

UNITED REPUBLIC OF TANZANIA



MINISTRY OF MINERALS



Tanzania's Minerals Potential and Investment Opportunities

Mining Indaba 2024

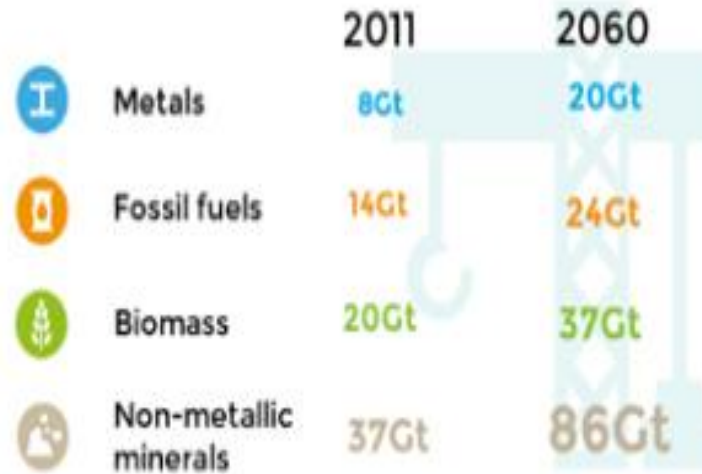
Dr Mussa Budeba
Chief Executive Officer

Outline

- ☐ Introduction
- ☐ Geology and mineral occurrences
- ☐ Investment opportunities
- ☐ Conclusion

Introduction

Materials use increase

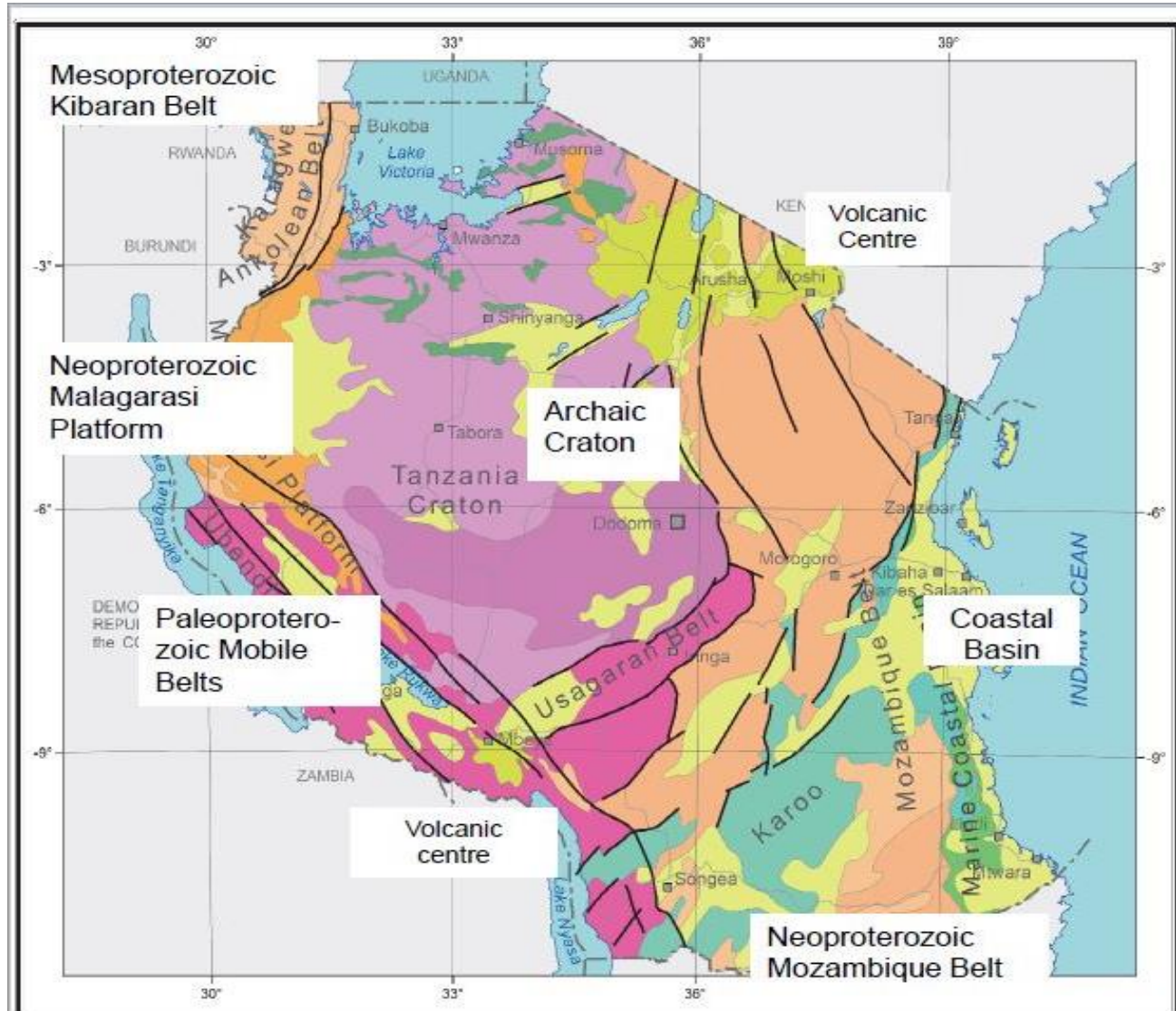


**2050
Net Zero**

<https://www.oecd.org/environment/waste/highlights-global-material-resources-outlook-to-2060.pdf>

Where do we get minerals?

Main Chrono-stratigraphy of the Geology of Tanzania

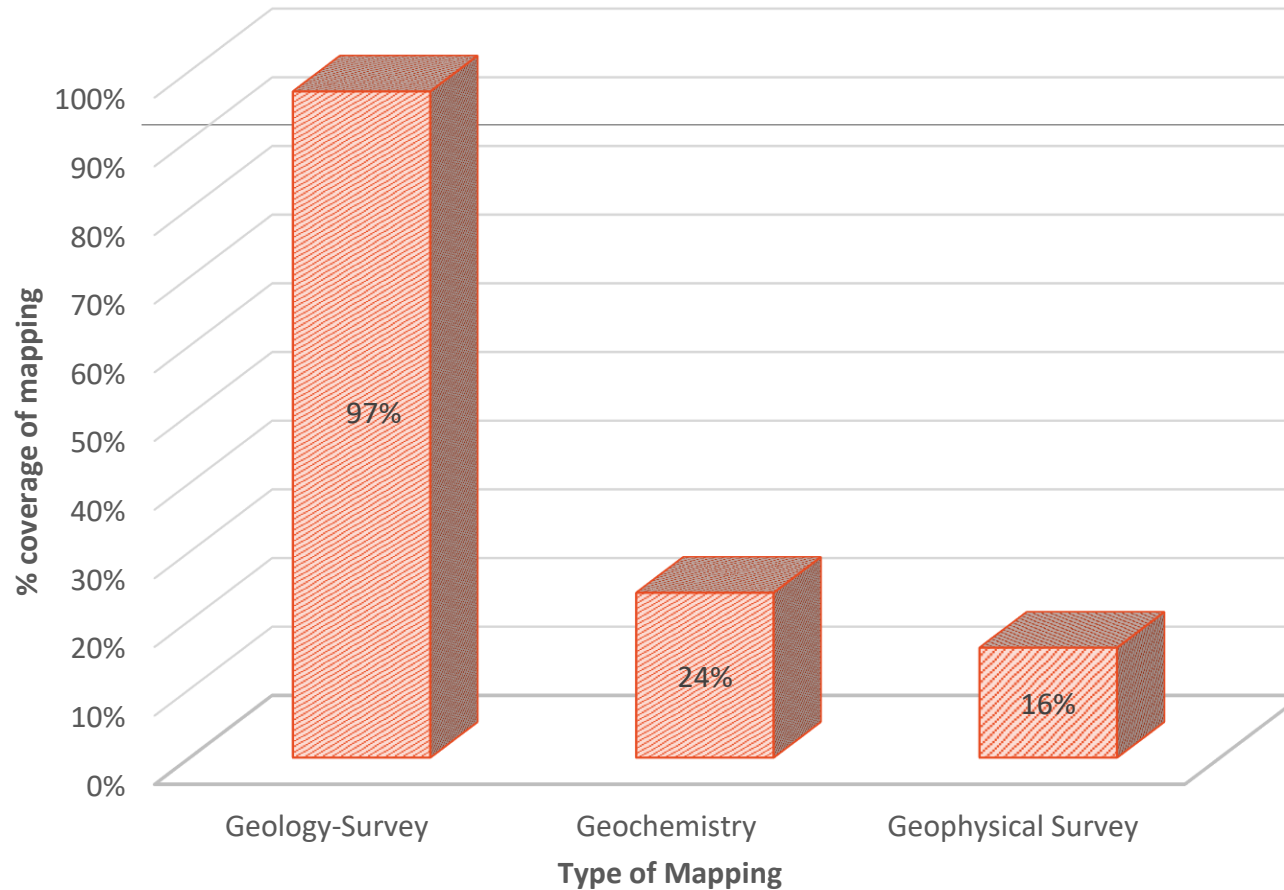


Some of the Minerals available in Tanzania

- ❑ Metallic Minerals – e.g Gold, silver, Copper, Nickel, Zinc, iron, Titanium, zircon etc
- ❑ Critical Minerals – REE, Cobalt, Nickel, Chromium, Graphite, Helium, PGM, Tin, Lithium, Manganese etc
- ❑ Industrial Minerals – Limestone, Gypsum, Phosphate, Bauxite, Fluorspar, Barite, Niobium, salt, pozzolana, HMS, kaoline, clays etc
- ❑ Gemstone – e.g Tanzanite, Diamond, Ruby, Sapphire, Chrysoberyl, chrysophase, alexandrite etc
- ❑ Energy minerals – Coal & Uranium (Late Carboniferous to Lower Jurassic - Karoo formations)

Do we know the quantity of our minerals endowment?

Current status of Geological Surveying



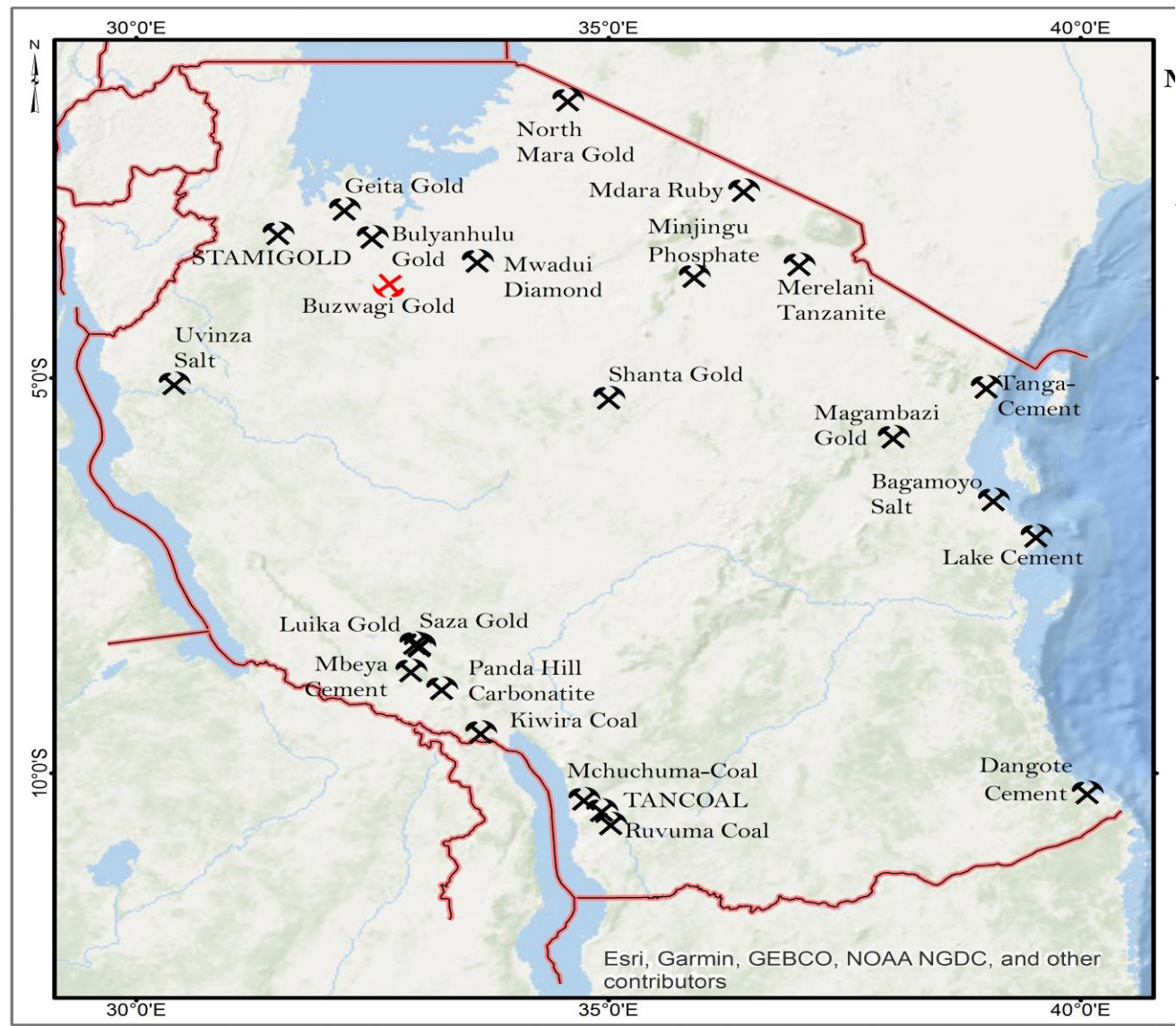
Sources of funding for surveys are:

- ☐ Government funding
- ☐ Development patterners

Progress

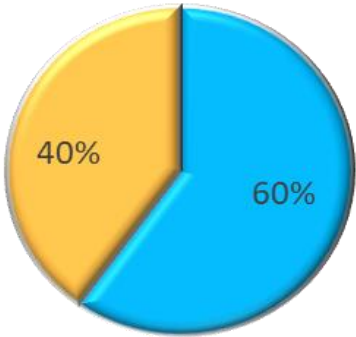
- ☐ 76% -low density geochemistry
- ☐ 100% low Resolution geophysics
- ☐ 16% high resolution @ line spacing of 200-250m and aircraft height 45-60m

Some of the Examples of Large Scale Mine operations



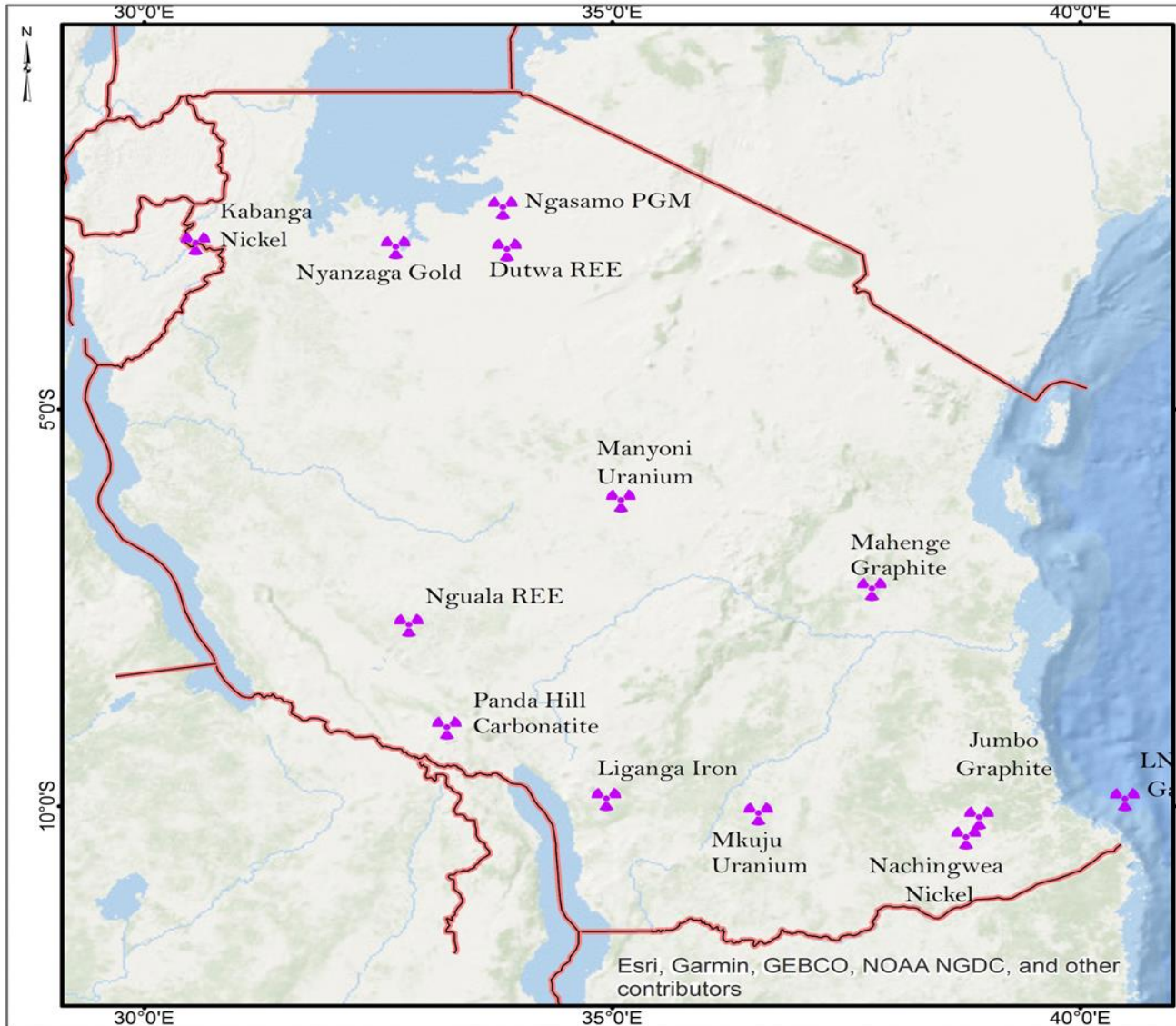
Contribution of Mining Sector:

- Contribution 9.1% to GDP
- Target Contribution by 2025 is 10%



■ Large Scale Miners ■ Small Scale Miners

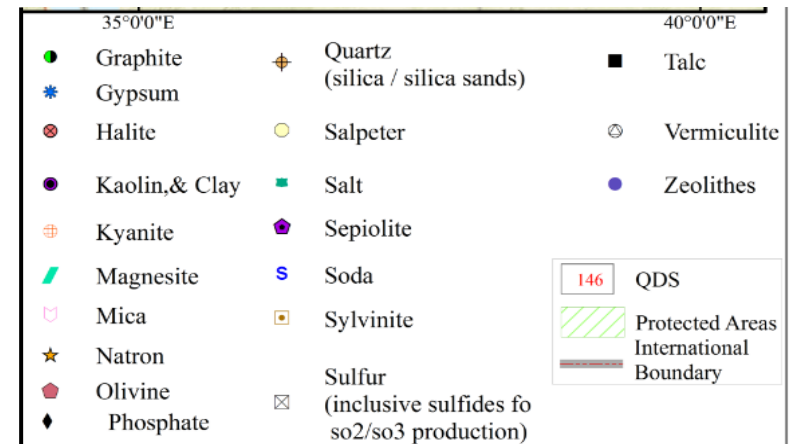
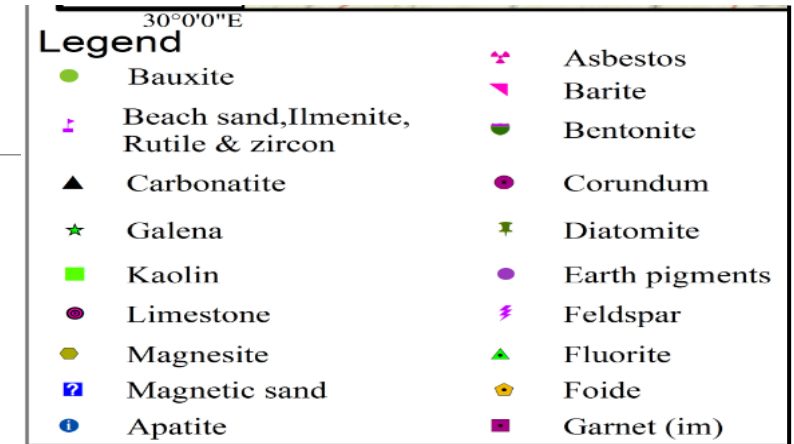
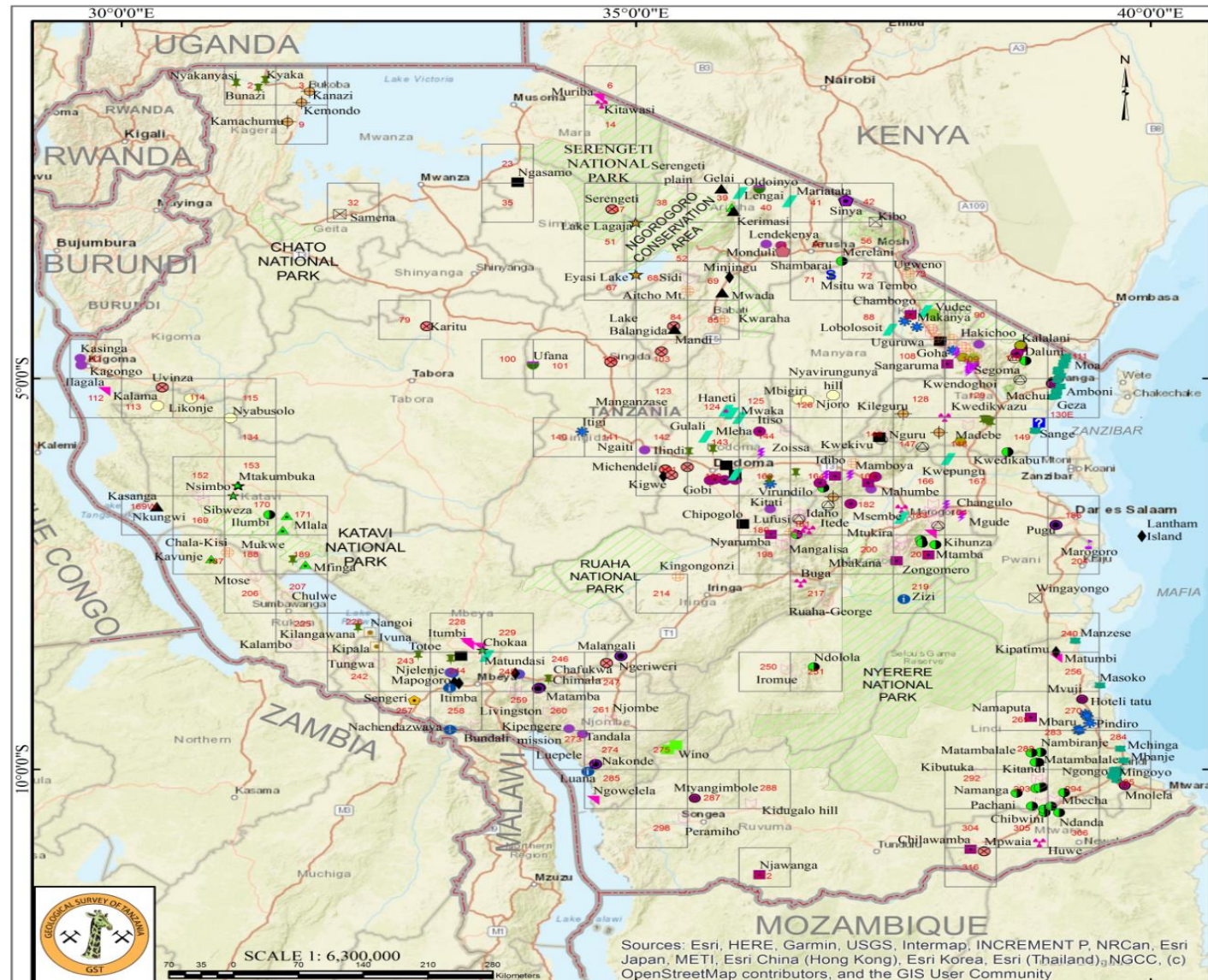
Projects on Pipeline



Reported resources (subjected to changes when new data are acquired from additional exploration work)

- **Kabanga** Mineral Resource estimate
 - ❑ 62.5 Mt (Measured and Indicated resources) at 2.02% Ni, 0.28% Cu and 0.16% Co and
 - ❑ 25.1 Mt (Inferred resources) at 2.23% Ni, 0.31% Cu and 0.16% Co
 - Total 87.1 Mt at 2.08% Ni, 0.29% Cu and 0.16% Co**
- ❑ **Mahenge**
 - ❑ World-class Mahenge Graphite Project (Mahenge)
 - ❑ Total Mineral Resource Estimate (MRE) is 128.2 Mt @7.4% Total Graphitic Carbon (TGC) cutoff grade (TGC) 5.5% with a resource strike length of 2,150m.
- ❑ **Lindi Jumbo**
 - ❑ Mineral resource of 41.8Mt @ 10.8% Total Graphitic Carbon (TGC)
- ❑ **Ngualla Rare Earth Project** - Neodymium & Praseodymium
 - ❑ Proven and probable ore reserve is 18.5Mt grading at 4.80% REO for 887Kt REO
- ❑ **Chilalo Graphite Project – Nachingwea;**
 - ❑ the world's highest grade graphite deposit with a JORC compliant resource of 26.9Mt @ 10.3% TGC
- ❑ **Fungoni mineral sands – Kigamboni;**
 - ❑ Mineral resource of 182 million tonnes @ 3.3% total heavy minerals including premium quality zircon

