DEVELOPING SMALL-SCALE MINING IN MALAWI

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LUSAKA

DECEMBER, 2000
DECLARATION

I, EVANCE E.M. CHIPILI, hereby declare that this dissertation represents my own work, and that it has never been submitted in part or in full for a degree at this or any other University.

Signed: [Signature]
Date: December, 2000
This dissertation by EVANCE E.M. CHIPILI is approved as fulfilling part of the requirements for the award of the degree of Master of Mineral Sciences by the University of Zambia.

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   (Internal Examiner)

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   (External Examiner)

Date

7 11 02 2002
DEDICATION

This dissertation is dedicated to my dear wife Doria and my two daughters, Flora and Kate. It has also been compiled in loving memory of my father, the late E.D.M. Chipili (RIP).
ACKNOWLEDGEMENTS

I would like to express my profound gratitude and appreciation to Dr S.M. Kambani, my supervisor, for his constructive criticisms and guidance without which this dissertation would not have taken the form it has taken. I did not take such invaluable assistance for granted.

I would also like to thank the Director of Geological Survey, Mr C. Kaphwiyo and the Principal Geologist Mr R. Mshali for arranging for me to attend this course. I also thank my sponsors, the Belgium Government, for offering me a scholarship.

I am also grateful to the following people: Mr Stewart Brandt of MINEX for providing me with some information on the mining sector in Malawi. All small-scale miners I interviewed for their cooperation and contributions. Messrs. E. Kaseko (DOM) and Z. Dulanya (GSD) for promptly sending me additional information when I requested for it. Irene, Dorothy and Mary for typing the dissertation. I am also grateful to Dr G.K. Nkonde for allowing me to use UNU/INRA computer facilities during the compilation of this dissertation. To all the above, I say GOD BLESS.

Finally, I would like to thank my wife, Doria for her patience and moral support and encouragement.
ABSTRACT

Malawi is endowed with a variety of mineral resources. Predominant among these are gemstones, industrial minerals, construction mineral materials and fuel minerals such as coal. However, most of these are small deposits, amenable by small-scale mining (SSM). Therefore, the promotion and development of SSM can be considered an important option for exploiting these mineral resources of the country. Once developed, SSM has the potential to contribute significantly to the economy of the country. Efforts by government institutions to assist the mining and minerals sector have not brought the expected level of development in the sector. Consequently, most of the minerals remain unexploited.

The principal objective of this study is to identify sectoral constraints associated with technical, administrative, financial and legal factors, which directly and indirectly affect investment and development of SSM. A review is made of the status of the mining sector and mineral development potential. The study further suggests promotional strategies required for the successful development of the SSM sector in Malawi.

Recommendations are given which emphasise on a vigorous approach and commitment by Government and other key players in the sector in implementing the strategies for the development of SSM in Malawi.
TABLE OF CONTENTS

CHAPTER ONE

1.0 INTRODUCTION 1
1.1 Statement of the Problem 1
1.2 Objectives of the Study 4

CHAPTER TWO

2.0 GEOLOGY OF THE COUNTRY 6
2.1 The Mineral Potential of Malawi 6
2.1.1 Mulanje Bauxite 11
2.1.2 Kangakunde Monazite/Strontianite 13
2.1.3 Katengeza Graphite 13
2.1.4 Mwanza Vermiculite 13
2.1.5 Heavy Mineral Sands 14
2.1.6 Dimension Stone 14
2.1.7 Gemstones 14
2.1.8 Tundulu Phosphate 15
2.1.9 Limestone/Marble 15
2.1.9.1 High Calcium Marble 16
2.1.10 Kaolinitic Clay 17
3.6.1.1 Application Procedures 65
3.6.2 Large-Scale Mining 65
3.6.2.1 Application Procedures 67
3.6.3 Other Licences 67
3.7 Mining Fiscal Regime 69

CHAPTER FOUR 74

4.0 SCOPE FOR MINING IN MALAWI 74
4.1 Minerals with Potential by Small-Scale Mining 75
4.1.1 Coal 76
4.1.2 Limestone 81
4.1.3 Gemstones 86
4.1.4 Phosphate 88
4.1.5 Dimension Stone 91
4.1.6 Kaolinitic Clays 91
4.1.7 Graphite 92
4.1.8 Glass Sands 93
4.1.9 Gypsum 93
4.1.10 Kyanite 94
4.1.11 Vermiculite 95
4.2 Constraints on Development 97
4.2.1 Macro-economic Factors 97
4.2.2 Government Policy 100
4.2.3 Financial Constraints 102
4.2.4 Technological Constraints 103
4.2.5 Marketing Constraints 104
4.2.6 The Gender Factor 105

