

AS RETURNED BY H.E. THE PRESIDENT
(2)

A mineral rights holder shall ensure that a person carrying out work for him or her, either personally or as an employee, contractor or sub-contractor, complies with this Act, administrative decisions issued under this Act and any other written law.

6. Compliance with other written laws

Where any act is prohibited or otherwise regulated by any written law other than this Act, nothing in this Act shall be construed as authorising the holder of a mineral right to do any such act, otherwise than in accordance with that law.

7. Security for compliance

(1) The Minister may make such arrangements as appear appropriate to him or her to ensure that the holder of a mineral right complies with this Act and regulations made under this Act, including provision of financial guarantees or financial security in a manner prescribed by regulations.

(2) The Minister may suspend or cancel a mineral right in accordance with this Act if the holder of a mineral right fails to provide the guarantee or security required under subsection (1).

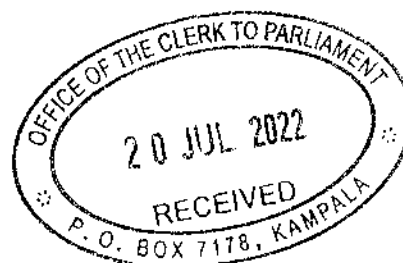
8. Interpretation

In this Act, unless the context otherwise requires—

“accredited consultant” means a consultant accredited by a national or international recognised authority to undertake such studies.

“affiliate” means an entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a company licensed under this Act;

“artisanal mining” means rudimentary mineral extraction and processing that is—



- (a) continuous or seasonal;
- (b) carried out by individuals or groups of individuals;
- (c) primarily and exclusively using manual labour and manual tools;
- (d) carried out at a single site or multiple sites; and
- (e) focused on producing mineral products that are primarily delivered or sold to—
 - (i) traders in those mineral products;
 - (ii) local artists and craftsmen; or
 - (iii) builders acting within the national economy;

“artisanal mining operations” means mining operations that do not exceed ten meters depth and undertaken in accordance with this Act and the artisanal mining licence;

“artisanal mining licence” means a licence issued under section 97;

“artisanal mining licence area” means the land which is the subject of an artisanal mining licence;

“authorised officer” means a public officer designated under section 243;

“borehole” means a narrow shaft bored into the ground, either vertically or horizontally as part of geotechnical investigation, environmental site assessment, mineral exploration, temperature measurement, installing piers or underground utilities, for geothermal installations, or for underground storage of unwanted substances;

“capital” means all cash contributions, plant, machinery, equipment, buildings, spare parts, raw materials and other business assets, other than goodwill;

“complex project” means a project with significant integrated components, unique equipment, multifaceted systems, intricate phasing, or that is marginal in context;

“control” means ownership of greater than five percent of the share capital of a company and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise;

“currency point” has the value assigned to it in Schedule 1 to this Act;

“environment” means—

- (a) the physical factors of the surroundings of human beings, including land, water, air, atmosphere, climate, sound, odour and taste;
- (b) the biological factors of animals and plants; and
- (c) the social factors of aesthetics, health, safety and wellbeing of people;

and includes human interaction with both the natural and the built environment;

“environmental audit” means a systematic, documented and periodic evaluation used to determine how well specified projects or an organisation’s management system, facilities and equipment are performing in conserving the environment and its resources and conform to the requirements of this Act and any other written law;

- “environmental and social impact assessment” means an analytical process that systematically examines the likely environmental and social impacts of a proposed project, evaluates alternatives and designs appropriate mitigation, management and monitoring measures, taking into account interrelated socio-economic, cultural and human health impacts, both beneficial and adverse;
- “environmental management and monitoring plan” means the plan required to be produced and submitted to the Minister by the licence holder in accordance with the National Environment Act, 2019;
- “excavation” means any trench, pit, shaft or other open working;
- “exploration area” means the land covered under an exploration licence;
- “exploration licence” means an exploration licence granted under section 43;
- “explore” means to define the extent and determine the economic value of a mineral deposit and includes activities undertaken in order to identify and determine the presence of minerals or mineral deposits and to assess the extent and economic value of a mineral deposit;
- “geothermal resource” means a reservoir of heat occurring naturally within the subsurface of the earth carried to the earth’s surface by water or steam;
- “good mining industry practice” means the exercise of that degree of skill, diligence, prudence and right which would reasonably and ordinarily be expected to be applied by a skilled and experienced person engaged in the mining industry globally under similar circumstances;

