Muslim Brothers on Knees

The Mines of Sudan

When the Whole World Poured in Khartoum

Dr. Hichem Karoui
The Gulf Futures Center

“Studying the present to foresee the future.”

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Abstract

After months of protests, Sudanese Defence Minister Awad Mohamed Ben Awaf announced on 11 April 2019 that President Omar al-Bashir was ousted from power and placed in detention. He stated that the Sudanese Armed Forces, the National Intelligence and Security Service and the Rapid Support Forces (RSF) will form a transitional military government for two years. What happened next is what we watch today in the news.

The Islamist government (Muslim Brothers) that plundered Sudan and divided it in thirty years of a ruthless dictatorship was brought to its knees by determined grassroots demonstrators. It was about time!

Yet, the country is still in a precarious situation. There is a unanimous agreement worldwide that the Muslim Brotherhood regime ended up with a gigantic failure: it destroyed the economy, divided the country, alienated half of the population, making of intra-fighting the basis of its rule. Bashir will have to face the International Criminal Court (ICC). Ultimately, this regime has fallen from the hands of Muslim Brothers supporters, who have helped the abhorrent Brotherhood ideology endure over all those years of sweat and blood for the Sudanese (chief among them two dictators in Qatar and Turkey).

This paper shows that the support given to the former Islamist regime was not only about political and ideological affinities. The driver was also and above all the greed for the country’s riches. The focus is here on the major wealth of this country, i.e. mining, whose card the Bashir regime has finally tried to play for self-supporting survival… in vain.
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International Mining Forum in Khartoum at the end of the regime’s days

About a year ago, toward end of March 2019, while the ground was shaking under the feet of Omar al-Bashir, facing the unrelenting protests against his hated regime since December 2018, the Sudan International Mining Business Forum and Exhibition (SIMFE), held in Khartoum, attracted a crowd of mines operators and mineral specialists, encouraged by the lifting of US economic sanctions against Sudan.

The conference and the exhibition sounded like the “flash” that precedes the death of a decrepit regime. But for those who attended, it was business as usual, regardless of who was – or would be - in power.

The growing number of foreign companies interested in Sudanese mines, did not conceal the fact that many of them, if not most, came From Asia and Africa. There is particularly an “outstanding presence of Russians and Chinese,” according to Western reports. As for the West, it is said that the “enthusiasm for the mines of Sudan, which rose after the lifting of US economic sanctions in October 2017, declined quickly.” (AMI, N ° 436 DU 02/04 / 2019.) Nevertheless, Western companies were represented, and strongly, as we will see. Which means Western “enthusiasm” for Sudan’s mines never declined, whatsoever the importance of the political and social unrest.

Qatari government burning last card

Even before recent protests occurred, the diplomatic dispute between Qatar and the Quartet (Saudi Arabia, UAE, Bahrain, and Egypt), has been inevitably imported into Sudan, where Doha was a forerunner in coordination with the Islamists of Rageb T. Erdogan of Turkey.

Although the activity of the United Arab Emirates (UAE) and Saudi Arabia (KSA) in the mining sector in Sudan, was basically managed by private companies of services, the Qatari government tried a different way. It put its financial weight into the balance, pushing the state-owned “Qatar Mining” to invest in the copper exploration and extraction project of Jabal Ohier (Bierlein, F.P., McKeag, S., Reynolds, N. et al. 2016), which is the Dinkawi name, while the Arabs call it Mount Berba, related to the remaining ruins in the neighbourhood.

The Qatari government was pressing Qatar Mining subsidiary, QMSD Mining, recently restructured, to speed up the process of exploration, (AMI, N ° 436 DU 02/04 / 2019) especially as the end of the regime was looming, despite they tried to support it, with a last and vain injection of $ 1.5 billion (as publicly stated). Qatar, with its pathetic support, was actually burning its last card in Sudan. With the collapse of the Muslim Brotherhood in this country, as it happened before in Egypt, the Emir of Doha may not find his way in Khartoum anymore as easy as it used to be.
Rich and Greedy

Is Qatar not rich enough? Why should it take risks to lose face and big money with a crumbling dictatorship?

Obviously, the regime of Tamim is not enough rich, if by “rich” we mean the resources to create and accumulate wealth. Qatar is too much small, shaky, and scared. It needs to show an ability to develop global networks and tentacles of rogue supporters to feel secure at home. For this, Doha relied on bigger countries with strategic depth and likeminded politics, such as the “brothers” of Iran, Turkey, Sudan, Somalia, etc., as Saudi Arabia, UAE and Egypt were failing Tamim.

