NOVEMBER 2024 WRAPPER

DEEP earth

BOARDROOM

UAE understands us, they don’t ask many questions – Hon Nankabirwa

UGANDA: McDermott to lose major share of oil contracts

KENYA: Kenya’s new gold refinery to be launched in July 2025

TANZANIA: Zanzibar electricity submarine plans released

RWANDA: Rwanda seeks investors for largest solar plant

DR CONGO: DRC basks in resumption of Kipushi zinc-copper mine

BURUNDI: Burundi issues open invitation to Saudi investments

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EXECUTIVE SUMMARY

Dear reader

Welcome to the November 2024 edition of the Deep Earth International wrapper, where we analyse some of the top stories in East Africa's oil and gas, mining, and electricity industries.

In Uganda's oil and gas industry, we look at McDermott's challenges in handling its tier one contracts, and the radical changes that the company faces.

We also look at the prospects of Uganda and Kenya's plan of reviving the Eldoret-Kampala petroleum pipeline.

In Uganda's minerals sector, we have a story about Blaze Minerals kicking off its drilling campaign at its Mityana project.

The African Development Bank has selected a consultancy firm from the United Kingdom to conduct a pre-feasibility study about the possibility of putting up a plant that produces batteries for Electric Vehicles. Find this story and more in this section.

Uganda is considering an amount of $3.8 billion for its different electricity transmission network as it opens up the space for private companies to execute different projects.

We also look at the different private companies that have submitted applications for licenses to put up transmission lines, the first in the country.

In our boardroom talk, we speak exclusively to Honourable Ruth Nankabirwa, the minister of Energy and Mineral Development, about Uganda's charm offensive with the United Arab Emirates. She tells us the state of the different projects by UAE firms in Uganda.

Moving on across the border in Kenya, we bring you the set of conditions that government has put in place before it reopens the Dabel gold sites to artisanal miners, and how that plays into the hands of the Canadian company that holds a license in the same area.

There is more in the Kenyan section that you don't want to miss, such as Kengen's plans to rehabilitate old hydropower plants.

Tanzania has released a couple of reports that point to how it will handle stakeholder issues as it prepares to build a submarine to connect electricity to the island of Zanzibar. Issues of human rights and business have become important in sustainable livelihoods, and Tanzania is determined to get it right with this project. Find out how it intends to do that.

For a long time, there have been questions on when Russia's Gazprom will make a move into East Africa. Well, we bring you that story in this edition as Gazprom prepares to enter Tanzania's gas market.

We venture into Rwanda's grid solar industry, and bring you a story about how the country is seeking an investor for its largest solar power project at Mpanga in Kirehe district.

We also have a story of GALIL, a company with roots in Israel, has issued a scope of works for the Lake Kivu $280 million electricity project. We tell you the risks and opportunities of this.

The Democratic Republic of the Congo has relaunched the Kipushi zinc-copper mine, once the largest in the world. Find out how this project is going to be a game-changer for the government and its partner Ivanhoe from Canada.

And in Burundi, top officials are sent an open invitation to Saudi Arabia to come and take up investment opportunities. We bring you the story of how, for more than a year, top officials from Burundi have held meetings with different Saudi officials in pursuit of Saudi funds.

We end this edition with our calendar of events of the different conferences around Africa.

OIL AND GAS

OIL AND GAS

McDermott faces loss of major share of oil contracts

OIL AND GAS

Uganda, Kenya move to revive petroleum pipeline

McDermott could lose major share of oil contracts

McDermott, the international company that holds the largest share of tier one contracts in Uganda's oil and gas industry nearly worth $2 billion, is headed for trouble. Reliable sources tell us that McDermott's scope of works within the Tilenga oil field, which is operated by TotalEnergies, will likely be scaled back in favour of its joint venture partner, Sinopec, as worries over Uganda's slow pace towards first oil rattle government officials.

Ruth Nankabirwa, the minister of Energy and Mineral Development, recently confirmed what was long feared: that Uganda won't be able to meet its scheduled April 2025 timetable for first oil, with industry observers stretching the timeframe to sometime in 2027 at the earliest.

The delay in attaining first oil will likely hurt Uganda's potential to service its loans, most of which have been racked up with the promise of repayment when oil starts flowing. Now, with the delay in achieving first oil, technocrats at Uganda's ministry of Finance have to seek new payment schedules, many of which are set to attract compound interest.

While the delay for Uganda's progression to first oil has been largely put to the challenge in sourcing the debt for the East African Crude Oil Pipeline, there has been some stalling of works at the oil industrial area, which will host the Central Processing Facility within the Tilenga field, due to the financial troubles that McDermott finds itself in.

For more than two years, local subcontractors have complained about McDermott's failure to honour payments within the agreed times, which has hurt their working capital. The matter got heated that it sucked in the Petroleum Authority of Uganda, the industry regulator, for a swift resolution. Beyond strongly-worded statements, nothing appeared to have shaken McDermott.

Now, the issue has taken a radical turn with McDermott expected to lose a share of its dominance of the works. Originally, McDermott held 65 per cent of the engineering, procurement, construction and commissioning (EPCC) services for the development works at the industrial area, while China's Sinopec took care of the other 35 per cent. That percentage share is expected to change, with McDermott's expected to drop below 60 per cent.

Top officials from the headquarters of McDermott and TotalEnergies were expected in Kampala in December to formalise the change in shareholding in the joint venture partnership.

The change in shareholding is expected to instil some verve in the civil works at Tilenga, and relieve McDermott of some financial pressures.

In a way, McDermott's troubles at group level were expected to catch up with its subsidiaries as the company struggled to put in place a long-term plan to its financial challenges. In 2020, McDermott filed a chapter 11 case in the United States of America, requesting for a restructuring of its business due to its financial pressures.

Again in 2023, McDermott entered into another round of negotiations with creditors, with the situation becoming dire that the company could not source letters of credit without backing them up with cash. The company continues to struggle to turn around this situation.

$2 BILLION

McDermott, the international company that holds the largest share of tier one contracts in Uganda's oil and gas industry nearly worth $2 billion, is headed for trouble.

Uganda, Kenya move to revive petroleum pipeline

Uganda and Kenya have taken another critical step towards reviving plans of building a pipeline carrying finished petroleum products between Eldoret and Kampala, a project that nearly came to life 15 years ago but later collapsed after the Arab spring took out Libya's strongman Muammar Gaddafi.

A Joint Technical Committee will be inaugurated in early December in Entebbe, Uganda, whose goal will be to coordinate plans surrounding the pipeline. The inauguration will come nearly five months after Ruth Nankabirwa, the minister of Energy and Mineral Development, chaired a bilateral meeting with Mohamed Liban, the principal secretary for the State Department of Petroleum, together with Kenya Pipeline Managing Director Joe Sang about the revival of the proposed Eldoret-Kampala petroleum pipeline.

The Eldoret-Kampala pipeline, which will later be connected to Kigali, Rwanda, is part of the Northern Corridor Intergration Projects, an initiative that aims to speed up the implementation of projects and programs identified by the heads of state of the four member countries: Kenya, Rwanda, Uganda and South Sudan.

In 2006, Kenya and Uganda handed the contract to construct the Eldoret-Kampala pipeline for finished petroleum products to Tamoil East Africa Limited, a subsidiary of the Libya Africa Investment Portfolio.

The project faced a change of thought when Uganda discovered commercial quantities of oil in 2006. That discovery led to a request for a reconfiguration of the pipeline from a single to a dual carriage, where finished petroleum products would be moved from Eldoret to Kampala while crude oil resources would move the opposite direction.

These plans were scuppered in 2010 at the height of the Arab spring, which saw street demonstrations against the Muammar Gaddafi regime, and later its overthrow. Ultimately funds from Libya to Tamoil dropped to a trickle. The company's performance bond ran out, and the East African countries, seeing the situation in Libya, elected not to renew the contract.

This time round, however, the Eldoret-Kampala pipeline faces new dynamics. For starters, Uganda is currently pursuing a number of large infrastructure projects, such as the East African Crude Oil Pipeline, an oil refinery, a 211km-long multi-products pipeline that will evacuate refined products from the oil refinery to a storage terminal at Namwabula, Mpigi district, and a standard gauge railway that could move some petroleum products. The combined cost for all these projects is more than $15 billion.

