DEEP earth
JULY 2025 WRAPPER

EACOP received $755m loan, shareholders asked to chip in

KENYA:
Tullow completes sale of Kenya oil assets

TANZANIA:
Construction of Ntorya gas pipeline to start

RWANDA:
Alice Uwase takes over at RMB

DR CONGO:
DRC awards disputed lithium project to KoBold Metals

BURUNDI:
Musongati nickel project gets new Chinese suitor

JULY 2025 WRAPPER

EXECUTIVE SUMMARY

Dear reader

Welcome to the July 2025 edition of the Deep Earth International Wrapper. The wrapper looks at the latest developments in the oil and gas, minerals, and electricity industries of Uganda, Kenya, Tanzania, Rwanda, Burundi and DR Congo.

From Uganda, we look at the debt financing for the East African Crude Oil Pipeline, and how much money the partners are required to bring to the table.

The Uganda National Oil Company is looking for a partner for the Kasuruban oil contract area. We give you an update of how much work has been done so far.

For the minerals sector, we look at the land issue in Busia and why the companies flocking the area are likely to find challenges.

Blencowe has just completed the largest drilling campaign at its Orom Cross graphite project. What next for the company?

In the electricity subsector, we assess the kind of assignment Patrick Matsiko will have after being bumped up to the top position of Chief Executive Officer at the Uganda Electricity Transmission Company Limited.

In our Boardroom Talk, we sit down with Don Binyina, a top expert in the mining sector, who takes us through the legal minefield that Uganda has to deal with to be able to generate more revenue from its extractives industry.

Tanzania has seen major deals signed in the month of July. The contract for the construction of the Ntorya gas pipeline has been signed off.

Also, Tanzania has put pen to paper with a Russian-backed company for the development of the Nyota uranium project.

Kenya witnessed the exit of Tullow Oil after the UK company completed the sale of its assets. What do the oil and gas prospects in East Africa's biggest economy look like?

Rwanda has a new boss at its mining, petroleum and gas board. We look at some of the areas that Alice Uwase will likely focus on as she begins her tenure as CEO.

In Burundi, the Musongati nickel project is back in the headlines. This time the project has a new suitor. Find out the history of this project and the challenges it faces.

In our DR Congo section, the ownership of the Manono lithium project takes an interesting turn – one that places the country's conflict resolution mechanism in sharp focus.

We wrap this edition with our calendar. Find out what interesting events are happening around the world with a focus on Africa's extractives and power industries.

Editors:
Jeff Mbanga, Assad Mugenyi

Writers:
Jeff Mbanga (Twitter): @jefmbanga   Assad Mugenyi (Twitter): @AssadofUganda

OIL AND GAS

EACOP received $755m loan, shareholders asked to chip in

At least $755 million was sourced from a syndicate of international banks for the construction of the East African Crude Oil Pipeline (EACOP) in March 2025, although the amount was below the total loan amount the shareholders of the project were looking for, it has emerged.

This is the first time the figure of $755 million is being reported since the company released a statement with thin details of the loan agreement in March.

The shareholders – TotalEnergies Limited, CNOOC, Uganda National Oil Company, and Tanzania Petroleum Development Corporation, were earlier looking for at least $1.2 billion in debt, although that figure kept shifting as debt markets dragged their feet.

EACOP announced in its annual report for 2024, released recently, that the remainder of the money will be sourced from the project shareholders. The report does not say exactly how much the shareholders will lend to the project.

"The first tranche of USD 755M was fully disbursed in March 2025. Additional facilities were signed with companies in the shareholders' group to fund the remaining portion of the Construction Budget," the report noted.

TO NEXT PAGE

$755m loan secured for EACOP

FROM PREVIOUS PAGE

The loan was received from African Export Import Bank, Standard Bank of South Africa Limited, Stanbic Bank Uganda Limited, KCB Bank Uganda and The Islamic Corporation for the Development of the Private Sector. The debt will be repaid in quarterly instalments starting in December 2026 and ending in September 2032.

The issue surrounding the financing of the EACOP is important, especially in determining how soon Uganda will produce its first barrel of oil. The pipeline has reached 64 per cent overall completion rate, according to the Petroleum Authority of Uganda, with more progress witnessed more on the Tanzania side.

The availability of capital is not only key in moving the project forward, it could also have some bearing on the overall project cost as the price of equipment, the value of the dollar, and the price of oil keep changing.

EACOP had been looking for credit since February 1, 2022 when the shareholders announced a final investment decision for the project. The EACOP project has come under attack from environmental activists who point to oil and gas investments as threats to the sustainability of the environment. As a

result of the criticism from the environmentalists, debt markets have shied away from these type of investments, and different reports show a drop in appetite among bankers to lend to oil and gas projects.

Where global financiers have left a void, the project shareholders have agreed to fill that vacuum.

“Given the well-advanced stage of the project, with a planned start-up of operations after the end of the going concern period (July 2026), the anticipated cash needs for the next 12 months, the agreed financing, and the signed revenue agreements, the Directors have assessed the ability to fund the anticipated cash needs for the next 12 months and noted no concerns,” the EACOP annual report for 2024 noted.

Already, capital expenditures related to the pipeline construction project amounted to $2.8 billion as at the end of 2024, solely financed by shareholders’ equity, according to the report. This amount increased from the $1.6 billion as at the end of 2023. The project cost of the pipeline, which will be laid over a distance of 1,443km from Hoima in western Uganda to Tanga in eastern Tanzania, is estimated between $4 billion and $5 billion. The pipeline will ship 216,000 barrels of oil per day at peak.

DGR ends Uganda journey as Turaco license reverts to govt

OIL AND GAS

The Turaco oil license – the remaining asset in Uganda for DGR Global Limited – has reverted to Uganda's government, signalling the end of an eight-year journey for the Australian company, which promised so much but fell short one too many times.

A well-placed source in Uganda's government has told us that DGR Global elected not to renew the Turaco license, which had an availability of two more years. The Australian company, we have learnt, decided not to move ahead with further exploration plans after it fell behind on the field development plans it agreed with government when it acquired the license in 2023. Some of the field development plans required the company to drill at least one well. It didn't happen.

"The license reverted to government since it was not renewed to enable DGR Global Ltd proceed to the second exploration period," our source said.

This development, which DGR Global is yet to announce publicly, came less than a month after the company said in early June 2025 that "it continues to explore all available options with regards the remaining Turaco exploration licence."

The exit from Turaco, the oldest available oil block in Uganda, comes after DGR Global's license for the Kanywataba expired in May 2025. Both the Turaco and Kanywataba blocks are expected to form part of the oil areas that Uganda intends to license out in the third bidding round. A schedule for this bidding round is still being drawn up.

In retrospect, DGR's departure from Uganda has been a long time coming.

In October 2019, just two years after DGR Global, through its now defunct subsidiary of Armour Energy, had signed a Production Sharing Agreement (PSA) with the government of Uganda over the Kanywataba block, the company triggered the force majeure clause after heavy rains made the roads in Ntoroko district impassable.

TO NEXT PAGE

Turaco license reverts to govt as DGR exits market

FROM PREVIOUS PAGE

In March 2020, Uganda announced a raft of measures to limit the spread of the Coronavirus, which was responsible for the global pandemic of Covid19 that brought work to a standstill. Although some restricted movement was allowed for certain critical areas, DGR added this period to its force majeure, saying work on its 2D seismic programme had been made unbearable.

In May 2020, DGR decided to test Uganda's patience. The Australian company wrote to Uganda's government and requested for a possibility to renegotiate certain license terms for the Kanywataba, an oil block that is located 40km from the rich Kingfisher oil field. DGR did this with the intention of limiting its losses in case it sees a bleak future in Uganda.

For example, one of the key conditions at the inception of acquiring the Kanywataba oil license was for DGR Global to pay a Performance bond guarantee of $990,000, which was 50 per cent of the minimum exploration expenditure for the first exploration period. DGR questioned this money.

The company also proposed to government to amend the Production Sharing Agreement such that it would not be required to undertake any further work on the blocks should the results of the 2D seismic survey be unfavourable. The company sought this amendment even though it had estimated that there was more than 1.6 billion barrels of oil in place at Kanywataba based on some seismic studies that had been undertaken in the area. DGR had been made uncomfortable with a $7.5 million penalty that it would need to pay Uganda as compensation should it fail to meet its license conditions.

By the time Uganda's oil project came under attack from environmental activists in 2021, who claimed there were gross human rights abuses in the displacement of people, and the possible dangers of toxic fumes from the proposed East Africa Crude Oil Pipeline, DGR Global was facing looming trouble.

Finance for oil and gas projects started drying up from global financial institutions. Armour Energy struggled to meet its cash obligations, and defaulted on some, until it was declared bankrupt and placed under administration.

A company restructuring in 2023, which led to the incorporation of a special purpose vehicle, Conjugate Energy Limited, in the United Kingdom to manage the Kanywataba and Turaco oil licenses, was simply a smokescreen to shield the licenses from the financial troubles at the parent company. Conjugate was duly closed in April this year after just over two years of existence.

