

# **TANZANIA CHAMBER OF MINES**

**NEWSLETTER  
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## **ACTIVITIES OF THE CHAMBER**

The Chamber has continued to play its role in promoting the industry in various fronts through presentations to Government particularly as it is now nearing announcement of the Government Budget

for 2003/04 financial year. Members will recall that there were several rounds of mining sector issues collection from the membership which were compiled for onward transmission to the Minister of Energy and Minerals

The Ministry of Finance is currently handling the matters. Members will be appraised as feedback from the Ministry of Finance is received.

The Chamber takes the opportunity to express profound gratitude to all members who contributed in terms of their time and input.

### **Presidential Environmental Excellence Award (PEEA)**

Winners of this Award were announced in September 2002 during the opening of Afrika Mashariki Gold Mine in Tarime. The winner's certificates were not issued due to certain deficiencies which have to be corrected. The State House has recommended changes to be incorporated in the original certificates. To-date the graphic designer has completed draft designs of the Certificates incorporating all proposed changes as suggested by the State House. The Chamber awaits the final go-ahead from the State House so that the Certificates can be printed and ultimately be issued to the winners. A decision has been reached

following consultations with the Vice President's office Department of Environment that the next award will be issued in year 2004.

### **SEAMIC OPEN DAY**

On 9th May 2003 The Southern and Eastern Africa Mineral Centre (SEAMIC) commemorated its twenty fifth year since it was established in Tanzania. The day was dubbed the SEAMIC open day during which Ambassadors and High Commissioners accredited to Tanzania and other important guests were invited not only to celebrate the occasion but also to see the activities of the center. Hon. Daniel Yona, Minister of Energy and Minerals graced the occasion. Mr. Yona's main thrust of his speech was on how the center can emerge as a leading institution in assisting in alleviating the activities of small-scale miners through training and capacity building. The centre's Director General Dr. Diamantino Pedro Azevedo delivered a speech which dwelt on the background of the center, its successes, challenges and opportunities. Here are some extracts of the speech.

With regard to the establishment of SEAMIC the Director General said, "SEAMIC was established out of the realization that through co-operation and pooling of scarce resources together, its member States could establish a Centre of

Excellence with a critical mass of highly trained experts, realize economies of scale, avoid duplication of efforts and repetition of mistakes, access in a cost-effective, efficient and focused manner to specialised mineral services and technology gap with rest of the world...."

Linking the center with global and African initiatives he said, "SEAMIC possesses comparative advantages that can be used for the proposed intention to establish an African Mining Partnership as part of the NEPAD initiatives and an African Network. This is mainly due to the experience accumulated in the past through its involvement in regional initiatives like the GEODESA Project whose activities covered all the SADC member countries, the creation of the African Industrial Minerals Network, cross-border projects in relevant geologic themes and by organizing workshops, international conferences and training courses.

As part of continued innovation and "leapfrogging", he said, at the moment SEAMIC in collaboration with BRGM is involved in a new project called Africa GIS network which is financed by the French Government.

He pointed out that based on the centre's achievements and capacities SEAMIC is in a strong position to provide services to the mining industry, foster regional integration

through its membership and promote investment and development of the mining sector and enhance environmentally friendly mining industry as well as for poverty alleviation in the continent”.

He pointed out that SEAMIC intends to create one Centre for Geoscience at its premises that will include data processing and training facilities which will contribute to the harmonization, generation, processing, storage and dissemination of geoscience data.

Mr. Azevedo pointed out that one of the important tasks for SEAMIC is the transformation of the SEAMIC’s Industrial Minerals Section to one Regional Training and Database Centre for Industrial Minerals Applications in collaboration with the African Industrial Minerals Network and other institutions and initiatives will also contribute to the promotion of the development of sound indigenous/domestic industrial minerals based industries.

He pointed out that the planned creation of a Gemological Centre at SEAMIC that will set up a database on gemstone resources production and sales in the region in order to give a synoptic view of the region’s gemstone potential will create an information system to facilitate the updating, analyzing and marketing of gemstone easily and whenever necessary, and will provide

specialized training and laboratory services, fitting well in the objectives of an African Mining Partnership.

