

# Mapping of Extractive companies in Malawi

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**Catholic Commission for Justice and Peace (CCJP)**

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## **i. List of Acronyms and Abbreviations**

ASX	Australian Stock Exchange
CCJP	Catholic Commission for Justice and Peace
CRS	Catholic Relief Services
CSR	Corporate Social Responsibility
CST	Catholic Social Teaching
ECE	East China Mineral Exploration and Development Bureau
ECM	Episcopal Conference of Malawi
EI	Extractive Industries
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EPL	Exclusive Prospecting License
IPI	Institute for Policy Interaction
CFJ	Citizens for Justice
CPL	Coal Products Ltd
GDP	Gross Domestic Product
GMMA	Globe Metals and Mining Africa
KNP	Kanyika Niobium Project
LTD	Limited
MGDS	Malawi Growth and Development Strategy
ML	Mining License
NEAP	National Environment Action Plan
NGO	Non Governmental Organizations
OECD	Organization for Economic Community and Development
PTY	Property
REE	Rare Earths
RFPF	Resettlement Policy Framework Paper
TIWONE	Transparency Initiative with natural resources extractives

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## 1. Background

This report is a mapping analysis of some of the major Extractive Companies operating in Malawi's Mining sector with focus on where these companies are operating the eight Roman Catholic Dioceses. The report is based on data provided by the Mines and Minerals department as of July 2012. On describing the companies, the report provides the following details:

1. Short company profile
2. The mineral that the company is extracting, amount of deposits as well as the life span of the mining venture
3. Track record of the company, where it has operated before or operating also and its history of corporate social responsibility (CSR)
4. Land occupation and challenges created

The focus of the study was on major companies, local or international.

## 2.0 CCJP's interest in extractive work

The interest by CCJP Malawi to embark on extractive Industries advocacy work stems from three main areas:

### **The spark from the CRS funded TIWONE project**

Although one of the earliest mining ventures in Malawi began in Zomba with Changalume Portland Cement Factory and then to Coal mining in Mchenga and Kaziwiziwi in Karonga and Rumphi districts respectively, CCJP work on EI advocacy work started in Mzuzu and Karonga dioceses with the commissioning of Kayelekera Uranium Mining in Karonga District in February 2009. The Catholic Relief Service (CRS) provided the first technical and financial support to assist Mzuzu CCJP to implement a project entitled "Advocacy for Safe and Regulated Uranium Mining" in Karonga district and this was also the first Extractive Work Project to be assisted by CRS Malawi. When the project phased, the evaluation exercise that was conducted revealed that extractive work was blooming so fast in Mzuzu diocese as such CRS provided a second technical and financial support to Mzuzu CCJP and later Karonga Diocese to promote transparency work in the national resource extraction, hence the birth of the TIWONE project. The TIWONE focused on Kayelekera, Mchenga and ELAND coal mining as well as the exploration of Niobium by Globe Metals Mining Africa (GMMA) in Traditional Authority Mabalabo in Mzimba district. So far only three dioceses namely Karonga, Mzuzu and Lilongwe<sup>1</sup> are doing some work around EI while, 5 others, Blantyre, Zomba, Mangochi, Chikhwawa and Dedza are not yet doing EI work.

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<sup>1</sup> Lilongwe Archdiocese indicated that it is working on policy advocacy and community mobilization on extractive work, while Karonga and Mzuzu Dioceses have fully fledged projects on mining work.

## **Need to move beyond TIWONE**

The TIWONE project has been operating in the Northern Part of Malawi hence the misconception as if extractive work and its related problems are for the Northern Region. This is not only characteristic of CCJPs but also for NGOs. NGOs have also concentrated on EI work in the north probably because the commissioning of Kayelekera Uranium Mining raised so many issues regarding its legality, adherence to domestic and international law and other related issues.

With the approval of the inclusion of EI advocacy work in strategic plan for CCJP national office, there was need to extend the EI work to all dioceses where similar work is taking place hence the need for the diocesan CCJP offices to get to know the EI companies operating in their vicinity to assist them to develop effective advocacy work programmes.

## **Call by the Episcopal Conference of Malawi (ECM)**

With the increased interest shown by both the Malawi government as well as foreign direct investors in the extractive sector in Malawi, the ECM would like the government of Malawi and the companies to take precautionary measures bearing in mind that extractive work does not only bring good results but also negative impacts and the negative should not exceed the good as a principle. The position of the ECM is influenced by the teachings given by the Pontifical Council for Justice and Peace which amongst other things states that

Programmes of economic development must carefully consider “the need to respect the integrity and cycles of nature” because natural resources are limited and some are not renewable. Every economic activity making use of natural resources must also be concerned with safeguarding the environment and the actual cost of economic activity. Any economy respectful of the environment will not have the maximization of profits as its only objective, because environmental protection cannot be assured solely on the basis of financial calculations of costs and benefits<sup>2</sup>.

This position is strengthened by the provision given in the Republican Constitution which states that

The State shall actively promote the welfare and development of the people of Malawi by progressively adopting and implementing policies and legislation to manage the environment responsibly in order to

- (i) Prevent the degradation of the environment
- (ii) Provide a healthy living and working environment for the people of Malawi
- (iii) Accord full recognition to the rights of future generations by means of environment protection and the sustainable development of natural resources and
- (iv) Conserve and enhance the biological diversity of Malawi<sup>3</sup>

On the other hand, the National Environment Action Plan (NEAP) of 1994 also states that

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<sup>2</sup> Compendium of the Social Teaching of the Church

<sup>3</sup> Constitution of the Republic of Malawi, Chapter III, sub 13 (d)

Any Environmental Impact Assessment (EIA) must document and analyze all major environment issues and identify measures to alleviate them. The EIA should show that the development plans would promote sustainable use of natural resources

The ECM is also aware that on the International level, the legal and policy framework also calls upon all Foreign Direct Investors in the EI sector to respect the environment where they invest. For instance the Australian Environment Act stipulates that:

All person involved in polluting activities must prevent environmental degradation and adverse risks to human and ecosystems' health, make environmental improvements, achieve environmental integration, economic and social considerations in the decision making process, promote shared responsibility for the environment and promote principles of ecologically sustainable development<sup>4</sup>

It is for these reasons amongst many others that CCJP Malawi advocates for ethical investment in the EI hence the work being done by Karonga and Mzuzu CCJP and also plans of similar work to be done by other dioceses and the National Secretariat.

### **3.0 Objective of the Study**

The general objective of the mapping exercise was to identify and characterize the extractive companies operating within the eight (8) Catholic Dioceses in Malawi. For the purposes of this research, the extractive work was confined to mining ventures of non-renewable resources, mineral deposits. This final goal of the survey findings was to assist CCJP Malawi, more specifically the diocesan CCJPs to understand the nature and scope of the extractive work going on and the benefits accruing from the sector as well as some negative impacts that the extractive work is creating in the dioceses. The information is aimed at assisting the diocesan CCJPs to develop relevant advocacy programmes on extractive work in the dioceses.

#### **3.1 Specific Objectives**

The specific study objectives were as follows:

- To give the type and nature of natural resource extraction taking place in the dioceses including possible volumes of deposits and duration of extraction
- To profile the extractive companies operating in the dioceses including but not limited to the following:
  - the name of the companies operating in the dioceses;
  - Track record of the companies where they have operated,
  - the name of the stock exchange where the company is listed and when they were listed and how much they are worth,
  - when the companies were licensed to operate in Malawi
  - The level of operation at which they are be it exploration or full scale
- To assist in the development of a pastoral response to extractive work in Malawi
- To help develop an action plan with which CCJP could engage proactively policy makers such as legislators and mining officials in Malawi

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<sup>4</sup> Australian Government, The Environmental Protection Act of 1997



## 4.0 Study Methodology

From the Terms of Reference provided, the study used both literature review as well as field study which involved visits to all eight (8) dioceses namely, Karonga, Mzuzu, Lilongwe, Dedza, Mangochi, Blantyre, Zomba and Chikhwawa. Besides this, visits were paid to the Ministry of Mines and Energy as well as to the Department of Mines and Minerals.

### 4.1 Literature Review

This involved a documentary review of information on extractive companies provided at the Department of Mines and Minerals, Licensing section, as well as the websites of the respective mining companies. Some of the major documents and literature reviewed were:

1. The Tenement Map of Malawi
2. A list of Exclusive Prospecting Licenses issued by July 2012
3. A list of Mining Licenses issued by July 2012
4. The National Environment Action Plan 1994
5. Websites of various mining companies operating in Malawi

### 4.2 Field Work

As indicated above field work consisted of visits to all the diocesan CCJP offices and where possible even meeting chairpersons of the diocesan CCJP commissions. During the field visits a number of questions were asked to supplement the questionnaire that was sent in advance to the diocesan offices. The purpose of the field work was to gauge the level of awareness of the diocesan offices on extractive work going on within the diocese and also the readiness of the diocesan CCJP to embark on extractive advocacy work. To this effect, the 8 dioceses were visited or where this was not possible, phone calls to talk to the respective officers.

### 4.3 Challenges and constraints experienced and mitigation

The study was not without challenges and constraints. Some of these are:

1. **Logistics:** Since this was more of a tripartite arrangement type of programme between CCJP national office, Mzuzu and Karonga dioceses respectively, information flow and timely execution of contractual obligation proved difficult since there were more players to deal with. Once roles and duties were spelt out, the challenge was sorted out.
2. **Fuel shortages:** Fuel scarcity made it difficult to execute the programme on time as it affected movements to the field to meet diocesan officers. Fuel from the black market was very expensive and raised costs of implementing the project hence programme delayed to commence. Phone calls were used where possible to get information; and changes on programme were made to carry out activities of the project that were implementable without traveling around.
3. **Delays to remit questionnaires:** A few diocesan offices took long to complete and remit the questionnaires. Follow up phone calls and emails were sent to remind designated



people to complete the questionnaires. In some cases, the field visits acted as reminders to the offices to complete the questionnaires.

4. **Accessing information on extractive companies:** the internet was not always easily accessible to get the required information and at the same time some vital information on some companies was not available. Efforts were made to use the Ministry of Mines and Energy to get the information where possible.

## 5.0 Summary of Findings

### *On the number of Mining Companies and minerals being mined*

- As of July 2012, there were 166 companies operating in the mining sector in the country out of which 59 companies were actively mining while 107 companies were conducting exclusive prospecting
- Active Mining is taking place mostly in the Southern Region of Malawi with 26 companies; followed by Northern Region with 20 and then the Central Region with 13.
- Mineral resources being mined included Rock Aggregate, Limestone, Coal and Uranium
- In October 2012, the Minister of Energy and Mining issued six Exclusive Prospecting Licenses (EPL) on petroleum exploration in Lake Malawi to Surestream, Sankara, Ophir, SacOil, Tillow and Lohro

### *On Mining Licenses (ML) Issued by July 2012*

- The biggest share of Mining Licenses issued is on Rock Aggregate representing 42% of all ML issued followed by Coal with 20% and 17% for Limestone. 21% of the ML were shared amongst various minerals including 2% on Uranium Mining
- Out the 42% ML issued on Rock Aggregate, 86% of the licenses were issued in the Southern Region with while 7% were in the Northern and Central Regions respectively.
- As for the 20% of ML issued on Coal Mining, 83% were concentrated in the Northern Region while the 17% were in the Southern Region of Malawi.
- ML Licenses issued on Uranium which represented 2% of all ML issued were 100% concentrated in the Northern Region of Malawi.
- In terms of share of the ML issued per diocese, Blantyre Archdiocese had 13 ML issued, while Karonga had 11, Mzuzu and Lilongwe 9 each and the least was Zomba with 2 companies

### *On Exclusive Prospecting Licenses Issued by July 2012*

- Out of the 107 EPL licenses issued by July 2012, 18 % of these were on Uranium with 76% concentration in the Northern Region, 17% in the Southern Region and 7% in the Central region.
- Licenses issued on coal exploration represented 18% of the EPLs issued with 82% concentration in the Northern Region and the 18% in the Southern Region of Malawi

- EPLs issued on Rock Aggregate represented 4% share of the EPLs issued and 100% of the EPLs issued were in the Southern Region
- The remaining 28 % of EPLs issued were on several other minerals such as Gold, Diamonds, Rare Earth and others.
- The findings confirm that there is huge interest from investors to mine Uranium and Coal in Malawi.
- The EPLs on both Uranium and Coal have concentrated in the Northern Region of Malawi in comparison to central and Southern regions.
- Per diocese share of the EPLs issued by July 2012, Karonga diocese had the highest number with 23 companies, Lilongwe with 19, Mzuzu with 15, Mangochi with 17, Chikhwawa with 12, Dedza with 9, Blantyre with 8 and Zomba with 4

## 6.0 Introduction

Historically, Malawi has not been considered a mineral rich-country but rather an agro-based economy; however this perception is changing as more discoveries of mineral deposits are being made. See Annex 10.11 for detailed current mineral map which is being updated. Already Malawi has proved to be endowed with substantial reserves of bauxite, uranium, niobium, tantalum, monazite, strontianite, rock aggregate, corundum, graphite, limestone, titanium, heavy sands, vermiculite, coal, phosphate, pyrite, glass sands, dimension stones and gemstones. Up until recently, Kayelekera Paladin Uranium Mining Company was the most known active extractive venture, but by July 2012 there were 59 mining companies issued with Mining Licenses (MLs). See Annex 1-4 for details on the MLs issued. The extractive sector can broadly be defined as the sector that deals with use of natural resources renewable or non-renewable resources. For purposes of this research, the extractive sector would be used to refer to the mining of non-renewable resource or rather minerals.

As global demand for natural resources from emerging economies such as China and India is increasing, the quest for natural resources from countries such as Malawi would also increase in the years to come. Domestically, both the Malawi Government's Growth and Development Strategy I (2006-2011) and II (2012-2015) and the current Economic Recovery Plan (ERP) identify mining as a potential growth sector for the economy and a possible sector that would replace the declining tobacco industry.

