DEEP earth

UGANDA: Uganda, Tanzania agree on new route for gas pipeline

KENYA: Kenya breaks up KPLC monopoly

TANZANIA: First turbine at Julius Nyerere power project connected

RWANDA: Francis Kamanzi is new CEO for Rwanda Mines

DR CONGO: Trafigura, Ivanhoe sign deal to transport copper

MARCH 2024 WRAPPER

EXECUTIVE SUMMARY

Dear reader

In this *Deep Earth* edition for March 2024, we look at the proposed gas pipeline between Uganda and Tanzania. The gas pipeline is an important project that Uganda is looking at for its steel industry, but also to ease the energy needs of many homes. We look at the possible routes that the gas pipeline will take.

Alpha MBM, a company from the United Arab Emirates, is negotiating key agreements with the government of Uganda. We look at why it will be easy for UAE's investments in Uganda to succeed.

By some estimates, Uganda's energy output, even when the 600MW Karuma hydropower project is commissioned, will be wiped out over the next five years, raising the risk of the country plunging into a power deficit. It is here that the threat of load shedding appears to be real.

A Belgian company, Bridgin Foundation, is undertaking studies that will guide it in building the proposed 840MW Ayago hydropower project. We profile Bridgin Foundation and see whether it can pull off a project the size of Ayago.

We bring you interesting updates on the mining sector, especially with plans by Bank of Uganda to purchase both raw and refined gold from the market.

In our boardroom talk, we sit down with Ruth Nankabirwa, Uganda's minister of Energy and Mineral Development, for an extensive discussion on Uganda's oil and gas, mining and electricity industries. She tells us of how she is confident that the East African Crude Oil pipeline will not be stopped, especially by the environmentalists.

Kenya is venturing in unchartered waters with its electricity industry, and many African countries are likely to take notes. East Africa's biggest economy has opened up its distribution segment of the electricity industry to private sectors, breaking up the monopoly that Kenya Power and Lighting Company has enjoyed for decades. We look at whether this new competition will impact the power tariff.

Tanzania's government has increased its stake in the rich Mnazi Bay gas field, the first time that it has triggered this clause as stipulated in the country's Petroleum Act, 2015. Get an update on this.

Tanzania has also commissioned the first turbine of the behemoth Julius Nyerere hydropower project. Find out more about this.

There is a new boss in town at the Rwanda Mines, Petroleum and Gas Board. Who is Francis Kamanzi and what does he bring to the table? More on this in the Rwanda section.

And in the Democratic Republic of the Congo, Trafigura and Ivanhoe Mines have signed an agreement to transport copper from the Kamoa-Kakula project onto the Lobito Atlantic railway line. The line links DR Congo to a port in Angola. Find out what this agreement means to Ivanhoe's project, and in the bigger grand scheme of things of the region's critical minerals.

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Uganda, Tanzania agree on new route for gas pipeline

A new route for the proposed gas pipeline from Tanzania to Uganda will form part of the discussions between the two countries when the project's feasibility study is done, a departure from the earlier suggestion of laying the pipes parallel to the East African Crude Oil pipeline.

Ruth Nankabirwa, Uganda's minister of Energy and Mineral Development, says the two countries have agreed to lay the gas pipes closer to communities to ease access to the product.

Earlier proposals had suggested that since nearly all the land for the 1,443km East African crude oil pipeline had been acquired, it would only make sense if the gas pipes were laid side by side in the same corridor. This, it was assumed, would relieve the two countries the tedious process of looking for other pieces of land, the huge financial implications that come with compensation hurdles, and reduce the time to build the gas pipeline.

But after much thought, the two states have agreed that finding a new route would make economic sense.

"We thought initially that we were going to use the East African Crude Oil Pipeline (EACOP) space and that it was going to be easy. However, the Tanzanian government rightly changed the course of the route because this gas is a finished product, which is needed; so, it cannot bypass communities along the way," Nankabirwa told *Deep Earth* in an exclusive interview on the sidelines of the Africa Mining Indaba in Cape Town recently.

Nankabirwa could not tell when the feasibility study for the Tanzania-Uganda gas pipeline would be completed. She, however, said that the two countries recently instituted two committees – steering and technical – in Dodoma, Tanzania, and assigned them to start on the feasibility study. The study will inform how much gas needs to be piped to Uganda.

Tanzania has nearly 50 trillion cubic feet of gas that it is exploring, which is more than enough to power the entire country and supply more to neighbouring countries.

In Uganda, TotalEnergies and Cnooc – the operators of the Tilenga and Kingfisher oil fields – intend to develop gas facilities. Uganda has an estimated 500 billion cubic feet of gas.

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This gas, which is expected to be depleted in just eight years, will be used to mainly power the different project infrastructure such as the central processing facilities, the flowlines, the crude export pipeline to Tanzania, among others.

A small amount of this gas will be converted into Liquefied Petroleum Gas for domestic consumption.

Many homes in Uganda still use charcoal, which accounts for most of their energy needs. The use of charcoal has placed pressure on Uganda's forest cover. Official figures place the loss of 72,000 hectares of forest cover annually on firewood and charcoal. This is equivalent to 100,000 football pitches, according to Uganda's Energy Transition Plan. Shifting many of these homes to the use of gas is being seen as of paramount importance.

It is not the first time that Uganda and Tanzania have discussed plans to build a gas pipeline. Tanzania's government told Uganda about its interest to sell some of its large quantities of gas to neighbouring countries nearly 10 years ago.

Whispers within the corridors of power offered the view that this was this was not just about Tanzania selling gas, but a give-and-take condition for participating in Uganda's oil project through acquisition of stakes in majorly the proposed oil refinery.

In 2018, the two countries signed a memorandum of understanding to build a gas pipeline, which would run parrel to the proposed East African Crude Oil Pipeline.

The signing of this MoU offered hope to Uganda's plans of building its first direct reduced iron (DRI) plants that will use mostly gas – a healthier form of producing steel without the use of the conventional blast furnace that many environmentalists balk at.

Traditionally, many steel companies in Uganda today are using heavy fuel oil and coal for heating iron ore. Other than the high importation costs for these two energy sources, environmental activists continue to criticise the use of heavy fuel oil and coal due to their high carbon emissions, which are responsible for drastic weather changes such as floods and droughts.

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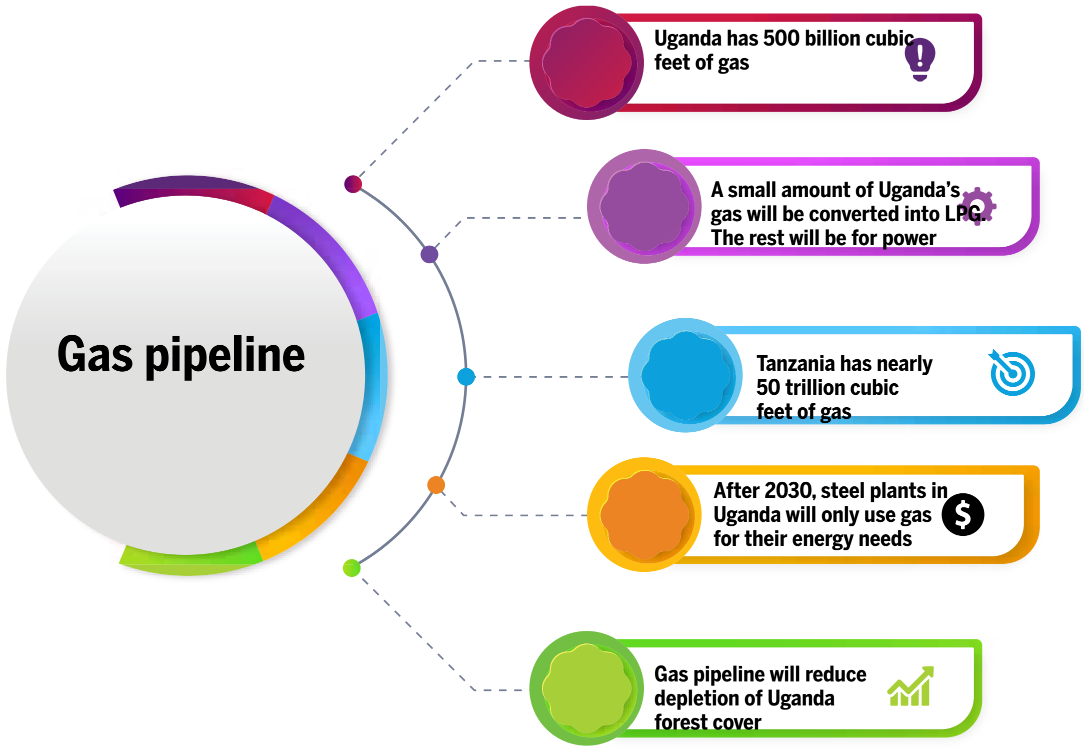
Uganda, Tanzania agree on new route for gas pipeline



Uganda's Energy Transition Plan - a blueprint that will guide Uganda to zero carbon emissions by the year 2065 - which was launched in December 2023 during the COP 28 summit in Dubai, UAE, offered a clearer picture of the complexity of building clean DRI plants.

