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How to Verify a Ugandan Mineral Dealer's Licence

A Practical Guide for Foreign Gold Buyers

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Introduction

A Mineral Dealer's Licence is usually the first official-looking document a gold buyer receives from a Ugandan seller, and often the one relied on most.

Nafuna & Co. Advocates and Legal Consultants regularly sees such licences from foreign purchasers who have been offered gold for sale in Uganda, and the same question follows:

> *"They have sent me their Mineral Dealer's Licence. Can I safely deal with them?"*

The answer requires two separate inquiries, which should be kept apart.

> **The first is whether the licence is genuine, current and applicable to the proposed activity.**

> **The second is whether the transaction itself is genuine and legally capable of completion.**

Uganda presently regulates mineral dealing principally under the Mining and Minerals Act, Cap. 159 (Act of 2022) and the Mining and Minerals (Licensing) Regulations, 2023. The Act establishes a Mining Cadastre and Registry System and provides for public access to mineral-right and licence information.

A licence document supplied by a seller is therefore where verification begins.

NAFUNA & CO. PRINCIPLE

Verify the underlying record, not merely the document presented to you.

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SECTION 1

What Is a Mineral Dealer's Licence?

Under Uganda's current mining legislation, a person generally requires a Mineral Dealer's Licence to buy or sell minerals as principal or agent, subject to statutory exceptions including the position of a mineral-right holder dealing with minerals lawfully acquired under that right.

The licence is therefore an important regulatory document, with a limited evidential function.

A Mineral Dealer's Licence can establish regulatory authority to undertake specified mineral-dealing activity. Whether its holder owns the particular gold being offered to a purchaser is a separate question, and it is the question on which due diligence turns.

SECTION 2

Start With the Licence Number

When a prospective supplier sends a copy of an MDL, identify the licence number exactly as it appears.

Do not rely upon a screenshot, photograph or PDF alone.

Uganda operates a Mining Cadastre and Registry System, and the Mining and Minerals Act provides that the relevant registers are accessible to members of the public during ordinary

business hours or online. The Act also provides for copies or extracts upon request subject to the prescribed reproduction fee.

A purchaser should therefore attempt to reconcile the document presented by the seller with the underlying regulatory record.

Where the two cannot be reconciled, the discrepancy requires investigation before reliance is placed upon the document.

SECTION 3

Verify the Name of the Licence Holder

If the licence was issued to **ABC Minerals Limited**, the purchaser should establish independently that ABC Minerals Limited exists and that it is the same legal entity proposing to enter the transaction.

A company search should then be undertaken separately.

Among other things, the purchaser may need to establish the company's current legal status, registered particulars, directors, beneficial ownership where ascertainable and the authority of the individual purporting to negotiate on its behalf.

Small differences in company names deserve attention. So do explanations such as:

> *"That is our sister company."*

> *"The licence belongs to our partner."*

> *"We trade through another company."*

Those explanations may ultimately be legitimate, but each requires verification.

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Verify the legal entity, not merely the trading name.

SECTION 4

Check What the Licence Actually Authorises

The existence of an MDL is often translated into a broad conclusion:

> *"This company is licensed to deal in minerals."*

The purchaser needs a more precise one.

The Mining and Minerals (Licensing) Regulations, 2023 prescribe the application and licensing framework for mineral dealers, including the form in which the licence is issued and the mineral category to which the authorisation relates.

The purchaser should therefore establish whether the licence relied upon actually covers the mineral involved in the proposed transaction.

For a gold transaction, a licence relating to another mineral category is plainly not equivalent to authority to deal in precious metals.

SECTION 5

Check Whether the Licence Is Still Current

A licence that was once genuine may no longer provide current authority.

The official Mining Cadastre portal and the Ministry of Energy and Mineral Development's Public Notice of February 2026 both state that a Mineral Dealer's Licence expires on 31 December of the year in which it is issued.

A purchaser reviewing a licence should identify its date of issue, stated expiry date and present status, and should treat a document issued during an earlier transaction as unconfirmed until its present status is established.

This is particularly important when a supplier sends an old licence as part of a corporate profile or collection of previous transaction documents.

> ***Historical authenticity is not current validity.***

SECTION 6

Check the Regulatory Record

Licence verification extends beyond visual examination of the document.

The Mining and Minerals Act provides for the registration of mineral licences and for public accessibility of the relevant registry. It also provides for publication in the Gazette of specified decisions relating to Mineral Dealer's Licences, including grants, renewals, suspensions and terminations.

