



THE REPUBLIC OF UGANDA

PETITION

(Moved under Rule 30 of the Rules of Procedure of the Parliament of the Republic of Uganda)

The **HUMBLE PETITION** of Tibet Hima Mining Company Limited, presented on its behalf by **Hon. Solomon Silwanyi**, Member of Parliament for Bukooli County Central;

SHOWETH AND STATES:-

1. THAT the petitioner is a company registered in Lhasa, the capital city of Tibe Autonomous Region, Peoples Republic of China ;
2. THAT in 2013, through an international bidding process, Tibet Hima Mining Company Limited won a competitive bid to manage, rehabilitate and operate Kilembe mines for 25 years from 2013 to 2038;
3. THAT ON 6th September, 2013 the petitioner executed a concession agreement with the Government of Uganda wherein the petitioner was required to make an upfront payment fee of USD 4,030,000, submit a written undertaking from consortium partners, pay an annual concession fee of USD of 1,005,000 on each anniversary of the concession agreement, extract a minimum of 4.5 million tons of iron ore in phase 1 of the project within the first three years of the project, undertake exploration studies, develop the Mobuku hydro power generation project, and introduce modern mining technology and fostering economic growth;
4. THAT your petitioner in implementing the concession agreement between June 2014 and January 2017 paid UGX 4.2 billion to the Government of

Uganda, directly employed 822 Ugandans, purchased machinery and equipment worth USD 22 Million, acquired mineral processing equipment and committed USD 183,500,000 to future investments in the resumption of copper ore production from Kilembe mines;

5. THAT your petitioners undertook a number of activities in preparation of the mining and processing of minerals from Kilembe mines including upgrading the existing operation facilities, undertaking underground mine de-watering, supply of water, design of underground materials handling systems and the processing plant, procurement, construction management for the surface and underground infrastructure;
6. THAT in spite of Tibet Hima Mining Company Limited performing its key obligations, the Government failed or neglected to fulfill its contractual obligations and in particular-
 - (a) failed to hand over Kilembe Mines to the petitioner by 9 months from the date of entering into the agreement;
 - (b) Reduced the concession period from 25 years to 15 years without any explanation;
 - (c) failed to provide the necessary permits and licenses
 - (d) Stripped assets and equipment belonging to the petitioner; and
 - (e) unlawfully and without regard to the contractual terms terminated the concession agreement;
7. THAT your Petitioner was frustrated in performing their obligations under the Contract due to technical bureaucracies and inadequate coordination without due process of the law in the various Ministries, Departments, Agencies that it was required to report to;

8. THAT following the early termination of the concession agreement, your petitioner has suffered substantial financial losses amounting to USD \$980,000,000 million as a direct loss;
9. THAT the Government of Uganda has lost USD 10 million annually due to the failure by Government to fulfil its contractual obligations under the concession;

WHEREFORE, by this petition, the petitioner pray that-

- (a) The relevant Committee of Parliament investigates the implementation of the Concession agreement between Tibet Hima Mining Company Limited and the Government of Uganda to establish whether the obligations in the agreement were fulfilled by both parties;
- (b) In the interim, your petitioners further pray that Parliament-
 - (i) Halts the ongoing advertisement and subsequent procurement processes related to Kilembe Mines; and
 - (ii) investigates the reasons for the site handover delays;

AND your humble petitioners as in duty bound will ever pray;

AND hereto your humble petitioners have appended their signatures;