Uganda is also set to see more petroleum products come into the country via water. Lake Victoria Logistics Limited has promised to build two more vessels that will move petroleum products between Kenya's Kisumu and Uganda's Kampala. Already, a vessel is moving 4.5 million litres between the two towns.

While the ambition to return to the Eldoret-Kampala petroleum products pipeline is commendable, in reality the project faces some tight economics, which could see it stay on paper for quite some time.

211KM LONG

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ELECTRICITY

Govt looking for $3.8 billion for transmission network

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Companies apply for transmission lines

Govt looking for $3.8 billion for transmission network

Uganda is considering an amount of $3.8 billion for investments in the country's electricity transmission network by 2040, according to an official document we have seen. The money, which will be used to put up different infrastructure such as high-voltage lines, substations, just to mention a few, is needed to be able to evacuate electricity from the different energy generation plants.

Uganda has set 2040 as the year it intends to achieve universal access to electricity. At the moment, just over half of the country's nearly 46 million people have access to electricity, with the figure dropping to about 20 per cent among people living in rural areas.

Uganda has installed electricity capacity of just over 2,000MW. There are plans of doubling this amount over the next 10 years by expanding the energy mix to include new sources such as wind, nuclear, waste-to-energy, and associated gas. For example, Senok Wind Uganda Limited is putting up a 20MW wind power farm in Moroto district; Ugandan engineers have been to South Africa's Lesedi Nuclear Services under a partnership that is intended to lead to Uganda realising its dream of putting up a large nuclear reactor of 1,000MW; two different companies - VIDA Energy Uganda Limited and NLS Waste Power Plant Ltd - have applied for licenses to put up waste-to-energy plants with a combined capacity of 55MW around Mukono, 22 kilometers east of the capital, Kampala; and lastly, both TotalEnergies and Cnooc plan to generate electricity from crude oil resources, although this energy will be only for their operations.

$3.8 BILLION

Uganda is considering an amount of $3.8 billion, which it says is needed for investments in the country's electricity transmission network by 2040, according to an official document we have seen.

All these plans, together with the new solar and hydro plants, will depend on whether Uganda can source the $3.8 billion. Government will not issue licenses of many proposed electricity generation plants if there are no transmission networks to evacuate the power.

The electricity transmission network is one of the most underfunded segments in the energy industry. As a result, many electricity generation projects – where there is a strong appetite among investors - have failed to take off because of the absence of transmission lines.

Uganda's transmission network length stretches about 4,500 kilometers. The country wants to more than double that figure to just over 12,000km by the year 2040. A lot of the line network is of the 132kV voltage capacity.

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Govt looking for $3.8 billion for transmission network

Government is currently talking to officials at the ministry of Finance, Planning and Economic Development, donors and private investors for funding to expand the network.

Among all the foreign countries that have agreed to fund much of the transmission network infrastructure, China has shown the most interest. China has agreed to fund eight of the proposed 34 transmission network projects, with its biggest commitment saved for the electrification of industrial parks and free trade zones and the Sukulu phosphate transmission line project at $260.6 million.

Sweden is the European country holding the most number of meetings with Uganda to finance some key power transmission projects. Sweden is considering funding the upgrade of the Nkenda-Fort Portal-Hoima transmission line to 220kV and associated substations. It is anticipated some of these discussions will be concluded in the next financial year.

The World Bank has also agreed to pick up the tab on a couple of projects, with the biggest being the 92km 400kV Masaka - Mutukula - Mwanza transmission line, and the 151km Wobulenzi - Masaka and associated substations. The bill here is $295.2 million.

With the limited availability of funds, Uganda has also opened up the space to private companies to put up transmission networks. The private companies will recover their investments through a bulk supply tariff set by the Electricity Regulatory Authority. Previously, the duty of putting up transmission networks was ringfenced for only the government.

Companies apply for transmission lines

ELECTRICITY

At least three companies have applied for licenses to put up electricity transmission networks in Uganda, with government planning to approve at least one of them before the end of this year.

The three companies - Kapterol Transmission Company Limited, Amari Power Transmission SMC Limited, and CNOOC Uganda Limited – are vying to be the first to put up electricity transmission infrastructure in the country after the government opened up the space to private investors early this year. TotalEnergies has also issued a call to companies that can put up transmission networks for its oil operations.

Kapterol Transmission Company Limited has applied for a license to undertake feasibility studies and other developments for the 132kV Bulambuli – Moroto transmission line.

Amari Power Transmission SMC Limited, the company that will most likely receive the first approval from government due to its vast experience in the sector, has applied for an independent power transmission license for the upgrade of the substations of Tororo, Nkenda, Mbarara North and South, and Mirama.

TotalEnergies, the operator of the Tilenga oil field, is looking for a company that can provide it with engineering services and construction of a substation for electricity being transmitted through a 66kV line. This electricity will support its oil operations, with some of it connected to the national grid.

CNOOC Uganda Limited, the operator of the Kingfisher oil field, is seeking a license to construct, operate, and own the proposed 48km 66kV transmission line for the transmission of power from the Kingfisher Central Processing Facility in Kikuube district to the Kabaale electrical hub in Hoima district for its own use.

Uganda decided to open up its electricity transmission segment to independent private investments partly to plug the funding gap that the sector faces. Uganda is looking for $3.8 billion for the transmission network up to 2040.

However, government, through the Uganda Electricity Transmission Company Limited (UETCL), will continue to participate in the segment, undertaking some projects on its own or entering into partnerships with private companies.

Government wants to influence a drop in power tariffs by allowing private investments into the transmission network in order to have more power evacuated from electricity generation plants. An increase in the transmission network will also support the East Africa Power Pool, allowing Uganda to tap into virgin markets and boost its revenue kitty.

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Companies apply for transmission lines

According to the regulations, any private investor who wishes to undertake an electricity transmission project in Uganda has to choose from the projects listed in the Grid Development Plan 2023 - 2040. The plan has been drafted and awaits final approval.

For private developers, the opening up of the transmission space presents a new revenue stream in the energy sector. Private developers of transmission lines will be able to recover their investments from a bulk supply tariff that the Electricity Regulatory Authority has already drawn up.

And yet, there are risks that private investors ought to bear in mind. Private developers will find challenges in getting land for the right-of-way for the transmission lines. Many communities are likely to find it hard to offer corridors for the transmission lines because they might not see a direct benefit. And even when the communities agree to cede ground, they are likely to peg a higher price on the land on the assumption that private investors are rich.

UETCL has asked government to review the land laws to soften the ground for private investors. It is not clear when an amendment to the land laws will be made. Debate around legislation on land is usually hotly contested, and it takes months to be resolved.

UETCL has a problem of its own. Government's plan to rationalise its agencies into their line ministries has gotten officials of UETCL agitated. The rationalisation is expected to be completed in 2027. Private investors are not sure of how the sector will shape if government makes good on its promise to disband UETCL by merging it into the ministry of Energy.

Officials of UETCL have asked government to drop those plans for the sake of continuity of the transmission segment.

Nuclear power Resettlement Action Plan study launched

Currie Consultants Limited, a local company, has embarked on the process of sourcing information that will guide its compilation of the Resettlement Action Plan (RAP) study for the 8,400MW nuclear power project in Buyende district. The study was launched recently in Buyende, with top government and district officials attending.

At the heart of the RAP will be how to handle the fears and tribulations that come with people being displaced, and the opportunities that can be generated from the project.

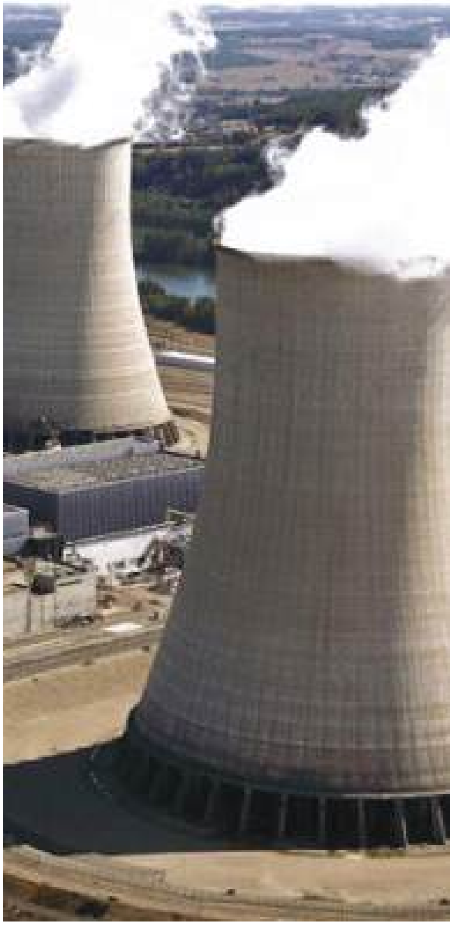
Issues of business and human rights remain at the centre of major infrastructure projects that government is putting up, with community participation said to be inadequate, which usually leads to the failure to manage expectations.

