



MINISTÈRE
DES MINES



D.R. Congo base metals potential – Strategies to enhance responsible mining and quality products

By Prof. Dieudonné - Louis TAMBWE K.'a-M
Technical Deputy Coordinator



www.mines.gouv.cd
www.ctcpm.cd

Study Groups' Joint Seminar
April 2023 – Lisbon



CONTENTS

- Mineral resources and mining potential
- A mining sector in constant growth
- Strategies to enhance productivity and real contribution to the national economy
- An incentive legal and regulatory framework
- Aiming at maintaining growth in a peaceful environment



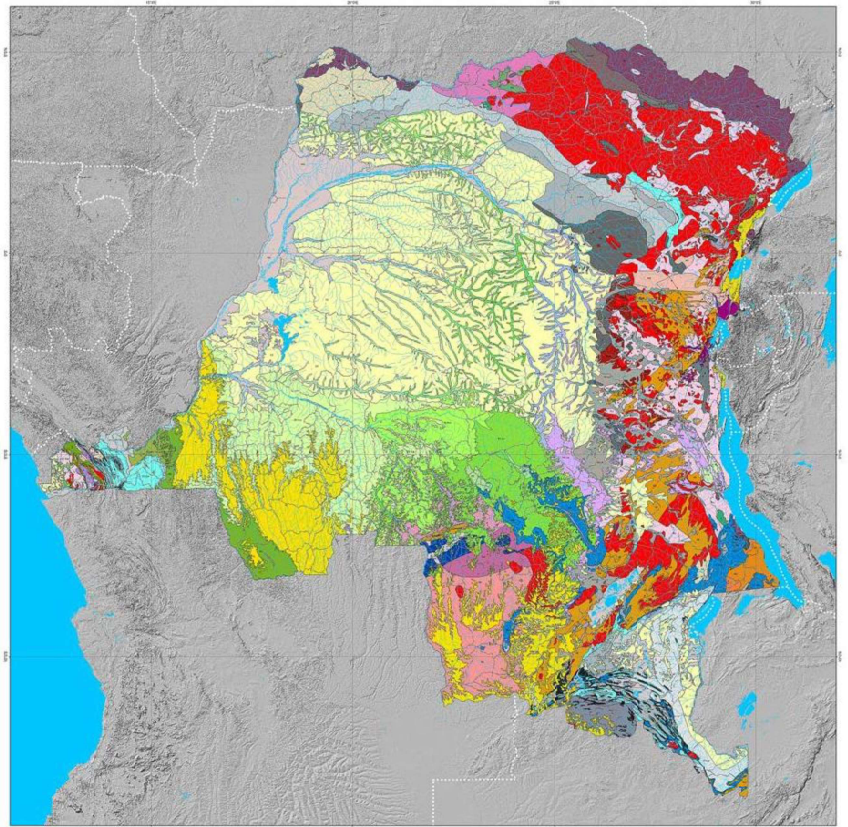
**MINISTÈRE
DES MINES**



Mineral resources and mining potential

