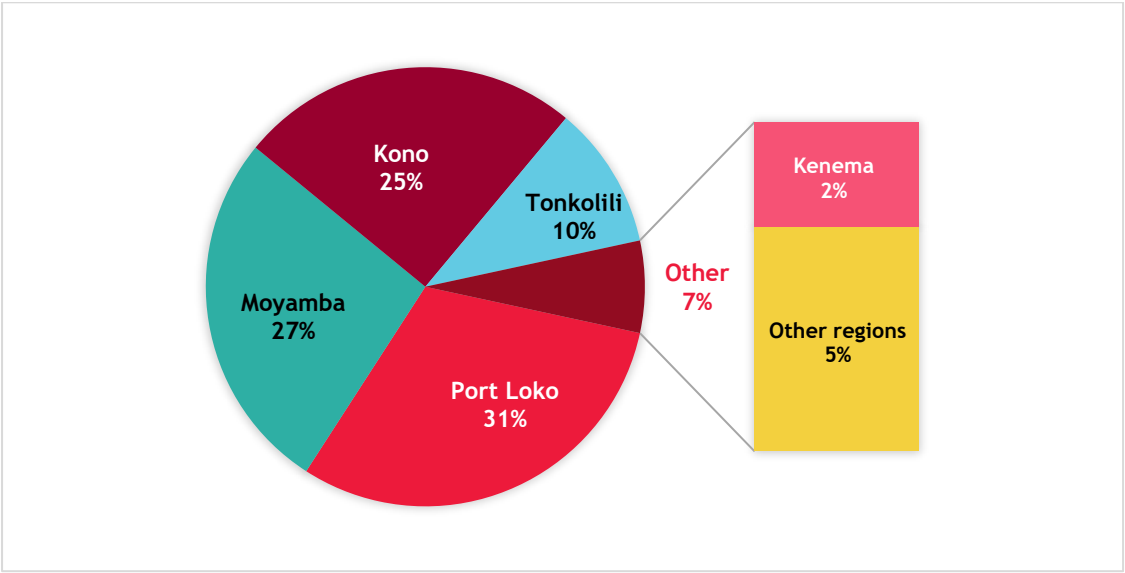
2021

The analysis of tax revenues from the extractive industries shows that **Port Loko**, **Moyamba** and **Kono** districts accounted for approximately **83%** the total revenues. The table and Figure below set out the breakdown of extractive revenues by region.

TABLE 38: BREAKDOWN OF EXTRACTIVE REVENUES BY DISTRICT (2021)

N°	District	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	Port Loko	20.82	30.74%	30.74%
2	Moyamba	18.15	26.80%	57.54%
3	Kono	17.02	25.13%	82.68%
4	Tonkolili	7.14	10.55%	93.23%
5	Kenema	1.47	2.17%	95.40%
	Top 5	**64.60**	**95.40%**	
	Other Districts	3.12	4.60%	100.00%
	Total	**67.71**	**100.00%**	

FIGURE 25: BREAKDOWN OF EXTRACTIVE REVENUES BY DISTRICT (2021)



Analysis by project (mining agreement)

