

# Min<sup>i</sup>ng

NEWSWEEK

07

15 - 21 June 2020

*A provider of Valuable Intelligence to the Zimbabwe Mining Community*

*Coal producers seek to be paid in Forex - 05*

*Zimbabwe upscales efforts to join the London Bullion Market Association - 07*

*ZMDC partners local investor to resuscitate gold mines - 13*



## **MINING IN ZIMBABWE IN 2020**

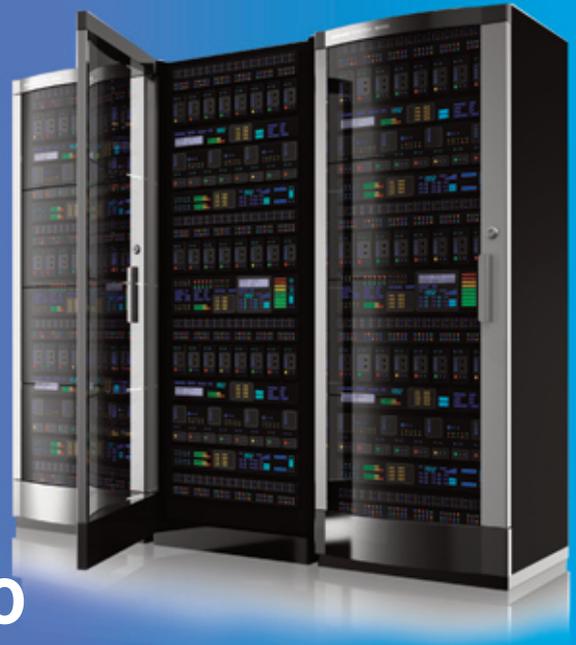
**Achievements, the good and the bad, what should be fixed, improved, and recommendations**

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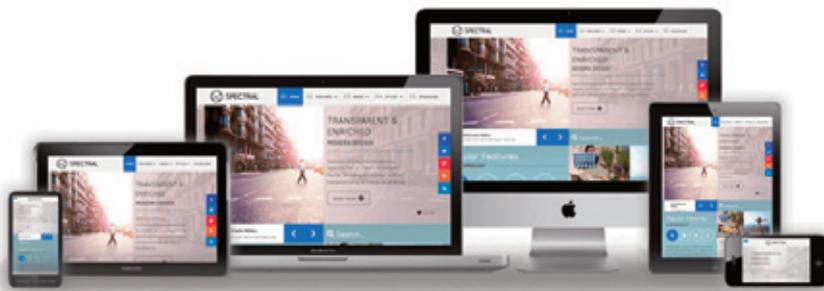
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# Mining

Z I M B A B W E

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## ABOUT PUBLICATION

Mining Zimbabwe premier source of Zimbabwe Mining News. Our core focus is the Zimbabwe Mining Industry, trends, new technologies being developed and used to improve this crucial sector, as well as new opportunities and investments arising from it. Mining Zimbabwe's sole purpose is growing and empowering the Mining Industry and highlighting all its challenges as well as putting forth expert solutions



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# CONTENT

Mining Zimbabwe Magazine | JUNE 15 - 21, 2020



**FEATURE ARTICLE:** Mining In Zimbabwe In 2020:  
Achievements, the good and the bad, what should be fixed, Page 14

## INSIDE MINING NEWSWEEK

04 Editor's Word

### Mining Matters

05 Coal producers seek to be paid in  
Forex

06 Miners appeal for subsidised roller  
meal

07 Zimbabwe upscales efforts to join the  
London Bullion Market Association

09 Fast track the establishment of Gold  
Service centres

10 Coal bed Methane gas project yet to  
take off - 3years later

12 Ferrochrome Industry operating at  
less than 10% capacity

13 ZMDC partners local investor to re-  
suscitate gold mines

14 Mining In Zimbabwe In 2020:  
Achievements, the good and the  
bad, what should be  
improved, and recommendations

18 Expedite Digitalisation to promote  
transparency and accountability

20 Minerals and Location found in  
Zimbabwe

22 Classifieds





# Covid-19 free Mining Industry is everyone's responsibility

As we conclude the first half of the 2020 mining year it is clear COVID-19 is a huge impediment not only to the Zimbabwe Mining Industry but it has affected other countries as well.

Last month AngloGold Ashanti Ltd. reported 164 cases of the novel coronavirus among its workers at a gold mine in South Africa, raising new questions about how to prevent the virus from spreading in deep underground mines.

In response, the company temporarily closed the mine and begun tracing the contacts of those who tested positive, using an electronic tracking system. It says the "vast majority" of those who tested positive are showing no symptoms of illness.

Zimbabwe has been lucky thus far as there has only been a single case recorded in the Chegutu area. Although the country lost a

prominent miner to the pandemic, the miner had been to the UK.

The pandemic however has hindered cash importation as borders across the world are still closed. This will no doubt hit hard Fidelity submissions as it is most likely miners will take and wait and see approach.

We urge all miners to observe the all recommended safety methods and regulary test their workforce for Covid-19. A COVID-19 free Zimbabwe Mining Industry is possible if everyone plays their part.

Like always we welcome your contributions. Please visit our various social media channels and stay updated with the latest

If you would like to contribute please write to us at [info@miningzimbabwe.com](mailto:info@miningzimbabwe.com). Till next time stay safe.

