

# Buckreef Gold Mine set for revival

By ALVAR MWAKYUSA

STATE Mining Corporation (STAMICO) yesterday signed a historic joint venture agreement with TANZAM 2000, a subsidiary of Tanzania Royalty Exploration Corporation (TREC), for re-development of Buckreef Gold Mine in Geita District.

STAMICO holds 45 per cent stake in the company while the remaining 55 per cent are held by TANZAM 2000.

The agreement seeks to increase the contribution of the mining sector to the national economy. Mining sector currently contributes about 2.3 per cent of the GDP, which is projected to account 10 per cent in 2025 as per the National Development Vision 2025.

It is one of the leading components in generating foreign exchange earnings within the non-traditional exports. Further it has great potentials for employment opportunities and spearheading

for both the forward and backward linkage of the economy.

The Minister for Energy and Minerals, Mr William Ngeleja, described the joint venture as an example of how future mining operations should be implemented.

"This is one of the best contracts this country has ever had. It is the best outcome of the Mining Policy of 2009 and Mining Act of 2010," he said.

The signing ceremony was witnessed by Mr Ngeleja, his deputy,

Mr Adam Malima and Acting Permanent Secretary in the ministry, Mr Eliakim Maswi, among other officials.

The Director General of STAMICO, Mr Gray Mwakalukwa and TREC's Chief Executive Officer (CEO), Mr James Sinclair, inked the agreement at the ministry's offices in the city.

Mr Sinclair said the joint venture has set out a paradigm on how natural resources can be used to benefit the people.

"It is a new model of co-operation and sharing of resources. It presents a new model for the free market economy," said the CEO.

Buckreef Gold Mine was closed in 1994 and since then STAMICO has been scouting for a strategic partner to re-develop the facility.

The STAMICO Board Chairman, Mr Ramadhan Hatibu, said 37 local and foreign companies had submitted bids to re-develop

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## STAMICO in mining

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the mine but it was TREC that emerged the winner.

The mine will be operated by a joint venture company to be called Buckreef Gold Company Limited, according to Mr Hatibu.

"On its board of directors will be seven members, four from TANZAM 2000 and three from STAMICO. It will also comprise a joint working committee to co-ordinate operations at the mine.

"All major decisions will be made by both parties, they include huge financial expenditures as well as hiring of contractors," explained the Board Chairman.

In the meantime, the company has been given 30 months to continue with further exploration and bankable feasibility study.

Under the joint venture, the company will be required to procure goods and services locally, in consideration to quality and affordability.

STAMICO will also benefit in its own way since the company will hire two of its machinery to carry out drilling at the mine.

The goldmine is estimated to have deposits amounting to 1.450 million ounces, but exploration is still underway to determine whether there is more deposit at the site.

The company has already applied to the ministry of energy and minerals for enlargement of the site from the current four square kilometre to 16 square kilometre.

Minister Ngeleja directed the Acting Commissioner of Minerals, Mr Ali Samaje, to expeditiously process the application for the enlargement.

