



MADI

Minerals Africa Development
Institution

MADI AFRICA

Times

Newsletter

June - 2022 - Issue

//EDITOR'S NOTE



Welcome to yet another issue of the MADI Africa Times. In Uganda, June is usually celebrated as the Heroes' month and we celebrate Martyrs' Day commemorating our martyrs in the Christian faith who were killed in Uganda in the 20th Century. We also celebrate Heroes' Day, where we celebrate our national heroes. This month, MADI celebrates each one of you as our heroes.

June brought many notable events in MADI and we cannot wait to share exciting updates on our new projects and how we hope to impact Africa's mineral resource sector for the better.

Happy Reading!

Charlotte Kwitonda - Editor in Chief



AFRICA MAVAL LAUNCH MEETING



Our Executive Chairman, Dr. Frank Mugenyi and our Board Director Ms. Elizabeth Byarugaba attended the AfricaMaVal Kick-Off meeting which was held from 23rd to 24th June 2022 at the Avani Windhoek Hotel in Windhoek, Namibia.

Our project leader, Dr. Frank Mugenyi gave an insightful presentation on MAD’s role under the project which is “Building an EU and Africa business networking with upstream and downstream companies.”



AfricaMaVal: EU-Africa Partnership on Raw Material Value chains



WP5: Building an EU and Africa business networking with upstream and downstream companies

Description of work

- **Task 5.1 Mapping African clusters (M1-M18).**
 - Map formal and informal players (large, small-scale, and artisanal) along the value chains, as well as networks and clusters
 - Create an on-line accessible directory and networking platform (EU-Africa RM Networking Platform)
 - Capture local/regional clusters of providers of equipment, support services, transport, education, etc. (intra- and inter-cluster network relationships, and the interdependences of industrial and ASSM clusters)
- **Task 5.2 - Promoting local content and enabling mining cluster actors (M12-M24) – Leader INTRAW.**
 - Co-create new value, businesses, products and services by transforming the ways they interact.
 - Increase entrepreneurial capacity of individuals and organisations.
 - Develop mineral RM network (technological, environmental, economic and social dimensions) with research, academia, industry and governmental stakeholders
 - Promote the development of accredited education and training programmes in mineral processing, mining engineering, geology and sustainability management) delivered (for free) through Massive Open Online Courses
 - Trans-African mentoring network and scheme for placement of interns and apprentices with upstream and downstream players in the extractive industry.

This project has received funding from the European Union's Horizon Europe research and innovation programme under Grant Agreement No. 101057832 — HORIZON-CL4-2021-RESILIENCE-01



MADI NEWS

MADI PRESENT AT THE PDAC



This month, MADI is excited to announce that we shall be participating in the Convention of the Prospectors & Developers Association of Canada (PDAC), the world's premier mineral exploration and mining event where firms along the global mineral value chain come together to showcase their work which will run in-person from 13th -15th June and will be followed by an online event on 28th -29th June 2022.

The event boasts over 30,000 in-person attendees as well as thousands of international visitors and investors. Participants will get a chance to not only take part in programs, courses and networking events but will also get a chance to check out the online booths where organizations will be exhibiting their work and products.

MADI with support from our esteemed board director was able to secure a booth online where our projects and publications shall be showcased. This goes a long way in putting Africa on the map as a potent participant along the global minerals value chains.



INTERESTING READS

WHY UGANDA'S CRITICAL MINERALS INDUSTRY IS IMPORTANT

By **BWESIGYE DON BINYIMA**

Recently, the world met in South Africa's Cape Town for the Mining and Alternative Mining Indaba. The Mining Indaba Conference is the largest of its kind in the world. Every year, it brings together mining corporate executives, the captains of the industry, in search of the next deal, government leaders of resource-rich countries in Africa and the global north, China and civil society actors working in mineral-rich communities on the continent.

The corporate theme for the conference was the "Evolution of African Mining: Investing in the Energy Transition, ESG, and the Economies", while the one for the coalition of continental civil society actors in the extractive industries contesting the corporate greed among other injustices was, "A just energy transition for sustainable mining communities in a climate crisis era."

This modern-era scramble for Africa's mineral resources has been exacerbated by Russia's invasion of Ukraine, which has destabilized global equilibrium of raw materials supply chains. Russia contributes seven per cent of global nickel, 10 per cent of the world's platinum and 25 to 30 per cent of the world's palladium. With these resources off the market, Africa becomes the new frontline for sustainable access and supply of the world's most sought-after energy minerals.