### 6.1 General Overview of the extractive sector in Malawi

#### 6.1.1 The legal and policy framework

While more EPL licenses are being issued, the legal and policy framework regulating the sector remains archaic, fragile and fragmented. The Mines and Minerals Policy (2007) was reviewed and approved by Cabinet sub-committee in January 2011 but is awaiting endorsement by full Cabinet to date. The same draft policy proposes the establishment of a Mining Authority. It would be in the interest of the Malawi Government to effect the establishment of a Mining Authority as proposed in the Mines and Minerals Act so that issuance of licenses would be done in a more transparent manner unlike now where the Minister of Mining and Energy has sole powers to issue the licenses. The review of 1981 Mines and Minerals Act<sup>5</sup> a critical piece of legislation to regulate the sector has dragged on for too long since the process began in 2008. Specifically for uranium exploration, mining and movement of related hazardous materials, the government of Malawi should also speedily enact a law to govern the movement of hazardous materials to regulate shipment of such substances. It is worth noting that as of July 2012 at least 26 EPLs had been issued on Uranium exploration by the Department of Mines and Minerals as given in Annex 6 this calls for better and robust accountability mechanisms to companies shipping any hazardous materials across the country.

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<sup>5</sup> Malawi Growth and Development Strategy, 2006

### 6.1.2 Legal and Policy Inconsistencies

One apparent challenge that has been created by the booming extractive sector is policy and legislative inconsistencies amongst existing pieces of legislation and policies. EPLs have been issued in protected areas such as Game Reserves for instance at Majete for Uranium exploration to Globe Metals; Majete is a protected area by the 1992 National Parks and Wild Life Act. So far 6 oil exploration Licenses have been issued to different companies to prospect for petroleum in Lake Malawi and yet Malawi is a national heritage; exploration licenses have been issued to prospect for bauxite on mount Mulanje a UNESCO heritage site. The Act states in section 26.-(1) that:

for the purposes of this Act, National Parks and Wildlife Reserves, shall be declared protected areas of public land or wildlife reserves.

The Act in Section 27 further states that purpose of these National Parks and Wild Life, amongst others, shall be

- (a) to preserve selected examples of biotic communities of Malawi and their Physical environments;
- (b) to protect areas of aesthetic beauty and of special interest;
- (c) to preserve populations of rare, endemic and endangered species of wild plants and animals; and
- (d) to assist in water catchment conservation.

The several EPLs issued then are inconsistent with the National Parks and Wild Life Act. The Act prohibits any forms of noise and use of vehicles or conducting any commercial activities<sup>6</sup> in the protected areas which in this case come with the exploration of the minerals. The scenario begs the question as to whether the government of Malawi harmonizes its policies so that there is harmony of implementation of policies. These contradictions and inconsistencies could be a indicator that either the current mining law and the policy do not resonate with the vision of the government to boost the sector or that the different pieces of policies and acts controlling various sectors that are influenced by mining need to be reviewed to speak to current and emerging needs of the mining sector. To drive home the point that there is need to harmonize the policies, the National Environment Policy stipulates that the country's mineral activities should takes place within a framework of sustainable utilization of natural resources and management of the environment<sup>7</sup> and in turn the mining industry could contribute positively to the country's economic growth and poverty reduction program.

***As a recommendation, the Malawi Government needs to align all policies that would be touched by extractive work so that areas of inconsistencies and contradictions are reduced. These pieces of legislation and policies need to be updated so that they are in tandem with the government vision to boost the extractive sector.***

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<sup>6</sup> 42, section 2 subsection (d) & (F)

<sup>7</sup> National Environment Policy 2004, page 41

## 6.2 Revenue Transparency

At present the mining sector contributes up 20% to the country's GDP most of it coming from Paladin Kayelekera Uranium Mining; prospects are that if well managed, the contribution could reach 30% of GDP in the next five years. In 2011/2012 financial year, Paladin reported to have paid the Malawi Government \$9.2 million (MK 2.1 billion) in taxes and royalties. However, the Malawi government has never publicized how much it has received from the sector and more specifically from Paladin. A list of payments and their current rates that mining companies make to government and the MRA are given in the Tables 3 and 4 below:

**Table 1: What companies pay to the Malawi Revenue Authority**

Instrument	Fixed/Negotiable	Rate	Other Items
Income Tax	Fixed	30%	100% write-off of all eligible mining expenditures; loss carry forward permitted
Resource Rent Tax (RRT)	Fixed	10% when return exceeds 20%	Base and method of determination is unspecified
Dividend Withholding	Fixed	Rate Varies	
Import Duty	Fixed	Varies by item in the Tariff Book	
VAT	Fixed	16.5%	Exemption for range of capital items
State Equity	Negotiable	No legislated level	

*Source: World Bank, Malawi Mineral Sector Review, July 2009, page 50*

**Table 2: What companies pay to the Department of Mines and Minerals**

Type of Fees	Fixed/Negotiable	Rate/MK	Other Items
<b>Mineral Royalty</b>	These can be reduced or eliminated by negotiation	10% of total gross value on Gemstones	Valuation basis in regulations if gross sales value less transport costs to point of sale
		5% of total gross value on industrial minerals	
<b>Ground Rent Fees</b>	For Exclusive Prospecting License	MK 100/square km	Payable annually till expiry of license
	For Reconnaissance License	MK 10/ square km	Payable annually till expiry of license
	For Mining License	MK 10,000/ square km	Payable annually till expiry of license
<b>Export Permits Fees</b>	Fixed	MK250 for processing	
<b>License Fees</b>	Exclusive Prospecting License	MK 5,000 for new application	MK 3,000.00 on renewal
	Reconnaissance License	MK 10,000 for new application	Non renewable
	Mining License	MK 10,000 for new application	MK 10,000 on renewal
	Reserved Minerals	MK 3,000	
	Mining Claim	MK 350 annually	

*Source: Mineral Rights, Department of Mines and Minerals, Lilongwe*

As the sector is growing although still in the infancy stages, it would be important for the government of Malawi to promote more transparency in the sector beyond the implementation of the domestic Anti-Corruption Act only. One way to do this is to adopt and introduce the principles of the Extractive Industries Transparency Initiative (EITI), a tool developed to assist resource rich countries to publicize what revenue companies pay to government and what receipts governments get from mining companies so that the citizens are informed of the revenue accruing from non-renewable resource extraction.

Besides not publicizing revenue transparency, there is also little information to the public in terms of numbers of mining companies operating in the sector and how much they are contributing to the country's economy. As a result there is a lot of speculation and misreporting about the sector. For instance on May 19 2011, the Nation Newspaper carried a misleading article with the headline "Kayelekera earns Malawi K23bn"<sup>8</sup>. In the article Paladin Energy Limited claims to have earned the Malawi economy US\$149 million since its commissioning in 2011. The same article further reports that Paladin chief financial officer remarked that "Clearly, this has generated valuable foreign currency for Malawi as well as resulting in significant royalty payments for the Government of Malawi." Should what the *Nation* reported on Paladin be correct it would suggest that Kayelekera mine earns as much as US\$1 billion per annum (since the US\$149 million covers an approximately 6-week period, although the article also reports that Kayelekera generated sales of MK88.8 billion in the first quarter), such an enormous level of earnings does not seem correct and this is all because there is no information coming forth from the sector.<sup>9</sup>

Moves to introduce EITI as a transparency tool in the extractive sector began in 2010 from both the civil society sector as well as from the government side. This culminated in the holding of a National workshop in November 2011 during which it was agreed that more studies needed to be conducted to unearth the pros and cons of adopting EITI in the country. A cabinet paper was also produced to by the Ministry of Finance in the same year to motivate the Malawi government to consider adopting EITI. However the processes have stalled mostly due to political will as some circles view EITI as a donor imposed conditionality which often times does not produce tangible results.

***However, as a recommendation to the government of Malawi on EITI, it would be in the interest of the Government to adopt EITI as it has several benefits one of which is that an EITI compliant country exhibits the level of openness to public scrutiny as such it promotes foreign direct investment (FDI). CSO groups such as CCJP should relentlessly advocate that Malawi adopts EITI and implements it. CSO should not be reactive on this matter but should also be proactive to influencing change in the sector.***

### 6.3 Human rights related challenges

Much as Malawi could be lauded for opening up the extractive sector especially to mining, it is a known fact that the sector also brings forth negative impacts such as environmental degradation,

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<sup>8</sup> Mzale, Dumbani. *Kayelekera earns Malawi K23bn*. (2011, May 19). *The Nation, Business Review* page 2.

<sup>9</sup> According to Paladin energy reports for *both* its mines, in Namibia and Malawi, it earned \$208 million during the 9 months up to March 31, 2011. This suggests that the Paladin Energy Limited chief financial officer was probably misquoted.

abuse of labour rights, land displacements and other associated economic challenges such as corruption and tax evasions. Malawi has already experienced these problems with lessons from Kayelekera and the petroleum exploration. It is for these reasons that both the Episcopal Conference of Malawi and CCJP Malawi would like to monitor the behavior and conduct of the extractive companies operating within the dioceses so as to advocate for fair and just natural resource extraction hence. Some of the challenges being experienced currently with the mining sector in relation to human rights are as follows:

### 6.3.1 Displacement and resettlements

As stipulated in the Constitution, Government is empowered to acquire land for public utility but the same law also makes provision for adequate notification, appropriate compensation and reserves the right for the aggrieved party to appeal to a court of law. It states that

Expropriation of property shall be permissible only when done for public utility and only when there has been adequate notification and appropriate compensation, provided that there shall always be right to appeal to a court of law<sup>10</sup>.

The provision makes it legal to displace people *involuntary* only when the public good is greater than negative effects to be caused. This also makes it mandatory for the people to be displaced to pave way for development of the proposed economic activity. Such cases have already occurred at Kayelekera Uranium Mine in Karonga and are in process currently at the proposed Kanyika Niobium Project owned by Globe Metals and Mining Africa where close to 248 people have to involuntary resettle elsewhere.

However, as the forced displacements are taking place they are happening in a context where such things are not backed by law. The Malawi Government is yet to develop a comprehensive prerequisite policy framework to justly and properly effect such involuntary resettlements. The proposed 2003 Resettlement Policy Framework Paper (RFPF) is still in draft form hence the current haphazard and ad-hoc manner of resettling displaced people. To fire fight this, government uses fragmented pieces of land legislations to empower it to compulsorily acquire land either for a public purpose or purposes of planning. There are so many cases where the displaced people have been moved to new areas without sufficient support in terms of resettlement packages. Institutions that are involved in land displacements and resettlement are the Ministry of Lands, Physical Planning and Surveys; Office of the President and Cabinet, Department Responsible for Roads, District Administration and Chiefs however these do not work on a coordinated basis.

Cognizant that about 70%<sup>11</sup> of households in Malawi have an average of less than one hectare; exacerbated by the fact that there are yet some people who have excessive land some of which is undeveloped or underdeveloped, matters of land displacement and subsequent resettlement are a livelihoods and human rights issues. 80% of people in the country depend on land as subsistent farmers to earn their living and therefore proper displacement and resettlement cannot be overemphasized.

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<sup>10</sup> Section 44, subsection 4

<sup>11</sup> Integrated Household Survey 2000



Laws and policies that govern displacement and resettlement include:

- i. Article 20 which prohibits all forms of discrimination on the grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth or other status;
- ii. Article 28 that guarantees freedom to own property and prohibits arbitrary deprivation of property;
- iii. Article 29 guarantees freedom to engage in economic activity anywhere in Malawi;
- iv. Article 30 guarantees the right to development and obligates the state to ensure that the same is realized and to take measures to introduce reforms aimed at eradicating social injustices and irregularities;
- v. Article 39 guarantees freedom of movement and residence anywhere within the borders of Malawi;

There are also other pieces of legislation governing displacement and resettlements such as:

- i. Land Acquisition Act (Cap.58:04): an Act that empowers Government to acquire land for a public purpose. It makes provision for the manner of acquisition and assessment of compensation. However, it does not provide the legal framework for resettlement;
- ii. Public Roads Act (Cap.69:02): an Act that makes provisions for acquisition of land for construction or diversions of public roads. It is more specific in that it defines how compensation is assessed. Public roads are classified into main roads, secondary roads, tertiary roads, branch roads and estate roads. The Act is more specific in that it makes provision for assessment of compensation generally and for surface rights, compensation for land which becomes public land, matters to be taken into consideration in assessing compensation for alienated land, claims for compensation and appeal to the High Court;
- iii. Town and Country Planning Act (Cap.23:01): an Act that empowers Government to acquire land on behalf of local authorities for planning purposes where the rights of the owner of land will be divested, appropriate compensation is paid. The Act empowers Government to acquire land either compulsorily or by agreement for planning or development control purposes. The mode of acquisition is subject to the Constitution and compensation is assessed in accordance with the Lands Acquisition Act;
- iv. Environmental Management Act (Act No. 7C of 1996): an Act that provides the legal framework for the protection and management of the environment and conservation of natural resources and promotion of sustainable utilization of natural resources;
- v. Local Government Act (Act No. 42 of 1998): This Act makes provision for the legal framework for the implementation of the Malawi Decentralization Policy. It further consolidates the law relating to Local Government in City, Municipality, Town and District Assemblies.

