



PRESENTATION ON MINING INVESTMENT IN UGANDA

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Introduction

- Uganda possesses a wealth of metallic and non-metallic minerals due to its diversified geology.
- Uganda's geology is dominated by old rocks up to 3,100 million years and this is favourable geology for discovery of world class mineral deposits
- Recently, the Government undertook airborne geophysical surveys covering 80% of the country followed by limited ground geological mapping, geochemical surveys and mineral resource assessment. As a result, several potential areas for detailed exploration of different mineral commodities have been identified ranging from precious metals e.g. gold, base metals, PGMs, Rare Earth Elements (REE), Uranium and a number of industrial minerals such as limestone.



Uganda's mineral potential

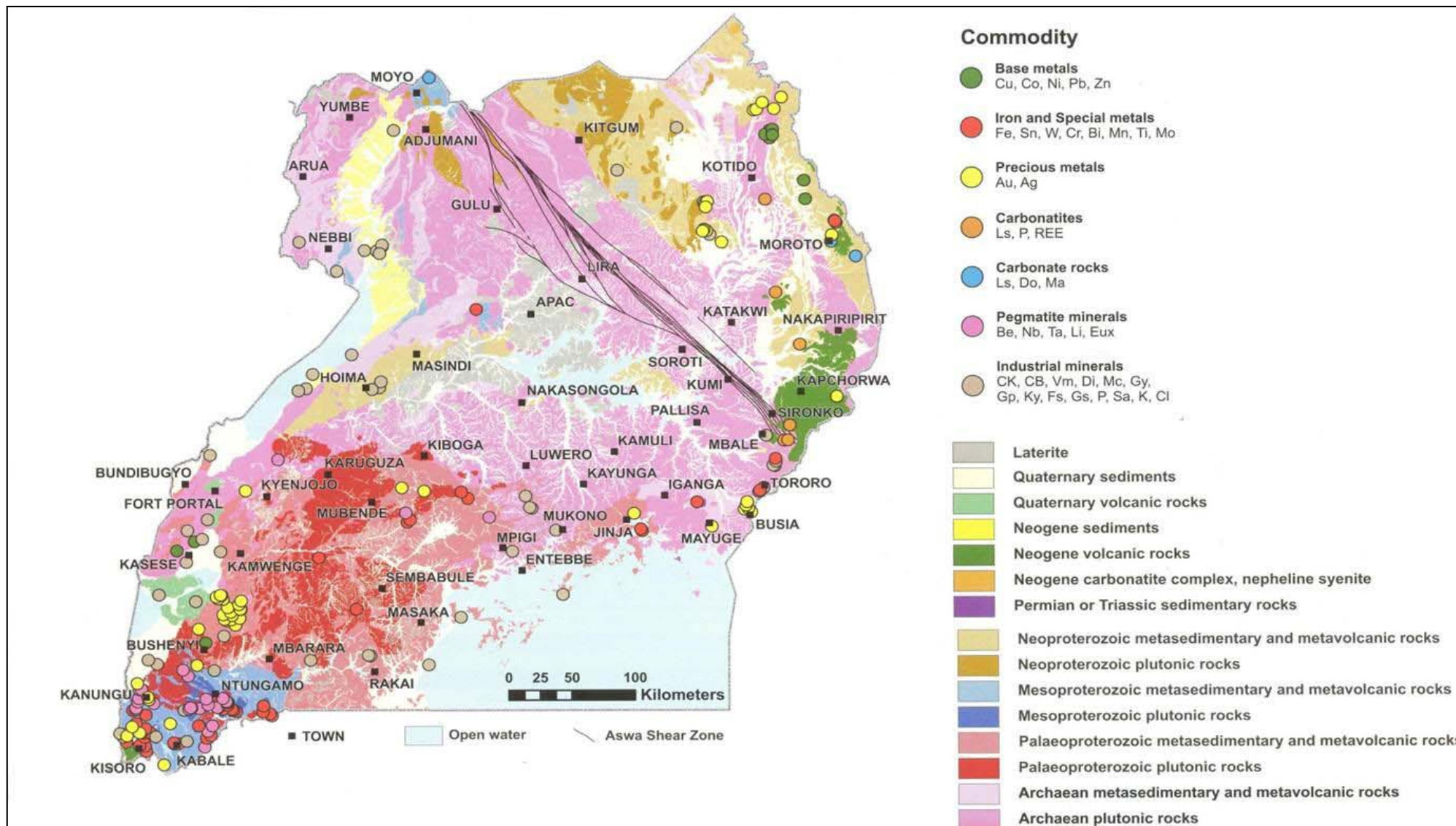
Metallic mineral resources: Beryllium, Bismuth, Copper, Cobalt , Columbite-Tantalite (Coltan), Gold, Iron, Lead, Lithium, Manganese, Platinum Group of Metals (PGM), Rare Earth Elements (REE), Tin, Uranium, Wolfram and Zinc.

Industrial minerals: Bentonite, Clay, Diatomite, Dimension Stones (Granite), Feldspar, Glass sands, Graphite, Gypsum, Kaolin, Kyanite, Marble /limestone, Mica, Phosphate (Apatite), Pozzolana, Salt (rock salt, halite), Talc and Vermiculite.