## EDITOR'S NOTE



### Online Awards



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# Coal producers seek Forex payments from ZESA



***Coal Producers Association is seeking permission from monetary authorities to sell its coal to ZESA Holdings in foreign currency as the power utility is billing exporters in forex for electricity consumption.***

The Reserve Bank of Zimbabwe (RBZ) recently directed the State-owned power utility, ZESA to bill exporters in hard currency. Speaking to Mining Zimbabwe, Coal Producers Association chairman, Mr. Ray Mutokonyi said the greatest challenge facing the coal miners in the country so far regards sustainability issues as the cost of production did not match with prices on the market.

"The major challenge that we have for now is that of sustainability. The cost of production and the price of coal on the local markets is not sustainable.

"At the moment, the price of coal on the local market is US\$16 per tonne and ZESA is paying us at the official interbank exchange rate of US\$1: ZWL\$25," he said.

"We are also saying ZESA should pay us in foreign currency as they are also receiving payment for electricity consumption by exporters including coal producers in forex.

"If we are allowed to sell coal to ZESA in forex, our operations will become sustainable unlike at the moment."

He said the coal producers have since engaged RBZ over the matter.

"Nothing tangible in that regard has materialised yet but it is our fervent hope that the desired results will be achieved," said Mr. Mutokonyi.

The country's coal mining sector is dominated by Makomo Resources, Zambezi Gas, and Hwange Colliery Company Limited with the above producers supplying about 90 percent of their output

to the Zimbabwe Power Company's thermal power stations.

The foreign currency that ZESA is receiving from the exporters for electricity consumption was being channeled to import power.

At present, Zimbabwe imports power from regional utilities such as Eskom of South Africa as the country's power generation capacity was depressed.

Last year, Eskom cut off power exports to Zimbabwe over an US\$80 million debt, which the government has since cleared paving way for fresh power import negotiations.

The country requires about 2200MW of electricity but currently generates under 1000MW.

The subdued generation is largely due to lack of investment in new power projects in recent years as ZESA was forced to operate with antiquated equipment at its power stations.

Due to depressed generation capacity, critical sectors of the economy such as manufacturing, mining, and agriculture have had to grapple with electricity challenges, whittling down their production capacities.

However, the government has embarked on a major expansion project of its existing power stations such as Kariba, and Hwange with a view of boosting the operational efficiency of the power plants. Coal intake at the country's thermal power stations is expected to increase as a result of the rehabilitation and expansion projects being undertaken or planned by ZESA.

The Zimbabwe Energy Regulatory Authority has since 2010 licensed over 70 Independent Power Producers as part of a broader scope to improve electricity supply into the economy.

However, not much power being generated by the IPPs is being fed into the national grid as the projects were still at different stages of development.

# Miners appeal for subsidised roller meal



*Artisanal and small-scale miners in Gwanda, Matabeleland South, have appealed to the government to allocate them the subsidised roller meal as they were struggling to access the commodity in the shops.*

Zimbabwe is under an indefinite Covid-19 national lockdown, and as part of the measures to enforce it, mining workers were directed to “remain within the precincts of their accommodation at workplaces for the duration of the lockdown.”

Workers are also expected to observe social distancing. In response to the ongoing Covid-19 induced national lockdown and to ensure social distancing for public health safety in the fight against the COVID-19, government, through the Ministry of Public Service, Labour, and Social Welfare, is distributing subsidised roller meal to all the formal retail shops in cities and towns.

A 10-kilogram bag of the subsidised roller meal is going for \$70 while the unsubsidised one is going for \$300.

Miners who spoke to Mining Zimbabwe said they were struggling to access the subsidised mealie-meal as they spend most of their time in the bush, mining.

“We are starving to tell you the truth and the situation is not good at

all. We are struggling to access the subsidised mealie-meal in Gwanda shops because most of the time we will be in the bush,” a miner who identified himself as Nnodana Tshuma said.

Miners said the unsubsidised mealie-meal was being sold in foreign currency like the United States dollar, Botswana pula, and South African rand.

Mthandazo Women Miners Association chairperson Sithembile Ndlovu appealed to the government to intervene.

“Since workers are not allowed or restricted to leave their workplaces for the duration of the lockdown as part of measures to combat the spread of the COVID-19 pandemic, as mine owners we have taken it upon ourselves to source food on their behalf,” Ndlovu said.

“However, we are struggling to source the mealie-meal for our workers as the subsidised roller meal in Gwanda town is not easily available. Sometimes we end up travelling to areas such as Guyu looking for mealie-meal. It’s really bad because workers need to eat for them to perform.”

“We appeal to the government to intervene and at least allocate us the subsidised roller meal. Otherwise, production in mines is going to be greatly affected.”

Contacted for comment on the matter, Public Service, Labour, and Social Welfare minister Paul Mavima, however, professed ignorance, saying “we distributed mealie-meal to all parts of the country last week. I’m not sure what is happening in Gwanda.”

Gwanda falls within the dry regions of the country, receiving very little rainfall each year, which makes it susceptible to agricultural crop failures.

As such, year in-year out, the mining area is always struck by drought.