Irene Batebe, the permanent secretary in the ministry of Energy and Mineral Development, said government is "fully committed to ensuring fair compensation and livelihood restoration of all affected persons. Your rights and concerns will remain at the forefront."

Uganda's nuclear project, which will take up 30.1sq km of land, is expected to be one of the largest infrastructures in terms of cost in the country, with estimates putting it at $4.5 billion per 1000MW of nuclear power. The country has chosen the large nuclear reactors as its preferred model, against the smaller modular reactors. While Uganda expects to have the first 1,000MW nuclear reactor in place by 2031. The country, however, has to meet a list of conditions from the International Atomic Energy Agency before its project is flagged off.

Uganda has signed a number of cooperation agreements with Russia's Rosatom and China National Nuclear Corporation over the development of nuclear energy. Uganda has also signed a memorandum of understanding with Korea Hydro & Nuclear Power over the construction of the large nuclear reactor.

Uganda says the nuclear power plant will be financed through contributions from the national budget for acquisition of land and preparing the support infrastructure, and concessional government-to-government loans for construction of the nuclear plant.



MINING

MINING

Blaze commences drilling at Mityana lithium project

MINING

Karamoja mineral mapping faces further delays due to insecurity

Blaze commences drilling at Mityana lithium project

Blaze Minerals Limited, a junior mining company from Australia, has commenced drilling at its Mityana mining project as the company bids to find commercial quantities of a set of critical minerals.

The drilling kicked off a couple of days after Blaze Minerals completed the acquisition of a 60 per cent stake in Gecko Minerals Limited, the beneficial owner of the project.

Some of the minerals that Blaze will be exploring for at the Mityana project include: lithium, tin, tantalite, beryllium and rubidium. These minerals are critical in the production of technologies such as electric batteries, which are key in supporting the transition to the use of cleaner forms of energy.

According to a company statement, "the Mityana Project covers an area of 240km and immediately surrounds a historical opencut tantalite mine."

At least two drill rigs have been deployed on site, according to the company, with the 800-meter diamond drilling campaign designed to test the geometry and grade of the pegmatite at depth. The drilling will also give the company the distance of the strike within the licensed areas.

Blaze Minerals says it will embark on the Ntungamo license area, which formed part of the 60 per cent acquisition it made into Gecko Minerals Limited, early next year.

Mathew Walker, the corporate director of Blaze Minerals, said: "We are delighted to be drilling so soon after the successful completion of our acquisition of the Mityana and Ntungamo Critical Metals Projects. These are potentially world class projects that have never been drill tested. The intention is to complete the drilling at Mityana before Christmas, then mobilise to the Ntungamo site early in the New Year."

The company said the samples will be sent to ALS in Johannesburg, South Africa for multi-element analysis.

240KM

The Mityana Project covers an area of 240km' and immediately surrounds a historical opencut tantalite mine.

Karamoja mineral mapping faces further delays due to insecurity

The airborne geophysical survey and geological mapping of Karamoja will likely miss its revised schedule of being completed by June 2025 due to the insecurity in the sub-region, a new report from the ministry of Finance, Planning and Economic Development warns.

The ministry of Finance has called on the security agencies to reinforce their teams on the ground to ensure the geologists collecting data in the field are safe from harm if the mapping is to be done within budget and on the revised timetable.

For now, however, all indications point to another missed deadline, which, essentially, would mean that the region cannot attract world-class investors when there is no credible data and reassured security.

"The phase three geological and geochemical activities to confirm the anomalies surveyed were ongoing bụt behind schedule. The phase three activities such as collection of samples were affected by the insecurity in the region that started in the second half of FY 2021/22," the ministry of Finance report on externally funded projects, dated September 2024, notes.

Karamoja is thought to be Uganda's richest sub-region in terms of minerals. The sub-region boasts of gold, limestone, and marble, just to mention a few. Already, some companies are mining in the sub-region, often times at a great risk. There have been strong suggestions that the national army, the Uganda Peoples Defence Force, should offer security support to some people conducting business in the area.

In March 2021, XCalibur Smart Mapping, a Spanish company with a global footprint, started the geophysical survey and geological mapping of Karamoja. The mapping was split in three phases:

Phase one involved the survey of a total of 227,993 line-km of magnetic and radiometric data; an 23,189 line-km of Gravity data for the whole of Karamoja and Lamwo district. Phase two required a detailed survey of 40 per cent of the potential areas explored in phase one using narrower line spacing and providing high resolution information.

The third phase is for geological and geochemical activities to improve the existing data and confirm anomalies detected in the phases one and two airborne surveys.

227,993 LINE-KM

Phase one involved the survey of a total of 227,993 line-km of magnetic and radiometric data

While phase one and two are completed, it is phase three that faces challenges and progress remains slow. The ministry of Finance report notes that as part of phase three, "a total of 1,073 geological and geochemical samples were collected for mineral content analysis pending preparation for final analysis at designated International Standard Organisation (ISO) certified laboratories in Spain and Canada." A lot more would have been achieved if it weren't for the insecurity in the area.

In March 2022, Richard Kiggwe, a geologist working with the Directorate of Geological Surveys and Mines, Charles Olweny, a field support staffer, Edna Kafaaku Musiime, a geologist intern and also a Makerere University student, plus two security personnel were killed in Karamoja while undertaking surveys.

Karamoja remains a security flashpoint for Uganda, largely due to its close proximity to South Sudan and north western Kenya, where there are pockets of violence. A cattle-keeping community, many people in Karamoja hold firearms, which they use to guard against cattle rustlers.

There remains a deep-seated suspicion among many people in Karamoja over foreigners seeking business opportunities in their area.

AfDB chooses UK firm to assess EV battery potential in Uganda

Uganda will have to demonstrate that it has enough critical mineral resources to support the construction of a facility to produce electric vehicle batteries after it was chosen among nine African countries for a prefeasibility study about the opportunities and risks for such a business venture.

The African Development Bank has chosen CRU International Limited from the United Kingdom to conduct a prefeasibility study for establishing a battery manufacturing, renewable energy and electric vehicle value chain in Uganda, the Democratic Republic of the Congo, Guinea, Morocco, South Africa, Zambia, Mali, Ghana and Nigeria.

The study, according to the AfDB, "will also assess each country's readiness based on certain criteria such as innovation, capital raising, manufacturing, energy, governance, social and environmental issues, among others."

The AfDB, in a 2023 brief titled ***Strengthening Africa's Role in the Battery and Electric Vehicle Value Chain***, noted that Africa needs "to develop a Green Minerals Strategy to fast-track development of the continent's green mineral resources towards creating more value..." One of the recommendations for this strategy is the creation of the African Battery Alliance to foster cooperation among countries.

2023 BRIEF

The AfDB, in a 2023 brief titled *Strengthening Africa's Role in the Battery and Electric Vehicle Value Chain*, noted that Africa needs "to develop a Green Minerals Strategy...

Some of the minerals listed as green or energy transition minerals, which are critical in the production of electric vehicle batteries, include: lithium, cobalt, nickel, graphite, and copper, just to mention a few.

Uganda is exploring for some of these minerals and, in at least one instance, there has been a promise of constructing an Electric Vehicles battery. Blencowe Resources, which is developing the Orom-Cross graphite project in the northern Uganda district of Kitgum, says it will build a beneficiation facility for EV batteries.

It is anticipated that CRU International Ltd will look at some of these plans as it compiles its study. CRU International Ltd had a better bid than DMT Kai Batla of South Africa, especially with its lower price quotation.

The win offers CRU International a new market to venture in, especially after the company has taken a hit as a result of the war in Ukraine, where its major clients in Russia and Belarus – and the sanctions imposed on Russia – have eaten into a key revenue stream.