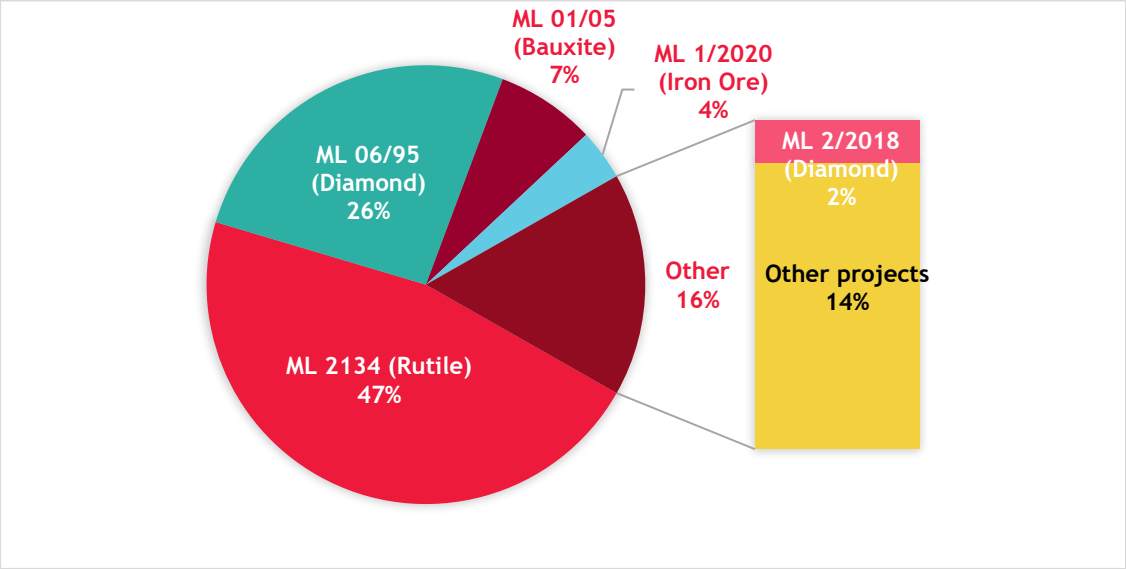
2020

The analysis of tax revenues from the extractive industries shows that project **ML 2134** operated by **Sierra Rutile** accounted for **46%** the total revenues. The table and Figure below set out the breakdown of extractive revenues by project.

TABLE 39: BREAKDOWN OF EXTRACTIVE REVENUES BY PROJECT (2020)

N°	Project reference	Start date	Owner	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	ML 2134	09/09/2010	Sierra Rutile Limited	Rutile	23.99	46.39%	46.39%
2	ML 06/95	22/07/1995	Koidu Limited	Diamond	13.57	26.25%	72.64%
3	ML 01/05	17/01/2005	Sierra Mineral Holdings 1	Bauxite	3.79	7.33%	79.97%
4	ML 1/2020	07/01/2020	Kingho Mining Company	Iron Ore	1.94	3.74%	83.72%
5	ML 2/2018	16/05/2018	Sierra Diamonds Limited	Diamond	1.11	2.14%	85.86%
			Top 5		**44.39**	**85.86%**	
	Other projects				**7.31**	**14.14%**	**100.00%**
	Total				**51.71**	**100.00%**	

FIGURE 26: BREAKDOWN OF EXTRACTIVE REVENUES BY PROJECT (2020)



