



TOGETHER
for a sustainable future

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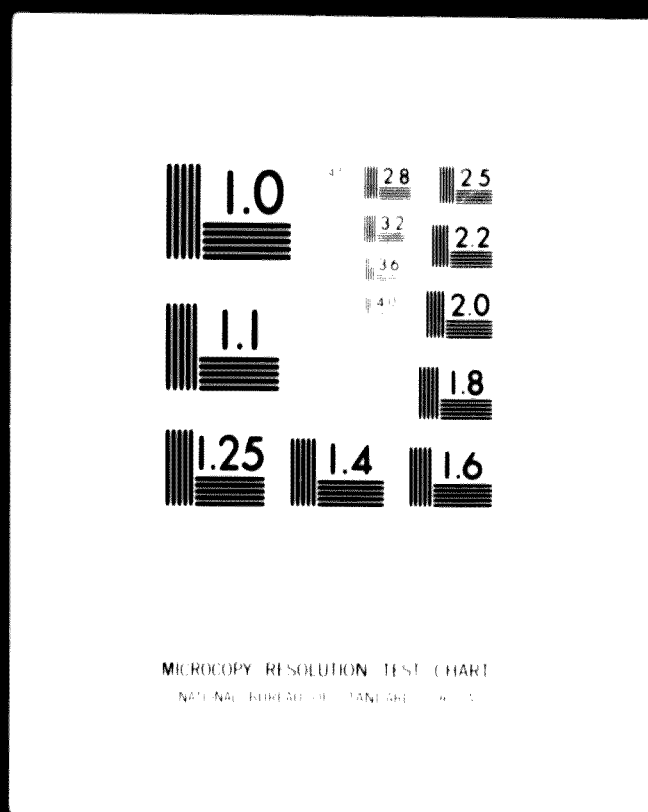
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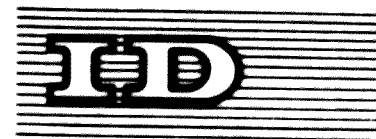


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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

UGA-08-71

THIRD AFRICAN MEETING TO PROMOTE
INDUSTRIAL PROJECTS 1/

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

EXTRACTION OF COBALT

COUNTRY

Uganda

PROJECT

Plant for the extraction of cobalt
from pyrite.
Capacity: 1,000 tons of cobalt p.a.
Investment: US \$6.5 million

FOREIGN CONTRIBUTION REQUIRED

Loan/supplier's credit



1/ Sponsored by: The African Development Bank (ADB), The Economic Commission for Africa (ECA), The United Nations Industrial Development Organization (UNIDO).

1971

IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the African countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialized countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the African country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

EXTRACTION OF COBALT

I. INTRODUCTION

a) The Project

The construction of a plant to roast pyrites from Kilembe to recover cobalt is envisaged by the proponents. Approximately 300 tons per day of cobaltiferous pyrite containing 1.4% cobalt is produced daily as a by-product in the production of copper at Kilembe. The cobaltiferous pyrite has been impounded in storage dams since commencement of operations at the end of 1956. Today there are no less than 500,000 tons stockpiled and available for treatment besides the current production of 300 tons per day. The proposed plant capacity is treatment of 300 tons of pyrite daily to produce over 3 tons of cobalt per day.

b) Importance

The project is included in the Third Five Year Development Plan (1971-1976). Earnings of foreign currency would result from the export of the product.

c) Incentives

Tax exemption of profits until capital cost is recouped, duty free import of the majority of the machinery are incentives for this project.

II. COMMERCIAL ASPECTS OF THE PROJECT

The entire production will be exported and there is presently no local production. The projected export is 1,000 tons p.a. at a value of US \$4.9 million less refining and marketing charges.

The proposed price is US \$2.2 per lb.

III. PHYSICAL ASPECTS

a) Location

The plant would be located at Kasese which is 280 km. west of Kampala at the railway line.

b) Land

Plant area will be 300 x 320 sq. ft. Largest building will be 72 x 45 x 30 cubic feet.

c) Labour

Skilled supervision to be imported at US \$10,000 to US \$16,000 p.a.
Excess unskilled labour available at US \$1,000 to US \$2,000 p.a.
Operators could be trained by Kilembe Mines Ltd.

d) Raw Materials

Pyrite concentrate (500,000 tons) is available at the site. Magadi Soda (95% NaCO₃) is available from Kenya 1,000 miles at a cost of US \$500 per daily consumption.

e) Infrastructure

All facilities needed are available at the existing plant to which the proposed plant will be an extension.

f) Utilities

Utilities are all available. Consumption of fuel oil will cost US \$200 per day.