As of June 11, Matabeleland South province has recorded 45 COVID-19 cases and zero deaths while countrywide, 332 cases had been recorded with only 4 deaths.

# Zimbabwe upscales efforts to join the London Bullion Market Association



*Zimbabwe is upscaling its efforts to be readmitted to the London Bullion Market Association (LBMA) so that it optimises earnings from gold through participation on the global arena, a government official has said.*

Zimbabwe was booted out from the LBMA in 2008 following depleted gold production levels which slumped to 3 072kg tons, far below the stipulated 10 tonnes per annum required by the London Bullion guarantee membership.

However, the requirement was fulfilled in 2015 when production hit 21 tonnes.

Ever since then, the country's gold output has been on an upward trajectory, with production hitting 33.29 tonnes in 2018 before dropping to 27.66 tonnes last year.

LBMA is the largest over-the-counter gold and silver wholesale market in the world where investment banks, brokers, dealers, exchange-traded funds, jewellery companies, mining companies, refiners, and central banks, interact and trade with each other. It attracts participants from all around the world and sets twice the daily global reference benchmark for gold.

LBMA is the biggest centre for gold trading, which can potentially increase Zimbabwe's ability to sell its gold to international buyers, including its former trading partners.

In a telephone interview with the Mining Zimbabwe Magazine, Mines and Mining Development deputy minister Polite Kambamura said the government was making frantic efforts to be readmitted to the global market.

"We want as much to be readmitted to the London Bullion Market Association. The challenge that we are having now, of this pandemic, we cannot fully stretch our muscles in terms of production," he said.

"As much as we are trying our best because as of now, there are a lot of things that are affecting the industry, things like consumables and funding. The current production that we are having allows us to join the LBMA."

"So we are making efforts to reengagement with the LBMA. As soon as things normalise in terms of this pandemic, definitely, there are no two ways about it, we will be admitted," Kambamura said.

Discussions to rejoin the LBMA have been on the agenda for the last five years or so, but with little success.

Currently, the southern African nation is selling its bullion to Rand Refiners of South Africa where a levy of 0,3% is effected on the total earnings.

Kambamura admitted that the country was losing a lot by not trading in the LBMA.

"As you are aware, currently we are selling our bullion to Rand Refinery. There are costs involved in terms of fees to Rand Refinery and even on the prices we don't have that leverage," he said.

"In the LBMA we will be exposed in the international community where prices are a bit higher and also we can have investors who may be interested in coming to invest in the country especially in the gold industry, not forgetting that in our US\$12 billion milestone, we will be contributing US\$4 billion by 2023."

"So, to achieve that, we need to be readmitted on the LBMA to be on the international arena," he said.

Last year, President Emmerson Mnangagwa launched a strategic roadmap to propel the country's mining sector to a US\$12 billion mining industry by 2023

Under the mining roadmap, gold is expected to contribute US\$4 billion, platinum US\$3 billion, while chrome, iron, steel, diamonds, and coal contribute US\$1 billion.

Lithium is expected to contribute US\$500 million and US\$1,5 billion will come from other minerals.

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## Fast track the establishment of Gold Service centres



*Dosman Mangisi*

**The Zimbabwe Miners Federation (ZMF) has called on the government to expedite the setting up of gold service centres across the country to boost the production of the yellow metal.**

A gold service centre is an establishment where all the functions related to gold mining from extracting to processing and sales are coordinated from.

The Government targets to establish 15 additional gold service centres countywide before the end of the year.

At present, despite having seven mining regions, Zimbabwe only has one operational gold service centre located in Bubi District, Matabeleland North Province.

The Government announced plans to roll out a total of 20 gold service centres countrywide to boost the mineral's output as well as curbing leakages as small-scale and artisanal miners would be served by the centres.

ZMF spokesperson Mr. Dosman Mangisi told Mining Zimbabwe that his organisation was making a clarion call for the Government to expedite the setting up of gold centres saying such infrastructure plays a big part in mechanising small-scale and artisanal miners.



*V.P.C. Chiwenga Commissioning the Bubi gold centre*

"Currently, the country only has one gold service centre in Bubi that is functional; the one in Silobela is not operational due to administrative challenges.

"Basically the development of gold service centres across the country is a key focus area that government should not fold up hands but should expedite especially at this juncture when the country is looking ahead to improve gold output to 100 tonnes by 2023," he said.

Last year, the country produced 33,2 tonnes of gold against a target of 40 tonnes and the projection was missed due to a myriad of challenges facing the mining industry, among them power constraints.

Mr Mangisi said the gold service centres also play a part in the formalisation of artisanal miners' activities with a knock-on effect of increased productivity.

"The service centres are also critical in skills transfer. It particularly focuses on those miners (artisanal) who are of no fixed abode to make them of fixed abode as they get to do their operations using a particular service centre within their jurisdiction," said the ZMF spokesperson.

He said the development of the gold service centres is critical taking a leaf from other regional countries like Tanzania and Mozambique where such infrastructure has been taken seriously facilitating the formalisation and mechanisation of the small-scale and artisanal mining sector.

"Locally, the gold service centre initiative is lagging behind and if it is pushed, it will turnaround the tables."

The small-scale scale mining industry plays a significant role in the country's mining sector as it contributes more than 60 percent to total production of the auriferous resource in the country.