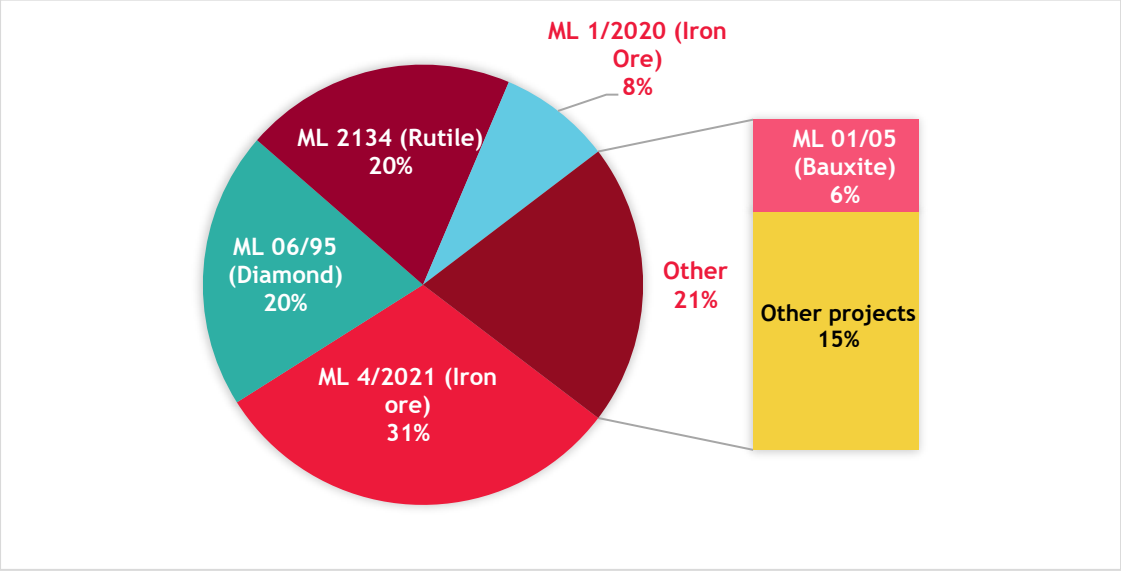
2021

The analysis of tax revenues from the extractive industries shows that project **ML 4/2021** operated by **Marampa Mines** accounted for **31%** the total revenues. The table and Figure below set out the breakdown of extractive revenues by project.

TABLE 40: BREAKDOWN OF EXTRACTIVE REVENUES BY PROJECT (2021)

N°	Project reference	Start date	Owner	Commodity	Contribution to tax revenues (USD million)	Weight (%)	Cumulative weight (%)
1	ML 4/2021	06/08/2021	Marampa Mines Ltd	Iron ore	20.76	30.65%	30.65%
2	ML 06/95	22/07/1995	Koidu Ltd	Diamond	13.80	20.38%	51.04%
3	ML 2134	09/09/2010	Sierra Rutile Ltd	Rutile	13.45	19.87%	70.90%
4	ML 1/2020	07/01/2020	Kingho Mining Company	Iron Ore	5.59	8.26%	79.16%
5	ML 01/05	17/01/2005	Sierra Mineral Holdings 1	Bauxite	3.98	5.87%	85.04%
			Top 5		**57.58**	**85.04%**	
	Other projects				**10.13**	**14.96%**	**100.00%**
	Total				**67.71**	**100.00%**	

FIGURE 27: BREAKDOWN OF EXTRACTIVE REVENUES BY PROJECT (2021)



3.4. Analysis of Sub-national Payments

Surface rent collected by District / Chiefdom councils and Paramount chiefs from mining companies amounted to **USD 386,665** and **USD 500,752** respectively in 2020 and 2021.

The tables below present surface rent by district and mining company.

TABLE 41: BREAKDOWN OF SURFACE RENT BY REGION (2020 AND 2021)

District (In USD)	2020	%	2021	%
Moyamba	240,206	62.12%	242,856	48.50%
Kono	125,103	32.35%	202,100	40.36%
Kenema	8,625	2.23%	8,480	1.69%

District (In USD)	2020	%	2021	%
Tonkolili	7,402	1.91%	22,118	4.42%
Port Loko	5,329	1.38%	25,198	5.03%
Total	**386,665**	**100.00%**	**500,752**	**100.00%**

TABLE 42: BREAKDOWN OF SURFACE RENT BY COMPANY (2020 AND 2021)

Company (In USD)	2020	%	2021	%
Sierra Rutile Limited	141,615	36.62%	140,647	28.09%
Sierra Mineral Holdings 1 Limited	98,591	25.50%	102,209	20.41%
Koidu mining limited	76,956	19.90%	77,456	15.47%
Meya Mining Limited	48,147	12.45%	80,034	15.98%
Sierra Diamonds Limited	8,625	2.23%	8,480	1.69%
Kingho mining company Limited	6,908	1.79%	6,481	1.29%
Sierra-min Bauxite SL Limited	5,329	1.38%		
Dayu Mining Company	493	0.13%	1,296	0.26%
Seawright Mining Company			40,000	7.99%
Marampa Mines Limited			25,198	5.03%
FG Gold Limited			12,500	2.50%
Wongor Investments and Mining Corporation Limited			3,684	0.74%
Chilting mining company			1,840	0.37%
Pan African Rare Metal Mining Co			926	0.18%
Total	**386,665**	**100.00%**	**500,752**	**100.00%**