The liquidation of Conjugate was the final blow to a company that had endured a lot, and to Uganda's government that had run out of second chances to give.

Uganda, Tanzania select gas pipeline consultant

Uganda and Tanzania have selected a consultant to undertake a feasibility study for the construction of a gas pipeline between the two countries.

The selection of the consultant comes more than a year after the government of Uganda issued a bid inviting participants to take interest in the proposed project.

At the moment, the Solicitor General is reviewing an application for the award of a contract to a consultant that Uganda has chosen.

The Solicitor General is expected to make that decision any time from now, with the consultant set to start work this quarter.

1,443KM

Already, a 1,443km crude oil pipeline is being laid. Earlier discussions for Tanzania to take a stake in Uganda's proposed oil refinery project have cooled off, although not entirely written off.

The gas pipeline route will form part of a package of oil and gas infrastructure between Uganda and Tanzania. Already, a 1,443km crude oil pipeline is being laid. Earlier discussions for Tanzania to take a stake in Uganda's proposed oil refinery project have cooled off, although not entirely written off.

The feasibility study from the consultant is expected to draw up a new route, a departure from the earlier suggestion for the gas pipeline to move side-by-side with the crude oil pipeline to avoid land compensation disputes. However, the two countries agreed that the gas pipeline have a separate route of its own, and one closer to communities to easily tap into the gas.

Many financial institutions continue to steer clear of oil and gas projects as part of their policy of not funding projects with a perceived threat to the environment.

UNOC sets new deadline for Kasuruban partner

The Uganda National Oil Company (UNOC) has set a new deadline of August 8, 2025 for companies that wish to partner it in the exploration and development of the Kasuruban Contract Area to submit their Expressions of Interest.

UNOC, the commercial arm for Uganda in the oil and gas sector, is looking for a partner with experience in the exploration and production of petroleum licenses.

UNOC, which owns the full rights for the Kasuruban block, has been scouting for a joint venture partner for more than five years now. The search intensified when UNOC signed a Production Sharing Agreement and received a four-year exploration license for the Kasuruban block, which sits on 1,285 sq km, on February 2, 2023. The license was renewed for a second term of two years in March this year.

UNOC says it "successfully delivered an aggressive work program for the First Exploration Phase that included geological, geophysical and other technical studies including petrophysical analysis and reservoir characterisation, basin analysis and resources assessment to enhance the petroleum prospectivity of the Contract Area." For the second exploration phase, where it desperately needs a partner, UNOC says the work program will include re-processing of existing 2D seismic data, acquisition and processing of additional 2D seismic data and drilling of at least one exploratory well.

Global financial institutions are currently hesitant to deploy capital in new oil and gas projects as the effects of climate change and the push towards cleaner forms of energy deepen.

The Kasuruban block has a potential of 300 million Stock Tank Oil Initially In-Place, according to UNOC.

Richard Matsiko

Richard Matsiko has work cut out as new UETCL CEO

Richard Matsiko, the new acting Chief Executive Officer of Uganda Electricity Transmission Company Limited (UETCL), is expected to carry on where his predecessor left, ensuring the mushrooming industrial parks are connected to the grid, and that Uganda pursues an identity of being a regional hub within the East Africa Power Pool.

Joshua Karamagi, who said he "didn't walk into an office" when he became CEO of UETCL in March 2023, but "a storm," tendered in his resignation recently after serving a few months into the second tenure of his contract.

Matsiko now takes over an entity that has witnessed improved growth over the recent years, with a record high asset base of nearly Shs 6 trillion (about $1.7 billion).

An engineer by profession, who grew through the ranks from the time he joined the now disbanded Uganda Electricity Board as a Trainee Electrical Engineer in March 1991 to deputy CEO, Matsiko is expected to see through at least two critical infrastructure that are already in play – the electrification of the Kabale, Kapeeka and Mbale in-

ELECTRICITY

Matsiko's tough task ahead

FROM PREVIOUS PAGE

dustrial parks, and the Kampala Metropolitan Grid improvement.

From the regional outlook, Matsiko will oversee the progress of the Uganda-South Sudan transmission line, whose funding was approved by the African Development Bank in February, and the Uganda – Democratic Republic of the Congo 220kV (400kV) interconnection line between Beni, Bunia, Butembo and Nkenda, whose feasibility studies are done and now await funding.

Matsiko also comes in at a time of transition in the electricity transmission industry, where private sector players are increasingly taking up a stake in putting up high voltage infrastructure for power transmission.

While UETCL retains the lead role of putting up electricity transmission infrastructure in Uganda, government's decision to open up the transmission segment to private players could create some semblance of competition, with the public assessing which of the two is more reliable and efficient.

Uganda is rolling out its Grid Development Plan – a reference guide for UETCL to effectively balance demand and supply, attract more investments into the power transmission segment, and evaluate the risks and opportunities of putting up such infrastructure.

The Grid Development Plan was also informed by the limited availability of capital into the power transmission segment. Uganda needs more than $3 billion for its Grid Development Plan to achieve its objective of evacuating electricity from the generation plants to the last mile connection network. That amount is a lot compared to the financial pressures Uganda faces today.

Matsiko has the duty of making a strong case for funding from government.

As Uganda's government looks for the money, private companies continue to lodge applications for licenses to put up power transmission lines. For example, in the last nine months alone, at least four companies have tendered in their applications to undertake studies for transmission projects. These are: Cnooc Uganda (66kV for the Kingfisher oil project), rAREH Kapterol Transmission Company Limited (132kV Bulambuli – Moroto Transmission line), Gamani Power Transmission Limited (132kV Mbale – Bulambuli – Kween transmission project, and Tropical Transmission Company Limited (220kV Bujagali Lesos Transmission Line.) Many more companies are expected to submit similar applications.

Investors not yet bothered by new solar tariff cap

The fear that Uganda's policy decision to cap power tariffs for grid-connected solar plants would lead to an exodus of investors out of the market appears to have been unfounded. More companies are bidding to put up solar projects in Uganda even after the government capped the tariff at 5.1 US cents/kWh in May 2025.

In three months, at least two companies have submitted bids to put up fairly large solar projects, with many said to be in the pipeline, while government wants to put up a first-of-its-kind floating solar plant.

Atiak Solar Limited wants to put up 150 MWAC solar PV project with 30 MWh battery storage in Atiak, Amuru district, which would make it the biggest in the country. Karamoja Solar Company Limited seeks a license for the generation of a proposed 20MW solar plant, while government is preparing to partner with private investors to develop a 10MW pilot floating solar project.

Before Uganda introduced the 5.1 US cents/kwh cap, interested companies bid for tariffs in the range between 8 US cents and 16 US cents. That figure then dropped to around 6 US and 8 US cents – still a sweet return that saw a number of companies scrambling to put up projects. At one point, the demands for approval of solar projects became many that government suspended receiving any requests.

So, when the government clipped the tariff for grid-connected solar power – making it the cheapest in the industry – there was a fear that appetite for these projects would be dampened. There is little evidence to show that investors are triggered.

A drop in the price of solar technologies is one of the reasons as to why many investors feel they can still make money even with the new tariff in place.

Currently, Uganda has 88.3MW of installed solar electricity, compared to Kenya's 210MW. Solar's installed capacity in Uganda, which is generated by seven companies, accounts for just 4 per cent of the total electricity, the second lowest after heavy fuel oil-generated power.

Nyagak III hydropower plant commissioned

The 6.6MW Nyagak III hydropower plant, located on the Nyagak River in Zombo district, North-western Uganda, has been commissioned, boosting energy supply to the West Nile sub region that has for long been hit hard by power cuts.

Costing at least $20 million, the Nyagak III plant, which was opened by Ruth Nankabirwa, the Minister for Energy and Mineral Development, will "lead to industrial growth, improved livelihoods, and contribute to socio-economic development in the West Nile sub-region," the minister said.

Phiona Nyamutoro, the Minister of State for Mineral Development, echoed her senior minister's optimism, highlighting the potential to add value to minerals like gold, limestone and iron ore, which are said to occur in the region.

West Nile has for a long time suffered electricity shortages which the West Nile Rural Electrification Company (WENRECO) has struggled to address over the last two decades.

The Nyagak III project has been developed and implemented through a public private partnership (PPP), that operates through a Special Purpose Vehicle (SPV) called GENMAX Nyagak Ltd.

The public partner here being the Uganda Electricity Generation Company Ltd (UEGCL) with 30 per cent shares while Hydromax Ltd, together with Dott Services are the private partner holding the rest of the shares.

MINING

Busia gold: Investors struggle to access land

Busia gold: Investors struggle to access land

Busia district in Eastern Uganda has become an attractive spot for investors searching for gold after Chinese-led Wagagai Mining Limited turned around the fortunes of the area with the discovery of commercial gold resources. Now, investors are flocking the area in anticipation of similar treasure.