The establishment of an Environmental Laboratory at SEAMIC and the development of one network and information exchange system on environment that can offer the governments and other stakeholders in the region a reliable facility in case of doubt to obtain a second opinion regarding EIA Studies is another good example of SEAMIC’s contribution for the development of a environmental friendly mining sector, he said. In addition, he pointed out that this facility would contribute to the establishment of mechanisms for the monitoring of cross border pollution and to promote the use of sound environmental technologies practices and training for small and medium scale miners.

The Director General also touched on some constraints faced by SEAMIC in the way to accomplish its objectives which include:

- Low utilization of the available internal and external capacities;
- Irregular and/or non-payment of the financial annual contributions by some Member States;
- Relatively high operating costs;

- Inadequate generation of revenue to meet the operating costs of the Centre;
- Not enough exposure;
- Poor perception of relevance of the Centre's services and products by its member States; and
- Low membership

In a bid to face these constraints, so as to expand the economic base of the Centre in order to achieve sustainability, he pointed out that SEAMIC intends to introduce the Shareholding Concept to maximize the growth member States and other Stakeholders including those from the private sector. It is expected that the planned change in the ownership structure of the Centre will attract new membership, promote more flexible voluntary contributions from the member States and other Stakeholders on top of the obligatory annual contributions, facilitate the acquisition of more shares and more access to the services of the Centre and make it self-sustaining and more competitive by broadening its income and capital base. The Chamber congratulates SEAMIC for the achievements registered during its twenty-five years existence in Tanzania and wishes the center the best in its future endeavours. To conclude, the Chamber encourages members to

visit the center to see for themselves the potential of the center in servicing the mining industry.

#### **SOCIAL GET-TOGETHER**

The Chamber held its second bimonthly get-togethers for Chamber members and senior officials from government other institutions to serve as a medium of exchange between the members themselves and with senior public officials. The get-togethers are also complemented with presentations from various companies with mining or exploration interests in Tanzania. The last get together was on Friday 25<sup>th</sup> April at New Africa Hotel. A presentation was made by SEAMIC focussing on the centre's activities.

The Chamber takes the opportunity to thank SEAMIC for making the presentation as well as members who make time to attend. Other members are encouraged to participate in these informal gatherings.

#### **NEWS FROM THE INDUSTRY**

##### **LAKOTA SIGNS AGREEMENT WITH GOLDFIELDS**

*Canada Lakota Resources* has announced that it has signed an indicative offer with Gold Fields International Services, a wholly owned subsidiary of Gold Fields limited, on the Bulyanhulu area properties. These properties referred to as 'Ikina Reefs',

'Tannor' and 'Bemuda', constitute the Tembo project.

Terms of the indicative offer provide Gold Fields Limited with, among other things, the right to subscribe for 215000 units of Lakota at a price of C\$4.65 per unit. As part of the agreement Lakota will grant Gold Fields an exclusive option to enter into a joint venture agreement on the Tembo project. This option may be exercised by Gold Fields for a period of 15 months from the date of the closing of the above described private placement and incurring Cdn\$ 800,000 in exploration expenditures from the private placement.

The indicative offer is subject to obtaining various conditions including, among other things, the receipt of all necessary approvals and the satisfactory completion of a due diligence investigation.

The Tembo project properties join the western boundary of the Bulyanhulu mine licence (Barrick) and cover the northwest projection of the Bulyanhulu geology. The Ikina property hosts a number of artisanal mining sites. Anomalous gold values have been obtained from an artisanal site on the Bermuda licence.

A comprehensive exploration program over the entire area is being planned.

## **MIBANGO TAKES CRUCIAL STEP FORWARD**

**Goldstream Mining** is to take the next critical step with its Mibango platinum project with the announcement that its joint venture partner, Lonmin, has committed to a landmark US\$2.7 million 2003 work programme at the project.

