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Technical Support Arrangements for Primary Mining Licence Holders
in Tanzania

SUMMARY:

The Mining (Technical Support for Primary Mining Licence Holders) Regulations, 2025, published under Government Notice No. 260 of 25 April 2025 (the “**Regulations**”), establish a regulated framework through which holders of Primary Mining Licences (“**PMLs**”) may access machinery, technology, expertise and operational support that is not readily available in Tanzania.



The Regulations operationalise section 9(3) of the Mining Act, Cap. 123, as amended, while preserving the statutory requirement that PMLs remain under Tanzanian ownership and control. For established mining companies and other technical facilitators, the Regulations provide a structured route to participate in PML operations without acquiring or exercising de facto control over the underlying licences. However, the arrangements require careful structuring, regulatory approval and registration by the Mining Commission.

OBJECTIVES OF THE REGULATIONS:

The Regulations seek to reconcile the statutory reservation of PMLs for Tanzanians with the practical need of small-scale miners to access capital-intensive machinery, specialist expertise, processing capability, environmental compliance systems and operational know-how.

They create a formal contractual framework for collaboration between a PML holder and a technical facilitator while ensuring that ownership and effective control of the licence remain with the PML holder.

KEY REQUIREMENTS OF THE REGULATIONS:

- **Written contract required:** Technical support must be governed by a written agreement between the PML holder and the technical facilitator.
- **Scope of technical support and licence limit:** A PML holder may enter into one technical support agreement with one facilitator covering not more than ten PMLs situated in the same area.
- **Regulatory assessment:** The relevant Resident Mines Officer must inspect the licences and operations and assess any outstanding licence fees, defaults, disputes and legal, operational or governance issues

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before making a recommendation to the Executive Secretary of the Mining Commission.

- **Approval and registration:** The technical support agreement must be submitted to the Mining Commission for verification and registration. It should not be implemented before the required regulatory process has been completed.
- **Duration:** The agreement may have an initial term of up to three years and may be renewed, subject to the validity of the relevant PMLs, for an aggregate period not exceeding twelve years.
- **Language and governing law:** The agreement must be in English or Kiswahili and is governed by Tanzanian law.

LEGAL AND COMMERCIAL IMPLICATIONS FOR MINING COMPANIES:

The Regulations provide an important entry point for established mining companies and specialist operators seeking access to mineralised areas held under PMLs. However, a technical support arrangement must not be structured as an indirect transfer, nominee arrangement or mechanism through which the facilitator obtains de facto ownership or control of the PML.

Management of the mining operations is a joint responsibility, while the PML holder must remain directly involved in the management, coordination and implementation of exploration, mining and processing activities. The agreement should therefore clearly distinguish the facilitator's technical and financial contributions from the statutory rights and responsibilities retained by the PML holder.

PROFIT SHARING AND FUTURE RESTRUCTURING:

The technical support agreement must provide the PML holder with not less than 30% of the gross profit derived from the production of minerals and concentrates after payment of royalties, inspection fees and other Government levies, without regard to the operating costs incurred by the facilitator. Given the commercial significance of this formula, the agreement should clearly define revenue, permitted statutory deductions, production costs, accounting procedures, reporting obligations and audit rights.



If the parties subsequently consolidate the PMLs to obtain a medium-scale mining licence, the Regulations contemplate either transferring the resulting licence to the facilitator's company or establishing a joint venture company through which the parties may jointly hold the licence and agree a revised benefit-sharing structure.



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KEY CONSIDERATIONS:

In addition to the prescribed regulatory requirements, the technical support agreement should address:

- the nature and valuation of the facilitator's machinery, funding and technical contributions;
- ownership, use, maintenance and return or transfer of equipment upon termination;
- production measurement, mineral sales, revenue collection and audit rights;
- responsibility for royalties, taxes, licence fees and operating expenses;
- existing miners, occupiers, creditors or disputes affecting the PML area;
- environmental, health and safety, local content and community obligations;
- events of default, termination rights and the consequences of licence suspension or cancellation;
- treatment of geological and operational data; and
- the process for any future consolidation or conversion of the PMLs.



PRESCRIBED COMPLIANCE OBLIGATIONS:

- prepare and submit the required mining, environmental, mine-closure, technology-transfer, knowledge-transfer and community responsibility plans;
- obtain and submit the applicable environmental approvals within the prescribed periods;
- notify the Resident Mines Officer of the type and quantity of equipment and machinery (local or imported) brought into the licensed area;
- ensure that mine employees are Tanzanian citizens, except for foreign technical personnel engaged with the required employment and Mining Commission approvals;
- appoint a permanent representative responsible for providing information required by the relevant authorities;
- enter into written arrangements with any miners operating within the PML area;
- ensure timely payment of royalties, inspection fees and other Government charges; and

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- submit any amendment to the technical support agreement for the required regulatory review and registration.

HOW REX CAN ASSIST:

- REX advises PML holders, mining companies, financiers and technical facilitators throughout the lifecycle of technical support arrangements. Our services include:
- legal and regulatory due diligence on PMLs, licence holders and existing mining operations;
- structuring technical support and investment arrangements;
- drafting and negotiating technical support agreements;
- advising on profit-sharing, equipment, operational and risk-allocation provisions;
- preparing applications and supporting engagement with Resident Mines Officers and the Mining Commission;
- assisting with registration, amendments, renewals and regulatory compliance; and
- advising on licence consolidation, joint ventures and transition to medium-scale mining operations.



CONCLUSION:

The Regulations create a valuable but closely regulated pathway for collaboration between PML holders and established mining operators. They should not be treated as a shortcut to acquiring or controlling a PML. Successful implementation requires careful due diligence, a properly structured and registered agreement, clear operational and financial controls, and early engagement with the Mining Commission.

REX is well positioned to assist PML holders, mining companies and technical facilitators in structuring, negotiating, registering and implementing compliant technical support arrangements in Tanzania.

[You can access the regulations \(Click here\).....](#)



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