

THE KENYA CHAMBER OF MINES (KCM)

A LAND OF OPPORTUNITY



A wide-angle photograph of a mining facility at dusk. The sky is a deep blue with wispy clouds, and the sun is low on the horizon, casting a warm glow. The foreground and middle ground are dominated by the dark silhouettes of industrial structures, including conveyor belts, towers, and processing units. Some lights are visible on the structures, and the overall scene conveys a sense of industrial activity in a natural setting.

A LAND OF OPPORTUNITY

Monica Gichuhi, Chief Executive Officer of the Kenya Chamber of Mines (KCM), discusses how the country is playing a vital role in making East Africa one of the most exciting new frontiers for mining on the planet

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It is fair to say that until recently Kenya was not generally renowned for being a destination for mining investment. However now, with the world's eyes focused firmly on Africa as an epicentre for mining activities, Kenya is emerging as a location of particular interest in the wake of developments that have proven that the country does indeed hold significant mineral-based potential.

With the industry taking on ever greater significance and the country receiving more and more interest from international investors, the creation of a dedicated Chamber of Mines became a necessity. "The Kenya Chamber of Mines (KCM) was established in the year 2000," explains Chief Executive Officer, Monica Gichuhi, "with its key mandate being to act as a representative for the private sector companies operating in Kenya's mining sector."

At first KCM existed mainly as a lobbying body, pushing for more favourable working conditions for miners and private stakeholders. However, in line with the growth in prominence of the sector, the Chamber's role has continued to evolve to take on a number of core roles including the marketing of the industry locally and internationally to promote investment opportunities, drive awareness of the industry amongst local communities and be a source of information for its members.

"Over time," Ms Gichuhi continues, "we began opening up our membership to any

and all service providers that wanted to become involved with mining. This has led to a situation where today we have gone from having a membership portfolio that was once home to exploration companies and mine operators, to one that caters for those in the legal, financial, consultation and equipment supply fields. This in turn has helped bring added value to the aforementioned explorers and operators, as well as any foreign owned entities looking to enter the marketplace, as they now have direct access to a list of all manner of service providers that

can cater for their needs."

Proof of the rapid development of the mining sector in Kenya can be seen throughout the country, from the major breakthroughs being made at the Kwale Mineral Sands Project to the purchasing of licences by

the likes of Barrick Gold in the last year, an event which marked the entry of one of the best known global players into the country. Such events have also resulted in an influx of junior miners coming into Kenya seeking their own opportunities.

These developments have clearly not gone unnoticed and have helped lead to the Kenyan government establishing a dedicated Ministry of Mining for the first time in its history. "In the past mining had always been banded together in government with other natural resources or as part of environmental discussions," Ms Gichuhi states. "It is of huge significance therefore that it now has its own docket within government, something which

2000

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**The year that KCM
was established**

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very clearly highlights the confidence it has in the positive benefits the industry can bring to Kenya in the future.”

What is happening within government does not mean however that the role of KCM has diminished in any way. In fact it is perhaps more important now than ever before that the Chamber maintains the pressure it places on the powers that be to ensure that the proper legislation and regulations are in place to

properly support the growth of mining and attract investment.

In addition to its lobbying for the legislation reform process to be speeded up and for the introduction of better tax conditions for the industry, a topic that is high on the Chamber's agenda at present is the gathering of comprehensive geological data for the whole of Kenya, an act that will prove invaluable when it comes to attracting

POWERING AFRICAN MINING



For a mining operation to be viable, a number of factors must be in place. Sustained demand for the commodity, a market price that offers profitability, once extraction, refining and transportation costs are subtracted and a licence to operate are three such factors. Access to a robust, high-quality power supply is another. Without reliable power, mines simply cannot operate.

Traditionally mine power has been supplied from accessing the local power grid or through independent power plants owned and operated by mining companies. Typically when relying on grid power, a fleet of back-up generators are also located on site to step in when grid power goes down.

Another option for powering mines that is becoming increasingly popular is the rental of power plants for either primary or back-up power. Mining companies are starting to recognise the clear benefits of outsourcing this vital, yet non-core activity to specialised suppliers. Rental power offers flexibility in capacity and avoids tying up large amounts of capital in the purchase and maintenance of power infrastructure. Further, it allows miners to concentrate on what they do best, while leaving the supply of power in the hands of dedicated power experts.

“Over the course of a mine’s lifespan, power demands will increase incrementally and then decrease as the mine is scaled back,” commented Charly Wittgenstein, Area Sales Manager, Aggreko East Africa. “By renting power, miners can opt for exactly the power capacity they need and then grow or decrease this as and when required. This avoids the

costly situation of having either unused or redundant capacity or potentially worse, an insufficient power supply.”