### 6.3.2 Compensation

Compensation is made to people that have involuntarily been displaced from an area where they legally dwelt be it on customary or private land. This is done based on an assessment of value of improvements made on a piece land as well as the land itself. Based on that, an *ex-gratia* payment for disturbance is made as fair compensation. Compensation calculations are done by the Department of Lands which is mandated to assess structures and land from which the people would be displaced while the District Assembly Administration are mandated to assess plants be it arbor or horticulture trees as well as all other plants on the land in question. When calculating the compensation the evaluators amongst other things consider the prevailing market value of the property based on following things:

- a. Where the land earmarked for displacement is located in the country-per region, per district, in rural or urban setting
- b. Usage of the land or property in question for instance whether it is for business or domicile
- c. The status of the development of the land in question for example if there are trees be it fruit of other usage

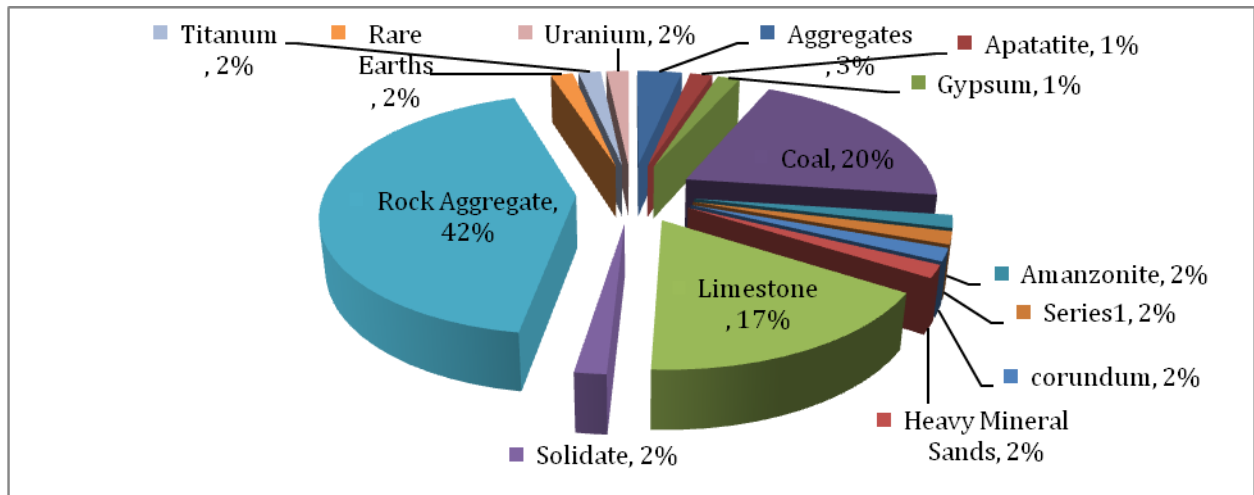
### 6.3.3 Governance issues in line with displacement and resettlements

One emerging challenge with displacement, compensation and resettlement is governance and implementation of policy to effectively and fairly compensate people once displaced. It has been observed that the both the district assemblies or councils, the lands Department and the office of the Traditional and Sub Traditional Chiefs sometimes create problems to victims of displacement. The appointed service providers often times collude with the mining companies so that victims get poor compensation. TAs and Chiefs sometimes threaten or intimidate their people to the extent that the people unwillingly accept to be resettled since the chiefs yield more powers over the local people. At Globe Metals Kanyika Niobium project, many people are scared to make good decisions about their impending displacement because both Inkosi Mbelwa and TA Mabilabo have threatened the people to get ready to be resettled even before the people could get adequate information as stipulated in Section 44 of the Republican Constitution.

## 7 Mapping Mining Companies in Malawi's Extractive Sector

### 7.1 Mining Licenses Issued per Mineral

As given Figure 1 below shows, by July 2012 there were 59 MLs issued; out of these 59 ML issued, 42% of the Licenses awarded were on Rock Aggregate, while 20% were on Coal and 17% on Limestone. The rest of the licenses were shared over a number of other minerals including Uranium which has 2% share of the Licenses awarded.



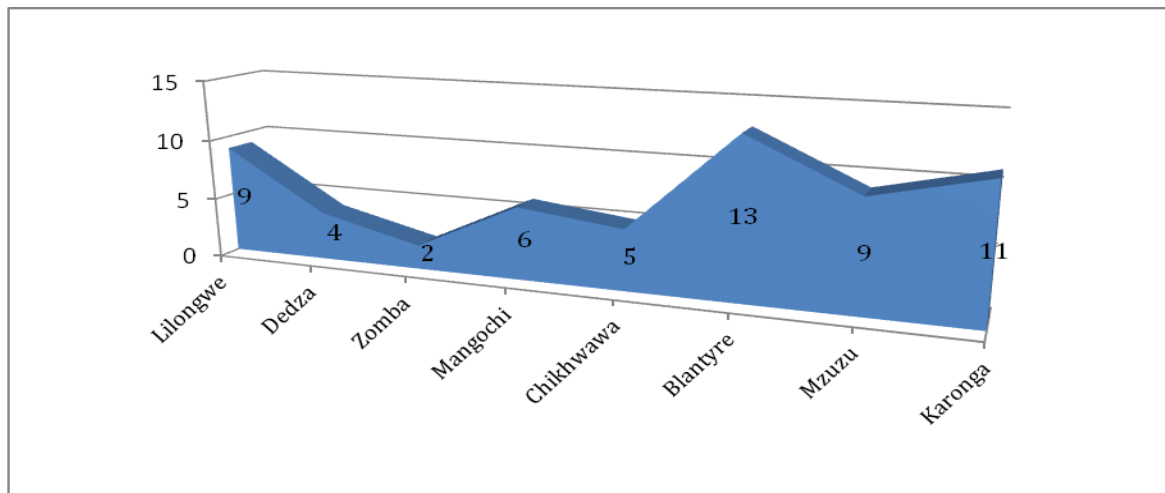
**Figure 1: Mining Licenses issued per mineral by July 2012**

**Source:** Mines and Minerals Department, compilation is by the author

Despite that there are more MLs issued on Rock Aggregate, coal and other minerals, Uranium mining by Paladin Africa at Kayelekera is of more significant importance and has had a lot of publicity of controversies because of the manner that the ML was issued. It is also of significance importance because of the type of mineral being mined is associated with so many hazards and also that licensing of the company has been a litmus paper on Malawi’s legal and policy framework and corporate social responsibility implementation.

At the diocesan level out of the 59 mining companies issued with Mining Licenses (ML), Blantyre Archdiocese with 13 MLs issued had the biggest number, while Karonga had 11, Mzuzu and Lilongwe had 9 each and the least Zomba with 2 companies. Table 1 below gives full details but also see Annexes 1-4 for full details such as the ML Licence number, where they are operating.

**Table 3: Number of mining companies per diocese issued with mining licenses**



**Source:** Mines and Minerals Department, data compiled by author

## 7.2 Exclusive Prospecting Licences Issued by July 2012

By July 2012, 107 companies were also issued with Exclusive Prospecting Licenses (EPLs) to explore a number of minerals. Out of the EPLs issued, as shown in Figure 2 below, 18% were issued on Uranium and Coal exploration, 11 % on Gold exploration, 7% on heavy mineral sands, 6% on diamonds while 29% were issued on various other minerals<sup>12</sup>. This shows that there are potential prospects to mine more Uranium and Coal in Malawi than other mineral resources hence more EPLs have been issued on the two minerals.

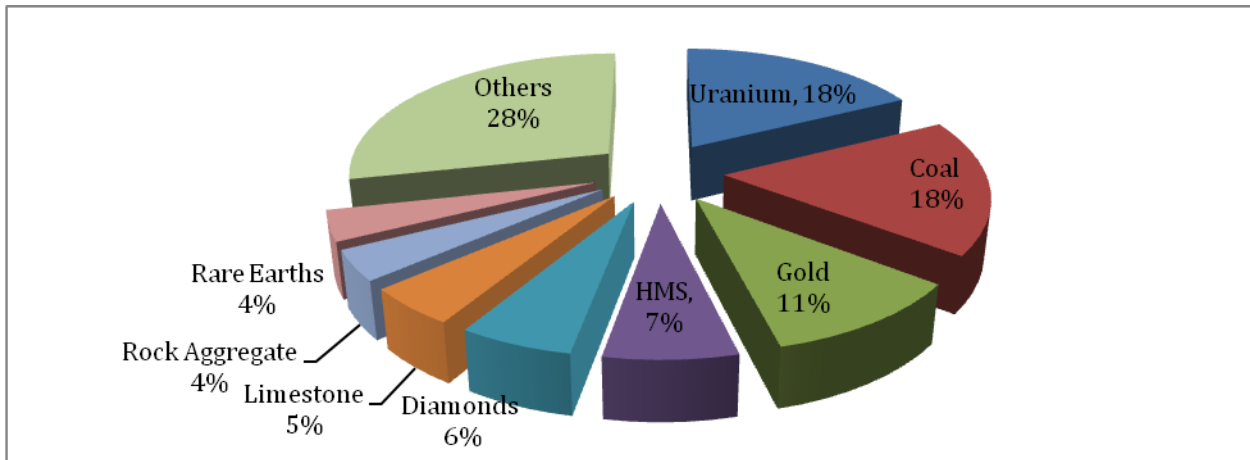
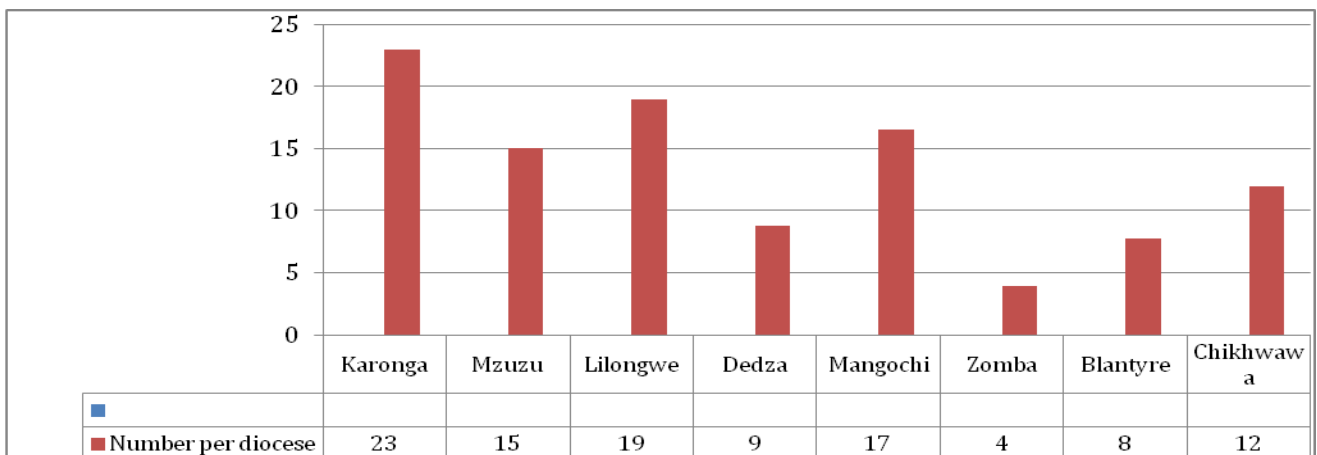


Figure 2: Exclusive Prospecting Licenses Issued per mineral by July 2012

Table 2 below also shows where at the diocesan level, the 107 companies that had been issued with EPL by July 2012 are operating. The Table indicates that Karonga diocese had the highest number with 23 companies, Lilongwe with 19, Mzuzu with 15, Mangochi with 17, Chikhwawa with 12, Dedza with 9, Blantyre with 8 and Zomba with 4

Table 4: List of companies issued with exclusive prospecting licenses per diocese



Source: Mines and Minerals Department, table is by author

<sup>12</sup> Gregory Gondwe, MW consults Moz on Oil search, The Daily Times, Tuesday October 16, 2012 page 1

In October 2012, the Minister of Energy and Mining announced the awarding of six petroleum licence (Surestream, Sankara, Ophir, SacOil, Tillow and Lonrho) implying that Malawi has a resource base that may extend beyond minerals hence the need to develop proper legislation and policy as the correct contractual framework to regulate the prospective petroleum industry as well.

## 8.0 Compliance levels of government to prior to issuance of licenses

### 8.1 On issuance of Licenses

As discussed already, currently the Ministry of Mines is mandated to issue both EPLs and MLs once a company satisfies the requirements. The powers to issue the licenses are vested in the Minister responsible for mining upon recommendations from the Mines and Minerals Department as there is no independent mining authority to assess mining license applications.

### 8.2 Free and prior informed consent to local people

What is emerging in places where exploration minerals is taking place is that local people are often times not informed about the activities of the mining companies or in other cases wrong information is given to the local people. A very good example is the case with Rare Earth exploration on Mount Mulanje and on Songwe Hill in Phalombe. Malawi is believed to have the largest REE in Africa with an estimated 30 million tons with a life span of 30 years<sup>13</sup>. However the exploration hit a snag when local people took a court injunction to halt the exploration because the people were of the view that the company, Springstone Limited, was destroying the environment on the mountain by cutting trees contrary to what had been agreed with that the company would respect the biodiversity on the mountain.<sup>14</sup> The REE case is an example where due to inability of a company to provide adequate information so that people are informed and give free consent to exploration or mining venture results into the people taking action against a mining company. Issuance of Licenses in Malawi sometimes portray the picture that often times local people are not properly informed on what an exploration or mining venture would entail to their livelihood and such cases have backfired in the end.

***There is therefore need from the government to stress to exploring companies that they must consult local people on what they intended to do and what adverse effects the activity might entail to them so that the people can decide freely whether to welcome the mining or not. Failure to do this is a recipe for conflicts between companies and local people.***

### 8.3 Role of Local structures in extractive work

Malawi adopted the Local Government Act in 1998 and thereafter developed a Decentralization policy to guide the process of decentralization. The purpose for this process was to enhance planning, and participation of local people in governance and management of resources. What remains a challenge with extractive work in the country is how to make sure that the local governance system beginning at the Village Development Committee (VDC) through to Area

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<sup>13</sup> Chikondi Chiyembekeza, Malawi now Africa's largest source of rare earths-Chilumpha, the Nation Business News, October 23 2012, 9

<sup>14</sup> Chikondi Juma, Court takes MJ Mining case to project site, The Daily Times January 16, 2013.

Development Committee (ADC) to the District Development Committee (DDC) take an active role in managing resources especially mining ventures are involved. Although Malawi has such as elaborate decentralization structure, this is only on paper in that real powers still vested in the Central Government. There has not been real devolution of powers but rather Deconcentration in which the District Commissioners' offices are an extension of the central government and they executive directives from the Central government. At the same time, the local governance structures such as the district assemblies do not have the prerequisite systems and procedures in place to manage resources let alone those at the area and village levels. To be more precise, capacity of the structures to manage resources has either been overlooked because nobody ever thought this would be an important role for the districts to play or it could also be a deliberate move by the central government to have full control over mining activities. As a result budgets for the structures are often times maintained centrally for fear of mismanagement and corruptions issues. It is for the same reason that district commissioners' office currently does not have much influence on mining ventures. On the same matter the Mineral Review Sector Report (2009) states that for these reasons (capacity and little devolution of powers to districts) government objects redistribution totally or partially mining royalties to the areas/districts where mineral deposits are located<sup>15</sup>. District Assemblies can only charge fees and get royalties from Small Scale mining activities or artisanal mining only but the large scale mining activities are controlled by the central government. The limited scope and powers of district assemblies stems from the Decentralization policy which stipulates that within the business arena, district assemblies can license small scale and medium business, groceries and retail, wholesale shops, garages, motels, private schools and clinics.<sup>16</sup> This leaves big business ventures and mining activities to be controlled by the central government. The arrangement is recipe for poor oversight mechanism bearing in mind that the central government, in this case the Ministry of Mines, has very limited capacity to monitor and follow up on mining ventures throughout the country.