Gemstones: Apatite, Beryl – emerald, aquamarine, heliodor, morganite, Corundum (Ruby, blue sapphire), Fluorite, Garnet, Opal, Quartz (amethyst, rose), Topaz, Tourmaline and Zircon



Mineral Occurrence map of Uganda





Legal, regulatory and institutional framework

The legal framework consists of the Mineral Policy (2001), Mining Act (2003) and the Mining Regulations (2004)

Mineral Policy, 2001

The Mineral Policy was put in place to guide the country's Mineral Sector development and its objectives is to:-

- To stimulate mineral sector development by promoting private sector participation;
- To ensure that mineral wealth supports national economic and social development;
- To regularize and improve artisanal and small-scale mining;
- To minimise and mitigate the adverse social and environmental impacts of mineral exploitation;
- To remove restrictive practices on women participation and protect children against mining hazards;
- To develop and strengthen local capacity for mineral development; and
- To add value to mineral ores and increase mineral trade.

The Ministry of energy and Mineral Development (MEMD) is in the process of reviewing the mining legislation.



Legal, regulatory and institutional framework

Mining Act, 2003

The Mining Act, 2003 was enacted to operationalize the Mineral Policy. It replaced the Mining Act, 1964 and is internationally competitive and in line with current industry practice, with following principles:-

- Ownership of minerals: Vested in the Government.
- Mineral licenses/rights include: Prospecting License, Exploration License, Retention license, Mining Lease, Location License, Mineral Dealers & Goldsmith License.
- It provides for Mineral Agreements with investors for large scale projects.
- Entry is on first come first serve basis

N.B. The Ministry of energy and Mineral Development (MEMD) is in the process of reviewing the mining legislation.



Legal, Regulatory & Institutional Framework Cont'd

LICENCE	PURPOSE	PERIOD	REMARKS
Prospecting Licence (PL)	To prospect for minerals around the country.	1 year	Non-exclusive & not renewable.
Exploration Licence (EL)	To explore for minerals in an area not more than 500km ² .	3 years	Renewable two (2) terms of two 2 years each and half area relinquished on each renewal.
Retention Licence (RL)	Granted to the holder of an EL when the identified mineral deposit can not be exploited due to economic reasons.	3 years	Renewable once for 2 years.



Legal, Regulatory & Institutional Framework Cont'd

LICENSE	PURPOSE	PERIOD	REMARKS
Mining Lease (ML)	For mining operations.	21 years	Should not exceed area of Exploration Licence and is renewable for 15 years.
Location Licence (LL)	For mining operations of a smaller investment where expenditure to achieve production will not exceed 50 currency points (1cp = UGX 20,000 ≈ US\$ 7)	2 years	Granted to citizens of Uganda or in case of corporate, citizen of Uganda holds ≥50% of ownership. Renewable for terms of 2 years each.



Legal, Regulatory & Institutional Framework Cont'd

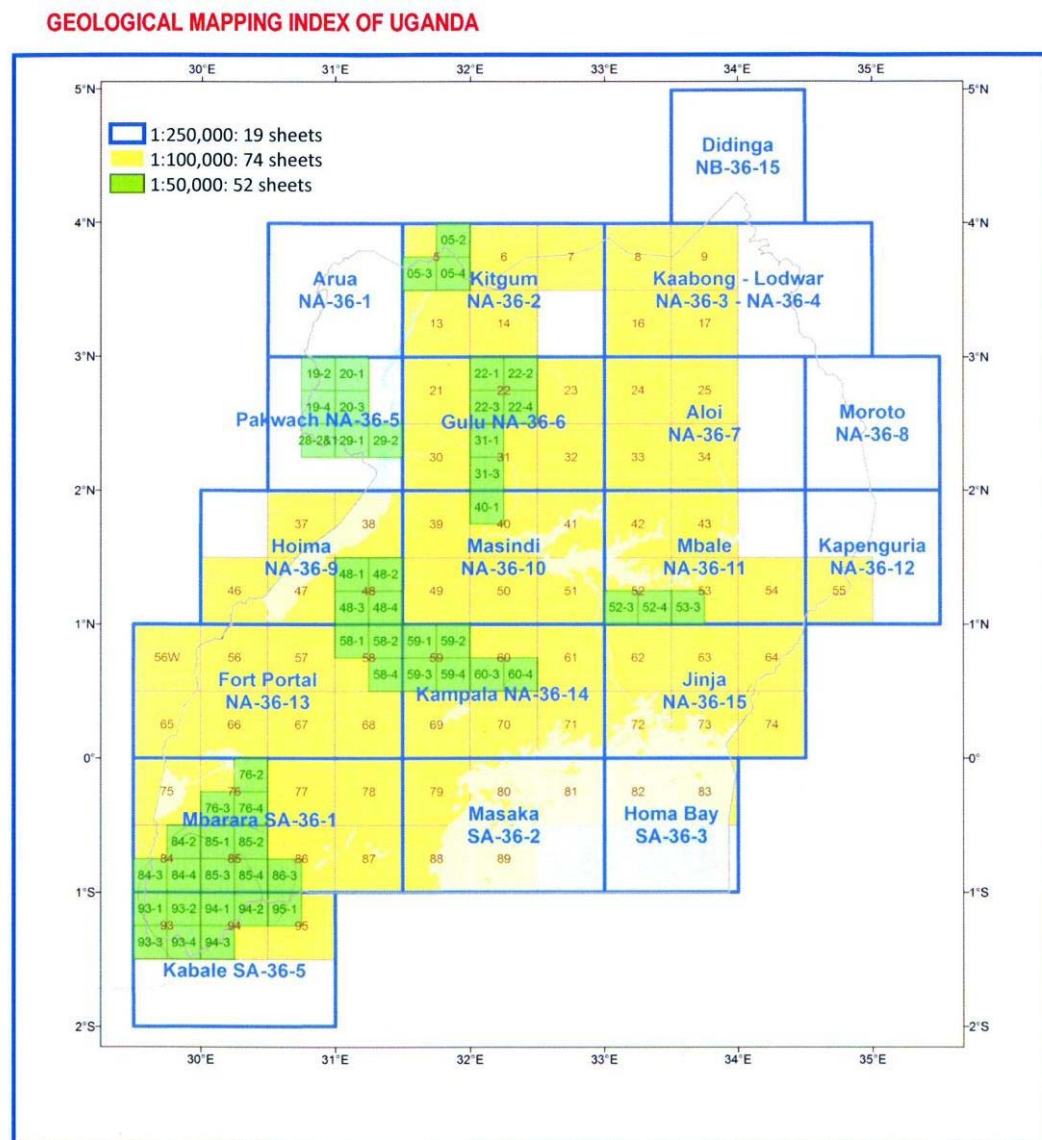
- All mineral rights are granted and revoked by the Commissioner, Department of Geological Survey and Mines (DGSM).
- Any person aggrieved by the decision of the Commissioner's can appeal to the Minister for an Administrative Review.
- Decisions of the Minister may be subjected to judicial review in the High Court
- Incase any party is not satisfied with Uganda's courts of law, they can go for international arbitration
- **Environment:** The mineral right holder is expected to Comply with **National Environmental Management Act**
- **Royalties** on gross value is charged as follows: Precious stones(5%); precious and base metals (5%); Industrial minerals - quantity based.
- **Revenues** from royalty are shared by: Government (80%); Local Governments (17%); and Land Owner (3%).
- **Compensation:** Any disturbance of surface rights of the land owner has to be adequately and fairly compensated.



