

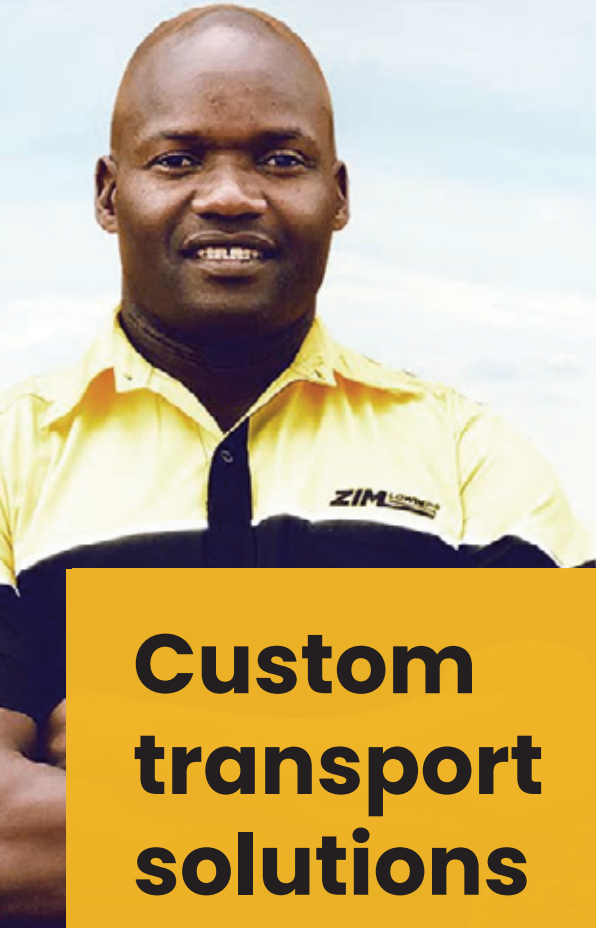
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Mining Zimbabwe premier source of Zimbabwe Mining News. Our core focus is the Zimbabwe Mining Industry, trends, new technologies being developed and used to improve this crucial sector, as well as new opportunities and investments arising from it. 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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## Covid-19 is now in the Mining Industry

This past week has seen large scale operators reporting some staff members testing positive for Covid-19. The pandemic is surging locally and as expected it was just a matter of time before it hit the mining industry.

Hwange Colliery Company Limited, Unki mine, How Mine and Fidelity Printers and Refiners all reported cases of the virus at their respective workplaces.

Perm Sec of Information and Publicity Nick Mangwana also shared a post where miners and gold buyers attended a house party in Bulawayo which about 90 attended. Five have reportedly succumbed to the disease which is now causing panic in the Industry.

Whilst large scale miners are better equipped for dealing with preventative measures to the virus more needs to be done to increase awareness in the ASM sector.

A recent visit by Mining Zimbabwe to ASM in MashWest saw workers not following recommended health and safety guidelines and zero use of PPE's. There were no temperature checks or hand sanitisers and workers shared equipment, food utensils, and traditional handshakes were observed.

This is a worrying trend that if left unmanaged will see the disease easily spreading in the ASM sector. The government should assist in the supply of PPE in the sector and scale-up efforts for the compulsory use of PPE's.

Covid-19 is real. It has now infiltrated the industry. Whilst it is natural to panic keeping safe and following WHO guidelines is the way to go...

I hope you enjoy this month's issue. Please feel free to write to us and follow us on our various social media channels for latest Mining News...

## EDITOR'S NOTE



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# MMCZ to appoint gemstone agents



*The Minerals Marketing Corporation of Zimbabwe (MMCZ) is set to appoint mineral agents for semi-precious stones to empower small-scale miners to extract and trade in the gemstones while also boosting the mining sector's contribution to the fiscus.*

Benard Rinomhota

The mining sector contributes about 70 percent of Zimbabwe's export earnings.

Recently, the government announced that it was liberalising gemstones trading to allow individuals and corporates to participate in the buying and selling of the semi-precious stones.

In an interview, MMCZ general manager Mr. Tongai Muzenda said the individuals and corporates would be appointed as agents of MMCZ.

"We have received applications from individuals and corporates who have shown expression of interest to participate in the trading of colored gemstones as agents of MMCZ.

