

Sudan's Minerals, Foreign Licenses, and the Financing of War

Qatar's resumption of large-scale mining operations in Sudan is the latest instance of a documented pattern: foreign governments and companies secure resource concessions from the Sudanese Armed Forces (SAF), while the SAF converts licensing revenue and investment flows into military financing. This brief examines the **Qatar** case in detail and maps the broader network of foreign mining activity inside a country experiencing the world's largest displacement crisis.

1. THE QATAR CASE

Qatar Mining — which has operated in Sudan since 2012 through its subsidiary QMSD — has publicly confirmed an imminent return to active operations. At the centre of this is a flagship copper-gold porphyry project at **Jebel Ohier, Red Sea State**, with an expected investment value of approximately **USD 800 million**. Sudan's Minister of Minerals, Nour Al-Daem Taha, has described Sudanese-**Qatari** relations as "strategic", and the Director General of the Sudanese Mineral Resources Company (SMRC) has personally called on **Qatar** Mining to resume swiftly, underscoring that its concessions lie in "safe and stable states" free from active security threats.

In March 2025, Port Sudan and Doha jointly announced a new investment entity anchored in gold, including the establishment of a dedicated gold refinery in Doha for Sudanese exports — creating a direct financial pipeline from SAF-controlled mining zones to **Qatari** sovereign infrastructure.

The arrangement has a clear structural logic. The SAF grants extraction licenses and pledges **security guarantees** to foreign investors operating in its territory. In return, investment flows and licensing revenues strengthen the SAF's financial base and its capacity to sustain the war. **Qatar** is not a neutral commercial actor in this arrangement: it is purchasing military protection from a belligerent party, while that belligerent party monetises the transaction to fund further hostilities.

2. THE MECHANISM: LICENSES AS WAR FINANCING

The SAF oversees a military-industrial complex that controls mining concessions across northeastern Sudan — Red Sea State, Northern State, and River Nile State — through corporate entities including Sudan Master Technology and its exploration arm, Red Rock Mining. Revenue flows through the SMRC, functioning as the SAF's de facto fiscal instrument for the mining sector.

According to C4ADS analysis (June 2025), SMRC tax revenues from gold production reached **USD 1.6 billion in 2024** — a near-fourfold increase from pre-war levels, driven by lowered artisanal taxes designed to draw informal miners into the formal (and taxable) sector. These funds are channelled directly into the SAF's war effort. As Chatham House (March 2025) documents, mining profits across both warring parties' zones "are being used to purchase arms and commodities that sustain the war, while depleting Sudan's wealth for future generations."

The quid pro quo is structural, not incidental. Every new investment license issued in SAF-controlled territory is a transaction that simultaneously legitimises the SAF's authority over those zones and strengthens its capacity for continued violence.

3. THE BROADER INVESTMENT LANDSCAPE

Qatar is the most recent entrant into a network of foreign actors already operating in Sudan's wartime mineral sector. The following table maps documented investors:

| Country | Entity | Asset / Focus | Status | Mechanism |
|---------------|--------------------------------------|------------------------------------------------------|---------------------|------------------------------------|
| Qatar | Qatar Mining / QMSD | Jebel Ohier copper-gold; Doha gold refinery | Resuming 2025 | Licensing + security pact with SAF |
| Russia | M-Invest / Meroe Gold (Africa Corps) | Gold concessions, River Nile State; refinery control | Active (war period) | Security services; arms-for-gold |

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|------------------|-------------------------------------------------|-----------------------------------------|---------------------------|-------------------------------|
| China | Hagagia Mining; Huakan; Jin Quiao | Gold concessions, north-eastern states | Active | Commercial licensing via SMRC |
| Morocco | Undisclosed concession holders | Gold, northern Sudan | Active (war period) | Commercial licensing via SMRC |
| Jordan | Undisclosed concession holders | Gold/minerals | Active | Commercial licensing via SMRC |
| Australia | Perseus Mining (Kush E&P / Alliance for Mining) | Meyas Sand Gold Project, Northern State | Active; >1t exported 2024 | Commercial licensing |

Key cases:

- **Russia** (Africa Corps / M-Invest / Meroe Gold): Wagner's successor structure controls gold refinery operations in River Nile State and maintains a concession awarded in April 2024 following a Russian official visit to Port Sudan, alongside agreements enabling arms purchases in roubles. Russian entities are estimated to smuggle close to USD 2 billion in Sudanese gold annually.
- **China**: Multiple companies — Hagagia Mining, Huakan Mining, Jin Quiao Mining — hold active concessions in SAF-controlled northeastern states. China is also the destination of more than 70 shipments of Sudanese chrome ore (>2 million kg) since the war began, a growing conflict-financing vector largely overlooked by sanctions regimes.
- **Australia** (Perseus Mining): Through its acquisition of Kush E&P/Alliance for Mining, Perseus resumed production during the conflict and exported more than one tonne of gold in 2024 from the Meyas Sand Gold Project, Northern State.
- **Morocco and Jordan**: Both maintain active mining concessions, cited by the SMRC Director General as evidence of continued "international confidence" in the sector — a framing that obscures their role in sustaining the SAF's revenue base.

4. SCALE OF THE CRISIS

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| <p>Sudan by the Numbers (2025)</p> <p>14.2 million people displaced — the world's largest displacement crisis</p> <p>USD 1.6 billion in SAF mining revenue (2024) — funding active military operations</p> <p>65 tonnes of gold produced in 2024 in SAF-controlled zones, up from 34.5t pre-war</p> <p>USD ~2 billion in gold estimated smuggled annually, partially through Russian networks</p> <p>IOM Sudan crisis response only 11% funded as of 2025</p> |
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5. POLICY RECOMMENDATIONS

The European Parliament and European External Action Service are urged to consider the following:

- **EP / AFET / DEVE** — Formally scrutinise Gulf investment in SAF-controlled mining zones, raising Qatar's resumed operations as a conflict-financing concern in the AFET and DEVE Committees.

- **Sanctions extension** — Extend EU Sudan sanctions to cover SAF-linked mining entities — including SMRC and its corporate subsidiaries — that have not yet been designated, closing a documented gap identified by C4ADS.
- **EEAS engagement with Qatar** — Engage Qatar directly through the EEAS, pressing Doha to account for the incompatibility of its mining investments with stated EU objectives of ending the Sudan war and protecting civilian populations.
- **UN Panel of Experts** — Support a specific UN Panel of Experts mandate to investigate SAF mineral licensing as a mechanism of conflict financing, including the role of the Jebel Ohier copper project and the Doha refinery.
- **Conflict Minerals Regulation** — Require EU member states to apply enhanced due diligence obligations on imports of Sudanese minerals — gold, copper, chrome — consistent with the EU Conflict Minerals Regulation framework.

Key Sources

C4ADS, Bullion for Bullets (June 2025) · Chatham House, Gold and the War in Sudan (March 2025) · ISPI, The Role of Gold in the Sudanese War (April 2025) · Sudan Horizon / Sudan Tribune (May 2026) · OCCRP, Wagner's Golden Ties to Sudanese Military (2022) · African Gold Report (2025) · Business Insider Africa (May 2026)

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