The plan talks of how Uganda, in an effort to reduce the cost of importing heavy fuel oil and coal for steel plants, built two direct reduced iron plants in Iganga district, which are operated by Tembo Ltd, and another in Masese, operated by Abyssinia Iron and Steel Ltd.

While the report said these two plants do not require coal for their operations, it added that they have high emissions.

The Energy Transition Plan adds that after 2030, many steel plants using coal will be phased out in preference for those using gas. That deadline only adds to the pressure for both Uganda and Tanzania to quickly resolve some of the most critical issues for the gas pipeline to be built, one of which will be the route.

In January 2020, the National Planning Authority, with support from the European Commission, released an interesting gas demand report, which offered certain specifics on where exactly a more practical gas pipeline should be routed.

With the proposed construction of a DRI plant in Kabirizi in the western Ugandan district of Rubanda, the report suggests that a gas pipeline from Tanzania should go through the border point of Mutukula, move towards Mbarara industrial park, continue to Rubanda, before also supplying the Kabale industrial park.

Another pipeline can also be routed to the Masaka industrial park before it connects to the existing Bweyogere, Luweero, Luzira and Jinja industrial parks.

Whichever way the gas pipeline is channelled, one thing is clear: Uganda needs it urgently if it is to meet its carbon emission reduction targets.

Museveni's blessing sees oil refinery deal through

President Yoweri Museveni

Uganda's selection of Alpha MBM Investments LLC, an Emirati company, as a preferred partner to finance and construct the country's proposed oil refinery was as a result of the deep ties that President Yoweri Museveni has cultivated with the top leadership of the United Arab Emirates over the last couple of years.

That relationship is partly behind the quick resolutions between officials of Alpha MBM Investments and Uganda government negotiators over the key details of some of the proposed 60,000 barrels of oil refinery agreements.

Alpha MBM is currently negotiating with Uganda's government over the crude oil supply agreement, and the Implementation Agreement – two documents that are critical for the company to make a final investment decision for the project. The two sides are expected to conclude these negotiations within the second quarter of this year.

Thereafter, Alpha MBM is expected to make a final investment decision for the project before the end of 2024.

The involvement of President Museveni from the point of inception – and he overseeing some of the terms of the negotiations - is not common. That duty is usually reserved for Ugandan lobbyists that enjoy close connections to government officials.

That has not been the case with some of the key investments from the UAE though. From smaller projects such as the proposed 20MW Ituka solar project to the larger investments like the proposed oil refinery, Museveni has been in the thick of the negotiations, ready to break any barriers.

Officials at Uganda's ministry of Energy and Mineral Development have been guided not to frustrate UAE investments into the country. And they have heeded to that request.

The selection of Alpha MBM out of a list of companies that had shown interest in the oil refinery presents Uganda with another opportunity to take a third shot at a project that Museveni believes will change the fortunes of the country. The oil refinery is expected to nearly wipe out Uganda's petroleum import bill, valued at more than $3 billion a year.

Earlier attempts by Russia's RT Global, whose agreement was terminated in 2015, and later the Albertine Graben Energy Consortium, which got its concession cancelled in June 2023, had cast doubt about the future of the oil refinery, with some experts arguing that the commercial dynamics of the project were not favourable. These two failed attempts, our sources have told us, upset the president. He is now determined to see that this latest attempt succeeds.

Uganda has so far discovered more than six billion barrels of oil. Of that amount, between 1.4 billion and 1.7 billion is said to be recoverable. Although Uganda has partnered with France's TotalEnergies and China's CNOOC to build an underground export pipeline to ship out this oil, the oil refinery will have the first right of call on these resources when it becomes operational.

The oil refinery will be located at Kabaale in Hoima district. Part of the refinery will include a 211km-long multi-products pipeline that will evacuate refined products from the refinery to a storage terminal at Namwabula, Mpigi district.

Inside Bridgin Foundation: the company eyeing Uganda's largest hydropower plant

Nearly two years after Bridgin Foundation and the Government of Uganda signed an agreement that handed the Belgian company the opportunity to start the process that would lead to the building of the 840MW Ayago power project, some officials within the ministry of energy are still confident that the company will deliver on its promise. That confidence exists even when the company runs out of time to achieve what it agreed to do.

The Belgian company is undertaking a feasibility study before it can apply for a license to construct what will be Uganda's biggest hydroelectric power project. The study is supposed to guide the company on how much it needs to invest in the project. One megawatt of electricity in Uganda is valued at about $3 million. Bridgin says it is ready to commit $2 billion for the Ayago project after visiting the site in July 2023.

The Ayago power project is crucial as some experts predict that Uganda could experience a shortage of electricity in the next five years. Currently, Uganda's installed power is estimated at about 1,350MW, with just over half of the population said to have access to electricity.

The experts' prediction on the probability of a power shortage is based on the growth of the economy, with new large factories coming on line, creating huge demand. Therefore, projects such as Ayago are seen as redeemers to the acute power shortage that Uganda is likely to face.

The selection of Bridgin – a company with a negligible public profile and with no track record of doing such projects – to construct the proposed 840MW Ayago hydropower project, points to a new direction that Uganda's government has taken, slightly shifting its attention from China, the Asian powerhouse that had been handed carte blanche for such large hydro power plants.

Uganda government officials appear to have grown fatigued by China's poor performance in building large hydropower projects in the country, and have, therefore, decided to look elsewhere. Government officials continue to complain of the failure to deal with the defects on the 183MW Isimba hydropower dam, which was constructed by China Water Electric, and is now due for a second shutdown. Also, the officials have complained about Sinohydro's delays to complete the 600MW Karuma hydropower

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$3 MILLION

One megawatt of electricity in Uganda is valued at about $3 million.

Inside Bridgin Foundation

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PowerChina International Limited had earlier applied to the government of Uganda for a license to undertake studies for the construction of the Ayago hydropower project. Government did not grant that request.

Sources within government have told us that they are now ready to listen to other proposals outside of China for those interested in hydropower projects.

Bridgin Foundation has managed to cultivate a deep relationship with members of Uganda's first family. The company's officials have held different meetings with the first family over the last couple of years.

For example, in 2022, when Bridgin signed a memorandum of understanding with the government for the Ayago plant, the company also agreed to make other investments in education. The company has agreed to make other investments in health, agriculture and the hospitality industry.

Some government officials, however, have some reservations over whether all these projects – especially the Ayago hydropower project – will be constructed. In the ministry of Energy, a red carpet has been rolled out for Bridgin after the company got a blessing from the first family. Ministry officials have been asked to remain patient, and not frustrate Bridgin's work.

Bridgin Foundation would probably not have enjoyed all the opportunities that Uganda's government has offered it if it weren't for Mirjam Blaak, Uganda's ambassador to Belgium, the Netherlands, Luxembourg and the European Union, their main lobbyist in Uganda.

