

TANZANIA CHAMBER OF MINES

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MINES SIGN CODE OF CONDUCT

Two operating gold mining companies in the country have on the 30th March entered into a Code of Conduct agreements with the Tanzania Mines and Construction Workers Union (TAMICO) that establishes relationship and rights of each part.

Hon. Prof. Juma Kapuya, Minister of Labour, Youth Development and Sports, also witnessed the signing ceremony that took place at the National Social Security Fund Conference Room in Dar es Salaam. The companies that signed include Geita Gold Mining Company Limited (GGM) and Kahama Mining Company Limited (KMCL).

The Chief Executive Officer, Mr. Peter Turner and Human Resources Manager, Mr. David Kiama signed on behalf of GGM, the Managing Director, Mr. Roy Meade and the Chief Legal Counsel, Mr. Deo Mwanyika signed on behalf of KMCL.

TAMICO's General Secretary, Mr. Makwaya M. Pingu and the National Chairman, Mr. Fred Masasi, signed on behalf of the Trade Union.

The agreement was attained after long and cordial discussions initiated by the companies, the Minister of Labour Youth and Sports and TAMICO and lasted for over four months.

Before the start of the talks there was misconception that foreign mining investors were against establishment of trade unions in their areas of operations. However, it has now been established beyond doubt that all mining companies in the country respect employees' freedom of association and the right to union representation. What has been the companies' concern was the lack of protocol arrangements that govern Trade Union membership recruitment in the workplace.

It was with this background that the mining companies sought the Code of Conduct to steer voluntary union's affairs. The Code of Conduct will play the role of regulatory machinery setting obligations and responsibilities to each party without any friction.

The Code among other things affirm to the principles and values of internationally

accepted labour relations and human resource practice; establish a procedure for the resolution of disagreements that may arise from time to time and bind both parties to seek and promote an industry that is safe, humane and productive.

The agreement set a deadline of 30 days after the signing for the negotiation of an Access Agreement to commence. Both parties are required to use best endeavours to conclude the agreement within two months of the negotiation.

As far as the implementation is concerned, the agreement binds the Mining Companies on one side and the Union on the other to be accountable and accept responsibility for the actions or omissions of its managers and delegates or its members and office bearers.

This Code of Conduct does not compel employees to join the union. The decision to join or not to join the union lies at an individual employee. For those who opt to join the signed Code of Conduct shall regulate the relationship.

The Code of Conduct Agreement that was signed adheres to all Labour Laws of Tanzania as well as ratified ILO Conventions.

In the last five years the mining industry has emerged as one of the key sectors of the Tanzanian economy following Government's resolve to institute economic reforms in the early 1990s. The mining industry has recorded rapid growth in the form of increased mineral exploration endeavours and the opening of four new modern gold mines and in the process creating employment opportunities for many Tanzanians.

It was viewed as imperative that unionization of mining operations evolve in an orderly manner that is acceptable to the Employer as well as the Trade Unions and that there is mutual understanding between the parties in the entire process of

establishing Trade Unions in mining operations. In line with this objective, the Chamber of Mines Labour Committee comprising chief executive officers of five mining companies prepared a Code of Conduct which generally aim at achieving the following:

- ❑ Create an effective channel for an ongoing dialogue between the parties to protect and advance their mutual interest.
- ❑ Affirm the principles and values of internationally accepted labour relations and human resource practice in accordance with the International Labour Organization Standards.
- ❑ Establish a procedure for the resolution of disagreements that may arise from time to time

This Code of Conduct formed the basis for discussions through a series of meetings with the Minister of Labour Youth and Sports together with TAMICO. All the meetings, which were conducted in the spirit of co-operation and mutual understanding, perused the Code of Conduct and dwelt on specific issues and a consensus on the overall approach was achieved. For further grounding of these concepts, it was seen as necessary for both parties to conduct capacity-building initiatives within their establishments in order to sensitize all concerned.

**CHAMBER OF MINES
WELCOME HON. PROF.
SIMON M. MBILINYI MP
AND BID FAREWELL TO
MR. SAMUEL L.
LWAKATARE**

During the last get-together members of the Chamber had an opportunity of welcoming the incoming Chairman and saying farewell to the outgoing Chairman. This follows the recent leadership changes that have taken place in the Chamber. The Vice Chairman, Mr. Ron Clarke gave a vote of thanks on behalf of the Chamber family members during a party, which was organized to welcome Prof. Simon Mbilinyi and say farewell to Mr. Samuel L. Lwakatare on 28th February 2003 at the Royal Palm, Dar es Salaam.

