

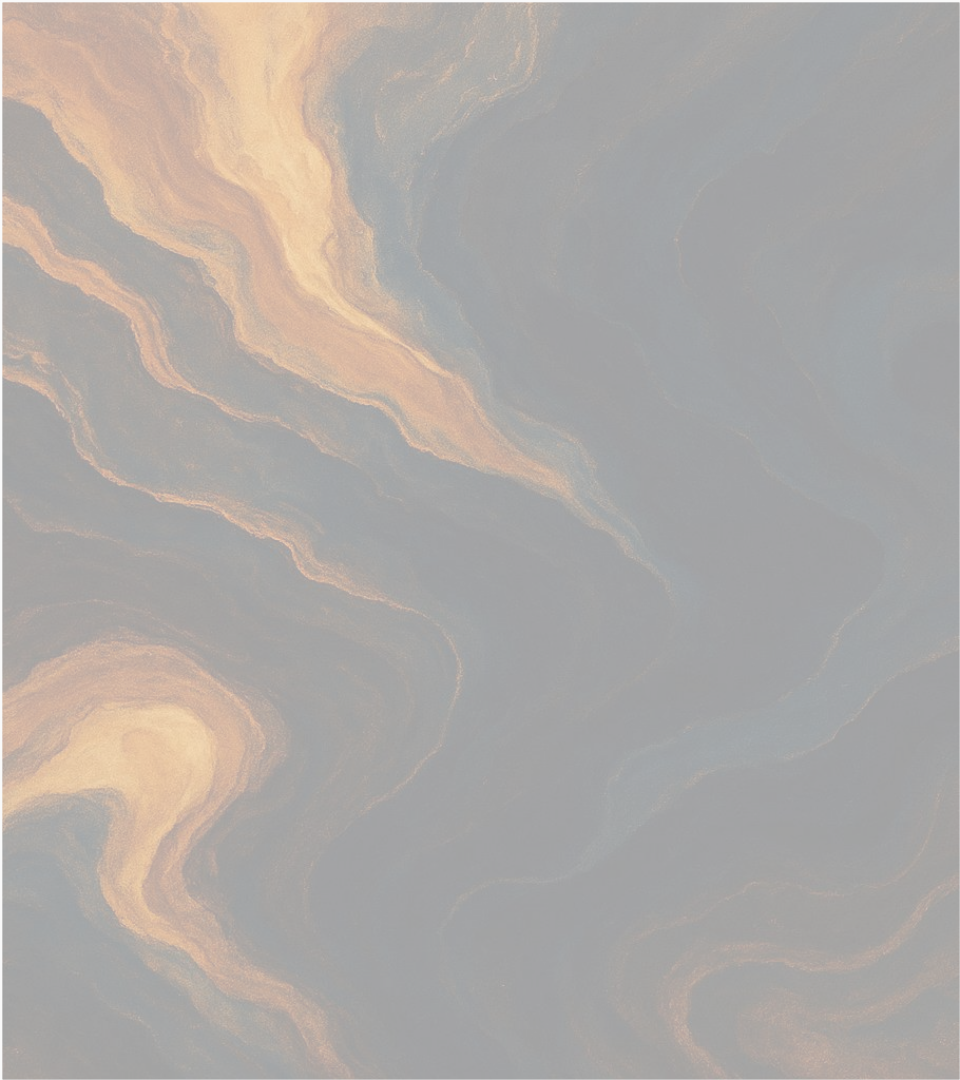
# KENYA MINING

## *Strategic Briefing*

*IMBRICS Forum 2025 | Saint Petersburg, Russia*

*October 29–31, 2025*

*Prepared by Magarini Mining Company*



# 2018–2023 Geological Survey Results

- 600,000 km<sup>2</sup> mapped (~80% of Kenya)
- 970 new mineral occurrences across all 47 counties
- 4-yr licensing freeze (2019–24) lifted in 2024
- 400+ applications now in process; reforms under way

**970** new mineral occurrences

80% of Kenya mapped



# Kenya 2025 Position

Investment Deduction	Loss Carry-Forward	Capital Deductions	SEZ Tax	Mining GDP Target	Political	Infrastructure	Track Record
Up to 150%	10 years	100% over 4 years	10% for 10 years	<1% → 10% by 2030	56/190 ease; 6 peaceful transfers	30M-tonne port; 90% renewable power	Base Ti: \$350M→\$2B, 30%+ IRR

## Strategic Minerals – NAMICO Partnerships

Mandatory partnership with NAMICO for critical minerals. Investors retain 75% equity and control. Benefits include presidential visibility, coordinated approvals across national and county levels, infrastructure commitments and full access to survey data.

