

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF MINERALS



INVESTOR'S GUIDE TANZANIA MINING SECTOR 2024



A message from the Minister for Minerals

I am pleased to bring to you this Mining Investor's Guide, which is meant to serve as a quick reference for prospective investors interested in investing in Tanzania's mining sector. This Guide aims to address frequently asked questions about the opportunities, practices, legal, regulatory, and fiscal environments that are currently present in Tanzania's mining sector.

945,000
sq km of land



45 million
ounces of gold



209 million
tonnes of nickel



50 million
carats of
tanzanite

Tanzania is an investor-friendly East African country, which is also highly endowed with prospective geology. Among others, Tanzania offers to the investors the following:

- i) Over 945,000 sq km of land with diverse types of geological environment covering all world-wide known chronostratigraphical units (Archaean, Proterozoic, Phanerozoic, Quaternary to Recent age profile); all known rock types (metamorphic, igneous and sedimentary) as well as all known geological phenomena (rifts and volcanic terrains, inland basins, uplifted peneplains, mountainous terrains, coastal environment) suitable for hosting all types of earth resources including minerals, hydrocarbons, geothermal and ground water.
- ii) Ongoing exploration work, has resulted in discovery of resources in excess of 45 million ounces of gold, 209 million tonnes of nickel, and 50 million carats of tanzanite; several tonnages of coal and industrial minerals (limestone, salts, gypsum, dimension stones)
- iii) Ample inventory of unexplored mineral ground;

- iv) A comprehensive, systematically archived database on geo-scientific information and mineral resources;
- v) An atmosphere of political stability and economic re-awakening;
- vi) A growing skills base in various disciplines associated with mining; and
- vii) Well-established support services to the mining sector.

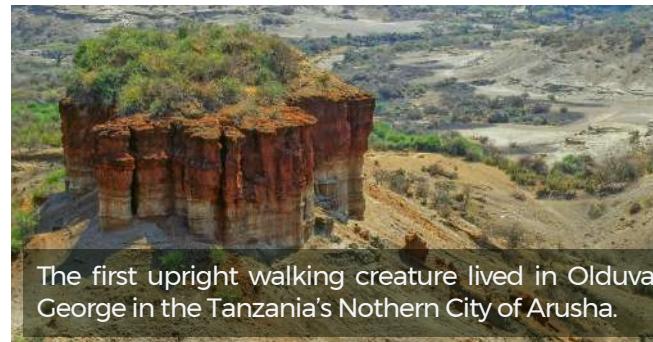
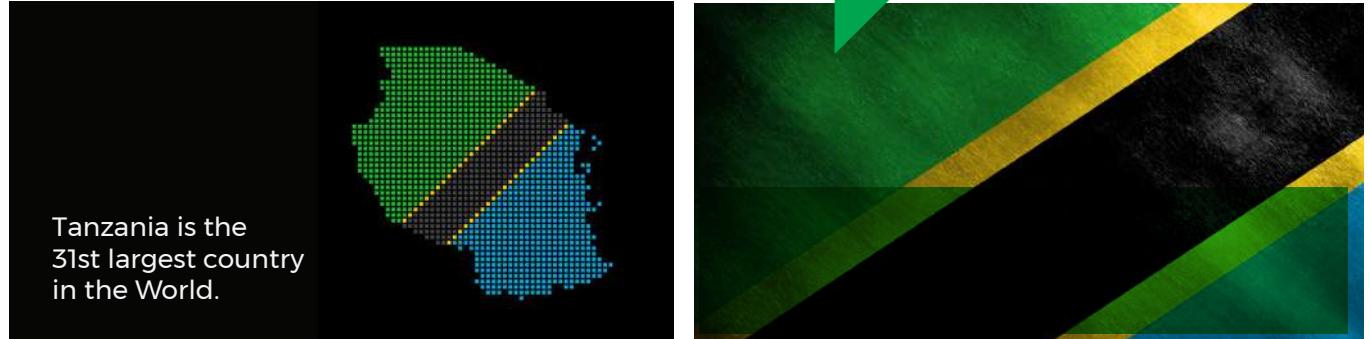
Tanzania's Mineral Sector Vision for the Next Ten Years is to have a robust, lively, well-organized large and small-scale mining sector that operates in a safe and environmentally sound manner.

I welcome you all to use this Guide to share our vision and to be our partner in the development of our mining sector.

Hon. Anthony P Mavunde (MP)
Minister for Minerals

DID YOU KNOW?

The green and yellow colours in the Tanzania's national flag denote the country's abundant natural resources, with the blue colour representing water resources.