Turning to the recently announced gold trading framework by the Reserve Bank of Zimbabwe through the country's exclusive gold buyer, Fidelity Printers, and Refiners, Mr. Mangisi said: "The reviewed gold trading framework is a shot in the arm to the miners. As the small-scale miners are now being paid a flat rate of US\$45 per gram of their gold deliveries, they're even more than happy looking at the fact that everything (mining consumables) are quoted on US\$, it means they are now able to buy the consumables unlike in the past where 55 percent was paid in forex while 45 percent was in local currency."

# Coal bed methane gas project yet to take off - 3years later



***The planned US\$2,1 billion coal and coal-bed methane gas project by China Africa Sunlight Energy (CASE) in Gwayi, Matabeleland North province hangs in the balance due to funding constraints by the Chinese investor.***

Benard Rinomhota

The project is a joint venture between Old Stone Investments Limited of Zimbabwe and Shandong Taishan Sunlight a Chinese conglomerate intending to also establish a 600-megawatt thermal power station in the Gwayi area.

Construction of the coal mine was supposed to have begun in 2016 but the deadline has been missed due to financial challenges. Speaking by telephone, CASE community relations executive Mr. Boniface Manda said despite the funding conundrum they are facing, the proposed investment is still in the pipeline.

"So far there is nothing taking place on the ground, we are still looking for funds those guys (Shandong Taishan) who want to do the project could not raise enough funds, so they are still looking for funds," he said

Mr. Manda said officials from Shandong Taishan were expected in the country sometime in February but the visit was cancelled following the outbreak of the COVID-19 global pandemic.

He could not be drawn into revealing the purpose of the intended visit by their Chinese counterparts.

"They were supposed to have come back here in February but this Coronavirus affected the visit," said Mr. Manda.

In recent years, CASE announced that it had started clearing land for the construction of workers' accommodation and the colliery. The firm, which also intends to extract methane gas, in 2012 spent US\$20 million on exploration activities in Gwayi with results indicating that the concession has enormous coal and methane gas deposits for commercial exploitation.

If mining operations begin, the company is looking forward to producing between 1,2 million and 1,6 million tonnes of coal annually. It is also envisaged that the \$2,1 billion investment will significantly contribute to economic development through the provision of electricity to critical sectors like mining and boost production.

Zimbabwe requires 2,200MW of electricity but the country is experiencing power constraints generating less than 1,000MW.

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# Ferrochrome Industry operating at less than 10% capacity



***Zimbabwe's ferrochrome industry is operating at less than 10% capacity with one of the country's major firms, Zimasco shutting down operations due to the depressed export market induced by the Covid-19 global pandemic.***

The pandemic was first detected in China last December and the health crisis has spread across the world threatening national economies.

Speaking to Mining Zimbabwe on condition of anonymity, an official from Zimasco, said the mining concern had ceased operations because of the subdued export market.

"We closed because of the market and as of now, the ferrochrome industry is running at a very low capacity.

"We (Zimasco), are not running but others are running at a very low capacity, less than 10% the whole industry.

"This is because we export everything and the whole globe was hit by the Covid-19 pandemic, so the market is weak," said the official. Zimasco together with other producers such as ZimAlloys and Afrochine produce ferrochrome that is exported to European and Asian markets where Covid-19 has severely plagued.

Since the outbreak of the disease, the World Health Organisation reports that the pandemic has affected close to 700 million people while claiming about 418 000 lives worldwide.

Asked why Zimasco was not stockpiling chrome during this Covid-19 period, the official said:

"There isn't much money that is made from chrome and ferrochrome, so we cannot afford to stockpile.

"As a result, we are closed doing nothing regards production and smelting."

Zimasco stopped smelting operations in March and the ferrochrome producer expects to resume production once the global export market emerges from the COVID-19-induced depression.

"As you know, the market is also driven by the Coronavirus, so it depends on how people get on top of the Coronavirus and the market stabilises, otherwise at the moment the market is very weak," said the official.

Ferrochrome is also among the minerals that Zimbabwe has pinned hopes on as far as propelling the mining sector to attaining the projected US\$12 billion mining economy by 2023.

Under the US\$12 billion mining industry road map launched by President Emmerson Mnangagwa last October, the government envisages that ferrochrome, iron, coal, and diamonds will contribute a congregated US\$1 billion.



## ZMDC partners local investor to resuscitate gold mines

*The Zimbabwe Mining Development Corporation (ZMDC) has signed a joint venture agreement with an unnamed local investor to resuscitate its defunct gold mines in the country.*

Benard Rinomhota

ZMDC is a parastatal with diversified interest in the mining sector and in recent years the corporation has been scouting for local and foreign investors intending to reopen its mining operations that are lying idle.

The mines that ceased operations include those in graphite, copper, tin, emerald, and platinum. They closed due to several reasons among them a huge debt overhang.

In an interview, Mines and Mining Development Deputy Minister Engineer Polite Kambamura said:

"They (ZMDC) have signed a joint venture agreement with one local investor who will be coming on the ground soon mainly to resuscitate the gold assets.

"The investor will be announced in due course."