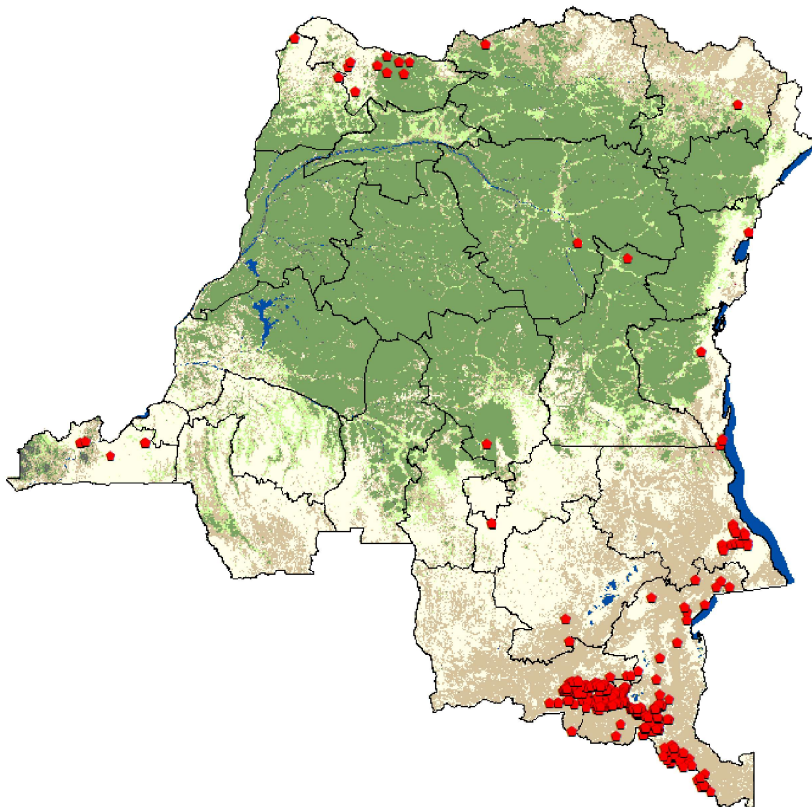
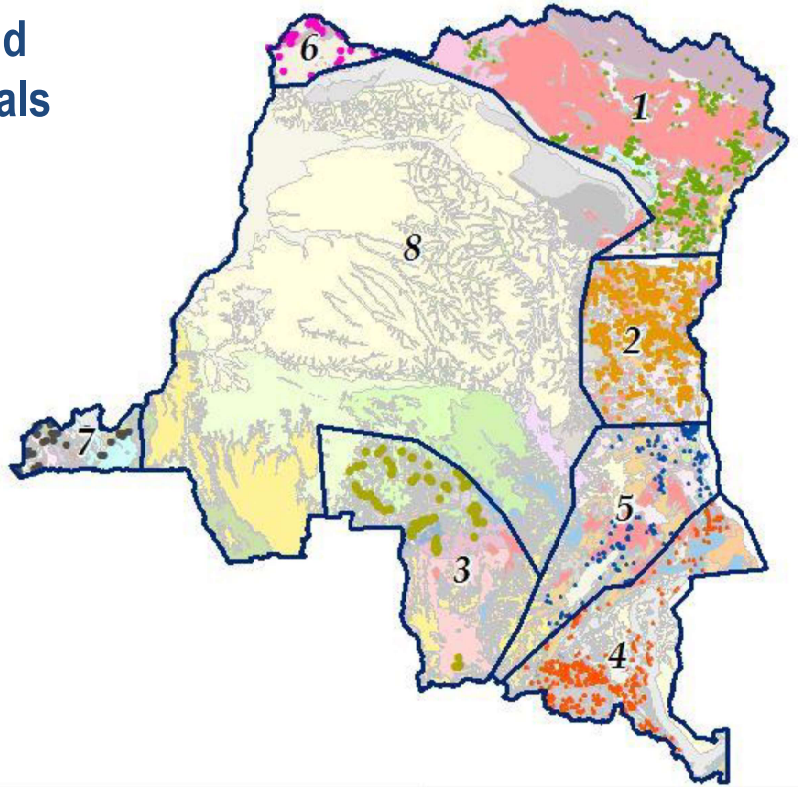


**The Democratic Republic of
Congo :**
A various and complex geology



DRC metallogenic provinces and their known characteristic minerals

1. Haut-Congo Block : **Au, Fe**
2. Karagwe-Ankole Belt : **Au, 3T**
3. Kasai Block : **Diamonds, Ni, Cr**
4. Katanga Copper Belt : **Cu, Co**
5. Kibarian Belt : **3T, Li, Au**
6. Ubangi Block : **Au, Diamonds, Sn, Monazite (RE)**
7. West Congo Belt : **Cu, Pb, Zn, V**
8. Congo Central Basin : **Diamonds, bitumen schale/tar sands**



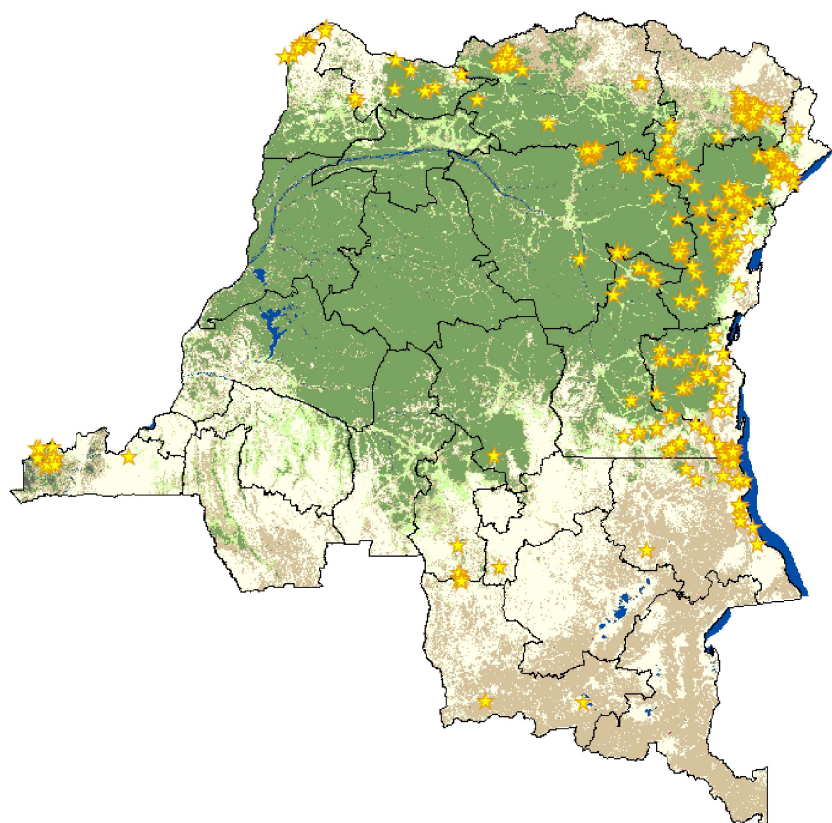
Copper - Cobalt - Zinc

Estimated reserves :