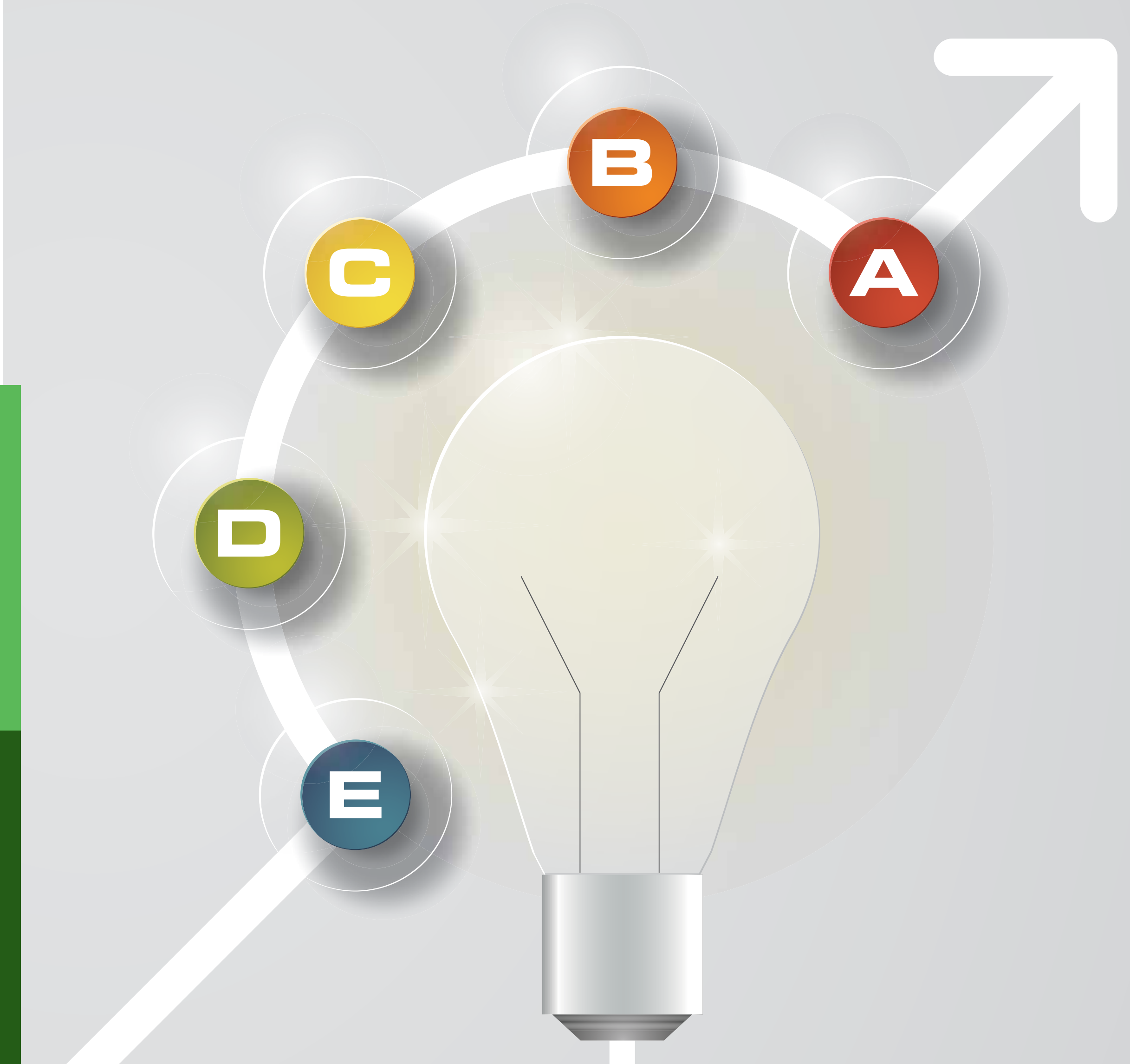
Blaak, who ditched her Dutch citizenship for Uganda's, remains one of Uganda's longest-serving diplomats to-date. Her ties to the first family go more than 40 years back, in the early years of Yoweri Museveni's liberation struggle before he came to power in 1986.

In late 1983, Blaak helped Janet Museveni and her children flee to Sweden when Kenya's security forces raided their home in Nairobi. Blaak would from then on remain a fixture in Uganda's politics, going as far as getting into a romantic relationship with one of the ministers in President Museveni's early government.

There have been questions about Bridgin's capacity to pull off the Ayago power project. The *East African* newspaper has in the past described Bridgin Foundation as a "shadowy organisation" that hardly delivers on the promises it makes.

In an interview with *Deep Earth*, Energy Minister Ruth Nankabirwa said the MoUs the government signed with investors for the power projects have a time frame. And that the government has every reason to revoke the agreement should the project developer fail to deliver.

President Museveni meets Bridgin Foundation team



Uganda signs deal for hydrogen energy fertiliser project

Uganda has signed a partnership agreement with two private companies to develop the country's first hydrogen energy technology to produce green hydrogen-based fertilisers.

According to a statement, the ministry of Energy and Mineral Development has partnered with the Aga Khan Group's Industrial Promotion Services (Kenya) Ltd and Norway's Westgass Internasjonal AS to embark on the production of green hydrogen-based fertilizers in Kiryandongo district.

At least 200,000 tonnes of fertilisers will be produced, according to the targets the companies have set for themselves. This, the partners believe, will "provide increased income and food security" to Ugandans, "without the greenhouse gas emissions usually entailed in such production."

Norfund, the Norwegian Investment Fund for developing countries, has offered financing for the project through a convertible loan, while Norad, the Norwegian Agency for Development Cooperation, has issued grant funding under the Frontier Facility.

Uganda signs deal for hydrogen energy fertiliser project

The timelines of this project are not clear.

This is not the first time that Uganda has signed some sort of agreement on developing green hydrogen energy, but this represents the most detailed plan to get one of the world's newest energy sources into the country.

In November 2022, during the COP 27 meeting at the Egyptian city of Sharm El-Sheikh, French company, Hydrogène de France SA, signed an MoU with Ruth Nankabirwa, the minister of Energy and Mineral Development, for the first non-intermittent renewable energy power plant using hydrogen technology in Uganda. While those plans are still on the table, not much has happened since then.

Uganda's partnership with Industrial Promotion Services and Westgass intends to break new ground, and will tap into 100MW of hydro electricity from Karuma hydropower project to produce hydrogen energy through electrolysis. Hydrogen energy production depends on energy sources such as hydro and geothermal power.

100MW

Project will tap into 100MW of hydro electricity from Karuma hydropower project

ELECTRICITY

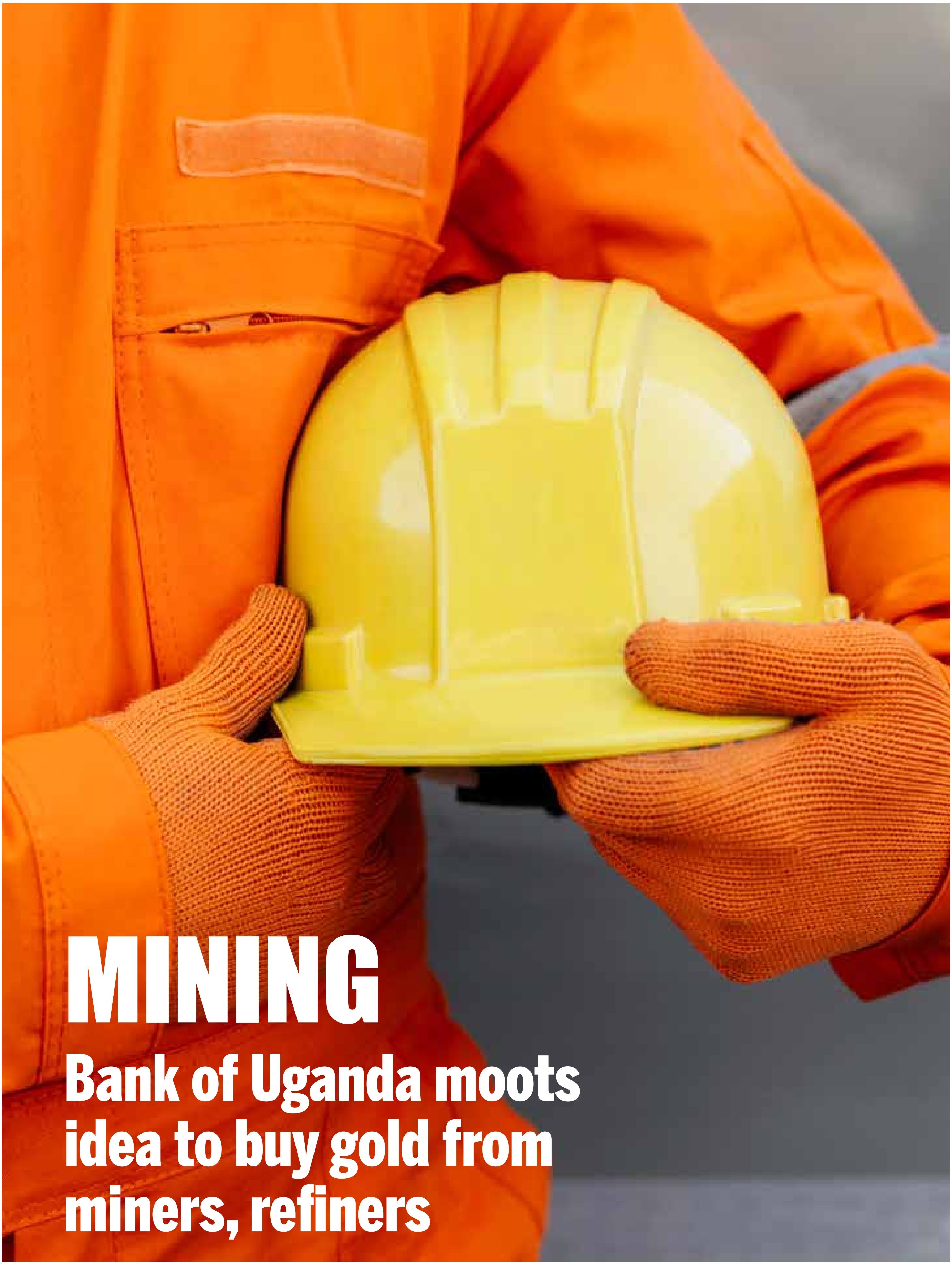
Karuma power project tests last turbine

The last unit of the Karuma hydropower project has been synchronised to the national grid, although the project has to meet certain conditions before it is fully commissioned. The synchronisation of unit five becomes the sixth unit to pass the test since the first unit was connected to the grid in March 2023. Government has tasked the developer, China's Sinohydro, to fix all the defects before the project is commissioned.