For the benefit of our readers the speeches of the evening are reproduced in verbatim.

I am honored to stand before you, to represent both the Governing Council and the membership of Tanzania Chamber of Mines to say a vote of thanks to the outgoing Chairman Mr. Samuel Lwakatare and to welcome the new Chairman Prof. Simon Mbilinyi.

Distinguished guests Ladies and Gentlemen, Let me take this early opportunity to express our profound gratitude to you all for accepting our invitation and for making time to be with us here tonight.

May I also take the opportunity to extend a special word of welcome to all our guests some of who have travelled from upcountry to attend this function. We in the Chamber of Mines feel very privileged to be with you to night. Your presence here to night is also a welcome indication of your continued interest and support to the Chamber.

Distinguished guests,
Ladies and Gentlemen:

The Governing Council of the Chamber of Mines on behalf of its members has felt it important to request your attendance to this get-together party so that we may use this occasion to formally welcome our new Chairman Hon. Prof. Simon Mbilinyi (MP) and also to bid farewell and express our most heartfelt appreciation to Mr. Samuel Lwakatare who has retired as Chairman of the Chamber.

Distinguished Guests, Ladies and Gentlemen

Mr. Lwakatare is the first Chairman and one of the founder members of Tanzania Chamber of Mines. He has been Chairman since 1994 when the Chamber was inaugurated and has led the Chamber since then during which Mr. Lwakatare created a strong foundation for the Chamber.

However, as you all know, pioneering work is never easy. Many times in its formative years he used his resources to ensure that the Chamber continued to function, for instance, it was his office that was used for conducting Chamber meetings in the early days when the Chamber did not have its own offices. His leadership had to endure and struggle to pave a road on which we proudly stride. Today, after 8 years of his leadership, the Chamber has grown and is being recognized as a critical link between the industry and public as well as government. We are all very proud of this.

Distinguished Guests, Ladies and Gentlemen

TCM is an organization that is led through a voluntary leadership.

May I on behalf of the Tanzania Chamber of Mines take this opportunity to express our profound gratitude to you Mr. Lwakatare for your immense devotion to the Chamber for the whole period of 8 years (during which I cannot recall you missing a Council meeting). We commend you for your vitality, for your dynamism and for your visionary leadership during all that time. The sacrifices that you have made for the Chamber during your leadership overrides compensation of any kind so let it suffice to

say Thank You very much. We are very pleased that you will still be in the Governing Council of the Chamber whereupon we hope to continue tapping on your wisdom in future.

Distinguished guests,
Ladies and gentlemen,

May I now turn to our new Chairman. On behalf of the Tanzania Chamber of Mines may I take this opportunity to welcome you Hon. Prof S. Mbilinyi as our new Chairman. I am quite sure that even before your being elected you were very familiar with the mining industry when you were working in government as Minister for Finance and now as M.P of a constituency known for good mineral endowment including gemstones and gold.

We as a Chamber are very proud to have you as our Chairman and would wish to pledge on behalf of the members to give you the necessary support and co-operation during the tenure of your Chairmanship. Welcome to the Chamber and also to say a few words.

Ladies and Gentlemen, I thank you for your attention.

On his part Prof. Mbilinyi gave a brief of his long walk in his carrier as an academic, a civil servant, an economic advisor to the first President, a diplomat, and now a politician - Member of Parliament and a businessman. He pledged to follow the footsteps of the outgoing Chairman and ensure that the mining industry continues to register growth and the Chamber moving from strength to strength. He pointed out that it was important that all players concerned in the mining industry are taken into consideration including issues of small-scale mining. He added that the public image of mining was currently being undermined and saw this as an area needing the attention of the Chamber.

WORD OF FAREWELL BY OUTGOING CHAIRMAN MR. S. L. LWAKATARE

May I start by thanking the Governing Council and members of the Tanzania Chamber of Mines for hosting this party to welcome Prof. Simon Mbilinyi and to say farewell to me as the outgoing Chairman of the Tanzania Chamber of Mines.