Recent Developments in Uganda's Mineral Sector

Geological maps with mineral potential

- Uganda has generated geological maps with new mineral potential zones at scales: 1:250000 (19 Sheets), 1:100000 (74 Sheets) & 1:50000 (52 Sheets)
- Maps can either be availed at the department or can be accessed through a Geological and Mineral Information System portal at www.uganda-mining-go.ug:81/ugandaGMIS

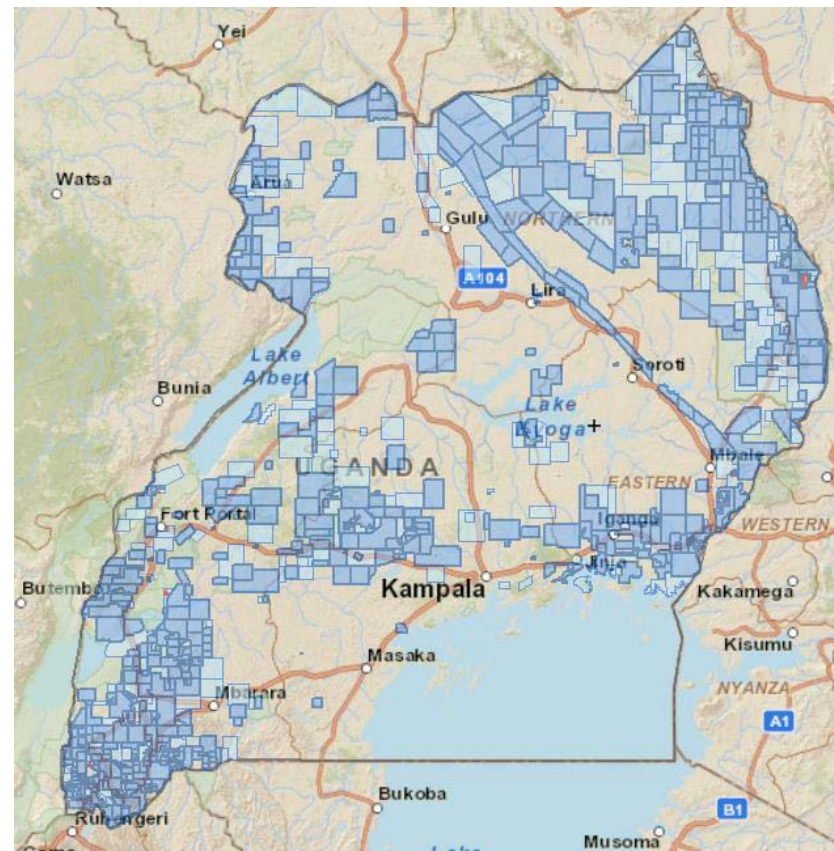




Recent Developments in Uganda's Mineral Sector cont'd

Mining Cadastre and Registry System (MCRS)

- MCRS was put in place to enhance transparency in licensing of mineral rights.
- A daily updated web based portal on www.flexicadastre.com/Uganda/ was established to facilitate access to mineral rights information.
- This development has led to increased transparency in mineral licencing and awareness about the mineral potential areas to both local and international investors.