There is a problem, though: some locals are not relinquishing any inch of their mineral prospective lands, fuelling investor frustration.

Australia's eMetals Limited has high regard for its Busia gold project, whose license is held by Sifang Mineral Resources Limited. But recent exploration, whose initial results pointed to gold anomalies, has been limited after eMetals noticed that some mineral veins stretched into lands outside the license area.

"The initial soil sampling campaign was limited due to restricted land access," the company announced recently. It added: "The central region of the planned soil sampling campaign could not be accessed as it crossed into the National Forestry Authority (NFA) lands."

Nevertheless, eMetals retains its hopes high, saying it has "paid all relevant administration and surface fees to the Department of Geological Survey and Mines and expects the Busia application to be granted within the September quarter."

In the meantime, eMetals says it is negotiating with local residents to access land.

The land issue in Busia has not yet bubbled over to raise public alarm, but it is a good case study on the potential risks that investors need to watch as they make investment decisions.

Companies that do not wish to experience the challenges Busia poses have ventured into neighbouring districts like Bugiri and Namayingo, hoping that the mineral veins for gold stretch that far. Companies such as Zhong Fei Mining SMC Ltd had a license application for exploring for gold in Bugiri approved in July, while Moruakimat Resources Ltd and China Heng Cheng Mining Company Ltd submitted theirs in the same month to explore in the same district.

While artisanal miners and companies have always contested access to land, a new mining legislation – which tried to solve this conflict – appears to have inflamed the problem.

Uganda's new mining law, the Mining and Minerals Act 2022, introduced some requirements that limit the practice of artisanal mining.

MINERALS ACT 2022

Uganda's new mining law, the Mining and Minerals Act 2022, introduced some requirements that limit the practice of artisanal mining.

TO NEXT PAGE

Busia gold: land access woes for Investors

For example, section 95 (1) of the Act, which talks about the establishment of areas for artisanal mining areas, gives the minister powers to evacuate artisans from areas where mineral resources such as gold and diamonds are found to pave way for larger exploration.

The relocation of artisans, without reasonable compensation, has created negative sentiments, with some artisans saying that there are other emotional sentiments they attach to their land other than just mineral rights, such as homes, gardens, burial grounds, just to mention a few. As such, mining companies are struggling to convince locals to sign community agreements over mining rights, which has impacted exploration programmes.

Even when local artisans form associations to explore for minerals, getting their paperwork in order to have their license applications approved remains a challenge. For example, Busia United Small Scale Mining Association Limited has since 2021 been waiting for a mining license approval for gold, but the application remains pending. Other companies have managed to pull off a similar task in a few weeks.

To compound things further, among the regulations that remain pending to fully operationalise the new Mining Law are the ones on Community Development Agreement and Local Content.

As Uganda heads to the polls in early 2026, community land issues surrounding mining areas are expected among the concerns that political contestants are likely to address. And in an attempt to win the vote, many politicians are likely to side with the communities, making it harder for investors.

Allan Agumya lobbies for tungsten exports

Allan Agumya, the chairperson of the Miners Forum Uganda, has called for the lifting of Uganda's export ban on raw materials to allow the inflow of investment capital in the exploration of tungsten.

Agumya, a top mining businessman in Uganda's mining sector, says Uganda has prospective mines such as the Kirwa in Kisoro district in the southwestern part of the country, which, if supported, can turn out to be world class.

"Kirwa Wolfram Mine with its extensive stockwork geological structure and high-grade ores of up to 75% WO_3 is ideally suited for large-scale mechanized extraction," Agumya writes in a paper titled *Uganda: A sleeping tungsten titan.* [Wolfram and Tungsten are two words used interchangeably to mean the same mineral.]

A large part of Uganda's mining sector remains dormant due to an export ban that the country instituted nearly 10 years ago to promote value addition through the production of processed minerals. Government, with President Yoweri Museveni as chief campaigner for the export ban, argues that Africa gets a raw deal on the international market due to the export of raw ore. It believes African minerals would fetch premium prices if they were refined.

Allan Agumya

Agumya, whose Miners Forum lobbies for the interests of small-scale miners, says the ban is instead regressive, and has locked out investors from the industry.

"It has been over seven years since the implementation of Uganda's mineral export ban took effect. However, no significant local or international investment has been made in the sector since then," he notes in the paper. "Instead of stimulating in-country value addition, the ban has introduced several structural and socio-economic challenges."

> **75% WO_3**
> Kirwa Wolfram Mine with its extensive stockwork geological structure and high-grade ores of up to 75% WO_3 is ideally suited for large-scale mechanized extraction

Agumya makes case for tungsten exports

And, it appears, government did not clearly think through the challenges that miners face before putting in place the export ban. For example, “Some Kisoro mines contain elevated lead content while Bahati ores contains elevated arsenopyrite content. Buyaga and some Kanungu deposits show high manganese and molybdenum content,” Agumya writes in his paper. He further explains that “These impurities complicate chemical processing, especially at small scale level. Small-scale refineries lack the advanced purification systems or automation necessary to handle such variability efficiently.”

Instead of supporting such small-scale refining with government subsidies, what the export ban has encouraged is the smuggling of tungsten across the border into neighbouring countries, where the ore is ultimately shipped out to Europe and elsewhere.

Agumya says it is important that Uganda rescinds the ban and takes advantage of the current global shifts where China, the largest producer of tungsten, is experiencing a drop in reserves and is becoming a net importer of the mineral. China has also introduced export quotas for tungsten.

Tungsten is used in aerospace engineering and military defence systems.

The escalation of tensions in places like the Middle East and Eastern Europe could trigger demand for minerals such as tungsten.

Also, the tariff wars between US President Donald Trump and China over the Asian powerhouse’s minerals means there are opportunities for outsiders to make some money.

Agumya says Uganda’s known tungsten mines can collectively produce an estimated 26.4 tonnes per day of tungsten concentrates, with annual output estimated at 7,920 tonnes, bringing the country at least $200 million per year at current market prices.

Uganda’s government will have to make some concessions, though, according to Agumya.

Government, Agumya advises, can allow licensed exports of high grade 60–70+% WO_3 concentrates as the sector recovers from years of loss. This can create jobs, fetch the treasury tax revenue, and build the much-needed skillset that is lacking in the industry.

He also proposes that government puts in place a traceability mechanism for the ores, and ensure that refining is done to the highest grade possible. He added that miners need to be awarded tax incentives.

Industry stakeholders have always argued that Uganda lacks enough tungsten reserves to justify a plant to process the product beyond the current percentages, on top of the high energy costs.

Blencowe completes largest drilling at graphite project

All rigs have been demobilised from the Orom Cross graphite site in the northern Ugandan district of Kitgum after Blencowe Resources, the UK company in charge of the project, undertook its largest drilling campaign to-date in an exercise that moved it closer to meeting the conditions of a $5 million grant.

Blencowe Resources has since early January drilled 6,750 meters across 239 holes, the largest campaign in the project’s history, bringing the company a step closer to completing its definitive feasibility study. The completion of the study will see the company receive its final tranche of the $5 million grant from the United States of America government. So far, Blencowe has received $4.75 million since the first tranche in October 2023. The final amount is expected after the completion of the definitive feasibility study (DFS).

The company is now moving to upgrade the JORC – an international code for reporting of exploration results, mineral resources and ore reserves – with data supporting the conversion of resources from inferred to measured. These results will be listed in the DFS.

At the moment, the graphite samples that were drilled are awaiting government approval before being taken out of Uganda to a JORC accredited laboratory, preferably in Tanzania, for assaying.

As it awaits the laboratory results, Blencowe has ramped up activities at the Orom Cross site. The company says it is constructing a permanent exploration camp in preparation for its next phase of development.

Blencowe says it needs at least $62 million in initial capital to build a plant and have all the infrastructure in place to start production of graphite at Orom-Cross. This investment will lead to pre-tax earnings of $100 million over the 14 years of the life of the Orom-Cross mine. Although the company says that further drilling could see the life of mine extended beyond 14 years.

Blencowe will need more investment capital, however, after the company acquired two neighbouring exploration licenses in March for nickel-copper projects. The company is yet to give an update on how it intends to embark on these new exploration licenses as it fully focuses on the Orom Cross graphite project.

Graphite is listed among the critical minerals, which are used in critical components such as electric batteries. The graphite at Orom Cross is said to have a large flake size, which is lucrative on the international market.

BOARDROOM TALK

Uganda needs to plug mineral revenue leakages

BOARDROOM TALK

Uganda needs to plug mineral revenue leakages

BWESIGYE DON BINYINA is the Executive Director of the Africa Centre for Energy and Mineral Policy (ACEMP) – a policy think-tank that focuses on mining and energy in Uganda and the Great Lakes Region. A holder of an MSc in Mineral and Energy Economics from Curtin University, Western Australia and a law degree from Makerere University, Binyina is a seasoned energy and mineral policy analyst and consultant with over a decade of working experience in the extractives industries sector.