Recently, it was reported in some sections of the media that a prominent Harare business tycoon with interests in mining and oil, Mr. Kudakwashe Tagwirei was angling to buy four gold mines owned by the government through ZMDC. The assets comprise Sabi,



Deputy Mines and Mining Development Minister Hon Polite Kambamura Golden Kopje, Elvington, and Jena gold mines.

ZMDC owns over 20 mines dotted across the country. Eng Kambamura said the mining group was still to secure investors for its other idle operations with interest in copper, graphite...

"They are yet to find investors for other assets. The investors being sought are a combination of local and foreign," he said.

The revitalisation of ZMDC mines across the country is on Government's top priority list as it angles to achieve a US\$12 billion industry by 2023.

So far, Zimbabwe's mining sector is the largest foreign currency earner, accounting for 70 percent of export receipts.

And under the US\$12 billion mining roadmap, gold is expected to contribute US\$4 billion, platinum US\$3 billion while chrome, iron, steel, diamonds, and coal will contribute US\$1 billion. Lithium is expected to contribute about US\$500 million while other minerals will contribute US\$1,5 billion.



# Mining In Zimbabwe In 2020:

*Achievements, the good and the bad, what should be fixed, improved, and recommendations*

Zimbabwe's mining sector is expected to be one of the key drivers for economic growth this year on the back of its export generation capacity.

By Dumisani Nyoni

The industry accounts for between 12 and 15% of annual Gross Domestic Product (GDP) and the diverse mineral base has the potential to generate about US\$18 billion annually, experts say.

In this article, we will look at the achievements that have been made so far in the mining sector, the challenges, the good and the bad, as well as things that needed to be fixed or get ridden of.

## Challenges & the bad

### a) COVID-19 pandemic

The year 2020, however, started on a bad note with the operating environment extremely volatile, dampening the mining sector's full potential.

For instance, the gold sector, which is one of the largest foreign

currency earners in the country ahead of tobacco, registered a 17% fall in production to 7.18 tonnes in the first four months of 2020 from 8.63 tonnes extracted during the same period in 2019.

To make matters worse, the mining industry has been heavily battered by the COVID-19 pandemic, having lost more than US\$200 million in revenue during the first 30 days arising from a total lock-down, according to the Chamber of Mines of Zimbabwe (CoMZ). Mineral production for the second quarter of 2020 is expected to decline by about 60% compared to the first quarter, with revenue losses exceeding US\$400 million.

Gold and platinum are expected to have a loss of about US\$160 million while potential revenue loss for nickel, ferrochrome, coal, and diamonds for the second quarter of 2020 is estimated to exceed US\$100 million.

All these figures do not point to a rosy 2020.

"Most mining companies are facing reduced productivity and production due to scale down of operations on the back of lockdown in transit and buyer countries," reads CoMZ's report titled Economic impact of COVID-10 on the mining industry: Proposals for

# Mining in Zimbabwe in 2020: Achievements, the good and the bad, what should be fixed, improved, and recommendations

intervention measures.

CoMZ said the situation had been exacerbated by difficulties in securing inputs for production and replacement capital due to widespread lockdown in source markets.

## b) Corruption

Corruption is one of the biggest impediments in the mining sector. Mining claims are reportedly being allocated clandestinely or to those who are politically-connected, further putting more dents on the country's heavily battered image.

For instance, Hwange Colliery in 2016 lost \$111 million through corruption, mismanagement, reckless trading and money laundering when Mines minister Winston Chitando was the company's board chairman, according to the audit report compiled by Reynolds Tendai Muza, a forensic auditor and investigator with Ralph Bomment Greenacre and Reynolds.

Hence, corruption among other malpractices should be done away with for the mining sector to thrive.

## c) The spate of violence in the sector



Rampant violence caused by machete-wielding gangs in the artisanal and small-scale mining casts doubt on the sustainability of anticipated socio-economic development hinged on gold production.

Over the years, the government appeared to have taken a backseat whilst chaos, violence and other forms of conflict were festering in the artisanal and small-scale mining sector.

ZELA reports that Vectus Mine in Gwanda, had some machinery, water pipes, and hammer mill engines stolen during the lockdown

period. "This has forced the company to scale down its operations, reducing working hours to allow workers to complete the security process and retreat into their quarters for safety," it said.

New cases of machete gold gangs and criminals were also reported in Maphisa in Matebeleland in May 2020 where a group of seven raided Goodcow Mine armed with machetes and axes and took away 12 x 50 kg bags of gold ore.

Although violence in sector has vastly gone down more still needs to be done.

## What should be fixed/ improved?

### a) Plug leakages/address price disparities

A lot needs to be done for the mining sector to realise its full potential.

For instance, the government should plug mineral leakages by addressing payment issues. The country is losing tonnes and tonnes of gold through smuggling to other countries mainly South Africa that offer better prices compared to the ones being offered by the country's sole gold buyer—Fidelity Printers and Refiners (FPR). According to Finance and Economic Development Minister, Mthuli Ncube close to 34 tonnes of the yellow metal were smuggled to Rand Refinery in South Africa whereas President Emmerson Mnangagwa also disclosed in 2019 that he discovered that US\$60 million worth of gold was sold through informal channels to a Dubai-based company.

In a bid to please small-scale miners, FPR recently announced a gold trading framework that provided for a flat price of US\$45 per gram delivered by small-scale producers and a 70/30 framework for large scale gold producers.