CRU International has the workforce to execute AfDB's assignment, especially after the company acquired another UK firm, Exawatt Limited, in April 2023, which has a strong background on such work. Exawatt is said to provide strategic consulting, manufacturing cost forecasting and technology analysis in industries united by a common theme: decarbonisation through electrification.

BOARDROOM

UAE understands us; they don't ask many questions – Hon Nankabirwa

The United Arab Emirates is committed to widening its footprint in Uganda, and has over the years targeted a number of investment opportunities in the country, especially in oil and gas, and energy. Recently, Uganda's minister of Energy and Mineral Development, Honourable RUTH NANKABIRWA, attended the Abu Dhabi International Petroleum Exhibition and Conference, where she made contact with some investors. In this exclusive interview with Deep Earth International, NANKABIRWA tells us why the UAE is dear to Uganda's heart.

UAE understands us; they don't ask many questions – Hon Nankabirwa

Hon Ruth Nankabirwa

First and foremost, why do you feel the need to participate in such conferences like the one currently in Abu Dhabi? What exactly are you look for?

Of course, Uganda is one of the countries that are coming up in as far as development of petroleum and other fossil fuels is concerned. So, we get concerned when the whole world gathers to discuss a way forward on fossil fuels. And our presence here in Abu Dhabi is really to represent those African countries which have just gotten excited about the discoveries of their oil resources, and then get the news of phasing out of these fossil fuels. So, I am one of the African voices that are here to make sure that the word 'phasing out' does not appear completely, but rather 'phasing down.' And, it is important that we begin [phasing down] with those who entered the business first. Uganda can't be the first one to plan for phasing out, and yet there are other countries that have been in the business for centuries. And we are achieving our goal.

Secondly, we are here to [listen to] the challenges that those who entered the business first faced so that we can clean up. We clean up their dirt as we develop our resources.

And thirdly, the money. The financing of these [oil and gas and renewable energy] projects does not come easily. So, when we come here, we get opportunities to interact with many people and probably find a way forward. So, Uganda is very relevant in these discussions.

And lastly, Uganda is known for her critical minerals, which are now being looked for when we talk about energy transition and energy integration. We are encouraging renewable energy, and Uganda's energy mix is comprised of basically renewable energy.

What does the United Arab Emirates have to offer to Uganda's energy and mineral sector that other countries may not be able to deliver? Why is Uganda moving closer to the UAE compared to the usual sources of funding that Uganda is accustomed to such as China?

First of all, UAE is known for its long-term development in as far as petroleum resources are concerned. They have refineries. They have changed this desert into what the whole world is now admiring. The critical resource they have been using is petroleum

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Hon Ruth Nankabirwa

resources, which is oil and gas. So, Uganda is being strategic in choosing who to partner with, and the UAE is a great partner. UAE has few questions to ask when it comes to financing projects. They have few questions. Their system is not rigorous. They understand quickly because they have gone through what countries like Uganda are going through. So, that's why we are enhancing our partnership with UAE. And the partnership is really promising.

The United Arab Emirates is listed as Uganda's main export destination for gold. There is a worry that the UAE offers a ready market for raw gold from Uganda, which goes against Uganda's policy to promote value addition in its mining sector. Are there any discussions that you are holding with the UAE over the promotion of refined gold?

I don't know what you mean by raw gold being exported to the United Arab Emirates because as you know our act now, the Mining and Minerals Act, bans exportation of raw materials. And so, UAE is not importing raw gold [from Uganda].

It's importing 99.99% level of purity. We have more than eight refineries in Uganda. And the UAE partnership is targeting the establishment of a gold refinery in Uganda. And land has been identified around the airport area for them to establish a gold refinery. So, no raw gold has left Uganda to UAE because our laws don't allow it.

It's only refined gold. Maybe what we would like to see in the future are industries that make necklaces, earrings, and watches made out of gold and made in Uganda. But since we don't have such goldsmith arrangements in Uganda, we export refined gold, 99.99, and we import chains; we import watches; we import rings. But in the future, we would like to see everything [being manufacture] in Uganda.

Uganda has chosen a partner, Alpha MBM Investments, from the United Arab Emirates for the construction of the oil refinery. At what stage are these plans? When should we expect a final investment decision over this project?

Again, it comes from the commitment. It comes from understanding what the country wants. Uganda wants an oil refinery because of what comes out of the refinery. In our plan, we have a provision for the petrochemical industry, Kabaale petrochemical industry, targeting the refinery. So, this company

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from UAE – Alpha MBM Investments – understood the issue of value chain that Uganda is pushing. And so, from our interaction with them, we were satisfied in that they understood us, and that they will be able to mobilize funds. And they have demonstrated the capability of mobilising funds. So, we have travelled here, and we have seen what they are doing, and so, we have negotiated with them.

The issue to note here for them was the crude oil supply agreement, to be sure that the crude will be there for refining. We tried to tell them that this is in the East African Crude Oil Pipeline Act, EACOP Act, which clearly stipulates that the first call on Uganda's oil resources will be directed to the oil refinery. That assurance was enough for them to commit. And we are soon signing the Implementation Agreement with them. Very soon..

Masdar from the UAE has agreed to partner with the Uganda government to put up 1,000MW solar power projects in Uganda. This is an ambitious project. What is the progress of this project?

Well, first of all, I had to tell Masdar that we have to conclude the grid stability study.

You can't just push 1,000 megawatts onto the national grid without understanding how the national grid will behave. You might end up blowing it off. So, we are soon concluding the grid stability study, and that will guide us on the phasing of generation of 1,000 megawatts.

My ministry decided that Masdar will do 150MW in the first phase. So, we are now working on making sure that we have the evacuation arrangement in place because this power has to be evacuated onto the national grid.

So, we have the Mbale-Bulambuli-Kween transmission line, which needs to be constructed and we are moving ahead with this project. The area that has been identified for Masdar is in the eastern part of the country, in the Bulambuli area. That's where land has been identified for them to establish the solar power project. So, we are moving but we have those challenges. There is no way you can pull power onto the national grid without understanding its capability. So, it's important that we do that feasibility study on the grid stability.

Government has licensed AMEA Power from UAE to put up the 20MW Ituka solar power project. When should we expect the commissioning of this plant?

Well, groundbreaking was done on August 2 this year in Madi Okollo. And there was a lot of excitement. I think it will take some months for the project to be completed. I am hesitant to mention the period, but it will not be more than two years for this 20MW project to be completed. AMEA is also expected to embark on wind energy generation.

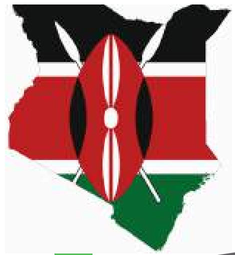
And they are supposed to bring in their wind vane to do the real testing of the speed in order to be able to determine how much power can be generated from this wind in the Karamoja region.

The other project for them is to establish an industrial park. Because all this power that we are generating has to be consumed. Remember the region is already connected to the national grid. So, when we put too much power in the region that is not utilized, it is again very bad for the national grid. So, an industrial park in this region is necessary. The park might be either in Karamoja or Arua. So, we are looking at AMEA to fulfill that promise.

150MW

My ministry decided that Masdar will do 150MW in the first phase. So, we are now working on making sure that we have the evacuation arrangement in place because this power has to be evacuated onto the national grid.

Kenya's new gold refinery to be launched in July 2025



KENYA

Chinese company H-NUO is scheduled to complete the construction of another gold refinery in Kenya by July 2025, as East Africa's biggest economy aspires to make a visible footprint in the region's precious metals market, where it is lagging behind.

H-NUO is expected to invest about $44.8 million in the gold refinery in Naduat, Turkana county, one of the largest investments in the mining sector in recent memory.

Zhang Kaichun, a director in H-NUO, in a statement, said the company chose Naduat because "it has the potential to supply the right quality and quantity of raw material needed for refining at our upcoming Kakamega facility."

The Turkana county is one of the regions that Kenya considers to hold commercial quantities of gold. Government geologists from the state department of Mining were in the county in February this year to map the area. They are yet to release the results to the public.

H-NUO, nonetheless, feels that their reading of the available data is good enough to warrant a gold refinery in the area.

Construction of the gold refinery was estimated to be at 40 per cent by November after construction started in June 2024. The project sits on 7.5 acres of land.

