

# REPUBLIC OF SIERRA LEONE FACTSHEET



Delegation der Deutschen Wirtschaft  
in Ghana  
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## INTRODUCTION

Sierra Leone is located on the southwest coast of West Africa, bordered by Guinea to the north and east, Liberia to the southeast, and the Atlantic Ocean to the west. The country is defined by its diverse geography, ranging from the mangrove-lined coastal plains to the wooded hill country and the mountainous plateau in the east.

The climate is tropical, with two distinct seasons: the rainy season (May to November) and the dry season (December to May), characterized by the dusty Harmattan winds. Culturally, Sierra Leone is a mosaic of ethnic groups, with the Mende and Temne being the largest. The Krio culture, centered in Freetown, reflects the country's unique history as a settlement for returned slaves. Following the end of the civil war in 2002, the nation has rebuilt its social fabric, though challenges in infrastructure and healthcare persist.

## KEY STATISTICS

INDICATOR	CURRENT DATA
Official Name	Republic of Sierra Leone
Capital	Freetown
Head of State	H.E. Julius Maada Bio (President)
Population	8.82 million (2025 Est.)
Area	71,740 km <sup>2</sup> (27,699 sq mi)
Official Language(s)	English (Official), Krio (Lingua Franca)
Currency	The Leone (SLE) – Redenominated in 2022
Time Zone	GMT (Greenwich Mean Time)

## **POLITICAL CONTEXT**

Sierra Leone is under the leadership of President Julius Maada Bio of the Sierra Leone People's Party (SLPP), who is currently serving his second term following the general elections in June 2023. While the immediate post-election period was marked by political tension, the environment has largely stabilized, allowing the administration to concentrate on consolidating gains through its "Big Five Game Changers" agenda, which prioritizes food security under the "Feed Salone" initiative, along with human capital development and youth employment.

Despite this relative stability and focus on development, the government continues to operate within a polarized political landscape defined by the ongoing rivalry between the ruling SLPP and the main opposition, the All People's Congress (APC).

## **ECONOMIC CONTEXT**

Sierra Leone is currently staging a robust economic recovery from the compounded effects of the pandemic and global inflation, with GDP growth projected to reach approximately 4.4% in 2025. This upward momentum is primarily driven by the mining sector specifically iron ore and gold and a rebounding agricultural industry.

In a significant stabilization effort, inflation has retreated from the hyperinflationary levels of previous years to single digits (roughly 4.4%–5.4%), while the redenominated Leone (SLE) has maintained relative stability through tighter monetary policy. Despite these gains, foreign exchange reserves remain a critical area of focus, currently providing coverage for only about 1.5 months of imports.

## SELECTED DEVELOPMENT INDICATORS (ESTIMATES)

Indicator	2024 (Est.)	2024 (Est.)
GDP Growth	3.7%	4.4%
Inflation (CPI)	28.4% (Avg)	5.0% (Year-end)
Poverty Rate	25.0%	24.6%

## MINING BUSINESS CLIMATE

Mining serves as the undisputed anchor of Sierra Leone's export economy, providing the vast majority of the nation's foreign exchange earnings. However, the sector is currently navigating a pivotal transformation driven by the Mines and Minerals Development Act of 2022. This legislation was designed to modernize the industry by replacing outdated regulations, ensuring the state captures a fairer share of revenues, and mandating stricter adherence to environmental, social, and governance (ESG) standards.

**Iron Ore:** Iron Ore remains the dominant force in the country's extractive portfolio, driving the bulk of export volume. Production capacity has surged due to significant capital investment in processing plants and logistics, including the rehabilitation of rail and port infrastructure to facilitate the movement of millions of tons of ore annually.

**Rutile:** Sierra Leone holds an enviable position as one of the world's largest producers of natural rutile, a high-grade titanium feedstock used primarily in the production of pigment and titanium metal. The sector is largely defined by Sierra Rutile Holdings, which operates historically significant mines in the southern region. Despite facing market volatility and energy cost challenges in recent years, the sector remains vital due to the high purity of Sierra Leonean rutile compared to global competitors.