He was the lead consultant engaged by the World Bank to review Uganda's mineral policy, law and fiscal framework and facilitate the formulation of a new Mining and Minerals Policy, Law and Fiscal Regime (2014-2016).

At ACEMP, Binyina and his team engage in research, consultancies, capacity building and training; besides implementing projects with clients ranging from UN agencies, to private mining companies and the Ministry of Energy and Mineral Development.

In this interview, Binyina shares his thoughts on Uganda's mining industry today:

BOARDROOM TALK

Securing Uganda's Mining Income Is A Must

Many critical regulations beyond those for licensing, minerals export (selected) and artisanal and small-scale mining (ASM) are still pending, yet it's close to three years since the Mining and Minerals Act, 2022 was passed. How urgent is it for Uganda to finalize these regulations?

The history of Uganda's mining sector and legal framework can be traced way back to the 1960s, soon after independence. A law that came in place around 1964 was used through to 2001 when the government revised and repealed it.

It its place came a new legal framework – the Mining Act 2003 – which was preceded by the Mining Policy of 2001 and followed by the regulations of 2004 to operationalize it.

That was a move from a pre-colonial legal system to a Ugandan-developed legal framework. It served us for a while from 2001-2004 up to 2014 when again due to new developments in the global mining industry, it was felt that that law was no longer serving its purpose.

Hence a new policy review process was commenced in 2014. I was happy to be engaged by the World Bank to facilitate that process.

In the review process, we ensured inclusivity – engaging with artisanal miners, mining communities, mining companies and different government agencies – before a new Mining and Minerals Policy of 2018 came to fruition.

Subsequently government embarked on the legal making process and the Mining and Minerals Act 2022 emerged to give legal effect to the policy.

The Minister of Energy and Mineral Development, who is mandated to come up with the regulations to operationalize the law, has been at it since 2023.

The challenge is that previously we had an omnibus of Mining Regulations of 2004, which captured everything across the mining value chains and whatever interfaces with the industry.

However, this time around, it was felt that there was need to be specific and address things separately – be it licensing or environmental issues, mineral supply chains (International Conference on the Great Lakes Region - ICGLR), exporting protocols or the handling of hazardous materials, amongst many others.

This, therefore, necessitated having a set of regulations. Unfortunately it is taking long to have all of them in place which of course affects the smooth functioning of the mining industry.

TO NEXT PAGE

Mining Regulations Key To Revenue Protection

What risks do we face if the process delays any further?

We are losing out on investment because investors want clarity and certainty – which can only be reflected in the regulations. A law may provide the overall legal framework but regulations detail how it is applied and followed. Yes Uganda has an Act in place, but if the procedures and processes of how to apply for a mining licensing or interface with the communities or ensure you meet your environmental obligations, name it – are not addressed, then we're stuck.

But also because different stakeholders at regulatory level don't know what their mandate or functions are. Investors will choose to keep away from the chaos. And that isn't a situation we want to be in.

Ideally, before any law comes into place, regulations to operationalize it should be getting done as well behind the scenes such that a few months after the law has been passed, the regulations are ready – that way the industry is never slowed down. Someone likened a law without regulations to a vehicle without a steering wheel.

Civil society organizations (CSOs) have raised concerns about limited consultation in the drafting of the regulations. Is this why the regulations have delayed?

We commend the ministries of Energy and Justice for their collaborative efforts in developing the regulations - the magnitude of the task notwithstanding.

However recognizing the complexity of the sector and the diverse stakeholders involved - ranging from local communities and local governments to cultural institutions, miners (both ASMs and companies), and development partners is important.

Given this diversity, the regulatory process must be inclusive and consultative, not left solely to state institutions. While the law grants the Minister the authority to draft regulations, it does not preclude broader participation.

Interestingly, while the policy and law-making pro-

TO NEXT PAGE

Skilling Ugandans Can Improve Mineral Gains

cess are highly participatory, too often, regulation-making becomes an exclusive state function, despite the sector's wide scope and the need for varied expertise.

For a legal framework to be effective and sustainable, all stakeholders – especially those directly impacted – must be involved from the beginning. CSOs, with their extensive grassroots experience, are ready to contribute.

Inclusive engagement not only builds consensus and ownership but also ensures smoother implementation and longer-lasting policies. The sooner these regulations are finalized with wide participation, the better for the sector and the country.

Uganda has set an ambitious target to grow its economy tenfold by 2040 ($50b to $500b), with mining positioned as a key driver. What must change for this sector to meaningfully contribute to this bold goal?

We need to plug the revenue leakages first. For example, why are we issuing out a lot of incentives for an industry that is already self-incentivized?

Surely, the mineral resources and reserves are investment attractions already, in their own right. Beyond putting in place a stable political environment, ensuring adequate infrastructure and energy availability plus predictable laws, why should we be offering investors more incentives – and, therefore, lose out on more money?

Let us regulate how these incentives are handled so as to minimize these leakages – especially considering that the mining industry is time-bound.

The human capacity gaps in the industry – be it at regulatory or monitoring level – also need to be urgently addressed for mining to realize its full potential.

So, too, the limited skilled workers available to work in the industry. Most mining investors in Uganda rely on Zambian or Zimbabwean expertise in their projects – which means cash flight from the country.

These are some of the various issues that need to be urgently addressed if mining is to contribute to Uganda's economic transformation.

Uganda sits on deposits of critical energy transition minerals. What's at stake for Uganda if we delay action yet the global demand for these minerals is high?

Africa as a continent is under-explored and under-mined. So, what does that mean? We are still lacking a lot of information. We have the resources, but we need to convert these resources into commercially exploitable or known reserves.

So, we need to invest heavily in geological data collection – do some drilling, carry out feasibility studies and classify the resources. This will attract investment since investors prefer mining jurisdictions with such information readily available.

Like I noted before, it is important to appreciate the element of time in this industry. Today we have a resource boom in critical minerals but tomorrow technology might see their value drop. These boom and bust cycles, dictated by market forces, are common in this industry.

Already, synthetic versions of many critical minerals are being produced today and these lab-grown minerals have the same chemical and physical properties as their naturally occurring counterparts. As research advances, the synthetic versions could become more viable than the natural ones.

Artificial intelligence (AI) is also being used to analyze geological data and can pinpoint areas more likely to contain specific minerals.

So, Uganda needs to be cognizant of these developments, and ensure its legal framework and other challenges are addressed promptly to avoid losing out significantly, long-term.

President Museveni has repeatedly pushed for value addition to Uganda' minerals while rejecting ore exports. What concrete steps must accompany this vision to make it a reality?

We must be intentional as a country in every policy direction that we take and action - we must be very intentional. Technology drives value addition, but we (and Africa in general) are lacking in that area.

Interestingly even some European and the USA itself

TO NEXT PAGE

Uganda Must Finalize Mining Regulations

are falling behind especially in regards to critical minerals.

China right now possesses over 90% of global mining technology (for critical minerals). That's why it has the biggest reserves and remains the number one refiner for most of these strategic and critical minerals.

To get there, Uganda needs to first know its reserves; then perhaps follow the Chinese model.

Remember, the biggest challenge we have with value addition and technology accessibility is that no one is willing to give it away on a silver platter. So as a government, you need to be intentional in your investment in science and technology.

That is part of the strategic plan of how we achieve the $500 billion target in the next 15 years. Our last three National Development Plans (NDPs), have all highlighted the human capacity gap.

Today, the mining industry needs about 5,000 skilled personnel. This cannot be overlooked in any government plans.

But more importantly, we need to know what resources and reserves we have and whether the exploitation of these resources can attract the technology that is required. If you want to set up a value-addition chain for graphite for example, how much graphite do you have? How much technology is required? Can we attract that technology in the country because we have enough reserves (or not)?

In my opinion, some minerals can be beneficiated in-country. But where reserves are insignificant, can we collaborate under the East African Community (EAC) and agree to share the responsibility of what refinery goes to what country?

What can be the Uganda National Mining Company's (UNMC) role in all this?

We need to make sure that the UNMC is facilitated adequately to run on the same principles as its competitor – the private mining industry.

However, if political decisions and interests override its economic and business interests, then we will have a big challenge.

But also the UNMC may need to focus on a few strategic critical minerals for starters, where it can acquire equity participation. The law provides for about 20% acquired equity and 15% free shareholding.

So, if Uganda has a 35% stake in most of its strategic minerals, the UNMC will become a profitable business-making company as opposed to a taxpayer-consuming white elephant.

What is your take on Bank of Uganda's (BoU) ambitious bullion plans, where it intends to purchase local gold to diversify its foreign holdings?

I believe it is a very good step in the right direction. It is after all a growing trend nowadays following the invasion of Ukraine by Russia and growing global political instability.

Several countries are resorting to de-dollarization, or building their foreign reserves by banking on gold reserves. Some that had their reserves in foreign countries have since recalled them.