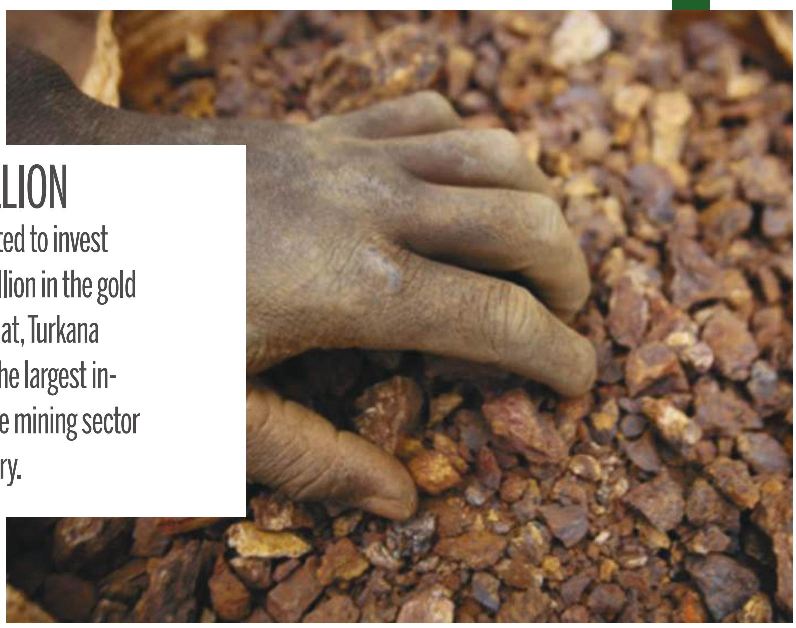
President William Ruto recently promised that the government would support the investor, and rallied the community to back the project.

The project, however, faces the delicate matter of ensuring that the gold that is brought to its facility is sourced responsibly; that the environment, social and governance issues are upheld, and that the human rights of the communities are at the centre of this business initiative.

For example, just two months ago in October, the Turkana county government suspended gold mining operations near Nagetei Girls Secondary School due to concerns over environmental compliance and public safety.

In November, a gold mine in Naduat collapsed and claimed three lives, another example of the poor adherence to health and safety regulations in the area.

The Kakamega gold refinery is, therefore, seen as a game-changer in the area – one that can transform the community by creating jobs and revenue for the county.



$44.8 MILLION

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Govt sets tough conditions for reopening Dabel gold sites

Kenya's state department for Mining has come up with a raft of conditions that have to be met before it lifts the suspension of gold mining in Dabel in the northern county of Marsabit.

Elijah Mwangi, the permanent secretary of Mining, delivered the conditions to the top leadership of Marsabit, explaining that the conditions are geared towards ensuring there is proper adherence to sustainable mining activities and health and safety issues.

The three major conditions are: immediate and total backfilling of all mining pits and shafts in the area to eradicate rampant illegal mining in the troubled zone; the leadership of the county will demarcate and set aside areas dedicated for artisanal mining operations; and lastly, the mining department at the ministry will allocate areas for artisanal miners in marketing cooperatives with a provision for future expansions for more artisanal miners.

Mwangi said "the reopening of Dabel gold mines will be guided by how quickly the [set conditions] are done." A multi-agency team from Marsabit county will oversee the backfilling of the mining pits.

The conditions came just over two months after Canada's AJN Resources Inc signed an agreement with Lord Purus Trading Limited, a company registered in Kenya, for the acquisition of up to 70 per cent interest in the Dabel Gold Project.

AJN Resources says some of the areas it is looking to explore are dominated by artisanal miners. The company pointed out that "data collected from artisanal miners gave a cumulative estimate of gold production of 3,500kg for a period of two years from 2021 to early 2023."

The company believes that geological studies and further drilling of the mineral structure will point to more resources in the area.

AJN Resources hopes that it can build a strong relationship with the artisanal miners that the government is trying to organise with its latest set of conditions. Land, such as mining sites, remains a delicate issue in Kenya.

KenGen to rehabilitate old hydropower plants

Kenya Electricity Generating Company (KenGen) has started combing through the list of prospective consultancy firms that can conduct a feasibility study for the rehabilitation of the nine major hydropower plants it manages as it seeks to improve their generation capacity, some of which have outlived their lifespans.

KenGen says some of its nine hydropower plants were constructed as early as 1954, and that their reliability is too weak to meet their electricity generation capacity.

The company is looking for a consultant that can evaluate the current condition of each power plant and identify specific rehabilitation requirements, including cost estimates for necessary upgrades.

The company that stands a high chance of winning the bid is one that has "undertaken at least one feasibility study assignment for a rehabilitated hydro power plant of at least 100MW, and which has been in operation for the last 10 years."

In considering a feasibility study, Kengen, which accounts for 62 per cent of the total electricity generated in Kenya, is pushing to ensure that the amount of electricity on the national grid goes up.

The 225MW Gitaru hydropower plant in Embu county, which was commissioned in 1978, is the largest of the plants that KenGen wants rehabilitated. The 14.4MW Tana hydropower plant, which was commissioned in 1954 – 70 years ago - is the smallest and oldest on the list. The other plants include: Masinga, Kamburu, Kindaruma, Kiambere, Sondu Miriu, Turkwel and Sangoro.

KenGen points to the rising peak load demands and the increasing integration of intermittent renewable sources as some of the challenges it wants to mitigate.

New LPG project launched in Mombasa

Kenya Petroleum Refineries hopes that the launch of its ultra-modern liquified petroleum gas bottom loading facility at Changamwe, Mombasa, will lead to a spike in the consumption of the product, and reduce the country's over-reliance on the toxic traditional biomass energy.

The bottom loading facility, a modern installation that facilitates faster pumping of gas, has a storage capacity of 1,000 tonnes.

Joe Sang, the managing director of Kenya Pipeline Company, the parent company of Kenya Petroleum Refineries, in a speech, said the loading facility is going to boost the profile of the country's LPG market, especially reducing the shortage of the product.

"The bottlenecks hitherto associated with the availability of the product in the country will be drastically reduced. The flexibility, efficiency, and reliability onboarded by the facility cannot be overemphasized as it provides an opportunity for more players to venture into the business," he said.

The government has introduced a number of incentives, such as tax breaks, to drag down the cost of LPG to motivate low income consumers shift from the use of biomass energy.

The launch of the bottom loading facility comes just under a year after Kenya released its Energy Transition and Investment Plan 2023 – 2050, which calls for the complete phasing out of LPG by 2040.

While Kenya had earlier committed to achieving universal access to modern energy cooking services by 2030, with LPG accounting for 35 per cent of the total mix, the rallying call around climate issues has seen the country change those plans. However, it is likely that Kenya will push up the use of LPG in the short to medium term before it eventually cuts back on its supply as more people shift towards using electricity for their cooking needs.

KENYA

1,000 TONNES.
The bottom loading facility, a modern installation that facilitates faster pumping of gas, has a storage capacity of 1,000MT.

TANZANIA

Zanzibar electricity submarine plans released

Tanzania published a list of documents in late November that show how the delicate issues of managing project affected people will be handled when it embarks on building a submarine power cable to Zanzibar in a bid to boost access to electricity at the island.

Currently, power supply to Zanzibar is evacuated through 132kV transmission lines with a submarine cable component from Dar es Salaam to Unguja, which is roughly 64km long, and a 33kV distribution line with a submarine cable component from Tanga to Pemba, that is approximately 92km long.

However, some places in Zanzibar, such as Mafia Island, face a short supply of power, and on many occasions have to depend on the more expensive diesel-powered generators, which emit toxic fumes into the environment.

It is for this reason that the government of Tanzania has proposed to develop the Tanzania Submarine Cable to Zanzibar Project, which intends to boost power supply in the area.

The reports that Tanzania has published include: the Resettlement Action Plan Report for the proposed Mkuranga to Mafia Island Submarine Cable Sub-project. Under this project, Tanzania intends to put up a 33kV power line from Kisiju Pwani village landing point to Dongo village landing point to Kilindoni substation in Mafia Island Pwani region in mainland Tanzania.

The country has already released the Resettlement Action Plan (RAP) for the proposed Tanga to Pemba Island submarine cable sub-project. This component will have a 132kV transmission line from Mkumbuu landing point to Wesha substation in Pemba Island in Zanzibar.