Typical cadastre map at:

<http://www.flexicadastre.com/uganda/>



**Anglo
Ugandan
Corporation-
Gold**

**Kisita Mining
company
limited-gold**

**Ataco
services Ltd.-
Gypsum**

**Kilembe
Mines-
Limestone**

**Hima
cement
Limited-
Limestone**

[illegible]

**Tororo
Cement-
Limestone**

**Tororo
Cement-
Limestone**

**Greenstone
resources
Ltd.-gold**

**Greenstone
resources
Ltd.-gold**

Mining cadastre map showing active mining areas in SW Uganda - with MLs

**Muhindo
enterprise -
koalin**

**Simba Mines
Ltd.-Gold**

**Uganda
Internatio
nal Mining
-iron ore**

**Berkley
reef -
Wolfram**

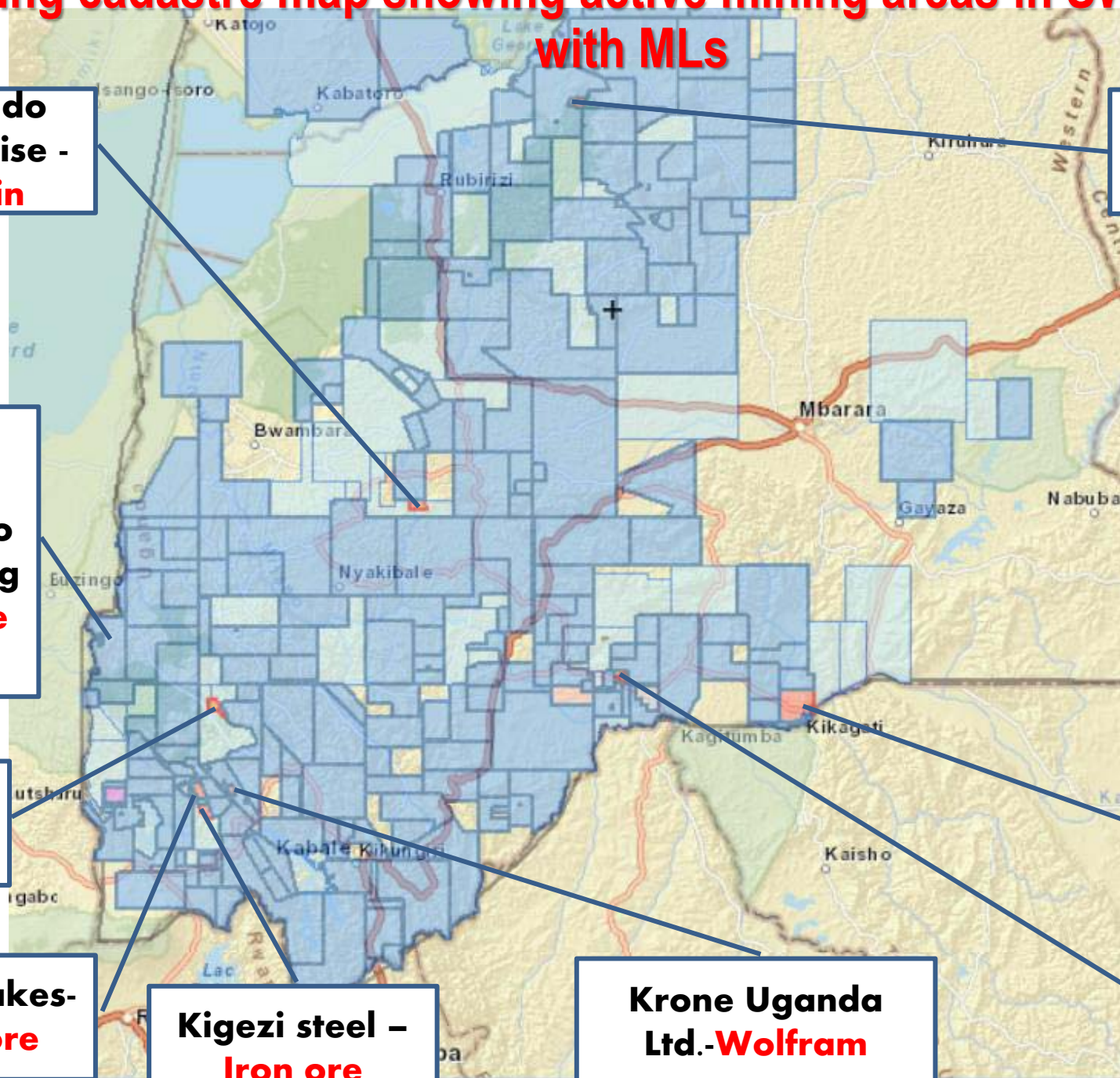
**Great lakes-
iron ore**

**Kigezi steel -
Iron ore**

**Krone Uganda
Ltd.-Wolfram**

**First Mining
(u) Ltd.-Tin**

**Zarnack
Holdings-Tin**





Recent Developments in Uganda's Mineral Sector cont'd

Modern Documentation System

- A modern Documentation centre has been put in place at the Department of Geological Survey and Mines. It contains information, maps and data in mineral sector and hosts the mineral sector website: www.uganda-mining.go.ug.

Geological Mineral Information System (GMIS)

- GMIS has been put in place and it hosts geological, environmental, seismological and laboratory data

Trained Artisanal and Small Scale Miners (ASMs)

- The ASMs have been trained and as a result there is increased mineral resources production; increased awareness in market prices; increased environment awareness related to mining; improved value addition (beneficiation) and increased occupational safety and awareness.

