

## **Mining Month**

### **GOLD AND PHOSPHATE DOMINATE ATTENTION IN ANGOLA DURING CELEBRATION OF MINERS' MONTH**

*- Value chain analysis of gold and opening of phosphate mining marks the month in which Angola celebrates 39 years of existence of mine workers*

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When Angola celebrates thirty-nine years of workers' involvement in the mining industry, the celebrations will focus on two mineral resources: gold and phosphates.

This will happen throughout the month of April, the month in which the country celebrates Miners' Month.

This year, the celebrations will be held under the theme: "The evolution and prospects of mining activity in Angola."

The celebrations will take place from April 15 to 27 in the capital of Angola, Luanda, and in two more provinces: Cabinda, further north of the country, and Huambo, more towards the center, with a tendency to lean towards the south of the country.

In the province of Huambo, a workshop on "Mineral Resources and the Value Chain of Gold in Angola" will be organized.

According to the country's mineral resources development plan for the period 2023-2027, Angola aims to increase the extraction of gold, iron, and manganese.

In fact, the goal is for gold production to increase from 1.37 thousand fine ounces in 2021 to 13.18 thousand fine ounces in 2027.

The Angolan Government understands that the current gold market remains quite dynamic and influenced by various factors such as supply and demand, the global economy, political and financial instability, among others.

"Gold is considered a safe investment in times of uncertainty, which causes its value to increase in times of crisis," indicates the Angolan Government in a report from the Ministry of Mineral Resources, Petroleum, and Gas.

As for phosphates, Minister of Mineral Resources Petroleum and Gas, Diamantino Pedro Azevedo will visit the Mimbos Resources exploration project in Cabinda.

According to a program of development and modernization of geological and mining activities, Angola aims to ensure the exploitation of non-metallic mineral resources, namely phosphates, potash, and dolomitic limestone for soil correction.

Regarding phosphates, the country aims to achieve a production of 252 thousand metric tons by 2027.

Phosphate is a mineral composed of calcium, iron, aluminum phosphates, and other substances. It is an essential source of phosphorus, which is a fundamental nutrient for plant growth and fertilizer production.

Currently, the phosphate market is dominated by countries such as China, the United States, Morocco, and Russia, which have large reserves of the mineral and are the world's largest phosphate producers.

"Phosphate exploration is important for countries like Angola, as phosphorus is a fundamental nutrient for agriculture and food production. With the growing demand for food due to the increase in the world population, the production of phosphate-based fertilizers becomes essential to ensure food security," said a local economist following the mineral resources sector.

"Furthermore, phosphate exploration can generate significant revenues for a country's economy, providing jobs and driving industrial and agricultural development. Therefore, phosphate exploration by countries like Angola can be strategic to ensure the supply of essential nutrients for agricultural production, as well as to drive economic and social development of the country," he added.

### **The celebrations**

Meanwhile, the scientific sessions of the Mine Workers Month, the highest period in which Angola shows its mineral resources, include more events.

The sessions, which directly engage Minister Diamantino Pedro Azevedo, will open with him reading an official message to the employees of the Mining sector.

Additionally, there will be workshops, meetings with journalists, sports competitions, poetry moments, and artistic exhibitions.

It is also worth noting the launch of the book by writer Eduardo Mendes Simba, prefaced by Minister Diamantino Pedro Azevedo, on Mining Law, and visits to phosphate exploration projects in Cabinda.

The activities of the Mine Workers Month sessions in Angola will be carried out according to the following schedule:

<b>Activities:</b>
- <b>April 15:</b> Reading of the message from Minister Diamantino Pedro Azevedo to sector employees.
- <b>April 16:</b> Workshop on the History of Mining Sector Leadership and meeting with journalists.
- <b>April 17:</b> Gala award ceremony for the "Catoca Journalism Award" contest.
- <b>April 18:</b> Workshop in the province of Huambo on "Mineral Resources and the Value Chain of Gold in Angola."
- <b>April 19:</b> Opening of the exhibition by photographer Pedro Yaba in Luanda.

- **April 20:** Luanda Mining Grand Prix Cycling and proposal for the inauguration of the selection center of the Somiluana Project.
- **April 23:** Visit to the Mimbos Resource Phosphate exploration project in Cabinda.
- **April 26:** Launch of the book by professor Eduardo Mendes Simba, prefaced by Minister Diamantino Pedro Azevedo.
- **April 27:** Inauguration ceremony of the Cacutea Phosphate Exploration Project in Cabinda.

### **History of the sector and governance**

The activities are part of the celebrations of Miners' Day in Angola and aim to celebrate and recognize the contribution of miners to the country's economy.

Angolan Miners' Day was established 39 years ago as a way to recognize the important role played by miners in the national economy. It is celebrated April 27th.

This year's celebrations promise to celebrate the history and present of mining activity in Angola, as well as discuss future prospects for the sector.

Over the past few years, the sector has undergone transformations in the way it is governed.

Today, the Governance Model of the Angolan Mining Sector is composed of:

- Executive Branch Holder (President of the Republic): responsible for the supervision of the sector;
- MIREMPET: responsible for formulating, conducting, implementing, and monitoring the Executive's policy on geological and mining, petroleum, gas, and biofuels activities;
- Ministry of Finance (MINFIN): responsible for ensuring compliance of companies regarding the fiscal, customs, and exchange framework, and financial counterparts of concession contracts;
- Geological Institute of Angola: responsible for collecting, storing, managing, promoting, and providing geological information for Angola;
- National Mining Resources Agency (ANRM): created under Presidential Decree No. 161/20 of June 5, to develop the functions of the national concessionaire, is responsible for regulating, supervising, and promoting the Angolan mining sector;
- ENDIAMA – E.P.: diamond mining operator;
- SODIAM – E.P.: responsible for the strategic trading of ores;

- Diamond Exchange: will handle diamond transactions in Angola supervised by SODIAM;
- Kimberley Process National Commission: responsible for legal certification procedures.

In order to accelerate investment attraction and attract foreign investors to the Angolan market, domestic legislation provides, in the Mining Code approved by Law No. 31/11 of September 23, the possibility for companies to benefit from tax incentives for investment.

These tax benefit regimes, characterized, in general, by the reduction or exemption from payment of taxes such as Industrial Tax, Tax on Capital Application, and Property Tax, are first subject to a pronouncement by MIREMPET and then analyzed by MINFIN, upon submission of a request.

After this analysis and approval by MINFIN, the tax benefits are included as an annex to the investment contract signed by the contracting parties, namely MIREMPET and the investor (foreign).

Considering that the mining sector is a capital-intensive sector with different challenges along the value chain and Angola's eagerness for foreign investment, it is estimated that this reorganization, accompanied by the award of incentives, may spark interest among investors and the corresponding willingness on the part of the Executive to grant concessions.

This is the context in which Angola will celebrate thirty-nine years of workers' involvement in the mining industry, with celebrations focusing on two mineral resources: gold and phosphate.

In the case of phosphates, the inauguration, by Minister of Mineral Resources, Diamantino Pedro Azevedo, of the Cácata Phosphate Exploration Project in Cabinda, will be the milestone.

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