- Cuivre: ± 80 Millions T
- Cobalt: ± 6 Millions T
- Zinc : ± 7 Millions T

Production in 2022:

- Cuivre : 2,394,630 T
- Cobalt : 115,371 T
- Zinc : 13,578 T



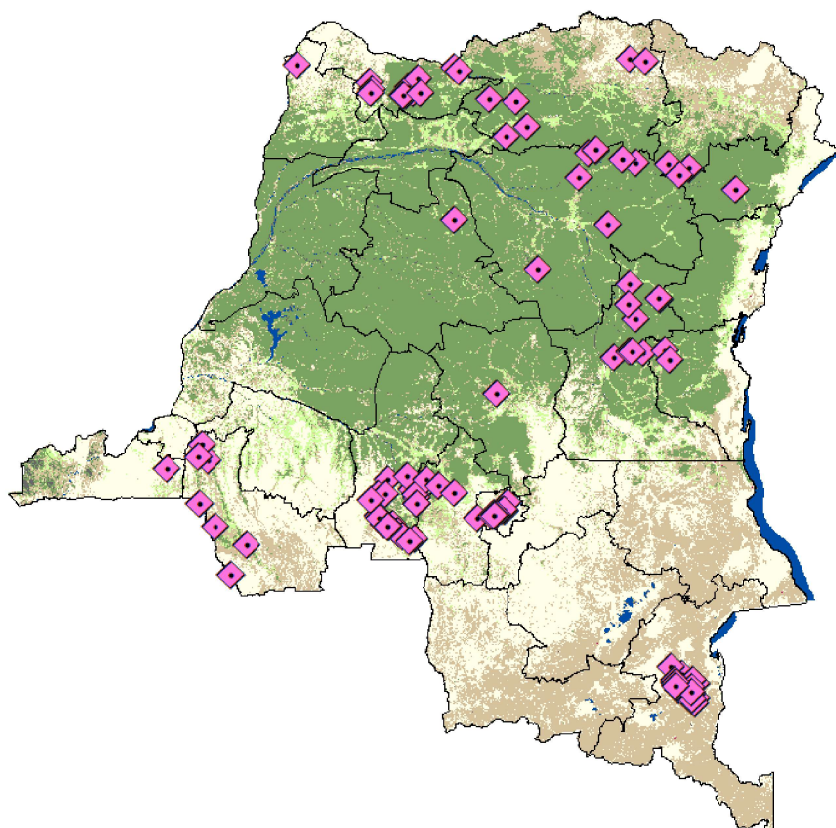
Gold

▣ Estimated reserves : 750 T

▣ Production in 2022:

- Craft (artisanal) production :
42.25 Kg
- Industrial production :
28,264.01 kg

Total : 28,306.26 kg



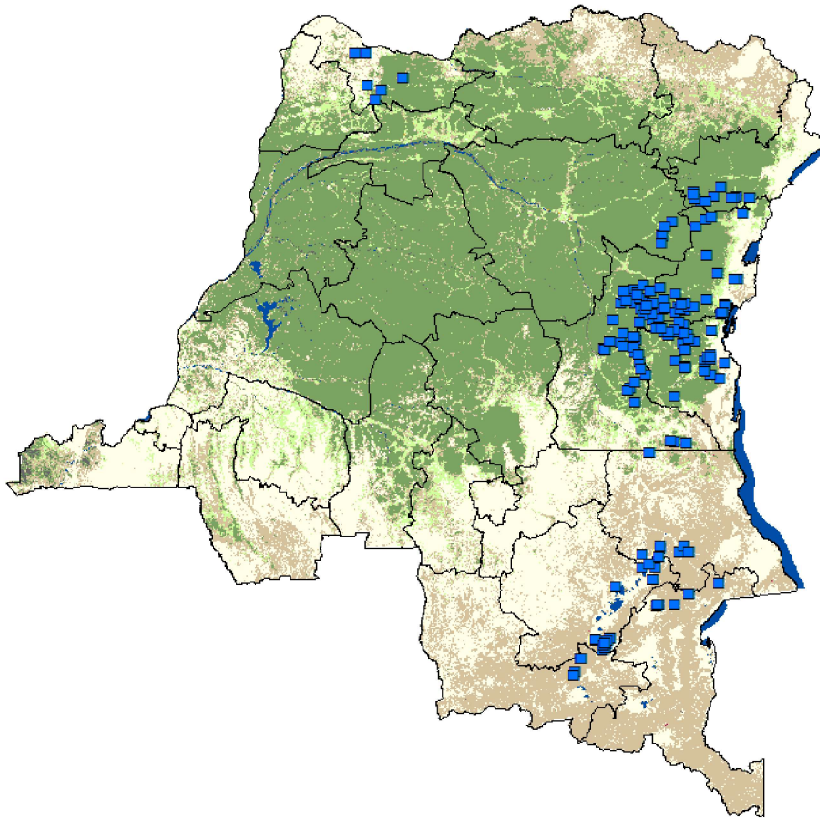
Diamonds

▣ Estimated reserves :
700 millions carats

▣ Production in 2022:

- Craft (artisanal) production :
1,736,196.69 carats
- Industrial production :
9,947,242.84 carats

Total : 11,683,439.53 carats



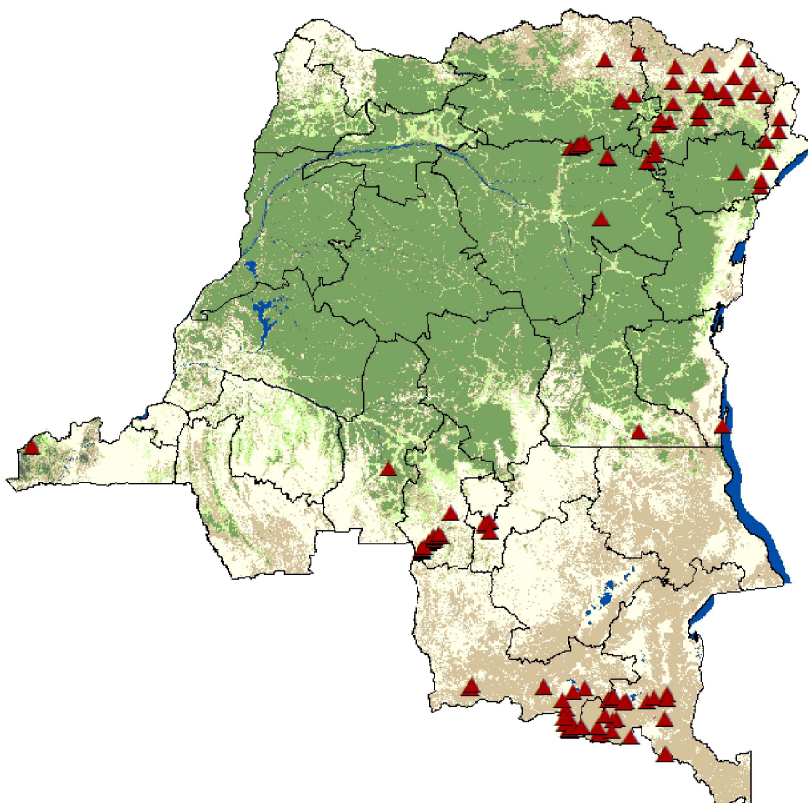
Tin – Tantalum – Tungsten - Lithium

☐ Estimated reserves :

- Cassitérite : 800,000 T
- Coltan : 30,000,000 T
- Wolframite: 400,000 T
- Lithium : 31,000,000 T

☐ Production in 2022:

- Cassitérite : 32,854.59 T
- Coltan : 2,220.59 T
- Wolframite : 297.29 T



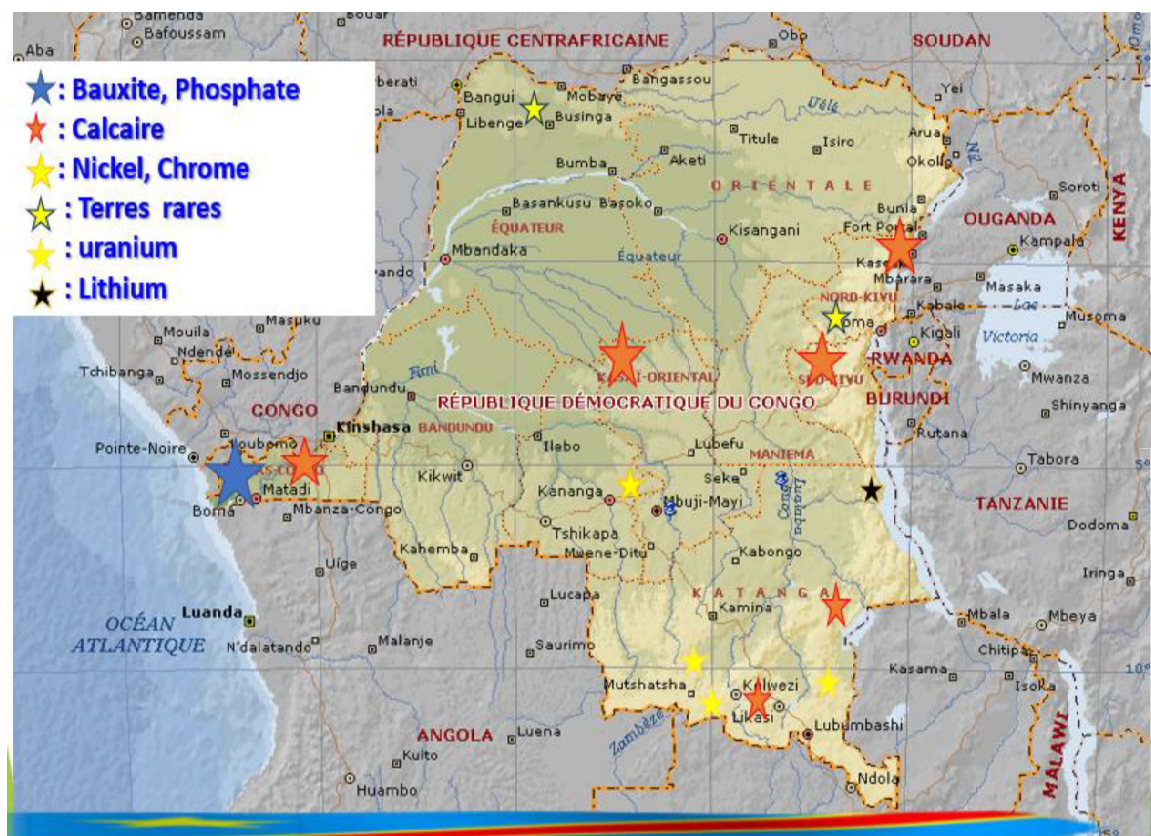
Iron - Manganese

☐ Resources

- Iron : 10 billions T
- Manganese : +30 millions T

☐ Projets :

- exploration is ongoing onto iron deposits of MBOMO and BANALIA
- LUEBO iron deposit in Kasai
- KASUMBALESA iron deposit
- KISENGE manganese deposit to refurbish and restart



Other mineral resources to be assessed :



**MINISTÈRE
DES MINES**



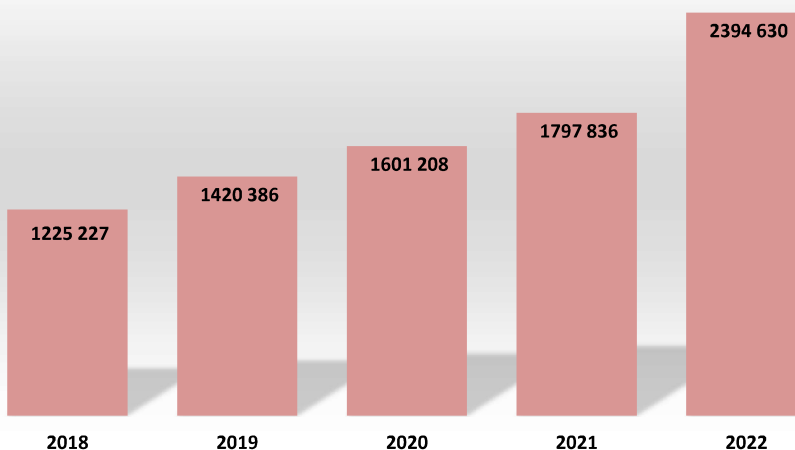
A mining sector in constant growth



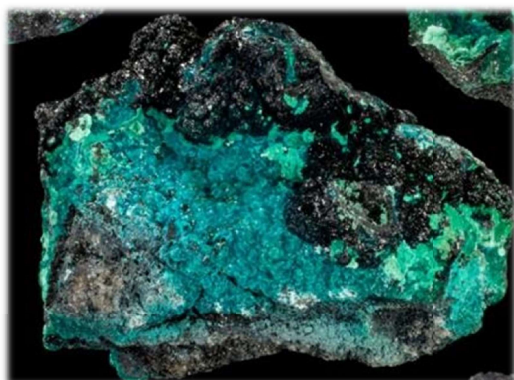
DRC copper exports : global hierarchy is changing...