Doha looked down at Sudan as a hungry person lost in the desert looks at an oasis looming at the horizon, with promises of food and water at will. We know that the oasis was a mirage, but at the time, the Emir didn’t know. The gold of Sudan was shining around at thousands of miles and reaching Doha.

7 Major Mining Districts

Sudan’s Ministry of Minerals has identified 7 major mineral districts that have good potential for mining operations:

(1) In the northeast, we find the Red Sea Hills, running parallel with the Red Sea and separating the coastal plain from the Eastern Desert. These hills rise roughly 3,000 meters high, and contain gold, copper, and iron ore, as well as silver, zinc, garnet, gypsum and talc deposits. Estimated amounts of major mineral resources in this area are 500,000 metric tons of contained copper, 150 tons of contained gold, 4,500 tons of silver and 1.9 million metric tons of contained zinc.

(2) The Hassai Gold Mine, a partnership by the State of Sudan and Canada’s La Mancha Resources, is also located in this district. This open pit mine approximately 50 kilometers from Khartoum is the leading large-scale gold mine in all of Sudan, with production from 1992 to 2014 documented at roughly 80,000 kilos of gold. This was sourced predominantly from near-surface deposits in the upper oxidized cap rock.

(3) Towards Sudan’s center, we have the Bayuda Desert, which spans roughly 100,000 square kilometers. This area contains feldspar, gold, iron ore, manganese, mica, silica and marble deposits. Gold can be found in auriferous quartz from shallow mines and wadis.

(4) The Jebel Marra volcanic field is located in western Sudan, with the 5-kilometer wide Deriba caldera sitting at its summit. This area is home to deposits of garnet, salt, sulfur and various base metals. On the other hand, the Jebel Abyad and Jebel Wahib region in northern Wadi Hawar are noted to have gold, chromite, bauxite and platinum-group metals.

(5) In southeastern Sudan, there is the Ingessana polymetallic complex in the Ingessana Hills in the State of Blue Nile. The mix of metamorphic and sedimentary rocks here are known to produce asbestos, chromite, gold, marble, and talc.

(6) In southern Sudan, Southern Kordofan to be specific, lies the Nuba Mountains, also called the Nuba Hills. These mountains stretch on for about 48,000 square kilometers, but as yet has a fairly undeveloped road network. Chromium, copper, gold, iron, manganese and nickel can be found
here, along with other industrial minerals and even uranium!

(7) Finally, in South Darfur there is the Copper Pit mineral district also called the Darfur Pit, where copper, gold, precious stones and also uranium can be found. This area produces mostly copper, another mineral the country is noted for. In fact, the Al-Quoth mine in eastern Sudan is reputed to hold about five million tons of copper, the largest reserve in the world. This mine also includes about 700 thousand tons of zinc, three thousand tons of silver and 140 tons of gold.

QMSD

A few years ago, in the autumn of 2018, Doha appointed Scottish engineer Ian Davies to head the general management of QMSD Mining. After joining Qatar Mining in 2012, Ian Davis worked first at Doha headquarters as Operations Manager. Previously, he led the development strategy of Ma’aden, in Saudi Arabia. Ian Davis also worked for a former Australian engineering company and started his career with the platinum producer Implats and later worked for De Beers.

He will have to make progress on the copper project at Jabal Ohier, which the company runs in the Red Sea Hills of northeastern Sudan. On-site studies conducted by QMSD’s quality management teams concluded in February 2018 that an estimated 1.09 million tons of copper could be produced. Davis replaced Qatari engineer Aref al-Saadi, who became the investment manager of Qatar Mining Company and chief executive of the Algerian subsidiary of the mining group in Qatar. (AMI, N o 427 DU 20/11 / 2018.)

However, Qatar has not entered the field of mining in Sudan alone. We also find a prominent presence of companies of its main ally, Turkey.

The Turkish Invasion

The mining conference in Khartoum was an opportunity for Erdogan’s spooks disguised as investors trying to penetrate Africa, to express their interest in the Sudanese mines. This is the case, for example, of Yilmaden Holding, a mining company specializing in chrome and ferrochrome production. It is owned by the Yıldırım Group of Co, which has offices in Turkey, Russia, Kazakhstan and Sweden, while exporting to about 40 countries. It is headed by Turkish businessman Robert Yüksel Yıldırım and extends its activities to fertilizer production as well as construction, logistics, real estate, transport and energy. The company has been seeking for several months to obtain licenses for the exploitation of chrome and ferrochrome in Zimbabwe. (AMI, N o 406 DU 26/12/2017).

Lidyad Madencilik, which so far, has been interested in operating the mines in Turkey, has also attended, as well as Avesoro Resources, registered in Canada, controlled by Turkish billionaire Mohammed Nazif Gunal. (AMI, N o 406 DU 26/12 / 2017).