CHAPTER FIVE 107

5.0 PROMOTIONAL STRATEGIES 107
5.1 Financial Constraints 109
5.2 Legal and Regulatory Framework 114
5.3 Fiscal Incentives 118
5.4 Institutional Framework Support 121
5.5 Establishing Formal Marketing Systems 125
5.6 Training and Extension Services 127
5.7 Future Plans by the Department of Mines 128

CHAPTER SIX 130

6.0 ROLE OF VARIOUS STAKEHOLDERS 130
6.1 Government 130
6.2 Private Sector Organisations 134
6.3  International Organisations  
6.4  Training Institutions  
6.5  Non-Governmental Organisations  

CHAPTER SEVEN  

7.0  PROGRAMME FOR ACTION  
7.1  Stage One: Immediate Requirements  
7.2  Stage Two: Short Term Requirements  
7.3  Stage Three: Medium Term Requirements  
7.4  Stage Four: Long Term Requirements  

CHAPTER EIGHT  

8.0  DISCUSSION  

CHAPTER NINE  

9.0  CONCLUSION AND RECOMMENDATIONS  

List of Figures  

Figure 1: Map of Malawi  
Figure 2: Geological Map of Malawi
Figure 3: Major Geological Units 8
Figure 4: Chilwa Alkaline Province 10
Figure 5: Mineral Resources and Occurrences 12
Figure 6: Mining Concessions 22
Figure 7: Development and Relative Expenditure Chart of a Mining Project 30
Figure 8: Coal Production Trend 32
Figure 9: Cement Production Trend 33
Figure 10: Lime Production Trend 34
Figure 11: Sectoral Distribution of Gross Domestic Product (GDP) 39
Figure 12: GDP of Mining and Quarrying 40
Figure 13: GDP of Agriculture 41
Figure 14: Cement Production and Sales 45
Figure 15: Technical Sections of GSD 46
Figure 16: Organisational Chart of Geological Survey Department of Malawi 49
Figure 17: Organisational Chart of Department of Mines 51
Figure 18: Mineral Development Objectives 58
Figure 19: Uses of Limestone 85
Figure 20: Fertiliser Imports 89
Figure 21: Factors Affecting Development of Mineral Resources 99
Figure 22: Exploration Expenditures 101
Figure 23: Malawi-Foreign Dividends Vs NPV 119
Figure 24: Malawi-Import Duty Vs NPV 120
List of Tables

Table 1: Mineral Deposit Categories Based on Geological Environments

Table 2: Industrial Mineral Deposit and Reserves

Table 3: Licences Issued by the end if 1999

Table 4: Mineral Exports

Table 5: SADC Mineral Exports (1986-1996)

Table 6: Structure of Employment (1989-1991)

Table 7: Mineral Imports (1995-1998)

Table 8: Summarised Description of Licensing System

Table 9: Comparative Fiscal Policies Among Some SADC Countries

Table 10: Duty and Sales Tax

Table 11: Royalty Rates

Table 12: Main Coal Consumers in Malawi

Table 13: Malawi Coalfields, Reserves and Resources

Table 14: Characteristics of the main Coal Deposits in Malawi

Table 15: Summary of Findings on SSM in Malawi
List of Plates

Plate 1: Comminuted limestone and bagged lime ready for sale 83
Plate 2: Loaded kiln ready for firing. Use of fuelwood leading to deforestation 84
Plate 3: A prospector’s pit, Mzimba District 87
Plate 4: Ceramic Research at GSD 92

List of Appendices

Appendix II: Exploration Databases 152
Appendix III: Malawians Employed in the Mines of South Africa 154
Appendix IV: Minerals with Potential for Development 155
Appendix V: Kaziwiziwi coal mine 156
Appendix VI: Entrance to Mchenga coal mine 157
Appendix VII: Map Showing Phosphorous Deficient Areas in Malawi 158
Appendix VIII: List of Topics on which Banks may want Clarification to Finance a Mining Project 159

REFERENCES 164
CHAPTER ONE

1.0 Introduction

Malawi is a long narrow country located in the southern part of the East African Rift Valley and lies between 9° and 17° south of the equator between longitudes 32°40' and 35°55'E. It has an area of 119,140 km² of which one fifth is taken up by Lake Malawi. As illustrated in Figure 1, it is land-locked, cradled by Mozambique in the east, south and southwest, with Zambia to the west and Tanzania to north and northeast. The country has a population of about 10 million people (National Statistical Office, 1999).

