

## KENYA

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The review of the Mining Act, started in 1993, is not yet complete. The bill amending the Act has been forwarded to the Attorney General and is being reviewed with a view to incorporating a mining policy. The refined bill, if passed by Parliament, would shift emphasis from the Mines and Geology Department controlling mining ventures to it facilitating the exploration and mining operations through an effective legal and regulatory framework. The bill aims at lengthening the duration of exploration licences, limiting royalties to a maximum of 5% and introducing other incentives to miners. Also to be introduced to the bill is the Environmental Protection Provisions incorporating the requirements to carry out Environmental Impact assessments to meet the Environmental Protection Act, No. 8 of 1999.

The mining industry, like other sectors of the Kenyan industry has not seen a marked improvement despite the tremendous mineral potential that awaits exploitation. With AngloGold, Panorama and LaSource plc stopping their gold exploration activities in Kenya, exploration for gold almost came to a complete halt last year. However, indications from the number of mining companies making enquiries at the Mines and Geology Department in the past few months, are that this activity will resume in the near future. The entry of Kensai Mining Corp. of Canada into the field might just be what is needed to put back some life into gold exploration in Kenya.

The companies still holding Special Prospecting Licences for gold are Sebimu Exploration and Mining, a subsidiary of International Gold Exploration (Sweden), San Martin and Investment (Switzerland) in a joint venture with Panafrican Resources

(US), Mid-Migori Mining Co. now joined by Kensai Mining Corp. in a joint venture, La Source Development (France) working in the former BRGM concession areas and Winam Exploration and Mining Co. The exploration activities for these companies have been minimal in the past two years. La Source Development has in the recent past concentrated more on base metals than on gold prospecting in its western Kenya concessions.

Of those left working on gold, Sebimu has been the most active with continued exploitation of the underground workings at the Teng Teng inclined shaft. The other licence holders have not done much. It is assumed that the slump in gold prices in the world market has something to do with the low level of activity in gold prospecting rather than the availability of ore reserves.

The most profitable mining activity is in the gemstone sector. Continued exploitation of rubies, tourmaline and garnets (tsavorite, rhodolite and grossularite) is being carried out

| <b>Quantity of Mineral Production for the Period<br/>(t except where stated)*</b> |             |             |             |
|---|-------------|-------------|-------------|
|   | <b>1998</b> | <b>1999</b> | <b>2000</b> |
| Soda Ash (trona)  | 242,910     | 245,680     | 238,190     |
| Flourspar   | 60,854      | 93,602      | 100,102     |
| Crushed Refined Soda  | 70,904      | 335,230     | 382,556     |
| Salt (Magadi)**   | 21,742      | 44,886      | 16,359      |
| Limestone Products  | 32,000      | 32,000      | 32,000*     |
| Carbon Dioxide (CO <sub>2</sub> )   | 8,998       | 10,006      | 7,744       |
| Vermiculite   | 353         | 164         | 124         |
| Diatomite   | 468         | 507         | 448         |
| Ruby Corundum   | 4.00        | 4.49        | 5.90        |
| Green Garnet (kg)   | 14          | 26          | 20          |
| Gold (kg)   | 388         | 990         | 1,243       |

\*The figures and values for minerals produced and recorded for export. No records are available for products consumed locally.

\*\* No figures available from other producers (mainly serving the local market).

in the Taita Taveta, Kwale and West Pokot districts. There are a number of fairly large and well organised companies exploiting gemstones in Kenya. But, it must be emphasized that apart from the major mining companies mentioned below, there are many small-scale miners licensed to operate in locations (200 x 250 m) in the gemstone belt.

Rockland (K) Ltd has continued to dominate in the mining and exportation of ruby. Gemkit Enterprises Ltd, apart from exploring for sapphire in Isiolo district is also a significant player in the ruby mining in Kwale district. Kikisa Ltd is mining ruby in West Pokot district in northwestern Kenya. Kikisa Ltd is the only company producing significant amounts of gemstones outside the gemstone belt of southern Kenya and northern Tanzania.

Bridges Exploration Ltd has continued to dominate in green garnet (tsavorite) mining in Taita Taveta district. Another significant contributor to the green garnet mining is First Green Garnet Mining Co. Ltd, which also operates in the Taita Taveta district. Megalith Mining Co. has also started exploration for gemstones in the Taita Taveta district.

The mining of industrial minerals has continued very much at about the same levels as the previous year. Of the significant industrial minerals being exploited fluorspar in the Kerio Valley, soda ash from Lake Magadi and limestone in Kajiado and along the coast are the most important. There has been a slight increase on the production figures reported for fluorspar and a significant reduction on the production figures from the Magadi Soda Co. for the salts. The production of carbon dioxide from Kiambu district has also shown a significant reduction in figures.

Diatomite, vermiculite and gypsum are being extracted in lesser quantities from Nakuru, Samburu and Kajiado districts. Gaining ground in production is the dimension-stone industry. Francescon Marble and Granite Ltd and Francescon Mineral Holdings Ltd are the key players in the exploitation of granite and marble in several parts of the country for both the local and export markets.

Exploration by the larger mining companies has also continued. The licensing for a mining lease by Tiomin Resources (Canada) to exploit titanium and zircon bearing sands along the Kenyan coast has not been formalised. The company has submitted both the Environmental Impact Assessment (EIA) and feasibility studies and is now awaiting the licensing of a mining lease from the government in order to commence mining operations. However, the company is contesting a court case regarding the project, brought by protestors alleging that it will bring unacceptable environmental damage if allowed to go ahead.

Ambase Exploration, a subsidiary of Anglo American Prospecting Services, is exploring for base metals in the sedimentary basins at the coast. The company has been carrying out both geochemical and geophysical exploration and has identified targets. The company is currently moving to the drilling phase for the selected targets.

Also prospecting for lead at the coast is Associated Battery Manufacturers Co. Ltd. Anwarali & Brothers Ltd is mining iron ore on a small scale for the local cement industry. Anwarali & Brothers Ltd is also involved in the mining of silica sand for the local glass industry. Central Glass Industries is also mining silica sand for the same purpose.