- “highly capitalised project” means a project whose capital investment is above three hundred million United States Dollars;
- “holder” means a person to whom a licence or permit is granted under this Act, and includes every person to whom that licence or permit is lawfully transferred or assigned;
- “in default” means in breach of any of the provisions of this Act, any condition of a licence or permit or any provision of a mineral agreement;
- “inspector of mines” includes a person appointed as an inspector of mines or an authorised officer designated by the Minister under section 243;
- “land” includes land beneath any water, the seabed and sub-soil of such land;
- “large scale mining” means the intentional mining of minerals in mechanised operations, involving the excavation of large surface pits, sinking of shafts, driving of adits or other underground openings with limitations to extents of the mining operation dictated by the extents of the ore body and annual ore production volumes or throughput exceeding one million tonnes;
- “large scale mining area” means an area subject to a large scale mining licence;
- “medium scale mining area” means an area subject to a medium scale mining licence;
- “mine” includes any place, excavation or working where any operation connected with mining is carried on and all buildings, premises, erections and appliances used for, or in connection with such operation;

- “mineral” means any substance, whether in solid, liquid or gaseous form occurring naturally in or on the earth, formed by or subject to a geological process; but does not include petroleum, as defined under the Petroleum (Exploration, Development and Production) Act, 2013 or substances excluded from the definition of minerals under article 244 (5) of the Constitution;
- “mineral agreement” means an agreement entered into by the Minister in accordance with section 28;
- “mineral beneficiation” includes the processing, smelting, refining, cutting, blasting or polishing of minerals;
- “mineral deposit” means a mass of naturally occurring mineral material of economic value;
- “mining operations” means all works related to the various phases of the mineral development process, including planning, prospecting, exploration, mineral deposit evaluation, mine construction, mine development, mining, the reclamation or rehabilitation and remediation of land, the extraction, beneficiation, transportation, handling, storage and marketing of a mineral substance extracted, the processing of mine tailings and all other activities necessary or convenient to carry out the rights and obligations of the licence holder under this Act;
- “mineral right” means a right to prospect, explore or mine for minerals under a prospecting licence, an exploration licence, a retention licence, a large scale mining licence, a medium scale mining licence, small scale mining licence or an artisanal mining licence;
- “mineral processing” means procedures, such as dry and wet crushing, leaching, grinding and separation of minerals or other products containing minerals, to raise

the concentration of the substance mined and includes beneficiation;

“mineral product” means a substance derived from a mineral by mining or processing;

“mining area” means land subject to a mining licence;

“Minister” means the Minister responsible for mineral development;

“ore body” means a continuous well-defined mass of material of sufficient mineral content to make extraction economically feasible;

“passageway” means any highway, road, street, footpath, or installation of any railway, tramway, wire-line, cableway, chute, pipe, sewer, drain, tunnel, shaft, fluming or watercourse, and includes any right of way, easement or hereditament;

“precious mineral” includes—

- (a) precious stones, namely agate, amber, amethyst, cat’s eye, chrysolite, diamond, emerald, garnet, opal, ruby, sapphire, turquoise; and
- (b) precious metals, namely gold, silver, platinum, iridium, osmium, palladium, ruthenium, rhodium, or any other substances of a similar nature to any of them;

“primary host community” means a single community of persons mutually agreed by the holder of a large scale, medium scale, or small scale mining licence and the local government, where the mining area is located, but

if there is no community of persons residing within thirty kilometres of any boundary defining the mining area, the primary host community shall be the local government;

