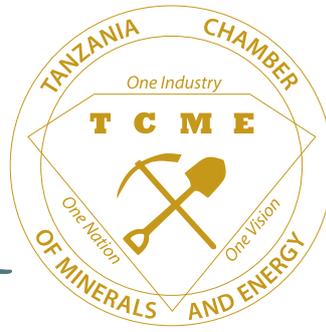


# PAMOJA

TANZANIA EXTRACTIVE INDUSTRY UPDATE



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PAMOJA is free and those interested in receiving the monthly update are invited to register by simply sending an email with their full name, job title and email address to: [info@tcme.or.tz](mailto:info@tcme.or.tz)

We also welcome your comments, queries and any suggestions on how we can further improve PAMOJA.

## About us

Established in 1994, the Tanzania Chamber of Minerals and Energy represents the interests of its members in the Tanzanian mineral sector. Acting as a voice for the industry the Chamber plays a pivotal role within the sector as a mediator between the mining investment community and key stakeholders, most notably the Government of Tanzania and the public.

With close to 60 members the Chamber represents a broad spectrum of relevant players in the mining industry, including small-scale miners, individuals, service providers, and international mining companies of all sizes who have identified Tanzania as a worthwhile place to invest their money. These companies are carrying out a range of activities within the mining sector from exploration to production.

## Industry Insights

The year 2013 witnessed a number of milestones in Tanzania's extractive industry. A number of significant conferences took place, plus some important policy reforms in the sector. But the global fall in the gold price was perhaps one of the more defining trends of the year.

### **The East African Petroleum Conference and Exhibition**

In February, delegates from the East African Community (EAC) member states and senior representatives of industry companies gathered in Arusha for the 6th annual EAPCE conference to discuss the current state and the future of the region's nascent energy sector. Tanzania's Prime Minister Mizengo Pinda spoke on behalf of President Jakaya Kikwete and stressed the need for conference participants to facilitate securing of cheap, reliable energy for the region to create wealth, increase trade and promote investment.

### **First uranium mining license issued**

In April the extractive industry made a significant step with the first ever licensing of uranium mining in the country, at Mkuju River in Ruvuma

Region. Mantra Tanzania Limited, a subsidiary of Australian based company Mantra Resources, was awarded a special license making the Mkuju River project the first uranium mine in the history of Tanzania.

### **Professor Muhongo's 2013/2014 budget**

In May, the country witnessed the tabling of the Ministry of Minerals and Energy's budget proposal for 2013/2014 estimated at Tsh1.1 trillion. It was described by Minister Muhongo as historical due to its factual and statistical nature different from the traditional theoretical budget proposals. 90% of the funds allocated in the budget are expected to focus on development projects that are aimed at tackling the energy crisis, and also improve and promote artisanal and green mining in Tanzania.

**Fall in gold price**

In mid-2013, according to data from Bank of Tanzania, gold suffered a drastic fall in price to an astonishing US\$1,200 per troy ounce for the first time since 2010 compared to a point in 2011 and 2012 when the prices reached US\$1,568 and US\$1,700 respectively. The implications for the sector were significant as mining firms also faced losses due to high operating costs that include logistics, fuel and security.

**The Tanzania, Mining, Energy, Power and Infrastructure Indaba 2013**

In the second half of 2013, Tanzania hosted the 'Indaba', the annual gathering of who's who in the mining sector, with this year's event focusing on increasing local content and indigenous participation in the mining, energy and infrastructure sectors. The Indaba commenced with a speech from the Chairman of the Tanzanian Chamber of Minerals and Energy Joseph Kahama who called for sensible economic reforms to safeguard the mining industry. Key discussions centered around legislative and regulatory frameworks in the mining and energy sectors, and mining benefits in Tanzania, with Mr. Emmanuel Jengo, Executive Secretary of the Chamber, expressing the need for Tanzania to sustain and nurture her competitiveness in the wake of other emerging economies opening up to foreign direct investment.

**The new National Natural Gas Policy and Tanzania's Fourth Deep Offshore and North Lake Tanganyika Licensing Round**

The last quarter of the year was eventful for the oil and gas sub sector with the release of the new policy that will govern the industry. The policy was structured to address the legal and institutional frameworks of the industry, as well as the development of a natural gas infrastructure, development of the domestic market and management of the export market, the issue of human resources within the industry, revenue management and managing public expectations. The last quarter also saw the launch of Tanzania's fourth deep offshore and North Lake Tanganyika licensing rounds. The event that took place during the end of October 2013 covered seven deep offshore blocks in water depths of 2000 to 3000 meters and a block located in the North of Lake Tanganyika. The evaluations of the bids are expected to take place after the opening of the bids on 15th of May 2014 that will entail the assessment on financial and technical capability of the bidders.