3.5. Analysis of Social Payments

The extractive companies selected to submit reporting templates have reported mandatory and voluntary social payments amounting to **USD 1.3 million** and **USD 3.5 million** during the years 2020 and 2021 respectively. The tables below summarise these social payments by company and type of payment.

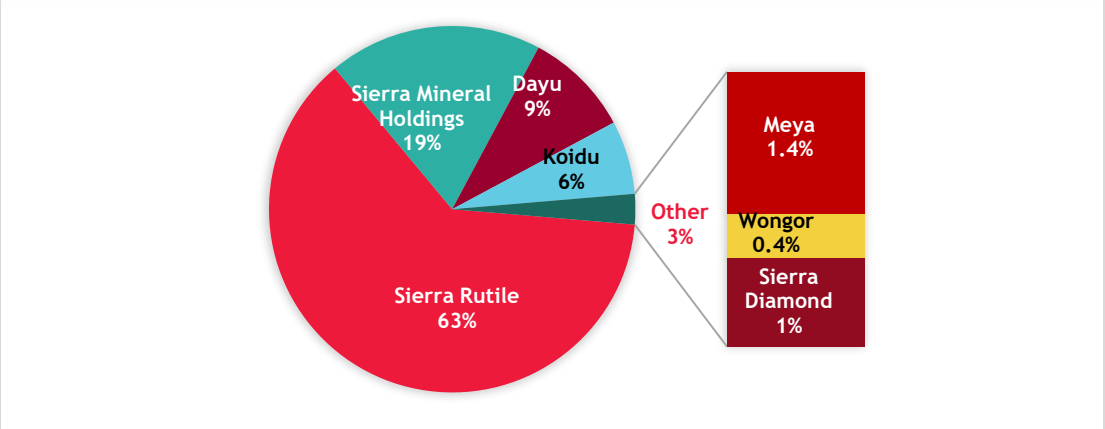
2020

TABLE 43: BREAKDOWN OF SOCIAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2020)

In USD

Company	Mandatory social payments		Voluntary social payments		Total	%
	Cash	In Kind	Cash	In Kind		
Sierra Rutile Limited	825,919	0	0	709	826,628	62.61%
Sierra Mineral Holdings 1 Limited	0	0	249,168	0	249,168	18.87%
Dayu Mining Company Limited	122,372	0	1,026	0	123,399	9.35%
Koidu Limited	14,828	0	70,879	0	85,707	6.49%
Meya Mining Limited	0	0	18,321	0	18,321	1.39%
Wongor Invest. and Mining Corporation	0	0	5,744	0	5,744	0.44%
Sierra Diamond Ltd	0	0	0	11,398	11,398	0.86%
Total	**963,119**	**0**	**345,138**	**12,107**	**1,320,365**	**100.00%**

FIGURE 28: BREAKDOWN OF SOCIAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2020)