Our Country Profile

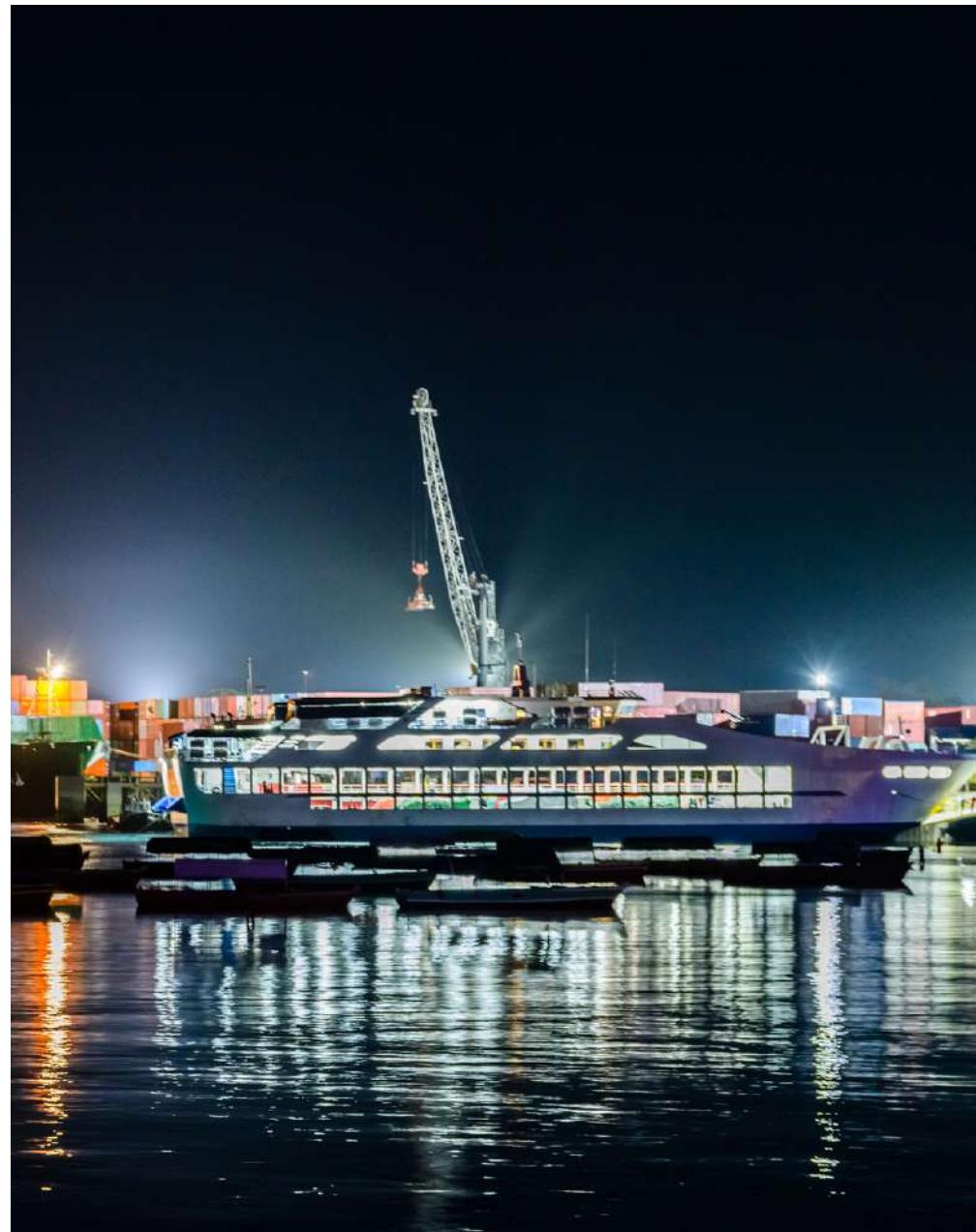


Location	<p>Latitude: between 1° and 12° S Longitude: between 29° and 41° E</p>
Land Area	<p>947,303 sq km including Unguja, Pemba and Mafia Islands, with 62,000 sq. km of inland water bodies.</p>
Population	<p>63.59 million (2021 est.)</p>
Climate	<p>Varies from tropical along the coast to temperate in highlands.</p>
Official Languages	<p>English & Swahili.</p>
Peace & Political Stability	<p>Tanzania is one of the most peaceful and politically stable countries in Africa. Since its independence in 1961, the country has never experienced a civil war or any major internal strife. Tanzanians continue to live in peace and with a sense of a common national identity. This political stability provides protection to investors. Tanzania is a multiparty democracy since 1992.</p>
Economic Growth	<p>Tanzania has witnessed a GDP growth rate of +5.5% over the decade (2012-2021). The Mining Sector's share of GDP has increased remarkably from 3.4% between 2007 and 2008 to 5.1% in 2018 and finally 9.1% in 2022 and is projected to reach 10% of the GDP by 2025. The GDP per capita per capita for 2022 was \$1,192, a 4.05% increase from 2021 (\$1,146).</p>



Infrastructure

- **Road transport:** The road networks in Tanzania include 86,472 km of roads, of which 12,786 km are categorized as trunk roads and 21,105 km as regional roads according to TANROADS. The remaining 52,581 km is district, urban and feeder roads under the responsibility of President's Office Regional Administration and Local Government (PO-RALG)
- **Rail:** A network of 3,682 km, which is operated by two railway systems: a cape gauge (2,707 km), operated by the Tanzania Railway Limited (TRL); and a meter gauge (975 km) operated by the Tanzania-Zambia Railway Authority (TAZARA). The network also serves neighboring countries of Zambia, DRC, Burundi, Rwanda, Uganda and Malawi.
- **SGR:** The government of Tanzania is currently expanding the country's rail network with the construction of a Standard Gauge Railway (SGR) that will link Tanzania, from the port of Dar es Salaam on the Indian Ocean to Mwanza in northern Tanzania and Kigoma along the shores of Lake Tanganyika in Western Tanzania. From there, the SGR will extend to neighbouring countries of Rwanda, Burundi, and the Democratic Republic of the Congo (DRC). The SGR consists of a network of about 2,000 km developed in six phases: Phase 1: Dar es Salaam -Morogoro (Km 300) Phase 2: Morogoro-Makutupora (Km 422) Phase 3: Makutupora-Tabora (Km 294) Phase 4: Tabora-Isaka (Km 130) Phase 5: Isaka-Mwanza (Km 249) Phase 6: Tabora-Kigoma (Km 506). The construction of phase 1 is at 98% to completion while phase two has reached 94%
- **Air transport:** 28 airports including aerodromes with three (3)international airports (Dar es Salaam, Kilimanjaro and Zanzibar).
- **Electricity:** Installed capacity in the main grid is 1,900 MW. The Government is now under construction of JNHPP which will generate 2115MW. Two turbines are being tested which will produce 470MW between January - February, 2024.
- **Major Sea Ports:** Dar es Salaam, Mtwara, Zanzibar and Tanga.
- **Telecommunications:** Countrywide landline and cellular networks.



Mining In Perspective

Tanzania is one of Africa's most mineral-rich countries



Ni

nickel

U

uranium

Au

gold

Nb

niobium



coal



graphite



iron ore



Tanzania's mineral sector has experienced a boom that coincided with high and stable economic growth. The mineral sector expanded rapidly following the mineral policy reforms of 1997. So far over US\$ 3.0 billion has been invested in the sector.

