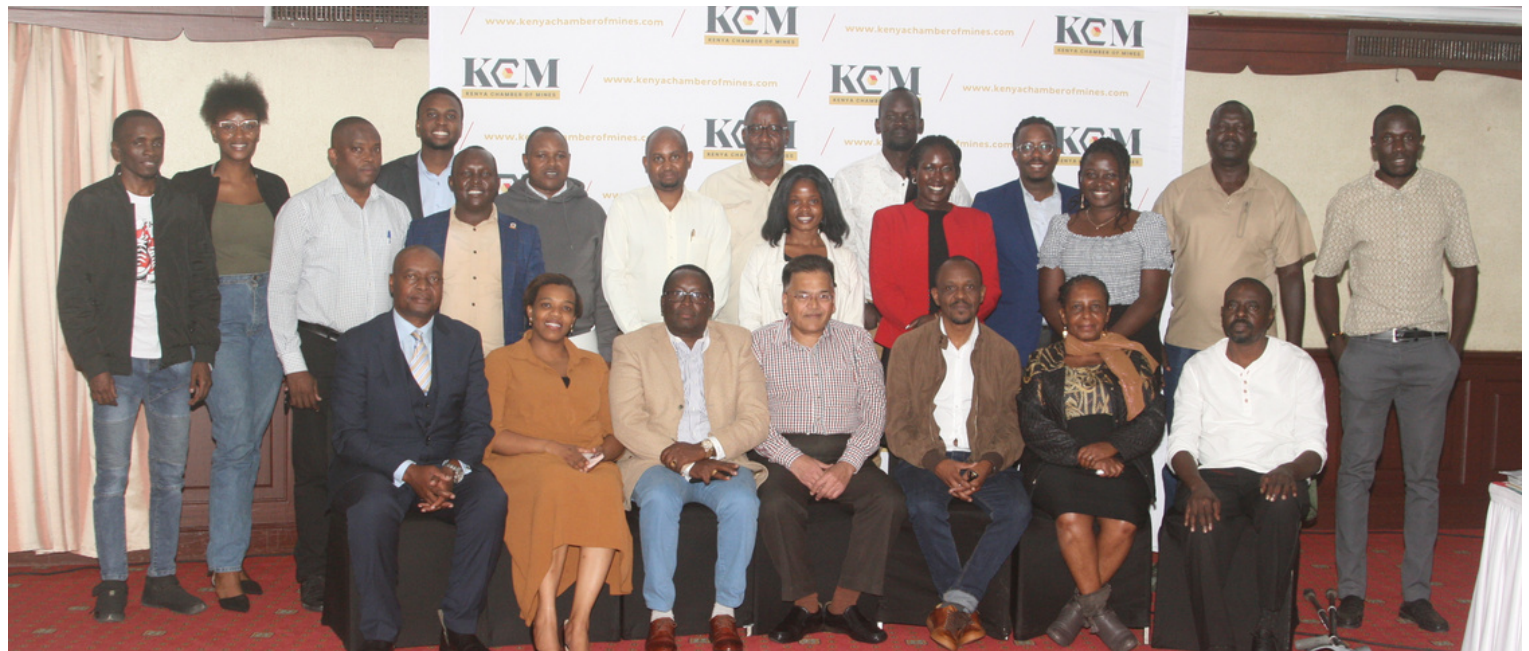


NEWSLETTER

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HIGHLIGHT OF THE MONTH

“ It is imperative that Kenya sets the appropriate fiscal terms for its mining sector to encourage investment and ensure a fair balance of benefit to government, community and the investors. ”

MEMORANDUM BY THE KENYA CHAMBER OF MINES ON DRAFT REGULATIONS, 2023 PROPOSED BY THE STATE DEPARTMENT OF MINING, 2023 UNDER THE MINING ACT OF 2016

PUBLIC PARTICIPATION MEETINGS ON THE PROPOSED DRAFT REGULATIONS 2023

In August and September, KCM actively engaged with industry stakeholders in the public participation meetings in Taita Taveta, Mombasa, Embu, Machackos, Eldoret, Kisumu and Narok Counties that were organized by the State Department of Mining, focused on the proposed draft regulations on :

- 1.Royalty collections & and management
- 2.Gemstone identification & value addition
- 3.Mining permits & licenses
- 4.Mineral Royalty sharing,
- 5.Dealings in Minerals
- 6.Mine support services



Public Participation meeting in Voi, Taita Taveta

Attendees of the meeting encompassed key figures from both the mining industry and administrative bodies, including the various KCM Chapter leaders, County Mining Officers, representatives from mining companies, the legal fraternity,

KCM also received submissions from members and industry stakeholders with recommendations which formed the foundation of the Memorandum submitted to the State Department of Mining on 13th September 2023.