# Manganese

THE OPPORTUNITY	WHAT'S PRODUCING	DEPOSIT QUALITY	COMMERCIAL STATUS	COMPETITION
Partnership/offtake with operational production 120,000 tonnes/yr capacity Commenced May 2025	Kilifi Plant: <ul style="list-style-type: none"><li>• 120,000 t/yr capacity</li><li>• 37–40% Mn product</li><li>• Commissioning complete</li><li>• 60 km to Mombasa</li></ul> Larisoro Mine (Samburu): <ul style="list-style-type: none"><li>• Operational; export sales</li></ul>	Kilifi (Ganze): <ul style="list-style-type: none"><li>• 30 km belt</li><li>• ~5 m depth</li><li>• Raw ore 44–71% Mn</li></ul> Makueni: <ul style="list-style-type: none"><li>• Cu, Fe, graphite admixture</li><li>• 2023 discovery</li></ul>	Owner: Marula 80% Agreements: Signed Jan 29 2025 5-yr budget: Mar 26 2025 1.07 M t → \$182.5 M revenue MOUs: Marula–MESK (Dec 2024); NAMICO–Hunan Zhiming (2025)	None identified

Kenya has operational manganese production right now. Kilifi plant commissioned May 2025 with 120 k t/yr capacity processing high-grade ore (44–71 % Mn) just 60 km from Mombasa port. Supply agreements signed Jan 2025 project \$182.5 M revenue over five years. Larisoro mine already exported product. This is the most immediate opportunity with no identified geopolitical competition.

# Copper

THE OPPORTUNITY	WHAT EXISTS	EXPORT TRAJECTORY	GEOLOGY	COMPETITION
NAMICO joint venture Government partnership: <ul style="list-style-type: none"> <li>• Coordinated permitting</li> <li>• Presidential visibility</li> <li>• Survey data access</li> <li>• Infrastructure commitments</li> </ul>	NAMICO Holdings: <ul style="list-style-type: none"> <li>• Special prospecting licences</li> <li>• Consortium forming</li> </ul> NAMICO–Hunan Zhiming MOU (2025) for Cu, Mn, Zn, Au, Pb	2021: 2,270 t → \$1.13 M 2022: 7,250 t → \$1.76 M 2023: 8,120 t → \$2.33 M = 257 % volume growth	8 counties: Meru, Embu, Tharaka Nithi, Kitui, Kajiado, Samburu, Turkana, Isiolo Surface grades to 8 % Rift-related intrusions, metamorphic belts Current: artisanal	Chinese consortium forming (Hunan Zhiming MOU)

NAMICO holds special prospecting licences for copper and is forming a consortium (Hunan Zhiming MOU). Exports grew 257 % from 2021–23 yet remain artisanal; no industrial-scale production exists. Surface grades reach up to 8 % across eight counties. A government joint venture provides coordinated permitting, presidential visibility, full survey access and infrastructure commitments. Timing matters: a Chinese consortium is forming now.

# Titanium

THE OPPORTUNITY	PROVEN TRACK RECORD	UNDEVELOPED DEPOSITS	CURRENT ACTIVITY	COMPETITION
Develop proven coastal deposits 32.7 Mt ilmenite 2.4 Mt rutile (Kilifi, Mambui) Infrastructure established 11-year precedent	Base Titanium Kwale (2013–25): <ul style="list-style-type: none"> <li>• 5.21 M t (~\$2 B)</li> <li>• Annual: 550 k t/yr</li> <li>• Rutile: ~90 k t/yr</li> <li>• Ilmenite: ~460 k t/yr</li> <li>• Zircon: ~35 k t/yr</li> </ul> Investment \$350 M → \$2 B, 30 %+ IRR Operation ended Feb 12 2025 (ore depletion) Zero nationalisation	Kilifi: 1,700 Mt (18.7 Mt ilmenite, 1.7 Mt rutile, 1.7 Mt zircon) Mambui: 700 Mt (14 Mt ilmenite, 0.7 Mt rutile, 0.7 Mt zircon) Total: 2,400 Mt (32.7 Mt ilmenite, 2.4 Mt rutile, 2.4 Mt zircon) Infrastructure: Kwale port/power/roads; 60 km to Mombasa	Energy Fuels (USA): <ul style="list-style-type: none"> <li>• Acquired \$240 M (2024–25)</li> <li>• 5 licences held</li> <li>• 7 pending</li> <li>• Exploration began Jan 2025</li> </ul> Opposition: conservation groups in some areas	Moderate (Energy Fuels; conservation opposition)

Kenya demonstrated the capability to produce 550 k t/yr of titanium minerals for 11 consecutive years with 30 %+ IRR and zero nationalisation. The Kwale mine closed only because ore was depleted. Yet 32.7 Mt of ilmenite and 2.4 Mt of rutile remain undeveloped in Kilifi and Mambui. Infrastructure is in place – port, roads and power – and Energy Fuels has invested \$240 M and begun exploration. Patient capital and experienced operators are needed.

