

KENYA

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Mineral resources development in Kenya is currently governed by the Mining Act Chapter 306 of the Laws of Kenya. A review of the Mining Act, begun in 1993, is not yet complete. Under the Act, all unextracted minerals other than common industrial minerals such as clays, diatomite, sands etc., under or upon any land, are vested in the government, and the chief custodian of any rights to mining is the Commissioner of Mines and Geology.

The bill amending this Act (and which was forwarded to the Attorney General in 2000) has been returned for further amendments. This is currently being done with the help of the Commonwealth Secretariat and it is hoped that the legislation will be completed soon. This has been a very lengthy and frustrating process since its inception in 1993 for those who would like to see a more investor- friendly bill. The aim of the refined bill, if and when passed by Parliament, is to shift emphasis from the Mines and Geology Department controlling mining ventures to the Department 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. The National Environmental Management Act has now been introduced for the Environmental Protection Provisions incorporating the requirements to carry out Environmental Impact Assessments for companies starting new ventures and for the existing companies to carryout Environmental Audit that meets the specified standards. This is as specified in the Environmental Protection Act, No. 8 of 1999.

The most notable achievement in the mining sector during 2001/02 has been the

establishment of the Kenya Chamber of Mines (KCM). The organisation has been formed to deal with the general aspects of the industry in partnership with the government so that mining can fully contribute its share to the industrialisation of the country. The KCM aims to promote mining activities in Kenya. It is now fully operational with the interim office bearers and an acting chief executive officer in place. It is hoped that the KCM, which is currently being sponsored by the large corporate mining companies in Kenya, will soon be able to generate its own funds for continued promotion of the mining industry.

Revenue from mining improved markedly in 2001, rising by more than 30% from the previous year to KS7.6 billion, equivalent to US\$97 million. All in all, mineral commodities contributed slightly less than 1% to GDP. There was a significant increase in production.

Exploration for gold has stalled since the withdrawal of AngloGold. Ambase Exploration, a subsidiary of Anglo American Prospecting Services and part of the Anglo Group, was prospecting for base metals in the sedimentary basins at the coast but after carrying out both geochemical and geophysical exploration, and drilling at selected targets, decided to pull out of the country altogether.

Panorama and LaSource plc were also inactive. It is hoped that Kensai Mining Corp. of Canada, which has entered into agreement with Mid-Migori Mining Co. and San Martin mining for their concessions in western Kenya, will revive gold exploration in these areas.

The only other large company currently actively pursuing and interested in further exploration and mining in Kenya is Tiomin Resources of Canada which is interested in

exploiting titanium and zircon sands along the coast. The company has submitted both the Environmental Impact Assessment (EIA) and feasibility studies to the Kenya Government. The long-awaited licensing and provision of a mining lease from the government has finally been granted and the company is now engaged in negotiations with the land owners on the level of compensation for loss of income from the land. It is expected that mining will commence soon.

Companies still holding concessions but with little or no activities in their concessions, include La Source Development (France) working in the former BRGM concession areas, and Winam Exploration and Mining Co. Exploration by these companies continues to be minimal, as in the past three years. LaSource Development has stalled its operations, including prospecting for base metals that continued at a slow pace after gold prospecting had been halted in its