As advocates for responsible mining activities, we believe in collective insights, making community engagement an essential aspect of the process. We urge all our members and stakeholders to participate in the subsequent public hearings to ensure our needs are represented at full capacity.

REGION (CLUSTERED COUNTIES)	MEETING VENUE
Nairobi, Machakos, Makueni, Kajiado, Kiambu, Kitui	National Industrial Training Authority – Machakos County
Nakuru, Uasin Gishu, Elgeyo Marakwet, Samburu, Nandi, Turkana, west Pokot, Baringo	Rift Valley Technical Training Institute - Eldoret
Mombasa, Taita Taveta, Kwale, Kilifi, Lamu, Tana River	Mombasa Beach Hotel - Mombasa
Homabay, Kisumu, Siaya, Kakamega, Vihiga, Bungoma	Kisumu Hotel - Kisumu
Garissa, Wajir, Mandera, Marsabit	Garissa Farmers Training Centre - Garissa
Kericho, Bomet, Kisii, Narok, Migori	Narok
Embu, Kirinyaga, Nyeri, Murang'a, Mbeere, Tharaka Nithi, Meru, Isiolo	Embu

PRIVATE SECTOR OPINIONS ON THE DRAFT REGULATIONS 2023

The public participation meetings were extremely encouraging and an exciting moment for the sector that has been moribund since the “moratorium” effected in November 2019. From the various meetings and submissions received from stakeholders in the sector, KCM prepared a summary of the views collected across the country and prepared a memorandum that was presented to the office of the Cabinet Secretary Hon. Salim Mvurya, the Principal Secretary PS Elijah Mwangi, and the Director of Mines on the 13th September 2023. The memorandum can be found on our website www.kenyachamberofmines.com

In the memorandum, the Chamber clearly stated the need for further consultations and engagements, particularly with the private sector, so as to render the desired value to the people of Kenya, investors, and all other stakeholders in Kenya’s nascent mineral sector. While the draft regulations had numerous clauses that needed further revision, or complete omission, the following is a summary of the significant issues that cut across the whole sector:

- A Lack of Clarity for Definitions throughout the proposed regulations, which failed to attain the desired level of clarity with respect to but not limited to precious metals, metallic ores, and rare earth minerals.
- Inconsistencies in value addition that make the regulations, discriminatory, unfair, and therefore unconstitutional. The question that was posed to the ministry was why the draft only considers value addition of gemstones, gold, and diamonds while ignoring other minerals. Given that the main stakeholders in gold and gemstone mining are ASM, don’t these regulations promote classism, from the same government perpetuating a bottoms-up agenda?
- Absence of clarity on mineral ores and mineral products. The proposed regulations have for example prescribed royalty rates for metallic ores while ignoring mineral products from the same ores
- A mineral development levy of 1% is an additional fiscal imposition on miners which increases the cost of running a mine and adds to Kenya’s lack of competitiveness.
- The amounts required for the miners and dealers to obtain permits and licenses, are inhibiting and not comparable to application fees payable for any other services by citizens across all other sectors of the economy. Increasing the barriers to new investment, compliance, and the growth of existing businesses in the sector.
- The proposed regulations provide barriers of a financial nature and equity, coupled with obvious double taxation, that render them unconstitutional.

PRIVATE SECTOR OPINIONS ON THE DRAFT REGULATIONS

The fiscal package proposed by these regulations is not only one of the highest in the world but also does not directly correlate to a young mining destination in need of increased investment in exploration and mineral development. While we may boast of numerous mineral deposits and a rich geology, Kenya's extractives sector is still at an infantry stage, and thus, instead of overregulation, double taxation, and discriminatory legislation the policies should be focused on enforcing the current legislation, and providing incentives for both local and foreign investors to develop the sector.

The chamber will continue to lobby the government to set up legislation that supports good mineral governance while enabling locals to earn a decent livelihood and grow their businesses.