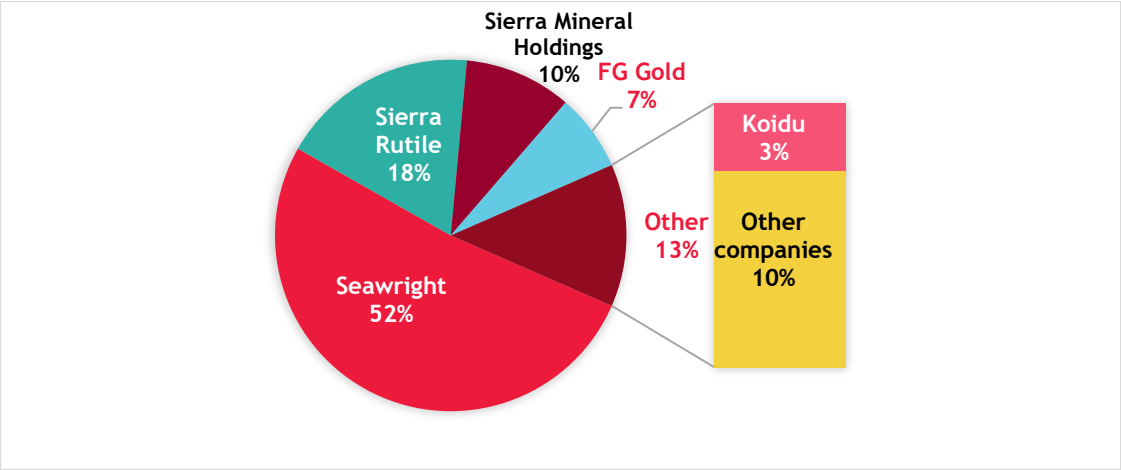
2021

TABLE 44: BREAKDOWN OF SOCIAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2021)

In USD

Company	Mandatory social payments		Voluntary social payments		Total	%
	Cash	In Kind	Cash	In Kind		
Seawright Mining Co	0	0	1,821,802	0	1,821,802	51.66%
Sierra Rutile Limited	462,994	0	180,532	0	643,526	18.25%
Sierra Mineral Holdings 1 Limited	348,398	0	0	0	348,398	9.88%
FG Gold Ltd	0	0	0	250,000	250,000	7.09%
Koidu Limited	45,465	0	72,870	0	118,335	3.36%
Cheng Li Trading Mining	74,074	0	0	20,000	94,074	2.67%
Meya Mining Limited	18,611	0	62,599	0	81,210	2.30%
Wongor Invest. and Mining Corporation	53,941	0	10,445	0	64,386	1.83%
Dayu Mining Company Limited	48,148	0	1,019	0	49,167	1.39%
Kingho Mining Company Limited	0	0	0	23,926	23,926	0.68%
KaSino Mining Company Limited	0	0	13,000	0	13,000	0.37%
Sierra Diamond Limited	0	0	12,963	0	12,963	0.37%
Marampa Mines Limited	0	0	5,515	0	5,515	0.16%
Total	**1,051,631**	**0**	**2,180,745**	**293,926**	**3,526,302**	**100.00%**

FIGURE 29: BREAKDOWN OF SOCIAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2021)



3.6. Analysis of Environmental Payments

The extractive companies selected to submit reporting templates have reported environmental payments amounted for **USD 200,152** and **USD 592,522** during 2020 and 2021 respectively. The tables below summarise these environmental payments by company and type payment.

2020

TABLE 45: BREAKDOWN OF ENVIRONMENTAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2020)

In USD

Company	Paid to private entities	Paid to public agencies	Total	%
Wongor Invest. And Mining Co Ltd	112,978		112,978	56.45%
Sierra Mineral Holdings 1 Ltd		82,162	82,162	41.05%
Meya Mining Co. Ltd	5,012		5,012	2.50%
Total	**117,990**	**82,162**	**200,152**	**100.00%**

2021

TABLE 46: BREAKDOWN OF ENVIRONMENTAL PAYMENTS BY COMPANY AND TYPE OF PAYMENT (2021)

In USD

Company	Paid to private entities	Paid to public agencie	Total	%
Wongor Invest. And Mining Co Ltd	299,066	0	299,066	50.47%
Kingho Mining Company Limited	0	180,206	180,206	30.41%
Sierra Mineral Holdings 1 Ltd	0	56,190	56,190	9.48%
Marampa Mines Limited	49,060	0	49,060	8.28%
Meya Mining Co. Ltd	8,000	0	8,000	1.35%
Total	**356,126**	**236,396**	**592,522**	**100.00%**