The economy of Malawi depends on agriculture to feed its population and cash crops for generating the scarce foreign exchange. About 85% of the population work in the subsistence sector, engaged mainly in small holder farming, producing various cash crops. The main export crops are tobacco, tea, coffee, cotton and sugar with tobacco being the principal foreign exchange earner. Approximately 90% of Malawi export earnings are generated by the agro-industry. However, the anti-smoking campaign, which has gained momentum, has created uncertainties over the future of the tobacco market. Diversification of the nation’s economy is, therefore, the goal of the Malawian Government's policy for sustainable economic growth. A broad-based economy can be created with the development of other sectors which can support
the agricultural sector which continues to play a vital role at the moment. In this regard mining has been identified as one of the sectors having potential to contribute to economic growth and development.
Fig 1: Map of Malawi
Source: GSD, 1997
1.1 Statement of the Problem

Malawi is endowed with a wide variety of mineral resources. However, most of these resources remain unexploited due to government policies which have placed emphasis on agriculture. As a result, the mining sector in Malawi has not developed to comparable levels with other countries in the region.

Known mineral resources in Malawi are mostly small deposits largely amenable by Small-Scale Mining (SSM). The promotion and development of SSM, therefore, appears a viable option for exploiting the country’s mineral resources. To achieve this there is need to examine the elements critical to the development and strengthening of the SSM sector. The lack of development of the sector compounded by the fact that most of the mineral deposits remain unexploited, is a clear indication that the sector is confronted by constraints affecting its successful growth. The study will focus on analysing the constraints and suggest strategies and options for SSM sector development in Malawi.

1.2 Objectives of the study

The principal objectives of this study will be to examine the elements critical to the promotion of SSM development in Malawi. This will include identifying promotional strategies to improve the existing situation such as:
• Enabling legislation.

• Improved technology and its accessibility.

• Fiscal incentives.

• Improved accessibility to finances.

• Institutional framework support.

• Establishment of formal marketing systems.

• Provision of training and extension services.
CHAPTER TWO

2.0 Geology of the Country

The country lies mainly within the Mozambican Mobile Belt. Figure 2 illustrates the geology of Malawi. It is underlain by crystalline rocks of Precambrian to Lower Paleozoic age designated the "Malawi Basement complex" (Carter and Bennett, 1973). They are mainly metamorphosed gneisses and granulites of both sedimentary and igneous origin. The complex is thought to have evolved from the early Precambrian, and has been affected by orogenic episodes comprising the Ubendian, Irumide and the Mozambican cycles. The Basement Complex, which occupies 85% of the land area of the country constitutes the Malawi province of the Mozambican orogenic belt divided into northern and southern sub-provinces separated by the Chimaliro Dislocation Zone on the southern edge of Champhira Dome as indicated in Figure 3.

Overlying the complex is the Karoo supergroup, ranging in age form Permian to Upper Triassic or Lower Jurassic, best developed in the north of the country. The Karroo supergroup, which includes sandstone, mudstones and coal measures generally, lies unconformably on the basement rocks. The Karroo rocks are preserved in a number of north-south trending basins and downfaulted troughs, including the Malawi Rift Valley system. Specifically this sequence is preserved in Ngana, North Rukuru and Livingstonia Coalfields in the north; and Lengwe and Mabvi coalfields in the south.
Fig 2: Geological Map of Malawi
Source: GSD, 1999
Fig 3: Major Geological Units
Following the deposition of the Karroo sediments, the syenite, pyroxenite and carbonatite intrusive bodies evolved from the igneous activity, which dominated early Jurassic to late cretaceous geological history. These rocks constitute the Chilwa Alkaline Province which includes at least two large syenitic massifs, Mulanje and Zomba, as well as numerous small, economically significant nepheline syenite and pyroxenite bodies, carbonatite centres and agglomerate vents. These are intruded in mostly the southern half of Malawi, as illustrated in Figure 4. In the north equivalent intrusive activity (Mesozoic) includes Kimberlitic breccias cutting Karroo sedimentary rocks in the Livingstonia Coalfield and numerous dolerite dykes, diorite and pyroxenite intrusions.

Lacustrine, alluvial and colluvial deposits of Tertiary to Quaternary ages occur in the north along the western shore of Lake Malawi and in the Vwaza Basin along the Zambian Border. Extensive deposits also occur along the southern shoreline of Lake Malawi and in the general vicinities of Lake Malombe, Lake Chilwa and the Shire Valley.