Another RAP report for the proposed Tanga to Pemba island submarine cable has also been published, detailing the impact of a 132kV transmission line from Majani Mapana substation in Tanga Region to Makokondumi landing point in Mnyanjani ward in Tanga in mainland Tanzania.

President Samia Suluhu Hassan

Other studies include a RAP for the Proposed Dar Es Salaam to Unguja Submarine Cable sub-project.

Of these reports, however, it is the Stakeholder Engagement Plan that will attract the most attention. The Stakeholder Engagement Plan (SEP) is intended to mitigate the risks that the project is likely to have, particularly concerning livelihood impacts, ecosystem services and community wellbeing.

The SEP lists the people of the villages located near the landing point and the routing of underground cables; the people with land ownership rights along the routing of underground cables; and the people whose livelihood depends on marine ecosystem service, especially men and women who fish, as those who form the core of the stakeholders.

Tanzania Electric Supply Company Limited and Zanzibar Electricity Corporation, the bodies that will implement the SEP, say they have put in place what they call a ‘robust grievance redress mechanism.’ The grievance system will allow those affected by the project to report any issues of concern and seek swift resolution.

Ultimately, the SEP will ensure that everyone participates in the submarine project, and that there is fair allocation of opportunities.

Antipas Shirima takes up director role in EACOP

TANZANIA

Tanzania has appointed Goodluck Antipas Shirima to take up the role of a director in the East African Crude Oil Company Limited, replacing Michael Mjinja, who has had a troubled period since President Samia Suluhu Hassan revoked his appointment as a commissioner for oil and gas in the ministry of Energy in January this year.

Shirima was appointed the commissioner for Petroleum and Gas in Tanzania's ministry of Energy in April 2024, one of the most critical positions at the ministry. However, it was not until early November that he replaced Mjinja at the UK-incorporated EACOP Ltd.

At the Energy Ministry in Tanzania Shirima leads the strategic direction of the country's petroleum and gas sector, focusing on policy formulation, infrastructure development, and promoting sustainable energy solutions.

A graduate of LLM from the University of Aberdeen, Scotland, where he specialised in Oil and Gas Law, Shirima becomes the highest-ranking Tanzanian government official to sit on the board of the EACOP Ltd. The other Tanzanians on the board include: Mussa Makame, the managing director of Tanzania Petroleum Development Corporation, and Fahamuel Safiel Msovu.

Shirima has the duty of protecting Tanzania's interest in the East African Crude Oil Pipeline project, where the country holds a 15 per cent interest.

And yet, Shirima is not new to the EACOP. He was the lead negotiator for the Tanzanian government on the EACOP, where he spearheaded negotiations and agreements such as the Intergovernmental Agreement, the Host Government Agreement, and the Shareholders Agreements, according to his LinkedIn profile. He has also participated in the drafting of key legislation in Tanzania such as the Petroleum Act.

The crude oil pipeline, which will traverse more than 1,100 kilometers of Tanzanian land, is the biggest cross-border project in East Africa, as it seeks to ship crude oil resources from western Uganda to the port of Tanga.

At the moment, pipes are being laid in Tanzania towards the border with Uganda. The project is expected to be commissioned in 2027 at the earliest.

Bw. Goodluck Antipas Shirima

TANZANIA

Gazprom to deliver compressed natural gas trailers to Tanzania

Russia's Gazprom is set to deliver two compressed natural gas fuelling trucks to Tanzania in a pilot project that has the potential to transform one of Africa's most gas-endowed countries.

Dmitry Khandoga, the head of department at Gazprom, and Roman Marshavin, the deputy minister of Energy of the Russian Federation, were in Cape Town, South Africa in early November for the Africa Energy Week conference, where they explained how the CNG trailers will operate. They said "the CNG trailers will be used for refilling different types of vehicles with compressed natural gas, as well as for CNG transportation." A statement added that Gazprom's CNG trailers "will help increase the daily number of refuelling operations conducted in Tanzania..."

Gazprom said the global South presents a strong market for its business, partly due to the increasing population growth and the huge discovery of gas resources.

Tanzania has more than 10 trillion cubic feet of gas, one of the highest in Africa. The country is already developing a number of gas projects, such as the one in Lindi, that could completely change the country's energy outlook.

Gazprom, on the other hand, is one of those Russian companies that have been aggressive in their scouting for different opportunities in Africa.

"Countries of the Global South in general and the African continent in particular will be the new point of growth in natural gas consumption. Growing populations and urbanization dictate the need to ensure access to a reliable and environmentally clean source of energy, which natural gas certainly

is. Gazprom's experience in developing the domestic gas market, our competencies, technology and equipment might be sought after to solve African countries' energy supply challenges," Gazprom's Khandoga said in a statement.

UK's Alba considers buying into three gold licenses

Alba Mineral Resources plc from the United Kingdom has agreed to buy into a portfolio of gold licenses in Tanzania, with the company saying that some of the areas have massive potential to be big finds.

The company, which is listed on the London Stock Exchange, says it is close to farming into three different licenses – the Midas 1, the Buly South, and the Kiabakari. Of the three, the Midas 1 and Buly South are thought to hold reasonable commercial deposits given their location. The Midas licence is located in Nyangwale district, Geita, northern Tanzania, just 20km north-east of major gold producer Barrick's Bulyanhulu gold mine. The Buly South gold project is located just 10 km south of Barrick's Tier 1 Bulyanhulu gold mine.

The company considers the Kiabakari licence as an early-stage exploration project, but with significant potential, given that it is immediately adjacent to the past producing Kiabakari gold mine.

Alba Mineral Resources has been given separate payment plans for the three different gold projects, with none of the amounts exceeding $600,000. As an incentive to have Alba sign the paperwork, the owners of the licenses have granted the company the first and last right of refusal for a period of 12 months over other potential gold projects in Tanzania.

The owners of the projects have also given Alba free range to increase the stake it can acquire in the licenses, a flexible term that the company says it intends to exploit if the results are promising.

Alba is preparing to make a visit to the sites and undertake its own due diligence before it commits to buy into the projects.

Rwanda seeks investors for largest solar plant

Rwanda has taken its boldest step in trying to double the amount of on-grid solar electricity after it issued a call to interested investors willing to put up a 30MW plant at Mpanga in Kirehe district.

Energy Development Corporation Limited is looking for investors that can design, supply, install, test, and commission a 30MW solar power plant, which will be the biggest in the country and one of the largest in East Africa.

Some of the conditions are that the investors must have at least 10 years of experience in the sector, and be able to construct the plant within three years.

The government says the project is in line with the country's goal of increasing access to clean energy.

On-grid solar energy accounts for just 1.26 per cent of Rwanda's energy mix, the second lowest, with hydro leading the way with 49.4 per cent. Other sources include methane, peat, and heavy and light fuel oil to power generators.

Rwanda's total on-grid installed solar energy is 12.05MW. This energy is generated from three solar power plants: Rwamagana GigaWatt generating 8.5MW, which was recently acquired by Fortis Green Renewables Investment Management, the Nasho Solar plant at 3.3MW, and the Jali power plant at 0.25MW.

12.05MW.

Rwanda's total on-grid installed solar energy is 12.05MW. This energy is generated from three solar power plants: Rwamagana GigaWatt generating 8.5MW...

Rwanda is open to two ideas of financing the 30MW solar power plant. The country is considering either pre-financing, where an interested party will share terms and conditions under arrangement, and point out potential lenders and their financing terms. The second model is the most commonly used the Power Purchase Agreement, where interested parties will finance the construction of the project and recover the money by selling the electricity to the government.

Rwanda deploys an attractive tax regime, where imported construction materials not found in East Africa have sweet incentives, while the energy tariff continues to receive government support, which should instill confidence among investors about recovering their costs.

GALIL issues scope of works for Lake Kivu $280 million project

Just over two months after it signed a major contract to extract gas out of Lake Kivu, GALIL Rwanda Ltd has started the search for a locally-incorporated company that can offer engineering services to get the job done.

GALIL Rwanda Ltd, a subsidiary of GALIL Group from Israel, is executing a $280 million project that will convert methane gas from Lake Kivu into compressed natural gas for the generation of electricity.

As such, GALIL has listed the scope of services for the interested companies to include: the design for natural gas systems, ensuring safety, efficiency, and compliance with international standards; and to perform stress analysis for the pipe systems and pressure tank designs to ensure structural integrity. Another scope of work is marine engineering, showing the designs for marine systems and the facilities that come with it such as barges and moors, and subsea cabling. Interested parties, with at least 15 years of work experience and have been involved in projects valued at more than $150 million, have a deadline of December 15, 2024 to submit their proposals.