The imminent commissioning of the 600MW Karuma hydropower project will make it the biggest energy plant in Uganda. Each of the six units has a capacity of 100MW.

The synchronisation of the last unit nearly brings to an end a more than 10-year period of construction, which started in August 2013.

The Karuma project has one of the lowest tariffs in the market, at US Cents 4.97/kWh, for the first 10 years. The tariff will drop gradually thereafter.



MINING

Bank of Uganda moots idea to buy gold from miners, refiners

Bank of Uganda moots idea to buy gold from miners, refiners

Bank of Uganda is considering buying gold from artisanal miners, with the financial regulator making contact with some miners, and discussing some of the broad issues of how transactions will be structured. That is not all. The bank has also made inquiries among some of the gold refining companies about the availability of gold stocks such as gold coins and gold bars.

On both fronts, the discussions are at a very preliminary stage, and no major decision has been made yet, we can exclusively reveal.

At the moment, the central bank is undertaking studies on how it can engage both the artisanal miners and the gold refining companies in acquiring the different gold supplies.

For now, details of the amount of gold that Bank of Uganda intends to purchase from the artisanal miners, and in what currency, have not yet been agreed on. Bank of Uganda's interest in purchasing gold from local players is likely to send strong signals about the government's confidence in the gold market; artisanal and small-scale miners are likely to applaud the move due to the availability of a bigger buyer of their product, while the gold refining companies will view the bank's presence as a booster to their profile and contribution in the economy.

The decision by Bank of Uganda to buy gold is not new. More than 30 years ago, Bank of Uganda had a small desk within its set-up that purchased gold from the public. This was backed by a statutory instrument that appointed the Bank of Uganda to be the buyer of gold in the country. The instrument went as far as empowering the Bank of Uganda to fix and vary gold prices.

That is no longer the case. The gold desk was disbanded, and Uganda now runs a liberalised economy that allows the market the freedom to set prices.

Now, we have been told, Bank of Uganda is looking to buy gold in order to build its external reserves. The Bank of Uganda Act, 2000 requires the central bank to maintain a reserve of external assets equal to at least four weeks' import cover. The bank may purchase assets such as gold coins or gold bullion to belly up its reserves.

Many artisanal and small-scale gold miners are found in Mubende. The district has the capacity to deliver at least 30kg of gold per month. The miners, through their association, have plans of putting up a small refinery to process their gold.

Gold is listed as Uganda's biggest export, and at one point the export value peaked at more than $2 billion in 2022. Much of this gold was from different countries such as DR Congo and Tanzania, just to mention a few.

$2 BILLION

Gold is listed as Uganda's biggest export, and at one point the export value peaked at more than $2 billion in 2022.

Kilembe Bidders to undergo robust due diligence

Uganda's government will make one of its strongest due diligence exercises in the mining industry when it visits the companies that are left in the running to take up a concession for the Kilembe copper mines. A team of government officials will now visit the companies' head offices in a robust due diligence exercise that will guide their decision on choosing the best candidate.

Gingko Energy, Sinomine Power China and Liaoning Hongda (trading as Wagagai Mining), all from China, plus the East and Southern Africa-based Sarrai Group (headquartered in Kampala), were the four companies left in the bid for the revival of the Kilembe copper mines project. We have been told that only three companies are now left, with the government guarded on which of the earlier four has dropped off.

One of the three companies will also be required to rehabilitate the nearby Mubuku 1 hydropower project and return it to full production capacity of 5MW, and then more than double that amount later.

The company will also have the opportunity to explore the adjacent cobalt deposits.

Government officials will visit these companies to ensure that the sweet promises dotted all over the glossy paper on which their proposals were written match what is on the ground at their headquarters. Government will want to know whether these companies have the technical and financial capacity to operate the Kilembe copper mines project.

Uganda's government holds a majority stake in the Kilembe copper mines – 99 per cent.

The Kilembe Copper Mines project – once the main source of Uganda's top export - has been under a care and maintenance basis for at least 40 years now. It is estimated that there are 4.5 million tonnes of proven copper ore reserves at Kilembe, based on a cut-off grade of 1.77 per cent – higher than the global standard of 0.6 per cent. More reserves are suspected to be located in the unexplored areas.

A government official we spoke to says the decision to introduce the element of due diligence that requires visiting the main premises of the final bidders was triggered by, among other factors, the earlier disappointment in Tibet Hima – the Chinese company whose 25-year concession to manage and operate the Kilembe copper mines was terminated in 2017 after just five years. Not only did government discover that Tibet Hima lacked any appreciation or understanding of how to operate a project the size of Kilembe Copper Mines, a Winding Up commission report also accused the company of smuggling gold under the guise of shipping a large consignment of ores for testing in China.

4.5 MILLION

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Govt moves closer to picking best bidder for Kilembe

Also, copper is now being touted as one of the most critical minerals today, with companies scouting for assets in order to cash in on the demand created by the global debate around energy transition. Copper is a crucial component for the manufacture of technologies that are needed to replace equipment that are responsible for the emission of toxic carbons.

However, key among the ambitions of the government's due diligence team is the need to select a company that will have the expertise to introduce beneficiation of copper in-country. Uganda's government, especially President Museveni, remains keen on value addition within the mining industry, and the beneficiation component is a bold and glaring fixture in the conditions that the preferred bidder for the copper mines will have to agree to.

By introducing due diligence into the mix, there is a strong possibility that the timeframe for awarding the concession will be longer than earlier anticipated. The evaluation of bids from the four companies was expected to be completed at the end of February or early March, 2024. Thereafter, site visits to the companies' premises would follow.

Some industry observers had predicted that a decision on the winning bidder would be made before the start of the third quarter. That might not be possible now.

Companies snap up lithium assets

Towards the end of February, Uganda issued two new four-year licenses to companies exploring for lithium, bringing the total number to 13 active participants in the country.

Da Xi Yang Limited, a Chinese company, was handed a four-year exploration license to scout for lithium and other minerals over a 21.7 square kilometre radius in southwestern Uganda.

View Mining Uganda Limited also received its third exploration license for lithium in the same month, but its fourth overall in the country. The company is now exploring for lithium over a combined surface area of nearly 400 square kilometres – the biggest in the country.