Major faulting in the early Jurassic associated with the development of the Malawi Rift is a dominant feature of the Malawi geological history. This faulting also initiated the eruption of basaltic lavas, especially across the Lower Shire graben. Sediments of over 3km in thickness are now estimated in the Lake Malawi graben and the Lower Shire Valley. The Malawi Rift forms the southern portion of the western branch of the East African Rift System. The Malawi Rift System remains seismically active.
Fig 4: Chilwa Alkaline Province
2.1 The Mineral Potential of Malawi

Most major economic mineral deposits in Malawi are assigned genetically either to the Basement Complex or to the Chilwa Alkaline Province (Mshali et al, 1993). This is illustrated in Table 1.

Table 1: Mineral Deposit Categories Based on Geological Environments

<table>
<thead>
<tr>
<th>Classification</th>
<th>Types of Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement Complex</td>
<td>Vermiculite, limestone, gemstones (ruby, sapphire and aquamarine), graphite, kyanite, pyrite/pyrrhotite and corundum.</td>
</tr>
<tr>
<td>Superficial Deposits</td>
<td>Titanium minerals, silica sands, gypsum associated with the recent sediments along the lake and in Dambo areas.</td>
</tr>
<tr>
<td>Chilwa Alkaline Province</td>
<td>Rare Earths and related minerals and phosphates associated with carbonatites and syenites of the upper Jurassic to lower Cretaceous age.</td>
</tr>
<tr>
<td>Karoo System</td>
<td>Coal, uranium and also limestone found in the Karoo rocks. More than 800Mt of coal are inferred to occur in the basins in this system</td>
</tr>
<tr>
<td>Secondary Mineral Deposits</td>
<td>Bauxite, phosphates, Kaolinitic and brickclays developed from underlying rocks as residual material.</td>
</tr>
</tbody>
</table>

Most of the major mineral deposits among the mineral resources of Malawi, as shown in Figure 5, in general have been investigated and their mineral resources potential established with high potential for exploitation as outlined in the sections that follow (Mineral Potential of Malawi, GSD, 1996).
Fig 5: Mineral Resources and Occurrences
2.1.1 **Mulanje Bauxite**

Deposits of commercial grade bauxite lie on Lichenya Plateau on top of Mulanje Mountain. MInable resources placed at 28 million tonnes with an average composition of 43.9% Al₂O₃ and 13.3 % free quartz have been delineated.

2.1.2 **Kangankunde Monazite/Strontianite**

A deposit of rare earth minerals and strontianite is found in a carbonatite complex at Kangankunde Hill in Machinga District. Drilling indicated reserves of 11.0 million tonnes of ore have been delineated at an average grade of 2.0% rare earth oxides (REO) and 8.0% strontium (Sr).

2.1.3 **Katangeza Graphite**

Deposits of graphite occur at Katengeza village in Dowa District. A conservative 2.7 million tonnes of ore averaging 5.8% carbon (c) have been delineated.

2.1.4 **Mwanza Vermiculite**

Deposits of good quality vermiculite are found at four centres in Mwanza District. 2.2 million tonnes of vermiculite have been delineated. The quality of the vermiculite is comparable to that mined at Parabora in South Africa. It has an expansion ratio of 12:1 grading 10%.
2.1.5 Heavy Mineral Sands

Heavy minerals sands deposits for titanium minerals are found at Tengani in Nsanje District and the Lakeshore area in Salima District. The Tengani heavy mineral sands have a relatively high content of rutile averaging 0.34% while ilmenite ranges from 1-4%. A hundred million tonnes of ore are indicated from widely spaced pitting.

2.1.6 Dimension Stone

Deposits of beautiful sodalite occur at Ilomba Hill in the district of Chitipa. Large reserves have been outlined from a modest drilling programme. Large deposits of black granite are found at Mkanda area in Mchinji District.

2.1.7 Gemstones

Gemstones such as rubies and sapphires are found at Chimwadzulu Hill to the South of Ntcheu Boma. The commonest gemstone found is aquamarine followed by amethyst and rhodolite. These and others such as green beryl, heliodor, coloured tourmalines, smoky quartz, rose quartz, rhodolite, garnet, and agate are widely found in the districts of Mzimba, and Chitipa in the northern region, Ntcheu in the central and Mwanza, Zomba and Nsanje in the south.
2.1.8 Tundulu Phosphate

A deposit of phosphate suitable for the manufacture of fertilizers is found at Tundulu in Mulanje District. About 1.0 million tonnes grading 17% P₂O₅ have been delineated. Met-Chem Canada Inc. completed a preliminary review in 1998 of the Tundulu rock phosphate deposit. The results of the study showed that besides phosphate, the carbonatite has other minerals of economic importance. These include niobium (1.7kg/t) and medium-weight Rare Earths (1.9kg/t). The recovery of these minerals could contribute to the lowering of the P₂O₅ cut-off grade, thereby increasing the phosphate ore reserve.