Offices that take an active role in mining activities at the district level are:

- a. The ***district environmental office*** which are mandated to check on compliance on EIA plans and check on pollution levels of water, air and the general environment
- b. The ***district labour office*** mandated to hear labour, health and safety issues
- c. The ***district lands office*** that looks into land affairs, compensation and resettlement of displaced people due to extractive and other development projects.
- d. The ***district Commissioner's office*** for policy matters related to elements discussed in a-c above.

Although there are these offices at the district level, the offices are characterized by inadequate capacity in terms of personnel and also lack of adequate funding to enable the offices meet their obligations. Where there are people in offices, some of the employees exhibit limited understanding of issues they need to deal with as well as a degree of bureaucratic respect for the central

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<sup>15</sup> Malawi Mineral Review, 2009, page 66

<sup>16</sup> Local Government Policy section 10

government so much so that they always have to refer matters to the central government for direction. For instance in 2009, there were 2 specialist in the Environmental Affairs Department (EAD) and 9 district officer<sup>17</sup>s to oversee environmental issues across the 28 districts in the country; this is far from being adequate with the ever booming mining industry.

*As a recommendation, the Malawi Government needs to review the Decentralization Policy to give more powers to the District Assemblies to be able to monitor and manage mining ventures. The government also needs to beef up personnel and funding levels so that there are adequate people within the ministry to conduct the work other than using the few people based at the Capital Hill to run across the country to check on compliance levels of the mining companies.*

## **9.0 Brief profile of some major mining companies operating in the mining sector**

### **9.1 Paladin Energy Limited**

#### **Company profile**

Paladin (Africa) Ltd is a member of the Paladin Energy Ltd group of companies and is the corporate entity that holds the group's interest in the Kayelekera Mine situated 52 Kms north of Karonga district and 575 km north of Lilongwe the Capital City of Malawi. Incorporated in Australia on September 24 1993, the company was listed on Australian Stock Exchange (ASX) on March 29 1994 under code "PDN". The company changed its name to from Paladin Resources NL to Paladin Resources Ltd in 2000 was listed under the name on the Toronto Stock Exchange (TSX) in Canada on April 29 2005. The company changed its name again to Paladin Energy Ltd in November 2007 and got listed on the Namibian Stock Exchange (NSX) on 14 February 2008.

In Namibia, Paladin owns the Langer Heinrich Uranium Mine where production began in 2008 and the Kayerekera Uranium mine becomes its second largest mining venture in Southern Africa and a good supplement to the Langer Heinrich Uranium Mine.

#### **Uranium**

This is the heaviest natural occurring element on earth. Once refined it takes a weakly radioactive metal, harder than most chemical elements; malleable, ductile, slightly paramagnetic, and strongly electropositive and is a poor electrical conductor. It has very high density, 70% denser than lead but lower than gold. Found at low levels in virtually all rock, soil and water. Uranium ore can be converted into dioxide or other chemical forms usable in industry. It could also be enriched in power reactors for making nuclear weapons and propelling submarines. In military, it can be used as shields and army tanks as it is dense and heavy. It can also be used as parts of bullets and missiles. In the civilian sector it can be used as fuel for commercial nuclear plants and in helicopters and air planes.

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<sup>17</sup> Mineral Sector Review 2009, page 62



As Uranium atoms slowly split-up over time, a multitude of radioactive by-products are formed – thorium-230, radium-226, radon-222 and the infamous radon daughters, including lead-210 and polonium-210. Contamination can be through inhaling dust, or ingestion of Uranium, although it may be expelled from the body, may lead to kidney failures; solid tumors; and Cancers of the stomach, colon, liver, lung, breast, ovary, bladder, thyroid and most types of leukemia; interferes with human reproductive system and may cause mental retardation.

### Life span and the mineral Deposits

Paladin acquired full ownership of the Kayelekera Project in 2005, having bought it out from Balmain Resources Ltd, which acquired the project from the Central Electricity Generating Board of Great Britain. The Project has contracted out all mining activities (including blasting) to Mota Engil. Officially, the Kayerekera mine was commissioned in April 2009 with annual production of 3.3Mlb of U308 for a period of 8 years and with the potential of annual increment of 1.1 Mlb in another four year period. This entails that the mining would occur at the site for not less than 12 years. The Mining License number 152 issued on April 2 2007 expiring April 1 2022, Paladin secured some 5,550 hectares of land on which they would extract uranium for the next 15 years. Construction at the site began in June 2007 and was completed in 2009 while production started in July 2010; with the current estimated reserves of 46.4 Mlb, it is expected that the resource would be exploited for at least 9 years. Since commencement of the mining, Paladin reports that it has spent over \$796,032,617<sup>18</sup> at the site of which \$356,554,409 were operational costs, and it has exported approximately 6,013,895 lbs of Uranium oxide by October 2012<sup>19</sup> fetching about \$329,846,669.

#### **Some of Economic Benefits Malawi Government by October 2012**

Royalties	MK 800 m
Payroll Taxes	MK3.3 billion
Withholding taxes	MK904 m
Non Residential taxes	MK 262 m
Taxation payable after full production, once taxes losses are utilized	\$10 to \$40 m
Future Dividend to govt	\$3-10 m p/a
Water Project	\$10 m

**Source: Paladin Africa**

So far the figures above show that the Kayerekera uranium mine has made a net loss of -\$26 million. This is due to slump in Uranium prices on the global market following the Tokyo power station accidents in Japan when prices fell as low as \$45/lb. However, Paladin enjoys a lot conducive incentives from the Malawi Government which in the long run would bring more profits to the company as these terms and conditions reduce operational and other related over head costs. These are spelt out in the Development Agreement signed on February 23 2007 as follows:

1. 15% carried equity in project company to be transferred to the Republic of Malawi (in return for 2 and 3 below).
2. Corporate tax rate reduced from 30% to an effective 27.5%.
3. The 10% resource rent tax in Malawi reduced to zero.
4. Reduced royalty rate from 5% to 1.5% (years 1 to 3) and 3% (years 3 plus).
5. No 17.5% import VAT or import duty during the stability period.

<sup>18</sup> Paladin Africa, Amount of money Invested on Kayelekera Uranium mine, October 2012

<sup>19</sup> Ibid

6. Immediate 100% capital-write off for tax purposes.
7. Thin capitalisation (debt: equity) ratio of 80:20 for the Project.
8. Stability period of 10 years – no increases to tax/royalty, regime and a commitment to provide the benefit of any tax/royalty decrease during the period<sup>20</sup>.

### **More Uranium Explorations by Paladin**

In 2010, Paladin acquired five new licenses to explore Uranium and associate minerals besides its plant Kayerekera; three of these are in Karonga and one each in Chitipa and Rumphi. Below is a list of the new EPLs issued to Paladin for uranium exploration

<b>EPL Number</b>	<b>Date of Issue</b>	<b>Expiry date</b>	<b>Place</b>	<b>District</b>
EPL0169R2	29/12/2010	29/12/2012	CHILONGO	CHITIPA
EPL0170R2	29/12/2010	29/12/2012	MPATA	KARONGA
EPL0225R	11/12/2010	11/12/2012	KAYELEKERA	KARONGA
EPL0340	12/11/2010	12/11/2012	MLIMBO-	KARONGA
EPL0168R2	29/12/2010	28/12/2012	CHILUMBA	RUMPHI

*Source: Mines and Minerals, EPLs Issued by July 2012, table by the Author*

Should Paladin find substantial reserves by the end of this year (2012) in the aforementioned sites, it means Paladin would apply for more Mining Licenses and increase its mining activities on Uranium in the Northern part of Malawi besides the Kayerekera mine site.

### **Track Record of Corporate Social Responsibility**

Paladin has been engaged in several corporate social responsibility activities in Karonga around the mine site itself as well as the Karonga Town. Most of these CSR activities are reported on their website: [www.paladinenergy.com.au](http://www.paladinenergy.com.au). Some of the major ones are the \$10 million water plant at the Karonga Town Assembly which is now handed to the Northern Region Water Board; rehabilitation and extension of runway at Karonga Airport, rehabilitation of an office to be used for the environmental affairs department (EAD) at Karonga Town Assembly, refurbishment of a building into a community hall at Kayerekera village, a clinic at Kayelekera servicing close to 600 people per month and HIV and AIDS awareness project, and refurbishing of school blocks.

Much as Paladin boasts of all these CSR activities most of them do not benefit the people of Kayerekera directly. The refurbishment of Karonga Airport is to the advantage of Paladin as they would land their planes; currently commercial planes rarely fly to Karonga after the grounding of most of Air Malawi's planes. The \$10 million water project which intermittently works is more or less a white elephant in Karonga and when it works it serves the people within the town assembly and not those displaced at Kayerekera mining site.

Although Paladin has put the CSR in the Development Agreement under clause which states that:

<sup>20</sup> Paladin Resources Ltd, KAYELEKERA URANIUM PROJECT, MALAWI Development Agreement Approval, Ref 54355, SUBIACO WESTERN AUSTRALIA 6904, 23 February 2007, page 1

Paladin to provide social infrastructure in the Kayelekera region, including modern primary and boarding secondary schools and health facilities for the local population most probably funded in the third year of the project life<sup>21</sup>

The statement is vague and does not tied down Paladin to account should it fail to provide the infrastructure. It is not even clear whether this was a product of discussion with the people of Karonga or if it was just the company coming up with what to provide as CSR. There is therefore the need to tied down the CSR by Paladin by tangible measurable activities beyond the mere health and education facilities which is the prerogative of the Malawi Government and its Line ministries of the District and Town Assembly to provide.

### **Land Occupation and other challenges at Kayelekera Plant**

It is reported that about 5 families totaling 52 individuals were displaced and relocated but their compensation is still contested in terms of adequacy and procedures followed mostly because Malawi does not yet have a comprehensive policy for compensation of involuntary displaced people. Paladin also took advantage of the situation not to use internationally binding procedures one of which is the need for *free prior and informed consent* from those to be displaced from an area earmarked for development projects like the Kayelekera Uranium Mine. Utmost each family was compensated MK 40,000.00 for lost land and property.

The putting up of the site also created cultural challenges for the people. People were no longer able to move freely and move to sites that were at first accessible such as shrines and graveyards. For instance, right in the compound of the plant, there was gravesite with approximately 30 graves which needed to be relocated with community approval however this was changed and Paladin indicated that the family would be allowed to have access to the graves *upon request, and relocation has been deferred*. These arrangements by Paladin violate the right to an adequate standard of living both by domestic and the ILO treat section 169 standards.

## **8.2 Mchenga Coal Mines Limited**

### **Company Profile**

Situated along the M1 in the Chiweta Mountains, the Mchenga Coal Mine a subsidiary of Coal Products Ltd started its operations in 1987 under the Mining Investment and Development Corporation (MIDCOR) owned by the Malawi Government. Under the IMF/WB privatization programmes, the company was privatized in 1995 and was bought by Indebank; in 2000 ownership changed to the current owners, the Coal Products Ltd. The mining concession covers an area of approximately 45 square kilometres of Livingstonia Coal Fields.

Being a medium scale size and locally owned, the company mostly supplies local market, the tobacco, cement companies and manufacturing sectors like Chibuku products. Due to low investment, It is not highly mechanised hence most of the work is done through manual labour such as tramping long distances leading to low productivity and the use of outdated plant machinery. Coupled with constant power outages, productivity is reduced so much so that the company often times does not reach its maximum productivity. Besides producing coal, the company has plans to

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<sup>21</sup> Development Agreement with Paladin, clause number 7

make coal briquettes approximately 120 tonnes daily once its \$450,000 coal briquette making plant is ready in April 2013. The company employs about 350 people at the peak of its production.

### **Coal Deposits**

The known reserves of coal in the area stand at 4.5 million tonnes. During the dry season (May to November), the mine can produce up to 4,000 metric tonnes of coal per month and during the wet season (December to April), it can produce up to 2,000 metric tonnes.

### **Track Record of Corporate Social Responsibility**

Not much is given on the company's corporate social responsibility. According to the company, it has been able to provide portable clean water at a clinic close to the plant; it also donated 65 wheel chairs to the community around Mchenga Coal Mine, also donated school materials and supported rehabilitation of school blocks around the mine site<sup>22</sup>.

### **Land Occupation and other challenges**

Being a locally owned mining company and of medium scale, not much has been reported about the company's adherence to both human rights and environmental issues in comparison to foreign companies such as Paladin Kayerekera Uranium Mine or Globe Metals and Mining Company. Locally owned mining companies may elude monitoring issues and yet they could be amongst the weakest in terms of adhering to environmental and human rights issues.

For instance where Mchenga Coal mine is situated, there are lots of river tributaries that run parallel to the coal seams which are excavated to get the coal. These tributaries then pour into Rumphu River which empties into Lake Malawi. A study carried out by the Institute for Policy Interaction (IPI) in 2002 and 2009 indicated that water acidity increased in all rivers as a result of the waste that comes from washing of coal<sup>23</sup> and leakages from weak and dilapidated drainage systems. The report also indicated that due to increased population due to influx of workers to the area, the amount of faecal coliform and lead metals increased beyond the WHO recommended levels<sup>24</sup> in most river waters.

Another area of concern from the plant is the amount of dust emitted from the plant which ends up on the vegetation around the area. The coal excavated is crushed into 20% grains, 40% peas and 39% into duff and 1% into dust. Although the 1% looks negligible, considering the fact about 165 metric tonnes of coal is produced, it means that 1.65 metric tonnes of dust is produced daily<sup>25</sup>. This dust can pollute the area as well as be breathed by workers and people if not well treated. Mchenga coal mine therefore calls for a better environmental management plan in order to prevent further

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<sup>22</sup> Mr. Lincoln Bailey, Executive Director, CPL Mchenga Mines, presentation at National Consultative Conference on Extractive Industries Transparency Initiative (EITI), Capital Hotel, Lilongwe 22-23 November 2010.

<sup>23</sup> IPI, comparison of water quality indicators PH and Turbidity between 2002 and 2009, Blantyre page 17

<sup>24</sup> Ibid page 18

<sup>25</sup> Chiwona E et All, Environmental Audit for Mchenga Coal Mine, 2002

pollution of dust, hazardous materials as well as human waste matter which find their way into rivers in the area.

