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2006 Minerals Yearbook

LESOTHO AND SWAZILAND

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THE MINERAL INDUSTRIES OF LESOTHO AND SWAZILAND

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LESOTHO

The mining and quarrying sector was a marginal contributor to the gross domestic product (GDP). Although Lesotho was believed to have significant mineral deposits, attempts at exploitation continued to be limited owing to lack of investment interest. Known deposits included base metals, clays, diamond, dimension stone, sand and gravel, and uranium. In northern Lesotho, the Lesotho Geological Survey (LGS) identified 33 kimberlite pipes and 140 dykes, of which 24 are diamondiferous. The kimberlite pipes and dykes are of lower Cretaceous age. As estimated by the LGS, the country was thought to have the world's densest concentration of kimberlite pipes per hectare. Reserves of coal and bituminous shale have been identified in several areas of the country (South Africa Development Community, 2006, p. 3).

Production

Data on mineral production are provided in table 1.

Structure of the Mineral Industry

The primary change in the structure of Lesotho's mineral industry in 2006 was that Gem Diamond Mining Co. Ltd. of South Africa purchased the entire shareholding of 76% in Diamonds (Pty) Ltd. which operated the Letseng Mine. The remaining equity (24%) was owned by the Government (table 2).

Commodity Review

Industrial Minerals

Diamond.—European Diamonds plc announced development plans for the kimberlite Main Pipe at Lighobong, the targeted production of which was an initial 500,000 carats per year. A prefeasibility study was underway in 2006, and a full feasibility study was planned for 2007 to determine the feasibility of mining the Main Pipe. Additional core drilling to refine the geologic model and to assist in the development of the feasibility study was carried out in the latter part of 2006. European Diamonds signed an agreement with the Government of Lesotho that extended the scope of its mining license at Lighobong. In December 2006, a 27.7-carat clean D-color stone was recovered from the Main Pipe and sold in Antwerp, Belgium, for a reported $750,000 (European Diamonds plc, 2006, p. 1).

The Letseng Mine, which was famous worldwide for the quality and size of its diamonds, consists of two primary vertical pipes, together with deposits of alluvial gravel. The pipes are adjacent to one another and are made up of cone-shaped sections with vertical depths of 495 meters (m) and 655 m, respectively. Approximately 14% of the stones mined have been larger than 10.8 carats. Letseng has produced three of the world's largest diamonds: the 610-carat Lesotho Brown in the mid-1960s, the 123-carat Star of Lesotho in October 2004, and the 603- carat Lesotho Promise in September 2006. The Lesotho Promise sold for $12.4 million (Gem Diamonds Ltd., 2006).

Outlook

Diamond production is likely to increase in 2007, but the outlook for the remainder of Lesotho's mineral industry was for little change in the near future. Limited investment in the mineral sector and high rates of Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) infection among Lesotho's population were likely to constrain development of the mining sector.

References Cited

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South Africa Development Community, 2006, Lesotho—Mining: SADC Trade, Industry and Investment Review 2006, 118 p.

SWAZILAND

Mining has declined in importance in Swaziland in recent years and, in 2006, the mineral industry of Swaziland was not a significant contributor to the country's GDP. Mineral activities accounted for about 2% of the GDP, an even smaller percentage of the value of exports, and about 1% of the work force (U.S. Central Intelligence Agency, 2006).

Production

In 2006, the mineral industry in Swaziland showed an increase in the production of anthracite coal and ferrovanadium and a decrease in stone quarrying. The quarrying of stone was for domestic consumption.

Xstrata plc of Switzerland operated a ferrovanadium plant at Maloma with a capacity of 2,400 metric tons per year. Production of ferrovanadium at the plant rose to 491 metric tons (t) in 2006 from 345 t in 2005 (Investors Chronical, 2006).

Coal production at Xstrata's Maloma Mine increased to 310,570 t from 221,701 t in 2005 (table 1). The anthracite coal produced at the Maloma Mine and plant that was not used for ferrovanadium production was exported to South Africa for use in Xstrata's other ferrochromium plants (Mbendi, 2006b).

Structure of the Mineral Industry

The principal mining and mineral processing facilities in Swaziland, with their locations and capacities, are listed in table 2. The Bulembu asbestos mine, the Dvokolwako diamond mine, and the Ngwenge iron ore mine remained closed in 2006 (Mbendi, 2006a).

Outlook

The outlook for Swaziland's mineral industry is for little change in the near future. The low level of exploration was likely to constrain increases in production.

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TABLE 1
LESOTHO AND SWAZILAND: PRODUCTION OF MINERAL COMMODITIES[1]

Country and commodity		2002	2003	2004[e]	2005[e]	2006[e]
LESOTHO[2]						
Fire clay	cubic meters	42,000	14,470	15,000	15,000	15,000
Diamond	carats	721	2,099	14,000	37,000	37,000
Stone, quarry products:						
Dimension stone	square meters	29,766	1,089	1,000	1,000	1,000
Gravel and crushed rock	cubic meters	261,037	389,695	300,000	300,000	300,000
SWAZILAND[3]						
Coal, anthracite	metric tons	553,422	448,664	488,314 [4]	222,000	311,000
Ferrovanadium	do.	--	1,011	1,150	345	491
Stone, quarry products	cubic meters	283,175	324,129	230,062 [4]	567,000	534,688 [4]

[e]Estimated; estimated data are rounded to no more than three significant digits. -- Zero.
[1]Includes data available through September 1, 2007.
[2]Reported data from Lesotho Department of Mines and Geology for the financial year ending in April of the year shown for 2002 and 2003.
[3]In addition to the commodities listed, modest quantities of crude construction materials (brick clay and sand and gravel), kaolin, pyrophyllite (talc), and soapstone are produced, but output is not reported quantitatively, and information is inadequate to make estimates of output.
[4]Reported.

TABLE 2
LESOTHO AND SWAZILAND: STRUCTURE OF THE MINERAL INDUSTRY IN 2006

(Metric tons unless otherwise specified)

Country and commodity		Major operating companies and major equity owners	Location of main facilities	Annual capacity
LESOTHO				
Diamond	carats	Gem Diamond Mining Co. Ltd., 76%, Government 24%	Letseng Mine	36,000
SWAZILAND				
Coal		Maloma Colliery Ltd.	Maloma Mine at Maloma	888,000
Ferrovanadium		Swazi Vanadium (Pty) Ltd.	Maloma	2,400