THE MINERAL INDUSTRY OF

LESOTHO

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Lesotho has long been known as a source of diamonds, mostly from alluvial deposits, but mineral production in Lesotho has not been a significant part of the economy. Consequently, international commercial interest in the mineral resources of Lesotho has been limited to diamonds. Messina Diamond Corp. and Diamond Works Ltd. of Canada continued to hold an interest in diamond exploration properties during 1999. Artisanal miners produced a small amount of clay, crushed stone, and sand and gravel for domestic consumption.

Repatriated wages from Basotho miners who worked in the South African gold mines traditionally have contributed significantly to the national income. The collapse of international gold prices and the resultant downsizing of the South African gold industry labor force, however, led to layoffs of substantial numbers of Basotho miners [WOZA Internet (Pty.) Ltd., October 20, 1998, Retrenchment of miners adds to reconstruction woes of Lesotho, accessed October 20, 1998, at

URL http://www.woza.co.za/forum/lesothowoes.htm]. Additionally, Government revenue was generated from the sale of water to South Africa through the Lesotho Highlands water project in the Maluti Mountains.

The 30,350-square-kilometer nation of Lesotho is an independent constitutional monarchy surrounded by South Africa. In 1999, the population of this landlocked country was 2.1 million people, and the gross domestic product was estimated to be \$870 million (World Bank, September 12, 2000, Lesotho at a glance, accessed February 27, 2001, via URL http://www.worldbank.org/data/country/countrydata.html).

Major Sources of Information

Ministry of Water, Energy, and Mining Departments of Mines and Geology Maseru, Lesotho