### **8.3 Globe Metals and Mining Africa (GMMA)**

#### **Company Profile**

GMMA Limited, formerly known as Globe Uranium Limited until June 2008, is a public company holding license number ACN 114 400 609 listed on the Australian Securities Exchange (ASX) in December 2005 under code GBE. Its headquarters are on Suite 3, 16 Ord Road, West Perth 6005, and Australia; while in Malawi, GMMA's head office is in Lilongwe Area 43, Mphonongo Street, postal address Private Bag A201, Lilongwe and in Mozambique the offices are on Agostinho Neto 326 Maputo. Its website is [www.globemetals.com.au](http://www.globemetals.com.au). GMMA's major interest in Malawi is on Niobium Mining at the Kanyika Niobium Project located some 150 Kilometres north of the Capital City Lilongwe and about 38 Kilometres from Kasungu District. The company has also interest in other metals such as Tantalum and Zircon. GMMA has also been prospecting other minerals like graphite at Chiziro where it estimates to discover 15 to 20 million tonnes of graphite; GMMA is also prospecting Rare Earths (REE) on Mount Muambe and Iron in Mozambique which it anticipates to own 90% shares in both projects. It also owns 100% shares in the Machinga Rare Earths project in Malawi at Songwe Hills.

Working in partnership with the East China Mineral Exploration and Development Bureau (ECE) which also owns 51% shares in GMMA, with the financial support from ECE, GMMA envisages investing close to \$220 million in Malawi.

GMMA has been discussing with the Malawi Government on a Development Agreement which was first submitted in March 2010. The format and template used is more or less the one used for the Paladin Africa, the owners of the Kayerekera Uranium Mine.

#### **Life Span and minerals to be mined at the KNP**

GMMA is still at the prospecting stage operating under an EPL license Number EPL0289 issued on April 14<sup>th</sup> 2010 expiring on 13<sup>th</sup> April 2013. It has however completed its Definitive Feasibility Study and has also produced its final Environmental Impact Assessment Report done by Synergistics Environmental Services Pty Ltd-South Africa. Discussions with the Malawi government are already under way towards acquiring a Development Agreement to commence full scale mining. Once this is granted, the Kanyika Niobium Project (KNP) is expected to commence production of ferrous niobium in 2015 and its expected minimum life span is 20 years but may well live up 40 years producing 4,000 tonnes of niobium metal of 98.5% grade annually. Besides discovering Niobium at Kanyika, it has discovered Tantalum and Zirconium and Uranium at Kanyika.

#### **Niobium Metal**

A rare soft, shiny, grey- white metal ductile transition metal found in minerals pyrochlore. Often found in alkaline intrusive rocks, carbonatites, granite and pegmatite. It is used with iron ore and other elements in stainless steel, high strength low-alloy used in construction of pipelines, super alloys for jet engines and turbines and other heat resistant equipment. The biggest market is in

India and China. Not all toxicological properties of Niobium are known. However it is known to cause eye irritations if it gets into contact with the eye; it also leads to skin irritation if exposed to skin. More serious effects on health are damage to lungs and the kidneys when one gets excessively exposed to the metal.

### **GMMA Track Record Corporate Social Responsibility**

GMMA states that its CSR is still in infancy stages. However GMMA states that its CSR programme would be informed by international obligations including the Australian Policy on CSR. GMMA further states that it would base its CSR on the following principles:

- The Australian Government's social Responsibility in the Mining and Metals Sector in Developing Countries Handbook
- Australian Anti-Bribery and Corruption Obligations
- OECD's Guidelines for Multinational Enterprises (updated 2011)
- OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (2006)
- The Equator Principles June 2006
- The Extractive Industries Transparency Initiative (EITI)

While prospecting for Niobium in T/A Mabilabo, GMMA has been able to refurbish a clinic at Etandweni Health Post in Mzimba district and also the Kanyika Full Primary School. Other than, GMMA has also taken students from Chancellor College on an educational tour for students studying Natural Resources. Much as GMMA is doing something on CSR, GMMA does not come out clear on the percentage of the CSR neither does it say it is going to be mandatory as is the case in Australia. In Australia at least 4% of the proceeds goes back to community as CSR. GMMA should do the same also in Malawi. As it is, it is generic and subject to GMMA decision.

### **Land Occupation and other challenges created by the prospective mining project**

Since the KNP is still at the exploration level, there have not been many reported cases of environmental challenges and human rights violations. However, reading the EIA report, it is clear that by the end its life span, GMMA would have leave behind approximately 52 million tonnes of solids in the tailings dam<sup>26</sup>; waste rock dump of close to 53 hectares reaching 30 metres in height. It would also have displaced about 820 people from an area of approximately 597 square kilometres leaving behind an open pit of 2.2 kilometres long, 300 metres wide and about 130 metres deep which GMMA acknowledges would be close to being impossible to rehabilitate.

At this stage, even though a Development Agreement is not yet agreed upon or signed, the EIA proposes that 820 people will have to move out of the proposed mining site and yet ccompensation and relocation procedures are not stipulated in its EIA, a thing that should accompany or should be part of any EIA report. Bearing in mind that compensation procedure in Malawi are archaic, the likelihood that displaced people would get a raw deal is very possible if better mechanisms are not put in place to protect those to be affected.

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<sup>26</sup> Globe Metals & Mining Africa, Environmental Impact Assessment Report for the Kanyika Niobium Project in T.A Mabilabo, Mzimba District, 2012 page v

Although GMMA has provided in its EIA a number of mitigation measures to some foreseen possible environmental challenges for instance, dust, radiation, health, noise, seepage of hazardous waste, some of the proposed strategies are generic and in some cases double standards are played when compared to requirements at the international scene.

In comparison processes leading to commissioning Paladin Uranium at Kayerekera, GMMA has tried to provide details on its EMP but just like in the case of Kayelekera, they have not provided adequate information on the EMP plan; they too have shown that they are not committed to rehabilitate the open pit after the mining is over just as Paladin was non committal to issues of periodic monitoring of environmental issues the mining site.

If GMMA does not address the many issues raised in its EIA such as the case of the open pit rehabilitation, reduction of noise, handling of Uranium and Tantalum that would be part of waste product after extracting Niobium Oxide, resettlement and compensation of the displaced people, the government of Malawi should not proceed to award GMMA a Mining License to avoid the scenario of Kayerekera.

## **8.4 Njuli Quarry**

### **Company Profile**

The company is owned by Terrastone Limited Company and is situated at Njuli in Chiradzulu district but its head office is located in Lilongwe postal address 995 Lilongwe, email: [terrastone@malawi.net](mailto:terrastone@malawi.net). Specializing in Quarry, the company has four Mining Licenses for Rock Aggregate namely: ML 0159 Dec 18 2012 to Dec 17 2017 to mine at Chiradzulu in Chiradzulu district; ML 0002 issued on November 17 2011 to expire 17 November 2016 to operate at Njuli in Chiradzulu district; ML 0125R issued on November 18 2008 to expire on November 17 2013 and ML 0134 issued on April 20 2010 to expire on April 20 2012. It also has one exploration license EPL 035 issued on January 13 2011 to expire on January 12 2014 to explore Rock Aggregate in Chiradzulu district.

### **Rock Aggregate at Njuli**

At the Njuli quarry site, located on the Zomba-Blantyre Road, the company produces quarry stones from through blasting and grinding stones. The quarry is mostly used in construction of roads and other infrastructures. The blasting causes deafening sounds to the ears as well as damage to houses let alone accidents from the flying stones and the grinding of stones sends clouds of dust into the air. One by product of the grinding of stones is sand which has been piling up creating a mountain of sand or sometimes burying water streams around the area. The dust created has caused breathing related difficulties in many local people around the area and some have associated this to the increase of Tuberculosis cases around the area. Villages that have been affected by the environmental related problems are Chakachaza, Luwanga, Chikuse and Namakhuwa in Traditional Authority Mpama.

### **Track Record and Corporate Social Responsibility**



There is not much given on the track record for Terrastone other a report in the Nation Newspaper of November 17 2012 in which it supported the rehabilitation of some school blocks in Chiradzulu District.

### **Land Occupation and other related challenges**

Although the company has not taken land from people, the activities of the company have created land related challenges to people around Njuli area as the sand has blocked streams along which the people were growing crops such as sugarcane, beans, peas, tomatoes and others thereby disrupting the livelihoods of the people in the area.

It is also reported not much time is given between the warning sirens and the actual blasting as a result many villagers are unnecessarily disrupted from their livelihoods<sup>27</sup>. The MHR report also found faults Njuli Quarry for failing to adhere respect human rights in line with right to safety and security; right to food; right to health; right to clean and safe environment; the right to housing; the right to property and the right to freedom and liberty<sup>28</sup> as enshrined in the Republican Constitution in Chapter four. As a result of these violations, Terrastone was fined MK37million kwacha in compensation over environmental degradation of the area and failure to stick to the regulations of quarry production<sup>29</sup>.

## **8.5 Mota Engil Engenaria**

### **Company Profile**

This is one of the largest Portuguese conglomerate construction companies working in about 17 countries in Europe, Africa and America. With its headquarters in Porto Lisbon, it is listed on the Portuguese Stock exchange Euronext under code PSI-20 and has been in existence for more than 60 years with lots of experience in civil engineering and construction of ports, airports, roads, landfills, civil construction, real estates and railways. By 2010 the company was worthy over €2.005 billion in annual revenues only employing close to 19,400 people worldwide.

Founded in 1946 by Manuel Antonio da Mota, the company began its overseas investment in 1952 in Angola Luanda where it constructed the Quarto Fevereiro Airport, and then 1961 the Castelo Branco School in Lisbon and in 1975 the Dreihuk Dam in Namibia and then the Sun City Resort in Botswana as well as the Lonhlupheko-Lomahasha highway in Swaziland.

The company came to Malawi in 1990 and set up its offices in Lilongwe, Postal Address 31379, Lilongwe and their primal work was the M5 Road Lakeshore between Dwangwa and Nkhata-bay and the second was the Msulira-Nkhotakota Road in 2001-2002. The company became famous during the Bingu Wa Mutharika regime after signing a memorandum of understanding with the Malawi Government in May 2008 to construct the Nsanje Port and two hydro-electric power stations. Since then, Mota Engil got more work such as the Lilongwe Blantyre Road Rehabilitation, and the Kamuzu International Airport Resurfacing projects just to mention some of the major ones.

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<sup>27</sup> Malawi Human Rights Commission: Business and Human Rights; Malawi Case Study: In the Matter of Environmental Pollution at Njuli Rock Aggregate Quarry, Lilongwe 2010

<sup>28</sup> Ibid

<sup>29</sup> The Nation Newspaper, February 9, 2012

## **Mota Engil's Venture into Mining**

As part of diversification of its investments in Malawi, the company acquired exploration prospecting licenses EPL 0273 from 15/4/2012 to 14/4/2014; EPL 0255R from 14/8/2011 to 13/8/2013 and EPL 0280 from 9/7/2009 to 8/7/2012 to explore Gold, Platinum group of metals, Base Metals, Uranium and Phosphates in Lilongwe, Nkhotakota and Ntchewu districts<sup>30</sup>.

Mota Engil already has ten (10) Mining Licenses for Rock Aggregate four of these in Blantyre ML 0186, ML 0189-1, ML 0189-2, ML 0195; ML 071R in Nsanje, ML 0175 & ML 0176 in Chikhwawa ML 0184 in Dedza, ML0188 in Chilanzulu and ML 0196 in Mwanza<sup>31</sup>. These MLs have enabled Mota-Engil to mine rock for construction purposes only. The acquisition of EPLs will change the investment of Mota-Engil moving away from natural resource extraction for construction to investment into natural resources especially in mining. Mota Engil has been working at Kayelekera Uranium Mining company as a mining contractor<sup>32</sup>.

## **Track Record and Corporate Social Responsibility**

On its website, [www.mota-engil.pt](http://www.mota-engil.pt) Mota-Engil boasts to be one of the few companies that respect the corporate social responsibility (CSR). It states that the company supports social development of people in which it promotes health, education, cultural and environmental issues. It also states that it works towards development of the human resource capital in which it respects human rights that have to do with labour, motivating and rewarding of its employees and works towards eradication of all anti-discriminatory acts at the work place and where the company works. The company also states it is sensitive to environmental issues as such it works towards minimizing environmental damages from the company's investments and also contributes to any work that has to do with rehabilitation and protection of the environment<sup>33</sup>. Most of what the company claims to have done on CSR is given in the publication "*Each Attitude A shared Vision*".

In Malawi, the company claims to have done a number of CSR acts. In June 2012, the company procured and supplied MK48 million (\$192,000) worth of medicines for Mzuzu, Kamuzu, Zomba and Queen Elizabeth Central Hospital. Using the philanthropic ideas of Thomas Miller, the British Sailor who donated the £250,000 towards supporting health programmes to people living around Lake Malawi using the Chauncy Maples vessel, Mota-Engil has taken the same philosophy to support about 500,000 people living around the lake with poverty reduction programmes and health projects<sup>34</sup>. The company has planned to invest €2.3 million into the rehabilitation of the vessel which would be used as a clinic to service people around the lake by spending at least 1 day per village around the Lake to provide health care services.

## **Perceived Corruption tendencies with Mota-Engil**

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<sup>30</sup> Mines and Minerals Department, EPLs issued by July 2012

<sup>31</sup> Mines and Minerals Department, MLs issued by July 2012

<sup>32</sup> Citizens for Justice, Scramble for the Yellow Cake in Malawi, Lilongwe Malawi, 2010, page 19.

<sup>33</sup> [www.mota-engil.pt/corporatesocialresponsibility](http://www.mota-engil.pt/corporatesocialresponsibility)

<sup>34</sup> [www.mota-engil.pt](http://www.mota-engil.pt): An invitation to join Mota-Engil and Thomas Miller and our communities to bring health care to Malawi Lakeside people by supporting the renovation of Chauncey Maples, Africa's Oldest Motor ship.