Examples of Mineral Occurrences

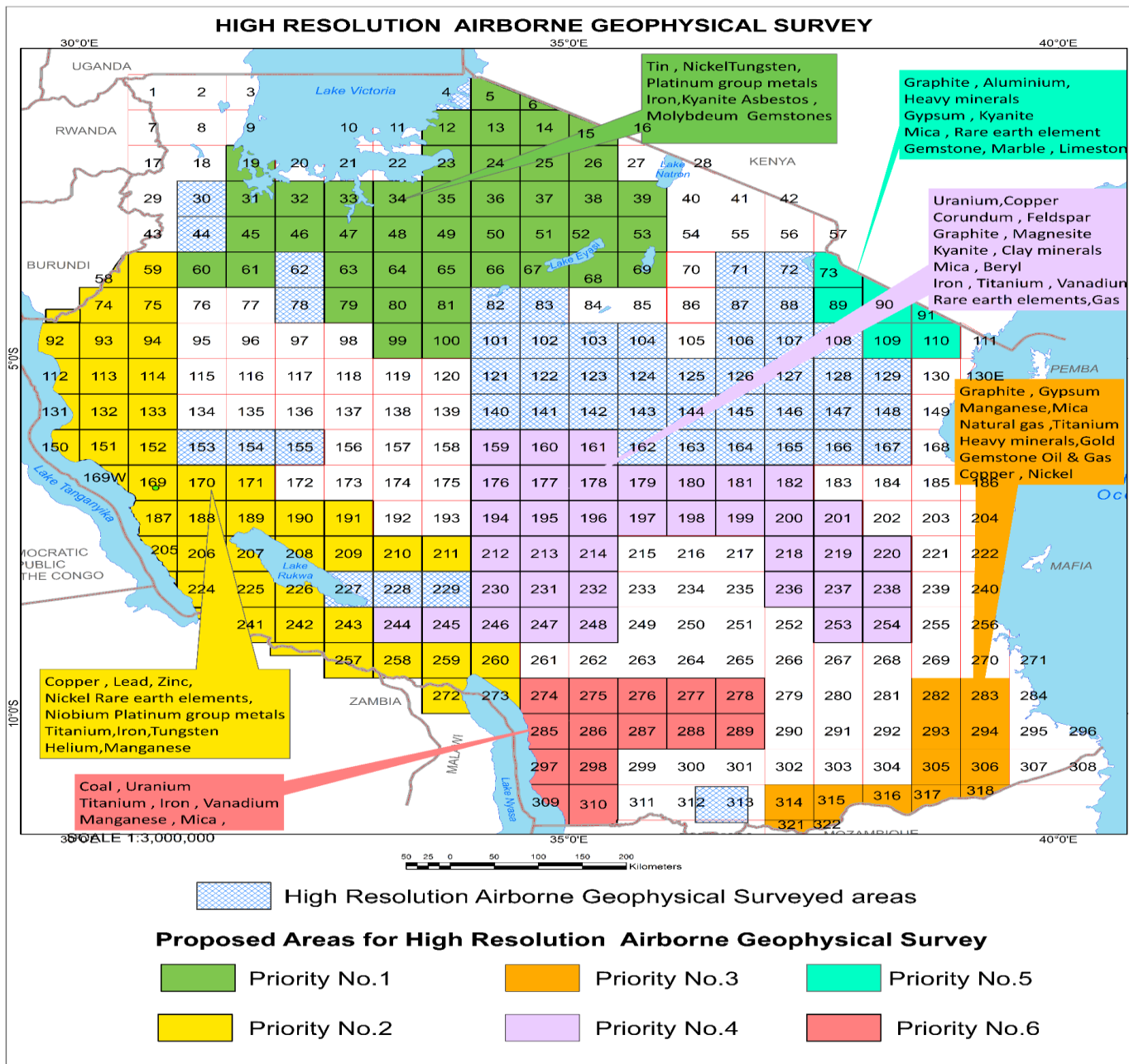


Vision 2030: Exploration Roadmap and Opportunities

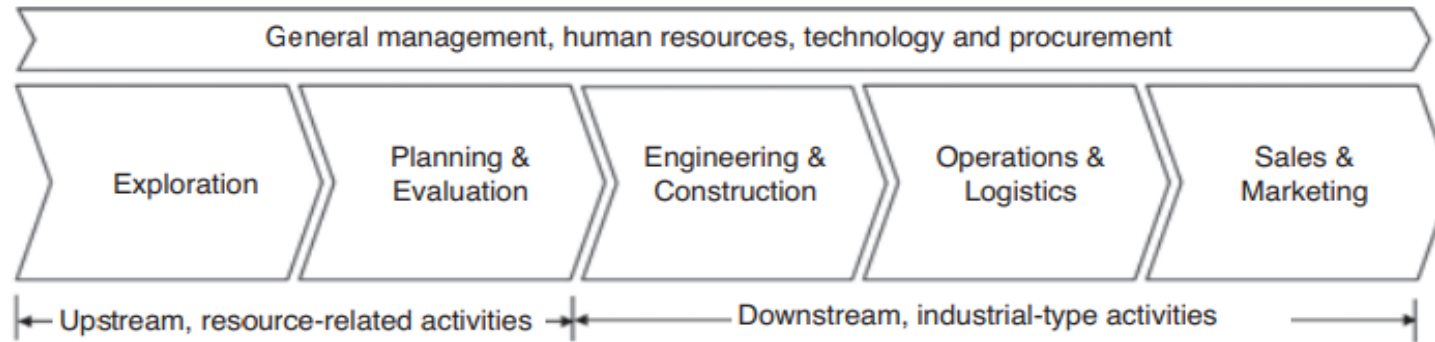
- ☐ Conducting high resolution up to 50%
- ☐ Block No. 2 and 6 will increase the current status by 18%
- ☐ Tanzania to become a mineral hub

Exploration Opportunities (Critical Minerals)

- ☐ High resolution geophysical survey (PPP)
- ☐ QA/QC for survey data
- ☐ Exploration Drilling contracting
- ☐ Equipment supplies and spare parts



Investment Opportunities



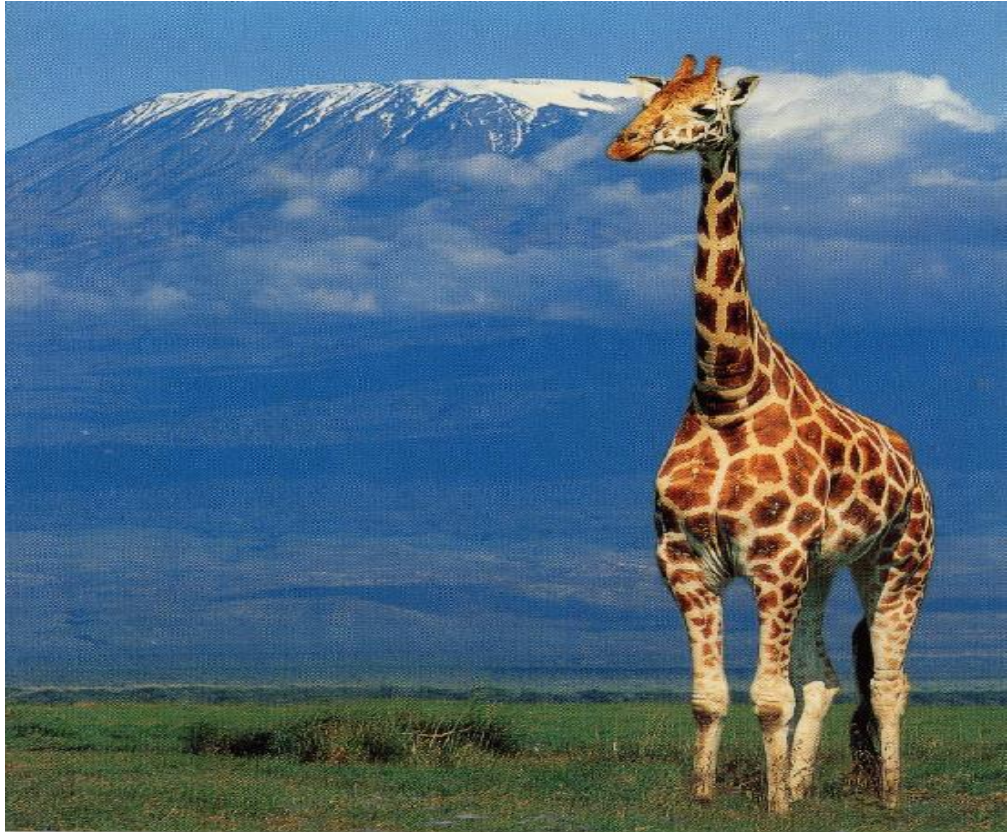
Value creation in the resource business (y J.M. Garcia and J.P. Camus; 2011)

Downstream Opportunities

- ❑ Construction industries – ceramics
- ❑ Fertilizer manufacturing
- ❑ Batteries production
- ❑ Logistics and Transportation
- ❑ Assembling Mining Equipment
- ❑ Financing /JV with small scale miners
- ❑ Recycling
- ❑ Extracting critical minerals from mine waste dumps and tailings
- ❑ Establishment of smelters and refineries
- ❑ Gemstones value addition
- ❑ Supply of chemicals
- ❑ Consultancies (engineering etc.)
- ❑ Fabrication industries Using the multielement refinery of kabanga

Thank you for listening

Welcome to Tanzania



B. FINANCIAL AUDIT AND TAX REVIEW SUBSECTION

The following are the responsibilities of the Financial Audit and Tax Review Sub Section;

- a) Audit exploration cost, capital investment, revenue generated and operating expenditure of the mining entities
- b) Examine and monitor implementation of feasibility reports for existing and upcoming mining projects, and Mineral Development Agreements (MDAs)
- c) Verify forecasted capital investment for the purpose of ascertaining mis-invoicing or any other form of malpractice by the mineral rights holder
- d) Perform financial modeling for existing and upcoming mining projects
- e) Counteract illicit financial flows and fiscal evasion in the mining sector
- f) Audit mining entities, dealers and brokers financial and tax records to facilitate the collection of Government revenues
- g) Perform comprehensive tax analysis of the mineral sector and advise on appropriate measures



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Ministry of Minerals
Mining Commission



FINANCIAL AUDIT, TAX REVIEW AND LOCAL CONTENT SECTION

The Financial Audit, Tax Review and Local Content Section is under the Directorate of Mineral Audit and Trade. This section is divided into two subsections as follows;

- A. Local Content Subsection
- B. Financial Audit and Tax Review Subsection



A. LOCAL CONTENT SUBSECTION

Local Content Subsection is responsible for the supervision and monitoring of the implementation of local content plans by Licensees, contractors, subcontractors and other allied entities. The aim is to ensure the development of Tanzanians participation in the Mining Sector. The subsection also oversees the implementation of Corporate Social Responsibility by mineral rights holders.

What is Local Content?

Local Content means the quantum or percentage of locally produced materials, personnel, financing, goods and services rendered in the mining industry value chain of which can be measured in monetary terms.

Mining Local Content Obligations for Mineral Rights Holders, Contractors, Subcontractor and Allied Entities

Local content Obligations have been stipulated under Section 102 of the Mining Act Cap 123 and the Mining (Local Content) Regulations, 2018 as amended in 2019. The Obligations include the following;

I. Preference in the provision of goods and services

Licensee, Contractors, Subcontractor and Allied Entities are obliged to give preference to goods that are produced or available in Tanzania and services which are rendered by Tanzanian citizens and or Indigenous Company.

What is an Indigenous Tanzanian Company?

An Indigenous Tanzanian company means a company incorporated under the Companies Act that;-

- a) Has at least 20% of its equity owned by a citizen or citizens of Tanzania; and
- b) Has Tanzanian citizens holding at least 80% of executive and senior management positions and 100% of non-managerial and other positions.

II. Requirement of Provision of goods or services by a non-indigenous company

A Non-indigenous Tanzanian company that intends to provide goods or services to a contractor, a subcontractor, licensee, the Corporation or other allied entity within Tanzania shall be required to incorporate a joint venture company with an indigenous Tanzanian company and afford that indigenous Tanzanian company equity participation of at least 20%.

III. Local Content Plan Submission

Licensee, Contractors, Subcontractor and Allied Entities are Obligated to prepare and submit a local content plan to the Mining Commission for Approval. The local content plan should be prepared on a long-term and annual basis as per the Mining Local Content Guidelines for submission of local content plans.

[Visit: tumemadini.go.tz/publications/guidelines]

The local content plan shall be prepared to meet the minimum local content levels as per the First Schedule of the Mining (Local Content) Regulations, 2018. After the Mining Commission has approved the submitted local content plans, Licensee, Contractors, Subcontractor and Allied Entities are obliged to implement fully the plan in the operations.

IV. Local Content Performance Reports Submissions

Licensee, Contractors, Subcontractor and Allied Entities are Obligated to submit to the Mining Commission Quarterly Performance reports and annual local content performance report within 45 days of the beginning of each year after commencement of mining activities . The performance reports shall provide details on local content implementation throughout the period.

V. Submission of Proposed Contracts

Licensee, Contractors, Subcontractor and Allied Entities are Obligated to notify the Mining Commission in writing of each proposed contract or purchase order ;-

- a) Related to mining activities which are to be sole-sourced
- b) Where it is to be sourced by a competitive bidding procedure that is estimated to be in excess of the shilling equivalent of USD 100,000.

Licensee, Contractors, Subcontractor and Allied Entities are required to submit the following documents for the approval of the Mining Commission: -

- a) Advertisements relating to the expression of interest
- b) Requests for proposals
- c) Prequalification criteria
- d) Technical bid documents
- e) Technical evaluation criteria
- f) Any other information requested by the Commission to enable the Commission to determine that the local content requirements have been complied with.

The Commission shall, within 10 working days of receipt of the documents, communicate its decision to the contractor, subcontractor, licensee, or other allied entity.

Corporate Social Responsibility (CSR)

A mineral rights holder is obliged to prepare on annual basis a credible Corporate Social Responsibility plan jointly agreed by the relevant local authority or Local Government Authorities in consultation with the Minister responsible for Local Government Authorities and the Minister responsible for Finance.

The CSR plan prepared shall take into account environmental, social, economic and cultural activities based on local Government authority priorities of the host community. The host communities in this case mean inhabitants of the local area in which mining operations activities take place.

The Mineral rights holder is required to submit the prepared Corporate Social Responsibility plan to a Local Government Authority for consideration and approval.

The Mining Commission Local Content sub-section is responsible to supervise the implementation of the approved Corporate Social Responsibility plan for mineral rights holders.