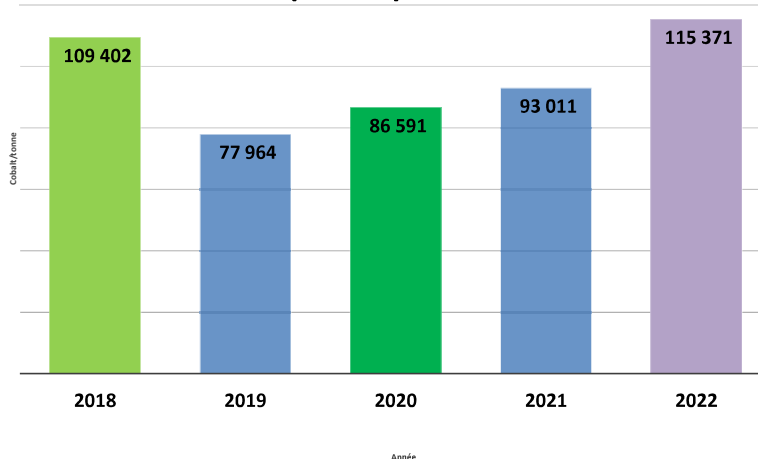
Tons of copper exported per annum (2018 -2022)



DRC cobalt exports : 2018 -2022



Cobalt tons exported per annum

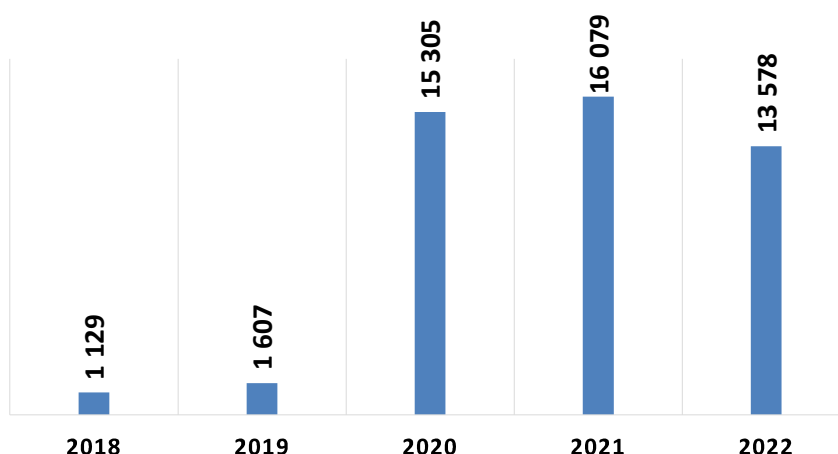
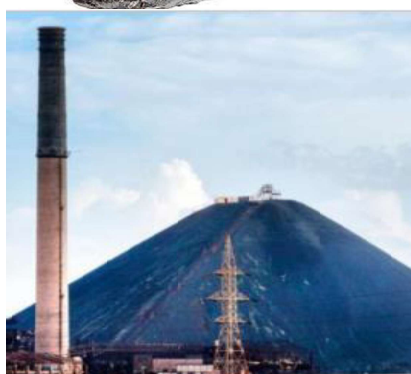


DRC Zinc : at the dawn of the rebirth of a giant.

Kipushi Company, KICO, a project of GECAMINES (38%) and the IVANHOE Group(62%), operating on the historic ultra-high zinc polymetallic Kipushi mine should propel the DRC among the major producers of this commodity (measured and indicated resources of 11,8Mt at 35,3% Zn, plus Cu, Pb, Ag, etc.)



N.B.: Zinc production/exports in tons from Big Hill tailings (2018 – 2022)



MINISTÈRE
DES MINES



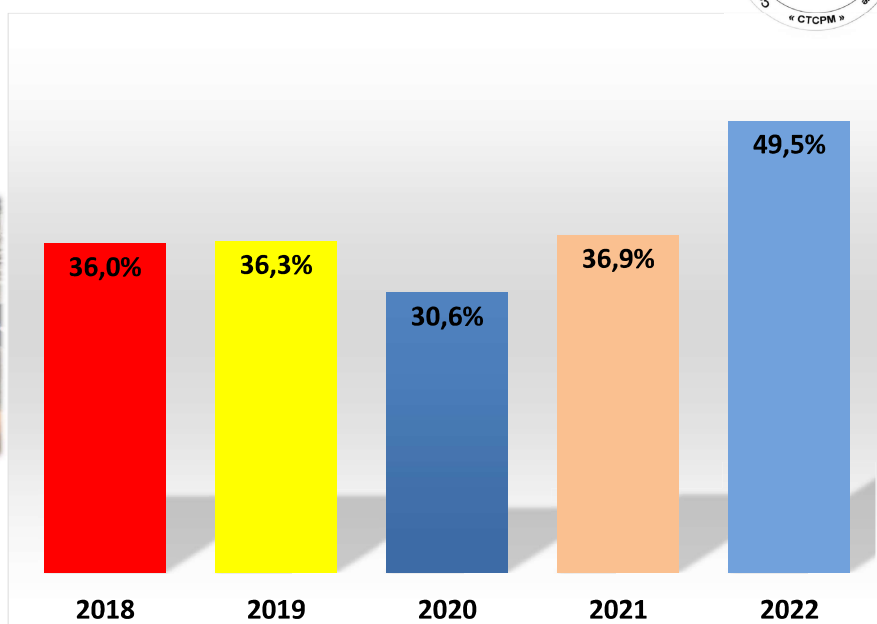
Strategies to enhance productivity and real contribution to the national economy



