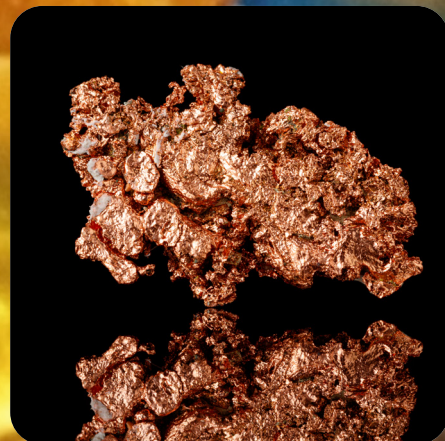
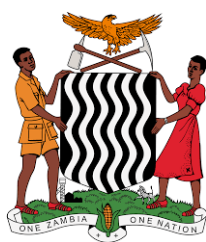


# Zambia's Mining OPPORTUNITIES





## Zambia at a glance.

- Zambia's mining sector accounts for about 70% of exports.
- Zambia is the world's ninth-largest producer of copper and holds 6% of the world's known copper reserves. Notably, Zambia produces over 20% of the world's emeralds.
- Richly endowed with the following:
  - Critical minerals such as copper, lithium, cobalt, nickel, and rare earth minerals.
  - Gemstones (precious and semi-precious stones) such as emeralds, topaz, quartz, opal, agate, and amethysts.
  - Industrial minerals such as Uranium, Coal, Sulphur, and Hydrocarbons.
- Governing Policy and Law of the sector – 'Mineral Resources Development Policy' of 2013 and the 'Mines and Minerals Development Act No. 11' of 2015 respectively.
- Poised to become the largest producer of Nickel in Africa. This implies the country is strategically positioned for a global clean energy transition.
- Big players in the sector: Rio Tinto, First Quantum Minerals, Vedanta



# Ten (10) Reasons why Investors should invest in **Zambia's** mining Industry.

1. Abundance of skilled manpower have run the mines the last 80 years.
2. Favorable Tax regimes.
3. Peace and Stability.
4. Successful mines.
5. Higher Copper grade.
6. Low cost of production.
7. Peace and stability of the country
8. Predictability of policies.
9. Government support.
10. Infrastructure availability.

# Notable Government Policy pronouncements

## Clear National Goals

- 3 million metric tons of Copper production annually by 2032.

## Accurate geological information

The government will undertake high-resolution aerial surveys in Copperbelt, Lusaka, North-western, Southern, Western and Central Provinces in 2024. Preliminary geological surveys were conducted for Lithium in Mapatizya and Sugilite in Chembe.

## Enhance Regulation

Operationalize the Minerals Regulation Commission. The Commission will address issues pertaining to production reporting, mineral content analysis, illegal mining and illicit trade of minerals.

## Promotion of exports

The government is supporting value addition and integrated value chain mining. The strategies include upscaling trade missions to expose exporters to international markets, improving the quality of products, encouraging partnerships and joint ventures, enhancing the identification of new export products, and developing the export readiness of enterprises.

## Promotion of diversification

The government has allocated K160.0 million to geological mapping in support of exploration and investments.



# Notable Government Investments

The government, through ZCCM-IH, has agreed with Integrated Resource Holding RSC Limited to be a strategic equity partner for Mopani Copper Mines. The committed investment is US\$1.1 billion, and ZCCM-IH will have a 49% equity share.

## Key Minerals

Base and Precious Metals

Year	Commodity	Unit	Production Quantity
2022	Copper	Metric Tons	763,550
	Gold Ounces	Ounces	103,884
	Cobalt Metric Tons	Metric Tons	251,800
	Nickel Metric Tone	Metric Tons	4,059

