

By John Odyeke

WAGAGAI'S FIRST GOLD BARS TO BE PRODUCED BY DECEMBER

Wagagai Mining (U) Ltd, a multi-million-dollar large-scale gold mining and refining facility in Alupe, Busia (Eastern Uganda), will commence the production of gold bars by December 2024.

The company targets to process five tonnes of gold ore per day and will refine the gold to 99.99% level of purity. This will be Uganda's first major large scale production beyond the production from artisanal and small-scale miners.

The development comes as the Extractives Industry Transparency Initiative (EITI) board has called on Uganda to focus on its gold traceability mechanisms, reconciliation of gold refining and trade figures.

The gaps in gold traceability and discrepancies in figures is affecting Uganda's score on transparency and accountability.

Derrick Rukare from the Wagagai Mining Ltd told the media on Monday last week that after spending the last five years constructing the mine, the company was now ready to begin the first production batch.

"By the end of the year we shall have the first batch of the production of gold," He explained.

Rukare made the remarks as the Uganda Chamber of Mines & Petroleum was launching the '30 Days of Mining' campaign. It was held at the Kampala Serena Hotel. The campaign is intended to highlight opportunities,

challenges within the sector to inform policy and investment decisions.

The campaign's theme is: *Leveraging Critical Minerals for Sustainable Development and Economic Transformation*. It runs till September 30.

Wagagai has created about 3,000 jobs. The mine boasts of a network of underground tunnels that will be used to transport ores from underground to the surface for processing.

He has discovered 30 million tonnes of gold ore in a green-stone belt in Busia district. Uganda now has six gold refineries that are refining Uganda's abundant gold deposits and those coming from Africa.

Uganda has emerged as a major hub of gold trade in the region, with exports recorded at \$2.3b (sh8.6 trillion) last year according to reports from the Bank of Uganda. Government has set a tariff of \$200 per kg on processed gold for exports which is likely to improve policy clarity on the exports of processed gold.

The energy state minister, Phiona Nyamuturo, has said she has received complaints from staff of Wagagai. The minister said there was



PHOTO BY JOHN ODYEK

Gitu (left) and Rukare discussing during the launch of the '30 Days of Mining' campaign at Kampala Serena Hotel

maltreatment, exploitation, physical violence and many other unfortunate incidences by the company bosses.

"We have tasked the company with generating action plans ensuring no such complaint is registered again. It is our responsibility as government to ensure citizenry protection against all odds," Nyamuturo said.

The minister visited the company June 12 while inspecting mining activities in Busia district.

She directed Wagagai to work hand in hand with the

mineral Police to handle any matters arising with the workers.

Nyamuturo asked the company to develop a community development agreement with the local government and operate strictly within the requirements of the law with prompt supervision from the energy ministry.

According to the Uganda Bureau of Statistics, the mining sector's contribution to national GDP has grown from 0.3% in FY 2009/2010 to 2.2% in FY2022/23.

REDUCE MERCURY

Lynn Gitu, the programme leader of IMPACT, said that artisanal and small scale miners can contribute to Uganda's development given that there has been clarity on regulations of the sector. IMPACT is an international non-profit organisation tasked with implementing the reduction of mercury use in Uganda in partnership with the National Environment Management Authority and the directorate of geological surveys and mining.

Gitu said they were supporting artisanal and small-scale gold miners to reduce mercury use by 15 tonnes over five-year years. He explained that mercury is hazardous to humans and the environment. While the quantities of gold that artisanal miners are extracting and processing are very small, the use of mercury is very common.

During the event, Nabil Alam, the country director of the Consolidated African

Mines, said the company was undertaking a definitive feasibility study for the Orom Cross Graphite Project in Kitgum district. The company has since 2019 been undertaking surveys and providing samples to potential buyers for analysis. The Government issued a 21 mining licence for the project in 2019.

The definitive feasibility study will outline the cost, environmental measures and offtake agreements to enable a final investment decision to be made next year. Alam explained that graphite production can make Uganda become a leader in the technology of graphite production.

Richard Kaijuka, the chairperson of the board of trustees of the chamber, said there are countries like the United Arab Emirates that have 14 gold refineries and yet they have no gold deposits like Uganda.

He called on the Government to collaborate with the private sector to push for the exploration, quantification of Uganda's mineral potential and systematically add value addition to them.

Aggrey Ashaba, the chairperson of the chamber, appealed to the Government to set up the national mining company that can undertake high risk ventures such as exploration.

Ashaba proposed that the company be used to invest in the exploration and production of critical energy transition minerals in Uganda.