I also thank our guests for giving us the honour tby being here tonight. I did not intend to prepare any speech until this afternoon when I saw to-nights programme. I therefore had to rush and prepare a few notes.

May I thank you for the kind words which have been spoken about me by the Vice Chairman, Mr. Ron Clarke and the nice words for our new Chairman Prof. Simon Mbilinyi. I also wish to thank the Chamber for the nice present which you have given me. I shall treasure it as it will remind me of the good colleagues I have in some cases come to know well and developed friendships over the years through the Chamber.

I wish to share the honour bestowed on me through the good words spoken about my contribution to the Chamber, with all the colleagues who helped make what the Chamber is today.

This has been possible through their close cooperation and devotion to the objectives of the Chamber – basically forging cooperation amongst individuals and other investors with direct or indirect interest in the county's minerals industry so as to liaise with government and other institutions in best ways to develop the sector for the benefit of both the country's economy and peoples well being and also for the investor.

Allow me therefore to pay special tribute to some individuals whose names come vividly to my memory in having devoted so much of

their time and resources to the Chamber especially in the first four or so years when we did not have a functioning Secretariat. We should not forget the service of people like Mr. Kelvin Schultz, Mr Tony Marcfarlane former employees of East Africa Mines and the late Mr. Shah who was the Honorary Treasurer. The contributions of Mr. Ernest Massawe in the formation of the Chamber is also acknowledged.

I should also thank the secretaries and other staff and the respective companies who provided assistance freely since we did not have enough funds, a formal office and as I pointed out, a secretariat. May I also thank the various members who have served on the Governing Council over the years including the current Council and entire membership for their cooperation and support which I have continued to enjoy.

I also thank the Executive Secretary Mr. E. Jengo for the good work is doing for the Chamber. He needs as much of our support as is possible and it is pleasing to note the new strength added to the Secretariat by the recent employment of the Technical Officer Ms. Mwasha and the Secretary Ms. Catherine. This comes after the disappointment of the former Secretary and part-time accountant.

I would be failing greatly if I did not give my special thanks to our parent Ministry of Energy and Minerals. The respective Ministers, Permanent Secretaries, Commissioner for Minerals and other staff who have supported the cause of the Chamber from the time it was being formed up to to-day.

The Permanent Secretary Mr. Rutabanzibwa, The Commissioner, Mr. Mwakalukwa and other staff have all the time been willing to dialogue with us and support us when dealing with different government institutions.

Without our Ministry listening to our views or problems or inviting us to participate as

was done in important matters such as the revision of the fiscal regime for the industry and of the Mining Act. I also wish to acknowledge the cooperation we have received from other Ministries and Institutions such as the Ministry of Finance, Ministry of Labour, TRA and others.

Lastly, let me again thank the entire membership of Tanzania Chamber of Mines for the confidence you have bestowed on me to lead the Chamber since its formation. I have enjoyed working with you and thank you for the peace we have enjoyed in our organization, which has been free of disputes.

I wish to finish by joining all of you in welcoming Prof. Mbilinyi as the new Chairman. His long experience as a government official, former Minister and now serving MP will no doubt benefit the Chamber. I remember Prof. Mbilinyi from the days we both served as Permanent Secretaries in the 1980's.

He is a hard working person and is one of us – he holds prospecting licenses and therefore qualifies to lead the Chamber.

I am convinced Prof. Mbilinyi is suited to lead the Chamber and face challenges which lie ahead of us, such as:

- Striving to give the mining industry a good image in the public. This no doubt involves public relations but equally important on members meeting their corporate and social responsibilities.
- Continuing the effort to broaden the membership so as to get or maintain on board all sectors of our industry including small-scale miners who to some extent are suspicious of large operators. When we started there were only a couple of operating mines. We now have a broad range of membership from large mines to small operators and service providers. We have the challenge of

seeing to it that interests / or affairs of each sector are given due attention by the Chamber

- Maintaining or improving on the incentives currently being enjoyed by the sector and as I said before living to our obligations.

This is a brief mention of challenges which face us. Following my retirement as Chairman, you have given me the honour of electing me to the Governing Council of the Chamber. I shall, therefore be in position to give all support to Prof. Mbilinyi, and the Chamber in this capacity.

Again let me thank you for arranging this function and for the present.

Thank you for listening to me.
Good Evening.

NEWS FROM THE INDUSTRY

SPINIFEX GOLD LIMITED Mark Gasson reports.