Mota-Engil has for a long time been perceived to be very close to the Malawi government especially during the Bingu Wa Mutharika's regime. The Nation News paper carried a story entitled, " *Mota-Engil made periodic payments to Bingu wa Mutharika*" in which it alleged that three payments were made to the late president of \$4,000, \$40,000 and \$54,000<sup>35</sup>. Mota-Engil is also reportedly to be behind the construction of the famous Villa Casablanca and the Mpumulo wa Bata, the late presidents' Ndata Farm. Mota-Engil has defended all these payments as donations to the late president. However, Mota-Engil has been awarded construction ventures in dubious manners in some respects. For instance, besides the award to construct the Nsanje Port, it is reported that the company was awarded a 35 years contract to run the Lake Malawi Services without bidding and without having any bidders to compete with as an addendum to the Nsanje port contract. In the bid, Mota-Engil would run the Chipoka, Nkhata-Bay and Chilumba ports charging fees as they wish in return for 2.5% of the gross profits going to the Malawi government and another 1% to the Marine College School<sup>36</sup>. The manager for the company has defended the awards and the payments not inducement for the work. He categorically said that

we are the lowest because we are a big company and we know how to put up successful proposals. You can verify with the Ministry of Finance or Roads Authority<sup>37</sup>

Many institutions and NGOs protested the Mota-Engil and Wa Mutharika's closeness in the business deals and even called for the Anti-Corruption Bureau to investigate the payments in relation to the contracts awarded to the company.

### **Land Occupation and other related challenges**

Not much is reported on land displacement on Mota-Engil this far reason being that most of the mining of the Rock Aggregate that the company is undertaking occurs away from where many people live and it takes places on rocks and stony areas. However, Mota-Engil is contributing to some pollution of the environment and air where it blasts and grinds rocks in the process of producing quarry stone.

## **8.6 Eland Coal Mining Company**

### **Company Profile**

Eland Coal Mining is a subsidiary of Allied Procurement Agency (APA), a consortium of investors also prospecting for heavy mineral sands at Chipoka, in the southern lakeshore area. Operating under Mining Licence ML 158 issued on December 19 2007 expiring on December 18 2012, the company has been mining coal at Mwaurambo in Karonga district 30 kilometers North of Karonga Town Assembly. The company is located within the Lufira Coal field which stretches over an area of 6 square kilometers and the coal bearing sequence dips at 16-25 degrees and it is about 20 meters thick.

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<sup>35</sup> Malawi Today: [www.malawitoday.com](http://www.malawitoday.com), 24/08/2012

<sup>36</sup> Patricia Masinga, Mota-Concession to run water transport services on Lake Malawi, Nyasa Times: [www.nyasatimes.com](http://www.nyasatimes.com)

<sup>37</sup> Ibid

Not much is known about Eland Coal Mining as the company seem not have a website. Its head office is in Lilongwe and the postal address is P.O. Box 426, Lilongwe

### **Coal Deposits and Life Span of the Mine**

Currently Eland produces 10,000 metric tonnes annually and it is sitting on 0.6 million metric tonnes of coal deposits. Its biggest market is the multinational cement producer Lafarge's plant in Tanzania. It also supplies to the domestic market mostly to Carlsberg and Chibuku companies.

### **Track Record and Corporate Social Responsibility**

Eland claims to have rehabilitated school blocks that were damaged during the 2008 earthquakes in Karonga as well procuring desks for students around the mine site. However due to inaccessibility of the mine via website, it is very difficult to get what the company is doing on CSR.

### **Land Occupation and other related challenges**

Residents of villages situated close to the mine have complained that they have suffered a number of ill-treatments from the company. The first and major is the issue of displacement and relocation without proper compensation. Eland has shifted its original boundaries without even informing the local people. Compensation has been poor saddled by corrupt practices in payment of the compensation. There are also reports of people suffering from illness as a result of the mining operation. In fact Eland is one of the most secretative mining company in the country as the company hardly provides the public with information on who they are and their operations in the country.

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## 10 List of Annexes:

### 10.1 Annex 1: Mining Licenses Issued on Rock Aggregate Per diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	TERRASTONE LIMITED	ML0002	17-Nov-11	17-Nov-16	P.O. BOX 995, LILONGWE	NJULI	CHILADZULU	Blantyre
2.	TERRASTONE LIMITED	ML0125R	18-Nov-08	17-Nov-13	P. O. BOX 995, LILONGWE	LUNZU	BLANTYRE	Blantyre
3.	TERRASTONE LIMITED	ML0159	18-Dec-12	17-Dec-17	P.O. BOX 995, LILONGWE	CHIRADZULU	CHIRADZULU	Blantyre
4.	MOTA ENGENARIA	ML 0186	14-Apr-10	13-Apr-15	P.O. BOX 31379, LILONGWE 3	NANSADI	BLANTYRE	Blantyre
5.	MOTA ENGL ENGENARIA	ML0188	18-Mar-11	17-Mar-16	P.O BOX 31379, LILONGWE 3	NAMWERA	CHIRADZULU	Blantyre
6.	MOTA ENGL ENGENARIA	ML 0189-1	14-Apr-10	13-Apr-15	P.O BOX 31379, LILONGWE 3	MATOPE	BLANTYRE	Blantyre
7.	MOTA ENGL ENGENARIA	ML0189-2	20-Jun-11	19-Jun-16	P.O BOX 31379, LILONGWE 3	MATOPE	BLANTYRE	Blantyre
8.	Z.Z.T.H WEALTH COMPANY LTD	ML0190-2	20-Jun-11	19-Jun-16	P.O BOX 40282, LILONGWE4.	NDATA	THYOLO	Blantyre
9.	MOTA ENGL ENGENARIA	ML0195	14-Nov-11	13-Nov-16	P.O BOX 31379, LILONGWE 3	NJULI	BLANTYRE	Blantyre
10.	MOTA ENGL ENGENARIA	ML0196	13-Nov-11	12-Nov-16	P.O BOX 31379, LILONGWE 3	KANG'OMBE	MWANZA	Blantyre
11.	MOTA ENGL ENGENARIA	ML0171R	29-May-11	29-May-16	P.O. BOX 31379, LILONGWE	MAONEKERA	NSANJE	Chikhwawa
12.	MOTA ENGL ENGENARIA	ML 0175	9-Jul-09	8-Jul-12	P.O. BOX 31379, LILONGWE	NGABU	CHIKWAWA	Chikhwawa
13.	MOTA ENGL ENGENARIA	ML 0176	9-Jul-09	8-Jul-12	P.O. BOX 31379, LILONGWE	THABWA	CHIKWAWA	Chikhwawa
14.	MOTA ENGL ENGENARIA	ML 0184	20-Jan-15	20-Jan-15	P.O. BOX 31379, LILONGWE	MAONDE	DEDZA	Dedza
15.	CHINA ROADS & BRIDGES CORPORATION	ML 0181	11-Sep-09	10-Sep-14	P.O BOX 31702, LILONGWE 3	MWENEKAPOKA	KARONGA	Karonga
16.	CHASER CONSTRUCTION LTD.	ML0190-1	14-Apr-10	13-Apr-15	P.O BOX 30777, LILONGWE 3.	NDATA	KARONGA	Karonga
17.	MASTER STONE BREAKERS	ML0003	26-Jun-12	25-Jun-17	P.O BOX 321, LILONGWE	NANJIRI	LILONGWE	Lilongwe
18.	TERRASTONE LIMITED	ML0134	20-Apr-10	20-Apr-15	P.O. BOX 995, LILONGWE	NATHENJE	LILONGWE	Lilongwe
19.	MASTER STONE BREAKERS	ML0136	5-Jul-20	5-Jul-20	P.O BOX 321, LILONGWE	BUNDA	LILONGWE	Lilongwe
20.	ROCKSIZER MINING CONTRCTORS	ML0141	28-Dec-12	28-Dec-12	P.O. BOX 591, LILONGWE	KAMVULA	LILONGWE	Lilongwe
21.	CILCON LIMITED	ML 0182	21-Jan-10	20-Jan-15	P.O. BOX 701, LILONGWE	NATHENJE	LILONGWE	Lilongwe
22.	CILCON LIMITED	ML0191	20-Jun-11	19-Jun-16	P.O. BOX 701, LILONGWE	CHIENDAUSIKU	BALAKA	Mangochi
23.	PREMIER CONSTRUCTION EQUIPMENTS LTD	ML0161	24-Dec-07	23-Dec-12	P.O. BOX 1259, LILONGWE 4	EKWENDENI	MZIMBA	Mzuzu
24.	LEADWAY QUARRIES(HOLDINGS) LTD	ML 0177	9-Jul-09	8-Jul-14	P.O. BOX 70, EKWENDENI, MZIMBA	EKWENDENI	MZIMBA	Mzuzu
25.	GLOBAL AGENCY MALAWI LTD	ML0192	20-Jun-11	19-Jun-16	P.O BOX 300, BLANTYRE	SIX MILES	ZOMBA	Zomba

### 10.2 Annex 2: Mining Licenses Issued on Coal per diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	MWABVI COAL MINE	ML0193	29-Jun-11	28-Jun-21	P.O BOX 2311, BLANTYRE, MALAWI	MWABVI	NSANJE	Chikhwawa
2.	CONSOLIDATED MINING INDUSTRIES LTD	ML0143	30-Dec-05	29-Dec-15	P.O. BOX 1155, BLANTYRE	KAYELEKERA	KARONGA	Karonga
3.	KASYOLOLO INVESTMENTS	ML0157	19-Dec-07	18-Dec-12	P.O. BOX 74, RUMPHI	MWENEWENYA	CHITIPA	Karonga
4.	ELAND COAL MINING COMPANY LIMITED	ML0158	19-Dec-07	18-Dec-12	P.O. BOX 426, LILONGWE	MILIMBO	KARONGA	Karonga
5.	LISIKWA INVESTMENTS	ML 0174	30-Sep-08	29-Sep-13	P.O BOX 174, CHILUMBA, KARONGA	HARA	KARONGA	Karonga
6.	PREMIER-TEAMWORK MINING	ML0197	15-Jun-12	14-Jun-17	P.O BOX 30182, LILONGWE 3.	MISISI	KARONGA	Karonga
7.	NKHAUTI TRADING	ML0199	15-Jun-12	14-Jun-17	PRIVATE BAG 56, LILONGWE	KISYOMBE	KARONGA	Karonga
8.	KAZIWIZIWI MINING COMPANY	ML0118	17-Sep-07	16-Sep-12	P.O. BOX 660, LILONGWE	KAZIWIZIWI	RUMPHI	Mzuzu
9.	MEAN JALAWE COAL MINE	ML0135	5-Jul-25	5-Jul-25	P.O. Box 30913, LILONGWE 3	MCHENGA	RUMPHI	Mzuzu
10.	CHIWETA COAL MINING AND MINERAL COMPANY	ML0156	12-Jul-07	11-Jul-12	P.O. BOX 330, MZUZU	CHIWETA	RUMPHI	Mzuzu
11.	CPL-MCHENGA COAL MINES LTD	ML0164	5-May-08	4-May-13	P.O. BOX 404, MZUZU	LIVINGSTONIA	RUMPHI	Mzuzu
12.	DDY GENERAL DEALERS	ML0194	14-Nov-11	13-Nov-21	P.O BOX 30378, LILONGWE 3.	LIVINGSTONIA	RUMPHI	Mzuzu

### 10.3 Annex 3: Mining Licenses Issued on Limestone per diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	ZALEWA AGRICULTURE LIME	ML0075R	30-Apr-08	29-Apr-13	P. O. BOX 1669, BLANTYRE	ZALEWA -	BLANTYRE	Blantyre
2.	LIME-CO	ML 0173	30-Sep-08	29-Sep-13	P.O BOX 31958, CHICHIRI, BLANTYRE 3.	KANONO	NENO	Blantyre
3.	BWANJE CEMENT PRODUCT	ML 0187	14-Apr-10	13-Apr-25	P.O. BOX 30832, LILONGWE 3	GOLOMOTI	DEDZA	Dedza
4.	CORONATION MINING LTD	ML0151	2-Apr-07	1-Apr-17	P.O. BOX 379, MZUZU	CHILUMBA	KARONGA	Karonga
5.	SHAYONA CEMENT CORPORATION	ML0046R	11-Aug-04	8-Oct-19	P.O. BOX 679, LILONGWE	LIVWEZI	KASUNGU	Lilongwe
6.	SHAYONA CEMENT CORPORATION	ML0142	30-Dec-05	29-Dec-15	P.O. BOX 697, LILONGWE	CHIKOA	KASUNGU	Lilongwe
7.	FLUORIDE CEMENT CO LIMITED	ML0144	1-Nov-06	31-Oct-16	P.O. BOX 316, BALAKA	CHENKUMBI	BALAKA	Mangochi
8.	CEMENT PRODUCTS(MW) LIMITED	ML 0180	9-Jul-09	8-Jul-24	P.O BOX 241, BLANTYRE	NKOPOLA	MANGOCHI	Mangochi
9.	KULIMBA MINERAL RESOURCES LTD	ML0198	15-Jun-12	14-Jun-17	P.O BOX 436, BLANTYRE.	BALAKA	BALAKA	Mangochi
10.	LAFARGE CEMENT CO. LTD	ML0200	15-Jun-12	14-Jun-17	P.O. BOX 823, BLANTYRE	CHENKUMBI	BALAKA	Mangochi



