Early Warning System

IFC-24374

Guinea Alumina Corporation

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Quick Facts

Countries	Guinea
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Borrower	GUINEA ALUMINA CORPORATION S.A.
Sectors	Energy, Mining
Investment Amount (USD)	$ 350.00 million
Loan Amount (USD)	$ 1,400.00 million

Project Description

Guinea Alumina Corporation S.A. (“GAC” or the “company”) is a mining development company focused on the development of a 12 Mtpa greenfield bauxite mine and associated rail, port and marine infrastructure (the “project”) at an approximate cost of US$1.4 billion. The associated infrastructure includes an upgrade of the existing 134 km single track mainline railway from CBG’s operations in Sangarédi and a new port terminal at the Port of Kamsar. The project has proven and probable reserves of 236.8 MT of bauxite at 46.5% Al2O3 with an expected life of mine of 20 years. GAC holds a fifty-plus year mining concession which also includes the development of an alumina refinery in a second phase of the project.The project, under different ownership and scope, was previously advanced to completion of a Bankable Feasibility Study along with approval of the Environment and Social Impact Assessment (“ESIA”). IFC appraised the original project (#24374) and published the ESRS on October 2, 2008, however, the project as originally conceived was not developed further. The project, with new Sponsors and a significantly revised scope, is now being disclosed along with a new ESRS and ESAP.Mine : Export grade bauxite ore will be mined using a conventional open plateau operation which, at full capacity, will produce 12 million tons per annum (dry) ore. The bauxite occurs as flat layers capping the plateaus that extend throughout the Boké region. These formations are 6 to 10 m thick, with limited topsoil and minimal overburden or waste. As such, a series of small multiple faces will be mined rather than a single large open face. The bauxite mine will be supported by appropriate infrastructure such as: access roads; Ammonia Nitrate Fuel Oil (ANFO) - explosive magazine – storage; bauxite crushing plant and ore stockpile; water settling and polishing facilities, dam and loading platform; fresh water tanks and drinking water treatment unit; etc. Port & Marine : The GAC port terminal will initially be developed to handle and export 12 million tons per annum of bauxite. The terminal is being constructed on an existing fill platform, partially developed in 2007. Supporting infrastructure for the port terminal will include: a rail terminal and train offloading facilities; mechanized reclaiming and conveyors and barge loading trestle arrangement; a water desalination plant; fuel handling facility; power generation; workforce accommodation and offices; and a maintenance workshop dedicated to maintaining GAC’s rail equipment. The port terminal will be linked to a transshipment operation to enable export of bauxite by larger vessels. All the transshipment arrangements will be between Emirates Global Alumina (“EGA”) (the offtaker and GAC’s parent company) and the transhipper. The transshipment operation is considered an associated facility for the project. GAC commissioned its import Kamsar Container Terminal (KCT) quay in 2016. KCT is used to import much of the equipment and materials required for the construction of the project as well as to handle shipments under GAC’s market bulk samples (“MBS”) program– ref below. Rail : The railway upgrades will mainly consist of four rail passing loops and a duplicated section distributed along the rail line within the existing Agence Nationale D’aménagement des Infrastructures Minières (ANAIM) 50m corridor. It will also include the construction and operation of one rail siding at the mine site and one loop at the port to allow for GAC’s trains to depart the ANAIM rail line at GAC port terminal in Kamsar. The existing railway is owned by ANAIM and is operated (under a concession agreement from the Government of Guinea) by Compagnie des Bauxites de Guinée (CBG), which will be responsible for implementing the upgrades. Chemin de Fer de Boké (“CFB”), a department within CBG, is responsible for the management of the railway infrastructure and will provide the train service to the users. The capacity of the existing railway, which will be increased to 51 Mtpa, will allow for transportation of an increased volume of bauxite from GAC, Compagnie de Bauxite et d’Alumine de Dian-Dian (COBAD) and CBG to their respective port terminals. Use of the railway is governed by the multi-user operation agreement between the three companies identified above and ANAIM. GAC appointed Fluor as its Project Management Contractor (PMC). Fluor (or the “PMC”) will be responsible for the engineering, procurement, construction (EPC) and management activities during the construction phase. Additional smaller task-specific EPC contractors are involved in the construction and operational activities of the project, and will report to Fluor. Ahead of the start of the project, GAC commissioned the MBS project which involves mining and export of a total of around 650,000 tons of ore over a period of approximately 18 - 24 months, starting in October, 2016. The MBS involved the construction of a 3-km unsealed link road from the mining area to the existing national highway. It is also supported by appropriate infrastructure such as a mobile crusher, generator, weigh-bridge, parking area for the trucks, stockpile and

Investment Description

- International Finance Corporation (IFC)

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

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