This need to create certainty about the future is real. No one wants to be like Libya which had its money frozen abroad.

So, Uganda's bullion plans are excellent; but we have to

Building Capacity Will Boost Mining Returns

be cautious – especially with the traceability challenge always hovering. Remember Uganda has severally been accused of facilitating illicit gold mining in the Democratic Republic of the Congo (DRC) and South Sudan.

That means we have to ensure the gold reserved or exported out of Uganda meets global due-diligence standards like those under the ICGLR framework.

So, developing a domestically owned chain of custody system is non-negotiable. Here, I mean a system that tracks various elements of your gold from where it's mined, the conditions it was mined in including the environmental, labor and human-rights standards, among others.

To verify all that, a technical team has to be added to the BoU staff; as currently the central bank lacks expertise.

Will this BoU program boost local gold mining?

Well, that's the intention, because the gold purchasing program runs on two principles. One is to purchase the gold from Uganda miners and the other is doing so using local currency (since the intention is to acquire more foreign currency).

As such, the local miners will definitely benefit. However, these gains need to go beyond monetary ones since this is already being realized by the miners.

BoU may need to incentivize these miners to sell to it first before considering the other buyers who have been purchasing their gold.

There is the legal route as well to consider – where whoever produces or refines gold is obliged to surrender 20% or 30% to the national treasury. If that is not done, then you are going to have a lot of challenges.

What should Uganda be doing now to ensure its young population is skilled and prepared to be employed in mining and related industries?

I already noted the shortage of about 5,000 technically skilled workers across the different chains of the mining industry today, which has forced us to rely on Zimbabwe or Zambia. This needs to be quickly addressed.

Of serious concern, though, is this culture of positioning ourselves as a low-cost labour destination. This is undermining the growth of mining.

I know several young mining engineers that have graduated from Busitema University in recent years and they are being paid only UGX 2 million per month salary (before taxes and NSSF deductions).

This figure falls drastically short of global standards. Internationally, entry-level mining engineers can earn between $80,000 and $100,000 annually, while mid to senior-level professionals earn up to $280,000. This wage gap discourages young Ugandans from joining or remaining in the mining sector, and contributes to brain drain, as skilled professionals find better opportunities abroad. I know a young Ugandan lady currently working at Rio Tinto – the second largest mining company in the world. She cannot come back here to share her expertise, considering what wages are on offer.

The absence of a minimum wage framework further worsens the situation, making it difficult to retain or attract talent essential for a technologically driven, capital-intensive industry.

Tullow completes sale of Kenya oil assets

UK's Tullow Oil has completed the sale of its Kenya assets to a local firm, Gulf Energy Limited, for a minimum cash consideration of $120 million, ending a nearly 15-year presence in East Africa's biggest economy.

The sale will see the exit of one of the most successful oil exploration companies in Africa out of East Africa, and hand over the mantle of leading the oil and gas drive in Kenya to a local company.

Tullow had been in Kenya since September 2010 when it farmed into Africa Oil's assets, with the company hoping that it would replicate the success it had recorded in neighbouring Uganda's Albertine oil basin. Other than an early oil pilot scheme, where Tullow attempted to move trucks of oil from the Lokichar basin in the northern part of Kenya to the port of Mombasa, the company's time in Kenya was full of challenges.

The sale of Tullow's assets has been split into three tranches. Tullow Oil will receive the first $40 million at the signing of the agreement; another $40 million at the approval of the field development plan; and the last $40 million will be paid over five years starting October 2028. Tullow expects the first $80 million before the end of this year. The company will also be entitled to some royalty payments, subject to certain conditions.

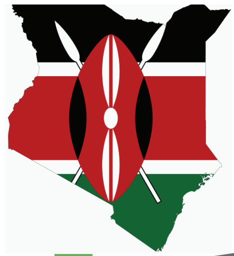
In selling to Gulf Energy, Tullow Oil becomes the third company in the last two years that have left Kenya's upstream industry, casting doubt about the future of the industry. Earlier departures of Canada's Africa Oil Corp and France's TotalEnergies left Tullow Oil with no reliable partner for Kenya's oil project, adding to the burden that the UK company faced.

Kenya's rejection of Tullow Oil's field development plans last year over certain gaps appeared to have been the final blow to the company's prospects in the country. The company started exploring the sale of its Kenya assets thereafter.

Gulf Energy will inherit a fairly derisked environment. There is enough data – and lessons – that Gulf Energy will depend on before making investment decisions.

The timing is not perfect as credit from global financial institutions to oil and gas projects has dropped. Financiers prefer to lend to projects exploring cleaner forms of energy.

However, Gulf Energy being a local company, there are some experts who feel it will get softer treatment from Kenya's government as part of the support to an industry that many investors find risky.



KENYA

Central Bank moots plan to buy local gold

The Central Bank of Kenya plans to buy gold from the local market as part of its measures to boost its reserves, Harry Kimtai, the principal secretary in the state Department of Mining, said recently.

"We are planning to partner with CBK to develop a Kakamega gold processing plant, enabling CBK to buy gold directly from Kenyans. This will boost gold as a stable reserve, reducing reliance on volatile foreign currencies," Kimtai said.

Kenya's gold mining industry is dominated by small scale and artisanal miners. The country is yet to attract a major gold producer, partly due to the low in-country ore reserves.

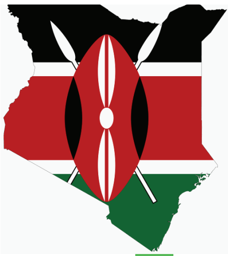
According to the African Gold Report by Swissaid, which was released in May 2025, 410 kg of gold were mined in Kenya in 2023. It also noted that 672kg of gold was exported out of Kenya in 2023, mainly to South Africa, Switzerland and the United Arab Emirates.

Gold mining in Kenya is concentrated around the areas of Migori, Nandi, Kakamega, Narok and Vihiga. However, it is Kakamega that has caught the government's eye, with Kimtai saying the ministry was planning to partner with the Central Bank of Kenya to put a new gold refining plant in the area.

A Chinese company, H-NUO, has promised to invest about $44.8 million in the construction of a gold refinery in Kakamega, which the CBK is looking at.

Kenya's plan to buy gold from the public mirrors Uganda's decision last year. In June last year, Bank of Uganda launched a gold buying programme for the similar purpose of building its reserves. It is Tanzania that is ahead of its regional neighbours. The country, by law, requires companies mining gold to sign a Gold Sale Service Agreement with the Bank of Tanzania that sets aside a minimum of 20 per cent of gold production for domestic sale through the central bank and local refineries.

Back to Kenya, questions will be asked of the country's plan to ensure that the gold it is buying is sourced responsibly from areas where there are no human rights abuses. Kenya's gold industry still faces challenges of environmental compliance, public safety and the infiltration of illicit gold into the supply chain system.



KENYA

Nuclear Agency welcomes new board members as country pushes for a reactor

The board of the Nuclear Power and Energy Agency has received two new members – Ms. Carren Akinyi Olweny and Mr. Abdisalan Adow Abdi – as it pushes ahead with its goal of developing Kenya's nuclear power programme.

The board has a responsibility of choosing the right partner as the country embarks on putting up a nuclear reactor to supplement the baseload.

Kenya, East Africa's largest economy, has electricity peak demand of nearly 2,400MW, with the country looking to diversify its energy mix that is dominated by hydro and geothermal.

China, Russia and South Korea have been courting Kenya for a partnership in undertaking a nuclear programme. A number of Kenyan students have enrolled in different universities in China, Russia and South Korea, while a number of government officials have also visited the three countries for nuclear discussions.

In March, the Nuclear Power and Energy Agency and China Nuclear Engineering and Construction Corporation International signed a Memorandum of Understanding to collaborate on the technical transfer in nuclear energy implementation and development towards nuclear power programs in Kenya. The MoU "provides a framework to ensure Kenya's nuclear Agency benefits from exchange of technical expertise in research and innovation and enhance corporation in the development of 19 nuclear infrastructure elements."

Kenya's nuclear programme appeared to run into some small barriers after residents of Kilifi, which neighbours Uyombo, the preferred site for the first nuclear reactor, rejected the project. Government is now considering another site in Siaya.

Kenya is considering building small modular reactors (SMR) of 100MW and 300MW. The country's plans appear to have the support of the International Atomic Energy Agency (IAEA) after the country hosted the global regulatory body's small modular workshop in May.

The IAEA said it launched the new SMR School to inform governments, regulators and industry players in countries around the world about small modular reactors and their potential role in the energy mix. The school is hosted in the Kenyan capital of Nairobi.

China and Russia have already deployed new SMRs, although many African countries are uncomfortable with adopting such first-of-its-kind technologies.

RareX closes in on Mrima Hill rare earth project

RareX Limited has sourced A$2 million (US$1.29 million) for its corporate and exploration work, with the company looking to use part of the money to seal a partnership with fellow Australian miner Iluka Resources for the Mrima Hill rare earth project.