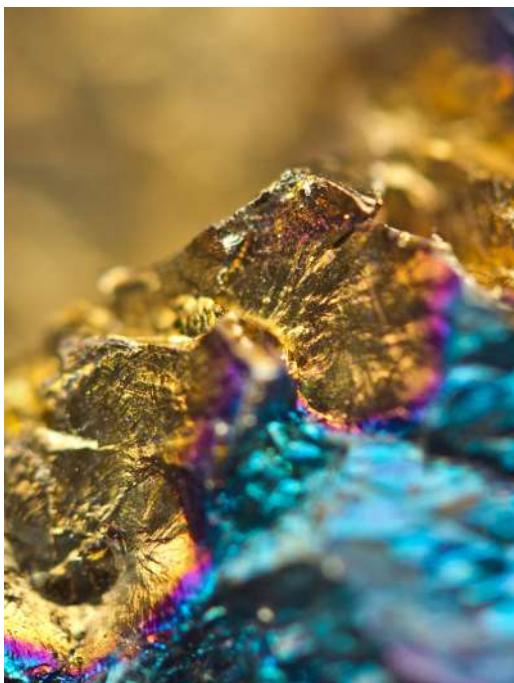
Currently, eight large scale mines (six for gold and two for gemstone) and a number of small scale mines mainly for gold, diamonds and coloured gemstones are in operation. Also, there are a number of mining projects at advanced stages (Kabanga nickel project, Mantra uranium project, Mchuchuma coal project, Liganga iron ore project, Nyanzaga gold project, Canaco gold project, Panda Hill niobium project, Ngualla REEs project, Resolute-Nyakafuru gold project, Uranex graphite project, Dutwa nickel project, Ngwena nickel project and Kiwira coal project). In a nutshell, exploration work for various minerals is being undertaken by different licence holders in the country.

The mining sector in Tanzania is among dependable sources of foreign exchange earnings, employment and revenue for the nation. For instance, mineral export earnings has been increasing gradually and remarkably from an average of 1% of total export in 1997 to 52% in 2013. According to the National Bureau of Statistics (NBS) Economic Survey Report of 2022, the value of Tanzania's total mineral exports in 2022 was \$3,395.3 million, equivalent to 47.0% of the total value of the nation's exports for the year, up from \$3,116.4 million in 2021 (46.1% of the total value of exports). In 2022, the government collected taxes totaling \$855.3 million US Dollars representing 15.84% of the total domestic tax revenue of the country.

In 2018, the UNEP documented that the country's artisanal and small-scale mining (ASM) sub-sector had directly employed over one million people with many more relying on it for a living whose subsistence depends on mining. Additionally, in 2021 large scale mines were recorded to employ 14,742 people.

The Tanzania mineral endowment overview:

- Gold occurrences hosted by the Archean greenstone belts and banded iron formations in South and Eastern part of Lake Victoria.
- Gold and base-metal occurrences in the Proterozoic Ubendian Supergroup in South West Tanzania.
- Kimberlite pipes in the central and southern parts of the Archean craton.
- Nickel, cobalt, copper, tin and tungsten bearing rock formations in the Karagwe – Ankolean Supergroup in northwest Tanzania.
- Major gemstone occurrences in the Proterozoic Usagaran (Eastern Tanzania) and Ubendian Supergroup.
- Carbonatites associated with the Rift Valley System.
- Iron ore hosted in Anorthositic intrusives in the Proterozoic Ubendian Supergroup.
- Evaporites in the Rift Valley and younger formations along the coastal belt.
- Coal resources in the Karoo Supergroup in the Southern Tanzania;
- Uranium occurrences in the Karoo Supergroup in south-western and southern Tanzania and in superficial deposits within the Archean craton in central Tanzania; and
- A variety of industrial minerals such as kaolin, diatomite, gypsum, pozollana, limestone, meerschaum, bentonite, ball clay and dimension and art stones (granites, marble, anyolite) occurring in different rock formations.

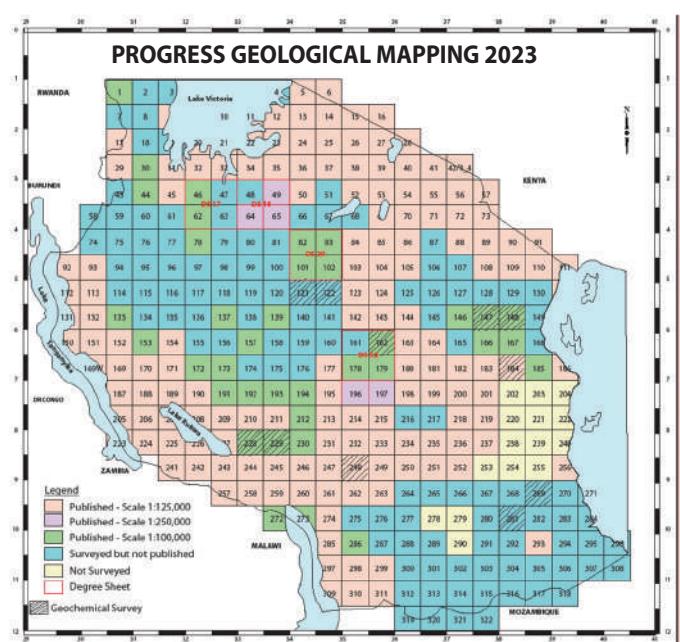
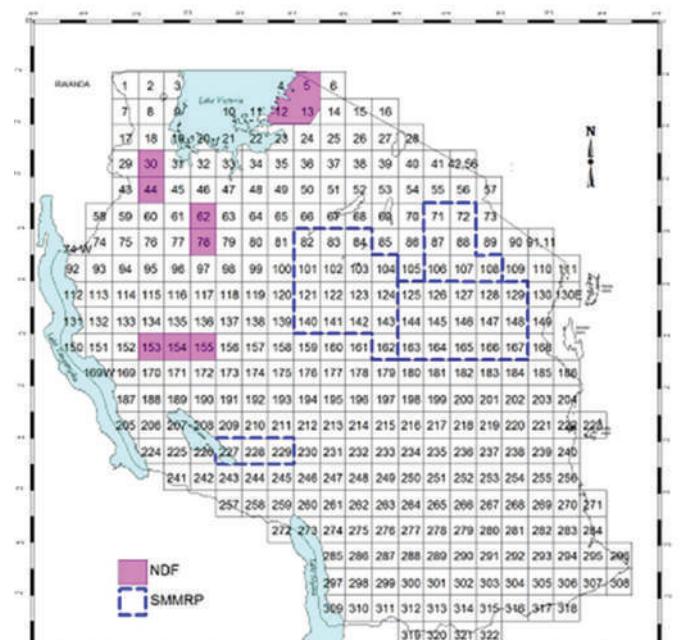


Available Geological Information

Geological, geochemical, geophysical and mineral occurrence information for assisting investors in selecting prospective areas for license applications are available at the Geological Survey of Tanzania (GST) located in Dodoma.