Spinifex Gold Limited, 100% owner of East Africa Mines Limited, has undeveloped resources of 1.9 million ounces of gold on several strategically placed properties in the Lake Victoria Goldfields. The Company recently reached agreement with Gallery Gold to a merger by Scheme of Arrangement in which Gallery Gold will be the surviving entity listed on both the Australian and Botswana Stock Exchanges. This, together with the Gallery Gold Mupane Project in Botswana, which will produce 100,000 ounces of gold per annum from mid-2004, will create an African focused company with quality gold assets.

The three key project areas owned by Spinifex include Buckreef/Rwamagaza (SPX 80%), Nyakafuru (SPX 90%)/Kanagele (SPX earning up to 65%) and the Kitongo (SPX 100%) group of licences. The Company recently sold its interest in Ikina Reefs for approximately 7% of Lakota Resources Inc's issued shares. Other greenfields licences include Maji Moto in the Musoma Greenstone belt and Nyangombe located 20km north of the 2 million ounce Golden Ridge deposit within the same stratigraphic setting.

The Rwamagaza group of prospecting licences, totalling 115km² lie 30km southwest of the 15 million ounce Geita Gold Mine (Ashanti-Anglogold JV) and encompass the Buckreef Mining Licence. The Buckreef deposit is hosted within a NE-trending shear zone hosted within fine grained pillow basalts, coarser grained doleritic flows and felsic porphyries. The faulted granite-greenstone contact lies to the northwest.

Gold mineralisation has been defined over 1.5 kilometres and is strongly associated with silica-carbonite-sericite-sulphide (predominantly pyrite) alteration and quartz load vein structures. Deep drilling over 300m strike intersected the zone 450m below surface and included 2m @ 18g/t Au and 7m @ 6.4g/t Au.

A resource of 4.98mt @ 4.08g/t for 614,000 ounces using a 1.0 g/t cut off grade has been defined for the Buckreef Orebody. The resource is open to the north and south and at depth..

The stratigraphy south of Buckreef varies from mafic to more intermediate-felsic volcanics from north to south. An ultramafic body is interpreted from the magnetics and intersected in the drilling on the eastern boundary. Lithologies west of a major NE cross-cutting structure are generally intermediate-to-felsic with sediments (BIF's). Late stage Proterozoic dykes have invaded a number of major and secondary

fault structures. The greenstone package is bounded by granite to the north and south.

The licences are transgressed by numerous EW, NE and NW trending structures. The Rwamagaza shear zone, a major east-west ductile shear structure covers an area of roughly 17.5km by 1km to the south of the Rwamagaza prospecting licences. Small scale workings by artisanal miners are found along the entire strike length.

Mineralisation within the Rwamagaza shear is limited to high grade quartz veins with little or no wall rock alteration. Wider zones of mineralisation were intersected within the NE and NW cross-cutting structures.

To date inferred sectional resources of 136,000 tonnes @ 9.90 g/t for 43,000 ounces were defined for the Tembo North Prospect and 89,000 tonnes @ 19.62g/t Au for 56,000 oz for the Bingwa Prospect.

A detailed drilling programme to increase the resource base at Rwamagaza will commence once the merger has been finalised.

The Nyakafuru Project includes the Nyakafuru and Kanagele Prospecting Licences. Resolute have entered into a Joint Venture agreement on both properties in which they can earn up to 66% of the Spinifex holding on both properties by spending up to US\$5 million.

Nyakafuru is located roughly 50km WNW of Kahama in the Shinyanga Region and 55km SSE of the Buckreef Mining Licence. Dominant lithologies at Nyakafuru include mafic-to-intermediate volcanics and possible interflow sediments and tuffs bounded to the southwest and north by granites. The property is transgressed by a series of N-S trending Proterozoic dolerite dykes. The Kanagele Prospecting Licence is comprised of mafic volcanics, diorites, volcanoclastics and sediments including BIF's.

Gold mineralisation at Nyakafuru is confined to 11 north-south shears associated

with intense silica flooding, quartz veining, carbonate alteration and prominent sulphides (mostly Pyrite). Visible gold is rarely observed. At Kanagele, mineralisation is within 3 discrete zones in a broadly NE trending corridor. To date all gold mineralisation was intersected in the oxides with little understanding of controlling structures.