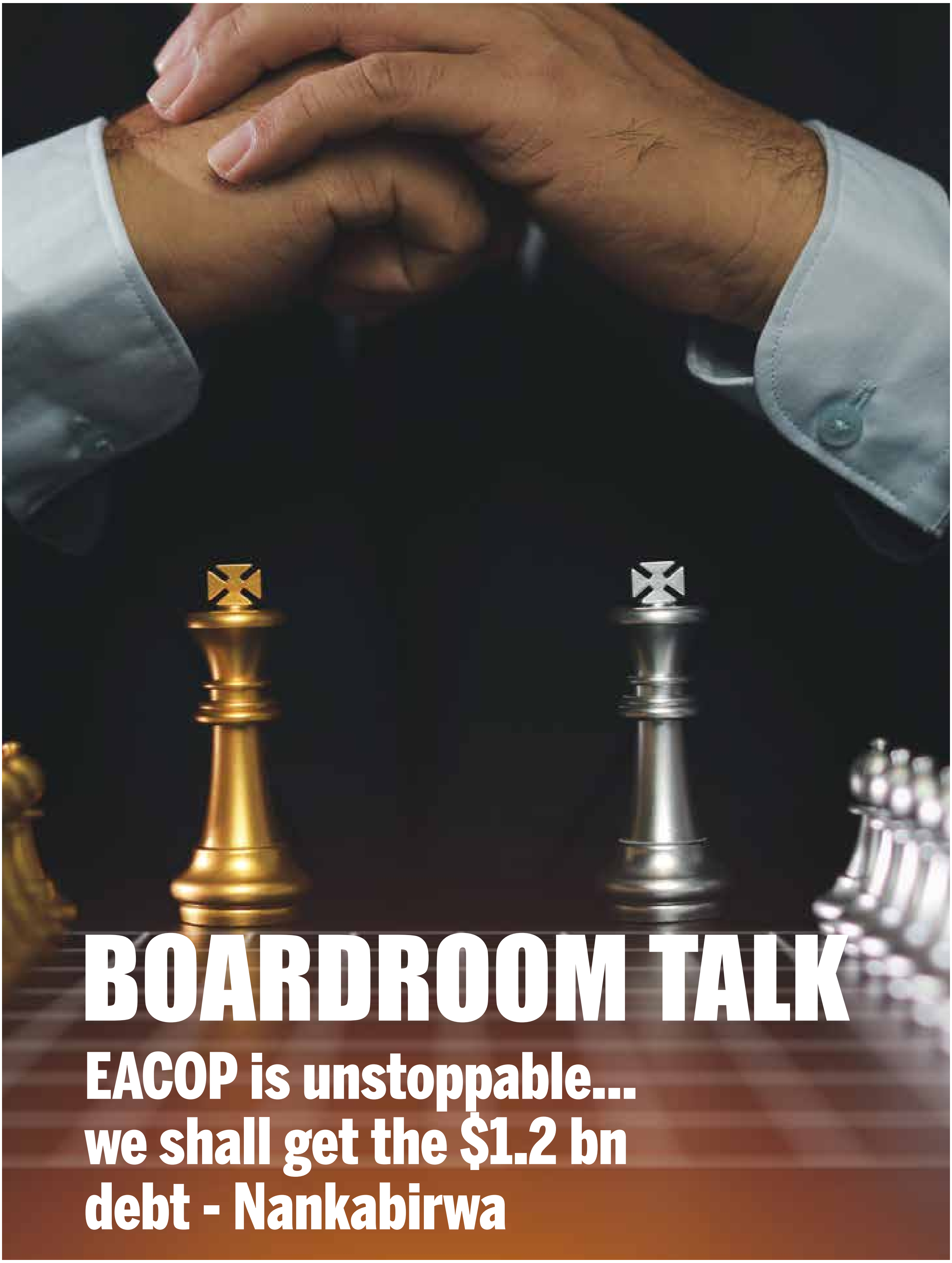
The issuance of new exploration licenses for lithium points to emerging interest in the mineral, which is one of most sought-after assets in the mining industry today.

Lithium is one of the critical minerals used in the manufacturing of electric car batteries. There remains heavy criticism – all of it biased though – on oil and gas projects, with activists claiming they are responsible for global warming. Companies have been urged to phase out fossil fuel projects in support for cleaner forms of technologies. This is where lithium projects have gained prominence due to their ability to facilitate the production of electric car batteries.

The number of applications for exploration licenses for lithium in Uganda has also gone up. In January, the applications were 46. But by the end of February, that number had gone up to 50.

Most of the lithium targets are found in southwestern Uganda, around the districts of Rukungiri, Ntungamo and Mbarara.

Uganda is yet to discover huge lithium ore reserves that can attract a large company into the country.



BOARDROOM TALK

EACOP is unstoppable... we shall get the $1.2 bn debt - Nankabirwa

BOARDROOM TALK

EACOP is unstoppable... we shall get the $1.2 bn debt - Nankabirwa

It promises to be a year of reckoning for Uganda in 2024 as the country eagerly anticipates the closure of the Final Investment Decision for the East African Crude Oil Pipeline and the oil refinery, the commissioning of the Karuma hydropower dam, and the impact from the issuance of two major large-scale mining licenses.

On the sidelines of the Africa Mining Indaba in Cape Town, South Africa, DEEP EARTH INTERNATIONAL caught up with Honourable RUTH NANKABIRWA, Uganda's minister of Energy and Mineral Development, in an exclusive interview to share insights on the state of Uganda's mining, oil and gas, and electricity industries

BOARDROOM TALK

EACOP is unstoppable... we shall get the $1.2 bn debt - Nankabirwa

In January, the government issued a large scale mining licence, the first under the new law, to Rwenzori Rare Earths Limited. What does this issuance of the licence mean to Uganda, to local investors, and also to the wider market about Uganda's mining prospects?

Thank you so much. This is the first time we are issuing this license under the new law. It is the first of its kind. It gives us steady progress in the mining sector.

And to the investors, it encourages other people to come and invest in Uganda. But, also, to those who are still at the exploration stage, it gives them more hope that time will come when a mining licence will be issued to them. So, it is a good thing. It is a positive development in the mining sector.

At this Mining Indaba, we have heard that the best way that a country can extract value is through beneficiation. In regards to this licence to Rwenzori Rare Earths Limited for the Makuutu project, what conditions have you put in place to ensure that Uganda has value addition on that project against exporting raw materials?

We have explicitly quoted what is in the Mining and Minerals Act, 2022, and upended it as an annex to this licence.

All those conditions regarding value addition, maximum value addition, etc. You don't just add value to whatever level that you want. We have to confirm through tests that will be done in different laboratories. So that the 17 elements which are found in the rare earth minerals are all exploited. That they are processed to be able to facilitate the industries that are ready to act as off-takers. That's why we demand for value addition in Uganda. Because we want to attract industries, which will be off-taking the products from the refineries.

The Australian company, which owns 60% of the Makuutu project, intends to construct a refinery. Should we assume that that refinery will be in Uganda?

It has to be in Uganda because we shall not accept exportation of elements without value addition. And value addition has to be done in Uganda. That's fair enough. The mine has to include a refinery within the mine itself. There must be a refinery to separate those many elements found in the rare earth elements.

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Let's talk about the proposed mining company that Uganda intends to create. When should we expect this company to be incorporated?

Well, I think we are concluding the establishment of the Uganda National Mining Company. Very soon. It could be this month, February. It could be latest in March. Because we are almost concluding. Unless there are cabinet delays because it requires cabinet approval, which I don't expect.

So, very soon we shall be seeing this mining company. Because we need it. Now that we have started issuing large-scale mining licenses.

It requires this company to be in place.

And should we also assume that the soon-to-be-created state mining company will again want to take up to a 15% stake in the Makuutu project?

It is not a matter of wanting. I think this will be a requirement from the minister, from myself.

And we want maximum beneficiation. So, we need a fully committed body that will be working with the investors on the project. So that, the state has its eyes there. And that the state is also participating.

Just over half of Uganda's population is connected to the electricity grid. There are three large hydropower projects that Uganda intends to develop in the future – the 840MW Ayago, 392MW Oriang, and 400MW Kiba. When should we expect the award of contracts for these power projects?

Well, we are doing a feasibility study on some of these projects. And once these studies are done, I think this will help companies to look for financiers and take the Final Investment Decision for their development.

But these are big projects which are going to see almost 1,500 megawatts coming on board.

So, we need to be ready with the evacuation plan. We don't want to remain with power which we are not using because of lack of the required infrastructure.

The three state companies are working together - the Uganda Electricity Generation Company works with the transmission company, and distribution company for the evacuation of the power.

Around 2014, the Uganda government ring-fenced large hydropower projects, where these three projects were included, for Chinese companies. Is this still the case?

No. Many MOUs have expired and we have attracted other investors. Ayago is not Chinese. I think it is only the Oriang project. The feasibility study has a time frame. And once the time frame elapses, we don't renew. Unless we are very convinced about the project, we don't renew. Instead, we get more serious

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investors.

We have already given out our energy transition plan, which has the energy generation component. Our energy strategy is to generate about 52,000MW. So, we really want to fast-track these projects.

So, are all the large energy projects open to any investor?

We are giving chance to Bridgin Foundation from Belgium, which is working on the Ayago 840MW. We are giving them chance to develop the project. But they also have time frames.

You talk about time frames, and yet the 600MW Karuma hydropower project has delayed by more than 10 years since construction started. What's the issue with Karuma? When should we expect full commissioning of the project?

Well, the good thing is that the six units at Karuma have been successfully synchronized onto the national grid. That means that we have no issue now.

So, when is government commissioning the project? The project had a deadline of December 2023, which followed many other deadlines.

The ceremonies of commissioning and all that are now going to follow soon. We will look for a good day because we want the president to be the one to commission this project.