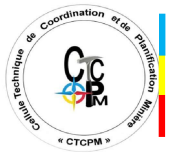
+90% of export revenues are originated by the mining sector activities



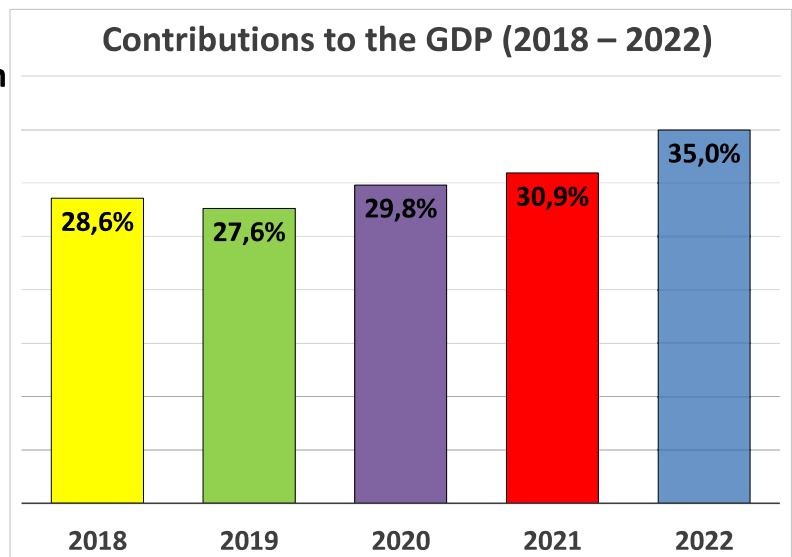
Contribution of the mining sector to current revenue



Contribution of the mining sector to the DRC GDP



The GDP growth in 2022 of 9.5% (provisional data) has been mostly driven by the mining sector.



Major problems in the mining revenue collection chain

- Multiplicity of mostly unqualified administrative officers
- Smuggling and defrauding through undervaluation of accompanying minor metals and minimization of the contents for major metals sometimes with, sometimes, the involvement of the administrative officers
- Low capabilities of tax base services and tax administrations.
- Various interferences....



Thus the need for a strategic sectorial approach

A five folds strategic approach

1st Strategic axis

Build and/or reinforce capacities of the Mining Administration in assessments and negotiations (various partnerships such as JICA, KOICA, GIZ/BGR, USAID, EU, etc.)

3rd Strategic axis

Establish a responsible, competitive and job-creating mining industry that is respectful of corporate social responsibility, with a local content.

2nd Strategic axis

Intensify geological and mining research together with developing geodata infrastructures (SGN-C, MRAC, BRGM, JOGMEC, etc.) Think recycling in a global circular economy

4th Strategic axis

Better the perception of DRC as a sound destination for mining investment (periodic assessments of doing business, EITI compliance, etc.)

5th Strategic axis

Organise artisanal mining and promote the transition to small scale mining (Administration & SAEMAPE in partnership with FCA, EU, Africa Matters, RMI, Cobalt Institute, ILO, USAID, etc.)

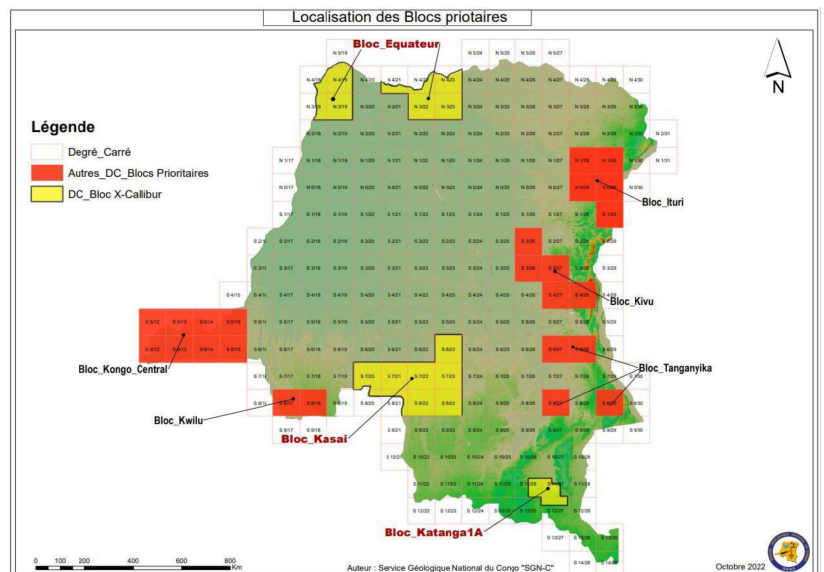


MINISTÈRE
DES MINES

The DRC Geological Survey has targeted research blocks for strategic metals regarding transition energy.