The fixed rate of US\$45, however, was not responsive to gold price movements on the international market, the Zimbabwe Environmental Law Association (ZELA) points out.

On the day that FPR announced the new gold trading measures, the international market offered US\$54.8 per gram of gold, meaning the gold buyer was paying 17.88% less than what is offered on the international market bearing in mind the price can change.

*Continued on next page...*

# Mining in Zimbabwe in 2020: Achievements, the good and the bad, what should be fixed, improved, and recommendations

The price difference is quite significant, and it leaves a gap for illicit gold trade to continue thriving, ZELA opined.

As such, there is a need for the government to align prices for gold deliveries from artisanal and small-scale miners with the international market to promote transparency and responsiveness of its gold price.

But according to ZELA, a comprehensive reform package is needed to remove oxygen from the illicit gold trade by expanding focus to include legal and financial support to formalise artisanal and small scale mining.

## b) ADDRESS ELECTRICITY CHALLENGES

One of the challenges faced by the mining sector is the cost of electricity which remained high, hampering the viability of mineral producers.

Zimbabwe's gold deliveries last year surged 17% to 27.6 tonnes from 33.2 tonnes in 2018 due to power outages which intensified in June.

Due to electricity challenges, among others, the mining sector registered a 17% fall in production to 7.18 tonnes in the first four months of 2020 from 8.63 tonnes extracted during the same period in 2019.

CoMZ appealed for a reduction in electricity tariff for ferrochrome producers in light of the depressed prices and their need to remain in business in the wake of the COVID-19.

## c) FUNDING



### Mining is capital intensive.

According to CoMZ the mining sector needs fresh capital

investment to ensure that positive growth and viability are maintained. The mining body says mining companies need over US\$7 billion to recapitalise their operations over the next five years, from 2018 to 2022.

But the challenge is that local financial institutions have not been offering long term capital, making it difficult for mining companies to borrow for recapitalisation or to sustain output growth or undertake new projects.

Most of them need to replace antiquated equipment that has become inefficient and costly.

As such, the government, through FPR, should offer cheap funding for both small and big producers.

## d) CERTIFICATE ISSUANCES

After prospecting and submitting all paperwork to the Mines Ministry Zimbabweans have gone over three years and counting without receiving Certificates. This creates a breeding ground for gold leakages and creates room for Police harassment, corruption and claim disputes.

## Achievements & the good

### a) Efforts to rejoin LBMA

The efforts being made by the government to rejoin the London Bullion Market Association (LBMA) should be applauded. LBMA is the largest over-the-counter gold and silver wholesale market in the world where investment banks, brokers, dealers, exchange-traded funds, jewellery companies, mining companies, refiners, and central banks, interact and trade with each other.

It attracts participants from all around the world and sets twice the daily global reference benchmark for gold.

LBMA is the biggest centre for gold trading, which can potentially increase Zimbabwe's ability to sell its gold to international buyers, including its former trading partners.

Mines and Mining Development deputy minister Polite Kambamura told Mining Zimbabwe Magazine that they were making frantic efforts to be readmitted to the global market.

# Mining in Zimbabwe in 2020: Achievements, the good and the bad, what should be fixed, improved, and recommendations



The country was ejected from the LBMA in 2008 following depleted gold production levels which slumped to 3 072kg tons, far below the stipulated 10 tonnes per annum required by the London Bullion guarantee membership.

Being readmitted to the LBMA can potentially increase Zimbabwe's ability to sell its gold to international buyers, including its former trading partners.

## b) Fuel allocation to miners & increase of gold centres

Zimbabwe's gold deliveries surged 44% to 2.54 tonnes in January this year from 1.77 tonnes during the same period last year on the back of increased fuel allocations to miners and increase of gold centres across the country, according to FPR.

Miners need fuel for generators and other machines for dewatering processes. Hence, the commodity should be accessible and affordable for maximum returns.

However, a report compiled by ZELA notes that "access to fuel continues to be a challenge because suppliers are only accepting bond notes in cash, while Fidelity Printer the gold buying government arm is making payments in US dollars and bank transfer."

"Fuel can only be purchased by exchanging the US dollars or bank balance for bond notes. As a result, the cost of fuel is high."

## Recommendations

For the mining sector to contribute immensely to the country's GDP, ZELA said the Ministry of Mines and Mining Development must chip in by enhancing transparency and accountability in the administration of mining titles through computerisation of the long-overdue mining cadastre system.

It said ease of doing business in artisanal and small scale mining must be given priority by the government.

"For instance, the gold mobilisation committee is accused of choking artisanal and small-scale mining due to its rent-seeking behavior motivated by the knowledge that the bar of compliance for ASM is too high."

"Artisanal mining must be prioritised in the long-overdue reform of the old Mines and Minerals Act with compliance burden being distinguished with those of large scale miners," the report reads. ZELA said FPR should not only care about the golden eggs but the goose that lays them too.

Last year, artisanal miners accounted for 63% of gold deliveries to FPR.

"Arbitrage opportunities must be removed by ensuring that the gold payment arrangements for ASM and large scale miners are not differentiated except that FPR must continue paying ASGM in cash and large scale miners through bank transfers," ZELA said.