“programme of development and mining operations” means a programme of development and mining operations prepared by a holder and approved by the Minister on the granting of a large scale mining licence, and includes any amendments to such programme made in accordance with this Act;

“programme of exploration operations” means a programme of exploration operations prepared by a holder of a mineral exploration licence, and approved by the Minister on the granting of an exploration licence and includes any amendments to such programme made in accordance with this Act;

“prospecting” means to intentionally search for minerals and mineral deposits and includes any operations to test the mineral-bearing qualities of any area;

“prospecting licence” means a prospecting licence issued under section 36;

“refining” means purifying of a mineral or other mineral product derived from a mineral ore to produce a metal or compound;

“rehabilitation” means the restoration of an area subject to a mineral right to the satisfaction of the Minister and the National Environment Management Authority in accordance with the National Environment Act, 2019;

“retention area” means land subject to a retention licence;

“retention licence” means a retention licence issued under section 54;

“small scale mining licence” means a small scale mining licence issued under section 86;

“small scale mining licence area” means an area that is subject to a small scale mining licence;

“small scale operations” means prospecting or mining operations undertaken under a small scale mining licence;

“smelting” means the extraction of metal from its ore by a process involving heating and melting;

“State” means the Government of Uganda;

“strategic minerals” means minerals that are essential to the economic development and national security of Uganda as may be prescribed by the Minister by statutory instrument;

“surface rights” means the exclusive right to use land, or the surface of the land, or a right of entry onto land required by the holder of a mineral right or licence for the purpose of carrying out mineral operations;

“surrender” means the giving up of all or a portion of a mineral right;

“termination” means the lapse of a mineral right by expiry of time, surrender or cancellation; and where the surrender or cancellation is in respect of a part of an area covered by the mineral right, the mineral right shall be deemed to have been surrendered or cancelled in respect of that part only;

“tribunal” means the tribunal established in section 33;

“written law” has the same meaning as in the Interpretation Act.

PART II—MINERAL RIGHTS

9. Ownership of minerals

(1) In accordance with article 244 of the Constitution, the entire property in, and control of, all minerals in, on, or under, any land or waters in Uganda are and shall be vested in the Government, notwithstanding any right of ownership of or by any person in relation to any land in, on, or under which such minerals are found.

(2) For the avoidance of doubt, the Government of Uganda shall hold mineral rights on behalf of and for the benefit of the people of Uganda.

10. Prohibition of unauthorised activities

(1) A person shall not conduct prospecting, exploration, mining, processing, refining or other beneficiation operation under Uganda’s jurisdiction without an authorisation, licence, lease, permit or approval in accordance with this Act, the National Environment Act, 2019 or any other written law.

(2) The Minister may, in consultation with the relevant state authority, prohibit mining operations in the interest of security, public safety, environmental protection or national economic development.

(3) A person who contravenes subsection (1) commits an offence and is liable, on conviction—

- (a) in the case of an individual, to a fine not exceeding fifty thousand currency points or imprisonment not exceeding five years or both; and
- (b) in the case of a body corporate, to a fine not exceeding fifty thousand currency points.

(3) A model agreement approved by Cabinet shall guide the negotiations of any future agreements under this section.

30. Application for exploration licence on first come first serve basis

(1) The Director shall, in a manner prescribed by regulations, receive applications for an exploration licence on first come, first serve basis and submit the applications to the Minister for consideration and grant.

(2) For the purposes of subsection (1), “first come first serve” means the principle by which applications are considered, approved or granted in the order of receipt, where the application received first in time shall have priority over other competing applications.

31. Announcement of areas for exploration, medium scale or large scale mining licence

(1) Notwithstanding section 30, the Minister may, in a manner prescribed by regulations, announce areas open for bidding for exploration licences, medium scale mining licences or large scale mining licences under this Act.