2.1.9 Limestone/Marble

Large limestone deposits are located at Chikoa/Livwezi in Kasungu District and Golomoti (Bwanje) in Dedza District.

The deposits in Kasungu are being utilised for the manufacture of Portland cement. The estimated reserves were placed at 17 million tonnes of cement grade limestone.

Malawi is also endowed in several localities with calcitic and dolomitic limestones of high purity carbonate content.
2.1.9.1 High Calcium Marble

There exists a high calcium marble deposit on Malowa Hill east of Golomoti in the Bwanje valley. A total of 4.08 million tonnes has been proven and are slated for the manufacture of chemical-grade lime. The reserve contains an average grade of 52% CaO, 0.99% MgO and 5.22% SiO₂.

A probable reserve of 14.85 million tonnes containing 46.83% CaO and 1.36% MgO has been delineated for the calcitic marble unit.

A dolomitic marble proven reserve of 3.7 million tonnes also exists within the same area. This unit contains an average of 36.21% CaO, 12.99% MgO and 8.6% SiO₂. A probable reserve of 17.53 million tonnes has been estimated to contain 36.61% CaO and 7.14% MgO.

The overall resource estimate for Malowa marble is therefore 22.38 million tonnes with a combined proven reserve of 7.78 million tonnes. The project started at Bwanje valley limestone was aimed at establishing lime works at Malowa.

A feasibility study was conducted by MET-CHEM of Canada through Mining Investment Development Corporation. Through this study a plant has been designed to produce 50 tonnes per day of quick lime (equivalent to 60 tonnes per day of hydrated lime). This capacity has been based on the current demand of lime.
gneisses and perthosites. From this resource it is estimated that 26.50 million bricks can be made by mechanised brick making plants.

2.1.12 Glass Sands

Substantial deposits of glass sands occur in dambos around Mchinji. Recoverable reserves in six dambos amount to 1.6 million tonnes. Silica percentage for the sand varies from 96% to 99% while the iron percentage varies from 0.12 to 0.2%. The deposits are suitable for the manufacture of good quality glass.

Another glass sand reserve, the Lake Chiuta sand bar is estimated to have 25 million tonnes and contains 92.7% silica and 0.62% iron. Further beneficiation will improve the quality of the sand to make it suitable for manufacture of plate and window glass and reasonably clear glass containers.

2.1.13 Coal

Substantial resources of semi-bituminous coal have been delineated in several of the Karroo basins of Malawi. Presently, about 50 thousand tonnes of coal per annum are being produced at Mchenga coalmine in the northern region of Malawi. For details of the coal reserves in Malawi see Table 1.
2.1.4 Iron Sulphides

Substantial resources of pyrite/pyrrhotite have been outlined at two localities in the central part of Malawi. Reserves of 34 million tonnes grading 8% sulphur have been delineated at Nkhanyu Hill in Dowa District. Another 10 million tonnes of reserves with a sulphur content of 10% are located at Malingunde Hill in Lilongwe District.

Table 2 gives a comprehensive summary of the mineral deposits of Malawi and reserves.
Table 2: Industrial Mineral Deposits and Reserves

