

Tambao: heat turns up on Ouagadougou

BURKINA FASO

Will the legal saga over the Tambao manganese project blow a hole in Burkina Faso's reputation as a good country for miners to operate? As Africa Mining Intelligence anticipated it would in mid September (AMI 281), the General Nice International Mining Corp last week filed a complaint with the International Chamber of Commerce in Paris against Burkina Faso for breach of contract.

According to our sources, the company has retained the services of the Paris-based law firm Fidal to represent it in the arbitration proceedings. Working out of Hong Kong, General Nice initialled a memorandum of understanding concerning Tambao in October, 2010 and followed that up with an environment impact study conducted by the Inter-Tropic Conseil en Environnement et Travaux consulting firm in Burkina Faso. The agreement is good until April, 2013, according to General Nice, which has already spent \$30 million on the scheme. When a public-private partnership accord to develop the same deposit was penned by the government and the firm Pan African Burkina Ltd headed by Romanian businessman Frank Timis on Aug. 10, 2012, General Nice lodged a complaint with Burkina Faso's Centre d'Arbitrage et de Mediation.

The new case put before the International Chamber of Commerce in Paris came on top of a dispute pitting Burkina Faso against Weatherly International Plc ., a firm partnered with Wadi Al Rawda Investment. Wadi signed a first agreement with the government for the same project on April 2, 2007 and conducted a feasibility study in 2008. Wadi applied to the Paris panel for arbitration in August, 2011 and the tribunal declared itself competent to handle the case in late October (AMI 284). Weatherly reported that decision on its web site. On Nov. 29, the secretary-general's office at the mines ministry in Ouagadougou took out a whole page in the local newspaper Le Quotidien denying Weatherly's rights on Tambao. According to our sources in Ouagadougou, the mines ministry also had its legal adviser, Memery Crystal LLP, send a letter to Weatherly asking it to withdraw its statement and threatening to ask Britain's Financial Services Authority to pursue it for "dissemination of false information." Weatherly has told Africa Mining Intelligence it indeed received the letter and that it would continue claiming its rights.