IV. FINANCIAL ASPECTS

- Composition of Investment (US \$1,000)

	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Pre-investment cost:			
(paid by Kilembe Mines Ltd.)	-	-	-
Assets:			
Land	-	-	-
Buildings:	2,600	-	2,600
(to be built on existing Kilembe Mines Ltd. lease area)			
Machinery	-	3,900	3,900
Estimated working capital	-	-	-
Total	<u>2,600</u>	<u>3,900</u>	<u>6,500</u>

- Proposed Financing Plan

To be discussed.

V. FOREIGN CONTRIBUTION REQUIRED

Loan and supplier's credit are required.

VI. ADDITIONAL RELEVANT INFORMATION

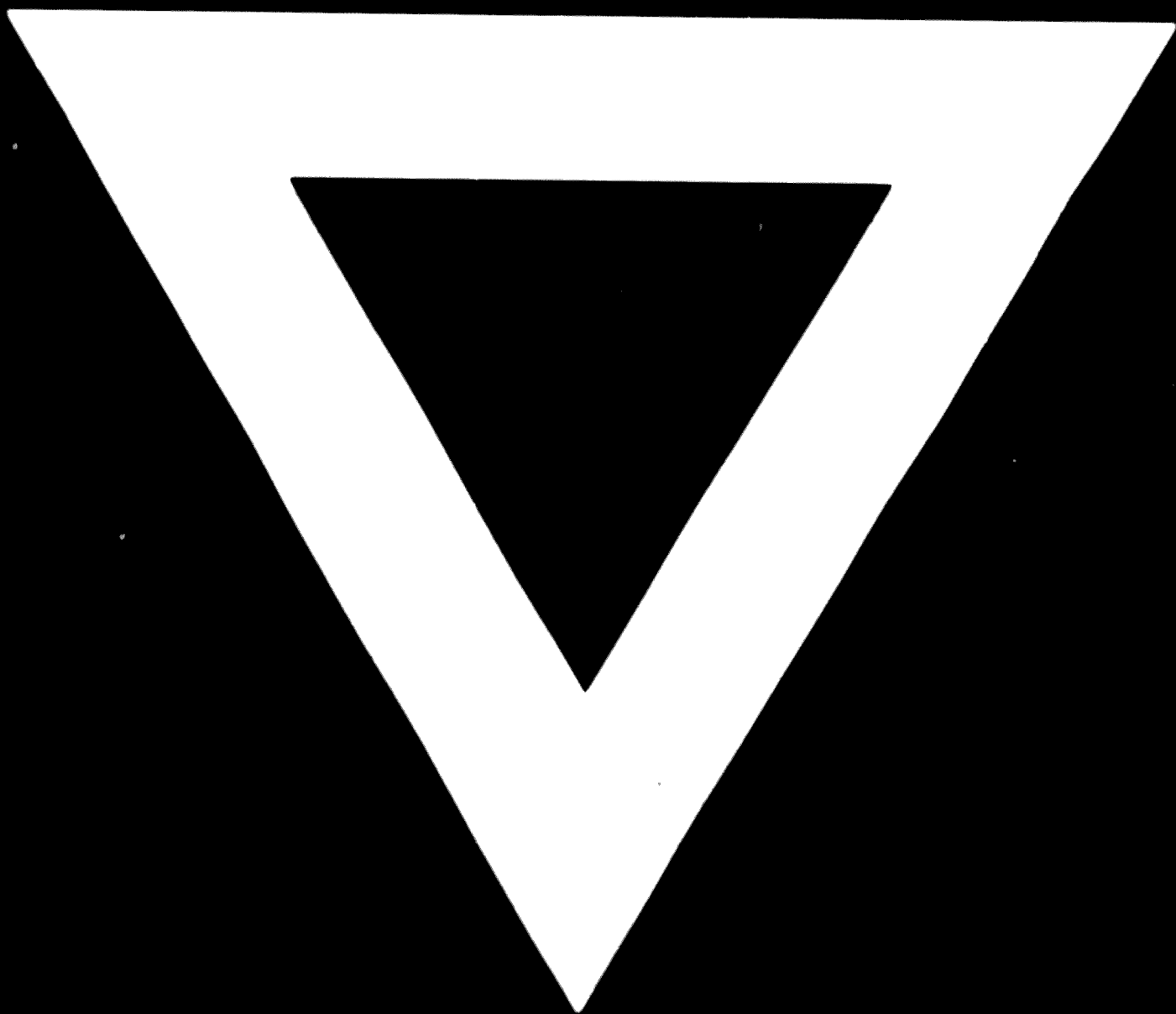
a) Project Presented by
Kilembe Mines Limited
P. O. Box 1
Kilembe

b) Legal Structure
Mixed

c) Documentation
There is a feasibility study from 1970 which is currently updated.



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