The mobilisation of capital follows April's announcement where the two companies agreed to incorporate a special purpose vehicle that will develop the Mrima Hill rare earth-niobium-phosphate-manganese project.

The two companies have submitted a bid to Kenya's National Mining Corporation for a license for the project. There is no clear indication as to when this approval will come through.

In the meantime, RareX has agreed to take the lead in funding most of the operations at Mrima until a mining license is issued. Also, RareX will be the off-taker for all the rare earths and heavy mineral metals from the site.

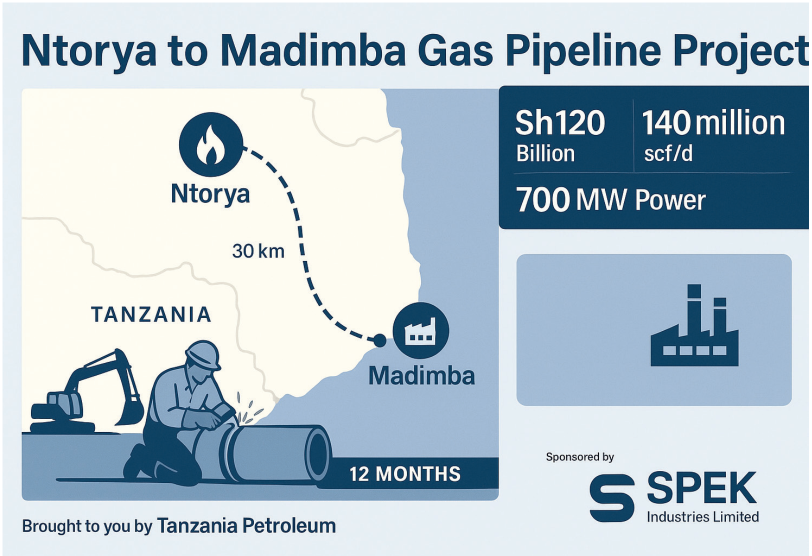
RareX has already appointed Ausenco, also an Australian-based, majority US owned, global engineering firm, "to lead the early-stage infrastructure and desktop development studies for the proposed Mrima Hill Critical Minerals Project." The studies will assess infrastructure corridors, processing options, and site layout. The studies will also review the regional context and identify infrastructure needs the community faces, such as roads, power, and water.

Rare earths are a basket of minerals some of which are critical in the production of cleaner energies and technologies.

Construction of Ntorya gas pipeline to start

The Ntorya gas project has finally embarked on the construction stage after the government awarded two Chinese companies a contract to build a 35km pipeline from the field to a processing plant in Madimba.

Tanzania Petroleum Development Corporation (TPDC), the commercial arm of the country's oil and gas interests, awarded the engineering, procurement and construction contract to China Petroleum Pipeline Engineering Co. Ltd (CPP) and China Petroleum Technology & Development Corporation (CPTDC), and tasked them to get the job done within one year. A month after commissioning the pipeline in July 2026, gas is expected to flow.



TPDC says close to $47 million will be invested in the construction of the 14-inch-diameter pipeline.

Also, the Petroleum Upstream Regulatory Authority is expected to make a decision before the end of August on the tender strategy that will guide how the procurement of a rig to drill at least three wells at Ntorya will be conducted in the first development phase.

Up to 140 million standard cubic feet of gas per day will be transported through the pipeline. This amount of gas will be capable of generating 700MW of electricity.

Charles Santos, the executive chairman of Aminex Plc, one of the companies that holds an interest in the Ntorya project, said "Gas from the first phase will be staying in Tanzania to help power homes, boost industrial development and the regional economy and replace dirtier fuels such as coal and charcoal."

ARA Petroleum Tanzania is the other company developing the Ntorya project. The company signed a 25-year gas sales agreement with the government of Tanzania in May 2024.

TANZANIA

Nyota deposit commissioning could unlock capital for uranium projects

Tanzania has moved a step closer to producing its first refined uranium product after the commissioning of the Mkuju river project, sometimes referred to as the Nyota deposit, in a ceremony witnessed by President Samia Suluhu Hassan.

Mantra Tanzania Limited, a subsidiary of Uranium One Group, recently commissioned the pilot uranium processing facility, with construction of the main structure slated to start within the first three months of 2026. Uranium One Group is a subsidiary of Russia's Rosatom.

The development of the Nyota deposit could unlock a series of activities around the Mkuju river, where a number of companies own licenses of neighbouring tenements. The Nyota deposit is said to have more than 5,000 tonnes of uranium.

Alexey Likhachev, the director general of Rosatom, said they intend to uphold the highest social and environmental standards while developing the project.

Already, Mantra has invited eligible suppliers to express their interest for the supply and delivery of spare parts for various machines and equipment for the Mkuju River uranium mining project.

Suluhu said Tanzania had waited for far too long to have the Nyota deposit developed, and hoped the country would witness a major transformation, especially as the country mulls over the prospect of introducing nuclear power into its energy mix. Uranium is critical in the generation of nuclear energy.

Nyota, as a flagship uranium project, will offer some pointers on the future of Tanzania's uranium industry. A number of companies are banking on the positive outcome from Nyota to be able to make investment decisions, which, the Tanzanian government hopes, can attract sizeable investment capital into the country.

For example, Moab Minerals Limited plans to undertake a validation drill program to verify the historical drilling in the Octavo tenement and further investigate drill results from the Manyoni Uranium Project. The Octavo tenement is located in southern Tanzania, 30km northwest of Rosatom's Nyota uranium deposit.

Gladiator Resources is still trying to better understand its Foxy uranium project, which is also located in southern Tanzania. The company has undertaken some fieldwork and is still studying the geology to better understand the drill target.

Askari Metals Limited, however, dumped the Eyasi and Matemanga uranium projects, possibly as a result of the slow movement in the industry. The company is nolonger pursuing these Tanzanian prospects and is now focussed on its mineral exploration programme in Ethiopia.

TANZANIA

Tanzania looking for environmental consultants for Kakono hydropower

Tanzania is looking for consultants who will offer it technical assistance for the environmental and social management of the 87.8MW Kakono hydropower project, a much-anticipated plant that will bring cheaper and reliable electricity to the northern part of the country.

The government, through Tanzania Electric Supply Company Limited, is receiving expressions of interest from consultants that will undertake a series of tasks, which include the supervision of the social aspects and Resettlement Action Plan implementation, and the supervision of the Environmental, Social Management and Monitoring Plan. The deadline is set for August 7.

The hiring of the consultant will meet the compliance standards set by the key funders of the project – the World Bank, the African Development Bank, Agence Française de Développement, and International Finance Corporation.

The Kakono hydropower project, which is located on the Kagera River, near the border with Uganda, had been estimated to cost $308.85 million, including contingencies but excluding local taxes and levies such as overweight road transportation surcharges, etc. That figure could go up as the project faces delays. Part of the project component for the Kakono HPP will also include the construction of a 38.5km-long 220kV single-circuit overhead transmission line.

Located approximately 90km west of Bukoba municipality, the Kakono hydropower project has already passed the feasibility stage after studies were concluded by Norway's Norplan A.S in 2014, with additional geotechnical investigations done by Italy's M/s Stu¬dio Pietrangeli Consulting Engineers in 2018 to beef up the study.

Nyanzaga gold shareholder agreement due early 2026

Tanzania is expected to sign a shareholder agreement over the Nyanzaga Gold Project within the first three months of 2026, triggering the deployment of $523 million into one of the country's most exciting projects.

Perseus Mining Limited, the Australian company developing the Nyanzaga Gold Project, says "negotiation of amendments to the Framework and Shareholder Agreement relating to the NGP by Perseus and the Government Negotiating team were successfully completed and documents were prepared for execution." However, the company says that government officials have to go through certain "formalities" before pen can be put to paper. The government has a free 20 per cent interest in the Nyanzaga gold project.

Perseus has decided to go big with the Nyanzaga gold project, electing to build a large scale, wholly open-pit mining operation, for the first phase of development, instead of a smaller scale, combined open pit/underground option contemplated by the previous owners. Drilling at the Nyanzaga, which is located in north-western Tanzania, within the Sengerema district of the Mwanza region, will be focussed on the Tusker and Kilimani deposits within the project.

According to data from Nyanzaga's JORC – an international code for reporting of exploration results, mineral resources and ore Reserves - the total gold production over an 11-year mine life is currently estimated to be 2.01 million ounces. Production is expected to start in the third quarter of 2027.

Alice Uwase takes over at RMB

Alice Uwase, the new Chief Executive Officer of Rwanda Mines, Petroleum and Gas Board, is a seasoned executive in Rwanda's extractive industry, who is expected to tap into her wealth of knowledge and a wide contact base to attract more investors into the sector.

President Paul Kagame promoted Uwase to the position of CEO after she had served as the institution's deputy for one year.

Uwase, who replaces Francis Kamanzi, takes over an institution that is charged with regulating the extractives industry at a time when African governments are trying to attract global mining giants but also retain as much in-country value as possible.