<table>
<thead>
<tr>
<th>MINERAL</th>
<th>LOCATION*</th>
<th>RESERVES (Tonnes)</th>
<th>GRADE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bauxite</td>
<td>Mulanje Mt</td>
<td>28,000,000</td>
<td>43.3 Al₂O₃</td>
</tr>
<tr>
<td>Rare Earths</td>
<td>Kangankunde</td>
<td>11,000,000</td>
<td>2.0 Reo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,000,000</td>
<td>8.0 Sr</td>
</tr>
<tr>
<td>Vermiculite</td>
<td>Feremu</td>
<td>2,500,000</td>
<td>10</td>
</tr>
<tr>
<td>Phosphates</td>
<td>Tundulu</td>
<td>1,000,000</td>
<td>17 P₂O₅</td>
</tr>
<tr>
<td></td>
<td>Chingale</td>
<td>8,800,000</td>
<td>3.7 P₂O₅</td>
</tr>
<tr>
<td>Graphite</td>
<td>Katengeza</td>
<td>2,700,000</td>
<td>3</td>
</tr>
<tr>
<td>Limestone</td>
<td>Bwanje</td>
<td>7,780,000</td>
<td>52 CaO</td>
</tr>
<tr>
<td></td>
<td>Chenkumbi</td>
<td>10,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chamama/</td>
<td>17,000,000</td>
<td></td>
</tr>
<tr>
<td>Kaolinitic Clays</td>
<td>Linthipe</td>
<td>15,000,000</td>
<td>33.8 Al₂O₃</td>
</tr>
<tr>
<td></td>
<td>Senzani</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>Glass Sand</td>
<td>Mchinji</td>
<td>1,600,000</td>
<td>97.0 SiO₂</td>
</tr>
<tr>
<td></td>
<td>Lake Chilwa/Chiuta</td>
<td>25,000,000</td>
<td>92.7 SiO₂</td>
</tr>
<tr>
<td>Titanium minerals</td>
<td>Tengani</td>
<td>100,000,000</td>
<td>0.34 rutile</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1-4 ilmenite</td>
</tr>
<tr>
<td></td>
<td>Salima</td>
<td>70,000,000</td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>Ngana</td>
<td>15,000,000</td>
<td>21 Ash</td>
</tr>
<tr>
<td></td>
<td>Mwabvi</td>
<td>4,700,000</td>
<td>40 Ash</td>
</tr>
<tr>
<td></td>
<td>Lengwe</td>
<td>10,000,000</td>
<td>50 Ash</td>
</tr>
<tr>
<td></td>
<td>North Rukuru</td>
<td>5,000,000</td>
<td>28 Ash</td>
</tr>
<tr>
<td></td>
<td>Lufira</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Livingstonia</td>
<td>1,400,000</td>
<td>14 Ash</td>
</tr>
<tr>
<td></td>
<td>Nthalire</td>
<td>15,000,000</td>
<td></td>
</tr>
<tr>
<td>Iron Sulphides</td>
<td>Chisepo</td>
<td>34,000,000</td>
<td>8 s</td>
</tr>
<tr>
<td></td>
<td>Malingunde</td>
<td>10,000,000</td>
<td>10 s</td>
</tr>
<tr>
<td>Uranium</td>
<td>Kayelekera</td>
<td>63,000,000</td>
<td>0.17 u</td>
</tr>
</tbody>
</table>

Reo – Rare Earth Oxides. Sr - Strontium. Source: GSD Malawi, 1997

Several local and international companies hold mining concessions for various mineral deposits as indicated in Figure 6. In some cases, however, the licenses are dormant and
with others progress has been disappointingly very slow and this is one area of major concern for the development of the mining sector in Malawi.
Fig 6: Mining Concessions
2.2 Exploration Potential

2.2.1 Geochemical Anomalies

Malawi holds enormous potential for the discovery of mineral deposits. Regional geochemical drainage reconnaissance survey prior to 1973 showed anomalies considered to be worthy following up as follows:

Gold

The main sulphide-gold-graphite mineralisation targets are found within the Lilongwe-Kasungu area. The targets are Chisepo, Malingunde South, Kachawa, Kabudula, Chimwala and Nanjiwa, which generally consist of sulphide-bearing magmatic hornblende biotite gneisses and schists. The Geological Survey carried out gold exploration in 1998 in the Kirk Range, Dwangwa and Dzalanyama areas. Gold anomalies were detected along contacts between granitic intrusions and schists. Anomalies were also identified in the Dwangwa area where granitic rocks occur. Other occurrences are associated with sulphide bearing schists within greenstone belts that are enriched in molybdenum.

(i) Some samples from Malingunde hill pyrite deposit showed gold values of about 150 ppb. These were associated with other high values of silver and zinc.

(ii) Some gold was observed from panning at Ndodo dambo around Ndodo village south of Lilongwe.
(iii) Nathanje south of Lilongwe is also another potential exploration target where gold showed in some two streams. High arsenic values were encountered in soils while gold findings were related to pyritic bearing gneiss and schist.

(iv) Alluvial gold was observed in the Dwangwa River and its South bank tributaries. Widespread traces of gold were also found in the central and southwest parts of the area.

(v) In the Kirk Range area, the Lisungwe Valley area is among the notable gold target which is associated with history of placer gold mining and bed rock prospecting within the Manondo zone. Here gold occurrences are associated with pyritized veins in carbonatized schists affected by fracturing and faulting.

(vi) Graphitic pyrite belts in Central Malawi are associated with extensive blankets of gossan and give gravity and magnetic anomalies in areas with low shear zones. Some elevated values of gold and zinc have been noted at Malingunde and Khongoni.