It is, therefore, not surprising that this year's mining Indaba has, among others, attracted the highest-ranking USA and Chinese government officials as well as representatives from the EU, Japan Oil, Gas and Metals Corporation (JOGMEC). Uganda is one of the many countries in the Great Lakes region that have committed to the Paris Agreement and the need to address the mineral intensive clean energy technologies for a transition to a 1.5oC - 2oC by 2050.

At a global level, achieving this climate stabilization to pre-industrial levels of 1.5oC will require investment to a tune of \$5.7 trillion per year until 2030. By 2030, the 1.5oC will create 85 million additional energy transition jobs. These jobs will require skilling up the youth for which Ugandan policymakers and East African Community member states must be prepared to incubate or be left out of this resource boom cycle.

The technology driving demand for critical minerals is concentrated in solar photovoltaic, energy storage for all forms of modern gadgets such as laptops and smartphones and eco- smart electric vehicles currently on the increase, geothermal technologies, hydroelectricity, and wind technologies.

Uganda has a renewable energy resource potential for an estimated 2,000MW of hydroelectric power, 450MW of geothermal energy, among others. Uganda is also one of the bottom 20 access deficit countries with 26 million citizens without access to electricity.

Recent developments in the mineral sector place Uganda at the center of the energy revolution, both for its energy security needs, but also as a key player in shaping regional initiatives and the control of the international supply chains of critical minerals.

These developments call for a regional collaborative solution as opposed to a one-state solution such as the presidential ban on the export of unprocessed raw materials imposed in 2011 by the Ugandan government. The critical minerals industry requires a special Afro-centric policy, fiscal and regulatory framework modelled on the East African Community vision, African Union Agenda 2063 and the Africa Mining Vision.

Expediting the review and passing of the East African Community Mining Bill should, therefore, be a priority for the new East African Legislative Assembly (EALA). Some of the Ugandan critical minerals in the spotlight include iron ore in the western region, copper and cobalt at Kilembe, nickel and natural graphite potential in northern Uganda, the 3Ts (tin, tungsten and tantalum) in western Uganda and Rare Earth Elements in the eastern part of the country.





Domestic regulation and development of these resources must be data-driven to establish their commerciality, mine life, access to finance to establish the desired technology in Uganda and specific commodity feasibility studies to establish availability of regional sustainable supply of raw materials to sustain value addition initiatives within the East African Community and the Great Lakes region.

A recent study by Bloomberg demonstrates that enhancement of mineral beneficiation and value addition on the African continent is viable and has the potential to reverse the continent's race to the bottom, reduce export of raw materials and jobs to the capital cities of the global north and Chinese economies, build local content through skills and technology transfer and guarantee foreign investors good returns on their investments.

The report reveals that a unified inward-looking African lithium-ion and cobalt battery industry-value and supply chain system is economically feasible. It would cost \$39 million to build a 10,000 ton cathode precursor plant in DRC.

This is three times cheaper than a similar plant in the USA. This competitiveness is driven by sustainable access to raw materials, access to affordable land, low costs of engineering, procurement and construction that should attract mineral refiners and processors in the global north to consider shifting their operations to the Great Lakes region.

These developments call for a harmonized stable and predictable Great Lakes regional policy, regulatory and fiscal regime focusing on collaboration as opposed to competition for Foreign Direct Investment (FDI), creating governance, political and security systems that eliminate illicit mineral trade, cross-border mineral smuggling, putting an end to human rights abuses, and promoting regional mineral trade and supply chains. With the DRC joining the East African Community, the ball is now all in the hands of the East African heads of states and policymakers.

Source: The Observer, Uganda



// MINERAL COMMODITY PRICES

Source: WORLD BANK COMMODITIES PRICE DATA

Commodity	Unit	April 2022 (Price Average)	May 2022 (Price Average)
Aluminium	\$/mt	3,244	2,830
Copper	\$/mt	10,161	9,377
Iron Ore	\$/mt	151.3	131.2
Lead	\$/mt	2,380	2,142
Nickel	\$/mt	33,133	28,063
Tin	\$/mt	42,991	35,769
Zinc	\$/mt	4,360	3,751
Gold	\$/toz	1,948	1,849
Platinum	\$/toz	965	958
Silver	\$/toz	24.5	21.9

Available at <http://www.worldbank.org/commodities>





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