Rwanda occupies a special position in East Africa's mining sector, with its exportation of certain critical metals such as tantalum and tungsten. Rwanda is one of the biggest exporters of these minerals on the continent.

Uwase, who previously served as the head of the Mining, Petroleum, and Gas Exploration Department at RMB, will have the duty of building on this profile, in a delicate balancing act of maintaining both private and public interests.

One of her first meetings as CEO of RMB was at Urugwiro, the official seat of the presidency, where she was part of the delegation when Kagame met top officials of Rio Tinto. The global mining giant has a participating interest in a lithium project in Rwanda.

Uwase is expected to also pay closer attention to Rwanda's energy transition journey, and ensure that there is a conducive environment that will allow other discoveries of key metals.

Rwanda's oil and gas sector remains at a younger age compared to neighbouring Tanzania and Uganda, with Uwase not expected to change much. The country is extracting gas from Lake Kivu for its energy needs.

Alice Uwase, the new Chief Executive Officer of Rwanda Mines, Petroleum, and Gas Board.

RWANDA

Rio Tinto agrees to buy into HCK lithium project

Rio Tinto has finally agreed to buy into Rwanda's lithium project – the HCK – after a recent exploration campaign brough back positive results.

Rio Tinto has been partnering with United Kingdom's Aterian Plc, the owner of the lithium project, during the initial stage of the exploration process, although its commitment to a long-term relationship depended on the outcome of the first phase of drilling. That has now been settled, with Rio Tinto agreeing to take up a 51 per cent stake in the project after funding the exploration phase. Rio Tinto, which has racked up the lion's share of the $4.732 million expenditure since this joint venture partnership was formed in August 2023, also has an offer of raising its shareholding to 75 per cent in the future.

"We are highly encouraged that Rio Tinto have exercised its Stage 1 earn-in rights following the completion of the initial stage 1 exploration programme," Simon Rollason, the CEO of Aterian, is quoted in a statement. He added: "We are delighted with these initial drill results, which confirm the presence of spodumene-bearing lithium pegmatite at the HCK Project, and in the case of the fresh pegmatite intersected in hole MWOG0002, associated with high-grade lithium."

Aterian said the exploration only touched a small part of the license area, pointing to the huge potential of the HCK project.

"In this phase, only two of the twelve prospects identified during Rio Tinto's fieldwork were tested, and the potential exists to identify less weathered areas where additional spodumene-bearing pegmatites may occur," the statement from Aterian notes. Lithium is an important mineral in the manufacturing of electric batteries.

Rollason explained that "While further work is required to fully assess the project's scale and continuity, these early indications provide a strong foundation to build upon as we advance our exploration activities in Rwanda."

Aterian says that "a comprehensive technical review is currently underway to determine the optimal next phase of exploration. A JV decision regarding the forward work programme is anticipated by the end of 2025."

Top officials of Rio Tinto held a meeting with President Paul Kagame after the explorations had been released. Led by Mark Davies, the chief technical officer of Rio Tinto and member of the Group Executive Committee, Rio Tinto's team updated Kagame about the HCK project, the company's plan to commit more investments in the country, and the areas where they can collaborate with the government.

RWANDA

CIMERWA to invest $190 million after receiving quarrying license

CIMERWA, one of the biggest producers of cement in Rwanda, has received a 15-year Industrial Quarry license in Musanze that is expected to unlock a $190 million investment for the construction of a clinker manufacturing plant.

The award of the license falls within Rwanda's strategy to generate more revenue from its industrial minerals.

The Rwanda Mines, Petroleum and Gas Board has already updated its inventory of industrial minerals and building materials, especially those mined from quarrying, in what has given the government a better understanding of the amount of the country's commercial resources.

The government says the award of the license to CIMERWA "is expected to reduce cement imports, generate employment, and support Rwanda's infrastructure development through sustainable quarrying practices."

CIMERWA is owned by National Cement of Kenya, which is one of the biggest cement producers in East Africa.

The acquisition of the quarrying license, however, is a slight departure for CIMERWA, which maintains it is committed to reducing the production of clinker due to its effects on the environment. The company says clinker has "a significant carbon footprint associated with its manufacturing process." It adds that it plans to incorporate supplementary cementitious materials and innovative blending techniques...to produce high-quality cement while reducing the overall environmental impact of our operations."

In February 2022, Rwanda's government issued requirements on environmental protection to guide mining and quarrying operations. Some of these requirements include a company having a life of mine plan, prohibition to carry out quarrying activities less than 20 metres from water bodies such as a river, et cetera.

AfDB commits over $200 million to Rwanda's energy

The African Development Bank has approved about €173.84 million (about $201.5 million) for the Rwanda Energy Sector Result-Based Financing (RBF II) program, which is expected to "modernize the electricity network, expand access to clean energy, and strengthen institutional capacity."

The AfDB says the Asian Infrastructure Investment Bank will provide an additional €86.92 million, bringing the total program cost to €260.76 million ($302.3 million.)

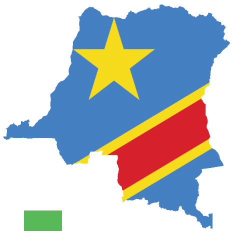
This latest approval from Africa's biggest financier follows AfDB's earlier approval of a $305 million program in September 2018.

The AfDB says the RBF II program is anchored on Rwanda's Energy Sector Strategic Plan (ESSP II 2024–2029) and aims to improve the quality of life of residents, drive economic growth, and reduce poverty through targeted investments in the energy sector.

It adds that the programme "will connect 200,000 households and 850 productive use customers to the national grid, add 50,000 new electricity connections through off-grid solutions, provide clean cooking devices to 100,000 households and 310 public institutions, and install street lighting on 200 km of roads in secondary cities across Rwanda."

DR CONGO

DRC awards disputed lithium project to KoBold Metals



The Democratic Republic of the Congo has plunged its conflict-resolution mechanism in the eye of a storm after it agreed to award a disputed lithium project to an American company, KoBold Metals.

KoBold Metals has signed an agreement with the DRC government that will "support [the company's] initiative to acquire and develop the Roche Dure lithium deposit located in Manono, DRC, so that disputes that have stalled development are resolved by KoBold Metals and the Congolese population benefits from a new mine."

The Manono lithium project in the DRC is touted to be one of the largest in the world, and one that can be a game-changer in the global energy transition where lithium is critical in the manufacturing of clean energy technologies such as car electric batteries.

However, for more than three years, work at the Manono lithium project has come to a standstill after a complex dispute involving three companies and the government of DRC over the ownership of the project that remains unresolved. The dispute is being heard at the International Centre for Settlement of Investment Disputes, which is located in Washington, USA. The Manono project formed part of the key assets that President Donald Trump targeted for a payback for overseeing peace negotiations between the DRC and Rwanda, two neighbouring countries at war. Benjamin Katabuka, the Director General for KoBold Metals DRC, is the point person for the negotiations in the DRC.

In handing over the Manono lithium project, the DRC government has attracted global scrutiny over the treatment of investors in the event of a commercial dispute. Nevertheless, DRC's decision is not expected to see any exodus of investors out of the country because DRC simply has high value mineral assets that are hard to find elsewhere.

Under the new terms of the deal with KoBold Metals, the US company "will launch a large-scale mineral exploration program in the DRC, using some of the world's most advanced technologies to identify critical mineral deposits for development into world-class mines."

The DRC government expects KoBold Metals to, "submit exploration permit applications covering more than 1,600 square kilometers of land" to accelerate its large-scale mineral exploration program.

KoBold Metals has also agreed to deploy a team to the DRC's geological archives housed at the Royal Museum of Central Africa to begin digitizing the documents before July 31, 2025 in order to accelerate open access to geoscientific data.

AVZ Minerals Limited, the Australian company that claims ownership of the Manono project, says it is not party to the agreement between KoBold and the DRC government. In a July 21 statement, AVZ said: "The Manono Project is the subject of ongoing arbitration proceedings before the International Centre for Settlement of Investment Disputes..." It added: "Whilst AVZ was not involved in the drafting nor is a party to the GDRC Kobold Agreement, it remains open to constructive dialogue with the parties, to agree a suitable commercial outcome for AVZ shareholders, where its legal rights and existing commercial relationships are respected."

In the first week of May, KoBold released a statement that said it had signed a commercial framework with AVZ Minerals over the "rapid development" of the Manono project. The framework would see "AVZ selling its commercial interest in the Manono lithium deposit to KoBold for fair value. "After acquiring the project, KoBold Metals promised to "deploy more than $1 billion to bring the Manono lithium to Western markets."

The framework agreement received some encouragement on May 26 after AVZ and the DRC government agreed to suspend their dispute resolution proceedings in the Washington court to allow for some out-of-court settlement.