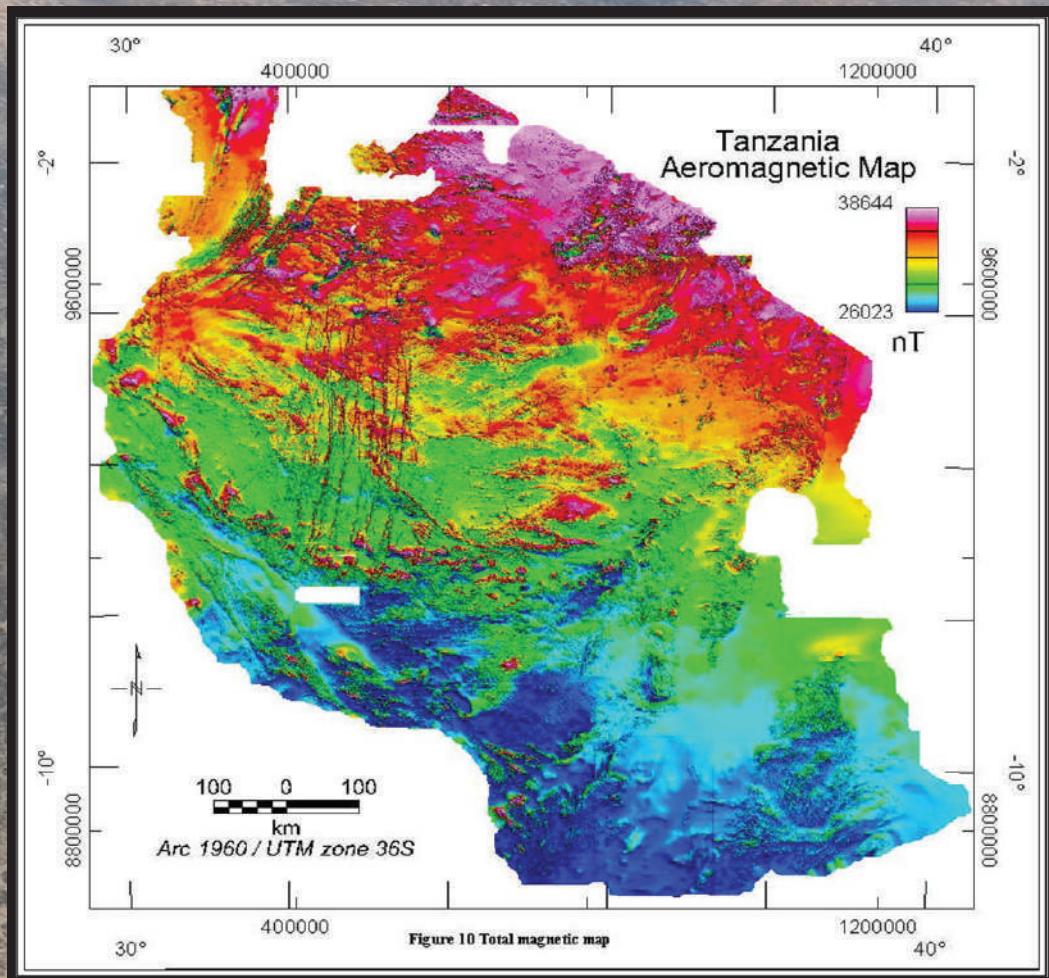
The Geological Survey of Tanzania (GST)'s most recent geoscientific studies show that 98% of the country has been geologically surveyed at scales of 1: 125,000 and 1: 100,000, whereas geochemical surveys cover up to 24% of the country at a regional scale and 80% by low density. Moreover, 16% of the country's covered by high-resolution airborne geophysical surveys ((gravity, magnetic, radiometric and electromagnetic). The data is available in the form of raw data (QDS blocks), grids and maps.

Other published maps include a geological and mineral occurrence map of Tanzania; Mineral Promotion Block Maps for Lake Victoria Gold Field, Kigoma - Mpanda Mineral Field, Rukwa - Lupa Mineral Block and Singida - Dodoma - Handeni Mineral Block.



Aeromagnetic Map of Tanzania.

Low resolution airborne geophysical survey has covered 100% of the area of the country



Mining Industry Development In Geological Survey of Tanzania

Exploration Trends

Prior to 1990s, limited geological investigations were carried out by a number of companies, coordinated through State Mining Corporation (STAMICO) and the Geological Survey of Tanzania. Economic Policy changes thereafter resulted in formulation of Mineral Policies of 1997 and 2009 which resulted into increased exploration activities in the country. Exploration activities continue to increase as witnessed in the increased flow of Foreign Direct Investment (FDI) into the mining industry averaging US\$ 460 million per annum. Mineral investors continue to acquire prospective areas which have resulted into defined mineral reserves as indicated below.



Iron Ore



126 mil. tons

Graphite



158.2 mil.

Gold



2,222 tons

Uranium



160 mil. tons

Tanzanite



12.6 mil. tons

Diamonds



51 mil. carats

Rare Earths



101 mil. tons

Natural Gas



57 TCF

Coal



5 bil. tons

Copper



13.7 mil. tons

Nickel



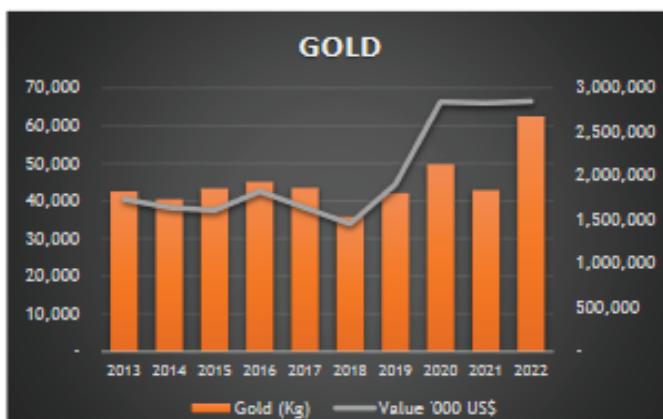
209 mil. tons

Mineral Exports Trends

In the past two decades, Tanzania experienced a mining boom, with mining doubling its contribution to the Tanzanian economy. The following data and graphs describe export trends for gold, diamond and silver from 2013 - 2022.