**Tin-Molybdenum**

(i) Stream samples over an area of 19 km² in the Nyika area gave average values of 6 ppm against an average value of 3 ppm. Some values were as high as 15 ppm.

(ii) At Mbale in Nsanje, in an area of about 3 km², stream sediments registered molybdenum values averaging 10 ppm against a background of 2 ppm.
Nickel-Copper-Chrome

These mineral associations have been targeted in the Kirk Range-Lisungwe area covering an area of about 3,000 km². The area has metamorphic provinces, which are dominated by an ultrabasic-syenite complex. Sulphide occurrences comprising copper and nickel have been recorded in ultrabasic complexes such as Mpemba ultrabasic syenite and Chipilanje-Little Michiru complexes in Blantyre.

Nickel

(i) Values of up to 6,000 ppm nickel in residual soil and 2,000 ppm in bedrock samples at Mpemba hill ultrabasic body were registered.

(ii) High values of up to 6000 ppm of nickel were also registered in rock samples from one flank of Chimimbe hill.

(iii) Other high values of nickel were noted at Chipata hill registering 1,750 ppm and at Chimwale in Kasungu where 250 ppm was registered against a background value of 23 ppm.

Copper

(i) Lulwe area in Nsanje showed some anomaly of about 60 ppm in stream sediments against twice the average background value. Highest values went up to 150 ppm.

(ii) High average value for copper over Chimaliro dome gneiss showed values ranging up to 150 ppm with an average value of 62 ppm in an area of about 204 km²
Anomalous sediments occur at Mtondo dambo, South of Lilongwe. Values up to 200 ppm extend nearly 2 km. Background values in stream sediments average 14 ppm.

Another anomaly at Kamphini, within Madiainsa dambo, has up to 1500 ppm copper values in soils. The anomaly extends nearly 3 km.

Niobium and Uranium

(i) Streams draining Chimaliro hill in Rumphi registered niobium values of up to 3000 ppm. Radiometric counts were four times higher than normal. There is a possibility of Uranium pyrochlore mineralisation.

(ii) High niobium values of up to 3000 ppm were registered at Nkhonjera, Rumphi, in pan concentrates obtained from streams draining the southern margin of nepheline gneiss intrusive.

2.2.2 Geophysical Anomalies

The interpretation of geophysical data from a UNDP (1984-85) sponsored Airborne Geophysical Survey has resulted in identifying potential exploration targets. Attractive targets for ground follow up on mineral exploration targets detected by this UNDP sponsored Airborne Geophysical Survey exist in Malawi. The targets were carefully identified using integration of regional geological and geochemical data.
Rare Earths

Within the Chilombe structure strong magnetic susceptibility and a strong Uranium response straddling a major fault cutting across nepheline syenite has been reported.

Kimberlite/Diamonds

UNDP airborne survey has revealed exploration targets for diamondiferous kimberlites in the Mwanza ultrabasic intrusive NE of Nkadana and south of Mtumba fault in Chikwawa. Other targets are the west Chirumba diatreme zone in Karonga and within the Karoo of Livingstone area in Rumphi. Previous diamond exploration revealed the existence of kimberlite minerals and minute diamonds in concentrate taken from Shire River within the area.

A recent discovery of Kimberlite pipes near Mlowe by the Geological Survey increases the prospects for the existence of pipes, which may be diamondiferous as is the case across the Lake in Tanzania.

Hydrocarbons (Oil and Gas)

Previous seismic and airborne magnetic surveys made over Lake Malawi by Duke University (1981, 1985) and Shell Exploration B.V. (1981) revealed thick sequences of up 3 km of potentially oil-bearing rocks.
2.2.3 Exploration Activities

Geological Survey Department is engaged in a number of exploration and assessment programmes. The activities comprise area-target geological mapping, geochemical and geophysical surveys and deposit assessment. Briefly some of the exploration activities being undertaken are as outlined below:

- Geological search for kimberlite which host diamonds in the Livingstonia and Mwanza areas.
- Gold and platinum metals (PGMs) exploration in the Kirk Range area and Lisungwe Valley areas and gold at Dwangwa in Nkhotakota, Nkhata Bay and Dzalanyama.
- Gypsum exploration in the Lilongwe and Dowa dambos.
- Geological assessment of the graphite resources at Chimutu area in Lilongwe.

Private and local companies are also engaged in exploration activities in various parts of the country for the following minerals: gold, diamonds, copper, titanium, uranium, graphite and coal.
CHAPTER THREE

3.0 Status of the Mineral Sector

Malawi’s mining industry is relatively small when compared to other sectors. It consists of quarries for limestone and aggregate, lime and clay works, artisanal gemstone mining and a small coal mine. The contribution of the mineral sector to the GDP is less than 1%.