And we have taken care of the defects [on the project] that have been identified. Some were still being fixed under the defects liability period. We are satisfied. And so, I think we are good to go.

And on the other hand, when you load [more power] onto the national grid, you have to make sure that it is going to be consumed. The line taking power to west Nile is almost coming to its conclusion. The substations in Arua and Nebbi are almost done. So, we are not worried about off-taking this power.

Then there are the defects at the 183MW Isimba hydropower dam, where one of the units had to be completely shut down for repairs. What is the progress with that?

We are very strong on this project. We have held many meetings, and the developer has been committed to make good of the defects that have been identified.

Uganda has stopped including the take-or-pay clause within its power contracts, which was a critical safeguard that gave independent power producers the confidence of recovering their money. Don't you think this will dampen the market appetite to undertake projects in the sector?

TO NEXT PAGE

The take or pay contracts will be there because they help the developer to reach their financial closure. But government is not going to allow the minister of Energy to use money to pay for power that has been generated and you are not ready to evacuate that power (deemed energy). So, we are saying that you will make sure that we sign these agreements together – that is generation, transmission and distribution. Such that when this power is commissioned, it is evacuated onto the national grid immediately.

So, if there are certain issues on the transmission line and the power cannot be evacuated, are you saying there won't be any compensation to the independent power producers?

The minister of Finance is not going to give me money to do that. So, we have to move in tandem. If it means delaying the commissioning date of the power project so that it is harmonized, we will do that. But to ask for money every year like we have been doing – paying $24 million every year for Achwa 1 and 2 (a power project by Berkeley Energy), which, fortunately, has now come to an end because the transmission line has been concluded – that won't happen. The line from Lira – Kole - Gulu and Agago has been completed and we are evacuating the power now. We were paying that money painfully.

Moving to the oil and gas industry, there have been challenges in attracting debt financing for the East African Crude Oil Pipeline, especially with the criticism from environmentalists. When do you expect the conclusion of the sourcing of the debt for the project?

I think the environmentalists have been satisfied. We have explained to them over and again. We have invited everyone to come and see and move through the pipeline route. They have not been able to see the 230 rivers, which the environmentalists have been talking about. They have not been able to see the displacement of the lions, of the buffaloes. All that [criticism from the environmentalists] was done to make sure that this project fails, so that the people of East Africa do not get the proceeds from our resources. But we have proved our case and we are moving on.

The shareholders have made sure that their equity is paid fully and it is what we have been using for all these developments.

We are compensating people, with almost 98% of the process done, whereas Tanzania is almost at 100%.

The remainder of the debt money [for the EACOP] is about $1.2 billion. We will get it. This project is unstoppable. Very unstoppable. We will get the money.

Alpha MBM from the United Arab Emirates was chosen as a preferred partner for Uganda's proposed 60,000 barrels per day oil refinery. How can we interpret the current trade relations between Uganda and UAE in the oil and gas industry? And can we say that the UAE is the new source of financing for Uganda's different energy projects?

This is it now. The UAE is the new catch for Uganda. I think the relationship that President Museveni has built between Uganda and the UAE has been very strategic. They are not only coming in on the petroleum side, but they are also in-

vesting in agriculture and environment, including the health sector. So, they are very wide. You will be seeing many UAE-based companies coming into Uganda.

The negotiations between the two presidents [of Uganda and the UAE] have opened doors for companies to come from UAE. And they come with money which does not have conditionalities. So, very soon you will see them on the ground. They want to be on the ground. We have already negotiated the crude oil supply agreement and the project implementation framework with them. They are looking at it. They have given themselves two months to get back to us. And then after that, we shall sign. They have their money. They don't need a sovereign guarantee.

I hope that it will help us catch up on the lost time on the refinery.

Speaking of lost time, what lessons have you learnt from the previous failures of Russia's RT Global, and later the US-led Albertine Graben Energy Consortium in regards to developing Uganda's proposed oil refinery? And what makes this partnership with the UAE's Alpha MBM different from the previous two?

Of course, I think we took a long time to realise that financing such a project, which is going to be refining a resource that is being de-campaigned globally, was becoming problematic.

So, the consortium changed its name to remove the word 'refinery' - that is from the Albertine Graben Refinery Consortium to Albertine Graben Energy Consortium. Even that did not help. Finding an anchor investor was problematic. So, that is why we did not renew for a fourth time this project when it expired on June 30, 2023.

So, we began looking at financing from countries that are already in petroleum production because that means they support the production. UAE is known for its oil production.

So, for them [Alpha MBM] the Final Investment Decision [for the oil refinery] will not be difficult. The consortium has the money.

There is a gas pipeline that has been proposed to be built between Tanzania and Uganda. At what stage is this project?

We are at the technical level. We established the steering committee, which is comprised of ministers and then the technical committee where the permanent secretary sits. I was recently in Dodoma [Tanzania] when we inaugurated these committees and we commissioned them to begin working on the feasibility study. Once the feasibility study is done, that means we will know how much is required for this pipeline.

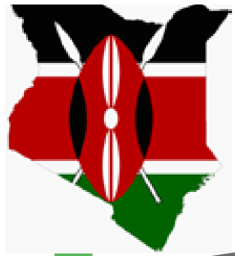
We thought initially that we were going to use the East African Crude Oil Pipeline (EACOP) space and that it was going to be easy. However, the Tanzanian government rightly changed the course of the route because this gas is a finished product, which is needed; so, it cannot bypass communities along the way. Whereas the EACOP route avoided communities, for the gas, you actually need to facilitate these communities; so, you have to change the route so that you distribute this gas as it is.

What are the timelines of the completion of the feasibility study for the gas pipeline?

The committees that we established will have to get back to us but we need this pipeline as soon as possible.

Kenya breaks up KPLC monopoly

Any company that wishes to do business in Kenya's energy market is free to lodge in its application with the right authorities after East Africa's biggest economy introduced regulations that open up all segments of the market to competition.



Kenya has finally gazetted the Energy (Electricity Market, Bulk Supply and Open Access) Regulations, 2024, ushering in a new era that hands consumers the power to choose their electricity supplier. The regulations, which are expected to be effected within six months of their gazettement, will move to break the monopoly that Kenya Power and Lighting Company Plc has enjoyed for years.

While the regulations are broad and, therefore, unlock all the three energy segments of generation, transmission, and distribution to competition, it is the latter, which deals with the last-mile consumer, that has received a lot of attention.

According to the regulations, "Subject to section 145(4) of the Act, a consumer shall choose his retail supplier provided that the said consumer shall not have two supply contracts for the same premises."

The regulations go on to note that "The electricity market shall function with the following objectives: (a) Ensure competition, transparency, fair, neutral, efficient and robust price discovery..."

The regulations come at a time when Kenya Power, the main distribution company in the country, had recorded a stellar year ending June 2023. The company had witnessed a 21 per cent increase in revenue from electricity sales, a jump in customer numbers, just to mention a few.

Also, the regulations have been introduced at a time when KPLC is executing a five-year corporate strategic plan (2023/2024 – 2027/2028) that aims to, among other things, invest more resources in the network, reduce system losses, grow electricity sales, and enhance operational efficiency. It is not clear whether Kenya Power will revisit this plan in light of the risk of the expected loss of a certain portion of its market to new competitors.

Whatever the case, Kenya's new policy shift is likely to be followed and studied by its East Africa peers. Uganda, for example, is moving towards opening up its transmission and distribution segments to more players as the country looks at competition as a recipe for efficient services.

While competition does attract new investment capital, the focus will be on whether power tariff will be cost-reflective. Companies will have to design efficient business models to ensure that they can still make money in what is likely to be a competitive market.

Kenya, Toyota Tsusho sign $690 million green energy deals

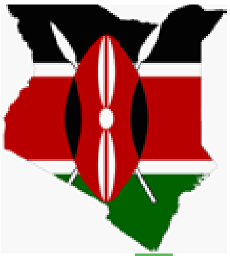
Japan's Toyota Tsusho Corporation has signed a framework agreement with Kenya for a Shs 98.8 billion ($690 million) investment package that will be spread over a couple of green energy projects as the East African country looks to increase the number of people with access to electricity. This is the largest investment that Toyota Tsusho has made in Kenya so far.

The agreement, whose signing was witnessed by President William Ruto during his visit of Tokyo, Japan, will see $52.8 million invested in the Menengai Geothermal Plant, another $105.6 million will go towards the Meru Wind farm energy project, while $56.3 million will be spent on the Isiolo Solar energy project. Close to $7 million will go towards the manufacturing of vehicles.