TRENDS OF MINERAL EXPORTS 2013 - 2022

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gold (Kg)	42,534.00	40,481.00	43,358.00	45,155.00	43,490.00	35,863.89	42,107.86	49,811.80	42,901.66	62,512.00
Value '000 US\$	1,735,708.00	1,640,072.00	1,609,392.00	1,824,815.00	1,636,575.00	1,454,878.46	1,904,091.82	2,844,959.60	2,831,839.91	2,850,345.00
Diamond (cts)	179,633.00	252,875.00	216,491.00	239,305.00	304,456.00	383,391.15	416,749.51	143,471.28	47,336.50	370,468.86
Value '000 US\$	46,013.00	82,053.00	56,003.00	85,090.00	67,510.00	96,066.00	89,334.75	20,065.20	8,473.48	109,011.95
Silver (Kg)	11,013.00	14,493.00	15,569.00	17,984.00	10,911.00	12,040.57	12,549.62	13,186.58	10,531.71	802.00
Value '000 US\$	17,214.00	10,283.00	7,626.00	9,901.00	5,850.00	6,045.19	6,537.08	8,747.68	9,283.63	629.00



LARGE AND MEDIUM SCALE GOLD MINING PROJECTS

- Geita Gold Mine (GGM)
- North Mara Gold Mine (NMGM)
- Bulyanhulu Gold Mine (BGM)
- Shanta Gold Mine (Singida Project)
- Buckreef Gold Company (BCC)
- STAMIGOLD Biharamulo
- Buzwagi Gold Mine (BGM) - Closure stage

DIAMOND MINING PROJECT

- Williamson Diamonds Limited (WDL)

UPCOMING MINERAL PROJECTS

- Tembo Nickel Corporation Limited - Nickel
- Sotta Mining Corporation Limited - Gold
- Faru Graphite Corporation Limited - Graphite
- Duma Resources Limited - Graphite
- Mamba Minerals Corporation Limited - REE
- Nyati Mineral Sands Limited - HMS

The Mineral Sector Governance Framework

The Mineral Policy of 2009

The Mineral Policy of 2009 was formulated within the framework of the Tanzania Development Vision 2025. The three principal objectives of the Vision 2025 are achieving quality and good life for all; good governance and the rule of law; and building a strong and resilient economy that can effectively withstand global competition. These objectives not only deal with economic issues, but also include social issues such as education, health, the environment and increasing involvement of the people in working for their own development. The thrust of these objectives is to attain a sustainable development. Under the Mineral Policy of 2009, the vision for the next 25 to 30 years for the Mineral Sector is to have a strong, vibrant, well-organized large and small-scale mining industry conducted in a safe and environmentally sound manner.

Objectives of the Mineral Policy:

- To continue to attract private investment in exploration and mining;
- Government to participate in strategic projects;
- To emphasize integration of the mineral sector with the rest of the economy;
- To establish a fiscal regime which balances benefits with investments competitiveness;
- To support mineral beneficiation and marketing;
- To underpin development of small scale miners;
- To promote public participation in mining activities; and
- To guide investors towards sustainable exploitation of mineral resources of Tanzania in a win - win manner.

The Role of the Government

The role of Government is to formulate policy, establish guidelines and regulate the mineral sector; promote and facilitate private investments; and provide essential services needed by the mines. The Government may participate strategically in mining activities such as exploration, mineral exploitation and value addition. This will stimulate other sectors of the economy and increase benefits to the nation.

Legal and Regulatory Regime

Tanzania has a globally competitive and investor-friendly legal regime. The mineral sector is governed by the Mineral Policy of 2009, the Mining Act, Cap. 123 and other related laws namely the Explosives Act, Cap.45, the Tanzania Extractive Industries (Transparency and Accountability) Act, Cap. 447, the Natural Wealth and Resources (Permanent Sovereignty) Act, NO. 5 of 2017, and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, No. 6 of 2017.

There are various regulations in the mineral sector that are made under the Mining Act, Cap. 123, The Explosives Act, cap. 45, TEITA Act, Cap. 447, the Natural Wealth and Resources (Permanent Sovereignty) Act, NO. 5 of 2017 and the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, No. 6 of 2017.

Salient Features of the Mining Act, Cap 123

General

- The control of all minerals in, and under or upon any land, rivers, streams, water courses throughout Tanzania, is the property of the United Republic and shall be vested in the President in trust for the People of Tanzania.
- No prospecting or mining operations without a Mineral Right.
- State participation in Medium and Large Scale Mining.
- Joint ventures with local companies encouraged..

Local and Foreign Participation in Mining

- Exploration and mining is open to Tanzanians and foreigners or Joint ventures between local/foreign companies except for the following:
 - Foreigners are not permitted to hold or conduct their exploration/mining activities using Primary Mining Licenses;
 - Gemstone exploration and mining is reserved for Tanzanians. The Minister may authorise some projects to run jointly by Tanzanians and foreigners (on 50/50 equity);
- Mineral trading can be conducted by Tanzanians or jointly by Tanzanians and foreigners where Tanzanians must hold not less than 25% shares in the joint venture; and
- Licensing of exploration and mining is based on 'first come first served' principle..

Local Procurement

Mining licences must have annual procurement plans with preference for local services and products.

State Participation

- In any mining operations under a mining licence or a special mining licence the Government shall have not less than sixteen percent (16%) non-dilutable free carried interest shares in the capital of a mining company depending on the type of minerals and the level of investment.
- In addition to the free carried interest shares, the Government shall be entitled to acquire, in total, up to fifty percent of the shares of the mining company commensurate with the total tax expenditures incurred by the Government in favor of the mining company.
- Acquisition by the Government of shares in the Company shall be determined by the total value of the tax expenditures enjoyed by the mining company.

Compensation and Relocation

Mining projects must provide a compensation, relocation and resettlement plans, which must be implemented before commencement of mining operations

Mineral Royalties and Inspection Fees

- Royalties are charged on Gross Value for different mineral commodities as follows: diamonds and gemstones - 6%; uranium - 6%; precious metals (gold, silver, copper, platinum etc.) - 6%; polished and cut gemstones - 1%; and others (building materials, industrial minerals) - 3%, salt-1%, coal 1% for local consumption 3% for export.

There is an inspection fee of one percent (1%) of the gross value of mineral or minerals payable to the Government by any person in possession of mineral or minerals prior to clearance for domestic use or export .



Export and Importation of Minerals

- Authorized miners and holders of dealer licences can export minerals from Tanzania.
- All export and import of minerals are subject to export/import permit.
- Export and import of radioactive material can be authorized by the Minister.