SGN-C is currently in contract with X-Calibur Holding Ltd for for geophysical exploration and regional geological studies in :

- Kasai Block : Au, Ni, Cu, Zn, Fe
- Equateur Block : Au, REE, Ta, W



An incentive legal and regulatory framework



► The new Mining Act (Code Minier) launched in 2018, modifying and supplementing the 2002 one, strengthens local content requirements, optimizes the tax regime and remains attractive with a stability clause at five years.

► The new mining code allows the DRC to benefit from the growth of a competitive mining sector with concrete economic results and enhanced transparency. It also made mandatory the publication of contracts, environmental and social impact studies and real beneficiaries.

► As a result, the latest EITI report, published in October 2022, stated that **DRC had scored 85.5% regarding the implementation of the standards of the initiative**

► In terms of transparency, the implementation of the legal framework has been identified as a strong point

► The DRC is thus **demonstrating an increased effort publishing reports on the exploitation of its natural resources together with contracts** on the concerned websites sectoral ministries, whether Mines or Hydrocarbons.

Incentives for building infrastructures for mining operations in remoted or less favoured areas

Article 220 (Mining Code) : Tax and customs regime and exclusive and exhaustive taxes

Without prejudice to the provisions of Articles 221 of this Code, the tax and customs regime, and taxes applicable to mining activities of the holder in the national territory shall be defined exclusively under Title IX of this Code.

Such regime shall relate to taxes, duties, royalties and other parafiscal levies collected both by the government and the provinces as well as by decentralized entities.

However, the Prime Minister may, by a Decree deliberated in the Council of Ministers, grant a certain number of incentive measures to provinces suffering from infrastructure deficit in order to impel an economic upturn from mining resources.



► It should be noticed that so far, DRC economy has been based on mining extractive activities solely, The Government intends now, through a development program, to move up towards the global value chain.

Article 266 (Mining Code) : Export of mining products

The holder shall be authorized to freely export and sell his output at market price subject to **the right of the State to determine the quantity of output to be exported according to local industry needs.**

....

The Mining Regulations shall determine the percentage as well as implementing procedures of the right stipulated [above].

Consequently, the Mining Regulation specifies, in its article 559bis :

Article 559 bis (Mining Regulations) : Control of the production portion

Pursuant to the provisions of Article 266 of the Mining Code, **the portion of production that the holder must sell to the domestic industry is determined by an interministerial order of the Ministers of Mines and the Minister of Industry, taking into account the needs expressed in the strategic industrialization plan of the Democratic Republic of the Congo.**

► The country is thus gradually moving towards the production of intermediate goods, with the ultimate objective to manufacture downstream value chain products and services.

The establishment of industries for a local treatment and transformation of ores into elaborated and refined products is therefore strongly encouraged.

Production of cathode precursors for batteries

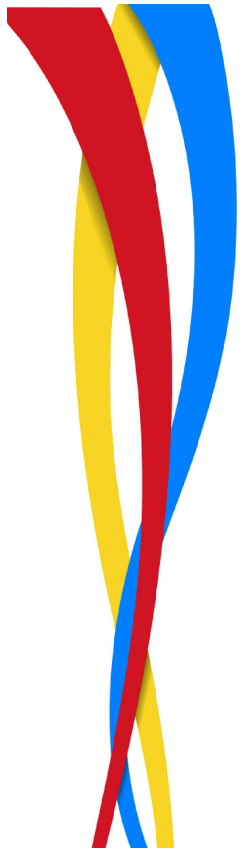
Creation of special economic zones dedicated to manufacturing and industrial processing

Creation of the Congolese council on batteries which will define local mineral processing policies.

Creation of a Center of Excellence at the Polytechnic Faculty, University of Lubumbashi, in partnership with regional countries, such as Zambia, to train qualified personnel.

Signature in 2022 of an agreement between the DRC and Zambia.

Signature in 2022 of an agreement between the DRC-Zambia team and the United States of America to support the development of a local value chain, from mines to assembly lines.



Aiming at maintaining growth in a peaceful environment

1. Standardization of cooperation with all major partners
2. Attempts to normalize bilateral relations with all neighboring countries ;
3. Membership and active participation to Regional and Sub-regional Organizations and Initiatives (OHADA, EITI, Kimberley process, SADC, COMESA, CEEAC, EAC, CIRGL, CEPGL,...).



**MINISTÈRE
DES MINES**

**Obrigado pela
atenção**

