

MINING ACT SETS BASE FOR

BY BENON OJIAMBO

President Yoweri Museveni's new term, anchored on the pledge *Protecting the Gains, Making a Qualitative Leap into High Middle-income Status*, meets a mining sector already reshaped for that leap. The story of Uganda's mining industry changed in 2022 when Parliament passed the Mining and Minerals Act, 2022, a law that replaced the old Mining Act of 2003.

The new law that currently drives the sector introduced several reforms including a 15% free-carried interest for the state in all large and medium-scale mining projects, which is held by the Uganda National Mining Company (UNMC).

The new law, for the first time, formally recognised artisanal miners, aiming to move them from the informal sector to regulated and safer operations; strongly promotes in-country processing and prohibited the export of unprocessed minerals, particularly iron ore, to foster a robust local steel industry.

Additionally, the law created new categories for mineral rights, including large-scale, medium-scale, small-scale, and artisanal licenses. It also stipulates that mining licenses in government-owned prospecting areas must be awarded through competitive bidding.

On the other hand, the act revised the

distribution of royalties to increase the share for local communities and local governments, giving the central government 70%, local government 15%, sub-county/town council 10% and owners/lawful occupiers of land 5%.

In implementing this reform, the government is banking on the mining sector as one of the anchors in its implementation of its 10-fold strategy that seeks to grow the economy to \$500b by 2040.

This is expected to be achieved by prioritising mineral value addition, state participation through the Uganda National Mining Company (UNMC), establishment of formal mineral markets, and formalisation and registration of artisanal miners.

Uganda has deposits of several minerals like copper, nickel, gold, chromite, iron ore, tantalite, tungsten, limestone, marble, graphite, gemstones and rare earth minerals.

MINING COMPANY
UNMC is a fully state-owned company established in 2024 and operationalised in 2025 to manage Uganda's strategic commercial interests in the minerals sub-sector and participate in joint ventures in which it holds an interest on behalf of the state. Uganda's Mining and Mineral Policy 2018 shows that the country's mineral resources have attracted increased foreign



Artisanal miners using borax to purify gold concentrates at Kassanda mining site

direct investments from \$5m 2003 to over \$800m in 2017.

However, Irene Batebe, the Permanent Secretary at the Ministry of Energy and Mineral

Development, said Uganda has not been fully benefiting from these investments partly due to low funding, lack of institutional capacity to manage the resources and low value addition.

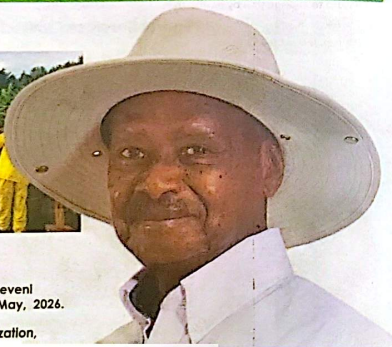
ATS **GSL** **ABUBAKER TECHNICAL SERVICES & GENERAL SUPPLIES LIMITED**



Congratulatory Message

Abubaker Technical Services extends warm congratulations to His Excellency Yoweri Kaguta Museveni, the President of the Republic of Uganda, on the occasion of your swearing-in, on the 12 May, 2026.

...ment to transform Uganda through industrialization,



MIDDLE-INCOME PUSH

\$800M

The amount of money that mineral resources have attracted leading to increased foreign direct investments from \$5m between 2003 and 2017.

MINERAL MARKETS

The act established mineral markets, giving the responsible minister powers to supervise mineral trading in the country.

"There has been a gap in transparency and traceability of our minerals. We are bridging that gap by regulating mineral trade.

With government regulation comes certainty in pricing, confidence for investors to know exactly where they can acquire the minerals that are legitimate without fear of being scammed or overpriced.

This is one of the ways of seeing that we reduce as many illegalities in the trade as it is possible," Phiona Nyamutoro, the state minister for minerals, said last year.

The initiative, expected to take effect next financial year, is targeting high-value commodities, beginning with gold, tin, and gemstones with the target of enhancing transparency and compliance.

"This will also be an avenue for attracting investors to come and trade in Uganda because of well-gazetted buying centres added.

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President Museveni with Ruth Nankabirwa at Waqagali gold mining site

"All the government has been earning from the minerals sub-sector has been royalties and taxes. We want to change that by having this

company directly investing in mineral ventures," Batebe said in 2024.

On January 9, 2026, a major milestone was achieved when UNMC signed a joint operating

agreement with Sarrai Group Limited and Nile Fibreboard Limited for the redevelopment of Kilembe Mines. This is the first project that UNMC is getting directly participating in on behalf of Ugandans.

The signing of the JOA marked the completion of the project's preparatory phase and the transition from structuring to execution, following the conclusion of the Mineral Production Sharing Agreement in March 2025. In February this year, UNMC marked one year of operations.

In a statement, Dr Gerald Banaga-Baingi, the UNMC chief executive officer, said the company had also secured a tin exploration licence in Kisoro district, marking the company's entry into direct exploration activities and expanding its strategic minerals portfolio.

UNMC also secured the right of use and utilisation of the Rwengoma Mineral Beneficiation Centre as a national demonstration facility for structured mineral processing and value addition.

"The first year of operation was foundational. UNMC is now positioned to move from system

building to execution, with priorities focused on completing state participation activation, converting partnerships into sustainable, revenue-generating ventures," Banaga-Baingi said.



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The National Drug Authority congratulates His Excellency Yoweri Kaguta Museveni on the occasion of swearing-in as the President of the Republic of Uganda.