In a given transaction, regulatory verification can therefore draw on more than one source, including the registry and the Gazette.

The objective is to establish whether the official record supports the proposition being made by the proposed supplier.

SECTION 7

Verify the Premises and Actual Operations

A licence belongs to a regulatory and operational context.

Uganda's mining legislation regulates the premises from which licensed mineral dealing is conducted and the keeping and storage of minerals by licensed dealers.

Consequently, the physical location at which a purchaser is invited to inspect, assay, collect or transact in gold is itself part of the verification.

Where the supplier's stated office, storage location, assay location or transaction venue differs from the information appearing in the regulatory and corporate record, the discrepancy should be investigated.

A purchaser should also distinguish between:

- A company's registered office
- Its licensed mineral-dealing premises
- A refinery or assay facility
- A location merely selected for a meeting

Each establishes something different.

SECTION 8

Verify the Person Presenting the Licence

A genuine licence can be presented by someone who is not authorised to act for its holder.

Foreign purchasers should therefore establish the relationship between the individual conducting negotiations and the licensed company.

In a given case, this may require examination of corporate records, identification documents, directorship, employment or agency authority, board authority, powers of attorney or other evidence establishing authority to transact.

This is particularly important where the person negotiating requests that money be paid to the negotiator personally, a broker, another company or an account that does not correspond with the contracting entity.

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A genuine document in the hands of an unauthorised person does not make the transaction genuine.

SECTION 9

Ask Where the Gold Came From

Even after establishing that the company and its licence are genuine, a further question remains:

> ***Where did this particular gold come from?***

Uganda's mining legislation imposes record-keeping obligations upon licensed mineral dealers. The statutory framework contemplates records concerning mineral transactions, including information relevant to the person from whom minerals were obtained and their origin. A foreign purchaser should ask to see that information.

A valid MDL leaves open the lawful provenance of each quantity of gold its holder later presents.

> ***The provenance inquiry concerns the particular commodity being offered. The dealer's general regulatory standing answers a different question.***

SECTION 10

Verify the Gold Separately from the Licence

This is easily overlooked.

Suppose a company is independently established to exist, its MDL is established to be genuine and current, and the people negotiating are genuinely associated with the company.

None of those findings establishes that the gold shown in a photograph, hotel room, office, refinery or assay facility is owned by that company.

The commodity requires its own verification. This is why Nafuna & Co.'s due-diligence methodology separates three inquiries:

> Company verification establishes the counterparty.

> Commodity verification establishes the material.

> Provenance and regulatory due diligence establish the legal chain through which the material may be acquired and exported.

Licence verification is therefore one component of transaction due diligence.

THE CORE OF THIS GUIDE

What a Genuine Mineral Dealer's Licence Does Not Prove

Even after a purchaser independently establishes that an MDL is genuine and current, that finding does not by itself prove:

- ✕ that the dealer presently possesses gold
- ✕ that the dealer owns that gold
- ✕ that the gold was lawfully acquired
- ✕ the weight or purity represented by the seller
- ✕ that other transaction documents are genuine
- ✕ that the bank account nominated for payment belongs to the proper recipient
- ✕ that the particular gold being offered exists
- ✕ that the person negotiating is authorised to bind the licence holder
- ✕ the provenance of the gold
- ✕ that an assay report relates to the gold being offered
- ✕ that a requested tax, permit fee or government charge is legitimate
- ✕ that the proposed export can lawfully be completed

NAFUNA & CO. PRINCIPLE

Licence verification establishes regulatory authority. It does not establish the transaction.

PRACTICAL TOOL

A Preliminary DIY Licence Check

Before instructing lawyers, a foreign purchaser can undertake a preliminary screening exercise.

1. **Obtain a clear copy of the complete licence.**
2. **Record the licence details.**
   The exact licence number, licence-holder name, mineral category, issue date and expiry date.
3. **Independently access Uganda's official Mining Cadastre resources.**

   Official portal: the Mining Cadastre and Registry System at **dgsmportal.minerals.go.ug**, as given in the Ministry's Public Notice of February 2026. Type the address directly into your browser instead of following a link supplied by the seller.
4. **Compare.**
   Check the information supplied by the seller against the official information available.
5. **Search the company.**
   Establish independently that the legal entity corresponds with the licence holder.
6. **Identify the negotiator.**
   Establish the person's relationship with the licence-holding company.
7. **Match the authority.**
   Compare the proposed mineral, premises and transaction with the authority actually granted.
8. **Identify discrepancies before asking the seller to explain them.**

Step 8 comes last for a reason. If a purchaser first asks the counterparty how to perform the verification, the purchaser may simply be directed towards information controlled by the same counterparty.