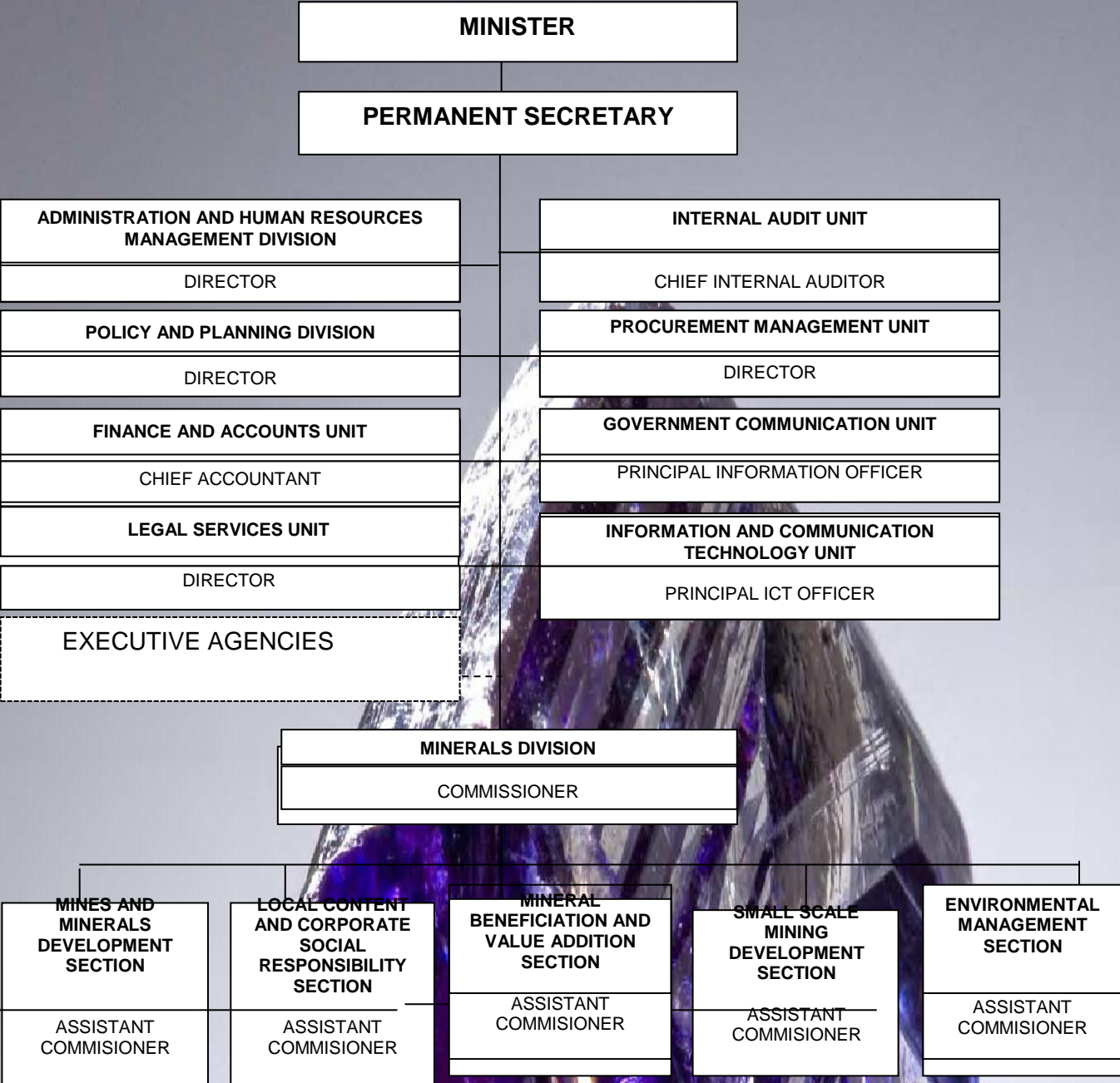
THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS



Tanzania Mining Industry Investor's Guide

July 2019

ORGANISATION STRUCTURE OF THE MINISTRY OF MINERALS



Message from the Minister for Minerals

I have great pleasure to present this **Mining Investor's Guide** intended to be a quick reference to prospective investors who wish to invest in Tanzania's Mining Industry. This Guide tries to respond to frequently asked questions on existing opportunities, procedures, legal, regulatory and fiscal environment for Tanzania's Mining Industry.

Tanzania is an investor-friendly East African country, which is also highly endowed with diverse mineralization. Among others, Tanzania offers to the investors the following:

- i) Over 800,000 square kilometers of varied geological terrains with potential mineral resources. Ongoing exploration work, has resulted in discovery of resources in excess of 45 million ounces of gold, 209 million tonnes of nickel, and 50 million carats of tanzanite;
- ii) A history of precious and base metals mining, with opportunities for revival in a new economic era;
- iii) Ample inventory of unexplored mineral ground;
- iv) A comprehensive, systematically archived database on geo-scientific information and mineral resources;
- v) An atmosphere of political stability and economic re-awakening;
- vi) A growing skills base in various disciplines associated with mining; and
- vii) Well-established support services to the mining industry.

Tanzania's vision for the next 10 years for the Mineral Sector is to have a strong, vibrant, well-organized large and small-scale mining industry conducted in a safe and environmentally sound manner with a public-private partnership.

I welcome you all to use this Guide to share our vision and to be our partner in the development of our mining industry.

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DID YOU KNOW?



Tanzania is the 31st largest country in the World.



The green and yellow colours in the Tanzania's national flag denote country's abundant natural resources, with the blue colour representing water resources.



Kilimanjaro is the highest mountain in Africa with a snow cap throughout the year.



The first upright walking creature lived in Olduvai George in Arusha.



Ol Doinyo Lengai, located in the East African Rift Valley, is the only active carbonatite volcano on Earth.

Ngorongoro is the largest caldera in the world



Mwadui is the largest kimberlite pipe in the world where diamond is being mined economically.



Melerani is the only place in the world with natural Tanzanite, which is a thousand times rarer than diamond.

1. COUNTRY PROFILE

Location

Latitude: between 1° and 12° S

Longitude: between 29° and 41°E

Land Area

947,303 sq km including Unguja, Pemba and Mafia Islands, with 62,000 sq. km of inland water bodies.

Population

55 million people
(2016 est.)

Climate

Varies from tropical along the coast to temperate in highlands.

Official Languages

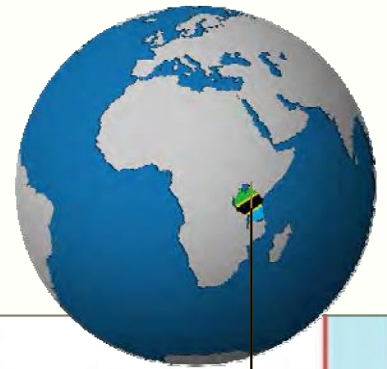
English & Swahili.

Peace & Political Stability

Tanzania is one of the most peaceful and politically stable countries in Africa. Since its independence in 1961, the country has never experienced a civil war or any major internal strife. Tanzanians continue to live in peace and with a sense of a common national identity. This political stability provides protection to investors. Tanzania is a multiparty democracy since 1992.

Economic Growth

Tanzanian economy expanded at an annualized rate of approximately 6% in 2016/17. Currently, mining contributes 4.8% of the GDP and is projected to reach 10% of the GDP by 2025. GDP per capita is currently USD 640 and is projected to reach USD 3,000 by 2025.





Infrastructures

- Road network consists of 86,472 km. long (12,786 km. of trunk roads);
- Rail network consists of 3,682 km, which are operated by two railway systems: the Tanzania Railway Corporation (TRC) - 2,707 km and Tanzania- Zambia Railway Authority (TAZARA) - 975 km. The network also serves neighboring countries of Zambia, DRC, Burundi, Rwanda, Uganda and Malawi.
- Air transport: Five international airports (Dar es Salaam, Kilimanjaro, Mwanza, Mbeya and Zanzibar) and 19 main aerodromes.
- Electricity: Installed capacity in the main grid is 1,516.42 MW and is expected to reach 10,000 MW by 2025;
- Major Sea Ports: Dar es Salaam, Mtwara, Tanga and Zanzibar.
- Telecommunications: Countrywide landline and cellular networks.
- Banking: local and multinational banks.



2. ABOUT THE MINISTRY

2.1. Services

The Ministry of Minerals facilitates the development of mineral resources through participation of various stakeholders including public, private, local communities, NGOs and civil society. To that end, the Ministry has put in place a Client Service Charter (www.madini.go.tz) which outlines the services such as licensing, capacity building, information and promotion of mineral sectors.

2.2. Contact on mining related matters:

**Commissioner for Minerals,
Ministry of Minerals,
Kikuyu Road,
P.O. Box 422,
40474 Dodoma,
TANZANIA**

**Telephone: +255 26 211 7156 /9
Fax: +255 26 212 0799
Email: cm@madini.go.tz
Website: www.madini.go.tz**



3. MINING INDUSTRY IN PERSPECTIVE

Tanzania is one of Africa's most mineral-rich countries.

Tanzania's mineral sector has experienced a boom that coincided with high and stable economic growth. The mineral sector expanded rapidly following the mineral policy reforms of 1997. So far over US\$ 3.0 billion has been invested in the sector.

Currently, six large scale mines (four for gold and two for gemstone) and a number of small scale mines mainly for gold, diamonds and coloured gemstones are in operation. Also, there are a number of mining projects at advanced stages (Kabanga nickel project, Mantra uranium project, Mchuchuma coal project, Liganga iron ore project, Nyanzaga gold project, Canaco gold project, Panda Hill niobium project, Ngualla REEs project, Resolute-Nyakafuru gold project, Uranex graphite project, Dutwa nickel project, Ngwena nickel project and Kiwira coal project). In a nutshell, exploration work for various minerals is being undertaken by different licence holders in the country.

As a matter of fact, mineral sector reforms have resulted into positive development of the sector. For example, export earnings from mineral export increased from an average of 1% of total export in 1997 to 52% in 2013; direct employment in the large scale mining industry increased from 1,700 to 15,000 in 2017; gold exports increased from less than 1 tonne in 1997 to 44.4 tonnes in 2018; and contribution of mining to the GDP was less than 1% in 1997 as compared to 4.8% achieved in 2017.



The Tanzania Mineral Policy of 2009 aims at strengthening integration of mineral sector with other sectors of the economy, improving economic environment for investment, maximizing Government benefits from mining, promoting mineral value addition activities, strengthening social and environmental management and developing small scale mining operations. Through the existing mineral policy, mining legislation and fiscal regime makes Tanzania a favorable destination for investors in the mineral sector.

3.1 Why invest in Tanzania Mining Industry

- Vast untapped mineral resources;
- Stable social and political environment;
- Internationally competitive, non-discriminatory, stable and predictable fiscal regime;
- Good governance, transparent regulatory and administrative system; and
- Adequate geo-information database

3.2 Investment Opportunities

- Exploration;
- Mining;
- Establishment of gemstone value addition activities;
- Establishment of mineral beneficiation activities; and
- Provision of mining services.

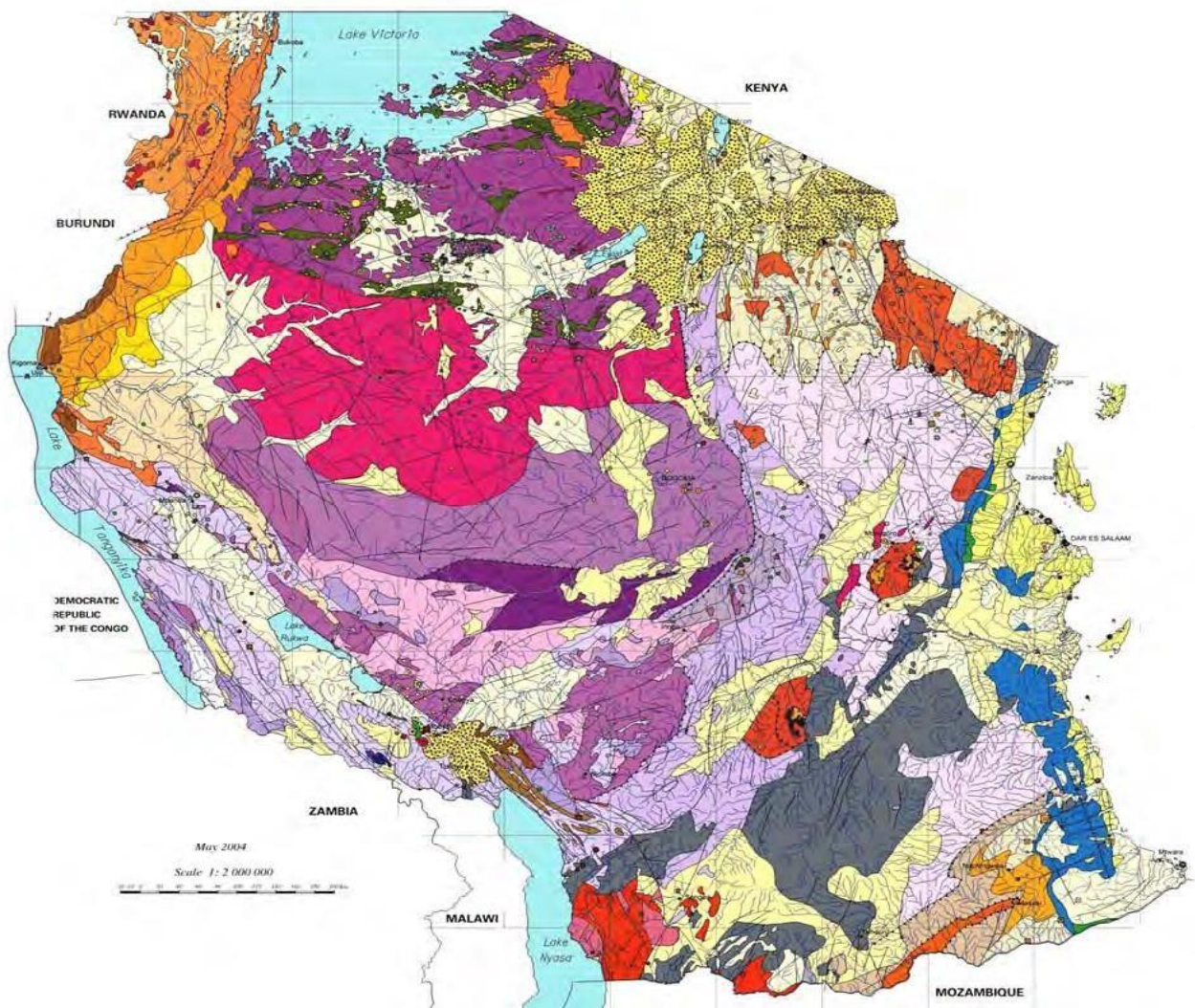


4. GEOLOGICAL TERRAINS WITH POTENTIAL MINERAL RESOURCES

Tanzania is blessed with conducive geological environment representing all the known stratigraphic formations in the world ranging from Archaean to Recent. These geological formations host a variety of minerals, mainly metallic minerals such as gold, tin, nickel, iron ore, rare earth element, copper, PGM and lead; gemstones including Tanzanite, diamonds, emerald, ruby and sapphire; industrial minerals including limestone, gypsum, phosphate, kaolin, bauxite and graphite; building materials such as sand and gravel; and energy minerals (coal, uranium).

The map below represents the main stratigraphic formations of Tanzania.