# Gold

THE OPPORTUNITY	MAJOR PROJECTS	ARTISANAL PRODUCTION	GOVERNMENT INVESTMENT	COMPETITION
<p>High-grade projects advancing: Shanta: 10.6 g/t; 100 k oz/yr potential Feasibility &amp; financing in progress Gov refinery \$45 M nearing completion</p>	<p>Shanta (Kakamega):</p> <ul style="list-style-type: none"> <li>• 1.76 M oz @ 5.55 g/t</li> <li>• Isulu/Bushiangala: 1.25 M oz @ 10.6 g/t (among Africa's highest grades)</li> <li>• Barrick stake \$14.5 M (2020); exploration \$55 M; 221 k m drilling</li> <li>• Production: 100 k oz/yr; 1 hr from Kisumu, paved</li> <li>• 2025: feasibility finalising, financing in progress</li> </ul> <p>Migori Belt:</p> <ul style="list-style-type: none"> <li>• JORC 1.2 M oz; drilling 8–12 g/t targets</li> <li>• Exploration ongoing</li> </ul> <p>Kilimapesa (Caracal): 14.05 Mt @ 1.56 g/t (705 k oz)</p>	<p>Annual: ~5 t (~\$250 M) Workforce: 250 k+ miners Dependence: 1 M+ people Migori impact: ~\$37 M/yr</p>	<p>Investment: KSh 5.8 B (~\$45 M) Significance: Kenya's first modern refinery Location: Kakamega County Status: Near completion</p>	<p>Varied</p>

Kenya's gold deposits sit within the Archean Nyanzian craton akin to Canada's Abitibi and Tanzania's Lake Victoria. Shanta's West Kenya project boasts 10.6 g/t grades with feasibility finalising in 2025 and potential production exceeding 100 k oz/yr. The Migori belt holds over 1.2 M oz JORC and artisanal production (~5 t annually) supports 1 M+ people. The government's \$45 M refinery nearing completion underscores commitment to modernising the sector.

# Coltan & Chromite

## Coltan (Ta–Nb)

Opportunity: Early-stage exploration partnership

Discovery: First identification Jan 2024

Locations: Tana River, Kitui, Samburu, Turkana, West Pokot, Embu

Status: Ground truthing & economic assessment in progress

Competition: Low – fresh discovery

## Chromite

Opportunity: Exploration stage

2023 survey flagged nickel-chromite occurrences in 15 counties

2025 application: Geo Earth Resources – Samburu (56.28 km<sup>2</sup>), pending

Geology: Mafic–ultramafic rocks of the Mozambique Belt & East African Rift

Competition: Low – single applicant

Kenya's first coltan discovery was announced in January 2024, spanning six counties. Ground truthing is underway and there is no geopolitical competition. Chromite occurrences were flagged in 2023 across 15 counties; only one application is pending, reflecting the exploratory nature of the opportunity. Both minerals offer entry points for investors seeking early-stage strategic minerals.



# Mrima Hill: Niobium & Rare Earths

THE OPPORTUNITY	DEPOSIT VALUE	2025 BID	GEOPOLITICAL REALITY	COMPETITION
<p>NAMICO partnership on world-class deposits Top 5 REE &amp; Top 6 Nb globally RareX–Iluka shows 75 % equity retention possible BUT: 100+ years undeveloped; community opposition; very high risk</p>	<p>\$97.4 B combined (2013) Niobium: \$35 B (680 M kg Nb; 105 M t @ 0.65 % Nb<sub>2</sub>O<sub>5</sub>) Rare earths: \$62.4 B (co-located with niobium) Resource estimates (2013): Nb 5.8–94.4 M t (1.41–0.73 % Nb<sub>2</sub>O<sub>5</sub>); REE 11.2–110.7 M t (6.93–3.61 % TREO)</p>	<p>Apr 22 2025: RareX–Iluka → NAMICO Equity: 75 % RareX, 25 % Iluka Funding: RareX pre-license; Iluka \$10 M at license Processing: AU\$1.65 B Eneabba refinery (Australia) Skills: Curtin University MOU Status: Under NAMICO/cabinet review</p>	<p>Licensing history: Cortec granted Apr 2013; revoked Aug 2013; arbitration won 2018 Oct 2025: US ambassador visit (June); Chinese denied access; community fears sacred shrine eviction (390 acres); media call it a US–China battleground 100+ years undeveloped</p>	<p>INTENSE: US, China, Australia active</p>

Mrima Hill hosts a \$97 B niobium and rare earth deposit ranking top-five globally, yet it remains undeveloped after more than a century. The RareX–Iluka bid (Apr 2025) shows that investors can retain 75 % equity, backed by an AU\$1.65 B processing solution. However, the site is a geopolitical battleground (US–China–Australia) with community opposition and a fraught licensing history. Investors must weigh extraordinary upside against extreme political, social and environmental risk. Alternative REE–Nb prospects exist at Homa Mountain, Rangwa and Sukulu.

