

Court orders eviction of British mining firm

Case. Krone (U) Ltd sued Kerilee Investments on grounds that the British firm was illegally mining wolfram in Nyamuliro mines.

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KAMPALA. The High Court has ordered eviction of a UK mining firm, Kerilee Investments, which has been extracting wolfram in Rubanda District following wrangles over control of mines.

Justice Godfrey Namundi of the High Court's Land Division in Kampala ordered that Kerilee Investments be restrained from "further management and running" of Nyamuliro mines in Rubanda for 90 days.

"For purposes of ensuring safety and security of property, the respondent [Kerilee Investments] is to remove its employees from the site and thereafter the applicant [Krone (U) Ltd] is to put in place security and guards at the applicant's cost for the duration of No1 [90 days] above," reads the court ruling made on July 27.

Krone (U) Ltd sued Kerilee

Investments on grounds that the British firm was illegally mining wolfram in Nyamuliro mines contrary to provisions of the Mining Act 2003. Krone submitted that Kerilee was conducting mining without being registered under the Corporations Act.

Court said the 90-day injunction is to allow Krone and Kerilee Investments complete

“ The respondent [Kerilee Investments] is restrained from further management and running of the suit mine for the duration of the suit pending the outcome of the proceedings, if any,”
COURT RULING

mediation of the dispute or have the matter arbitrated under Clause 13 of the management agreement.

The Directorate of Mines at the Energy ministry has also written to Krone directing the company to "keep fulfilling its working obligations under the Mining Lease".

Krone chief executive officer

Isingoma Amooti dismissed claims that he sold a lease to K13R company, a subsidiary of Kerilee Investments. He said the managers of the UK firm took advantage of his absence while he was abroad for treatment to take over the mines.

"I don't know that company. I had been in South Africa for treatment and that's when they took advantage of my absence to kick out the management of Krone," Mr Amooti said.

Mr Amooti also accused police of refusing to enforce the court order.

Kigezi region police commander Paul Nkore said police were compiling a file about the situation at the mines and would meet all the parties involved in the Nyamuliro mines on Friday to discuss the matter. "We cannot refuse to enforce a court order. Police will do the eviction when time comes. The DPC will come up with a report and we will see what action to follow," Mr Nkore said.

Kerilee Investments finance controller John Wambi said the matter should be amicably resolved out of court.