



MALAWI CHAMBER OF MINES AND ENERGY ANNUAL REPORT FOR 2026

1. PROHIBITION OF EXPORT OF RAW AND UNPROCESSED MINERALS REGULATIONS 2025

This Act replaced the Mines and Minerals Act of 2019. The Parliament passed the Mines and Minerals Bill, 2023 repealing the Mines and Minerals Act, of 2019. Government Ownership Interest under the Act has removed a ceiling of 10% to give it the right to reduce or increase the percentage as the Minister responsible deems fit.

2. ADVANCED MINING PROJECTS

Companies under the Chamber have made a lot of good progress in exploring for critical minerals such as uranium, niobium, rare earths, rutile and graphite. The Table 1 shows an updated Mineral inventory of the year 2024.

Globe Metals & Mining and Lindian Resources have began civil works.

The location of the new mining projects are shown in Figure 1. Lotus Resources and Lindian Resources are expected to start production in the last quarter of 2025.

Mkango Resources and Sovereign Metals are expected to commence construction by 2027.

The five projects are expected to increase mineral revenue by USD 694.0 million their Company resource assessment which is about 12% of national GDP.



Table 1: Current Mineral resource valuation (Source ASX Announcements)

PROJECT	ORE RESERVE	INITIAL CAPEX	EBITDA Per annum	Life of Mine
Lindian Resources Ltd - Kangankunde REE	23 Mt @ 2.2 TREO%	US\$40.0 Million	US\$57.0 with 99% IRR	45 years
Mkango Resources - Songwe REE	21 Mt @1.4% TREO	US\$ 311.0 Million	US\$ 215.0 Million @ 31.5 % IRR	18 years
Lotus Africa Ltd - Kayelekera Uranium	29.3 Mlb @510 ppm U ₃ O ₈	US\$88.0 Million	US\$ 164 Millon @ 28% IRR	10 years
Globe Metals and Mining Ltd – Kanyika Niobium	33.8 Mt @ 2,830 ppm Nb ₂ O ₃	US\$35.0 Million	US\$7.0 Million @ 14.9% IRR	18 years
Sovereign Metals Ltd	609 Mt @ 1.0% rutile and 1.5 % graphite	US\$ 597.0 Million	US\$415 Million @ 28% IRR	25 years
TOTAL		US\$ 1,071 Million	US\$ 694 Million	12% of Current GDP
Current Malawi GDP (2023)			14.8 Billion	

3. MINING PROJECTS BY MEMBERS

Members of the Chamber were active in stone aggregate production, limestone quarrying for cement manufacturing and coal mining. Stone aggregate production is being done by Terrastone Limited, Masterstone Breakers Limited, Mota Engil Limited and OG group. Shayona Cement Corporation and Cement Products Limited are extracting limestone for cement manufacture while Kasikizi Coal Mine and Rukuru Coal Mining Limited are mining coal for agro-processing and manufacturing. These are medium scale mines.



