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# Miner Faces Scrutiny for Payments in Africa

**Sable Mining Africa made payments to government officials in West Africa in 2010 before winning lucrative mineral concessions, according to documents reviewed and interviews conducted by the Journal**

LONDON— [Sable Mining Africa](#) Ltd. made payments to government officials in West Africa in 2010 before winning lucrative mineral concessions, according to documents reviewed and interviews conducted by The Wall Street Journal.

Separately, investigative nonprofit Global Witness, [in a report released Wednesday](#) and reviewed by the Journal, says its investigation shows Sable made payments to government officials and people close to the government in Liberia and Guinea, hoping to get favorable decisions for mining deals. Sable, which is registered in the British Virgin Islands, owns mining rights to a plot of land in Guinea it says is rich in iron ore, and has secured the right to export it through Liberia.

Independent of the Global Witness report, the Journal reviewed a trove of emails and internal Sable documents that showed company officials detailing payments to government officials. Heine van Niekerk, a former Sable executive, said in a 2015 interview with the Journal that he made payments to Liberian and Guinean officials in 2010 for what he described as standard business deals or political donations.

Sable denied wrongdoing in a written response to questions from the Journal. The company says there are no links between payments it made in Guinea and Liberia in 2010 and rights later granted by the two countries.

The company in its response to Global Witness said a 2011 internal review of its Liberian operations highlighted a “lack of controls” regarding the use of certain funds. The company “augmented internal procedures and controls” in response. Mr. van Niekerk no longer works

for Sable following a business dispute with Sable executives which was detailed in documents in a South African court case about the dispute.

Sable Chairman Jim Cochrane said in a statement to the Journal that a recent review of the allegations of payments to African officials “found no evidence to support or justify this attack on the company or its directors, past and present.”

Sable is one of multiple Africa-focused natural-resource outfits floated by businessmen Philippe-Henri Edmonds and Andrew Groves on the [London Stock Exchange](#)'s market for small companies, the Alternative Investment Market. Mr. Edmonds gained fame in the U.K. in the 1980s as a cricket player and then went on to make a fortune pursuing minerals in far-flung places, [the Journal has reported](#).

Messrs. Edmonds and Groves denied wrongdoing through a Sable press representative. Mr. Edmonds was replaced by Mr. Cochrane in 2014 and is no longer with the company. Mr. Groves is chief executive.

Native Africans, Messrs. Edmonds and Groves have been doing business in West Africa for more than a decade.

Liberia is ranked 83rd out of 168 countries in Transparency International's Corruption Perceptions Index, in which a No. 1 ranking is the cleanest, and Guinea is ranked 139th.

The businessmen's most recent venture is Sable Mining, originally listed in London in 2008 as Bioenergy Africa Ltd., which said it would make ethanol from sugar cane. The company was renamed Sable in 2009 as it turned its focus toward minerals such as iron ore, then a hot commodity amid seemingly endless appetite in China for the steelmaking ingredient.

Early investors included natural-resource funds owned by J.P. Morgan Asset Management. By 2014, J.P. Morgan funds had accumulated a 7% stake, making it the company's biggest institutional investor, according to FactSet. J.P. Morgan didn't have an active governing role in Sable, said a person familiar with Sable. The person said Sable's board touted the bank's backing as a reason to feel confident about the miner's fortunes, hoping to encourage more investments. A J.P. Morgan representative declined to comment.

Other investors have included Fidelity Investments and New York hedge fund Harbinger Capital Partners, neither of which now own shares of Sable, according to representatives of those firms. A Harbinger spokesman said the firm was a Sable investor from 2009 to 2010, when it sold its stake at a loss. A Fidelity representative declined to comment further.

In 2012, Sable won rights to explore an iron-rich plot of land in Guinea, near the Liberian border, following a [hotly contested presidential race](#). The candidate they supported, Alpha Conde, emails show, had won the election in 2010 and promised to reform the country's mining industry.

A key ally was Aboubacar Sampil, a Guinean businessman and close friend of Mr. Conde's son, according to people familiar with the relationship. Mr. Sampil helped the company gain access to the president and other government officials by arranging meetings and plane trips, according to Sable emails viewed by the Journal.

“[D]o not forget the budget for the people who are working for us here,” read an email sent from Mr. Sampil's account on Aug. 18, 2010, to Mr. van Niekerk, then a Sable executive. The email asked Mr. van Niekerk to transfer cash to a bank account owned by Mr. Conde's son “so I can be more comfortable [sic] with the technicians of the ministry of mines.”

It was one of several emails from Mr. Sampil's account viewed by the Journal that asked for cash to be transferred to Mr. Conde's son. Mr. Sampil was named a Sable board member in 2012.

Mr. Groves, in an Aug. 18, 2010, email viewed by the Journal, wrote to Mr. van Niekerk: “Alpha Conde paid,” referring to Mr. Conde's son, whose name is Alpha Mohamed Conde. A Sable representative confirmed the payment and said it was for services Mr. Conde's son provided to Sable before the election campaign.

Sable said Mr. Sampil denied wrongdoing. Efforts to reach him independently were unsuccessful.

A spokesman for the Guinean government said President Conde didn't provide any favors to Sable Mining. “Any suggestion that Alpha Conde, while a candidate for office, received payments from Sable in connection with some express or implied promise to support Sable's acquisition of business in Guinea, is absolutely false,” the spokesman said. Through a

spokesman, Mr. Conde's son said: "I categorically reject all of these insinuations and claims."

Sable also won rights to export its iron ore over Guinea's Liberian border, a right denied to other mining companies in Guinea, which was pressing other bigger miners like [Rio Tinto](#) PLC to help fund rail links to a port. Guinea mining officials have said they are open to granting rights to ship over the Liberian border to small operators such as Sable, which couldn't afford a rail link.

In addition, in Liberia, Sable made multiple payments earmarked for government officials, Global Witness alleges, citing documents including a spreadsheet from Sable's Liberian law firm that has been seen by the Journal and that indicates debits to accounts corresponding with the payments. In early 2015, Sable won the right to transport iron ore over a rail line in Liberia, news that shot its stock up more than 300% in a day. The law firm didn't reply to a request for comment.

Sable in its response to questions from Global Witness about the Liberian payments said "if any inappropriate actions were taken, they were taken without the knowledge of the board."

Eugene Lenn Nagbe, Liberia's minister of information, culture and tourism, said in an interview with the Journal: "If there is any indication that any Liberian official or citizen is involved in violations of the law through bribery and corruption, the government of Liberia will not hesitate to investigate." He said several steps remain before Sable officially gets access to the rail line.

Despite its efforts, Sable still hasn't started mining its Guinean concession, and its shares have collapsed amid the tumbling price of iron ore, shedding more than 95% of their listing price.