Types of Mineral Rights under the Mining Act, CAP 123

DIVISION A	DIVISION B	DIVISION C	DIVISION D	LAPIDARY LICENCE
<ul style="list-style-type: none"> Prospecting Licence (PL) 	<ul style="list-style-type: none"> Special Mining Licence (SML) Mining Licence (ML) 	<ul style="list-style-type: none"> Primary Mining Licence (PML) 	<ul style="list-style-type: none"> Licence for Processing Minerals Licence for Smelting or Refining Minerals Primary Processing Licence 	<ul style="list-style-type: none"> Large and Small Lapidary Licences

Licence for Dealing in Minerals

Under the Act, the following licences are issued for dealing in minerals:

- Dealer Licences** (issued to Tanzania citizens and foreigners)
- Broker Licences** (issued to Tanzania citizens only)

Dealer licences can be issued with respect to the following mineral categories: gold, metallic minerals, coloured gemstones, diamonds, coal and industrial minerals.

The Tanzania's licensing system distinguishes mineral rights by mining scale and type of minerals as elaborated below:

- Mineral categories under the Mining Act, Cap 123: Metallic Minerals, Energy Minerals, Gemstone Minerals excluding Kimberlitic diamond, Kimberlitic diamond, Industrial minerals, and Building materials.
- Mineral rights conditions**
 - Prospecting licence** - granted for a period of 4 years; first renewal 3 years; second renewal 2 years.
 - A prospecting licence can not be granted to an applicant or shareholders to the applicant if such an applicant owns more than twenty other valid prospecting licences, unless the cumulative prospecting areas of such other prospecting licences do not exceed 2,000 square kilometers
 - Mining licence** - granted for medium scale mining operations whose capital investment is between USD 100,000 and USD 100 million.
 - Special mining licence** - granted for large scale mining operations whose capital investment is not less than USD 100 million.
- A licence to mine gemstones is granted to Tanzanians, except for cases where skills, technology or huge capital is required to develop the ore body. However, participation of a foreign investor would have to be below 50%.

Procedures for applying mineral rights

APPLICATION FEES		US\$
(a)	Prospecting licence for metallic minerals, energy minerals and kimberlitic diamond	300
(b)	Prospecting licence for building materials and gemstones excluding kimberlitic diamond	300
(c)	Prospecting licence for industrial minerals	200
(d)	Special licence	5,000
(e)	Mining licence	2,000
(f)	Mining licence for building material	2,000
(g)	Primary mining licence	22
(h)	Transfer of primary mining licence	500
(i)	Transfer of shares in a primary mining licence	500
(j)	Search in register for every one hour or part thereof	50
(k)	Registration of any document with of the Commission	500
(l)	Approval of any document by the Mining Commission	500
APPLICATION FEES FOR RENEWAL		
(a)	Prospecting licence for metallic, minerals, energy minerals and kimberlitic diamond	300
(c)	Special Mining licence	5,000
(d)	Mining licence	2,000
(e)	Mining licence for building materials	2,000
(f)	Primary mining licence	44
APPLICATION FOR A CERTIFICATE OF SUSPENSION		
(a)	Work in the mineral rights under Division C	25
(b)	Work in mineral right other than mineral rights under Division C	200

APPLICATION FOR A CERTIFICATE OF AMALGAMATION

(a) Primary mining licence	100
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APPLICATION FOR A CERTIFICATE OF SURRENDER

(a) Part or whole of the primary mining licence area	22
(b) Part or whole of the area of a mineral right other than a primary mining licence	500

PREPARATION FEES

(a) Prospecting licence for all minerals	300
(b) Mining licence for all minerals	1,000
(c) Special mining licence	2,000
(e) Primary mining licence	22

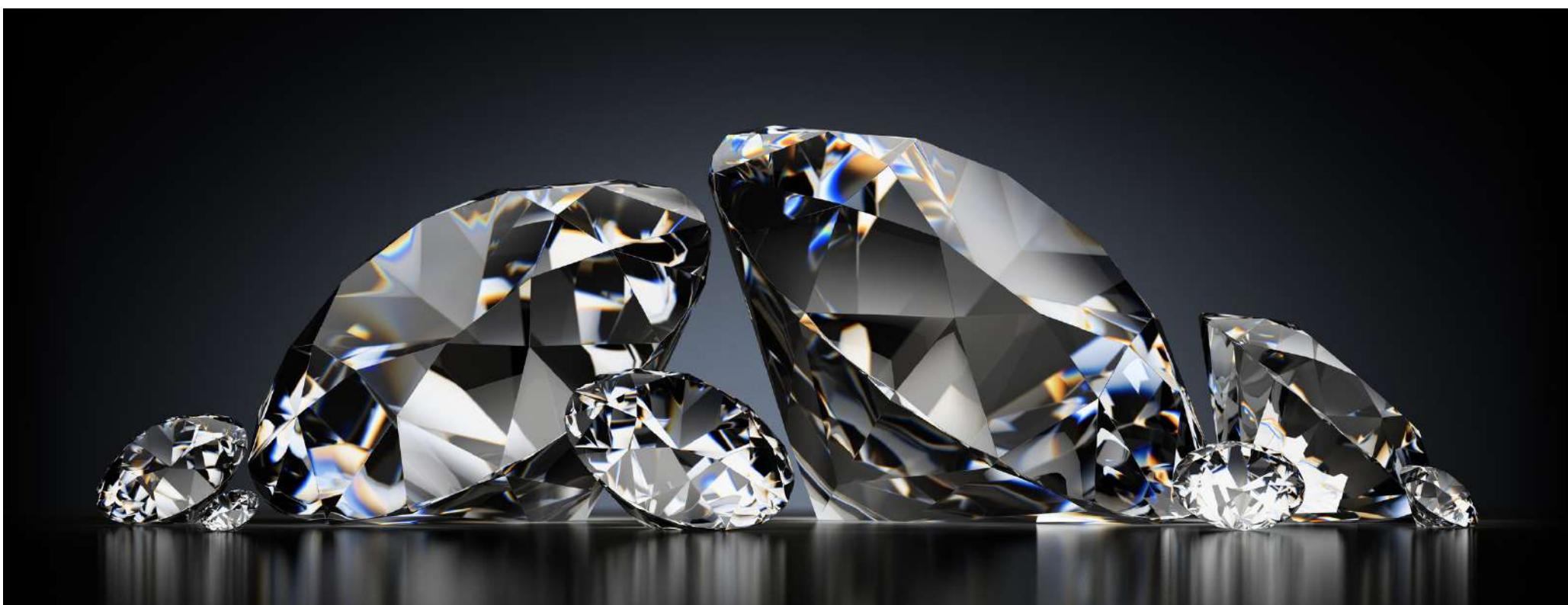
ANNUAL RENTS PAYABLE FOR ALL MINERAL RIGHTS OTHER THAN MINERAL RIGHTS UN-DER DIVISION D**US\$ SQ.KM**

