



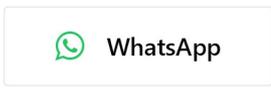
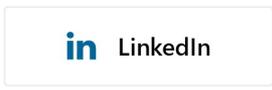
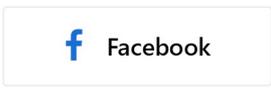
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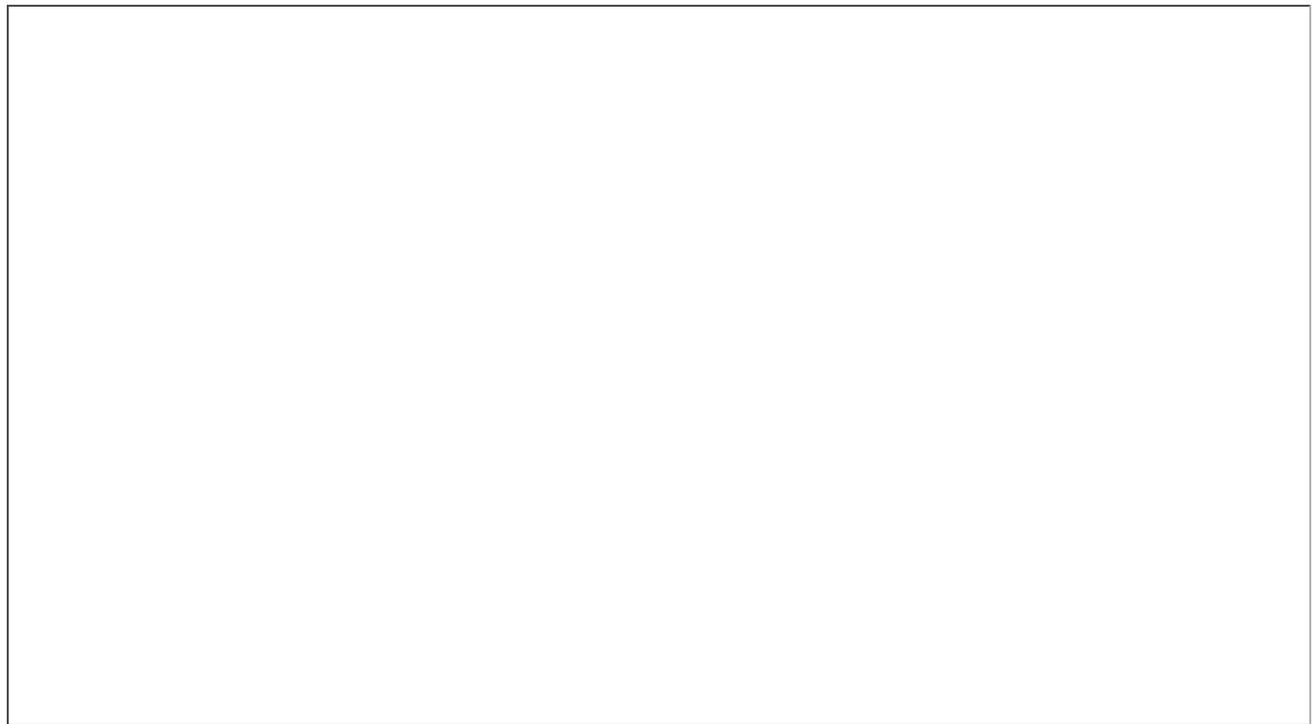
Liberian Lawmakers Halt BHP Billiton, Jonah Capital Asset Transfer



By FPA Staff Reporter — April 6, 2017 — BUSINESS

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Monrovia – The Plenary of the House of Representatives has voted in favour of a decision to halt the transfer of an agreement between BHP Billiton and Jonah Capital.

Report by Henry Karmo – henry.karmo@frontpageafricaonline.com

The decision was taken Thursday when the Ministers of Justice, Lands, Mines and Energy including the chairman of the National investment Commission appeared before plenary of the House of Representatives.

Plenary of the House of Representatives last week voted for these ministries to be represented by their head before plenary of the House to state reasons why the transfer deal was done unilaterally without the involvement of the legislature which has the constitutional responsibility to ratify concession and loan agreements.

The decision of the lawmakers stems from a communication from

Representative Henry Fahnbulleh (Montserrado County, District #4) that raised concern about the manner in which government handled the issue of the transfer.

Appearing before the plenary, the Lands, mines and Energy Minister Mr. Patrick Sendolo failed to correctly answer questions regarding what provisions of the agreement gives the Executive the exclusive rights to transfer the agreement.

In response to the lawmakers' question about authority, Justice Minister Fredrick Cherue asked the lawmakers for more time to enable them respond to the lawmakers' inquiry about the transfer properly. His request was accepted although there were some lawmakers who had opposing views.

In his communication, Representative Fahnbulleh claimed that it has been discovered that BHP Billiton Iron Ore Holdings PTY Ltd in 2016 transferred their assets to Jonah Capitals without the acquiescence of the Legislature.

What is troubling, according to the lawmaker is the fact that the transfer to Jonah Capitals was only done with the Executive Branch, contrary to Section 23.1, which states: "That no transfer of (1) this agreement or a mining license, or (2) any rights of the company in a MINE or any immovable infrastructure (other than in ordinary course of renewal and replacement of its properties and other than transfer of products in the ordinary course of business is permitted unless the transfer has received the prior written consent of the government."

In August 2014, Jonah Capital and BHP Billiton announced that they had entered into an agreement whereby Cavalla Resources Limited would purchase the entire iron-ore interests of BHP Billiton in Liberia.

BHP Billiton's Liberian iron ore interests comprise the exclusive rights granted over four exploration areas; Goe Fantro, Kitoma, St. John River South, and Toto; a further exploration license, Kitoma II, as well as the right of first refusal over three additional exploration areas.

The 1.9-billion-ton Joint Ore Reserves Committee-compliant resource includes

132-million tons of 57%-iron DSO.

Both Jonah and Cavalla have been trumpeting that the deal had the blessings of the government in a bid to foster economic growth.

But with lawmakers now raising alarm that the deal was sealed without their knowledge, industry observers say the fact that the deal was not properly executed to begin with puts Liberia at risk of yet another deal with warning signs pointing to losses for the financially-strapped government on the way out.

BHP Billiton



FPA Staff Reporter



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