"We are now at the stage where we are looking at appointing the agents before they can start trading," he said.

Such semi-precious stones include heliodor, aquamarine, tourmaline, amethyst, goshenite, and iolite.

The gemstones, which are used in the manufacturing of jewellery and decorative purposes are strewn all over the country in areas

such as Gutu, Mutoko, Hurungwe, Karoi, Zvishavane, Mutare and Rusape, among others.

"The agents are expected to start purchasing the gemstones working together with the producers before the end of the year," said Mr. Muzenda.

It is envisaged that MMCZ would be buying the coloured gemstones within the specified Special Grants and selling them to Minerals Marketing Corporation.

Over the years, it has been observed that the country was losing millions of dollars in potential revenue through well-orchestrated international trafficking syndicates smuggling the semi-precious stones to neighbouring countries like Mozambique and Zambia.

Moreso, it is expected that the decision to liberalise the trading of the minerals would add impulsion in curbing corruption while bringing transparency in the gemstones market.

Already, the Zimbabwe Miners Federation, the mother body of small-scale miners in the country has agreed on joint efforts with MMCZ to roll out an outreach program to curtail rampant leakages of the semi-precious minerals.

The country is endowed with vast deposits of gemstones with a value estimated at US\$20 billion.



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# Senate concerned that mining not benefiting communities



***MINING stakeholders have emphasized the need to urgently craft an Exploration Bill during a workshop for Parliamentarians on the Mines and Minerals Amendment Bill which ended recently in Mutare.***

Staff Writer

Chairperson of the Parliamentary Portfolio Committee on Mines Edmond Mkaratigwa told Mining Zimbabwe in an interview that there are several gaps in exploration in Zimbabwe. He said Zimbabwe is under-explored to the extent that this shies away investors.

Mkaratigwa said crafting of the Exploration Bill cannot be done before crafting of the Mines and Minerals Amendment Bill as it takes precedence. Therefore, he said the Mines and Minerals Amendment Bill must be crafted as soon as possible.

"There are a lot of gaps within the Mines and Minerals Amendment Bill and it is stalling crafting of other Bills like the Exploration Bill and is hampering their progress because if the country is to achieve a US\$12 billion mining sector by 2023, we need a legal framework for exploration because investors need to know how much minerals are in place because it affects their investments," Mkaratigwa said.

"The argument is that Zimbabwe is underexplored and there is need for serious exploration as we do not want people to invest in claims and they waste resources extracting nothing," he said.

Mkaratigwa said the Exploration Bill must be crafted in such a way that it is explicit on who should be responsible for exploration and

who should fund it, and for whose benefit.

"If mineral deposits are not ascertained, we might do geological surveys and say there are gold deposits at a certain place when it is just copper or a big rock. Therefore, exploration should be able to verify and determine investments on the mine, and the level of machinery which is needed to dig up those minerals. That is the kind of information that investors want," he said.

Speaker of the National Assembly Jacob Mudenda in his keynote address said one of the contentious issues in the draft Exploration Bill was the dismantling of the Minerals and Marketing Corporation of Zimbabwe (MMCZ) to pave way for the creation of an exploration company.

"I must confess that the exploration of minerals remains a sine qua non-condition precedent in the exploration of our mineral resources. Sadly, the Africa Mining Vision (2009) highlights that most African nations "lack basic geological mapping or at best are poorly mapped," Mudenda said.

He said the Ministry of Mines and Mining Development continues to



rely on old topographical maps which are barely visible, hence the need for the Ministry of Finance and Economic Development to adequately resource the Ministry of Mines and Mining Development to complete the establishment of the computerized mining cadastre system.

"It is important that we are fully knowledgeable of the quantities, location, and types of minerals which we are endowed with as a country. This information is critical during negotiations of mining contracts, without which the country becomes vulnerable to signing agreements that are heavily skewed in favour of the marauding foreign investors.

"In the process, our citizens will be nakedly prejudiced through insidious economic colonialism. I challenge the Ministry of Mines to robustly engage the University of Zimbabwe to leverage on its sophisticated information communication technology (ICT) hub for accelerated exploration of our minerals," the Speaker of the National Assembly said.