Companies Actively Mining

Company/Licensee	Licence Locality	Mineral Sought	Remarks
Magadi Soda Co.Ltd	Lake Magadi Kajiado	Soda ash & salt	Mining trona by dredging
Sebimu Exploration and Mining Co. Ltd	Migori, West Pokot, Turkana	Gold	Retreating mine dump tailings ' at Lolgorien; driving an exploration shaft at Teng' Teng
Kenya Fluorspar Co. Ltd	Kerio Valley	Fluorspar	Mining and processing acid grade fluorspar for export
Carbacid (CO ₂) Ltd	Kerita & Kinale (Kiambu)	Carbon dioxide gas	Extracting CO ₂ and natural gas for local industrial use
Rockland Kenya Ltd	Taita Taveta	Gemstones	Mining ruby for export
Gemkit Enterprises Ltd	Kuraze-Kwale	Gemstones	Mining ruby for export
African Diatomite Industries Ltd	Soysambu & Kariandusi	Diatomite	Mining and processing diatomite for both the local and export markets
Bridges Exploration Ltd	Taita Taveta	Gemstones	Mining green garnets for export
First Green Garnet Mining Co. Ltd	Taita Taveta	Gemstones	Mining green garnets for export
Francescon Mineral Holdings	Kajiado	Blue Marble	Mining blue marble as dimension stone for local and export markets
Francescon Marble and Granite Ltd	Kajiado, Machakos, Makueni, Kisii, Kakamega	Marble, granite, and sandstones	Quarrying dimension stones for local and export markets
Kikisa	West Pokot	Gemstones	Mining ruby for export
Central Glass Industries glass industry	Kwale	Silica sand	Mining silica sand for local
Athi Stores Ltd cement industry.	Kajiado	Gypsum	Mining gypsum for the local
Jaswinder Singh Enterprises cement industry.	Kajiado Turkana	Gypsum	Mining gypsum for the local
Anwarali & Brothers Ltd	Kilifi, Kwale	Iron ore and silica sands	Mining iron ore for the local cement industry and silica sands for glass

western Kenya concessions. It is still assumed that the slump in gold prices in the world market has been the main cause of low prospecting activity.

Sebimu Exploration and Mining Co. has continued to exploit the dumps left behind from previous mining activities in the Lolgorien area, and from the underground workings at the Teng Teng inclined shaft. It is hoped that this latter activity will move from the exploration phase to a mining phase with a clearly defined mining lease.

The profitable gemstone mining sector has been hit hard by the recession in the world economy, with many small-scale operators being forced to close down their operations. The large-scale operators have not been spared either. There have been massive redundancies in all mines, with the largest operator, Rockland (K) Ltd, laying off most of the geologists who were involved in exploration. The mines have, however, continued exploitation of rubies, tourmaline and garnets (tsavorite, rhodolite and grossularite) from well known localities in the Taita Taveta, Kwale and West Pokot districts. Further exploration work has stopped all together in the gemstone sector. It is common knowledge that the medium- to small-scale mines that do not have intricate marketing strategies and proper outlets abroad are in trouble. Negative publicity surrounding the use of proceeds from gemstones mines from East Africa, has not helped in finding markets for Kenyan gemstones.

Of those companies reported as being active in gemstone mining, Rockland (K) Ltd has continued to dominate in the mining and exportation of ruby. Gemkit Enterprises Ltd, is reported to be going through a rough patch. The ruby-mining activities of Kikisa Ltd in West Pokot district in northwestern Kenya is significantly reduced and not much can be reported from there. Bridges Exploration Ltd has continued to mine green garnet (tsavorite)

in Taita Taveta district at about the same level of activity as last year. The other gemstone mining companies have reduced their production to a bare minimum and continue to pay their dues to the government with the hope that the gemstones market will experience an upturn sometime soon. A new ruby field was discovered in the Kenyan Rift Valley, There was an initial rush to the area but, with a depressed market, not much is coming from there either.

The mining of industrial minerals continues to dominate the mining sector in terms of income. Soda ash from Lake Magadi continues to be biggest income earner. This is followed by fluorspar from the Kerio Valley. Exploitation of diatomite has continued at Soysambu and Kariandusi of the Nakuru district. Production of dimension-stone by Francescon Marble and Granite Ltd and Francescon Mineral Holdings Ltd for both the local and export markets continued to rise.

Major Minerals

Mineral Production

('000 t except where stated)*

	1998	1999	2000	2001
Soda ash (trona)	242.9	245.7	238.2	244.1
Fluorspar	60.9	93.6	100.1	118.9
Crushed refined soda	1.69	2.16	2.63	3.00
Salt (Magadi)**	21.7	44.9	16.4	74.0
Limestone products	32	32	32*	32
Carbon dioxide	9.00	10.00	7.74	5.65
Vermiculite (t)	353	164	124	-
Diatomite (t)	468	507	448	441
Ruby corundum (t)	4.00	4.49	5.90	5.86
Green garnet (kg)	14	26	20	25
Gold (kg)	388	990	1,243	1,549

*The figures and values for minerals produced and recorded

for export (quota). No records are available for products consumed locally.

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