Toyota Tsusho's investment is expected to further boost Kenya's continental profile of being a top producer of geothermal and wind power projects. The Menengai Geothermal power project is estimated to be able to produce 1,600MW of electricity – more than the current total electricity capacity of Uganda – while the Meru wind power project has the potential to add 200MW to Kenya's energy grid. The Isiolo solar project will have a capacity of 40MW.

The investments for the Meru and Isiolo projects are particularly interesting because of the challenges they have faced in the past. Both projects have in the past had trouble resolving the land and compensation question. Toyota Tsusho's investment is now seen as a vote of confidence in the projects.

Marula Plc invests in Larisoro mine



KENYA

UK junior mining firm Marula Mining Plc has signed an agreement for the acquisition of a commercial interest in the Larisoro manganese mine, which is operated by Kenyan company, Gems and Industrial Minerals (GIM) Limited.

The agreement allows Marula to make its first entry into East Africa, and adds to the increasing interest in the search for the region's critical minerals. The company has investments in a lithium and tantalum mine in South Africa, plus a phosphate, rare earths, nobium and tantalum project in Zambia. All these minerals are listed as critical in the global energy transition towards the use of cleaner technologies such as electric car batteries.

Marula said the investment in Kenya strengthens its expanding operational and development stage of battery metals portfolio in Southern and East Africa. Marula says it prefers a project with a product that has already tested the global market, with sales already made in Asia. The company says it is in "advanced discussions" with a Europea-based commodity trading group to offtake some of the manganese.

After signing the term sheet agreement, Marula Mining paid £300,000 to GIM for 2,400,000 new ordinary shares at a price of 12.5p per new ordinary share. According to a statement from Marula, "the Term Sheet provides that subject to GIM entering into a Technical Support Agreement ("TSA") and a Commercial Agreement ("CA") Marula will provide investment of $1,500,000 for new mining, crushing, screening and processing equipment (the "Investment") to increase monthly manganese ore production to between 5,000 tonnes and 10,000 tonnes of saleable high-grade manganese ore over the next three to six months." The statement further adds that "the TSA and CA are expected to be signed in mid-March 2024."

The statement concluded by noting that the company has already completed a detailed due diligence work program. This work has confirmed the potentially high-grade nature of the manganese mining operation, with independent assay and export reports confirming the high-grade nature of the manganese, the established mining and processing operations, and the opportunity to materially expand production to the initial targeted levels through major investment in new mining and processing equipment.

Marula has a lot of faith in the Larisoro project that some samples have already been taken to South Africa for testing.

TANZANIA

First turbine at Julius Nyerere power project connected to grid

Tanzania has tested and synchronised the first turbine from the Julius Nyerere hydropower project onto the national grid, the largest power project in the country.

In commissioning the first 235MW of the total installed capacity of 2115MW, Tanzania has moved a step closer to reducing its – and by extension the region's - power shortages. The Julius Nyerere hydropower project – the fourth largest in Africa - is scheduled to have more than the total capacity in Tanzania today.

The power from the project will be evacuated via a 400kV high-voltage power line to a substation, where it will be stepped down onto the national electricity grid. Excess electricity from the project will be exported to neighbouring countries through the East Africa power pool – an inter-connection system that seeks to plug the access to power gap in the region.

The commissioning of the first of the nine turbines came as Ethiopia was also preparing agreements to export some of its excess power to Tanzania via Kenya's transmission line network.

According to different sources, the power project, whose estimated cost is around $3.6 billion, is said to be about 95 per cent complete. Egyptian firms Arab Contractors and Elsewedy Electric were the engineering, procurement, and construction firms for the project.

The project, whose construction started in 2018, is located across the Rufiji river, at Stiegler's gorge, in the Selous Game Reserve, Morogoro region, southwest of Dar es Salaam.

TPDC doubles stake in Mnazi bay gas block

For the first time since Tanzania's Petroleum Act, 2015 was passed, the government triggered its right to increase its stake in an oil and gas project, doubling its stake in the gas-rich Mnazi Bay block.

Tanzania Petroleum Development Corporation (TPDC), the commercial arm of the state, has pushed up its stake in Mnazi Bay block to 40 per cent, from 20 per cent – reinforcing its commitment to be a major player in the sector.

The Mnazi Bay block is estimated to hold more than 600 billion cubic feet of non-associated gas. This amount, if developed, is enough to power at least half the country.

Before TPDC pre-empted its first right to take up more shareholding in February, the current ownership structure of the Mnazi Bay block was as follows: France's Maurel & Prom held 48.06 per cent, the UK's Wentworth Resources had 31.94 per cent, while TPDC held the remaining 20 per cent.

Late last year, however, Wentworth decided to exit the block by agreeing to sell its entire stake to Maurel & Prom. For a brief moment, the French company owned 80 per cent of the block. However, TPDC triggered its first right to buy by purchasing a 20 per cent stake from Maurel & Prom for $23.6 million. Maurel & Prom now hold 60 per cent of the block.

Mussa Makame, the managing director of TPDC, said his company's increased participation in the block will not only see it generate more revenue, but also build staff capacity.

"The newly signed Joint Operating Agreement between M&P and TPDC for operating the block will provide room for TPDC to send its staff to Mnazi Bay on long-term secondment, contrary to the previous arrangement when TPDC staff were being engaged on a short-term basis. This new arrangement will enable TPDC to develop its capacity," he is quoted in a statement.

Makame said the recoverable reserve at the Mnazi Bay block stood at 641 billion cubic feet and the average natural gas production per day was 120 million standard cubic feet. The produced gas is sold to various customers, with the anchor customer being the Tanzania Electric Supply Company. The quantities of gas produced at Mnazi Bay block constitute 48 per cent of total natural gas produced in Tanzania.

TANZANIA

Lifezone Metals Ltd embarks on study for Kabanga nickel project

Lifezone Metals Limited, an American company, is currently undertaking a Definitive Feasibility Study for its Kabanga nickel project, and at Kahama, where the company intends to put up a refinery.

The company, which is partnering with the world-renowned BHP Group for the Tanzania operations, says the study will support a two-phase development plan for the Kabanga nickel project. BHP owns 17 per cent in the project.

Lifezone says its plan supports a mine capacity of 3.4 million tonnes per year. The company adds that it will process the nickle, copper and cobalt at its Kahama hydromet refinery, creating more in-country value for Tanzania.

Company officials say the Kahama hydromet refinery “brings potentially significant reduction in emissions relative to traditional smelting...”

The Definitive Feasibility Study, which evaluates the technical specifications and economic business case of the Kabanga Underground Nickel-Copper-Cobalt mine, Kabanga Concentrator and Kahama Hydromet refinery, is scheduled for completion before October 2024. BHP will thereafter increase its stake to 60.7 per cent after the study is done.

The Kabanga project has received major funding from BHP Group of $10 million in Lifezone, and an additional $40 million in the Kabanga nickel project in 2021. Two years later, in 2023, BHP invested an additional $50 million in the Kabanga nickel project.

Lifezone Metals Ltd says that Kabanga could be one of the largest and highest-grade undeveloped nickel sulphide deposits in the world.

The Tanzania government has a 16 per cent free carried interest in the project.

> **$50 MILLION**
> Two years later, in 2023, BHP invested an additional $50 million in the Kabanga nickel project.

AustChina bids for Chenene lithium project

AustChina Holdings has entered into a binding agreement that will see it acquire the entire stake of Cassius Mining Limited’s interests in Tanzania, one of which being the Chenene lithium project.

AustChina Holdings from Australia said that while it is busy developing other projects outside of Tanzania, its board felt that this was an opportunity they could not allow to slip away.

AustChina has paid a non-refundable option fee of $100,000, which provides for exclusive option to acquire the Chenene lithium project.

The company will pay $500,000 to Cassius Mining Ltd if the project passes a due diligence test over the next three months. An extra $550,000 will be paid should the project reach certain milestones.

The estimated expenditure required to complete the proposed activities over the next 12 months is approximately $150,000.

RWANDA

Francis Kamanzi is new CEO for Rwanda Mines, Petroleum board

Francis Kamanzi, the new chief executive officer of Rwanda Mines, Petroleum and Gas Board, is expected to build on the progress the country has made in the mining sector by putting in place mechanisms that will further raise the confidence of private companies amidst the growing interest in the country's critical minerals.

Kamanzi, whose appointment was announced during a cabinet meeting chaired by President Paul Kagame at Urugwiro village in late February, and replaces Yamina Karitanyi, comes with a wealth of knowledge in understanding market risks.

