

# Press release of ZCCM Defense

## Request for investigation into Ndola Lime Company, renamed Limestone Resources Limited

### 1. Background

Ndola Lime Company (NLC), a wholly-owned subsidiary of ZCCM-IH, has lost nearly \$120 million to replace, among other things, a kiln.

As NLC had been loss-making for many years, ZCCM-IH had to pump money into it. Suspicions soon arose that the kiln was poorly designed and inoperative. In an unconventional move, full payment was made without any prior verification. The Italian suppliers then immediately went bankrupt. Zambian accomplices to defraud ZCCM-IH were suspected. (Zambian press articles - appendices 1,2).

### 2. Requests of the Commission on Parastatal Bodies to Industrial Development Corporation (IDC)

In its report for the third session of the twelfth National Assembly (page 19 – Appendix 3), Chairperson P.M.W. DAKA wrote :

#### 8.8.9 Investigations through Interpol on the Procured Kiln

The Committee observes with serious concern the handling of the procurement process relating to the VK2 kiln at Ndola Lime Company. The Committee further observes that the turn of events where the company that supplied the equipment went into liquidation soon after the Kiln failed to operate appears to suggest that **there was a syndicate to deprive the state. The Committee, therefore, strongly recommends that IDC should engage Interpol to pursue the matter in which over US\$ 7, 976,140, which was part of the recapitalisation project under the contract total sum of US\$ 100 million.** The Committee further recommends that **a forensic audit should be conducted with a view to bringing to book all the Zambian consultants and employees of NLC who may be found wanting in this transaction.**

### 3. Requests of our group of minority Shareholders of ZCCM-IH to IDC

IDC is the main shareholder of ZCCM-IH. Zambian parliamentarians have explicitly requested IDC to initiate the necessary prosecutions and forensic audits in July 2019.

No formal proceedings were subsequently conducted, so I wrote a formal email to former IDC CEO Mateyo Kaluba on 7<sup>th</sup> May 2021 (Appendix 4). In the absence of a response and a commitment to investigate, I repeated my request to the current IDC CEO Cornwell Muleya on 1<sup>st</sup> November 2024 (Appendix 5). Again, I received no response.

#### **4. Suspicious inaction**

IDC is bloodless. ZESCO is a financial liability. ZCCM-IH is one of IDC's very few assets, along with Kagem, capable of generating income. What is more, the Chairman of IDC is the President of the Republic of Zambia, who, after his election, undertook to fight firmly against corruption and embezzlement and to prosecute those responsible.

IDC's silence and inaction despite its poor financial position, the PAC's recommendations and the President's commitments are therefore highly suspect...

#### **5. Requests of investigation to Anti-Corruption Commission**

The sums involved in this scam are colossal and have plummeted the company's accounts. By way of comparison, they are equivalent to about half the former dividends received from Kansanshi Mining Plc over the last two decades, which were ZCCM-IH's main source of income.

In addition, Ndola Lime Company has been renamed Limestone Resources Limited. ZCCM-IH plans to pump again tens of millions of dollars. It is therefore urgent to identify the members of this « syndicate who deprived the State » so that they do not re-offend.

This is why, on 17<sup>th</sup> December 2024, I have requested the Anti-Corruption Commission to investigate this swindle with commitment and determination to protect the interests of the shareholders of ZCCM-IH, in particular the Zambian People.

**Issued by:**

**Thierry CHARLES**

**President of ZCCM Defense**

**19 December 2024, FRANCE**