(a) Prospecting licence for metallic minerals, energy minerals and kimberlitic diamonds for initial period	100
(b) Prospecting licence for building material	100
(c) Prospecting licence for gemstones excluding kimberlitic diamond	100
(d) Annual rent for first renewal of a prospecting licence	150
(e) Annual rent for second renewal of a prospecting licence	200
(g) Special mining licence	5,000
(h) Mining licence for metallic minerals, energy mineral, gemstones and kimberlitic diamonds	3,000
(i) Mining licence for building materials and industrial minerals	2,000

ANNUAL RENTS FOR MINERALS UNDER DIVISION C

(a) Primary mining licence for all minerals other than gold, kimberlitic diamonds and gemstones subject to a minimum of 80,000/= for each licensed area having less than 2 hectare	20
(b) Primary mining licence for gold, kimberlitic diamonds or gemstones, subject to a minimum of 40,000/= for each licensed area having less than 2 hectares	40

TYPE	BASE	RATE/AMOUNT	PAYMENT SYSTEM
ROYALTIES			
Metallic minerals (Gold, Copper, Silver, e.t.c)	Gross Value	6%	Paid on export or local consumption upon delivery
Uranium	Gross Value	5%	Paid on export or local consumption upon delivery
Gemstone and diamond	Gross Value	6%	Paid on export or local consumption upon delivery
Gem (cut and polished gemstones)	Gross Value	1%	Paid on export or local consumption upon delivery
Building materials and all minerals within the industrial minerals group	Gross Value	3%	Paid on export or local consumption upon delivery
Salt	Gross Value	1%	Paid on export or local consumption upon delivery
Coal	Gross Value	1% for local industrial consumption, 3% for export	Paid on export or local consumption upon delivery



Licensing Authority

The Mining Commission established under section 21 (1) of the Mining Act, Cap. 123 is mandated to issue, suspend and revoke the following exploration, exploitation and mineral trading licences and permits:

DIVISION A:
Prospecting
Licence

DIVISION B:
Special Mining
Licence and
Mining Licences

DIVISION C:
Primary Mining
Licence

DIVISION D:
Primary Mineral
Processing, Mineral
Processing,
Smelting and
Refining Licences

**MINERAL TRADE
LICENCES:** Dealer
Licence and Broker
Licence

**LAPIDARY
LICENSE** (Large
and Small
Lapidary Licences)

PERMITS:
(Minerals Import
and Export
Permits)

Fiscal Regime Applicable in Mining

The fiscal regime of the Tanzania's mining sector is governed by the Mining Act, Cap. 123, the Income Tax Act, Cap. 332, the Value Added Tax Act, Cap.148, the Finance Act, 2023 and other laws of the country. The Government generates revenue from companies operating in the mining sector through collection of royalties, taxation, fees, rents, and other duties as stipulated in different laws as mentioned. Table 1 summarizes different kinds of payments made to the government by companies that conduct mineral exploitation activities in the country. For more information visit: www.tra.go.tz



Table 1: Different kinds of payments made to the government

SN	Fiscal Category	Description
1.	Royalty	<p>Mining companies pay royalties to the Mining Commission MC) pursuant to section 87 of the Mining Act. Cap 123. The royalties are set at the rate of:</p> <ul style="list-style-type: none"> • 5% for uranium, • 6% for diamond, gemstones and metallic minerals such as copper, gold, silver, and platinum group minerals; • 1% in the case of gem; • 3% in the case of other minerals, including building materials, salt, all minerals within the industrial minerals group.
2.	Inspection and clearing fees	Mining companies pay 1% of the value of all mineral exports to the MC as inspection fees.
3.	Free Carried Interest (FCI) shares	The Mining Act Cap. 123 requires the Government to acquire and own not less than 16% non-dilutable FCI shares in the capital of a mining company depending on the type of minerals mined and the level of investment (for mining operations under a mining licence or a special mining licence.) In addition to the 16% FCI shares, the Government is entitled to acquire, in total, up to 50% of the shares of the mining company commensurate with the total tax expenditures incurred by the Government in favour of the mining company.
4.	Corporate Tax	As per the Income Tax Act, Cap. 332, mining companies, like any other companies, are charged corporate tax at: 30% of taxable income; 25% for three consecutive years, for a newly listed company with the Dar es Salaam Stock Exchange with at least 30% of its equity ownership issued to the public;
5.	Value Added Tax (VAT)	VAT is a pass-through tax that applies at every transaction point. The rate is 18% of all taxable goods and services. All suppliers of goods and services with a turnover of at least TZS 40 million must be registered for VAT purposes. In the Mining sector, VAT refunds are provided for mineral exports. However, the amendments to the VAT Act in 2017 provide for no refunds for exports of mineral ores and concentrates.



Table 1: Different kinds of payments made to the government (continued)

SN	Fiscal Category	Description
6.	Depreciation allowance for capital expenditure	The third schedule of the Income Tax Act, Cap. 332 as amended by the Finance Act 2016, set the depreciation allowance at 20% per year for five years.
7.	Loss carry forwards	If a corporation made a loss from the corporation's business, it is allowed to be deducted for five consecutive years and in the third year will be taxed at the rate of 0.3% on turnover.
8.	Withholding tax on dividends	The arrangement for payment of withholding tax is in accordance to the first schedule of the Income Tax Act, Cap. 332, which requires payment of: <ul style="list-style-type: none"> • A withholding tax of 5% on dividends for Mining companies listed in the Dar es Salaam Stock Exchange market; • A withholding tax of 10% on dividends for companies not listed in the DSE market.
9.	Withholding tax on interest	Withholding tax on interest on foreign loans is at the rate of 10 percent, and accrued interest is deemed a payment; therefore, withholding tax thereon is payable.
10.	Withholding tax on payment for technical services and on management fees	When mining companies pay for technical services or management fees, they are obliged to charge: <ul style="list-style-type: none"> • 5% withholding tax when paying to a resident; • 15% withholding tax when paid to a non-resident. • 3% fixed rate withholding tax for companies holding Mineral Development Agreements (MDAs) signed prior to 2014.
11.	Customs duty on imports of mining equipment and supplies	Pursuant to the Customs Traffic Act, Cap 403 a mining company or its subcontractors are required to pay the import duty: <ul style="list-style-type: none"> • 0% during exploration and in the first year of operation; • not exceeding 5% after the first year of operation.
12.	Capital Gains Tax	Capital gains realised on the disposal of business and investment assets in Tanzania are subject to tax at the rate of: <ul style="list-style-type: none"> • 30% for corporations, • Graduated rates for individuals.