A combined sectional resource of 3.6 million tonnes @ 6.32g/t Au for 730,000 ounces was defined for Reefs 2 East, 2 West and 6.

The Kitongo project area includes the Kitongo, Mwamazengo, Mwamazengo South and Ugambilo Prospecting Licences, located 80km south of Mwanza.

The main areas of gold mineralisation identified to date from northwest to southeast, namely Kitongo Hill, Esegheghe Hill and the Main Zone, occur within a regional NW trending corridor. The stratigraphy is interpreted to form an anticlinal structure that plunges gently to the SE. Lithologies vary from pillow basalts through laminated cherts and massive sulphides to intermediate-felsic volcanoclastics and BIF's.

Primary gold mineralisation at Kitongo has strong lithological and structural controls. Mineralisation is associated with gossanous, brecciated cherts and limonitic tuffs after arsenopyrite and quartz veins. Much of the gold is associated with disseminated arsenopyrite and coarse pyrite.

The Main Zone typically has a high grade of mineralisation where drilling has returned results of 25m @ 5.82g/t, 51m @ 3.7g/t, 32m @ 9.07g/t and 35m @ 4.78g/t Au from surface. A combined measured, indicated and inferred resource of 10.5 million tonnes @ 1.42g/t Au for 479,000 ounces was defined by drilling.

An inferred resource of 162,000 tonnes @ 14.42g/t Au for 75,000ozs was defined at

Eseghenge Hill within a west-east trending shear which cross-cuts the stratigraphy and is strongly associated with arsenopyrite (5-10%).

Extensive exploration programmes will follow up on previously defined mineralisation on all projects and will define the potential of previously untested areas, including additional licences currently under negotiation, once the merger is finalized. The merged entity with the generated cash flow from the Mupane Project will be in a good position to fast track one or more projects into production.

UPCOMING EVENTS

MAJOR INTERNATIONAL EXHIBITION RETURNS TO DAR ES SALAAM

Mining & Electricity Africa 2003 Exhibition will be held in Dar es Salaam during 28-30 May 2003. Following the successful show last year, the international event, which will attract exhibitors from Europe, North and South Africa, as well as from the East African region, will be accompanied by a seminar programme run in association with the Tanzania Chamber of mines.

Exhibition Details:

- Exhibitors will be showing the latest equipment and services in the fields of Mining and Quarrying, and Electricity Generation, Supply and Distribution. A full list of the exhibition sectors can be found below.

- Visitors to the exhibition will be primarily contractors, consultants, engineers, managers, scientists, technicians and administrators, from the private and public sectors as well as industrial executives responsible for development and

industrial projects and NGOs in the sector.

- All exhibitors are eligible to take part in the Mining & Electricity Seminar programme, running alongside the exhibition

Two accompanying exhibitions

Running alongside the Mining & Electricity Africa 2003 exhibition will be the water Africa 2003 Sub-Sahara Exhibition and the 3rd East Africa Building & Construction 2003 Exhibition. Information on these events is available at the website of the organizers, ACE Event Management or by using the phone below. Both events will also be accompanied by seminar programmes.

Location and cost

- The exhibition and seminars will be held at the Diamond Jubilee Hall in Dare es Salaam.
- Stand prices per square metre including shell scheme* are 220.0 pounds. Space only charge is Pounds 190. Outside space available 120 pounds per sq. m. Payments in US dollars will be accepted at the prevailing rate (roughly 1 pound=\$1.58)

*Shell scheme includes table, two chairs, two spotlights, power socket, fascia name, stand cleaning and catalogue entry

ACE's Track Record

Mining & Electricity 2003 is organized by ACE Event Management, based in Liverpool, UK, a Company with ten year track record for organizing conferences and exhibitions across the African Continent.

The Company organized the 2001 Commonwealth Business Trade & Investment Conference in Dar es Salaam which attracted more than 250 delegates.

Visitors

Visitors to the exhibition will be primarily:

- Owners and managers of mines and electrical plants
- Mining and Quarrying contractors and sub-contractors
- Electricity contractors and sub-Representatives of non-governmental contractors
- Consulting Engineers and architects
- Plant hire contractors
- Government officials from the mining and energy sectors
- Developers and investors
- Representatives of non-governmental organizations in the sector
- Executives from industries with electrical requirements
- Visitors from other sectors such as water and construction

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