However, on June 25, 2025, AVZ said the DRC government violated some of the conditions of the suspension and, therefore, "the ICSID Proceedings will now resume, and the Company is taking steps to hold the DRC to account for its failure to comply with the injunctions ordered pursuant to Procedural Order n°3, including with the filing of a new application with the ICSID Tribunal."

DR CONGO

Mines Minister Pakabomba lures French investors into DRC

Kizito Pakabomba, the minister of Mines, was in Paris, France, recently, where he extended an open invitation to French investors to come to DR Congo, saying that a conducive regulatory environment was in place to guarantee a sweet return on investment.

France has kept close contact with DR Congo's mining officials ever since President Emmanuel Macron visited the country in March 2023, ending his tour with a pledge of financial packages as he sought to tap into the African country's vast critical minerals.

During his French visit, Pakabomba met with MEDEF – a large association of French companies – where they discussed opportunities in energy and mining.

Specifically, the two parties discussed how to forge partnerships on geological and mining projects; Securing French and European supplies of strategic minerals; technical support for mapping, certification, and sustainable development of the DRC mining sector.

DR Congo remains challenged on effective geological data, which has denied it more global mining giants from venturing into the country.

France joins a long list of foreign countries that are looking to map DRC's mining sector. The USA and Japan have made similar proposals.

Kizito Pakabomba

Also, many countries continue to hunt for critical minerals, which are key in the manufacturing of components such as electric batteries for the global energy transition.

Kamoa-Kakula copper complex eyes major power supply boost

Power supply to the Kamoa-Kakula copper complex is due for a major improvement after the start of works to clear a site where a 60MW solar facility, with battery storage, will be set up.

The clearance of the site at the Kamoa-Kakula complex - a joint venture between Ivanhoe Mines (39.6 per cent), Zijin Mining Group (39.6 per cent), Crystal River Global Limited (0.8 per cent) and the Government of the Democratic Republic of the Congo (20 per cent) — comes after the signing of power purchase agreements with CrossBoundary Energy of Kenya and La Societe Green World Energie SARL to provide the facility with up to 60MW in baseload clean energy from an on-site solar facility. The project has attracted a debt facility of $60 million.

In its second quarter financial results, Ivanhoes said "the facilities, which will be owned, operated, and funded by CrossBoundary Energy and Green World Energie, will comprise a total peak of 406MW of solar photovoltaic (PV) capacity, with up to 1,107MW hours (MWh) of battery energy storage (BESS) capacity." It added, "Kamoa Copper will be the sole off-taker of the electricity produced by both facilities."

The Kamoa-Kakula is one of the biggest copper projects in Africa. In 2024, the project generated $973 million in annual revenue from the 437,061 tonnes of copper produced.

The completion of the solar photovoltaic project will relieve the Kamoa Kakula project of a sizeable amount of energy costs from the use of generators. Construction of this solar project is expected in the middle of 2026.

The Kamoa Kakula complex is also getting closer to benefitting from DRC's large Inga II hydropower plant. Mechanical and electrical equipment installation for the refurbished turbine 5 at the Inga II hydroelectric facility is now completed.

"Pre-commissioning activities have already commenced and are expected to be completed early in the fourth quarter," Ivanhoes, one of the companies that own the copper complex, said.

The refurbishment of Turbine 5 on Inga II is expected to provide 178MW of clean, hydroelectric power for the DRC grid, but also power Kamoa-Kakula's Phase 3 concentrator and the smelter.

In June, the World Bank approved a credit facility of $250 million as financial and technical support to the DRC for preparation activities for the construction of Inga III, the third plant at a site on the Congo river. The Inga III is estimated to have an electricity generation capacity of anywhere between 2,000MW and 11,000MW.

Musongati nickel project gets new Chinese suitor

Burundi: President Evariste Ndayishimiye

BURUNDI

The Musongati nickel project, one of the assets that Burundi has fronted as a possible game-changer for its economy, has a new suitor. This time it is the Chinese.

Ibrahim Uwizeye, Burundi's Minister of Hydraulics, Energy and Mines, recently met investors from a company called TBEA, over their interest in taking up the mining project. TBEA, which has no public profile to point to, has been engaging the Burundian government for quite some time over the Musongati project, which is located in Rutana province.

During the meeting with Uwizeye in late July, TBEA presented a feasibility and business plan for the Musongati project. After receiving the documents, the ministry said, "We have convinced ourselves that with this progress, negotiations can begin shortly." The intention to start negotiations over Musongati's nickel marks another remarkable turn, which, if successful, would see the third project owner in just five years.

As early as 2020, a company called BBM had the rights over the project. However, on October 27, 2021, President Evariste Ndayishimiye of Burundi, who had taken over the presidency a year earlier in May, signed a special decree that revoked the license that BBM held. The argument given at the time was that the previous government had negotiated a bad deal for the country when it awarded the rights to BBM in 2014.

On March 29, 2022, the government of Burundi signed a memorandum of understanding with a company called East African Region Project Group for the development of the Musongati nickel project. Pictures show Valerii Copeichin, a Russian businessman who is perceived to be the top executive of East African Region Project Group, signing on behalf the company. While there is hardly any public information about East African Region Project Group, Copeichin is known in the region's military circles as the man behind Pro Heli, the company that partnered Uganda's government to assemble helicopters for the army in the district of Nakasongola.

Like BBM before it, the East African Region Project Group has hardly done any work on the Musongati project.

The timing of TBEA's interest in Musongati could not have come at a tricky time. Neighbouring Tanzania has just witnessed the exit of a top Australian company, BHP, from the Kabanga nickel project a few days before TBEA had its last meeting with Uwizeye. BHP is expected to complete the sale of its shareholding for far lower than the value that had been estimated for the project. BHP's exit of the Kabanga nickel project could spook other investors who were looking for similar assets around the region.

The Musongati project is estimated to need over $1 billion in the initial stages of exploration and production. The project will also need the construction of the Uvinza-Musongati-Gitega-Uvira-Kindu railway line between Burundi and Tanzania for transportation of the ore.

Prices of nickel – a mineral that can also be used in the manufacture of electric batteries – have fallen partly due to a glut in supply, especially from Indonesia, the world's biggest producer of the mineral.

It is unclear whether TBEA has the financial muscle and expertise to pull off the development of the Musongati – a project that has promised so much on paper but delivered very little in reality.

BURUNDI

Fuel shortage hits Burundi

Long queues of vehicles continue to dot fuel stations around Burundi as solutions to resolve a countrywide shortage of petrol and diesel remains elusive.

Many drivers have to wait for at least three days – some even more - to refuel their vehicles, a situation that has brought movement of people to a standstill.

A schedule of fuel supplies to service stations remains unpredictable, leaving drivers making frantic calls asking about the availability of fuel across the two major cities of Bujumbura and Gitega.

And when the fuel is available, priority is given to those involved in critical sectors such as trade; it is not a case of first come first served.

The shortage of fuel has seen the emergence of a lively black market that is making a killing by selling jerrycans of fuel at high prices, with a litre of petrol going as high as $10, a record high in the region.

As a result, general prices of services and goods have shot up – some even doubled – as a result of their scarcity. Government warnings to public transport providers not to raise their prices or face heavy penalties have gone largely unheeded.

Questions are now being asked of Burundi's fuel import policy, where government has full control. Some experts say it is time for Burundi to relinquish some space to private investors to import fuel.

Matters are not made any easier with government's full control of the forex market, where official exchanges are supposed to be made at the Central Bank. Instead, another black market exists on the streets – a few metres away from the Central Bank – where one can buy the dollar for a better price.

The recent announcement by Burundi's central bank over the country's decision to turn to the yuan to pay for all its imports from China could relieve the country of the pressure to find the dollar. Although, it will take a while before the yuan enjoys strong demand in Burundi as the dollar remains the preferred currency.

The use of government-to-government models in the importation of fuel is being tested in East Africa, with Uganda and Kenya adopting the same model. The model, however, is running into some barriers as sporadic shortages hit the market, although none anywhere as drastic as Burundi's.

Petroleum importers warned against fraud

Ibrahim Uwizeye, Burundi's Minister of Hydraulics, Energy and Mines, recently met importers of petroleum products and urged them to register with the SOPEBU, the Burundi Petroleum Company, if they want to keep their licenses.

Uwizeye complained that the government had noticed a lot of fraudulent activities such as tax evasion, which casts a negative picture on the industry.

Some importers have special permits to bring in petroleum products into Burundi.

The country is facing a shortage of fuel products, which has seen many vehicles grounded.

Calender

DISCLAIMER

Deep Earth International is a Ugandan firm that deals in market research, risk analysis, public relations, and the execution of media strategies. However, this periodical contains general information only, and Deep Earth International is not, by means of this report, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. Deep Earth International shall not be held responsible for any loss whatsoever sustained by any person who relies on this report.

You can follow us on:

@jeff_mbanga Deep Earth International jeffmbanga@gmail.com, mugenyi.assad@gmail.com

Website: www.deepearthint.com Design & Layout: kabuyemoses4@gmail.com