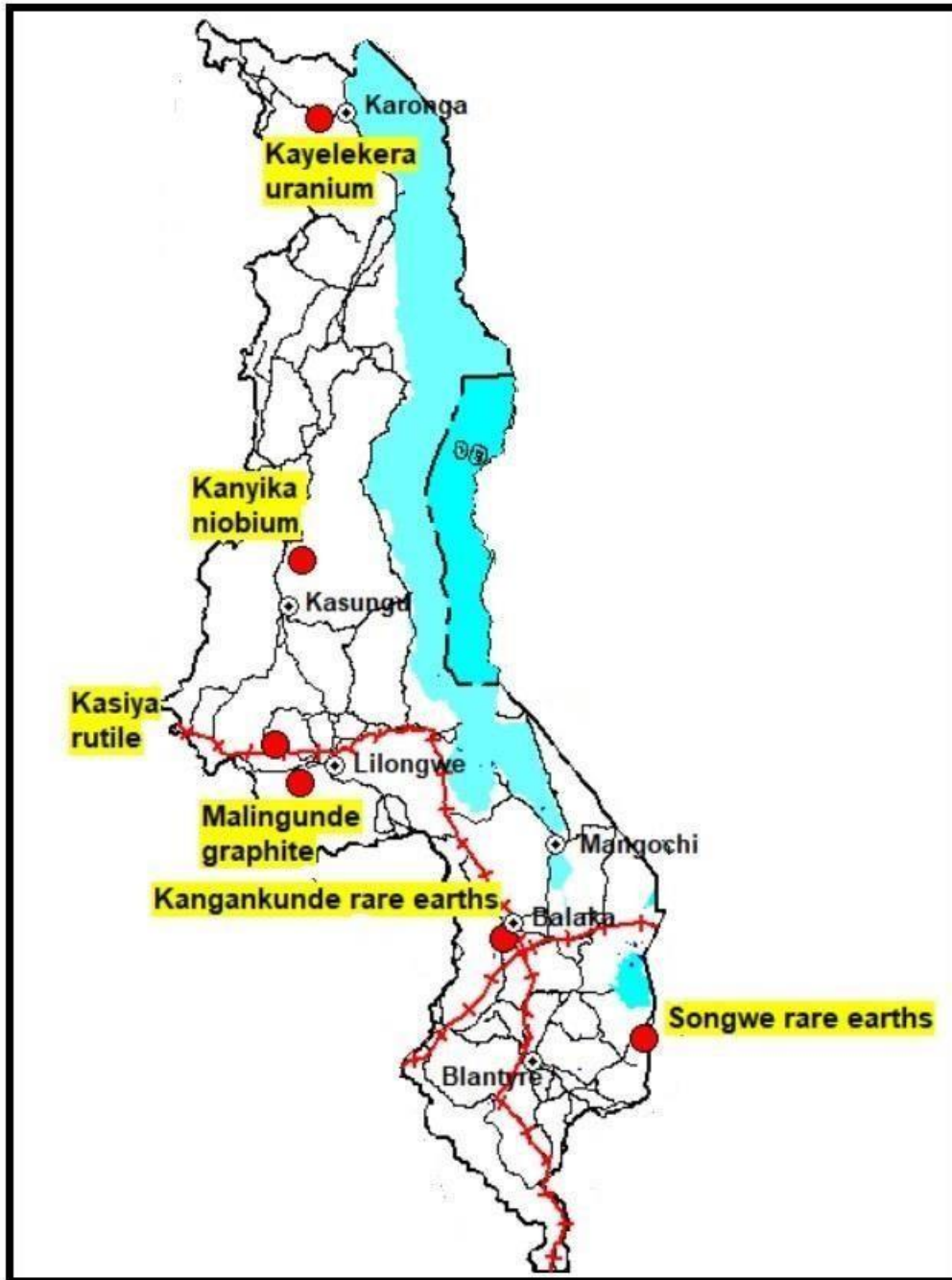
NGX Exploration limited are active in graphite exploration at Malingunde and at Duwi in Lilongwe.

4. ENERGY SECTOR

National Oil Company of Malawi (NOCMA) imports about 65 percent of Malawi's fuel. NOCMA is set to import about 412,000 metric tonnes of fuel in the 2026/27 financial year to stabilize supply amid persistent shortages and foreign exchange challenges. Main imports are through Mozambique (Beira, Nacala) and Tanzania (Dar es Salaam, Tanga). The Company continues to increase importation of fuel to be accessed by government and the private sector. NOCMA is rebuilding reserves that were declared empty in late 2024.

5. ECONOMIC IMPACT OF MINING

The projects being pursued by the Chamber members have the potential to generate an estimated total capital investment of US\$5.2 billion over a ten-year period generating the value of exports totaling about US\$10 billion starting with Kayelekera and Lindian Resources in 2026. Data obtained from the Chamber members show that the mining sector has the ability to generate about \$1.0 billion dollar when other phases of expansion are included.



© Geomine 2024

Figure 1: CMEM upcoming mining projects



Malawi has the potential to be self-reliant financially and support local content such as improved agriculture commodity market, service support such as welding and fabrication and supply of rural infrastructure that promotes urbanization. Apart from direct employment, indirect employment can increase up to 10-fold.