# Expedite Digitalisation to promote transparency and accountability



Mr Timothy Chizuzu

***Mining is one of the core sectors that drive in an economy. In many developing countries, it is the only realistic alternative to kick start economies and speed up general development.***

*By Timothy Chizuzu*

The mining sector is referred to as the industry of industries as it does not only contribute to gross domestic product (GDP) but to the growth of other industries such as power, agriculture, and steel. Globally, Zimbabwe is one of the many countries that is endowed with mineral resources and mining has always played an important role in the country's history of economic development. However, the country needs to lure more local and foreign investors to invest in our mining industry to revive the economy and also to meet the 12 billion mark by 2023 set by the President.

Our country needs foreign direct investment and also to boost investor confidence, the key issues which need to be addressed are transparency and accountability on the issuance of mining titles.

Transparency is used as a means of holding public officials accountable and fighting corruption, while accountability refers to the responsibility or obligation of government officials to act in the best interests of society or face consequences. Public officials should be held responsible for their actions. Legal accountability concerns the mechanisms by which public officials can be held liable for actions that go against established rules and principles.

## Digitalisation

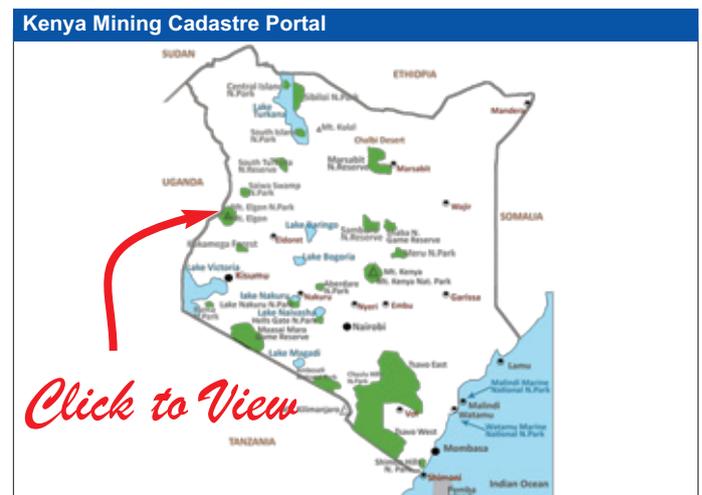
The government should speed up the process of digitisation since most of the maps used at the Ministry of Mines are torn and some you can not even read what is on them and it is very difficult for us to convince an investor to buy or peg a claim on a map which is not clear and which he or she cannot distinguish the boundaries.

Torn and unclear maps are one of the major causes of disputes in the mining industry that usually leads to over pegging and double allocation of mining claims. This affects production since people will spend much of their time attending courts which creates downtime and loss of production.

With digitisation, everyone will have access to information and if someone makes an application and over pegs, the existing mining claims the system automatically rejects the application. Also, an interested party will be able to apply from his/her consultant office and make all payments without visiting the office eliminating possible corruption, saving time, and money for travelling and hotel bills.

A good example is the case of Kenya where all mining applications and payments are done electronically reducing interactions among officials and clients this promotes transparency. I think the best way to achieve this goal is for the ministry to have a pilot project which starts from each provincial-level whereby all existing claims are put in the database before adding new ones. Provincial then to the national level where all the information is stored and managed.

We need to revive our mining industry and economy and it takes all of us leadership and people at large to find ways to archive our goals which promotes growth and sustainable development.



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# Minerals and Location found in Zimbabwe

Agate	Nyamandhlovu, Chikomba, Lupane
Aluminum	Mutare, Nyanga, Mwenezi
Amazonite	Nyamandhlovu, Rushinga
Amethyst	Nyamandhlovu, Hurungwe, Hwange, Makonde, Lupan
Antimony	Kwekwe, Bubi, Mberengwa, Kadoma, Shurugwi
Arsenic	Bubi, Shurugwi, Mutare, Gwanda
Asbestos	Masvingo, Gwanda, Matobo, Mberengwa, Insiza, Makonde, Umzingwane
Aventurine	Masvingo, Beitbridge
Barites	Kwekwe, Mwenezi
Beryl	Hurungwe, Kariba, Goromonzi, Harare, Mudzi, Rushinga, Mutoko, Bindura, Marondera, Gutu, Buhera, Bikita, Chegutu, Hwange, Mberengwa, Gweru
Bismuth	Gwanda, Insiza, Goromonzi, Hwange
Cesium	Mudzi, Bikita, Goromonzi
Calcite	Hwange, Bindura, Chiredzi, Mwenezi
Chromium	Mberengwa, Guruve, Makonde, Gweru, Kwekwe, Shurungwi, Chegutu, Kadoma, Gwanda, Insiza, Masvingo, Chirumanzu
Citrine	Marondera, Harare, Goromonzi
Clay	Harare, Bulawayo, Gwanda, Gweru
Coal	Gokwe, Chiredzi, Beitbridge, Mwenezi, Hwange, Lupane, Binga, Kariba, Hurungwe, Bikita
Cobalt	Kwekwe, Insiza, Shamva, Bubi, Bindura
Copper	Makonde, Kadoma, Mutare, Chirumanzu, Chegutu, Kwekwe, Shurugwi, Beitbridge, Gokwe, Bindura, Chipinge, Bikita, Insiza, Makonde, Harare, Bulawayo, Shamva, Chiredzi, Nkayi, Mudzi, Chegutu, Bindura, Kwekwe, Hurungwe, Bubi, Makonde, Bikita, Gwanda, Masvingo.
Cordierite	Hurungwe, Beitbridge, Chimanimani, Rushinga, Makuti
Corundum	Beitbridge, Chiredzi, Shurugwi, Marondera, Mberengwa, Mazowe, Rushinga, Insiza, Goromonzi, Wedza, Makoni
Diamond	Gweru, Bubi, Beitbridge, Binga, Mwenezi, Mutare, Chivi
Diatomite	Hurungwe
Dolomite	Mutare, Beitbridge, Makonde, Mudzi, Masvingo, Rushinga.
Emerald	Gutu, Masvingo, Insiza, Mberengwa, Hurungwe.
Feldspar	Harare, Bikita, Umzingwane, Goromonzi
Fireclay	Hwange, Chiredzi, Kwekwe, Lupane, Nkayi, Kadoma, Kwekwe
Flint clay	Mwenezi, Beitbridge
Fluorite	Hwange, Guruve, Binga
Garnet	Beitbridge, Hurungwe, Mudzi, Guruve, Rushinga, Marondera
Graphite	Hwange, Hurungwe, Kariba, Makonde
Gypsum	Beitbridge
Gold	Every district in Zimbabwe
Iron	Kwekwe, Mberengwa, Harare, Kwekwe, Buhera, Gweru, Charter, Chiredzi, Masvingo, Mazowe, Kadoma.

