

DRC MINING BAN ANNOUNCED BY PRESIDENT KABILA: IMPACT ON iTSCi PROJECT 13th September 2010



During a visit to the Goma in Eastern DRC last week, President Kabila announced a general suspension of mining exploitation in the area. Further information was subsequently made available in a communication from the Minister of Mines, Martin Kabwelulu, which explained that¹;

“The President of the Republic, in regard to numerous visits, and after analysing the position of the mining exploitation to the East of the Republic, has made the following report:

- *the extent of mining exploitation in this part of the Country results from activities of mafia groups that reinforce, in spite of the efforts of stabilization, recurrent insecurity; .*
- *the paradox between mining wealth concentrated in the Provinces of the east and the generalised poverty of their populations;*
- *the implication of certain local, provincial authorities and national military officers in the illegal exploitation and the illicit commerce of mineral substances.*

In effect, the Ministry of Mines specifies what follows:

- *the Decision of suspension of the mining exploitation spreads itself on the three Provinces of the North Kivu, South Kivu and Maniema;*
- *this decision, that is immediately applicable, concerns all the categories of mining actors, that is to say the: holders of the titles and mining rights, the comptoirs, the negociants as well as the artisanal miners.”*

Further clarification is expected in the next few days regarding the exact extent of the suspension, the possible export of current stocks, as well as the aims and probable timescales of the action and any associated Governmental activities.

ITRI will support the actions of the DRC Government, and therefore, once the requirements are clear, will suspend the iTSCi tagging project at the pilot mine sites until such a time that exploitation can be officially resumed.

ITRI member, and iTSCi scheme participant, Malaysia Smelting Corporation (MSC), will also support the action of the DRC Government by ensuring purchase of legally exported cassiterite only, whether final confirmation requires an immediate export ban, or whether export of stocks can continue. Extensive documentation demonstrating legal export is already required by MSC for all DRC purchases under Phase 1 of the iTSCi scheme. Note that mining in, and exports from Katanga are not affected.

The suspension has serious implications for the iTSCi project;

- a) The project focused on pilot mines in South and North Kivu where a ban seems to now be in place. It appears that mining from those sites will no longer be considered legal and tagging and all associated activities to record production and prices will therefore stop with immediate effect once final Governmental confirmation has been received.
- b) While the iTSCi project benefited from financial contributions from several end users to cover set-up costs of the project this funding has now all been utilised. From 1st September the project is entirely reliant on the comptoir-smelter levy collected on cassiterite exported from DRC and Rwanda. The majority of cassiterite is sourced from the 3 affected provinces (North and South Kivu and Maniema) and the project will not have any funding, and cannot continue, while the ban remains in place.

It is not possible to say whether the iTSCi project will be re-activated on the ground in DRC following resumption of mining in the 3 affected provinces. This will depend on the continuing engagement of ITRI members in the region and funding availability.

¹ Unofficial translation only. The original communiqué can be found at the end of this statement.

11th SEPTEMBER 2010 COMMUNIQUE FROM MINISTER OF MINES - FRENCH

République Démocratique du Congo



MINISTRE DES MINES

COMMUNIQUE DU MINISTRE DES MINES EN RAPPORT AVEC LA DECISION DU PRESIDENT DE LA REPUBLIQUE SUR LA SUSPENSION DE L'EXPLOITATION MINIERE

Le Président de la République, au regard de ses nombreuses visites et après avoir analysé la situation de l'exploitation minière à l'Est de la République, a fait le constat amer suivant :

- l'ampleur de l'exploitation minière dans cette partie du Pays résulte de fait des activités de groupes mafieux qui confortent, en dépit des efforts de stabilisation, l'insécurité récurrente ;
- le paradoxe entre les richesses minières que regorgent les Provinces de l'Est et la pauvreté généralisée de leurs populations ;
- l'implication manifeste de certaines autorités locales, provinciales et nationales tant civiles que militaires dans l'exploitation illégale et le commerce illicite des substances minérales.

A cet effet, le Ministère des Mines précise ce qui suit :

- la Décision de suspension de l'exploitation minière s'étend sur les trois Provinces du Nord-Kivu, Sud-Kivu et du Maniema.
- cette décision, qui est d'application immédiate concerne toutes les catégories d'acteurs miniers, c'est-à-dire les détenteurs des titres et droits miniers, les comptoirs, les négociants ainsi que les exploitants artisanaux.

Fait à Goma, le 11 septembre 2010

Martin KABWELULU

Pour copie certifiée conforme à l'original,

le 11 septembre 2010

Le Cabinet du Ministre des Mines

Valéry MUKASA Myanabute

Directeur de Cabinet