The announcement signals the first key turning point for the project since the joint venture was announced in August 2002, with Lonmin recently completing its minimum US\$ 1 million expenditure requirement. The partners concluded from the positive results of this initial work that the extensive magmatic system at Mibango could host a world class PGM resource.

Goldstream's exploration Manager, Rob Edwards, said the near trebling of the expenditure budget for Mibango represented a major vote of confidence in the flagship project, which he says is one of the few recent green fields PGM discoveries in the world.

The 2003 follow up programme is designed to systematically investigate and drill test the full strike extent of the PGM horizons, and assess the grade and thickness variation of the mineralised reefs.

**REFLECTIONS OF WILLIAMSON  
DIAMONDS**

In 1940 in the Shinyanga area, around 160km south of the town of Mwanza on lake Victoria Canadian geologist Dr. John Williamson discovered the kimberlite. The pipe covered 146ha and ranked as the largest economically exploitable pipe in the world.

The mine emerged by the 1950s. The total staff and labor force numbered several thousands and including around 400 expatriates mostly from UK and South Africa. Mining equipment included draglines and scrapers. The treatment plant included a pan plant and an HMS plant, which ranked as the first in the world in the diamond mining industry.

Williamson passed away in 1958 at the age of 50, at Mwadui. The mine passed into the hands of De Beers and the Government of Tanganyika in 1958 and was later nationalized by the Government in 1971. However, in 1980s the mine's health took a downward turn. The loss of expatriate skills, an inability to engage a huge labor force, the declining grade of the ore body and lack of maintenance or capital expenditure all apparently contributed to a fall off in performance.

In the early 1990s, De Beers was invited back to manage the mine and today

Williamson Diamonds Ltd (WDL) is owned 75% by De Beers and 25% by the Government of Tanzania. The Managing Director is Tony Guthrie.

Williamson mine is considered a low-grade mine with the main plant currently running at about 6cph. However there is a lot of potential and the mine can be transformed into a profitable operation with an annual production between about 300,000 and 400,000 carats per year

Currently there are four main thrusts to the Mwadui operation- the open-pit mining of the pipe, the re-treatment of tailings in a newly established in-line pressure jig plant, the mining of gravels on the Williamson property, and the mining of gravels on the New Alamas property, which adjoins the Williamson lease area. The Operator at New Alamas is a company called Consolidated African Diamonds (CAD), run by South Africans with experience of alluvial diamond mining. CAD acts as a contractor to De Beers and is currently producing about 25000 carats a year.

The main plant will treat around 2.8Mt of material in 2003 but it will be overshadowed by the new jig plant, which will process 4.26Mt. The jig plant was completed in the last quarter of 2002 and will re-treat tailings that were deposited in the 1960s and 70s,

with the overall resource amounting to 20Mt at a grade of 3cpht.

The plant that represents an investment of US\$ 2.3 million consists of a simple screening circuit which feeds three size fractions to six- In Line Pressure Jigs (IPJs). The concentrate from the IPJs is then treated in a standard 60t/h DMS module. The jig plant is currently equipped with a dry front end but WDL is investigating the possibility of installing a wet front end. This would allow treatment of clay material and would increase the life of the resource by about five years.

The main pit is being mined by Caspian, a Tanzanian company with its roots in the construction industry but which is now increasingly into mining contracting. Caspian originally became involved at Mwadui in 1998 on a shot basis but now has a five-year contract, which has allowed it to invest US\$1.7 million in new plant and equipment. Apart from loading and hauling the material Caspian also undertakes drilling and blasting.

The current pit is about 90m deep but could easily go down to 250 m to 350m.

*The news have been adopted from a recent report on Tanzania's mining sector in the African Mining Magazine Vol. 8 No. 2 of March-April 2003.*

## UPCOMING EVENTS

**Dar es Salaam International Trade Fair**  
to be held in Dar es Salaam from 28th to 8th July.

**19<sup>th</sup> World Mining Congress & Expo 2003**  
**November 1-5, 2003 Pragati Maidan, New Delhi**

This event was announced in our previous newsletter. We once again wish to remind you that this event will offer excellent business opportunities with over 60 countries expected to participate.

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