Gold attracts Western companies

The conference was a field for intense competition between companies and businessmen. The forum and the exhibition, attended by representatives of the Sudanese government, represented an opportunity for all the giants of the gold industry and trade to meet them. Sudan sits on what may be the largest gold reserves in Africa and the government of Khartoum has awarded exploration contracts to more than 600 mining companies looking for gold and other metals.
Among the major companies attending the event were Randgold Resources, which produced 1.35 million ounces of gold in 2017 from its four African mines, (AMI, N o 410 DU 27/02/2018) along with the Australian firm Resolute Mining, which mines gold from the Syama mine in Mali. (N o 410 DU 27/02/2018).

Other Western companies sent representatives to the forum, notably Perseus Mining, which produced more than 200,000 ounces in 2017 at the Edikan mine in Ghana, as well as its Australian colleague, Newcrest Mining, which was disengaging from the Bonikro gold mine in Ivory Coast (AMI, N o 413 DU 10/04/2018).

Newcrest, which continues to explore other parts of the Ivory Coast, (N o 412 DU 27/03/2018) produced more than 1 million ounces in 2017 from its mines in Australia, Papua-New Guinea and Indonesia.

Also participating in the forum was one of the leaders of the gold industry from West Africa, the Canadian company B2Gold Corp, which launched in November 2017 the commercial production of its mine in Fekola, Mali. But the U.S. company, Newmont Mining Corp, operator of the Ahafo and Akyem mines in Ghana, was absent from the event. (AMI, N o 413 DU 10/04/2018).

Mohammed VI and Naguib Sawiris did not miss it

Russian companies raced Chinese’s

Russian and Chinese geological research offices did not fail to attend the forum and the exhibition. The head of the African department at Russia's Rosgeo, Anton Panenko, an Ex of Norilsk Nickel, did not leave Sudanese officials throughout the event, explaining in detail the maps he uses to locate mineral resources in the country. (AMI, N o 436 DU 02/04/2019). Observers of Rosgeo’s activity in Khartoum, which also includes oil, (AEI, N o 831 DU 02/01/2019) expect it to eventually facilitate Russian companies' control of high-potential mines. Moscow used to be a diplomatic and military ally of Khartoum, where it has been supporting President Omar al-Bashir's authority during the social crisis he faced for several weeks. (LOI, N o 1494 DU 22/03 / 2019).
Beijing, which hitherto has been mainly present in Sudan's security and oil sectors, (LOI, N° 1486 DU 23/11 / 2018) has also begun to get interested in mines so as not to be outdone by rivals. During the Sudan International Mining Business Forum and Exhibition, the Geological Institute of Shandong - a gold rich province – said it has signed a cooperation agreement in 2018 with the geological research body in Sudan, then headed by Mohammed Abu Fatima, later on Minister of Mines, to explore gold reserves in the country, including the RS13 block. (AMI, N° 436 DU 02/04/2019).

Now What?
Results and expectations

In the business world, political change work two ways: it will be either driving and encouraging initiative, risk-taking and investment, or braking, hindering and turning away business opportunities.

It is difficult today to make a fair objective assessment, of the results of Sudan International Mining Business Forum and Exhibition organized and called for by the Bashir regime in its last days. The country’s political scene has changed. This is a transition time. How is Hamdok government that took over in September 2019, going to tackle this strategic sector for the country?

When he was sworn in last August, Hamdok boldly declared that the transition government was “capable of overcoming the economic crisis.” But observers say that “even with injection of funds from its Arab allies — Egypt, the United Arab Emirates and Saudi Arabia — Hamdok estimates that the country needs $10 billion to stabilise matters.”

Indeed, something will remain of the Sudan International Mining Business Forum and Exhibition, no matter who organized the event and for what purpose. It is enough to look at the companies that attended in order to realize the importance of the event, in a country that, despite its impoverishment in order to realize the events that led to his downfall. It is expected, nonetheless, that countries that gave a last-ditch support to the regime, hoping its survival, specifically Qatar and Turkey, would have their interests in Sudan disrupted. It is all the more important that Islamists are still hoping to come back.

At the same time, we noted cautious stances taken by Western governments, as well as by China, which did not interfere and considered the protests an internal issue of concern only to the Sudanese.

As for the UAE and Saudi Arabia, their regional influence played undoubtedly a decisive role in the downfall of Bashir. Egypt’s concern was that the chaos in Sudan would lead to an influx of immigrants (including the Muslim Brotherhood and various terrorists) across its border. Yet, Cairo expressed official and popular understanding toward the forces of change and the military faction that led the coup against Bashir.

All these positions, we believe, will have results that will emerge gradually as a new dawn erupts over the Sudan.
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