# Senate concerned that mining not benefiting communities



Some of the proposed amendments by MPs that speak about exploration in the Mines and Minerals Amendment Bill include those in clause 5 which state that the Bill must spell out the unique conditions that should attach to exploration, ownership, beneficiation, marketing, and the development of minerals.

"The Mines and Minerals Amendment Bill should set up clear and transparent guidelines on how strategic minerals are designated. The failure to do so may inhibit foreign direct investments due to the lack of clarity on the unique conditions and their implications.

These unique conditions must be known upfront before an investor commits," reads the proposed amendment.

There is another proposal that clause 42 of the Bill must deal with environmental management principles in exploration.

"The proposed section 42 (5) reads, "any prospecting, exploration or mining operation must be conducted in accordance with generally accepted principles of sustainable development by integrating social, economic, and environmental factors into the planning, and implementation of prospecting, exploration and mining projects to ensure that exploration of mineral resources serves present and future generations."

Mkaratigwa said the Mines and Minerals Amendment Bill must be tabled before Parliament during this Second Session of the Ninth Parliament, but the session is likely to end in August. It is yet to be seen if the drafting of the Bill will be completed on time.



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# Gold and platinum sectors resilient



Zimbabwe's gold and platinum sectors have shown resilience to the Covid-19 pandemic operating at full capacity in the first six months of the year, an official has said.

Benard Rinomhota

Speaking during the 2020 MineEntra virtual meeting last week, the Chamber of Mines of Zimbabwe (CoMZ) president Mrs. Elizabeth Nerwande-Chibanda said this was buoyed by the continued firming of platinum and gold prices on the international market.



Following the outbreak of the Covid-19 pandemic that was first detected in China last December, the deadly respiratory infection has plagued the entire world forcing countries to embark on national lockdown measures.

Consequently, the knock-on effect of the national lockdown measures has been an economic recession as governments sought to contain the spread of the deadly viral infection.

In the local mining sector, Mrs. Nerwande-Chibanda said the ferrochrome industry was the hardest hit during the period under review.

In May, the Zimbabwe chrome mining industry was reportedly operating at 10 percent capacity with leading producers such as Zimasco having shut-down operations.

"We have recorded significant declines during the last six months mostly on ferrochrome, smelters have gone under care and maintenance.

"But on the contrary, the platinum industry remains resilient operating at full capacity and we saw a boom in the prices of platinum and gold," she said.

At present, Zimbabwe has three operational platinum mines namely Zimplats, Mimosa Mining Company, and Unki Mines.

Commenting on the overall performance of the mining sector during the period under review, Mrs. Nerwande-Chibanda, said the sector had been adversely affected as some companies had halted expansion projects.

The net effect of suspending expansion programs would be temporary layoffs of some of the workers in the mining industry,' she said.

Mrs. Nerwande-Chibanda said as it was not conspicuous as to how long Covid-19 would exist, players in the mining sector ought to be content with the new normal.

She challenged players in the mining industry to embrace Information Communication Technology systems where necessary to lessen the challenges engendered by the invincible pandemic.

"For the past six months, we can almost say events have been unfolding at an astounding speed and this has totally changed our business and society in many ways.

"We have to re-arrange ourselves to remain in business and relevant to our operations," she said.



# Gold and platinum sectors resilient



"We have to re-arrange ourselves to remain in business and relevant to our operations," she said.

***"But on the contrary, the platinum industry remains resilient operating at full capacity and we saw a boom in the prices of platinum and gold," she said.***

"As the mining industry, one of the challenges we had, was to play a delicate balancing act in light of the Covid-19.

"On one hand, we wanted to continue with operations and to sustain national forex inflows on the other hand."

Mrs. Nerwande-Chibanda said CoMZ was excited that the local mining sector was waived from the national lockdown as it was identified among the critical and essential services.

The mining industry is one of the major economic mainstays in Zimbabwe contributing 70% to the national export earnings.

"We are happy to say that we were allowed to continue to carry on with operations.

"But the slow down in the economic activity is on the back of wide-spread slow down worldwide and this has impacted quite negatively on the entire industry (mining).

"We have even seen supply chain disruptions as most companies depend on imported raw materials.

"There have been delays in deliveries. We all know that borders have closed here and there, factories have also been closed and there has been weak demand for some base metals copper, nickel and ferroalloys," she said.