### Copper

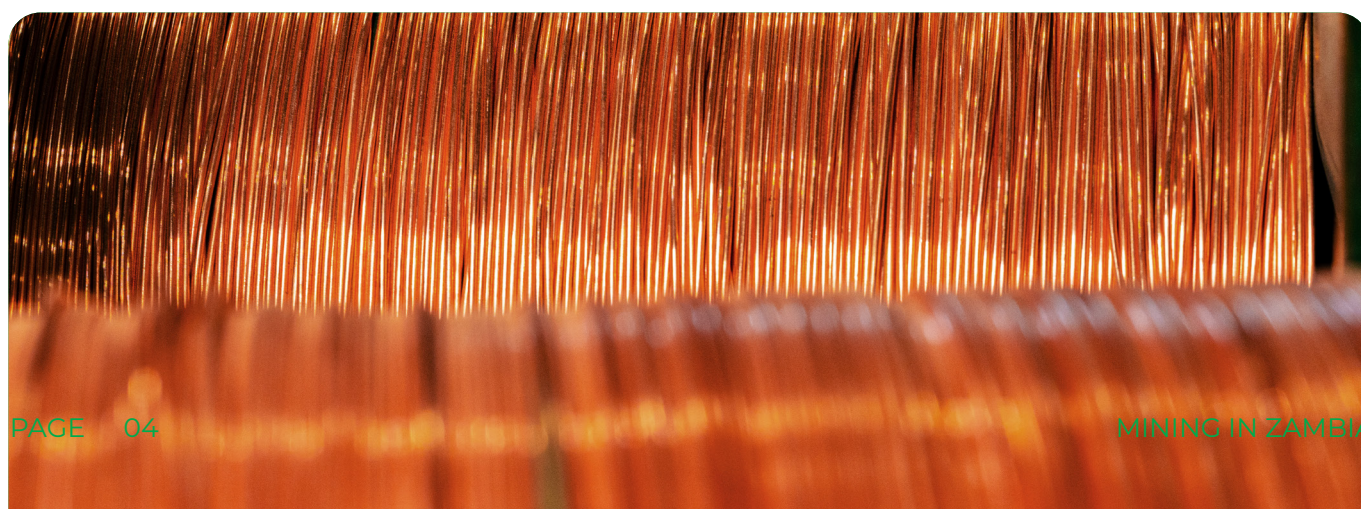
- Zambia is the second-largest producer of Copper in Africa and the world's ninth-largest producer.
- Copper Production in 2022 was 763,550 Mt, with total earnings of USD 10.9 billion.
- 95%+ of Copper produced is exported.

### Opportunities

#### Copper Wire Production

- Two principal fabricators - Neelkanth Cables and Metal Fabricators of Zambia (ZAMEFA).
- Only 15,000 MT of Copper cathode is used to produce Copper rods, wires, and cables for domestic use.
- Price paid for cathodes is LME price + Cathode premium.

- The country has untapped Copper refining potential to produce 1.5 million metric tons of Copper cathodes annually.
- Potential for investment in the circular economy:
  - Scaling up production of Copper wire for use in the manufacture of green technologies and machinery.
  - Re-processing of Copper mine tailings and waste dumps.
  - Export of by-products such as Sulphuric Acid.
  - Developing new uses for Copper slag.
  - Production of anodes to recover precious metals.



## Electric Vehicle and Electric Vehicle Battery components and assembly

- Zambia's active vehicle population is currently around 700,000 units, with a growth rate of 45,000 units per year. The majority of the country's vehicles are Internal Combustion Engines (ICE), with only around 100 electric vehicles in the country.
- However, Zambia has market access to 8 neighbouring countries and is part of the following regional bodies: COMESA, SADC, AF-CFTA and the Tripartite Free Trade Area. The country is focused on obtaining a significant share of the global market to meet the growing demand for electric motorcycle batteries.
- 
- Zambia and the DRC (Democratic Republic of Congo) recently signed a Memorandum of Understanding (MoU). The MoU aims to leverage each country's rich supply of critical minerals for the electric vehicle (EV) industry. The goal is to establish the largest EV battery industry in Africa. To achieve this, Zambia has established an Industrial Park in the Copperbelt region, which will house the EV battery and motor vehicle assembly plant. Additionally, Zambia has plans to set up a car manufacturing plant in the near future. The country is reviewing its regulations for the EV industry.



## Copper Mineral Royalty Rates

Norm Price of Copper (USD)	Mineral Royalty Rate
Less than USD 4,000 per ton	4%
USD 4,000 per ton or greater, but less than USD 5,000 per ton.	6.5%
USD 5,000 per ton or greater, but less than USD 7,000 per ton.	8.5%
USD 7,000 per ton or greater	10%

### Cobalt

In 2022, cobalt production increased by 4.7% to 251.8 metric tons from 240.4 metric tons in 2021 due to a slight increase in the cobalt content in the copper ore (see Figure 2-4).