6. MINING AGREEMENTS WITH GOVERNMENT

Globe Metals and Mining concluded a Mining Development Agreement with government in March 2023. Lotus (Africa) Limited and Mkango Resources signed Mining Development Agreements over Kayelekera Mine, and Songwe rare earths deposit, respectively, on 26th July 2024.

This has opened an economic opportunity for the country to benefit from exploitation of its critical minerals. The next Mining agreements will be for Sovereign Metals, Lindian Resources and possibly NGX Exploration Limited.

7. LIASON AND OUTREACH

The Chamber was involved in several consultative meetings with government and the private sector. Among them were:

- i. In early February, the Chamber attended MIASA annual meeting and Mining Indaba in South Africa. At the Mining Indaba the Chamber attended the Mining Ministers' meeting. The Chamber is grateful to Lotus Resources and Sovereign Metals for supporting the President and Coordinator with travel logistics.
- iii. Working with the Malawi Human Rights Commission on coming up with National Action Plan on Business and Human Rights.



- iv. Attending to MWEII MSG meetings and consultation on the proposed MWEITI Policy and law; Beneficial Ownership Disclosure initiative and establishment of sovereign wealth fund.
- v. Participating in Malawi Mining Investment Forum 2025
- vi. The Chamber attends Open Government Partnership meetings on Natural Resources organized by the Office of the President and Cabinet.

8. MEMBERSHIP GROWTH

Membership growth has now reached 22 including associate members insurance, mining management contracting and import and export logistics. These members include Old Mutual, TNR Mining and Combine Cargo. The Chamber is committed to promote local content through encouraging its members to improve on local sourcing.

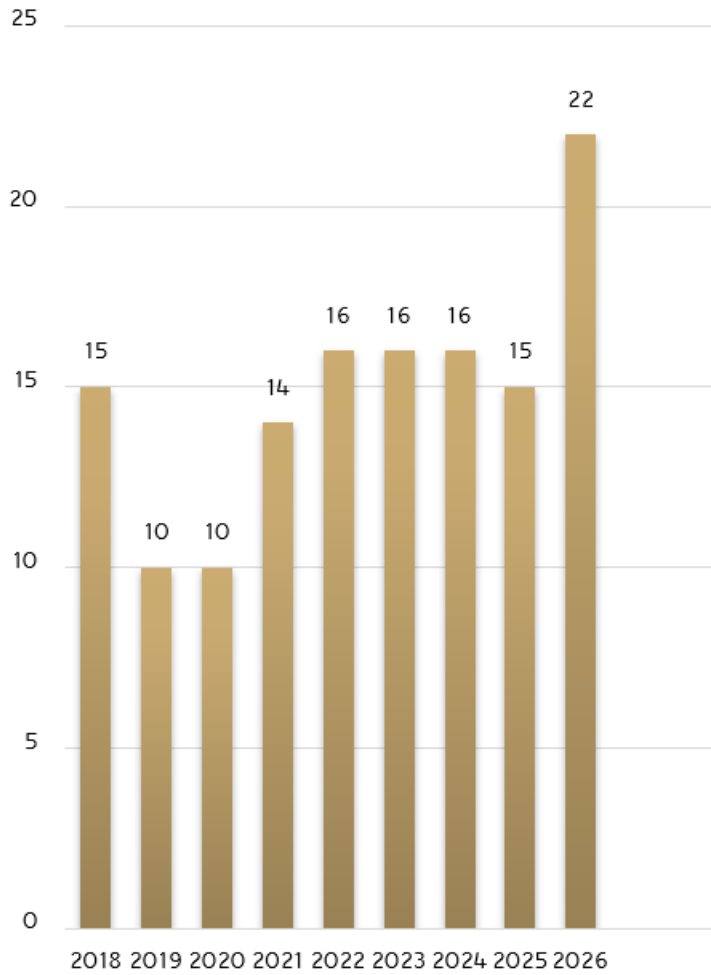


Figure 1: Membership growth Chart since 2018



Grain Malunga - Coordinator