## News from Tanzania's Minerals and Energy Industry

### **Williamson Diamonds procures 85 percent locally**

*Daily News reports, 2 December 2013*

Petra Diamonds that runs the Mwadui mine expressed its commitment to implement its policy of procuring locally whenever it was possible in the country.

[Full Story](#)

### **Kibo Mining plc re-takes full ownership of Tanzanian nickel scheme**

*Offshore publication, 6 December 2013*

Tanzania-focused Kibo Mining plc has retaken full ownership of a nickel project after its joint venture partner scheme pulled out.

[Full Story](#)

### **Public must be told how mineral wealth is spent**

*The Guardian, 9 December 2013*

The government has urged Tanzania Mineral Audit Agency (TMAA) to ensure that the available minerals in the country increase per capita income to US\$ 3,000 by 2025. [Full Story](#)

### **Stamico handed over Kiwira mine**

*Daily News, 11 December 2013*

After officially being handed over the Kiwira Coal Mine by the government, State Mining Corporation (STAMICO) has pledged to begin production at the country's largest coal mine within the coming months. [Full Story](#)

### **Tsh70 billion collected from mining royalties**

*Daily News reports, 4 December 2013*

About Tsh70.4 billion has been collected by the government in terms of royalties from the mining companies between May and November 2013.

[Full Story](#)

### **Check drop in exploration, mining activity, government urged**

*The Guardian, 9 December 2013*

The government has been urged by the Tanzania Chamber of Minerals and Energy (TCME) to take urgent measures to reverse the country declining performance in exploration and mining activity, attributed partially to wrong policies.

[Full Story](#)

### **Gas export to bridge Tanzania's widening current account deficit**

*Daily News, 10 December 2013*

Tanzania will reduce its current account deficit in the next few years when it begins exporting high value commodities like the liquefied natural gas (LNG). [Full Story](#)

### **Statoil, Exxon Mobil plan aggressive Tanzania exploration**

*Daily News, 11 December 2013*

East Africa's expectations of becoming one of the leading oil and gas exporter regions in the world have grown following another big gas discovery off Tanzania by Statoil and Exxon Mobil. [Full Story](#)

## Tanzania and Canada sign mining investment agreement

*FTW online, 11 December 2013*

Tanzania has signed a new Foreign Investment Promotion and Protection Agreement (FIPA) with the Mining Association of Canada (MAC).

[Full Story](#)

## Tanzanite One, Stamico enter into a joint venture

*Mining Weekly, 12 December 2013*

Aim-listed Richland Resources' subsidiary Tanzanite One Mining signed a full and formal legally binding joint venture (JV) agreement with Tanzania State Mining Corporation (Stamico) relating to the operation and ownership of tanzanite mining licence 490/2013. [Full Story](#)

## MPs want Tanzanians to own gas economy

*The Guardian, 18 December 2013*

The government has been urged to ensure it puts in place infrastructure that would enable Tanzanians to own the gas economy. [Full Story](#)

## Plea for safety in uranium mining

*Daily News, 20 December 2013*

Tanzania's scientists have called for strict adherence to safety standards to avoid radiation risks and other uncertain consequences of exposure to radiation, as the country seeks to move towards uranium mining. [Full Story](#)

## BG Group increases offshore Tanzania resources to 15 trillion cubic feet (tcf)

*Daily News, 12 December 2013*

BG Group announced recently that it has increased its total recoverable resources estimate for the Mzia discovery and across Blocks 1, 3 and 4 offshore Tanzania to around 15 tcf.

[Full Story](#)

## Kibo Mining completes Haneti exploration programme in Tanzania

*London South East, 13 December 2013*

Kibo Mining PLC has completed its 2013 Haneti exploration programme in Tanzania which mainly focuses on nickel, gold and lithium exploration.

[Full Story](#)

## Geita Gold Mine wins tax compliance award

*Daily News, 19 December 2013*

The Geita Gold Mine (GGM) Company received an award for the most tax compliant firm in the mining category.