Procedures for Applying for Mineral Rights in Tanzania

(Note: This information is given for guidance only. Reference to the Mining Act, Cap 123 and its regulations is advised when applying for mineral rights).

Application for Prospecting Licence (PL)

- Step 1.** Applicant identifies the area of interest.
- Step 2.** The Applicant completes and submits a prescribed form (Prospecting Licence Application Form) accompanied by the prescribed fee and supporting documents(*) to the Mining Commission.
- Step 3.** Technical Committee on Mineral Titles evaluates the Application (financial capability and technical expertise) and makes recommendation to the Mining Commission.
- Step 4.** The Mining Commission issues an Offer Letter to the Applicant with prescribed fees, or issues a Rejection Letter.
- Step 5.** Subject to acknowledgement and payment made against the offer, The Mining Commission grants the Mineral Right to the Applicant.
- Step 6.** The Licensee must obtain an Entry Permit from respective Local Authority body, before any work on the concession area can commence.

(*) Supporting documents include: 3 copies each of: (a) Application form with Coordinates in Arc 1960, (b) A topographical map of the area of interest, (c) Work Program for the proposed prospecting operation, (d) Local procurement plan and training program, (e) Particulars of Company: Certificate of Incorporation, Memorandum and Articles of Association, Latest audited Accounts of the Company, (f) Evidence of financial capability to carry out the proposed operations.

Application for Mining Licence (ML), or Special Mining Licence (SML)

- Step 1.** Applicant identifies the relevant Prospecting Licence(s).
- Step 2.** The Applicant submits an Application Form for Mining Licence and supporting documents(*) to the Commission.
- Step 3.** Technical Committee on Mineral Rights evaluates the Application (financial capability and technical expertise) and makes recommendations.
- Step 4.** Where upon satisfying itself that the applicant for special mining licence complies with all requirements, the Commission submits the application with all relevant documents to the Minister for tabling to the Cabinet for approval.
- Step 5.** Upon approval by the Cabinet, the Commission grants a special mining licence to the applicant of the minerals licence
- Step 6.** The Licensee must obtain an Operating Permit from the Local Authorities and/or lawful occupier, before any work on the concession area can commence.

(*) Supporting documents include: 3 copies each of: (a) Application form (MRF 3) with Coordinates in Arc 1960, (b) Topographical map of the applied area, (c) Feasibility Study Report, (d) Latest Audited Accounts report/financing details, (e) Company Details: If a Registered Enterprise/Venture – Certificate of Registration, If a Registered Company - Certificate of Incorporation & Company Memorandum, (f) Environmental Certificate from the Vice President's Office-Environment, (g) Resettlement Action Plan, (h) Local Procurement Plan and Training Program.

Application for Primary Mining Licence (PML)

- Step 1.** Applicant identifies area of interest.
- Step 2.** Complete Application Form and submit to the Mining Commission (online and/or Hard copies) .
- Step 3.** Application to be recommended and accepted for grant of licence.
- Step 4.** Successful Applicant pays prescribed Preparation Fee.
- Step 5.** Issuance of licence by the Mining Commission
- Step 6.** Mineral right holder to seek consent to lawful surface right holder to enter the area.
- Step 7.** Mineral right holder to negotiate with Local Government Authority to prepare CSR.
- Step 8.** Before commencing mining operations, PML Holder prepares and submits Environmental Protection Plan (EPP).
- Step 9.** The Zonal Mines Officer assesses the submitted Environmental Investigation and Social Study Report and EPP.
- Step 10.** The Zonal Mines Officer approves the EPP.
- Step 11.** The PML Holder must obtain Entry Permit from land owners/Local Authorities and begin operations.
- Step 11.** The PML Holder must obtain Entry Permit from land owners/Local Authorities and begin operations.

(*) Supporting documents include: 3 copies each of: (a) Application Form (MRF 5), {b} Site plan, {c} Geographic Coordinates (Arc 1960 datum), {d} For individual Applicant - passport size photo of Applicant, to be attached on the form, (e) For a group made up of at least 10 members - passport size photo of each member and a Constitution of the group, (f) For Co-operative Society - Registration Certificate, Details of Members & Regulations, {g} Registered Enterprise/Venture (which has mining listed as part of its core business) – Certificate of Registration,

Application for Licence for Dealing in Minerals

- Step 1.** Applicant submits Application to the Mining Commission in the prescribed form and be accompanied by the prescribed fee. The applicant must state the type of mineral or minerals for which the licence is sought
- Step 2.** The Commission inspects Applicant's business premises.
- Step 3.** The Commission's officer reviews the Application to determine Applicant's capability/suitability to undertake the project.
- Step 4.** Recommendation to the Commission by the Commission's Mineral Trade Officer
- Step 5.** An applicant for a dealer licence whose application was properly made shall be entitled to the grant of a dealer licence for which he has applied. The Mining Commission grants the Dealer Licence to Applicant or sends a Rejection Letter.

(*) (4) Supporting documents include: 2 copies each of: (a) Certificate of Incorporation, (b) Memorandum and Articles of Association, (c) Latest Audited Accounts, (d) Evidence of Financial Capabilities, (e) Estimate of amount of money proposed to be spent, (f) Tax Clearance Certificate, (g) Particulars of the Applicant's proposal with respect to the employment and training of Tanzanians, (h) Curriculum Vitae of key/technical staff, (i) Particulars of Machinery and Equipment available for project, (j) Particulars of other capital items available for the project, (k) Proof of payment of consideration fee .

For more information visit: <https://www.tumemadini.go.tz/services/mining-licences-information>

THE UNITED REPUBLIC OF TANZANIA

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