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# Zimbabwe to eliminate mercury use

*The Institute of Mining Research at the University of Zimbabwe is seized with research to establish how best the country can eliminate mercury use in gold processing by small-scale miners.*

Benard Rinomhota

Presently, Zimbabwe is among many countries that are yet to ratify the Minamata Convention of 2013 which places a ban on the use of mercury given the hazards it poses to human life and the environment.

In an interview with Mining Zimbabwe, Permanent Secretary in the Ministry of Mines and Mining Development Mr. Onesimo Moyo said the research being conducted by the Institute of Mining Research is a long-term project that the country would eventually achieve.

"At the moment research is ongoing to see how best we can address that issue in the fullness of time.

"The Institute of Mining Research is working on prototype equipment through a research project where they would then come up with a formula of processing gold without using mercury," he said. Zimbabwe is among the top 10 countries in the world that are still using mercury to process gold despite the substance's conspicuous dangers to the environment and threats to human life.

In a separate interview, a research metallurgist at the Institute of Mining Research Mr. Trust Masiya said the research to find an alternative to mercury use in the processing of gold is in early stages.

"We have two projects, and in one of the projects, we are implementing technology that is already known in the market.

"Under this project, we are testing the technology at selected mining

sites to establish how feasible it is for use by the small-scale miners in the processing of gold.

"We also have another project that we need to implement but right now the hold up is finding," he said.

In recent years, Zimbabwe has legally imported 50 tonnes of mercury annually while over 300 tonnes were being smuggled.

An official from the Zimbabwe Miners Federation (ZMF) who spoke on condition of anonymity said:

"As long as there is no cheaper and alternative to mercury use in the processing of gold, the substance will continuously find its way into the country through smuggling for use by the small-scale miners in the processing of gold.

"Also, given that Zimbabwe's small-scale gold sector has the highest number of miners compared to other regional countries like South Africa and Mozambique, eliminating mercury use in gold processing is likely to be a mammoth task," said the official.

At present, the country has over five million artisanal and small-scale miners dotted across the seven gold mining regions namely Matabeleland South, Midlands, Matabeleland North, Mashonaland Central, Mashonaland East, Masvingo, and Manicaland.

Gold is one of Zimbabwe's major foreign currency earners accounting for between 60% and 70% export receipts that come through the mining sector.

Official figures from the Ministry of Finance and Economic Development show that the country last year earned US\$3,4 billion from mineral exports.



# Policy inconsistency a hindrance to US\$12 Billion Mining Industry



***The Chamber of Mines of Zimbabwe (CoMZ) has bemoaned policy inconsistency by the government saying this can scuttle efforts to attain the envisaged US\$12 billion mining industry economy by 2023.***

Towards the end of last year, the government launched a strategic road map to achieve the targeted US\$12 billion mining industry economy.

At present, the mining sector, which is the major centerpiece of the economy contributes close to US\$4 billion to the fiscus.

Under the US\$12 billion mining road map, gold is expected to contribute US\$4 billion, platinum US\$3 billion while chrome, iron, diamond, and coal will contribute US\$1 billion.

Lithium is expected to contribute US\$500 million while other minerals are anticipated to account for US\$1,5 billion.

CoMZ president Mrs. Elizabeth Nerwande-Chibanda said achieving the envisioned result was not an easy task and thus a more coordinated and organised approach on the legal regulatory at fiscal and monetary policy should be embraced.

"It's not easy and we have been lobbying with the government in all the areas that we feel that there have been hiccups.

"And I must say since December 2019, we have had very good liason, we have been consulted on a lot of policy issues.

"But lately there has been a bit of disappointment where we have

seen a lot of policy inconsistency, so we keep engaging the government.

"And we say it (US\$12 billion) cannot be attained for as long as there is policy inconsistency," she said.

The CoMZ president said the capital shortage has also remained as one of the issues that have seen some expansion projects being put on hold by different mining firms.

"We are also aware of the inadequate foreign exchange retentions, uncompetitive prices for the surrender portion and gold has suffered a lot."

In May this year, Fidelity Printers and Refiners announced a new gold trading framework where large scale producers are now being paid 70% of the sale proceeds in forex through their Nostro accounts while remaining 30% in local currency.