(2) The announcement referred to in subsection (1) shall be published in the Gazette, in a newspaper of wide circulation and in other electronic and print media.

- (3) The announcement shall—
- (a) state the area that is open for exploration or mining, including the size and boundary of the area;
 - (b) stipulate a period of not less than three months for making applications;
 - (c) include a summary of matters required to be included in an application under this Act; and

- (d) contain any other information as the Minister may consider necessary.

(4) The Minister may, in the announcement, stipulate, as a condition for an exploration licence, medium scale mining licence or a large scale mining licence, that the applicant shall enter into agreements with the Uganda National Mining Company on terms prescribed by regulations.

(5) The bidding process shall be carried out in accordance with this Act.

(6) The Minister shall consider bids submitted under this section and shall select the bid which is most likely to promote the expeditious and beneficial development of the mineral resources of the area having regard to—

- (a) the programme of exploration or mining operations which the applicant proposes to carry out and the commitments as regards expenditure which the applicant is prepared to make;
- (b) the financial and technical resources of the applicant;
- (c) the legal status of the applicant; and
- (d) the previous experience of the applicant in the conduct of exploration or mining operations.

(7) For the avoidance of doubt, competitive bidding shall not apply to areas under a mineral right.

32. Publication of notice of applications

(1) The Minister shall, within fourteen days after receiving an application in response to announcement of areas for an exploration licence, a medium scale mining licence or a large scale mining licence

under section 31, cause a notice of the application to be published in the Gazette, in a newspaper of wide circulation and in other electronic and print media.

- (2) A notice published under subsection (1) shall—
- (a) indicate the receipt of the application for an exploration licence;
 - (b) contain a description of the nature and location of the proposed undertaking of the medium scale licence and large scale mining licence;
 - (c) inform members of the public that the application may, within the limits of commercial confidentiality, be inspected at the offices of the Minister; and
 - (d) invite directly affected parties and local authorities in areas affected by the proposed mining operation who object to the granting of the licence, whether on personal, environmental or other grounds, to lodge with the Minister an objection within a specified time, being not less than thirty days from the date of the notice.

33. Objection to proposed mining operation

(1) A party affected by a proposed mining operation under section 31 may lodge with the Minister an objection to the grant of a licence, setting out the grounds of the objection.

(2) The Minister shall consider the objection raised under subsection (1) and make a decision within fourteen days from the date of receipt of the objection.

(3) Where the Minister upholds the objection, the licence shall not be granted.

(4) Where the Minister dismisses the objection, the Minister may grant a licence.

(5) The Minister may, in granting a licence under subsection (4), include a condition that the Minister may withdraw or cause to be relinquished portions of the licence area covering land that has been ear marked by Government for a public infrastructure project, at no cost to Government.

(6) A person aggrieved by the decision of the Minister under subsection (2), may appeal against the decision to the Tribunal within thirty days of receipt of the decision.

(7) A person aggrieved by the decision of the Tribunal shall appeal to Court.

(8) For purposes of this Act—

(a) There is established a Tribunal known as the Mining and Minerals Tribunal;

(b) The Minister shall by regulations, prescribe the composition, powers and functions of the Tribunal.

Application for Mineral Rights

34. Mining Cadastre

(1) There is established a Mining Cadastre for the management of applications for mineral rights and other licences and permits issued under this Act, including licensing, communication, reporting and assessment of payments.

(2) All applicants for mineral rights and other licences and permits issued under this Act, shall be required to register on the Mining Cadastre in a manner prescribed by regulations.

*Large Scale Mining Licences***59. Application for large scale mining licence**

(1) An application for a large scale mining licence shall be made to the Minister in a manner prescribed by regulations.

