

KENYA

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Mineral resources development in Kenya is currently governed by the Mining Act, Chapter 306 of the Laws of Kenya. The act, promulgated in 1940, has been reviewed on two occasions, 1972 and 1987 to match contemporary international practice. A comprehensive review of the Mining Act, started in 1993 and is not yet complete. With the assistance of the Commonwealth Secretariat the process of this revision is expected to be finalised by the end of the year. The intention of the review is to provide for less discretionary powers to the licensing authorities and greater security of tenure. The law will factor and regularise the activities of small-scale miners. It will also take cognisance of the requirements of the new Environmental Management and Coordination Act of 1999. The Environmental Act has now been passed into law. The Government of Kenya has also embarked on the process of formulating a mineral policy, which does not currently exist.

Since its formation in 2001-02, the Kenya Chamber of Mines (KCM) has become an active player in the mining sector of Kenya. Currently, the larger mining companies in the country are still financing the Chamber's activities, but it is hoped that it will become self-sustaining in the near future. The KCM in conjunction with the Kenya Geological Society have been promoting mining activities in Kenya.

There has been a slight drop in the total worth of mineral production, with the total value recorded being KS7.3 billion, down from over last year's income of KS7.6 billion. All in all, the mineral commodities still contribute slightly less than 1% to the GDP. It is hoped that this will change soon, with the expected commencement of mining of coastal mineral sands.

The discovery of some 3,200 Mt of mineral sands by Tiomin Resources Inc. of Canada has been a major boost to exploration activities in the country. The deposit, averaging 3-5% heavy minerals, is spread over various localities along the Kenya coast. So far, proven reserves from various locations are as follows; Sabaki (100 Mt), Mambrui (700 Mt), Sokoke (1,700 Mt), Vipingo (500 Mt) and Kwale (200 Mt). The heavy mineral ores include ilmenite, rutile and zircon.

Tiomin has completed a mining feasibility study on the Kwale deposit and has set up a pilot plant. The company has also completed and submitted a comprehensive Environmental Impact Assessment (EIA) to the Kenya Government. The National Environmental Management Authority (NEMA) has approved the EIA. The company has also prepared the Environmental Management Plan, which is currently being studied by NEMA. The Special Mining Lease application by the company over plots where it has lease agreements with land owners in Kwale has been published in the print media and the *Kenya Gazette* as a statutory requirement of the law. However, the

Mining Lease application has faced strong objections locally and the outcome is eagerly awaited, particular by other potential foreign investors in the mining industry.

With the improvement in gold prices, two other International investors have shown interest in venturing into mineral exploration in Kenya. Kensai Mining Corp. of Canada has entered into an agreement with Mid-Migori and is prospecting for gold in the areas formerly prospected by Panorama and Tanganyika Gold. Afriore (Barbados) Ltd is taking over the areas formerly prospected by LaSource and San Martin.

Sebimu Exploration and Mining Co. has continued exploitation of the dumps left behind from previous mining activities. Its activities have, however, taken a downturn in the recent past

The profitable gemstone-mining sector that was hit hard by the recession in the world economy has picked up slightly. The mines have continued exploitation of rubies, tourmaline and garnets (tsavorite, rhodolite and grossularite) from well-known localities in the Taita-Taveta district, Kwale. Exploration has, however, not been very active. A rare find of ruby hosted in volcanic rocks in the Kenyan Rift Valley ignited some activities in the areas, but has since slackened. This is possibly as a result of the fact that despite the rubies being of very good quality, they tend to be rather small in size, definitely none larger than three carats has been reported.

A decline in gemstone mining activity has been reported. The same players have continued to dominate. Rockland (K) Ltd has continued to dominate in the mining and exportation of ruby. Bridges Exploration Ltd has continued to mine green garnet (tsavorite) in the 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. It has been reported that there has been a slight increase in the demand for gemstones so, hopefully, there is likely to be increased activity in the gemstone-mining sector.

The mining of industrial minerals still continues to dominate the mining sector in terms of income. Soda ash from Lake Magadi continues to be biggest income earner accounting for 74% of the total value of mineral exports. This is followed by fluorspar from the Kerio Valley. Exploitation of diatomite has continued at Soysambu and Kariandusi of the Nakuru district. The demand for diatomite has been significantly reduced due to the closure of some companies that were using diatomite in refining their products. Production of dimension-stone by Francescon Marble and Granite Ltd and Francescon Mineral Holdings Ltd for both the local and export markets has seen reduced activity as a result of a fall in demand.

Apart from soda ash, which has seen a slight growth, there has been a significant decline in the production figures reported for most traditional minerals in Kenya as shown in table 1.

Table 1. Mineral Production (t except where stated)*

	1998	1999	2000	2001	2002
Soda ash (trona)	242,910	245,680	238,190	244,073	288,208
Fluorspar	60,854	93,602	100,102	118,850	85,015
Crushed refined soda	1,693	2,158	2,629	2,996	5,114
Salt (Magadi)**	21,742	44,886	16,359	74,000	9,000
Limestone products	32,000	32,000	32,000*	32,000	32,000*
Vermiculite	353	164	124	-	-
Diatomite	468	507	448	441	203
Ruby corundum	4.00	4.49	5.90	5.86	10.90
Green garnet (kg)	14	26	20	25	10
Gold (kg)	388	990	1,243	1,549	1,477

*The figures and values are for minerals that are produced and recorded for export (under quota). No records are available for products consumed locally.

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