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Do not verify a document by relying solely on the contact information contained in the document you are trying to verify.

Independent verification requires an independent route to the source.

USING PUBLISHED MINERAL-OPERATOR INFORMATION

Official licensing records provide an important starting point for identifying mineral dealers and other authorised mineral-sector operators. A published list or database entry should be read according to its source, date and stated scope. A listing may be historical, incomplete or subject to subsequent regulatory action. Where status matters to a proposed payment or transaction, the purchaser should seek current confirmation through an independent official channel.

DIFFERENT LICENCES FOR DIFFERENT ACTIVITIES

A mineral dealer, exporter, refinery and assay facility may perform different functions and may require different authorisations. A Mineral Dealer's Licence should therefore be assessed against the particular activity proposed. A refinery's technical ability to test or process gold does not establish that a seller owns the gold, that its provenance is lawful or that the contemplated export is authorised.

Where a proposed facility will receive, test, smelt or refine material, the purchaser should separately examine the facility's identity, applicable authorisations, custody arrangements, testing methodology, contractual obligations and procedures for resolving assay discrepancies.

PROFESSIONAL HELP

When Should You Instruct a Lawyer?

Not every preliminary check requires legal representation. A purchaser can perform basic public-record screening independently.

Professional due diligence becomes particularly valuable where:

- ? substantial money is at risk
- ? the licence or company record contains discrepancies
- ? the transaction involves brokers or multiple companies
- ? the gold is said to originate outside Uganda
- ? payment is requested to a third party
- ? the seller requests advance payment
- ? the regulatory position is unclear

? the purchaser requires an independent written assessment before proceeding

> ***The lawyer's function is to move beyond the document and interrogate the legal and regulatory record underlying it.***

CAN NAFUNA & CO. VERIFY A MINERAL DEALER'S LICENCE FOR YOU?

Yes. Nafuna & Co. Advocates and Legal Consultants provides independent licence and supplier verification for foreign purchasers considering mineral transactions in Uganda.

Within the scope of a given engagement, verification may extend to the Mineral Dealer's Licence, corporate status of the licence holder, ownership and management, authority of the persons negotiating, relevant regulatory information, licensed activities and premises, provenance documentation and the relationship between the licence and the particular transaction proposed.

A prospective purchaser may send Nafuna & Co. the proposed supplier's name; the Mineral Dealer's Licence; company documents supplied by the seller; the proposed quantity and commodity; any offer, quotation or SPA; assay documentation; and the proposed transaction procedure.

The firm can then advise on the appropriate scope of independent verification and professional fees. The firm's services and engagement procedure are set out in *Gold & Mineral Transaction Services*.

RELATED NAFUNA & CO. CLIENT GUIDES

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No. 04 Before You Pay: Payment Safeguards in a Ugandan Gold Transaction

No. 05 The Seller Wants You to Pay Someone Else: Third-Party Accounts in Ugandan Gold Transactions

No. 06 Is This Gold Deal Legal? When a Gold Transaction Is Illegal Under Ugandan Law

No. 07 "But the Gold Is Mine": Carrying Gold Through Entebbe Airport

No. 08 Common Gold Scams in Uganda: Warning Signs Foreign Buyers Should Know

Before You Send Money

A Mineral Dealer's Licence is important, and it is no guarantee.

Do not commit substantial funds merely because you have received what appears to be a valid Ugandan Mineral Dealer's Licence.

1 The licence 2 The company 3 The person 4 The gold

5 Its provenance 6 The transaction

Establish each in turn, ending with the transaction through which your money and the gold are supposed to move.

That is due diligence.

IMPORTANT NOTICE

This Client Guide provides general information concerning verification of Mineral Dealer's Licences and proposed mineral transactions in Uganda. It does not constitute legal advice concerning any particular licence holder, supplier, gold consignment or transaction.

Nafuna & Co. does not authenticate a supplier, Mineral Dealer's Licence, gold consignment or transaction merely because documents have been submitted to the firm. Any transaction-specific professional opinion is subject to the scope of the firm's formal engagement and the results of independent verification.

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