(2) An application for the grant of a large scale mining licence shall—

- (a) contain a copy of the exploration licence or retention licence, which must still be valid;
- (b) contain proof of payment of any taxes and fees due;
- (c) contain, in respect of the company—
 - (i) the registered name and place of incorporation of the company;
 - (ii) the certificate of incorporation and a certified copy of its memorandum and articles of association;
 - (iii) a board resolution; and
 - (iv) the names and nationalities of its directors and the name of every shareholder who is the beneficial owner of five percent or more of the issued share capital;
- (d) where applicable, contain the company profile and history of mining operations in Uganda and elsewhere and the details of any mineral rights held in Uganda, by the applicant or by any person controlling, controlled by or under joint or common control with the applicant;
- (e) state the period applied for, informed by a feasibility study;
- (f) state the minerals in respect of which the licence is sought;

- (g) be accompanied by a plan of the area over which the licence is sought, drawn in such manner as may be prescribed by regulations;
- (h) identify the name and qualifications of the person responsible for supervising the proposed programme of mining operations;
- (i) be accompanied by a statement giving details of the mineral deposits in the area of land over which the large scale licence is sought, including details of all known mineral reserves proved, estimated or inferred, and mining conditions in accordance with recognised international mining standards;
- (j) be accompanied by a statement giving particulars of expected infrastructure requirements;
- (k) be accompanied by an environmental and social impact assessment in accordance with the National Environment Act, 2019;
- (l) be accompanied by a feasibility study and assessment by an appropriate expert or accredited consultant—
 - (i) the extent and prospect for recovery and the commercial and economic significance of the mineral deposit concerned; and
 - (ii) a detailed timetable for the work which is to be carried out;
- (m) contain the identification of interested and affected parties including the registered owner, customary owner, lawful occupant or bonafide occupant of the proposed mining area and details of minutes of any consultative meetings with interested and affected parties and the results of the consultation;

- (n) be accompanied by a report on the goods and services required for the mining operations which can be obtained within Uganda and the applicant's proposals with respect to the procurement of those goods and services;
- (o) contain a statement giving particulars of the applicant's proposals with respect to the employment and training of citizens of Uganda, technology transfer and progressive reduction of expatriate workers in the industry;
- (p) be accompanied by details of the applicant's proposals for insurance including health cover for its employees and workers' compensation;
- (q) contain proposals for value addition;
- (r) be accompanied by the proposed marketing arrangements for the sale of the mineral to be produced;
- (s) indicate the financial and technical resources available to the applicant to carry out his or her obligations under the licence;
- (t) contain a plan for co-existence with customary landowners or communities owning the land in the area subject to a mineral right;
- (u) be accompanied by a business plan giving a detailed forecast of capital investment, operating costs and revenues; and the anticipated type and source of financing including the year for the positive cash flow, financial plan and capital structure;
- (v) contain a statement giving particulars of the proposed programme of mining operations, including a statement of—
 - (i) the estimated date by which the applicant intends to break-even;

- (ii) the estimated capacity of production and scale of operations;
 - (iii) the estimated overall recovery of mineral and mineral products;
 - (iv) the nature of the mineral products;
 - (v) proposals for the progressive rehabilitation and decommissioning of land disturbed by mining and for the mitigation of the effects of mining on surface water and ground water and on adjoining or neighbouring lands; and
 - (vi) restitution of land rights at the expiry or termination of a mineral right or after mine closure; and
- (w) contain any other information as may be prescribed by regulations.

60. Disposal of application for large scale mining licence

(1) An application for a large scale mining licence shall be advertised in the Gazette, newspapers of wide circulation and other electronic media, and copies of the accompanying plan and maps shall be displayed at the relevant district, subcounty and parish headquarters and such other place as the Minister may specify.

(2) The applicant shall submit together with the application written proof that he or she has obtained surface rights from the landowner or lawful occupant of the area the applicant intends to mine.

(3) Upon receipt of the application referred to in subsection (2), the Minister shall forward the application and the accompanying documents to the Mining Cadastre Department for review and verification that the application meets the requirements of this Act and any other written law and that the applicant has secured the surface rights of the mining area applied for.