### Gold

Gold production in 2022 decreased by 18.0% to 2,945 kilograms from 3,599 in 2021 due to low ore grade and suspension of operations at gold mines.

### Nickel

Nickel production increased by 5.9% to 4,059 Metric tons in 2022 due to higher prices.

## Industrial Metals

Year	Commodity	Unit	Production Quantity
2022	Coal	Metric Tons	823,450
	Cement	Metric Tons	2,271,770
	Emeralds	Kilograms	22,381



## Opportunities in the Sector

### Commodity Diversification

The government has recognized Cobalt and other materials that are critical for the worldwide shift to clean energy as a strategic opportunity to diversify Zambia's mining sector. Along with copper, Zambia is now aiming to establish itself as a significant producer of other vital minerals, gemstones, and precious metals.

### Value Addition

Zambia has identified value addition as a key enabler of industrialisation and inclusive growth. In this regard, the government is enhancing policies to encourage value addition along the mineral value chain and downstream use of mineral products.

### Exploration

An estimated 55% of the country has been geologically mapped. Geological maps are available to the public at a scale of 1:100,000.

### Tax Incentives

- **Exploration:** Guaranteed input tax claim for ten years on pre-production expenditure for exploration
- Mining (Extraction of minerals):
  - 0% tax on dividends
  - Capital allowance on plant and machinery
  - 0% VAT for the supply of capital equipment
- Processing:
  - 15% corporate tax for processing in Copper cathodes.
  - 0% VAT for the supply of Copper cathodes
- EV and EVB Value chain:
  - 0% customs duty on electric vehicles, motorbikes, and supporting infrastructure such as charging systems.
  - 0% customs duty on imported motorcycles and tricycles in complete knockdown state for local assembly.
  - 0% customs duty on capital equipment and machinery for five (5) years.
  - 100% accelerated depreciation on capital equipment and machinery





# Tax Policy

## Mineral Royalty rates

For holders of mineral licenses the following are the rates:

Metals	Mineral Royalty Rate
Base metals-On the norm value of the base metals produced or recoverable under the licence <b>except copper</b>	5%
<b>Cobalt</b> - On the norm value of the base metals produced or recoverable under the licence	8%
<b>Precious metals</b> - On the norm value of the precious metals produced or recoverable under the license	6%
<b>Energy and industrial</b> - On the gross value of the minerals produced or recoverable under the license	5%
<b>Gemstones</b> - On the gross value of the gemstones produced or recoverable under the license.	6%



## Market Access

- Zambia is land linked to 8 countries
- Zambia is part of COMESA, SADC, Tripartite Free Trade Area and Africa Continental Free Trade Area (AFCFTA)
- Zambia has access to ports such as Durban, Walvis Bay, Dar es Salaam and Beira

## Licensing

Type of License	Size of the Mine	Maximum Land Area	Period of Validity
Exploration	Small Scale	10km <sup>2</sup>	4 years
	Large Scale	1,000km <sup>2</sup>	10 years
Mining	Small Scale	4Km <sup>2</sup>	10 years
	Large Scale	250 km <sup>2</sup>	25 years
Processing		250 km <sup>2</sup>	25 years

**Note:** Exploration licenses are renewable up to 10 years





# Mining Rights.

Mining rights information can be accessed using this link:

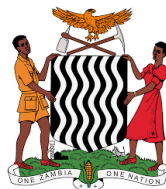
<http://portals.flexicadastre.com/zambia>

## Important Contacts

Government Department/ Institution	Services Offered	Contact Details
Zambia Development Agency	Investment Advisory and facilitation	Phone: +260 211 220 177
Mines Development Department	Mining Policy and regulator	Tel: +260 211 235363
Geological Survey Department	Geological information	Tel: +260 211 251557
Mining Cadastre Department	Issuance of Licenses	Tel: +260 211 251957



ZAMBIA  
DEVELOPMENT  
AGENCY



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