4.1 Geological Map of Tanzania



-  Undifferentiated Neogene to Quaternary continental sedimentary formations
-  Continental and lacustrine sedimentary formations, Cenozoic
-  Quaternary "recent" alkaline volcanics and pyroclastics
-  Undifferentiated Neogene and Pleistocene volcanic and pyroclastic formations (including "older extrusions")
-  Marine and fluvio-marine sedimentary formations, Paleogene to Neogene
-  Cretaceous marine and continental sedimentary formations (sandstones, conglomerates)
-  Sedimentary marine, estuary and continental formations, Jurassic
-  Continental sedimentary formations (Karoo), Upper Carboniferous to middle Triassic
-  Syenite, unknown age
-  Pan-african ultramylonites, Neoproterozoic "Mobile Belt", 600-500 Ma
-  Neoproterozoic 2-3 to Cambrian ? detrital sediments (Ikorongo and Kibago groups)
-  Neoproterozoic 2-3 gneisses and granitoids, Masasi-Nachingwea area ("Mozambique Belt")
-  Neoproterozoic 2 volcano-sedimentary formations (Mosso Group, Ilagala-Gagwe formations)
-  Neoproterozoic metasediments (paragneiss, schists), gneiss, amphibolites, migmatites and syntectonic granites, "Mozambique Belt"
-  Meta-anorthosite, metagabbro, NP2 "Mozambique Belt" (Usambara, Pare mountains and Uluguru mountains)
-  Neoproterozoic 1-2 sedimentary formations (Musindosi-Kigonero Group)
-  Neoproterozoic marbles, "Mozambique Belt" (Upper nappe), NP1-2 ?
-  Neoproterozoic quartzites, "Mozambique Belt" (NP1-2 ?)
-  NP1-2 Granulitic complex : mafic and felsic granulite, granulitic gneiss, overprinted by NP3 tectono-metamorphic event in the "Mobile Belt"
-  Meso- to Neoproterozoic sedimentary formations (MP3-NP3),

-  Mesoproterozoic (MP2) - Kibaran syn- to late orogenic granite (Karagwe Ankolean belt, internal domain)
-  Mesoproterozoic - Mafic sills and flows within Bukoba sandstone ("external domain")
-  Mesoproterozoic (MP2) - Kibaran mafic and ultramafic complex (Kabanga - Musongati belt)
-  Mesoproterozoic (MP1-2, ante 1379 Ma) - Bukoba sandstone (Nkoma and Kavumwe formations)
-  Mesoproterozoic (MP1-2) - Karagwe-Ankolean detrital metasediments internal and external domains
-  Mesoproterozoic (MP1-2 ante 1239 +/- 50 Ma - sediments (Itiaso group), external domain
-  Mesoproterozoic protoliths affected by high-grade metamorphism : granulite, charnockite, enderbite, granulitic, charnockitic & enderbitic gneiss (Songea & southwestern Tanzania)
-  Paleoproterozoic or Mesoproterozoic - Late orogenic granite & granodiorite
-  Paleoproterozoic - Felsic volcanism & plutonism, "Bangweulu basement" (PP3-4) & Ukingan supergroup
-  Paleoproterozoic 3-4 - Ubendian tectonic domain : metasedimentary & plutonic complexes (gneiss, augen gneiss, migmatites, local granulite)
-  Paleoproterozoic (PP3-4 ?) - Ubendian meta-mafic & ultramafic rocks
-  Paleoproterozoic (PP3-4) Usagaran sediments, volcanosediments & plutonic rocks, with relics of archaean basement (IMA-NA) reworked during panafrican ("Mozambique Belt")
-  Paleoproterozoic PP3 detrital metasediments, Mbala Formation, Mporokoso group
-  Paleoproterozoic (PP2-3) meta-volcano-sedimentary rocks (Igara group)
-  Paleoproterozoic (PP1-3) - Orthogneisses, metasediments, metagabbros with PP2-3 (2Ga) eclogitic relics (Isimani suite)
-  Paleoproterozoic eclogite (PP2-3) with archaean to Paleoproterozoic protolith
-  Composite tectonometamorphic domain (undifferentiated metasediments, metagranitoids, metabasites) of unknown age with evidences of archaean crust (Sm-Nd ages), affected by NP3 pan-african event (Mozambique Belt)
-  Archaean to Paleoproterozoic anorthosite, gabbro and ultramafic rocks
-  Archaean to Paleoproterozoic late-to post-orogenic granite and granodiorite
-  Archaean syn-orogenic granites
-  Neoproterozoic (Mesoproterozoic) clastic sedimentary formations (Kavirondian, North Mara, Usongo)
-  Neoproterozoic TTG granitoids, Lake Victoria terrane
-  Neoproterozoic (Eoproterozoic) - Greenstone belts with BIF (Nyanzian : Kuria, Musoma)
-  Neoproterozoic - Undifferentiated granitoids, migmatites, meta-ultrabasites
-  Mesoarchaean to paleoarchaean metamorphic and anatectic complexes (Dodoman group)
-  Meso- to Paleoarchaean (?) granite, granodiorite, leucogranite (Southern basement)

The Tanzania mineral endowment is as follows:

- ◆ Gold occurrences hosted by the *Archean* greenstone belts and banded iron formations in South and Eastern part of Lake Victoria.
- ◆ Gold and base-metal occurrences in the Proterozoic *Ubendian* Supergroup in South West Tanzania.
- ◆ Kimberlite pipes in the central and southern parts of the *Archean craton*.
- ◆ Nickel, cobalt, copper, tin and tungsten bearing rock formations in the *Karagwe – Ankolean* Supergroup in northwest Tanzania.

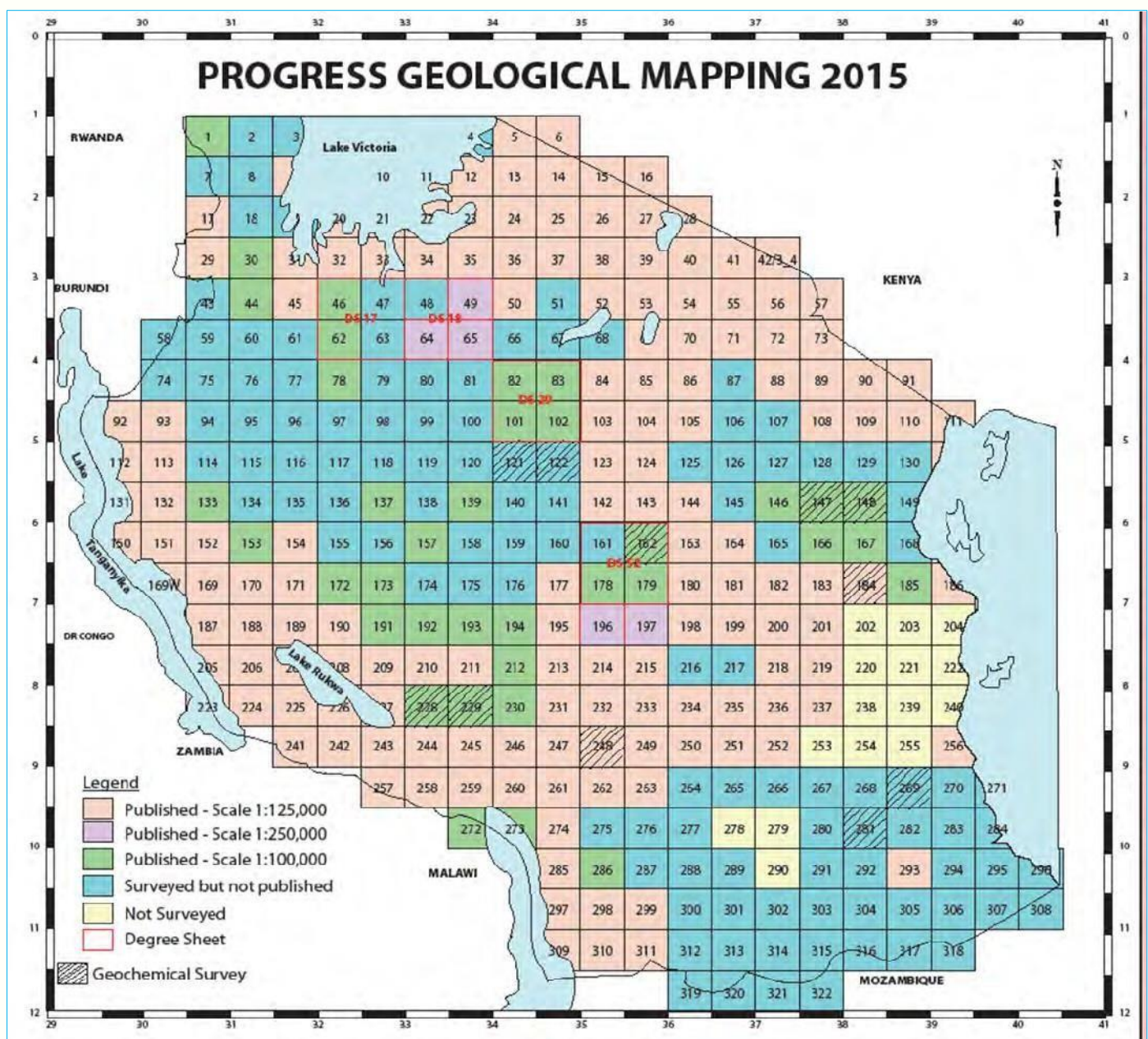


- ◆ Major gemstone occurrences in the Neoproterozoic Mozambique belt (Eastern Tanzania) and Ubendian Supergroup
- ◆ Rare Earth Element, Niobium and Tantalum are among the Carbonatites associated with the Rift Valley System which are found in Tanzania.
- ◆ Iron ore hosted in Anorthositic intrusives in the Proterozoic Ubendian Supergroup.
- ◆ Evaporites in the Rift Valley and younger formations along the coastal belt.
- ◆ Coal resources in the *Karoo* Supergroup in Southern Tanzania;
- ◆ Uranium occurrences in the Karoo Supergroup in south-western and southern Tanzania and in superficial deposits within the Archaean craton in central Tanzania; and
- ◆ A variety of industrial minerals such as kaolin, diatomite, gypsum, pozollana, limestone, meerscham, bentonite, ball clay and dimension and art stones (granites, marble, anyolite) occurring in different rock formations.

4.2 Available Geological Information

Geological and geophysical information for assisting investors in selecting prospective areas for license applications are available at the Geological Survey of Tanzania (GST) located in Dodoma.

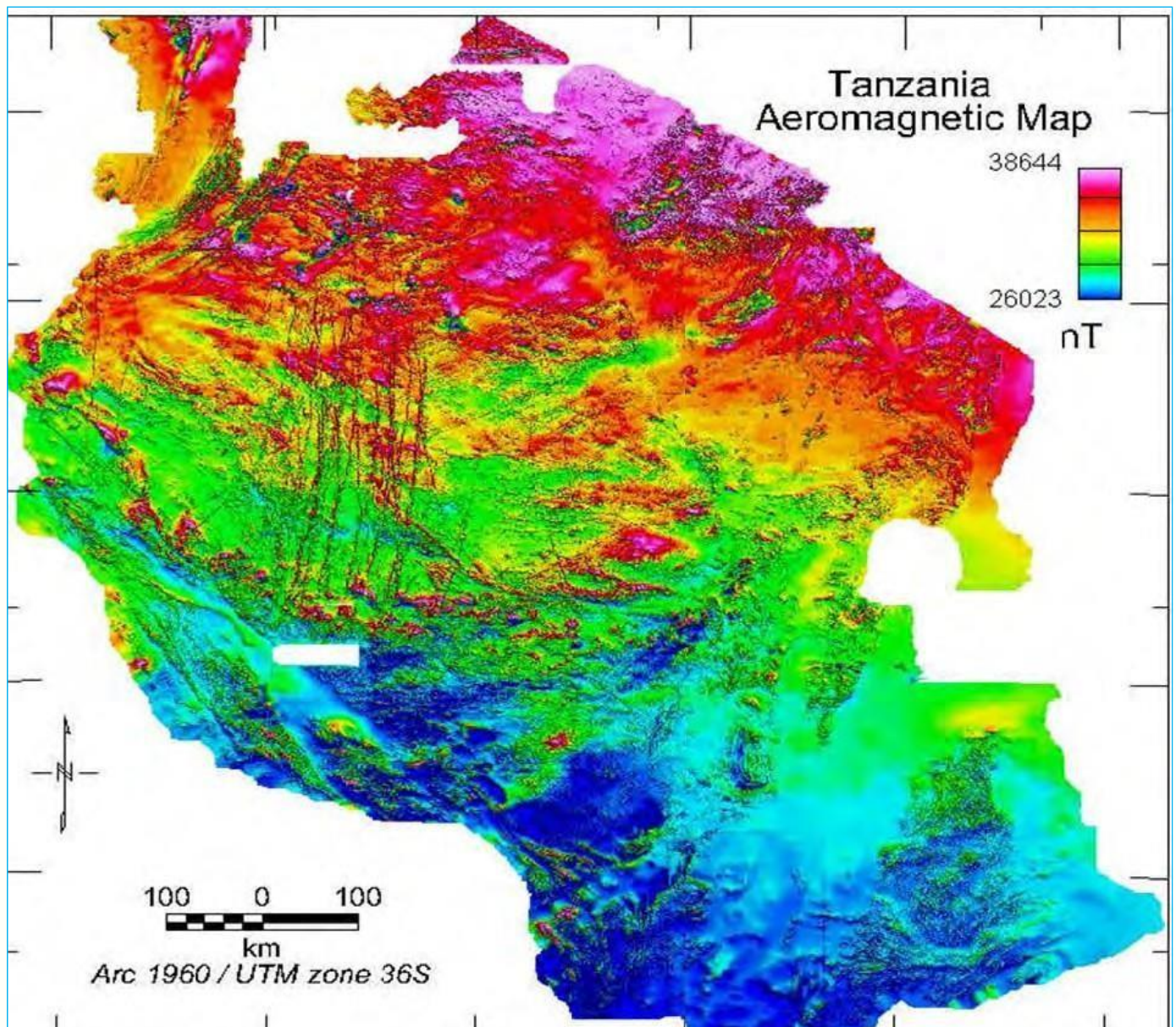
90 percent of the country has been geologically surveyed. Geological maps at a scale of 1:250,000 cover about 88% of the 322 Quarter Degree Sheets (QDS) of Tanzania. Few maps are at scales of 1:125,000 and 6 percent of maps are at the scale of 1:100,000. Other maps include a geological map of Tanzania, and of Lake Victoria Gold Field.



