



# 2007 Minerals Yearbook

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**MALAWI [ADVANCE RELEASE]**

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# THE MINERAL INDUSTRY OF MALAWI

By Thomas R. Yager

Malawi was a producer of cement, coal, crushed stone, dolomite, kaolin, lime, and limestone for domestic consumption. The country also mined and exported gemstones. Malawi was not a globally significant producer or consumer of minerals.

## Production

In 2007, the reported production of gemstones increased by 71%; ornamental stone, 42%; limestone for use in the cement industry, 30%; and aggregates, 18%. Lime output declined by 10%; coal, 3%; and cement, 1% (table 1).

## Structure of the Mineral Industry

Most of the mining and mineral processing operations in Malawi were privately owned, including the cement plants, the Mchenga coal mine, and the Chimwadzulu Hill ruby and sapphire mine. In 2006, Nyala Mines Ltd. purchased the Chimwadzulu Hill Mine from Agricola Resources plc; the Government placed conditions on Nyala's mining license that included 30% local interest in the mine (Malunga, 2007). Small-scale and artisanal miners produced aggregates, gemstones, and lime (table 2).

## Commodity Review

### Metals

**Nickel.**—In May 2007, Lisungwe plc of the United Kingdom was granted an exploration license for the Chimimbe Hill property in western Malawi. Lisungwe started a drilling program in December; the company also planned to complete a resources estimate and a scoping study in early 2008. Exploration for nickel at the Chimwadzulu Hill property was suspended pending the renegotiation of a sub-license from Nyala. In October, Albidon Ltd. of Australia entered into a joint-venture agreement with MM Mining plc of the United Kingdom for the exploration and development of the Mpemba nickel project (Lisungwe plc, 2007).

**Titanium and Zirconium.**—Allied Procurement Agency (APA) of Zimbabwe started a pilot project for mining rutile and zircon at Chipoka Bay on the west side of Lake Chilwa in 2006. The company planned to start large-scale mining by November 2007. Because of poor sampling procedures, APA designed a pilot plant incapable of processing high-grade material; the company's investors withdrew from the project (Malawi Nation, 2006; Malunga, 2007).

### Industrial Minerals

**Cement and Stone, Crushed.**—Portland Cement Company Ltd. (a subsidiary of LaFarge S.A. of France) produced cement from imported clinker and gypsum. The economic

crisis in Zimbabwe led to declining supplies of raw materials; LaFarge was forced to import clinker and gypsum from East Asian countries at a substantially higher cost. In September 2007, LaFarge announced plans to invest \$75 million in a new limestone quarry at Chenkumbi Hills in the Machinga District. Limestone production was expected to start by 2009 (Chimwala, 2007).

Shayona Cement Corp. increased its production to 31,490 metric tons (t) of cement in 2007 from 24,208 t in 2006. Output was likely to increase in 2008 and 2009 as Shayona increases its production capacity (Malawi Department of Mines, written commun., September 18, 2008).

Aggregate production increased in 2007 because of high demand from the construction industry. Artisanal miners accounted for about 6% of national aggregate production (Malawi Department of Mines, written commun., September 18, 2008).

**Rare-Earth Elements.**—In September 2007, Lynas Corp. Ltd. of Australia purchased the Kangankunde rare-earth deposit from Rare Earths Company. Resources were estimated to be 2.53 million metric tons (Mt) at a grade of 4.24% rare-earth minerals. Lynas planned to carry out a drilling program to confirm the grade of the deposit and test the possibility of expanding the resource. The company estimated that production could be at least 5,000 metric tons per year (t/yr) of rare-earth minerals if Kangankunde were developed (Lynas Corp. Ltd., 2007).

### Mineral Fuels and Related Materials

**Uranium.**—Paladin Resources Ltd. of Australia decided to develop the Kayelekera uranium deposit in northern Malawi after completing a bankable feasibility study in 2007. The company was granted a 15-year mining license by the Government. The life of the mine was expected to be 11 years; Paladin planned to produce 1,500 t/yr of uranium oxide (U<sub>3</sub>O<sub>8</sub>) for the first 7 years starting in September 2008. Resources at Kayelekera were estimated to be 18.7 Mt at a grade of 0.085% uranium. The capital cost of the project was estimated to be about \$185 million (Mining Review Africa, 2007; Resource Information Unit, 2008).

In August 2007, Retail Star Ltd. of Australia acquired the Chintheche and the Machinga properties from Red Rock Resources plc of the United Kingdom. Retail Star planned to start uranium exploration at Chintheche and Machinga in the first quarter of 2008. In 2007, Globe Uranium Ltd. of Australia explored at Kanyika and Livingstonia; the company planned to engage in a scoping study at Kanyika from January to June 2008. Globe also acquired the Nthalire property in mid-2007. Africa Energy Resources Ltd. of the United Kingdom explored at Majete and Rumphu. Oropa Ltd. of Australia commenced exploration at Mzimba Northwest in October. (Africa Mining Intelligence, 2008; Resource Information Unit, 2008).

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TABLE 1  
MALAWI: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	2003	2004	2005	2006	2007
Cement, hydraulic	161,000	119,500	166,000 <sup>r</sup>	187,600 <sup>r</sup>	185,300
Coal, bituminous	47,037	40,891	51,870 <sup>r</sup>	60,408 <sup>r</sup>	58,550
Dolomite <sup>c</sup>	5,400	5,400	5,400	5,400	5,400
Gemstones kilograms	2,297	1,820	1,994 <sup>r</sup>	2,171	3,710
Kaolin <sup>c</sup>	800	800	800	800	800
Lime	18,877	23,095	22,733 <sup>r</sup>	21,147	18,965
Ornamental stone	450	320	72 <sup>r</sup>	126 <sup>r</sup>	179
Stone:					
Crushed for aggregate	159,954	168,600	171,284 <sup>r</sup>	191,968 <sup>r</sup>	226,351
Dimension, crude and partly worked <sup>c</sup>	100	--	--	--	--
Limestone, for cement	23,965	21,224	21,499 <sup>r</sup>	24,208 <sup>r</sup>	31,490

<sup>c</sup>Estimated; estimated data are rounded to no more than three significant digits. <sup>r</sup>Revised. -- Zero.

<sup>1</sup>Includes data available through September 18, 2008.

<sup>2</sup>In addition to commodities listed, modest quantities of gypsum and salt and unlisted varieties of crude construction materials (clays, and gravel and other stone) may also be produced, but information is inadequate to make reliable estimates of output.

TABLE 2  
MALAWI: STRUCTURE OF THE MINERAL INDUSTRY IN 2007

(Metric tons unless otherwise specified)

Commodity	Major operating companies	Location of main facilities	Annual capacity
Cement	Portland Cement Company Ltd. (LaFarge S.A., 75.17%)	Plant at Blantyre	200,000.
Do.	Shayona Cement Corp.	Plant at Livwezi	37,000.
Coal, bituminous	Mchenga Coal Mines	Mine at Mchenga	60,000.
Fertilizer	Optichem Ltd.	Plant at Blantyre	40,000.
Limestone	Shayona Cement Corp.	Mine in Kasungu Province	NA.
Ruby and sapphire kilograms	Nyala Mines Ltd.	Mine at Chimwadzulu Hill	420 sapphire; 180 ruby. <sup>c</sup>
Stone, dimension	Ilomba Granite of Blantyre <sup>1</sup>	Mine at Ilomba Hill	NA.

<sup>c</sup>Estimated. Do, Ditto. NA Not available.

<sup>1</sup>Not operating in 2007.