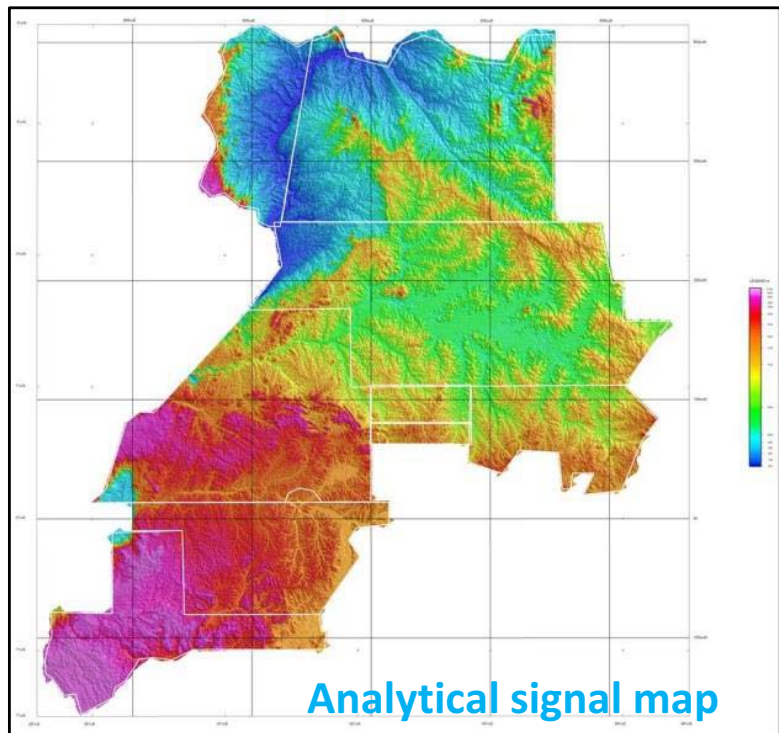


Recent Developments in Uganda's Mineral Sector cont'd

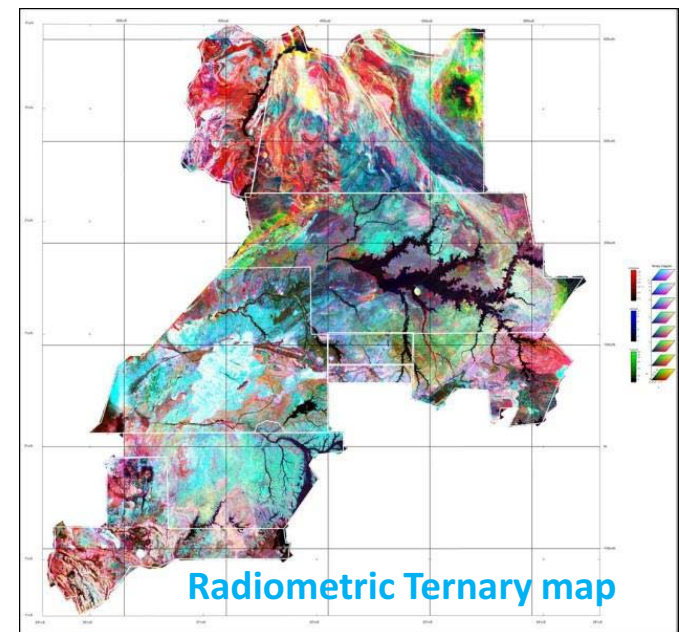


Acquisition of airborne geophysical data

- High resolution magnetic data covering **80%** of Ugandan area has been acquired



- Similarly high resolution radiometric (Th, K & U) data covering **80%** of the country has been acquired



- Transient Electromagnetic (TEM) data for selected high mineral prospective areas has been acquired