Countrywide airborne coverage by magnetic, electromagnetic and radiometric survey is available. Several airborne surveys have been carried out in specific areas. High resolution geophysical data covers 15.7 percent of the country.

For more information visit the Tanzania geological portal at:

www.gmis-tanzania.com

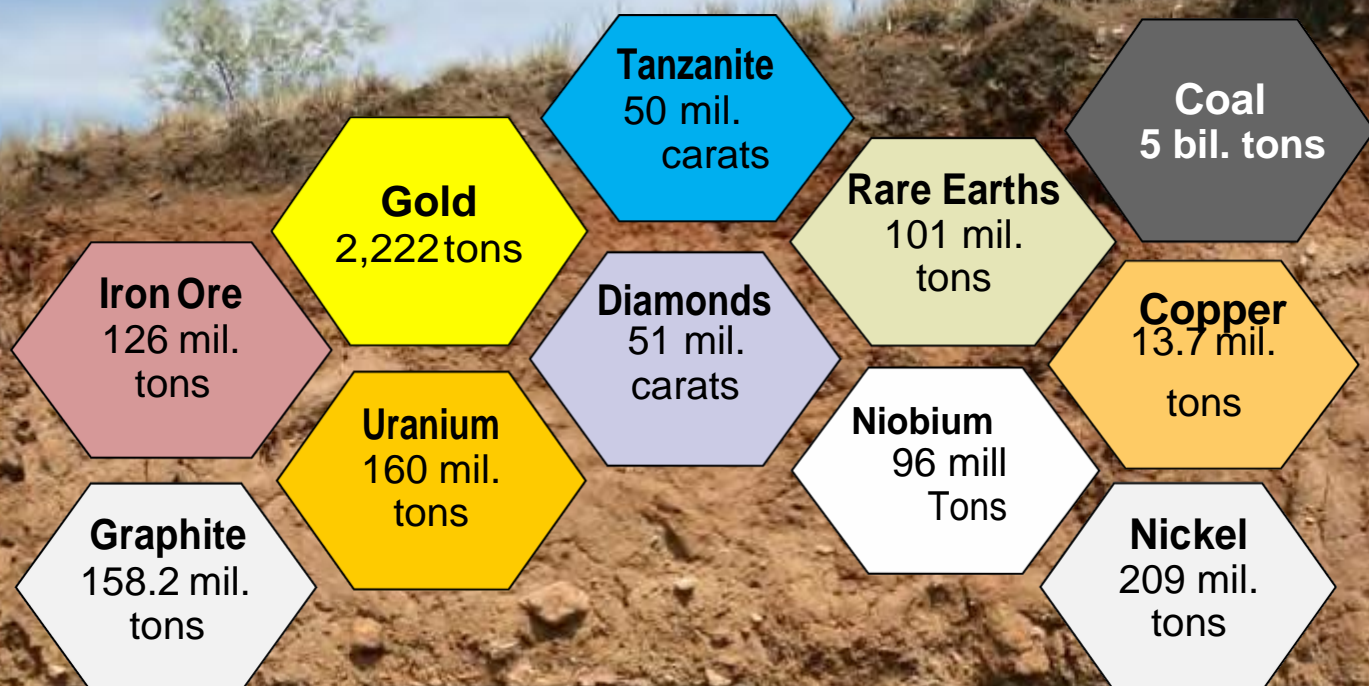


5.0 MINING INDUSTRY DEVELOPMENT IN TANZANIA



5.1 Exploration trends

Prior to 1990s, limited geological investigations were carried out by a number of companies, coordinated through State Mining Corporation (STAMICO) and the Geological Survey. Economic Policy changes thereafter resulted in formulation of Mineral Policy 1997 and 2009 which resulted into increased exploration activities in the country. Exploration activities continue to increase as witnessed in the increased flow of Foreign Direct Investment (FDI) into the mining industry averaging US\$ 460 million per annum. Mineral investors continue to acquire prospective areas which have resulted into defined mineral reserves as indicated below.





Major Exploration at advanced stages

As of December 2014, the following exploration projects were at feasibility stage, with reserves as indicated:

- **Bahi Uranium Project (6.1 Moz)**
- **Buckreef Gold Project (1.3 Moz)**
- **Dutwa Nickel Project (110 Mt @ 0.93 % Ni and 0.02% Co)**
- **Epanko Graphite project (2.2Mt)**
- **Handeni Gold Project/ Magambazi (0.721 Moz)**
- **Kabanga Nickel Project (37.23Mt)**
- **Liganga Iron Ore Project (126 Mt)**
- **Magamba Coal Project (52Mt)**
- **Manyoni Uranium Project (29Mlb)**
- **Mbalawala Coal project (40Mt)**
- **Mbeya (formerly Rukwa) Coal to Power Project (71.3 Mt)**
- **Mchuchuma Coal Project (48Mt)**
- **Mkuju River Uranium Project (124.6 Mlb)**
- **Nachu Graphite project (156 Mt @ 5.2%)**
- **Ngualla Rare Earth Project (1.28 Mt)**
- **Nyakafuru Gold project (13Mt)**
- **Nyanzaga Gold project (4.6Moz)**
- **Ntaka Hill Nickel Sulphide Project (0.12 Mt)**
- **Panda Hill Niobium project (96.3 Mt @ 0.53% Niobium)**
- **Saza-Makongolosi Gold project (0.47 Moz)**
- **Wigu Hill REE Project (3.3 Mt)**

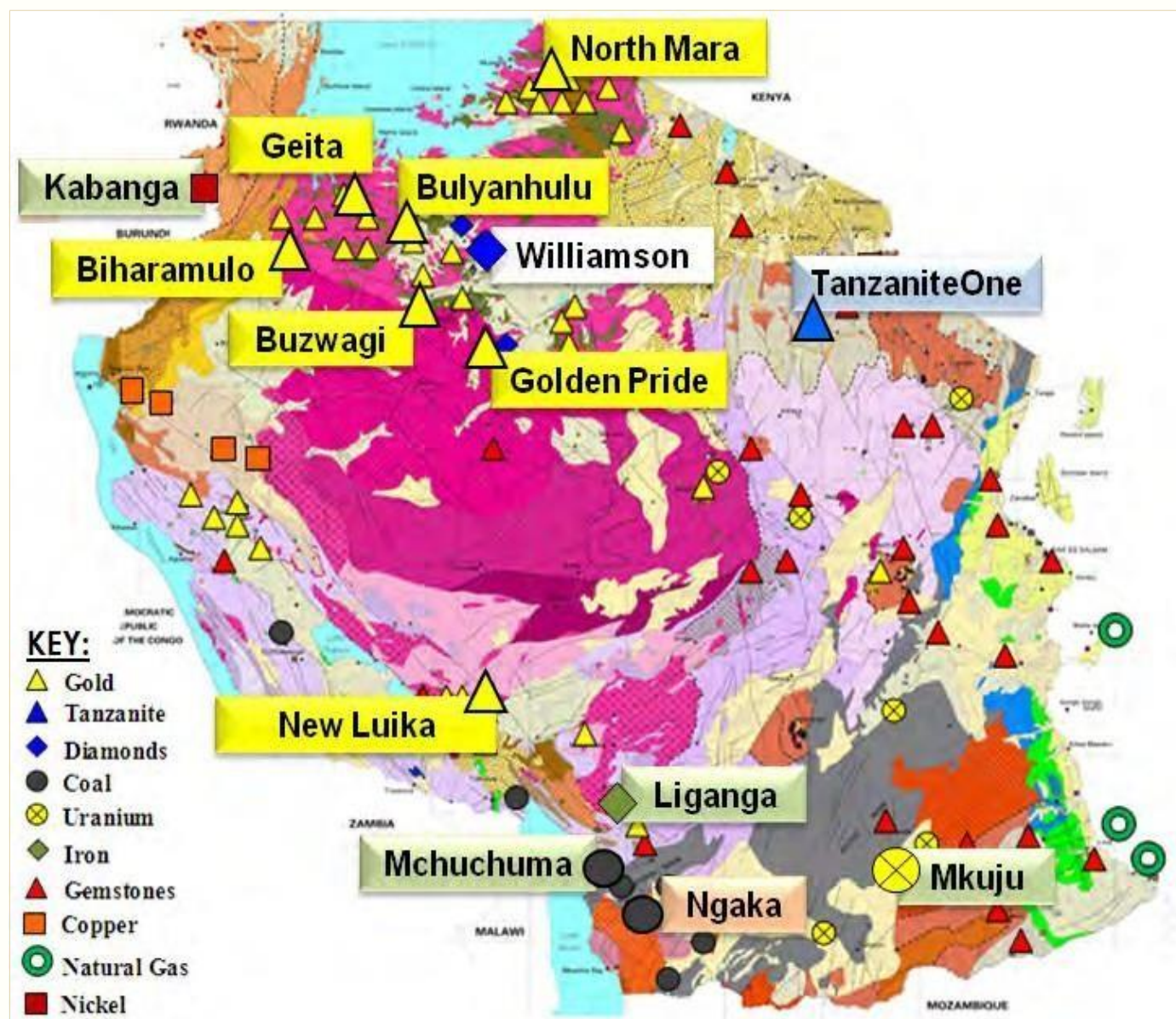
5.2 Mining trends

In the past two decades, Tanzania experienced a mining boom, with mining doubling its contribution to the Tanzanian economy. By the end of 2014 the following large and medium scale mines were operational.

MAJOR ACTIVE MINES IN TANZANIA

Company/ Project	Ownership	Resource	Grade	Life of Mine (years)	Monthly Throughput (tonnes)	Commissioning Date
Bulyanhulu Gold Mine (Gold)	Acacia Mining Plc	28.2 Mt.	14.5 g/t	30	1,095,000 ore processing/ 15,10 0kg gold	Jul. 2001
Geita Gold Mines (Gold)	AngloGold Ashanti	169.8 Mt.	3.3 g/t		6,000,000 ore processing/ 24,00 0kg gold	Aug. 2000
North Mara Gold Mine (Gold)	Acacia Mining Plc	48.8 Mt.	3.3 g/t	9	2,800,000 ore processing/ 10,00 0kg gold	Aug. 2002
Merelani Mining Ltd (Tanzanite)	Sky Associates JV STAMI- CO	105 Mcrt.		17	120,000 ore processing/ 1,600 kg tanzanite.	2001
Williamson Diamonds Ltd (Diamonds)	Petra Diamonds JV Tanzania Government	50.9 Mcrt.	5.2 cpht	13	7,060,000 ore processing	1940
Biharamulo Gold Mine	STAMI- GOLD	1.9 Mt.	11.3 g/t		125,000 ounces	Jun 2005
Buzwagi Gold Mine	Acacia Mining Plc	27.9 Mt.	2.3 g/t	5	360,000	2009
New Luika Gold Mine	Shanta Mine		6.1 g/t	5	50,000	2012

Map showing location of major mines and projects in Tanzania



5.3 Value Addition Activities

The mineral Policy of 2009 encourages value addition activities such as mineral beneficiation, gemstone cutting and polishing, jewellery making and stone carving. Such activities have been on increase in Tanzania and provide opportunities for investment. Notable developments in this area include the growth of gemstone cutting centres, copper smelter plants, rock cutting and polishing facilities (dimension stones).



The Arusha Gem Show

Tanzania re-established the annual international gem show in Arusha in 2012 with a purpose to build a value-addition infrastructure that brings more direct benefit to the country in the form of employment, education and conservation.

For more information on the Arusha Gem Show, visit:

www.arushagemshow.com

5.4 Private Mining Services

The mining industry is a major consumer of goods and services; hence the developments of mining services match with the growth of mining industry. In the past two decades mining support services have been developing progressively to cater for the needs of the mining industry. Such services include: drilling; catering services; consulting services and supply of equipment; tools and mining consumables. However, with prospects of more mines coming into stream the demand for such services will increase.



6. THE GOVERNMENT AS SERVICE PROVIDER TO THE MINING INDUSTRY

6.1 Guidance and Permitting

The following Government Ministries and Agencies provide guidance, permits and licenses relevant for investing in the mining industry.