[Full Story](#)

## Gold production drops 33 per cent in Q3

*The Citizen, 20 December 2013*

Gold production by large scale miners in the country decreased 33.4 per cent in three months ending September compared to 2012 arguably due to closure of operations by Tulawaka and Resolute gold mines following expiry of their mining licences. [Full Story](#)

## Investments seen growing amid many challenges

*allAfrica.com, 24 December 2013*

According to the Tanzania Investment Centre Executive Director, Ms Juliet Kairuki, the ongoing oil and gas exploration activities are expected to increase FDIs by about six per cent in 2012 to US\$1.8 billion. [Full Story](#)

## Research approves Uranium mining at Namtumbo

*Daily News, 26 December 2013*

Tanzania Atomic Energy Commission (TAEC) has approved Namtumbo area as safe for uranium mining. [Full Story](#)

## Energy Ministry follows up Tsh4 Billion Resolute debt to Nzega District Council

*allAfrica.com, 26 December 2013*

The Deputy Minister for Energy and Minerals, Steven Massele told parliament that Australian based Resolute Resources still owes Nzega District Council close to Tsh4 billion in service levy after operating in the area for more than 15 years mining gold and his ministry is assisting the district council in following up the matter. [Full Story](#)

## Argentina Mining completes merger with gold explorer Simba Minerals in Tanzania

*Proactiveinvestors, 31 December 2013*

Argentina Mining completed the merger with Tanzanian gold explorer Simba Minerals, pursuant to the heads of agreement reached in October. [Full Story](#)



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## Upcoming Events

### **Investing in African Mining Indaba**

*3 - 6 February 2014 - Cape Town International Convention Centre, Cape Town, South Africa*

The event is one of the world's largest mining investment event and Africa's largest mining event. Investing in Africa Mining Indaba for the past 19 years has channelled billions of dollars of foreign investment into the African mining value chain. The event is considered the world's largest gathering of mining's most influential stakeholders and decision-makers vested in African mining.

*Visit the event website*

### **4<sup>th</sup> Mozambique Mining, Oil & Gas and Energy Conference & Exhibition (MMEC)**

*27 - 28 March 2014 - Joaquim Chissano Conference Center, Maputo, Mozambique*

MMEC is the longest running event covering Mozambique's Mining, Oil & Gas and Power Generation sectors. It is a two day Conference that expects to feature policy makers, investors, development partners and other key stakeholders of the industry discussing issues ranging from Legal Framework to Gas developments to Mining activities and Financing. *Visit the event website*

### **20<sup>th</sup> Western Africa Oil, Gas and Energy 2014 Conference**

*14 - 16 April 2014 - Windhoek Country Club, Windhoek, Namibia*

The event expects to feature around 30 speakers from governments, national oil companies, and independents in the program. It expects to cover the investment strategies, exploration ventures, deal flow, transactions, and new venture opportunities in the region with bid rounds from Licensing Agencies, in a complex and fast-moving oil/gas-LNG industry. *Visit the event website*

### **The 3<sup>rd</sup> Oil and Gas Africa - Int'l Trade Exhibition**

*27 - 29 April 2014 - Kenyatta International Conference Centre, Nairobi, Kenya*

Oil and Gas Africa acts as a hub for key players in the oil and gas community, attracting leading oil, gas and petroleum companies from around the world. The event offers participants the opportunity to showcase the industry's latest achievements and technologies while networking with key figures from the region's oil and gas sector. *Visit the event website*

## **The 5<sup>th</sup> Eastern Africa Oil, Gas-LNG and Energy Conference 2014**

*28 - 30 April 2014 - Intercontinental Hotel, Nairobi, Kenya*

The conference expects provide unrivalled new insight into the upstream opportunities, open acreage, bid rounds, new ventures, oil/gas investments, key upstream players, and corporate/government strategies in this vast region of fifteen countries covering onshore and offshore potential, from Eritrea to South Africa, including across the Maserene Islands. [Visit the event website](#)

## **2<sup>nd</sup> edition Uganda Mining, Energy and Oil & Gas Conference and Exhibition (UMEC 2014)**

*22 -23 May 2014 - Serena Hotel, Kampala, Uganda*

UMEC 2014 expects to be is turnkey event that will focus on the Republic of Uganda's mining, energy and petroleum potential. The event will provide a platform for the full spectrum of partners involved in Uganda's energy, minerals and oil and gas industries, including the public and private sector, as well as development partners and multilateral organisations. [Visit the event website](#)