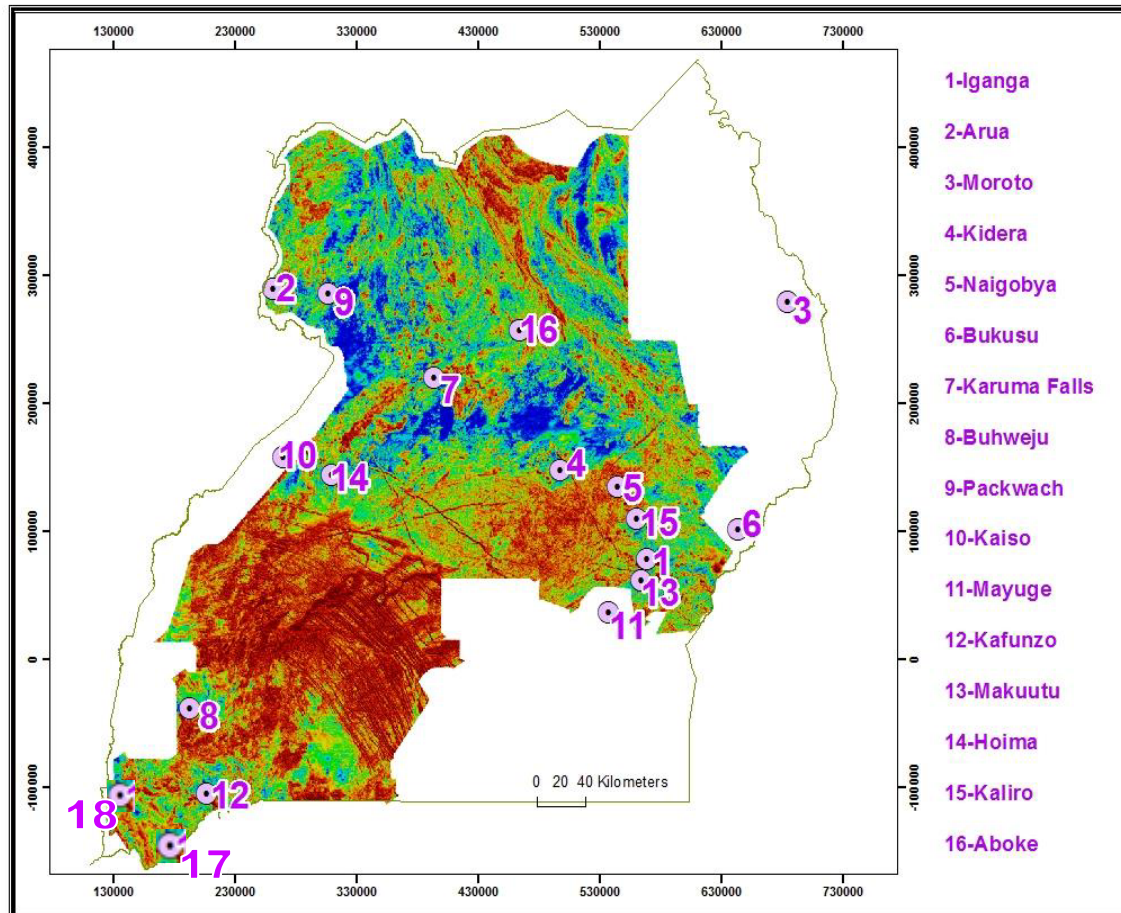


Recent Developments in Uganda's Mineral Sector cont'd



New mineral potential targets

- Recent airborne geophysical data integrated with new geological maps has resulted into **18** mineral potential targets for further detailed exploration; and this is very crucial for potential investors



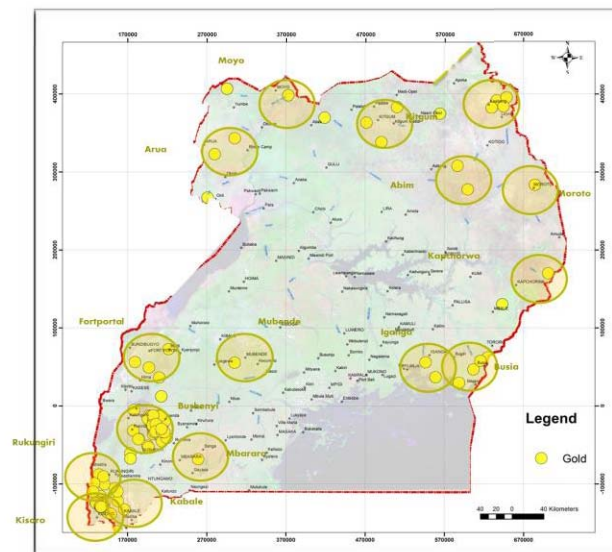
1. Iganga gabbro intrusion - Nickel – PGE
2. Zeu (Zombo District)- Gold
3. Moroto area -Chromite–PGE-Marble-gold
4. Kidera (southeast Uganda) - Kimberlite Potential
5. Naigobya Geophysical Anomaly - Ni, Cr, Cu and Co and REE
6. Bukusu carbonatite - Limestone, Phosphate, Iron ore, Titanium,Vermiculite and REE potential
7. Masindi–Karuma Falls area - Ni,Cr,PGE, Fe
8. Kitaka–Buhweju Area Gold
9. Packwach area -Diatomite
10. Kaiso-Tonya-Kaolin-Bentonite clays
11. Mayuge area- Iron
12. Kafunzo area -Nickel
13. Makuutu area – REE & and Uranium
14. Hoima-Kafu area - Gold
15. Kaliro-Ivukula area - Gold
16. Aboke-Alo area - Gold
17. Buhara- Kabale - Iron
18. Butogota –Kanungu - Iron



Investment Opportunities in Mining Sector

Precious Metals

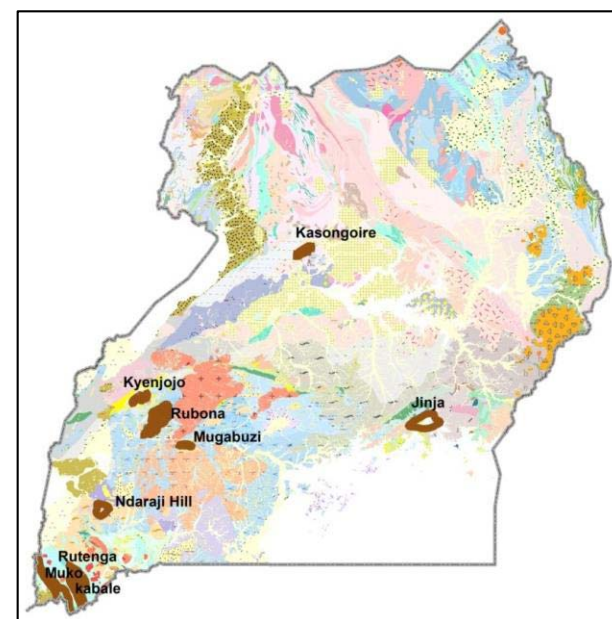
- Gold, silver, platinum occur in all regions of Uganda.
- **8 million ounces** of gold have been proven; further exploration will discover more potential areas for precious metals.