# Exploration Stage

Mineral	THE OPPORTUNITY	WHAT EXISTS	LOCATIONS	STATUS	COMPETITION
<b>Iron Ore</b>	Development & beneficiation infrastructure (Kenya imports all steel feedstock; regional markets underdeveloped)	7 deposits; grades 60–64 % Fe; Kishushe: semi-processed exports; 60 km from Mombasa–Nairobi road	Kishushe (Taita-Taveta), Mbaru (West Pokot), Mutomo-Ikutha (Kitui), Marimanti (Tharaka-Nithi), Samia (Siaya), Laikipia, Makeni	Early discussions	Chinese/Indian
<b>Graphite</b>	Exploration & development (underexplored; limited processing capacity)	Chawia: open-pit potential; 2023 survey shows high mineralisation	Chawia (Taita-Taveta), Samburu, Kitui, Turkana, Kamstoi, Tsavo	Ground truthing priority: Turkana, Taita-Taveta	–
<b>Lithium</b>	Early-stage exploration	4 counties identified	Tharaka Nithi, Marsabit, Samburu, Tana River	Early exploration phase	–
<b>Nickel</b>	Early-stage exploration	15 counties flagged (2023 survey); often with Cu/Co in mafic-ultramafic rocks	West Pokot, Samburu	Early exploration phase	–
<b>Zircon</b>	Integrated titanium–zircon development	Historical: 35 k t/yr (ended Feb 2025); undeveloped: 2.4 M t total	Kilifi (1.7 M t), Mamburi (0.7 M t); co-located with titanium	Same as titanium	Same as titanium

Kenya’s exploration pipeline is rich and diverse. Iron ore opportunities hinge on beneficiation infrastructure and domestic steel demand; grades of 60–64 % Fe are globally competitive. Graphite, lithium and nickel discoveries support the battery value chain but are at early exploration stage. Zircon is co-located with titanium, offering integrated development. These projects require investment in ground truthing, processing and off-take partnerships.

# 2025 Momentum

Date	Parties	Target	Terms	Status
Apr 22 2025	RareX–Iluka → NAMICO	Mrima Hill (REE+Nb)	75/25 equity; AU\$1.65 B processing backed by Australian gov; Iluka offtake rights	Under NAMICO review
Jan 29 2025	Marula Mining	Manganese supply	5-yr: 1.07 M t; \$182.5 M revenue	Plant operational May 2025
2025	NAMICO–Hunan Zhiming	Consortium (Cu, Mn, Zn, Au, Pb)	MOU signed	Ongoing
2025	RareX–Curtin University	Skills transfer	Workforce training MOU	Signed
2024–25	Energy Fuels (USA)	Base Titanium acquisition	\$240 M; 5 licences held, 7 pending	Exploration began Jan 2025
Dec 2024	Marula–MESK	Workforce development	Professional development & community integration	MOU signed

- Licensing freeze lifted; 400+ applications processing
- Mining GDP to increase from <1 % to 10 % by 2030
- Tax reforms: 150 % deduction; 10-year loss carry-forward
- Gold refinery (\$45 M) near completion
- Competitive window measured in months, not years: RareX–Iluka bid (Apr 2025), Hunan Zhiming MOU (2025), Energy Fuels exploration (Jan 2025).

# Critical Considerations



## NAMICO Structuring

Mandatory for strategic minerals. RareX–Iluka (Apr 2025) showed 75 % equity structures work. Offers presidential visibility, approvals, infrastructure and data.



## Community Engagement

Communities hold veto power. Benefit-sharing (5 % royalties: 70 % national, 20 % county, 10 % community) plus employment, infrastructure and cultural sensitivity are non-negotiable.



## County Coordination

Kenya's devolved governance means counties control land use. National agreements fail without county partnerships.



## Parallel Stakeholders

Success requires simultaneous coordination among NAMICO, Ministry, counties, communities, environmental authorities (NEMA) and infrastructure agencies. Sequential engagement leads to failure.



## Tech Transfer

Skills transfer is valued (e.g., RareX–Curtin University). Workforce development positions partnerships as mutually beneficial.

# Conclusion & Contact

## Summary

Kenya's 2018–23 survey mapped 80 % of the country and discovered 970 mineral occurrences. 2025 reforms have lifted the licensing freeze, ushering in a surge of applications and new fiscal incentives. Opportunities span from immediate (manganese) to transformational (gold, titanium) to high-risk strategic metals (Mrima Hill). NAMICO partnerships and community engagement are essential. The window for entry is measured in months, not years investors should act now.

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