In an ideal situation investment in mining would be best undertaken by the private sector. This is so because mining is a high-risk enterprise compared to agriculture for example. It demands relatively large capital investment, and often involves long lead times from exploration to production as illustrated in Figure 7. The nature of the geological uncertainty, the unpredictability of market and prices all involve a gamble that is taken up only if risk investment capital is available. In Malawi, however, the private sector has not been forthcoming to invest in the development of existing mineral resources.

It has to be pointed out that a number of both foreign and local companies have applied for both exploration and mining licences as shown in Table 3. However, due to lack of finance and technology, mineral resources development has not been progressing at a satisfactory pace (GSD and DOM, 1996). Currently there is also no mechanism for promoting investment in the mining industry.
Fig. 7: Development and Relative Expenditure of a Mining Project

(After Chatupa, J. 1982)
Generally, foreign companies have not taken interest in the country’s largely small deposits. Furthermore on the other hand, the contribution of artisanal mining on mineral development has been insignificant.

**Table 3: Licences Issued by end of 1999**

<table>
<thead>
<tr>
<th>Type of Licence</th>
<th>Number issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Exclusive Prospecting Licence</td>
<td>983</td>
</tr>
<tr>
<td>Reserved Minerals Licence</td>
<td>196</td>
</tr>
<tr>
<td>Exclusive Prospecting Licence</td>
<td>92</td>
</tr>
<tr>
<td>Mining Licence</td>
<td>86</td>
</tr>
<tr>
<td>Reconnaissance Licence</td>
<td>19</td>
</tr>
<tr>
<td>Mining Claim Licences</td>
<td>201</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1577</strong></td>
</tr>
</tbody>
</table>

Source: Department of Mines

### 3.1 Mineral Production

Mineral production in Malawi is small. It mainly consists of industrial minerals (dolomite, cement, lime and stone aggregate), coal and gemstones.

**(a) Coal**

Coal is mined mainly to substitute for imports. Presently, Mchenga Coal mine being operated by Coal Products Limited is the only coalmine producing about 80% of the country’s requirements. Some coal is exported to Tanzania. Figure 8 illustrates the coal production trend since 1994.
As can be noted from the production trend there is fluctuation in coal production. This is largely due to lower mining equipment availability owing to frequent equipment breakdowns and slow delivery of spare parts. Too frequent changes in management has also contributed to this fluctuation. This is evident in 1995 when Mining Investment Development Corporation (MIDCOR), a parastal organisation, decided to sell the mine and stopped producing coal before the year ended. When the mine was finally sold to a consortium of Malawi Development Corporation (MDC) and INDEBANK production picked up again in 1996. The drop in production in subsequent years is attributed to poor maintenance of equipment and general management problems.
(b) Limestone

Portland Cement Company and Shayona Cement Company quarry limestone for the production of cement at the Changalume near Zomba and at Chikoa/Livwezi in Kasungu respectively. Figure 9 illustrates the cement production trend from 1994.

![Cement Production Trend](image)

Fig. 9: Cement Production Trend

Note: Production for the year 2000 is only up to September

Source: Malawi Annual Mining Economic Report, 2000

Cement production has increased, especially in 1999, due to improved operations after Portland Cement Company undertook its rehabilitation programme of plant equipment and improved methods of quarrying and crushing both at Changalume quarry and Blantyre factory. Another company, Shayona Cement Corporation also contributed to the increase after commissioning their 100 tonnes per day plant at Livwezi in Kasungu.

A study carried out by Sofremines in 1987, however, suggested that in view of the parity of the limestone, the large reserves available, the number of uses of lime that could be supplied in Malawi, there is scope for investigating the possibility of setting up a modern refractory.
At present, lime is produced manually with antiquated methods, which involve little technology. Figure 10 illustrates the lime production trend from 1995.

![Lime Production Trend](image)

**Fig. 10: Lime Production Trend**

Note: Production for the year 2000 is only up to September

Source: Malawi Annual Mining Economic Report, 2000

The construction of custom built kilns by some lime burners after receiving assistance from USAID under SHARED project and an arrangement which allowed the lime burners to calcine, pack and market their lime through a central marketing point recorded an increase in the amount of lime produced and sold.

A study carried out by Sofremines in 1987, however, suggested that in view of the purity of the limestone, the large reserves available, the many uses of lime that could be supplied in Malawi, there is scope for investigating the possibility of settling up a modern