6.1.1 Ministry of Minerals

The Ministry of Minerals (MoM) is responsible for guiding the development of the Mineral Sector in Tanzania through the Mineral Division. The Mineral Division conducts promotion of the Minerals Sector investment opportunities and policy issues while the Mining Commissions issues guidance on; granting licenses, permits and authorization in matters related to explosives, mineral trading; mine installations, mineral exports and imports; exploration, mining and mineral processing; and provides support services for small-scale mining. Further information can be accessed on the Ministry Websites: www.madini.go.tz



6.1.2 Vice President's Office-Department of Environment

Applicants for mining licenses are required to obtain environmental clearance from the Vice-Presidents Office responsible for environment management matters. National Environment Management Council (NEMC) is an Agency under this Ministry responsible for the Environmental Impact Assessment (EIA) process. For further information visit www.nemc.or.tz

6.1.3 Tanzania Investment Centre

The Tanzania Investment Centre (TIC) is responsible for coordination, promotion and facilitation of investment in Tanzania. The Agency deals with all enterprises whose minimum capital investment is not less than US \$ 300,000 if foreign owned or US \$ 100,000 if locally owned. The Agency assists investors to obtain permits and authorization to set up and operate investments in Tanzania, except for enterprises engaged in mining and oil & gas which must follow the approval process contained in their respective laws. For further information visit www.tic.co.tz



6.1.4 Business Registrations and Licensing Agency

The Business Registrations and Licensing Agency (BRELA) is responsible for registration of business names, companies and intellectual property rights such as patents of inventions, industrial designs, trade and service marks. It also registers industries and grant licences for manufacturing industries. For further information visit www.brela.go.tz



6.1.5 State Mining Corporation

The State Mining Corporation (STAMICO) is a Government Parastatal responsible for developing mineral resources on behalf of the Government. STAMICO offers services to the mining industry such as contract drilling, resource assessment, as well as providing extension services to small scale miners. For further information visit: www.stamico.co.tz



6.1.6 Geological Survey of Tanzania

The Geological Survey of Tanzania (GST) is a Government Agency responsible for acquisition and storage of geo-scientific data and information on mineral resources. Core activities range from geological mapping, mineral exploration, evaluation, and processing, and research work on geological processes and mineral systems and geo-hazards. GST offers laboratory and geo-information services and resource appraisal. For further information visit: www.gst.go.tz



6.2 Skills Development

6.2.1 Mineral Resource Institute

MRI is an Institution under the Ministry of Energy and Minerals, responsible for providing competence based training for technicians in the field of Geology, Mineral Exploration, Mining engineering and Mineral Processing Engineering. For further information visit website: www.mri.ac.tz

6.2.2 Other Training Institutions

Other training institutions which provide training related to mining industry include Tanzania Gemological Centre which offers training in gemology, lapidary, jewellery and rock carving; Vocational Education and Training Authority (VETA); Dar es Salaam Institute of Technology (DIT); Arusha Technical College (ATC); University of Dar es Salaam (UDSM) and University of Dodoma (UDOM).



7. MINERAL SECTOR GOVERNANCE FRAMEWORK

7.1 The Mineral Policy of 2009

The Mineral Policy of 2009 was formulated within the framework of the Tanzania Development Vision 2025. The three principal objectives of the Vision 2025 are achieving quality and good life for all; good governance and the rule of law; and building a strong and resilient economy that can effectively withstand global competition. These objectives not only deal with economic issues, but also include social issues such as education, health, the environment and increasing involvement of the people in working for their own development. The thrust of these objectives is to attain a sustainable development.

Under the Mineral Policy of 2009, the vision for the next 25 to 30 years for the Mineral Sector is to have a strong, vibrant, well-organized large and small-scale mining industry conducted in a safe and environmentally sound manner with a public-private partnership.

Objectives of the Mineral Policy:

- To continue to attract private investments in exploration and mining;
- Government to participate in strategic Projects;
- To emphasize integration of the mineral sector with the rest of the economy;
- To establish a fiscal regime which balances benefits with investments competitiveness;
- To support mineral beneficiation and marketing;
- To underpin development of small scale miners;
- To promote public participation in mining activities; and
- To guide investors towards sustainable exploitation of mineral resources of Tanzania in a win - win manner.

7.1.1 The Role of the Government

The role of Government is to formulate policy, establish guidelines and regulate the mineral sector; promote and facilitate private investments; and provide essential services needed by the mines. The Government may participate strategically in mining activities such as exploration, mineral exploitation and value addition. This will stimulate other sectors of the economy and increase benefits to the nation.

7.2 Legal regime

Tanzania has a globally competitive and investor-friendly legal regime. The Mining Act, Cap.123, guarantees investors' security of tenure, repatriation of capital and profits, and transparency in the issuance and administration of mineral rights. It also addresses environmental concerns adequately.

Applicable legislations in the Mineral sector are **The Mining Act, Cap.123**, and **The Explosives Act, 1963**. The Mining Act of 2018 (revised edition) sets out the legal framework governing mineral exploration, exploitation and marketing. Various mining regulations have been established under the Mining Act, 2018 to regulate mining activities. These mining regulations are:

- The Mining (Mineral Rights) Regulations, GN. No. 1 of 2018'
- The Mining (Environmental Protection for Small Scale Mining) Regulations, 2010
- The Mining (Mineral Beneficiation) Regulations, GN. No. 5 of 2018'
- The Mining (Safe Working and Occupational Health) Regulations, 2010
- The Mining (Audit and Inspection of Records) Regulations GN. No. 7 of 2018'
- The Mining (Mineral Rights) Regulations, GN. No. 1 of 2018
- The Mining (Radioactive Minerals) Regulations, GN. No. 4 of 2018'

- The Mining (Minerals and Mineral Concentrates Trading) Regulations, GN. NO. 2 of 2018'
- The Mining (Geological Survey) Regulations, GN. No. 6 of 2018
- The Mining (Salt production and lodation) Regulations, 1999
- The Merelani (Controlled Area) Regulations, 2002
- The Mining (Diamond Trading) Regulations, 2003

The Explosives Act of 1963 sets out the legal framework for importation, exportation, handling and application of explosives in mining. The Explosives Regulations, 1964 have been established under the Explosives Act, 1963 to regulate explosives matters in mining.

7.3 Salient features of the Mining Act 2018(Revised Edition)

7.3.1 General

- Mineral property and control over minerals is vested in the United Republic of Tanzania.
- No prospecting or mining operations without Mineral Rights.
- State participation in some licenses
- Joint ventures between local and foreign companies are encouraged.

7.3.2 Local and Foreign Participation in Mining

- Exploration and mining is open to locals and foreigners or Joint ventures between local/foreign companies except for the following:
 - ⇒ Foreigners are not permitted to hold or conduct their exploration/mining activities using PMLs ;
 - ⇒ Gemstone exploration and mining is reserved for locals. The Mining Commission may authorize some projects to run

jointly by locals and foreigners (on 50/50 equity).

- Mineral trading can be conducted by locals or jointly by locals and foreigners where locals must hold not less than 25% shares in the joint venture; and
- Licensing of exploration and mining is based on '*first come first served*' principle.

7.3.3 State Participation

Government may acquire free carried interest and a paid-up equity

7.3.4 Local Procurement

All license holders must submit their local content plans on annual basis with preference for local services and products.

7.3.5 Compensation and Relocation

Mining projects must provide a compensation, relocation and resettlement plans, which must be implemented before the commencement of mining operations;

7.3.6 Mineral Royalties

Royalties are charged on Gross Value for different mineral commodities as follows: diamonds and gemstone – 6%; Uranium – 6%; precious metals (gold, silver, copper, platinum etc.) - 6%; polished and cut gemstones – 1%; and others (building materials, salt, industrial minerals) – 3% and Inspection and clearance fees which is applied to all minerals – 1%.

7.3.7 Mining Development Agreements (MDA)

Holder of Special Mining Licences (for investments exceeding US\$100 million) may enter into MDA with the Government. MDAs are subject to review after every five years and at the renewal of the mineral right.

7.3.8 Export and Importation of Minerals

- Authorised miners and holders of Dealer licences can export minerals from the Mining Commission of Tanzania.
- All export and import of minerals are subject to export/import permit from the Mining Commission of Tanzania.
- Export and import of radioactive material can be authorised by the Minister for Minerals.

7.3.9 Types of Mineral Rights under the Mining Act 2010

Division A

- Prospecting Licence (PL)
- **Division B**
- Special Mining Licence (SML)
- Mining Licence (ML)

Division C

- Primary Mining Licence (PML)

Division D

- Licence for Processing Minerals
- Licence for Smelting or Refining Minerals

7.3.10 Licences for trading in minerals

The following licences can be issued for dealing in minerals:

- **Dealer Licences** which can be issued to Tanzania citizens and foreigners
- **Broker Licences** which can be issued to Tanzania citizens only

Dealer licences can be issued with respect to the following mineral categories: Gold, Metallic minerals, Coloured gemstones, Diamonds, Coal and Industrial minerals.

The Tanzania's licensing system distinguishes mineral rights by mining scale and type of minerals as elaborated below:

- **Mineral categories** under the Mining Act of 2018: Metallic Minerals, Energy Minerals, Gemstone Minerals excluding Kimberlitic diamond, Kimberlitic diamond, Industrial minerals, and Building materials.
- **Mineral rights types** under the Mining Act of 2018 include Prospecting Licence (PL); Special Mining Licence (SML); Mining Licence (ML); Primary Mining Licence; Processing Licence; Smelting Licence and Refining Licence.
 - ⇒ **Prospecting licence** - granted for a period of 3 years; at each renewal at least 50% of the area is relinquished.
 - ⇒ **Mining licence** - granted for medium scale mining operations whose capital investment is between USD 100,000 and USD 100 million.
 - ⇒ **Special mining licence** - granted for large scale mining operations whose capital investment is not less than USD 100 million.
- **A licence to mine gemstones** is granted to Tanzanians, except for cases where skills, technology or huge capital is required to develop the ore body. However, participation of a foreign investor would have to be below 50%.



Mineral Royalty Rates and Fees

TYPE	BASE	RATE/AMOUNT	PAYMENT SYSTEM
1. ROYALTY			
• Metallic Minerals (Gold, Copper, Silver, etc)	Gross Value	6%	Paid on export or local consumption upon delivery
• Rough Gemstones, Diamond		6%	Paid on export or local consumption upon delivery
• Gemstones (Cut and Polished)	Gross Value	1%	Paid on export or local consumption upon delivery
• Salt, Industrial Minerals and building Materials, Coal)	Gross Value	3%	Paid on export or local consumption upon delivery
• Energy Minerals (Uranium,)	Gross Value	6%	Paid on export or local consumption upon delivery
• Clearance and Inspection Fees for all minerals	Gross Value	1%	Paid on export or local consumption upon delivery
2. APPLICATION FEES FOR:			
• Prospecting Licence (PL) for metallic minerals, energy minerals and kimberlitic diamond	PL	USD 300 TZS 700,000	Paid on application
• Prospecting Licence for building materials and gemstones excluding kimberlitic diamond	PL	USD 300 TZS 700,000	Paid on application
• Prospecting Licence for industrial minerals	PL	USD 200 TZS 500,000	Paid on application

• Special Mining Licence	SML	USD 5,000 TZS 11,300,000	Paid on application
• Mining Licence	ML	USD 2,000 TZS 4,500,000	Paid on application
• Primary Mining Licence	PML	USD 22 TZS 50,000	Paid on application
• Transfer of Primary Mining Licence	PML	USD 200 TZS 500,000	Paid on application
• Transfer of shares in Primary Mining Licence	PML	USD 500 TZS 1,130,000	Paid on application
• Transfer of minerals rights other than Primary Mining Licence	PML	USD 3,000 TZS 6,800,000	Paid on application
• Search in register, for every one hour or part thereof		USD 50 TZS 130,000	Paid on application
• Registration of any document of the Commission		USD 500 TZS 1,130,000	Paid on application
• Approval of any document by the Commission		USD 500 TZS 1,130,000	Paid on application
3. APPLICATION FOR CERTIFICATE OF SUSPENSION OF:			
• Work in the mineral rights under Division C	Number of mineral rights	USD 25 TZS 50,000	Paid on application
• Work in mineral rights other than mineral rights under Division C	Number of mineral rights	USD 200 TZS 500,000	Paid on application
4. APPLICATION FOR A CERTIFICATE OF AMALGAMATION OF:			
Primary Mining Licence	Number of amalgamation transaction	USD 100 TZS 200,000	Paid on application
5. APPLICATION FOR A CERTIFICATE OF SURRENDER OF:			
• Part or Whole of the Primary Mining Licence area	Number of Certificates	USD 22 TZS 50,000	Paid on application

<ul style="list-style-type: none"> Part or Whole of the area of a mineral right other than a Primary Mining Licence 	Number of certificates	USD 500 TZS 1,130,000	Paid on application
6. PREPARATION FEES FOR:			
<ul style="list-style-type: none"> Prospecting Licence for all minerals 	PL	USD 300 TZS 700,000	Paid upon receipt of offer
<ul style="list-style-type: none"> Mining Licence for all minerals 	ML	USD 1,000 TZS 2,300,000	Paid upon receipt of offer
<ul style="list-style-type: none"> Special Mining Licence 	SML	USD 2,000 TZS 4,500,000	Paid upon receipt of offer
<ul style="list-style-type: none"> Primary Mining Licence 	PML	USD 22 TZS 50,000	Paid on application
7. APPLICATION FEES FOR RENEWAL OF:			
<ul style="list-style-type: none"> Prospecting Licence (PL) for metallic minerals, energy and kimberlitic diamond 	PL	USD 300 TZS 700,000	Paid on Renewal
<ul style="list-style-type: none"> Special Mining Licence 	SML	USD 5,000 TZS 11,300,000	Paid on Renewal
<ul style="list-style-type: none"> Mining Licence 	ML	USD 2,000 TZS 4,500,000	Paid on Renewal
<ul style="list-style-type: none"> Mining Licence for building materials and industrial minerals 	ML	USD 2,000 TZS 4,500,000	Paid on Renewal
<ul style="list-style-type: none"> Primary Mining Licence 	PML	USD 44 TZS 100,000	Paid on Renewal
8. ANNUAL RENTS PAYABLE FOR ALL MINERALS RIGHTS OTHER THAN MINERAL RIGHTS UNDER DIVISION C: (per sq. km)			
<ul style="list-style-type: none"> Prospecting Licence for metallic minerals, energy minerals, kimberlitic diamonds, building materials and gemstones for initial period 	Licence Area	USD 100 TZS 230,000	Paid annually

