

Avima Iron Ore Limited Responds to Congo Mining Minister's Visit to Cameroon

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Local media has reported that the Minister of Mines and Geology of the Republic of Congo, Pierre Oba, and his delegation are in Cameroon to negotiate with the Government of Cameroon the passage of Avima Iron Ore Limited's ("Avima") iron ore through Cameroon to Kribi port.

This comes following the illegal cancellation and expropriation of the Avima project by the government of the Republic of Congo.

Avima strongly objects to these actions as it is the rightful owner of the Avima iron ore deposit in the Republic of Congo. Avima was scheduled to start production and ship high-grade iron ore to customers in January 2021. Avima started the project 14 years ago and developed it from an obscure grass roots area into a world class iron ore deposit. Avima was scheduled to mine and transport 5 mtpa of the deposit until the new railway and the port expansion in Kribi were completed, which would have then increased its exports to over 50 mtpa.

Avima undertook several years of planning that led to agreements with Kribi port, haulage companies, and the Governments of the Republic of Congo and of Cameroon.

Socrates Vasiliades, on behalf of Avima, commented:

"This is just another step towards towards unlawfully taking away control of assets held by international investors. Minister Oba's behaviour is out of character. He obviously has not thought through the consequences of these illegal actions. We find it interesting that, earlier this year, Minister Oba and various other Congolese government officials were promoting the construction of a 1800 km railway to be built within two years to Pointe Noire with an investment of US\$10 billion. We now see him promoting the export through Cameroon which is an attempt to steal not only our legal title and hard work but desperately trying to replicate all that we have achieved in this challenging region.

We intend to enforce our position and our rights to the Avima iron ore deposit, which has fallen under factitious ownership.

We have invested heavily into the project and in the Republic of Congo. We have invested

hundreds of millions of US dollars over an extended period under the encouragement of the Congolese Government and its leadership. The steps taken by the Congolese Government are not just illegal, but they are damaging the country and its people.

This is another act that blatantly disregards the rights of the investors and the economic and social development of a country in which millions of people live in extreme poverty. The country needs employment and Avima would have employed thousands of people even in the first phase of the operations.

We are taking all necessary action to protect our investment against these unlawful attempts to expropriate our assets, to safeguard the future of the project and the thousands of jobs that depend on it."

Avima's initial assessment of the losses associated with the licence expropriation is in excess of US\$27 billion.

Avima has engaged the legal services of Clifford Chance, a global leader in international arbitration (Simon Greenberg, Alexis Foucard, Marie-Isabelle Delleur, and Alix de Zitter, all Paris-based). "It is hard to imagine a clearer case of expropriation. Our client invested hundreds of millions of dollars and more than ten years of work into the project. The mine was almost ready to start selling ultra-high-grade iron ore to the world market", says lead counsel Simon Greenberg.

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