Nimrod Weiss, the CEO of GALIL Rwanda, said the "project will be a game-changer for Rwanda's economy and energy sector. By reducing the nation's dependence on imported fuels, it will significantly reshape the country's energy landscape."

This will be GALIL's second gas project on Lake Kivu, which straddles the borders between Rwanda and the Democratic Republic of the Congo (DRC). The company was contracted by Shema Power to put up a 56MW methane-to-gas power plant, whose commercial operations started in February 2024.

GALIL intends to tap into the 220kV transmission line, and its associated substation, that AZOURI

AEE Power is putting up for Shema Power's Lake Kivu plant in Rubavu to evacuate the electricity it intends to produce.

GALIL hopes to avoid some of the challenges that the $40 million Shema Power project faced. One of the major challenges that the Shema Power faced included the design of the moor for the Free-Standing Separators, which was ineffective and failed to meet the expectations of the client. A new contractor was called in to redesign the Free-Standing Separators.

There are also concerns from civil society groups that GALIL will have to pay attention to. That such business ventures attract human rights concerns is not surprising and, in that regard, AICED Asbl, a non-government organisation involved in promoting environmental conservation and sustainable development for local communities in DRC, recently issued a report raising concerns over the impact of the exploration of methane to the environment and livelihoods of the people around Lake Kivu. The NGO, on November 7, delivered a report to the authorities in Goma over the issue.

GALIL insists that the project it intends to undertake "will have a transformative environmental impact, helping to reduce carbon emissions and promote sustainability."

Govt lifts suspension of beryllium exports

Rwanda has lifted the suspension it had imposed on the exportation of beryllium, and reminded all those trading in the mineral to adhere to certification and export procedures. The government banned the exportation of beryllium following "numerous reports of illegal mining and trading of beryllium, as well as associated social unrest and conflicts."

The lifting of the suspension comes after the government had inspected the sector and reviewed procedures on how to further wipe out illegal activities.

Francis Kamanzi, the CEO, Rwanda Mines, Petroleum and Gas Board, in a statement, said, "Certification will prioritize inspected stock, followed by new production, in full compliance with the established mineral certification and export procedures. The above-mentioned procedures include, but not limited to, traceable mineral sources and proof of purchase."

Beryllium is alloyed with copper or nickel during the production of structural components for aircrafts, missiles, satellites, and X-ray windows, among others.

Beryllium is not among Rwanda's top mineral exports, and the size of the global international market remains quite small. In some instances, Rwanda lumps beryllium with other minerals to add up their export revenues.

However, Rwanda is keeping a close eye to the growth of the global electronics market and that of the space aircrafts, where beryllium is seen as a key mineral. The country believes the fortunes of beryllium could turn around.

Kamanzi added that "Uncompliant beryl stock will he seized and punitive measures will be taken as stipulated in the mining law."

DRC basks in resumption of Kipushi zinc-copper mine

President Félix Tshisekedi

DR CONGO

President Félix Tshisekedi recently relaunched the Kipushi zinc-copper mine, introducing another world-class asset to the country's mining sector.

The Kipushi zinc mine is back among the Democratic Republic of the Congo's assets, 30 years after it was closed. The mine was closed in 1993 as the country, then known as Zaire, went through political upheaval, with Felix Tshisekedi's father - Étienne Tshisekedi – engaging in a power struggle with President Mobutu Sese Seko that saw street protests quashed, with some protesters either imprisoned or killed.

This contest for power between Mobutu Sese Seko and Étienne Tshisekedi saw the economy take a major hit, with the Western world withdrawing their support to the country. The Kipushi zinc-copper mine was one of those assets that were affected.

Although the agreement to reopen the mine was signed earlier in the year, with Canada's Ivanhoe Mines entering into a joint venture partnership with government's Gecamines, and with production of copper and zinc ores already underway, it was only in November that President Félix Tshisekedi launched the mine, which was once listed as the world's biggest copper asset. The mine is also said to have other ores such as lead and germanium.

Under the agreement, Ivanhoe Mines holds 68 per cent of the Kipushi mine while Gécamines has the other 32 per cent. Gécamines will see its stake increase to 43 per cent in 2027.

Ivanhoe recently announced that production at the high-grade Kipushi zinc-copper mine resumed in July 2024, increasing the DRC's copper output by 140,000 tonnes.

Kipushi produced 17,817 tonnes of zinc in concentrate during ramp-up in the third quarter of 2024, according to Ivanhoe, with the export of concentrates commencing, according to Ivanhoe. Kipushi concentrator recovery rates regularly reached over 90 per cent during the quarter, the company announced.

However, Kipushi's 2024 production guidance was revised to between 50,000 and 70,000 tonnes of zinc in concentrate based on the ramp-up schedule, from 100,000 to 140,000 tonnes previously.

Kipushi is expected to produce more than 250,000 tonnes of zinc annually over the first five years.

The Kipushi mine is thought to have the highest grade of zinc in the world. Zinc is used in galvanising iron and protecting steel products against corrosion. Such steel metals are highly recommended in hydropower projects where they are immersed in water.

For Ivanhoe, the addition of the Kipushi mine to its asset classes in DRC boosts the company's balance sheet. Ivanhoe is already producing copper at its world-class Kamoa-Kakula deposits, where it holds a 39.6 per cent stake.

Guy-Robert Lukama Nkunzi, the chairman of Gécamines said: "Kipushi is one of the country's brightest jewels and there are many years' worth of resources to come that are buried within its perimeter. We are confident that Ivanhoe, with Gécamines' support, will reach its targets within set cost and time limits and ensure that recently constructed facilities are used effectively."

Ivanhoe Mines announced a quarterly profit of $108 million for the third quarter 2024, compared with $67 million for quarter two of 2024.

Govt takes controlling stake in company buying artisanal gold

The government of the Democratic Republic of the Congo has taken control of the shareholding in DRC Gold Trading SA, the company formed to buy gold from artisanal miners, after the exit of its former Emirati partner.

The government of DRC now holds 55 per cent of the shares in DRC Gold Trading SA, formerly known as Primera Gold, while the Mining Fund for Future Generations holds 30 per cent and Gecamines 15 per cent.

Joseph M. Kazibaziba, the managing director of DRC Gold Trading SA, has already reopened centres for gold traders and buyers.

In taking full control of the company, the government of DRC has shown its intention of deepening its participation in its country's gold industry. Industry experts do not rule out the DRC government acquiring more stake in the company.

55 PER CENT.

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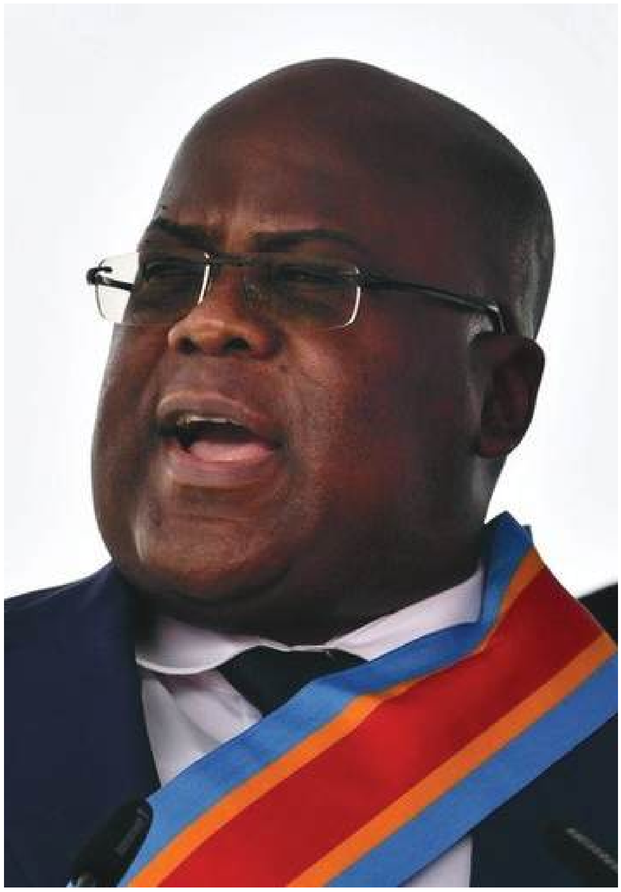

President Félix Tshisekedi

Red Rock Resources awaits $2.5m compensation, eyes other projects

Red Rock Resources Plc, the natural resource exploration and development company listed on the London Stock Exchange, says it has agreed to pursue another mining project in the Democratic Republic of the Congo as it awaits a court award for compensation for the sale of a previous copper-cobalt project it was once involved in in the same country.