#### 10.4 Annex 4: Mining Licenses Issued on other minerals per diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Mineral	Address	Place	District	Diocese
1.	OPTICHEM 2000 (MALAWI) LTD	ML0172	29-Jul-08	28-Jul-23	APATATITE/ ROCK PHOSPHATE	P.O. BOX 30055, CHICHIRI, BLANTYRE	TUNDULU	PHALOMBE	Blantyre
2.	CROWN MINERALS LTD	ML0163	29-Jul-08	28-Jul-23	TITANIUM MINERALS	P/BAG 31 BLANTYRE 8	TENGANANI	NSANJE	Chikhwawa
3.	NYALA MINES LIMITED	ML0150	2-Oct-07	1-Oct-17	CORUNDUM, RUBY, SAPPHIRE	P.O. BIX 112, NTCHEU	CHIMWADZULU	NTCHEU	Dedza
4.	ILOMBA GRANITE COMPANY LTD	ML0019	28-Jun-95	27-Jun-20	SODALITE	P. O. BOX 1226, BLANTYRE	KAMEME	CHITIPA	Karonga
5.	PALADIN (AFRICA) LTD	ML0152	2-Apr-07	1-Apr-22	Uranium	P/BAG 32, LILONGWE	KAYELEKERA	KARONGA	Karonga
6.	SHIRE CONSTRUCTION CO.	ML0082R	20-Dec-10	19-Dec-15	AGGREGATE	P. O. BOX 129, LILONGWE	LINTHIPE	LILONGWE	Lilongwe
7.	LAFARGE CEMENT CO. LTD	ML 0183	21-Jan-10	21-Jan-15	GYPSUM	P.O. BOX 823, BLANTYRE	MPONELA	DOWA	Lilongwe
8.	ALLIED PROCUREMENT AGENCY	ML0131	16-Dec-04	15-Dec-29	HEAVY MINERAL SANDS	P.O. BOX 135, CHIPOKA, SALIMA	CHIPOKA – SALIMA	SALIMA	Lilongwe
9.	<b>LYNAS AFRICA LIMITED<sup>38</sup></b>	<b>ML0122</b>	<b>18-May-03</b>	<b>17-May-28</b>	<b>RARE EARTH MINERALS</b>	<b>P.O.BOX 2507, BLANTYRE</b>	<b>KANGANKUNDE</b>	<b>BALAKA</b>	<i>Mangochi</i>
10.	COMMERCIAL QUARRY	ML0162	15-Aug-08	14-Aug-13	AGGREGATE	P.O. BOX 31257, LILONGWE 3	DUNDUZU	MZIMBA	Mzuzu
11.	NORTHERN STONE LIMITED	ML 0179	9-Jul-09	8-Jul-14	AMAZONITE	P.O BOX 2126, LILONGWE.	EKWENDENI	MZIMBA	Mzuzu

<sup>38</sup> Ownership is being contested in the commercial court, mining not operational

### 10.5 Annex 5: Exclusive Prospecting Licenses Issued on Coal Mining per diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	MAUMAU TRANSPORT & TRADING CO. LTD	EPL0338	11/14/2011	11/13/2014	P.O BOX 30806, CHICHIRI, BLANTYRE 3.	NDAMERA	NSANJE	Chikhwawa
2.	NU ENERGY GAS LIMITED	EPL0360	6/15/2012	6/14/2015	SYDNEY, NSW 2000, AUSTRALIA	SALAMBIDWE	CHIKWAWA	Chikhwawa
3.	OSHO VENTURES ENERGY LTD	EPL0248R	29/05/2011	28/05/2013	GK ASSOCIATES, P.O BOX 31852, CHICHIRI, BLANTYRE 3, MALAWI	NSANJE	NSANJE	Chikhwawa
4.	Multiple Trading Company	EPL 0232R	19/12/2012	20/12/2013	P.O. Box 379, Mzuzu	Nthalire	Chitipa	Karonga
5.	Osho Minerals LTD	EPL 0279	09/07/2009	08/07/2012	G.K Associates, P.O. Box 31852, Chichiri Blantyre 3	Nthalire	Chitipa	Karonga
6.	Nthalire Gem Berly Mining	EPL 0324	18/03/2011	17/03/2014	P.O. Box 25 Nthalire	Nthalire	Chitipa	Karonga
7.	Lisikwa Investment Limited	EPL 0162	15/06/2012	14/06/2014	P.O. Box 255, Chilumba, Karonga, Malawi	Lisikwa	Karonga	Karonga
8.	H.WM RESOURCES LIMITED	EPL 0209R	15/06/2012	14/06/2014	P.O BOX 1155, BLANTYRE, MALAWI	MWAPU	KARONGA	Karonga
9.	PREMIER TEAMWORK MINING COMPANY	EPL0226R	11/12/2010	10/12/2012	P.O. BOX 137, RUMPHI	KARONGA	KARONGA	Karonga
10.	NKHAUTI TRADING	EPL0245R	01/12/2014	28/07/2013	P/BAG 56, LILONGWE, MALAWI	KISYOMBE	KARONGA	Karonga
11.	ELAND COAL MINING CO	<b>EPL0282</b>	<b>APPLIED FOR RENEWAL</b>		P.O. BOX 40614, KANENGO, LILONGWE 4	LUFIRA NORTH	KARONGA	Karonga
12.	BANGA ENERGY & MINING (PTY) LTD	EPL0350	12/22/2011	12/21/2013	P.O BOX 920, BLANTYRE, MALAWI.	NGANA	KARONGA	Karonga
13.	BATOLWE MINING LTD	EPL0183R	<b>EXPIRED</b>		P.O. BOX 328, KARONGA	NGANA	KARONGA	Karonga
14.	P ZAGAF	EPL0134R	renewal under consideration		P.O.BOX 190, MZUZU	KARONGA	KARONGA	Karonga
15.	PREMIER TEAMWORK MINING COMPANY	EPL0226R	11/12/2010	10/12/2012	P.O. BOX 137, RUMPHI	KARONGA	KARONGA	Karonga
16.	H.WM RESOURCES LIMITED	EPL0163R	15/06/2012	14/06/2014	P.O BOX 1155, BLANTYRE, MALAWI	LIVINGSTONIA	RUMPHI	Mzuzu
17.	PREMIER TEAMWORK MINING COMPANY	EPL0227R	11/12/2010	10/12/2012	P.O. BOX137, RUMPHI	LIVINGSTONIA	RUMPHI	Mzuzu
18.	PREMIER TEAMWORK MINING LIMITED	EPL0330	18/03/2011	17/03/2014	P.O BOX 137, RUMPHI.	LIVINGSTONIA	RUMPHI	Mzuzu
19.	MARRIS FIELD INVESTMENTS LIMITED	EPL0333	6/20/2011	6/19/2014	P.O BOX 2330, BROOKLYN SQUARE, 0075, RSA	LIVINGSTONIA	RUMPHI	Mzuzu

## 10.6 Annex 6: Exclusive Prospecting Licenses Issued on Uranium per Diocese

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	GLOBE METALS & MINING EXPLORATION LTD	EPL0289	14/04/2010	13/04/2013	PRIVATE BAG A201, LILONGWE	MAJETE	MWANZA	Blantyre
2.	OSHO VENTURES ENERGY LTD	EPL0248R	29/05/2011	28/05/2013	GK ASSOCIATES, P.O BOX 31852, CHICHIRI, BLANTYRE 3,	NSANJE	NSANJE	Chikhwawa
3.	MOTA-ENGIL ENGENARIA	EPL0280	09/07/2009	08/07/2012	P.O. BOX 31379, LILONGWE	LISUNGWE	NTCHEU	Dedza
4.	NYALIHANGA ENTERPRISES	EPL0264R	29/09/2011	28/09/2013	P.O BOX 1920, BLANTYRE	KAMEME	CHITIPA	Karonga
5.	PALADIN (AFRICA) LTD	EPL0169R2	29/12/2010	29/12/2012	P.O. BOX 1147, BLANTYRE	CHILONGO	CHITIPA	Karonga
6.	PALADIN (AFRICA) LTD	EPL0170R2	29/12/2010	29/12/2012	P.O. BOX 1147, BLANTYRE	MPATA	KARONGA	Karonga
7.	PALADIN (AFRICA) LTD	EPL0225R	11/12/2010	11/12/2012	P/BAG 32, LILONGWE	KAYELEKERA	KARONGA	Karonga
8.	PALADIN (AFRICA) LTD	EPL0168R2	29/12/2010	28/12/2012	P.O. BOX 1147, BLANTYRE	CHILUMBA	RUMPHI	Karonga
9.	PALADIN (AFRICA) LTD	EPL0340	12/29/2010	12/28/2012	PRIVATE BAG 32, LILONGWE.	MLIMBO-	KARONGA	Karonga
10.	MAPUNDI INVESTMENTS	EPL0344	9/29/2011	9/28/2013	PLOT NO. 464, NYAMBADWE, BLANTYRE	NGANA	KARONGA	Karonga
11.	SOGECOA COMPANY LIMITED	EPL0308	10/11/2010	9/11/2013	P.O. BOX 30759, LILONGWE 3	CHIWETA	RUMPHI	Karonga
12.	HBDK EMAW MINING CO. LTD	EPL0290	14/04/2010	13/04/2013	P.O. BOX 2776, LILONGWE, MALAWI	MKANDA	MCHINJI	Lilongwe
13.	SOGECOA COMPANY LIMITED	EPL0318	13/01/2011	12/1/2014	P.O. BOX 30759, LILONGWE 3	NATHENJE	LILONGWE	Lilongwe
14.	SOGECOA COMPANY LIMITED	EPL0307	10/11/2010	9/11/2013	P.O. BOX 30759, LILONGWE 3	NAMWERA	MANGOCHI	Mangochi
15.	OROPA EXPLORATION PTY LTD	EPL0223R	12/12/2010	11/12/2012	25 CHARLES STREET, SOUTH PERTH, WA 6152, AUSTRALIA	KASUNGU-MZIMBA	KASUNGU-MZIMBA	Mzuzu
16.	ANHUI FOREIGN ECONOMIC CONSTRUCTION LTD	EPL0316	13/01/2011	12/1/2014	NO.8 DONGLIU ROAD, PEOPLE'S REPUBLIC OF CHINA.	MZIMBA	MZIMBA	Mzuzu
17.	GLOBE URANIUM LTD	EPL0187R2	29/12/2010	28/12/2012	14/15 ELIZABETH BAY ROAD, ELIZABETH BEY, NSW 2011, AUSTRALIA	LIVINGSTONIA	RUMPHI	Mzuzu
18.	SOGECOA COMPANY LIMITED	EPL0317	13/01/2011	12/1/2014	P.O. BOX 30759, LILONGWE 3	MZIMBA	MZIMBA	Mzuzu
19.	NYALIHANGA ENTERPRISES	EPL0265R	29/09/2011	28/09/2013	P.O BOX 1920, BLANTYRE	CHINDE	MZIMBA	Mzuzu
20.	NYALIHANGA ENTERPRISES	EPL0314	13/01/2011	12/1/2014	P.O BOX 1920, BLANTYRE	CHIKANGAWA	MZIMBA	Mzuzu
21.	NYALIHANGA ENTERPRISES	EPL0329	18/03/2011	17/03/2014	P.O BOX 1920, BLANTYRE	CHIKANGAWA	MZIMBA	Mzuzu
22.	GLOBE URANIUM LTD	EPL0188R	28/12/2011	29/12/2013	14/15 ELIZABETH BAY ROAD, ELIZABETH BEY, NSW 2011, AUSTRALIA	SIMULEMBA	KASUNGU	Mzuzu
23.	RESOURCE STAR LIMITED	EPL0230R	10/12/2010	11/12/2012	SUITE 6, 9 HAMPDEN ROAD, NEDLANDS, WA 6009	KASUNGU-MZIMBA	KASUNGU-MZIMBA	Mzuzu
24.	KRIPTO INTERNATIONAL LIMITED	EPL0294	14/04/2010	13/04/2013	PRIVATE BAG 54, BLANTYRE	ZOMBA MT FT	ZOMBA	Zomba
25.	EASTBOURNE EXPLORATION PTY LIMITED	EPL0320	18/03/2011	17/03/2014	LEVEL 9, 440 COLLINS STREET, MELBOURNE, VIC 3000, AUSTRALIA	MWINJE MT	ZOMBA	Zomba
26.	EASTBOURNE EXPLORATION PTY LIMITED	EPL0321	18/03/2011	17/03/2014	LEVEL 9, 440 COLLINS STREET, MELBOURNE, VIC 3000, AUSTRALIA	MWINJE MT	ZOMBA	Zomba

### 10.7 Annex 7: EPLs Issued on Gold Exploration

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	HBDK EMAW MINING CO. LTD	EPL0363	6/15/2012	6/14/2015	P.O. BOX 2776, LILONGWE, MALAWI	DEDZA	DEDZA	Dedza
2.	AFRICAN CONSOLIDATED MINING S.A.	EPL0213R	27/06/2012	26/06/2014	CCC HOUSE, 11A WEST HALKIN STREET, LONDON SW, 1X 8JL, UK	LISUNGWE-KIRK RANGE	NTCHEU-MWANZA	Dedza
3.	MOTA-ENGIL ENGENARIA	EPL0280	09/07/2009	08/07/2012	P.O. BOX 31379, LILONGWE	LISUNGWE	NTCHEU	Dedza
4.	AFRICAN CONSOLIDATED MINING S.A.	EPL0214R	27/06/2012	26/06/2014	CCC HOUSE, 11A WEST HALKIN STREET, LONDON SW, 1X 8JL, UK	LISUNGWE-KIRK RANGE	NTCHEU-MWANZA	Dedza
5.	SEAMEX LIMITED	EPL0298	10/09/2010	09/09/2013	P.O. BOX 5423, LIMBE, MALAWI	CHITIPA	KARONGA	Karonga
6.	SOUTH-EAST AFRICAN MINING,	EPL0292	14/04/2010	13/04/2013	WEST MALLING, KENT ME19, 4YU, UNITED KINGDOM	CHITIPA	KAMEME	Karonga
7.	MOTA-ENGIL ENGENARIA	EPL0255R	14/08/2011	13/08/2013	P.O BOX 31379, CAPITAL CITY, LILONGWE	DWANGWA	NKHOTA-KOTA	Lilongwe
8.	SEAMEX LIMITED	EPL0328	18/03/2011	17/03/2014	P.O. BOX 5423, LIMBE, MALAWI	DWANGWA	KASUNGU	Lilongwe
9.	MOTA-ENGIL ENGENARIA	EPL0273	15/04/2012	14/04/2014	P.O BOX 31379, CAPITAL CITY, LILONGWE	NTHENJE-KIRK RANGE AREA	LILONGWE	Lilongwe
10.	HBDK EMAW MINING CO. LTD	EPL0291	14/04/2010	13/04/2013	P.O. BOX 2776, LILONGWE, MALAWI	CHIKULAMAYEM BE	RUMPHI	Mzuzu
11.	AFRICAN CONSOLIDATED MINING S.A.	EPL0215R	27/06/2012	26/06/2014	CCC HOUSE, 11A WEST HALKIN STREET, LONDON SW, 1X 8JL, UK	MZIMBA-KASUNGU	MZIMBA-KASUNGU	Mzuzu