Kamanzi describes himself as "an accomplished investment advisor with over 10 year of experience who excels at using strong analytical, financial, and organizational skills and who offers a wide range of abilities in coaching, and creative portfolio creation, proficiency in market analysis, risk assessment and portfolio management."

A graduate from the National University of Rwanda with a bachelor's, and later master's degree from Makerere University, and Harvard University at the John F. Kennedy School of Government, Kamanzi has built up experience in managing different businesses. He was once a market risk consultant at Banque Populaire du Rwanda, and has done stints in a number of other consultancy organisations before his most previous posting as a business development manager at Eco-secure Holdings Ltd.

At Rwanda Mines, Petroleum and Gas Board, which is the regulator of the mining industry in Rwanda, Kamanzi will find a different assignment.

The European Union has just signed an agreement with Rwanda for, among other things, the development of a robust supply chain for critical minerals within the East African country.

Rio Tinto, the global mining giant, has also just signed an agreement with Rwanda for the exploration and mining of lithium.

These two recent major developments are expected to attract more mining companies into Rwanda.

Kamanzi will have to make sure that those who apply for mining licenses at the Rwanda Mines, Petroleum and Gas Board, will play by the rules – ensuring they act responsibly with regards to environmental, social and governance aspects of their mining project.

Mining is Rwanda's second biggest export earner.

KAMANZI

At Rwanda Mines, Petroleum and Gas Board, which is the regulator of the mining industry in Rwanda, Kamanzi will find a different assignment.

RWANDA

EU lobbies Rwanda for critical mineral supplies

The European Union is set to channel more funding towards Rwanda's infrastructure for mineral value chains after the two parties signed a memorandum of understanding on the exploitation of critical minerals.

The European Union has placed high priority on critical minerals to support the global transition towards cleaner forms of technologies that limit the emission of toxic carbons into the environment. This MoU will open up a bigger EU market for mining companies exploring for critical minerals in Rwanda.

The agreement comes after Rwanda and the European Investment Bank signed a joint declaration agreement for investment in critical minerals in December 2023.

Over the next six months, Rwanda and the EU will draw a roadmap with concrete actions s to put the strategic partnership into practice.

Rwanda has positioned itself as one of the most reliable suppliers of tin, tungsten and tantalum, and the country has been applauded for its transparent supply chains.

According to the terms of the memorandum of understanding, which the EU described as "an important agreement to nurture sustainable and resilient value chains for critical raw materials," the bloc will mobilise funding for Rwanda's mineral value chain infrastructure so that the investment climate is improved.

The MoU also notes that the two parties will cooperate "to achieve sustainable and responsible production and valorisation of critical and strategic raw materials. This includes increased due diligence and traceability, cooperation in fighting against illegal trafficking of raw materials and alignment with international Environmental, Social and Governance standards."

There will also be collaboration on research, sharing of knowledge and technologies between the two sides.

The EU will also support Rwanda's technical capacity through training of staff in order to be able to design models that will ensure better governance of the critical minerals value chain. The EU speaks highly of Rwanda. It says "Rwanda with its favourable investment climate and rule of law can become a hub for value addition in the mineral sector. One gold refinery already exists, while a tantalum refinery will soon be operational. Rwanda also has the only active tin smelting plant in Africa."

Rio Tinto deepens footprint in Rwanda

Rio Tinto's signing of a memorandum of understanding with the government of Rwanda for the exploration and mining of lithium in the East African country's western province further cements the global giant's footprint in the region.

According to a statement from the government of Rwanda, the "entry of Rio Tinto marks Rwanda's resolve to further unlock the potential of the country's mining sector."

This is the second agreement that Rio Tinto has signed in Rwanda over the last six months. In early August 2023, Rio Tinto signed an agreement to farm-in into the exploration and development of lithium and by-products at Aterian's HCK project in Rwanda. Aterian Plc's local subsidiary, Kinunga Mining Limited, is currently supporting Rio Tinto in staging the necessary equipment to establish a maiden drill program over the licence area in 2024, according to a company statement.

At the just concluded Africa Mining Indaba in Cape Town, South Africa, Sinead Kaufman, the CEO of Rio Tinto Minerals, spoke of how the company's agreement with Rwanda would unlock opportunities for the country's mining industry. The presence of large mining companies such as Rio Tinto tends to attract more companies into the industry.

Rwanda has built a credible and transparent mineral supply chain system compared to its regional peers. A number of companies around the East African region have found it easier to trade their minerals in Rwanda due to the country's efficient mineral supply system.

Trafigura, Ivanhoe agree on deal to transport copper

Trafigura and Ivanhoe Mines, the developer of Kamoa-Kakula copper project in DR Congo, have agreed to long-term commitments to transport minerals via the Lobito Atlantic Railway for a minimum term of six years. The agreements, which were announced during the 30th edition of the Africa Mining Indaba in Cape Town, South Africa in February, represent the first long-term commercial commitments to the Lobito Atlantic Railway, a new import-export trade route between the African Copperbelt and Angola's Atlantic coast.

In 2022, the Lobito Atlantic Railway project was awarded to a consortium of companies - Trafigura, Mota-Engil and Vecturis – for operation for 30 years. Up to $450 million will be invested on the railway and associated infrastructure for it to be able to move more than 1,500 wagons and 35 locomotives. An additional $100 million will be invested on the other side of the border in the DRC to improve its railway line and rolling stock. One of the main purposes of the railway line is to move minerals from DR Congo.

According to a statement, "the Kamoa-Kakula copper complex, a joint venture between Ivanhoe Mines and Zijin Mining, has been allocated a minimum capacity of 120,000 tonnes and up to 240,000 tonnes per annum of copper products - blister-anode or concentrate - from 2025, with an initial commitment of 10,000 tonnes to be transported in 2024 as the railway ramps up." The Kamoa-Kakula project in DR Congo is expected to produce nearly 490,000 tonnes of copper in concentrate in 2024, up from 393,000 tonnes.

Industry observers say the Lobito Atlantic Railway – a United States of America supported project - is a reaction to counter China's Belt and Road, a project that is expected to link more than 40 African countries to ease transportation, especially for minerals.

Buenassa secures $3.5m for copper, cobalt refinery study

Buenassa, a local DR Congo company, has secured an initial tranche of $3.5 million to undertake studies that will support its plans for the construction of a copper and cobalt refinery in the country. The studies for the refinery, which the company describes as a hydrometallurgical plant, are slated to start in March 2024.

Buenassa, a company in the metal processing and trading sector, says "this initial tranche of funding will support the establishment of the project preparation facility..." The company said the project will be located in the province of Lualaba, with operations scheduled to start in 2027.

When the operations start, yearly copper cathode output will be 30,000 tonnes, while yearly cobalt sulphate output will reach 5,000 tonnes.

US-based financial advisory firm Delphos International is supporting Buenassa on its DR Congo transactions.

DR CONGO

Skypower, AFC sign 200MW solar deal

Skypower Global, a company from the United Arab Emirates, has signed a joint development agreement with the Africa Finance Corporation for the first phase of its 1000MW Green Giant solar power project.

This partnership is set to see Skypower Global secure support from Africa Finance Corporation for the construction of the first 200MW of solar power. AFC is known to be a catalyst for private sector-led infrastructure investment across Africa. The organisation focuses on financial and technical advisory, project structuring, project development, and risk capital for different infrastructure projects in Africa.

Construction of the 200MW is expected to start in 2025 after the Dubai-based company managed to acquire nearly all the government approvals for the project.

The 1000MW Green Giant solar power project is a public private partnership between Skypower Global and DR Congo's Société Nationale d'Electricité. The DR Congo government sanctioned the project in 2020. The project cost is estimated at $2.3 billion.

DR Congo approves 30MW methane gas power contract

The 125th meeting of the council of DR Congo ministers, held in Kinshasa recently, approved a contract for the extraction of methane gas – nearly seven years after a tender was issued to private companies.

Engineering Procurement and Project Management SA, Trans Century Limited, and Swede Energy RDC Sarl, which became Kivu Power SA, were awarded a contract to develop a 30MW methane gas power plant along Lake Kivu in late 2017. However, the project is yet to meet all the regulatory approvals.

The project has a power purchase agreement at a fixed tariff with the government of DR Congo for 27 years. The project also has a 30-year gas concession agreement and a 30-year electricity generation license. Environmental and social impact studies have been conducted, together with a front-end engineering design.

The approval of the contract during the council of DR Congo ministers meeting brings the consortium closer to starting work on the project.

Calender

10 May, Kenyatta Int'l. Convention Centre, Nairobi