PROPOSED ROYALTY RATES BY THE PRIVATE SECTOR

Kenya's rates for internationally readily available minerals should be reviewed in order to make them competitive, and where we have advantage of significant deposits of high value minerals optimal royalty rates should be charged

Mineral	Current rate	Proposed rate at respective State of value addition			
		Raw, crushed ore	Ore Concentrate	Semi processed	Processed
Precious metals gold and PGM	5	7	5	3	2
Technology minerals :- tantalite, columbite, tin, tungsten, lithium, cobalt, niobium	10	10	8	5	2
Rare earth elements	10	10	8	5	2
Radioactive elements	10	10	8	5	2
Metallic ores (copper, zinc, lead, aluminum, Vanadium)	8	7	5	3	1
Other non-precious metallic ores	8	10	8	5	2
Titanium mineral sands	10	10	7	5	3
Titanium ore	10	7	5	3	
Zircon sands	10	10	7	5	3
Coal	8	5	3		1
Limestone, Gypsum, dolomite, silica sand, talc	1	3			1
Dimension stones		3		2	1
clays		5			1
diatomite	5	5		4	3
Trona		5		4	3
Carbon dioxide	5	5		4	3
Construction minerals	2	3			1
Fluorspar	5				

THE KENYA-CHINA MINING FORUM



On 20th September, KCM was privileged to take part in the Kenya- China Forum at Muthaiga Country Club. The forum's objectives were:

- To explore economic collaboration
- Promote trade, and
- Establish partnerships

As KCM we are eager to establish mutually beneficial relationships in the mining sector to boost the economy.

In attendance were the Chinese delegation, who expressed a keen interest in Kenya's mining sector, Amb. Mary Muthoni Gichohi, AWEIK/AWIMA founder, AWEIK members, GSK, and Manganese miners.

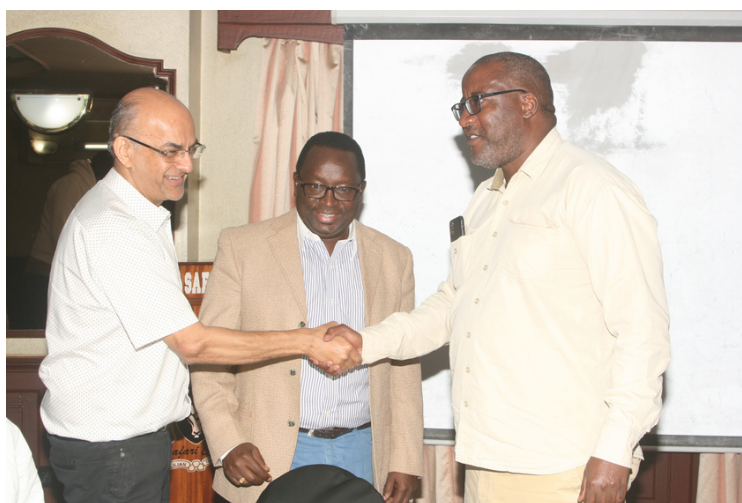
The forum laid emphasis on the remarkable 60-year history of diplomatic cooperation between Kenya and China, characterized by equality and mutual benefits.

Due to the time frame of the forum, few members of the Chamber were available to attend the B2B meetings that were scheduled for Thursday 21st September at the Swiss Lenana Mount Hotel from 2 pm. While we reached out to over 15 members only 6 companies managed to pitch to the delegation.

SPECIAL GENERAL MEETING 2023



KCM held this year's Special General Meeting on 22nd September at the Nairobi Safari Park Hotel. The main agenda of the Special General Meeting was to review the proposed amendment to the Memorandum of Association of the Kenya Chamber of Mines.



The chamber had been operating with a Memorandum and Articles of Association that were formulated by our founding members in 1999. We are thus especially grateful for the questions, insights, and constructive feedback we received from members during the meeting.

We believe that the new Memorandum and Articles of Associations are a strong foundation for the growth and development of the chamber for years to come.

CEMEREM CONFERENCE



2023 PRE-CONFERENCE TRAINING WORKSHOP
3rd and 4th OCTOBER 2023
Sarova Whitesands Hotel Mombasa County

TAITA TAVETA UNIVERSITY (TTU)
The Home of Ideas
IN COLLABORATION WITH CALGARY UNIVERSITY, CANADA, INVITES YOU TO THE

CEMEREM PRE-CONFERENCE TRAINING WORKSHOP 2023

Theme: The Future of Mining and Natural Resource Management in Africa

THE FOLLOWING MODULES WILL BE OFFERED:

MODULE 1 Human Rights in the Mining Sector	MODULE 3 De-risking mechanisms	MODULE 5 Legislation and Policy Development
Extractive Rights in Kenya: Best Practices in Mining Governance	ESG Spotlight: Risk Management, Health and Safety Mining	Formal and Informal Institution in Governance
MODULE 2 Smart Geo-Optimisation	MODULE 4 Post-mining environmental responsibility	MODULE 6 Legislation and Policy Development
Optimising Infrastructure Development Costs with Smart Geo-Optimisation Techniques	Mining Environment and Ecosystems Management	Public Consultation and Community Engagement