• Prospecting Licence for building materials	Licence Area	USD 100 TZS 230,000	Paid annually
• Prospecting Licence for gemstones excluding kimberlitic diamonds	Licence Area	USD 100 TZS 230,000	Paid annually
• Annual rent for first renewal of a Prospecting Licence	Licence Area	USD 150 TZS 340,000	Paid annually
• Annual rent for second renewal of a Prospecting Licence	Licence Area	USD 200 TZS 500,000	Paid annually
• Special Mining Licence	Licence Area	USD 5,000 TZS 11,300,000	Paid annually
• Mining Licence for metallic minerals, energy minerals, gemstones and kimberlitic diamonds	Licence Area	USD 3,000 TZS 6,800,000	Paid annually
• Mining Licence for building materials and industrial minerals	Licence Area	USD 2,000 TZS 4,500,000	Paid annually
9. ANNUAL RENTS FOR MINERALS UNDER DIVISION C:			
• Primary Mining Licence for all minerals other than gold, kimberlitic diamonds and gemstones, subject to a minimum of TZS 80,000/= for each licenced area having less than 2 hectares	Licence Area	USD 20 TZS 45,000	Paid annually
• Primary Mining Licence for all minerals other than gold, kimberlitic diamonds and gemstones, subject to a minimum of TZS 160,000/= for each licenced area having less than 2	Licence Area	USD 40 TZS 90,000	Paid annually

hectares			
10. FEES FOR DEALING WITH MINERALS			
• Application fee for Dealer Licence (Non-refundable)	DL	USD 200 TZS 450,000	Paid on application
• Application fee for Broker Licence (Non-refundable)	BL	USD 25 TZS 50,000	Paid on application
• Licence fee for Dealer Licence – Gold, Metallic & Coloured Gemstones	DL	USD 1,000 TZS 1,230,000	Paid on application
• Licence fee for Dealer Licence - Diamonds	DL	USD 2,000 TZS 4,500,000	Paid on application
• Licence fee for Dealer Licence – Coal and Industrial Minerals	DL	USD 500 TZS 1,200,000	Paid on application
• Licence fee for Broker Licence	BL	USD 100 TZS 200,000	Paid on application
• Application fee for renewal of Dealer Licence	DL	USD 100 TZS 230,000	Paid on application
• Application fee for renewal of Broker Licence	BL	USD 25 TZS 50,000	Paid on application
• Renewal of Dealer Licence – Gold, Metallic & Coloured Gemstones	DL	USD 1,000 TZS 2,300,000	Paid on application
• Renewal of Dealer Licence - Diamonds	DL	USD 2,000 TZS 4,500,000	Paid on application
• Renewal of Dealer Licence – Coal and Industrial Minerals	DL	USD 500 TZS 1,130,000	Paid on application
• Renewal Broker Licence	BL	USD 100 TZS 200,000	Paid on application
11. FEES FOR EXPORT & IMPORT OF MINERALS			
• Application fee for Export Permit	Permit	USD 100	Paid on application

of minerals		TZS 230,000	
• Application fee for Import Permit of minerals	Permit	USD 300 TZS 680,000	Paid on application
• Application fee for special Export Permit of minerals for non-resident	Permit	USD 2,000 TZS 4,500,000	Paid on application
• Application fee for Special Export Permit of minerals for tourist	Permit	USD 250 TZS 600,000	Paid on application
• Application fee for Special Export Permit of minerals purchased at a Gem Trade Fair	Permit	USD 200 TZS 500,000	Paid on application
• Application fee for Special Import Permit of minerals purchased at a Gem Trade Fair	Permit	USD 200 TZS 500,000	Paid on application
•			
12. FEES FOR PROCESSING, SMELTING AND REFINING LICENCES			
• Application fee for Processing Licence, Smelting Licence or Refining Licence	Licence	USD 200 TZS 500,000	Paid on application
• Preparation fee for Processing Licence, Smelting Licence, Smelting Licence or Refining Licence	Licence	USD 200 TZS 500,000	Paid on application
• Annual Licence fee for Processing Licence, Smelting Licence or Refining Licence	Licence	USD 1,000 TZS 2,300,000	Paid on application
• Application fee for renewal of Processing Licence, Smelting Licence or Refining Licence	Licence	USD 200 TZS 500,000	Paid on application

7.3.11 Licensing Authority

The Mining Commission is responsible for granting the following licences:

- Special mining licence – Its application of it must be submitted to the cabinet for approval
- Mining licence
- Smelting and Refining Licence
- Prospecting Licence
- Processing Licence

Resident Mines Officers - are responsible for granting the following licences:

- Primary Mining Licence
- Dealer Licences
- Broker Licences

7.4 Fiscal Regime Applicable in Mining

Fiscal terms are governed by the Financial Laws (Miscellaneous Amendments) Act, 1997 and The Value Added Act, 1997 and their subsequent amendments. For more information visit: www.tra.go.tz



7.4.1 Input Taxes

- i) Import Duty exemption for mining equipment and supplies directly related to the mining operations are granted up to one year after the start of production. A cap limit of 5% customs duties on imports of capital equipment and supplies applies thereafter.
- ii) Value Added Tax (VAT) on domestic sales is 18% and exports are zero-rated. VAT paid is fully recoverable and there is full relief from VAT for services or goods exclusively for mining activities.
- iii) Holders of mineral rights are exempted from domestic Withholding Tax on goods and services supplied by them. However, they shall be obliged to withholding tax on domestic goods or services purchased by them.
- iv) Withholding tax on technical service payments to subcontractors shall be 5% to residents and 15% to non-residents.
- v) Fuel Taxes (Fuel Levy and Excise duty on fuel): US\$200,000 per annum.
- vi) Local Levy is charged at 0.3% of annual turnover and is paid to Local Government authority where the mine is located.

7.4.2 Profit Taxes

- i) Corporate tax on income from mining activities is 30% of the net income of the corporation, which is standard for all corporate bodies in Tanzania.
- ii) There is ring fencing around the mining sector.
- iii) Depreciation is allowable to all mining capital expenditure and on exploration and production rights.
- iv) Losses may be carried forward for recovery without limit.
- v) Withholding tax on paid out dividends and tax on distribution of branch profits to non-residents is 10%.
- vi) Withholding tax rates on loan interest or interest paid to related parties will be 10%, but shall not apply to interest paid to resident financial institutions.

Updates on fiscal terms are available at: **www.tra.go.tz**

7.5 Procedures for Applying for Mineral Rights in Tanzania

(Note: This information is given for guidance only. Reference to the Mining Act, 2018 and its Regulations is advised when applying for mineral rights).

7.5.1 Application for Prospecting Licence (PL)

- Step 1. Applicant identifies area of interest.
- Step 2. The Applicant completes and submits a Prospecting License Application Form and supporting documents to the Mining Commission;
- Step 3. Technical Committee on Mineral Titles evaluates the Application (financial capability and technical expertise) and makes recommendation to the Mining Commission;
- Step 4. The Mining Commission issues an Offer Letter to the Applicant with prescribed fees, or issues a Rejection Letter;
- Step 5. Subject to acknowledgement and payment made against the offer, The Mining Commission grants the Mineral Right to the Applicant; and
- Step 6. The Licensee must obtain an Entry Permit from respective Local Authority body prior to commencement of any work on the licensed area;

() Supporting documents include: 3 copies each of: (a) Application form (MRF 1) with Coordinates in Arc 1960, (b) A topographical map of the area of interest, (c) Work Program for the proposed prospecting operation, (d) Local Content Plan, Corporate Social Responsibility Plan and Statement on “Integrity Pledge”, (e) Particulars of Company: Certificate of Incorporation, Memorandum and Articles of Association, (f) Latest audited Accounts of the Company, (g) Evidence of financial capability to carry out the proposed operations.*

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7.5.2 Application for Mining Licence (ML) or Special Mining Licence (SML)

- Step 1. Applicant identifies the relevant Prospecting License(s).
- Step 2. The Applicant submits an Application Form for Mining License and supporting documents to the Mining Commission.
- Step 3. Technical Committee on Mineral Rights evaluates the Application (financial capability and technical expertise) and makes recommendations.
- Step 4. For a successful Application, the Executive Secretary to the Mining Commission issues an Offer Letter to the Applicant with prescribed preparation fee or issues a Rejection Letter. SML Applications are referred to the Minister for Minerals who take the application to the cabinet for approval.
- Step 5. Subject to acknowledgement and payment made against the offer, the Mining Commission grants the ML or SML to the Applicant.
- Step 6. The Licensee must obtain an Operating Permit from the Chief Inspector of Mines and Local Authorities, before any work on the concession area commences.

() Supporting documents include: 3 copies each of: (a) Application form (MRF2) with Coordinates in Arc 1960, (b) Topographical map of the applied area, (c) Feasibility Study Report, (d) Latest Audited Accounts report/financing details, (e) Company Details: If a Registered Enterprise/Venture – Certificate of Registration, If a Registered Company - Certificate of Incorporation & Company Memorandum, (f) Environmental Certificate from the Vice President's Office-Environment, (g) Compensation and Resettlement Plan, (h) Local Content Plan, Corporate Social Responsibility Plan and Statement on "Integrity Pledge".*

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7.5.3 Application for Primary Mining Licence (PML)

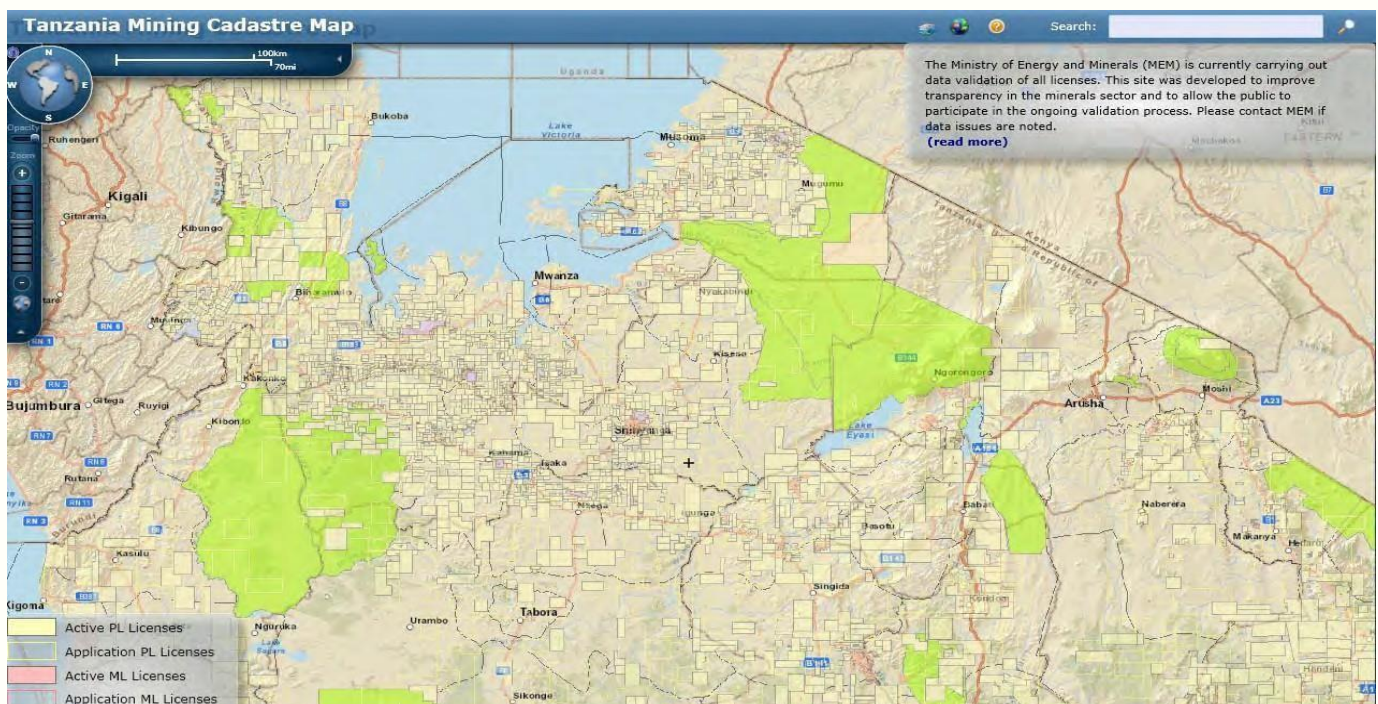
- Step 1. Applicant identifies area of interest.
 - Step 2. The Applicant completes and submits a Primary Mining License Application Form and supporting documents to the Resident Mines Officer.
 - Step 3. The Resident Mines Officer receives Application and issues an Acknowledgement Receipt to the Applicant.
 - Step 4. The Mining Commission reviews and recommends the Application and issues an Offer, or Rejection Letter.
 - Step 5. Successful Applicant pays prescribed Preparation Fee.
 - Step 6. The Mining Commission Grants a Primary Mining License (PML) to the Applicant.
 - Step 7. Before commencing mining operations, PML Holder prepares and submits Environmental Protection Plan (EPP).
 - Step 8. The Mining Commission assesses the submitted Environmental Investigation and Social Study Report and EPP.
 - Step 9. The Mining Commission approves the EPP.
 - Step 10. The PML Holder must obtain Entry Permit from the Local Authorities thereafter from the land owners before beginning operations.
- (3) *Supporting documents include: 3 copies each of: (a) Application Form (MRF 5), {b} Site plan, {c} Geographic Coordinates (Arc 1960 datum), {d} For individual Applicant - passport size photo of Applicant, to be attached on the form, (e) For a group made up of at least 10 members - passport size photo of each member and a Constitution of the group, (f) For Co-operative Society - Registration Certificate, Details of Members & Regulations, {g} Registered Enterprise/Venture (which has mining listed as part of its core business) – Certificate of Registration, (h) Registered Company - Certificate of Incorporation, Company memorandum and articles of association. (which has mining listed as part of its core business).*

7.5.4 Application for License Trading Minerals

- Step 1. Applicant submits Application to Resident Mines Officer together with supporting documents.⁽⁴⁾
- Step 2. The Resident Mines Officer inspects Applicant's business premises.
- Step 3. The Mining Commission technical Committee reviews the Application to determine Applicant's capability/suitability to undertake the project.
- Step 4. Recommendation from the technical committee is taken to the Mining Commission.
- Step 5. The Mining Commission grants the Dealer Licence to Applicant, or sends a Rejection Letter.

(4) *Supporting documents include: 2 copies each of: (a) Certificate of Incorporation, (b) Memorandum and Articles of Association, (c) Latest Audited Accounts, (d) Evidence of Financial Capabilities, (e) Estimate of amount of money proposed to be spent, (f) Tax Clearance Certificate, (g) Local Content Plan, (h) Curriculum Vitae of key/technical staff, (i) Particulars of Machinery and Equipment available for project, (j) Particulars of other capital items available for the project, (k) Proof of payment of consideration fee.*

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