**Gold:** The gold sector is undergoing the most dramatic structural change. Historically dominated by artisanal and small-scale mining (ASM), the country is now pivoting rapidly toward large-scale industrial production. One of the key project include the Baomahun Gold Project (developed by FG Gold). As Sierra Leone's first large-scale commercial gold mine, Baomahun represents a turning point for the sector.

**Strategic Minerals: Bauxite, Diamonds, and Zircon:** Beyond the "Big Three," the mining economy is supported by a robust secondary tier of minerals:

- **Bauxite:** Sierra Leone remains a consistent producer of bauxite, the primary ore for aluminum. Operations, primarily led by Sierra Minerals (Vimetco), are concentrated in the Moyamba and Bonthe districts.
- **Diamonds:** The diamond sector has matured significantly since the civil war era. While alluvial mining continues, the economic value is now driven by kimberlite mining, most notably by Koidu Limited.
- **Zircon:** Often extracted as a valuable by-product of rutile mining, zircon provides an essential revenue stream for mineral sands operators.

## **REGULATORY FRAMEWORK OF THE MINING SECTOR**

The sector is governed by the Mines and Minerals Development Act 2022, which replaced the 2009 Act. Key provisions include:

- **State Participation:** Under the 2022 framework, the government secures a mandatory stake in major projects. The State is entitled to a 10% non-dilutable free-carried interest in all large-scale mining operations. This ensures the country directly benefits from profits without contributing to initial capital costs.
- **Licensing:**
  - **Large-Scale Mining License:** Large-Scale Mining License Investors planning major operations must secure this license. It applies to concessions exceeding 200 hectares, or projects requiring substantial capital expenditure and advanced technology (e.g.,

underground mining or open-pit deeper than 20 meters).

- **Small-Scale & Artisanal:** Reserved largely for Sierra Leonean nationals or joint ventures with significant local ownership.
- **Local Content:**
  - Mining companies must give preference to Sierra Leonean goods and services.
  - Strict quotas exist for employing Sierra Leonean nationals at management and technical levels.

MAJOR MINING COMPANIES (2025 UPDATE)

Company	Mineral	Status / Notes
Sierra Rutile Holdings	Rutile	Acquired by Leonoil Company in Oct 2024. Operates the Area 1 mine; world's largest natural rutile producer.
Marampa Mines (Gerald Group)	Iron Ore	Major Expansion. Commissioned the "M3.75" expansion in Jan 2025 to increase output to 3.75 MTPA.
Leone Rock Metal Group	Iron Ore	Formerly Kingho. operates the massive Tonkolili mine and integrated rail/port system.
FG Gold	Gold	Development. Secured \$330M financing in Dec 2025 to complete the Baomahun project (country's first large industrial gold mine).
Meya Mining	Diamonds	Active. Majority stake (70%) sold to Sterling Global Trading in 2023; focusing on high-value underground kimberlite mining.
Cheng Li Mining	Gold	Active. Operating alluvial and hard rock plants in Koinadugu District.
Wongor Investment	Gold	Active. Operational in the gold sector.

## **INVESTMENT OPPORTUNITIES**

Sierra Leone offers strategic investment opportunities across the mining value chain, driven by government incentives that prioritize domestic beneficiation such as diamond polishing, gold refining, and steel processing over the export of raw ore. To support this industrial growth and increasing iron ore volumes, there is a critical need for infrastructure development, specifically regarding rail and port logistics like the Pepel Port upgrades. Additionally, the sector presents a growing market for energy investors, with high demand for Independent Power Projects (IPPs) capable of deploying renewable solar and hydro solutions to power off-grid mining sites effectively.

## **OUTLOOK**

Sierra Leone's outlook for 2026 is cautiously positive. The successful financing of the Baomahun Gold Project and the expansion of iron ore exports signal strong investor confidence. However, economic stability relies heavily on maintaining the current low-inflation environment and managing external debt. For investors, the 2022 Mining Act provides a clear, albeit more demanding, legal framework that prioritizes "resource sovereignty" and community partnership.

Sierra Leone and the IMF

Sierra Leone - Mining and Mineral Resources

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