Top company executives, led by its chairman Andrew Bell, have been holding meetings with government officials, especially those from the office of the presidency, to have their court-awarded $2.5 million compensation paid to them. The compensation stems from the sale of a cobalt-copper project in 2022, in which Red Rock Resources Plc was a joint venture partner, for a cash consideration of $5 million.

The court award has been delayed by, among other things, the general elections of late 2023 in DRC, which later saw changes in leadership positions of different ministries.

The meetings Red Rock Resources has had in DRC have also led to the birth of another joint venture partnership in a yet to be named mining project. The company said it had signed a framework agreement with a local associate Koto DRC SARL, represented by Patrick Tuseku, to participate on an equal basis in a new project. The two parties have now embarked on a process of identifying suitable projects that they can take up.

ILO launches project to keep children away from cobalt mines

The International Labour Organisation has launched a project in the Democratic Republic of the Congo to keep children away from cobalt mines in the country.

Funded by the United States of America Department of Labour, the project, named GALAB, is said to be "part of a broader commitment to enhance the accountability of public and private actors, while promoting fundamental rights and decent work conditions within supply chains" in the cobalt industry, according to a statement from ILO. The statement added that the project is "a continuation of the COTECCO Project (Combat Child Labour in the Cobalt Supply Chain in DRC), which laid the groundwork for efforts in addressing child labour in the DRC's cobalt sector."

The United States Department of Labour released a report a few months ago that noted that children were working in cobalt mines under hazardous conditions, which was against both local and international laws. More than 6,200 children are said to be engaged in mining in the Haut-Katanga and Lualaba provinces, according to one report.

Government officials of the DRC said the report was biased. The DRC government says it has formalised artisanal mining by creating cooperatives that supervise artisanal miners. The cooperatives help to police the miners, ensuring that they follow agreed standards.

The government says it has created an interministerial commission that brings together different ministries to combat child labour in mines.

ILO says the GALAB project seeks to strengthen DRC's capacity and enhance the role of various stakeholders in eliminating child labour from the sector, aiming for "zero children in the mining sector."

The GALAB project will partner with bodies such as UNICEF, IMPACT Transform, and the PABEA-Cobalt initiative to identify children in the mines and offer them remedial services such as educational support, income-generating activities for families, and vocational training for older children.

The DRC is the largest supplier of cobalt, a critical mineral for technologies such as electric vehicles and renewable energy.

Virunga Energies gets nod to supply power in Goma

More people in Goma in the eastern part of the DRC are to have more access to electricity after the country's electricity regulatory authority issued a certificate for the distribution of electricity to Virunga Energies SAU.

Sandrine Mubenga Ngalula, the director general of the regulatory authority, said the issuance of the certificate was in line with the government's goal of widening access to electricity and supporting homes and businesses.

Virunga Energies SAU will have a distribution network of 213 mediumvoltage poles (33kV) of 17km and 5,600 of low-voltage poles of 230/400V.

The company said this distribution network will serve more than 32,000 households or 192,000 people living in Goma city.

Ngalula said all those involved in the electricity distribution network, especially in electrical installations, must seek regulatory approval or face heavy penalties.

BURUNDI

Burundi issues open invitation to Saudi investments

Ibrahim Uwizeye, the minister of Energy in Burundi, was in Saudi Arabia in November to court Arab money as he bids to attract investments in the East African country's energy and minerals sector.

In one of the meetings Uwizeye held with his Saudi hosts, the parties agreed to set up committees to follow up on the plans discussed. The Saudis agreed to visit Burundi soon and explore investment opportunities.

It is not the first time that officials from Burundi have tapped Saudi Arabia, seeking to attract investments especially into its electricity industry, where less than 20 per cent of the population has access.

In October, Albert Shingiro, Burundi's minister of Foreign Affairs, met Hassan bin Moejeb Al-Huwaizi, the chairman of the Federation of Saudi Chambers, in Riyadh, and invited him and his team to come to Burundi and exploit the vast investment opportunities the country had to offer. As a sweetener, he said the country was ready to offer them special incentives, especially tax holidays.

Shingiro also met with Faisal Al-Kahtani, the CEO of Saudi Arabia Fund for Development, where he fronted the energy sector in Burundi as one that needed financial intervention. The fund has in the past offered loans to Burundi to undertake infrastructure projects, especially roads.

Ibrahim Uwizeye

Earlier in May, Brig. Gen. Jules Ndihokubwayo, Burundi's ambassador to Uganda, met with, Mohammed Bin Khalil Faloudah, the ambassador of the Royal Kingdom of Saudi Arabia to Uganda, in Kampala where the two discussed the need for business cooperation.

All these meetings point to how highly Burundi considers investments from Saudi Arabia in changing the profile of the country. It is not hard to see why.

In October, Saudi Arabia announced that it was going to invest $41 billion in low-income African countries over the next 10 years. The money will be spread over different sectors, from health and education to energy and infrastructure.

Burundi is looking to tap into this huge investment portfolio. And with Saudi Arabia considered to be one of those countries with few bureaucratic principles, Burundi sees the Saudis as one of their best partners in transforming its economy.

Ruzizi III hydro developers call for smooth border controls

The developers of the Ruzizi III hydroelectric project have asked all the countries involved in the project to put in place measures that will facilitate the smooth clearance of equipment across the borders.

During a meeting in Bujumbura on November 21, officials of Ruzizi III Energy Limited asked Burundi, Rwanda and the Democratic Republic of the Congo – the countries involved in the cross-border project – to sign agreements that will ease cross-border movements before construction starts.

Charles Vumbi Mbenga, the director general of Energie des Grands Lacs, said as construction of the project gets closer, "Ensuring smooth cross-border movements for construction materials and personnel is essential. The authorities in each country have pledged to take necessary steps to guarantee the project's progress."

The Ruzizi III is a 206MW hydropower project that is poised to serve 30 million people across the region. It will be the first cross-border energy plant among the three countries, whose politics has been quite volatile over the years.

For now, the Environmental and Social Impact Assessment for the project has been completed, and a Request for Proposal for the main construction contract has been launched. Construction of the project is anticipated to begin in the fourth quarter of 2025.

The World Bank is one of the major institutions that has promised to finance the project.

AfDB applauds Ngozi transmission works, warns against delays in compensation

Construction works for the Ngozi 220kV transmission line and its substation is expected to be completed in December 2025, six months after its planned schedule, due to, among other things, delayed compensation of people living along the corridor.

The African Development Bank (AfDB), one of the funders of the project, says that while there is delay in compensating the project-affected persons, overall progress is encouraging, and that “the project does not have any major problems hindering its implementation.

The Ngozi transmission line and its substation is part of the Burundi-Rwanda interconnection electric grid network under the Nile Equatorial Lakes Subsidiary Action Programme. The total planned length of the 110-220kV line is 140.7km, with 79.2km in Burundi and 61.5km in Rwanda.

Across the entire line, 118 foundations and 82 pylons have been completed for a total of 214 pylons, the AfDB noted. It added that the installation of the lightning arresters is in progress, the construction of the control buildings, the development of the access road to the substation and the traffic paths in the substation and the construction work of the substation fence are all in progress. Overall progress is above 60 per cent.

The Ngozi transmission line and its substation is important to some parts of Burundi. The completion of these works is expected to light up areas such as Mivo, Muhanga and Mutaho, where hospitals, schools and businesses are in urgent need of electricity.

While the AfDB says the progress is ongoing, it points to some challenges that it says need to be resolved. The bank says there is “slow processing of exemption requests by the Burundian Revenue Office,” and has, therefore, asked for these delays to be resolved urgently.

The bank is also concerned about “the weak financial capacity of REGIDESO to operate and maintain the infrastructure.”

REGIDESO, the national body charged with overseeing the generation and distribution of electricity in Burundi, continues to struggle with limited funding to comfortably execute its mandate.

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