Gold occurrences in Uganda

Iron ore

- The new airborne data led to discovery of over **160 million tonnes** reserves of iron ore (**haematite**) in SW of Uganda.
- Over **100 million tonnes** of iron ore (**magnetite**) have been explored in SE Uganda.
- Feasibility studies to process Ugandan's iron ore using methane gas (from oil fields) and imported coal to final products are underway



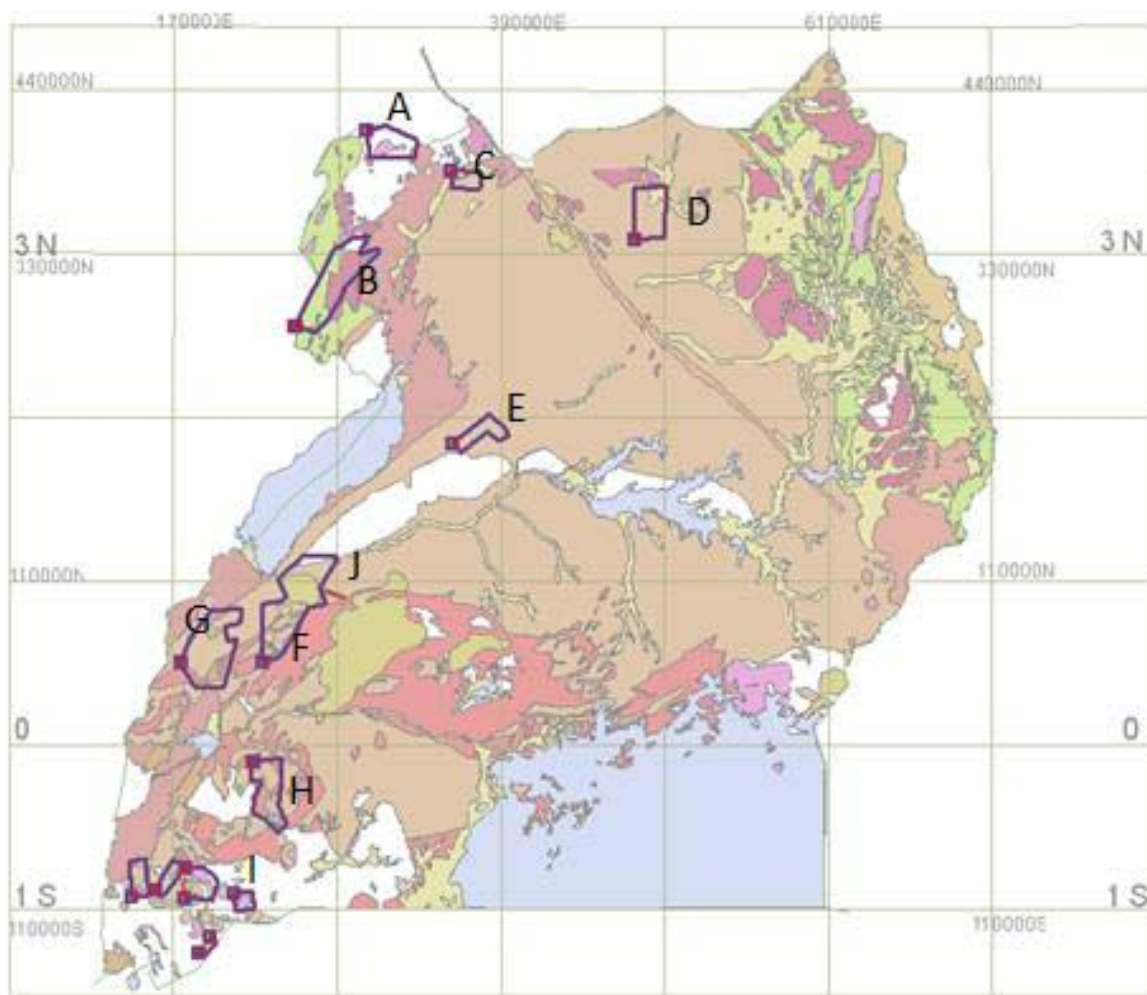
Discovered iron ore deposits marked by brown colour lines



Investment Opportunities in Mining Sector Cont'd

Uranium

Over 30 Uranium targets have been identified and 10 targets are priority for follow up



- A. Kei and Midigo-Kaya Basin, Arua district.
- B. Acha-Alo basin-Pakwach district.
- C. Zipia, Bibia, Pekelle -Ayugi Basin-Adjumani district
- D. Naam-Okora, Ogli and Wol (Pager-Agago-Ogel Basin)-Kitgum district.
- E. Karongo-Waki Basin- Masindi
- F. Bulyango, Kigozi-Kiizi Basin-Kabarole district.
- G. Mpanga-Kahambu Basin Kyatwa (Ndale) -Mpaga Basin, Kyakutama-Basin-Kabarole district.
- H. Rubindi, Kashongi -Nyabishekye Basin, Mirama Kababo Basin - Mbarara district.
- I. Kinyasano, Nyakibale (Rukungiri District), Kagamba, Ntugamo, Rubare Ntungamo District, Gayaza, Kahirimbi- Mbarara district.
- J. Mabale, Kagadi, Isunga, Pachwa, Kabwoya-Hoima district.



Investment Opportunities in Mining Sector Cont'd

Rare Earth Elements (REE); potential exist in:

- Isolated **pegmatites** in SW Uganda, **Carbonatite** centres in Eastern Uganda (Sukulu, Butiriku, Bukusu, Napak).
- Aluminous clays enriched in Scandium, Gallium, Yttrium and REE in Makuutu area (SE Uganda) is estimated at **3 billion tonnes** with grades of 23% REE and 27% Alumina.