### 10.8 Annex 8: EPLs Issued on Heavy Mineral Sands

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1	TATE MINERALS (PTY) LTD	EPL0347	11/14/2011	11/13/2014	UNIT 7, 48 SALVADO ROAD, WEMBLEY, 6014, WESTERN AUSTRALIA	NSANJE	NSANJE	Chikhwawa
2	ALLIED PROCUREMENT AGENCY	EPL0191R	14/04/2011	13/04/2013	P.O. BOX 135, CHIPOKA, SALIMA	CHIPOKA	SALIMA	Lilongwe
3	TATE MINERALS (PTY) LTD	EPL0346	11/14/2011	11/13/2014	UNIT 7, 48 SALVADO ROAD, WEMBLEY, 6014, WESTERN AUSTRALIA	SALIMA-MONKEY BAY	SALIMA	Lilongwe
4	KINGS INTERNATIONAL LIMITED	EPL0254R	28/07/2011	27/07/2013	ROOM 202A, NO.85 YUETAN NANJIE, XICHENG DIST., BEIJING, P.R. CHINA	MAKANJILA	MANGOCHI	Mangochi
5	SRI SAI MINING LIMITED	EPL0359	6/15/2012	6/14/2015	P.O BOX 40482, KANENGO LILONGWE 4.	MANGOCHI	MANGOCHI	Mangochi
6	MAKANJIRA MINERALS LIMITED	EPL0362	6/15/2012	6/14/2015	P.O BOX 279, LILONGWE, MALAWI.	MAKANJIRA	MANGOCHI	Mangochi
7	ASPIRE GLOBAL LIMITED	EPL0358	6/15/2012	6/14/2015	P.O BOX 3235, LILONGWE, MALAWI	NB, KK-SALIMA LAKESHORE	NB, KK-SALIMA	Mzuzu & Lilongwe

### 10.9 Annex 9: EPLs Issued on Diamonds

	Name of Company	License Number	Date of Issue	Date of Expiry	Address	Place	District	Diocese
1.	SOGEOA COMPANY LIMITED	EPL0318	13/01/2011	12/1/2014	P.O. BOX 30759, LILONGWE 3	NATHENJE	LILONGWE	Lilongwe
2.	SOGEOA COMPANY LIMITED	EPL0307	10/11/2010	9/11/2013	P.O. BOX 30759, LILONGWE 3	NAMWERA	MANGOCHI	Mangochi
3.	KRIPTO INTERNATIONAL LIMITED	EPL0244R	11/10/2010	11/09/2013	P/BAG 54, BLANTYRE	LAKE MALOMBE	MANGOCHI	Mangochi
4.	KRIPTO INTERNATIONAL LIMITED	EPL0243R	05/04/2011	04/04/2013	P/BAG 54, BLANTYRE	NKOPIA	MANGOCHI	Mangochi
5.	SOGEOA COMPANY LIMITED	EPL0317	13/01/2011	12/1/2014	P.O. BOX 30759, LILONGWE 3	MZIMBA	MZIMBA	Mzuzu
6.	SOGEOA COMPANY LIMITED	EPL0308	10/11/2010	9/11/2013	P.O. BOX 30759, LILONGWE 3	CHIWETA	RUMPHI	Mzuzu

### 10.10 Annex 10: EPLs Issued on other Minerals

1.	ZAGAF CEMENT SALES	EPL0140R	LIMESTONE	renewal under consideration		P.O. BOX 51813, LIMBE	CHENKUMBI	BALAKA	Mangochi
2.	TERRASTONE LIMITED	EPL0315	ROCK AGGREGATE	13/01/2011	12/1/2014	P.O BOX 995, BLANTYRE	CHIRADZULU	CHIRADZULU	Blantyre
3.	CROWN MINERALS LIMITED	EPL0326	ROCK AGGREGATE	18/03/2011	17/03/2014	PRIVATE BAG 31, MASELEMA, BLANTYRE 8.MALAWI	NG'ONGA HILL	CHIRADZULU	Blantyre
4.	JAPAN,GAS& METALS NATIONAL COORPORATION(JOGMEC)	EPL0325	RARE EARTH ELEMENTS AND BAUXITE	18/03/2011	17/03/2014	1310 OMIYA-CHO,SAIWAI-KU,KAWASAKI-CITY, KANAGAWA, JAPAN.	MULANJE	MULANJE	Blantyre
5.	LANCASTER EXPLORATION LIMITED	EPL0303	YTTRIUM, STRONTIUM, TANTALITE, COLUMBITE, MOLYBDENUM,	10/09/2010	09/09/2013	P.O. BOX 3190, ROAD TOWN, BRITISH VERGIN, ISLANDS	THAMBANI-NORTH	MWANZA	Blantyre
6.	AFRICA MINING LTD	EPL0361	VOLCANIC TUFFS (PODZOLONA)	6/15/2012	6/14/2015	P.O. BOX X89, CROSS ROADS, LILONGWE, MALAWI	MWANZA	MWANZA	Blantyre
7.	ROYAL EXPLORATION LIMITED	EPL0293	ZINC & LEAD	14/04/2010	13/04/2013	P.O. BOX 5739, LIMBE	THAMBANI-NORTH	MWANZA	Blantyre
8.	CILCON LIMITED	EPL0331	ROCK AGGREGATE	6/20/2011	6/19/2014	P.O BOX 701, LILONGWE, MALAWI	NENO	NENO-BLANTYRE	Blantyre
9.	LANCASTER EXPLORATION LIMITED	EPL0284	REE, STRONNUM, IRON ORE, NIOBIUM, MANGANESE, FLUORITE,PHOSPHATE,THORIUM,MONAZITE AND ASSOCIATED MINERALS	21/01/2010	20/01/2013	56 ADMINISTRATION DRIVE, WICKHAMS, CAYL, P.O. BOX 3190,	SONGWE	PHALOMBE	Blantyre
10.	BRITANNIA MINING LTD	EPL0286	IRON ORE	21/01/2010	20/01/2013	P.O. BOX 31075, LILONGWE 3	BLANTYRE	CHIKWAWA	Chikhwawa
11.	BRITANNIA MINING LTD	EPL0306	IRON ORE	10/09/2010	09/09/2013	P.O. BOX 31075, LILONGWE 3	BLANTYRE	CHIKWAWA	Chikhwawa
12.	GLOBE METALS & MINING EXPLORATION LTD	EPL0289	NIOBIUM, TANTALUM, ZIRCONIUM,	14/04/2010	13/04/2013	PRIVATE BAG A201, LILONGWE	MWANZA	MAJETE	Chikhwawa

			REE, IRON ORE, FELDSPAR, FELDSPATHOIC, SILVER, COPPER, ZINC, LEAD, NICKEL						
13.	EXPLORE MINING LIMITED	EPL0351	BASE METALS, REE, PGMs	6/15/2012	6/14/2015	C/O DELOITTES FIRST FLOOR, INDE BANK HOUSE BLANTYRE, MW.	NSANJE	NSANJE	Chikhwawa
14.	RIFT VALLEY MINING COMPANY (PTY) LTD	EPL0341	LIMESTONE	3/25/2010	3/24/2012	P.O BOX 31275, CHICHIRI, BLANTYRE 3.	LULWE	NSANJE	Chikhwawa
15.	CHIWARDAMA ENTERPRISES	EPL0302	ZILCON	10/09/2010	09/09/2013	P.O. BOX 5739, LIMBE	DOWA	NSANJE	Chikhwawa
16.	M-ONE INDUSTRIES	EPL0295	KAOLINITIC CLAYS	10/09/2010	09/09/2013	P.O. BOX 51897, LIMBE, MALAWI	SENZANI	NTCHEU	Dedza
17.	LAFARGE CEMENT MALAWI	EPL0352	KAOLINITIC CLAYS	6/15/2012	6/14/2015	P.O BOX 523, BLANTYRE MALAWI.	NSENZANI	NTCHEU	Dedza
18.	ZALCO	EPL0276	LIMESTONE	09/07/2009	08/07/2012	P.O. BOX 1669, BLANTYRE	NSIPE	NTCHEU	Dedza
19.	LIME-CO	EPL0278	LIMESTONE	09/07/2009	08/07/2012	P.O. BOX 31958, CHICHIRI, BLANTYRE 3	MPANDAWAN THOCHI HILL	NTCHEU	Dedza
20.	XILUVA MINERAL RESOURCES LTD	EPL0287	NICKER, COPPER, ZINC, PLATINUM GROUP METALS	21/01/2010	20/01/2013	P.O. BOX 30117, CAPITAL CITY, LILONGWE 3	KAMEME	CHITIPA	Karonga
21.	CHIWARDAMA ENTERPRISES	EPL0288	VOLCANIC TUFFS (PODZOLONA)	14/04/2010	13/04/2013	P.O. BOX X89, CROSS ROADS, LILONGWE, MALAWI	NGANA	CHITIPA	Karonga
22.	DOHER INDUSTRIES LIMITED	EPL0311	CHROME, COPPER, ZINC, NICKEL	13/01/2011	12/1/2014	P.O. BOX X48, CROSS ROADS, LILONGWE, MALAWI.	DOWA	DOWA	Lilongwe
23.	SHAYONA CEMENT CORPORATION	EPL0301	GYPSUM	10/09/2010	09/09/2013	P.O. BOX 697, LILONGWE, MALAWI	DOWA	DOWA	Lilongwe
24.	DEANS ENGINEERING COMPANY	EPL0339	GYPSUM	10/09/2010	09/09/2013	P.O BOX 30806, CAPITAL CITY, LILONGWE 3.	MPONELA-DOWA	DOWA	Lilongwe
25.	ASPIRE GLOBAL LIMITED	EPL0357	SULPHIDES			P.O BOX 3235, LILONGWE, MALAWI	CHISEPO	DOWA	Lilongwe
26.	FERGIE MINERALS AND METALS LTD	EPL0299		10/09/2010	09/09/2013	P.O. BOX X72, CROSS ROADS, LILONGWE, MALAWI	KATENGEZA	DOWA	Lilongwe
27.	McCOURT MINING PTY LIMITED	EPL0355	GRAPHITE AND KAOLINITIC	6/15/2012	6/14/2015	4 HENLEY STREET, COMO WA 6152, AUSTRALIA	DOWA-NTCHISI	DOW-NTCHISI	Lilongwe



			CLAYS						
28.	MIRACLE LIMITED	EPL0354	GALENA, NICKEL, COPPER, ZINC PLATINUM GROUP METALS	6/15/2012	6/14/2015	P.O BOX 31887, LILONGWE, MALAWI	CHIMUTU	LILONGWE	Lilongwe
29.	TRIDENT GROUP OF COMPANIES	EPL0319	RARE EARTHS	13/01/2011	12/1/2014	P.O. BOX 30141, LILONGWE 3	DZALANYAMA	LILONGWE	Lilongwe
30.	GEOHERMAL PROJECTS LIMITED	EPL0336	GEOHERMAL FLUIDS(HOT SPRINGS)	6/20/2011	6/19/2014	P.O BOX 1703, LILONGWE, MALAWI.	MAWIRA	NKHOTA- KOTA	Lilongwe
31.	GEOHERMAL PROJECTS LIMITED	EPL0337	GEOHERMAL FLUIDS(HOT SPRINGS)	6/20/2011	6/19/2014	P.O BOX 1703, LILONGWE, MALAWI.	KANG'OMA	NKHOTA- KOTA	Lilongwe
32.	ZASCO INTERNATIONAL LTD	EPL0275	HAEMITITE, MONAZITE,TA NTALITE,PEGM ATITE AND IRON ORE	09/07/2009	08/07/2012	P.O BOX 719, LILONGWE.	BALAKA	BALAKA	Mangochi
33.	ZAGAF CEMENT SALES	EPL0200R	LIMESTONE	25/03/2010	24/03/2012	P.O. BOX 120, MZUZU	CHENKUMBI	BALAKA	Mangochi
34.	TIMCO INVESTMENTS LIMITED	EPL0323	MARBLE	18/03/2011	17/03/2014	P.O BOX 80200, DOORNPORT1, PRETORIA,400 PEERBOOM STREET, RSA	KANGANKUN DE	BALAKA	Mangochi
35.	CILCON LIMITED	EPL0331	ROCK AGGREGATE	6/20/2011	6/19/2014	P.O BOX 701, LILONGWE, MALAWI	CHIENDAUSIK U	BALAKA	Mangochi
36.	M-ONE INDUSTRIES	EPL0296	DIMENSION STONES	10/09/2010	09/09/2013	P.O. BOX 51897, LIMBE, MALAWI	NKOPOLA	MANGOCHI	Mangochi
37.	M-ONE INDUSTRIES	EPL0297	DIMENSION STONES	10/09/2010	09/09/2013	P.O. BOX 51897, LIMBE, MALAWI	MANGOCHI	MANGOCHI	Mangochi
38.	TIMCO INVESTMENTS LIMITED	EPL0322	MARBLE	18/03/2011	17/03/2014	P.O BOX 80200, DOORNPORT1, PRETORIA,400 PEERBOOM STREET, RSA	W. LAKE MALOMBE	MANGOCHI	Mangochi
39.	ANHUI FOREIGN ECONOMIC CONSTRUCTION LTD	EPL0334	MONAZITE AND RARE EARTH MINERALS	6/20/2011	6/19/2014	NO.8 DONGLIU ROAD, PEOPLE'S REPUBLIC OF CHINA.	MONKEY BAY	MANGOCHI	Mangochi
40.	SPRING STONE LIMITED	EPL0342	RARE EARTH ELEMENTS	14/04/2010	13/04/2013	C/O OLD NAISI, ZOMBA, MALAWI.	MANGOCHI- MONKEY-BAY	MANGOCHI	Mangochi

41.	GEOHERMAL PROJECTS LIMITED	EPL0335	GEOHERMAL FLUIDS(HOT SPRINGS)	6/20/2011	6/19/2014	P.O BOX 1703, LILONGWE, MALAWI.	CHIWETA	RUMPHI	Mzuzu
42.	KRIPTO INTERNATIONAL LIMITED	EPL0294	BAUXITE	14/04/2010	13/04/2013	PRIVATE BAG 54, BLANTYRE	ZOMBA MT FOREST	ZOMBA	Zomba
43.	NORHERN STONE LIMITED	EPL0343	RARE EARTHS ELEMENTS, NIOBIUM, TANTALUM, ZIRCON, PYLOCHLORE, PHOSPHATE	13/01/2011	12/1/2014	P.O BOX 2126, LILONGWE. MALAWI	MWINJE MT	ZOMBA	Zomba

## 10.11 Annex 11: Mineral Map for Malawi