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investors to take up licencing opportunities. “As of today we are still waiting to conduct a full airborne survey that will map out the country’s resources,” Ms Gichuhi says. “This is something that we want carried out as soon as

possible and we continue to push hard for it to take place. In truth I believe the government is now starting to realise, thanks to the ever-growing amount of licence applications it is receiving, the importance of such an undertaking, but we will continue to lobby for it until it happens.”

It would be remiss to not also consider

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Number of current members in KCM

the reaction to the increase in mining activities and operations from Kenyans themselves, particularly local communities around which said operations are beginning to take shape. As KCM is well aware such

events can open the door to misinformation of the positives and negatives of the development of the industry spreading amongst local people, therefore it is one of the Chamber’s key tasks to act as an accurate source of information and advice.

Of course the buck doesn’t stop there with the Chamber. It also falls upon the mining

TAITA TAVETA UNIVERSITY COLLEGE VOI KENYA

Taita Taveta University College (TTUC) was established in 2007 as a campus of the Jomo Kenyatta University of Agriculture & Technology (JKUAT) but was upgraded to a Constituent College of JKUAT in 2011. With a student population of over 2,000, the University College currently has five schools. The flagship programme of the University College is the BSc in Mining and Mineral Processing Engineering (MMPE). In addition SEMTECH also runs short courses in Gemology. The importance of the BSc in Mining and Mineral Processing Engineering Programme continues to rise dramatically in Kenya following discoveries of commercially viable deposits of titanium minerals, iron ores, niobium and rare

earths, among others, and prospects of a major gold find soon on the heels of intensified exploration efforts. Shortage of engineering workforce to service the mining, oil and gas industries will continue to bite for many years to come not, only in Kenya but in the whole region of eastern, central and southern African nations. To enhance its educational training capacity, both in terms of academic staff as well as in terms of engineering infrastructure, TTUC has entered into partnerships with other reputable mining universities in Australia, Europe and Africa.

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Taita Taveta University College is increasingly recognized as the Centre for the training of University level engineering workforce for the oil, gas and mining industries in Kenya. Our graduates come out having acquired competence and basic skills in design of both surface and underground mines, mine surveying, blasting with explosives in quarries, mines, civil engineering works, design of mineral processing flow sheets and Computer-Aided Design, among others.

Services/programs

- Technical advice to investors on mine design, mineral processing and extractive metallurgy
- Research and Technological Innovation, including innovation geared at creating indigenous industries in the minerals, oil and gas downstream activities

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“ANYONE WANTING TO BECOME A MEMBER OF KCM MUST BE IN FULL COMPLIANCE WITH THE LAWS AND REGULATIONS THAT GOVERN THE ENVIRONMENT”

companies themselves to build and maintain a positive image for the sector. Where the Chamber does play a role in this is by constantly promoting the concepts of responsible, ethical and sustainable operations.

“First and foremost,” Ms Gichuhi says, “anyone wanting to become a member of KCM must be in full compliance with the laws and regulations that govern the environment. Further to that, part of our own strategic

objective has been to develop a code of ethics for our membership which will see them ensuring their full compliance with issues surrounding environmental protection, community relations and corporate social responsibility initiatives.”

When asked to look ahead to what the future holds for KCM, and the mining sector in Kenya as a whole, one of the first things on Ms Gichuhi’s agenda is the third annual



“KENYA IS UNDOUBTEDLY ONE OF THE FOREMOST REASONS WHY EASTERN AFRICA IS NOW REGARDED AS A NEW FRONTIER FOR MINING IN THE DEVELOPING WORLD”

Mining Business and Investment (MBI) Conference taking place in October at the Safari Park Hotel in Nairobi. “The MBI Conference is one of the significant events on our calendar,” she enthuses. “It is here that we draw in a whole host of current and future investors, all of whom are keen

to get a better understanding of mining in Kenya, what opportunities exist here, the challenges that we are working to overcome and what the government’s position is when it comes to supporting the industry, all of which makes for a hugely important event for all parties involved.”

Kenya is undoubtedly one of the foremost reasons why Eastern Africa is now regarded as a new frontier for mining in the developing world. With the country’s relatively unexplored land playing host to a wealth of mineral based opportunities there is unlikely to be any slowdown in the near future when it comes to investors seeking out new projects for exploration and development.

With that in mind Ms Gichuhi is keen to emphasise that there are long-term plans for the KCM to evolve and grow alongside the mining sector so as to continue fulfilling its mandate and obligations. “As well as positioning ours for the expected growth in membership that

the Chamber will receive going forward, we are also planning for the possibility of one day becoming part of an integrated Chamber of Mines and Energy. The bringing together of these two separate entities would bring Kenya in line with international standards and will help give both fields a larger platform for dialogue and one collective voice to represent the hugely important extractive industries in the country.” **BE**

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