# Minerals and Location found in Zimbabwe

Jade	Masvingo
Kaolin	Kwekwe, Mutare, Bubi, Hwange, Kadoma, Mazowe, Harare, Umzingwane, Nkayi, Chegutu
Kainite	Hurungwe, Nyanga, Mudzi, Rushinga
Lead	Mberengwa, Kwekwe, Gokwe, Mutare, Wedza, Hwange
Limestone	Mberengwa, Gwanda, Bindura, Shamva, Mazowe, Kadoma, Umzingwane, Gweru, Chegutu, Chimanimani, Mudzi, Harare, Hurungwe
Lithium	Goromonzi, Mudzi, Buhera, Bikita, Chegutu, Hwange, Harare, Insiza, Rushinga, Mutoko, Mutare, Hwange
Magnetite	Gwanda, Nyanga, Kadoma, Mwenezi, Insiza, Buhera, Mberengwa, Beitbridge, Gweru
Manganese	Kwekwe, Gweru, Makonde, Mberengwa
Mercury	Bubi, Kadoma
Mica	Hurungwe, Rushinga, Kariba, Hwange
Molybdenum	Kwekwe, Insiza, Shurugwi, Makonde, Chipinge, Gweru, Mutare
Mtorolite	Guruve, Mutare
Nickel	Bubi, Makonde, Kwekwe, Insiza, Guruve, Shamva, Shurugwi, Matobo, Chegutu, Bindura, Gweru.
Ochre	Gweru, Kwekwe
Palladium	Kwekwe, Makonde, Shurugwi, Chegutu
Phosphate	Buhera
Platinum	Kwekwe, Makonde, Shurugwi, Chegutu, Centenary
Pyrite	Shurugwi, Gwanda, Mazowe, Kadoma, Bulilimangwe, Shamva, Hwange.
Salt	Mwenezi
Sapphire	Mudzi
Selenium	Makonde
Silica	Gweru, Kwekwe, Makonde, Chegutu, Gokwe, Harare, Goromonzi
Sillimanite	Hurungwe
Silver	Makoni, Makonde, Kwekwe
Talc	Bubi, Guruve, Insiza, Nyanga, Mutare, Mt Darwin, Mberengwa, Goromonzi, Mutoko, Wedza, Kwekwe, Makoni
Tantalum	Hurungwe, Guruve, Kariba, Mudzi, Mutoko, Shamva, Bindura, Harare, Goromonzi, Murehwa, Mt Darwin, Rushinga, Mazowe, Marondera, Gutu, Masvingo, Buhera, Bikita, Mutare, Hwange, Chivhu, Mberengwa, Chimanimani, Makoni, Insiza
Tin	Hurungwe, Mudzi, Shamva, Bindura, Goromonzi, Harare, Rushinga, Mt Darwin, Nyanga, Gutu, Bikita, Hwange, Masvingo, Mutare
Topaz	Hurungwe, Gweru, Mutare
Tungsten	Hurungwe, Kariba, Shamva, Mazowe, Rushinga, Bindura, Guruve, Mt Darwin, Harare, Mudzi, Goromonzi, Bulawayo, Insiza, Matobo, Gwanda, Umzingwane, Bubi, Buhera, Mberengwa, Kadoma, Bikita, Shurugwi, Mutare, Chipinge, Chegutu, Kwekwe, Chiredzi, Wedza, Gweru, Hwange, Masvingo, Makoni
Vanadium	Mt Darwin, Guruve, Bulawayo
Vermiculite	Buhera, Mudzi
Zinc	Kwekwe, Gokwe, Nyanga

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