Other commodities include:

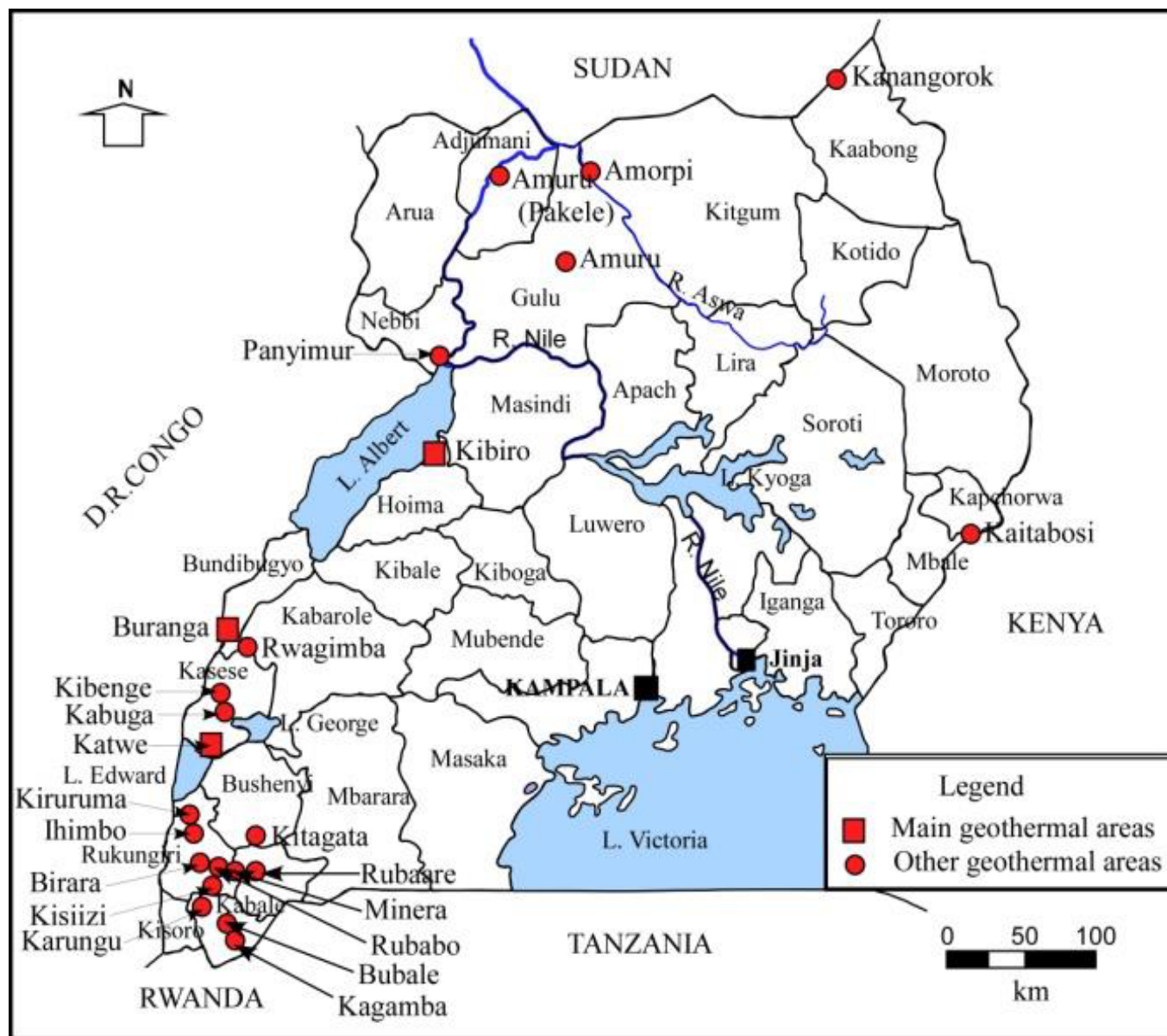
- **Base metals:** Copper, cobalt, Lead, Zinc, PGMs
- **3 Ts:** Tin, Tantalite (coltan) & Tungsten.
- **Industrial Minerals:** Dimension stones (from Marble and Granite) and Glass sand



Investment Opportunities in Mining Sector Cont'd

Geothermal energy

- 4 Main areas under exploration are:
Buranga, Katwe, Kibiro, Panyimur –
All in Western Rift Valley.





Some incentives in Mining Sector

Uganda Investment Authority (UIA)

- UIA is under Ministry of Finance & Economic Planning and Economic Development put in place an Investment Code, 1991.
- The Code encourages private investment by streamlining procedures and guaranteeing protection of investors against appropriation. Foreign individuals and companies - own 100% of a business in Uganda (Mining companies inclusive).

Taxation

- Import taxes such as customs duty for all mining equipment is zero-rated.

Mineral Certification

- Uganda is in process to certify minerals, for example tin, tungsten and columbite-tantalite (3Ts) and gold in compliance with the Great Lakes initiative. When this process is accomplished, it will be able to trace minerals from mine sites and stages of trade among the Great Lakes member states subsequently will minimize conflicts in marketing of the country's minerals.



Contribution of Mining Investment to Local and Regional Economic Growth

- Provision of employment
- Foreign exchange
- Taxes – Licencing & royalties
- Infrastructure development – roads & railway lines
- Industrialization & import substitution
- Improvement in social amenities & utilities – Corporate Social Responsibility (CSR)
- Capacity building – professionals and other personnel in mining industry



Conclusion

- Uganda is richly endowed with mineral resources; the recently concluded geological, geochemical and airborne geophysical surveys revealed potential for more mineral resources. Specifically, new targets for gold, iron ore and platinum group metals (PGMs), REEs, nickel-chromium, among others.
- Government intends to develop these resources in partnership with private sector in a sustainable manner
- Mining Act, 2003 allows partnership (Joint Venture) in mineral investment and total transfer of the mineral right



Thank you