REGISTRATION
For Registration Details Visit <https://bit.ly/3LCsZHE>
6 DAYS TO GO

KES 20,000 PER MODULE

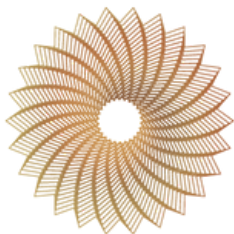
JOIN ONLINE AT HALF THE COST

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Partners
UNIVERSITY OF CALGARY, DAAD, HTWD, TUBAF, SFU, MINN TRADER UNIVERSITY

All stakeholders are invited for the CEMEREM conference from 3rd - 4th October in Mombasa County. Our Chairman, Dr. Kanyoro Patrick will be a speaker at the Conference and will be speaking on **Opening New Frontiers for Sustainable Mining Sector Growth: The Role of Structural Advocacy**

TANZANIA MINING & INVESTMENT FORUM



TANZANIA MINING & INVESTMENT FORUM

Tanzania will be hosting the Tanzania Mining & Investment Forum taking place on the 25th- 26th of October. Followed thereafter by Uganda's 12th Annual Mineral Wealth Conference 2023 in Kampala from the 30th -31st October. The conferences will run as a dedicated learning and development stream and will enable delegates to learn, upscale, expand both their practical capabilities and intellectual capital to enhance their day-to-day job and careers through sessions on the latest innovations, research findings, scientific advancements, and industry best practices being defined in the mining sector. To register, kindly send an email to members@kenyachamberofmines.com

KENYA MINING WEEK GEMSTONE SUMMIT

We are excited to inform you that we will be hosting the Kenya Mining Week Gemstone Summit in October, look out for the dates.



KENYA MININGWEEK EXPO & CONFERENCE

GEMSTONE Summit

- Driving investment in gemstone-rich areas
- Gems & jewelry
- Towards a healthy and safe artisanal and small-scale mining community

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12TH ANNUAL MINERAL WEALTH CONFERENCE 2023 - UGANDA



12th ANNUAL MINERAL WEALTH CONFERENCE 2023

THEME:
"CREATING A VIABLE AND FEASIBLE ROADMAP FOR UGANDA'S MINERAL SECTOR TO CONTRIBUTE TO ECONOMIC TRANSFORMATION"

30th - 31st OCTOBER 2023

KAMPALA SERENA HOTEL

EMAIL: INFO@UCMP.UG, CEO@UCMP.UG
TEL: +256-784-228 224, +256-752-527 540

KCM MEMBERSHIP DRIVES

KCM EASTERN CHAPTER

We are excited to inform you that we will be launching the Kenya Chamber of Mines Eastern Chapter soon to amplify our impact and collaboration and engage with the heart of our community in the Eastern Region!



CERTIFICATES PICK-UP

We are urging all our esteemed members of 2023, to pick their membership certificates if they haven't yet. The certificates are available in both hard and soft copies. Pass by Royal Square, 5th Floor, (Next to KISM Towers), along Ngong Road) between 9:00am – 5:00pm Monday to Friday. Call **0743476406** for further enquiries.

MEMBERSHIP



BECOME A KCM MEMBER TODAY

Unlock Limitless Opportunities with Us!

Who We Are: Your gateway to a thriving community of industry experts, innovators, and thought leaders in the mining and extractives sector.

What We Offer:

- Networking Opportunities
- Exclusive Insights
- Skill Enhancement
- Advocacy Power
- Recognition & Awards
- Investment Opportunities

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Join our dynamic community of industry leaders, experts, and enthusiasts to shape the future of mining in Kenya. Become a member today and be part of driving sustainable growth in Kenya's mining sector.

Get exclusive opportunities to Connect with like-minded professionals and Access exclusive resources, and stay ahead of industry trends.

Whether you're a miner, geologist, investor, or simply passionate about mining, our diverse network welcomes you.



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Are you a passionate student with a keen interest in the captivating world of mining and extractives?

What's in it for you:

- Exclusive access to industry webinars, workshops, and seminars.
- Networking with industry leaders, experts, and fellow students.
- Scholarships and internship opportunities to kick-start your career.
- Insightful resources and updates on the latest trends.

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We also have exclusive Student Membership; Why Join the student Membership Program?

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- Educational Resources
- Internship and Career Insights
- Mentorship Programs
- Advocacy
- Exclusive access to seminars, conferences, and workshops.

Becoming a part of this dynamic community is simple:

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