With such a payment model, the miners have said they are limited to accessing the much-needed foreign currency for procuring mining consumables.

Mrs Nerwande-Chibanda also pointed out that power supply is still fragile to support operations by the mining sector.

"However, because of the little demand given most factories having closed, we saw quite a gap of recovery but this problem hasn't been quite solved totally," she said.

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# MPs emphasise on the urgency of Exploration Bill



*Parliamentary Portfolio Committee C/M Hon Edmond Mkaratigwa*

Mining stakeholders have emphasized the need to urgently craft an Exploration Bill during a workshop for Parliamentarians on the Mines and Minerals Amendment Bill which ended recently in Mutare.

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"I must confess that the exploration of minerals remains a sine qua non-condition precedent in the exploration of our mineral resources. Sadly, the Africa Mining Vision (2009) highlights that most African nations "lack basic geological mapping or at best are poorly mapped," Mudenda said.

He said the Ministry of Mines and Mining Development continues to rely on old topographical maps which are barely visible, hence the need for the Ministry of Finance and Economic Development to adequately resource the Ministry of Mines and Mining Development to complete the establishment of the computerized mining cadastre system.

"It is important that we are fully knowledgeable of the quantities, location, and types of minerals which we are endowed with as a country. This information is critical during negotiations of mining contracts, without which the country becomes vulnerable to signing agreements that are heavily skewed in favour of the marauding foreign investors.

"In the process, our citizens will be nakedly prejudiced through insidious economic colonialism. I challenge the Ministry of Mines to robustly engage the University of Zimbabwe to leverage on its sophisticated information communication technology (ICT) hub for accelerated exploration of our minerals," the Speaker of the National Assembly said.

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# MPs emphasise on the urgency of Exploration Bill

Some of the proposed amendments by MPs that speak about exploration in the Mines and Minerals Amendment Bill include those in clause 5 which state that the Bill must spell out the unique conditions that should attach to exploration, ownership, beneficiation, marketing, and the development of minerals.

"The Mines and Minerals Amendment Bill should set up clear and transparent guidelines on how strategic minerals are designated. The failure to do so may inhibit foreign direct investments due to the lack of clarity on the unique conditions and their implications. These unique conditions must be known upfront before an investor makes a commitment," reads the proposed amendment.

There is another proposal that clause 42 of the Bill must deal with environmental management principles in exploration.

"The proposed section 42 (5) reads, "any prospecting, exploration or mining operation must be conducted in accordance with generally accepted principles of sustainable development by integrating social, economic, and environmental factors into the planning, and implementation of prospecting, exploration and mining projects in

order to ensure that exploration of mineral resources serves present and future generations."

Mkaratigwa said the Mines and Minerals Amendment Bill must be tabled before Parliament during this Second Session of the Ninth Parliament, but the session is likely to end in August. It is yet to be seen if the drafting of the Bill will be completed on time.



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# New investor to set up gold mine in Masvingo



*Mines and Mining Development Minister Winston Chitando*

Mines and Mining Development Minister Winston Chitando says an investor who has shown interest to establish a gold mine in Ngundu, Masvingo province is expected to move on-site by September. Recently, the government announced that it was in talks with an unnamed investor to establish a gold mine in Ngundu.

Benard Rinomhota

"We are looking at the guys (investor) moving on-site in September to undertake that project. In terms of the Ngundu prospect, the area has been identified and a very serious investor has been identified who is expected to start a resource definition program to establish the quantum and size of the resource at the site," said Minister Chitando in a recent interview with Mining Zimbabwe.

Last October, the government launched a strategic road map to achieve a US\$12 billion mining industry by 2023.

To attain the set target, the Government believes in the need to re-open mothballed mines and investing in new mines. Zimbabwe is endowed with abundant untapped mineral deposits ranging from gold, platinum, diamond, coal, chrome, lithium, and coal-bed methane gas, among others.

Through the "use-it or lose-it" policy, the government has vowed that all mining concessions lying idle for speculative purposes would be repossessed and allocated to serious investors. Repossession of such mining titles across the board is expected to begin this month and under the first phase of the exercise, more than 200 claims will be ceased.

"I really want to urge all those who own mining concessions that we are now implementing the use-it or lose-it policy.

"If you are not using the mining concession, we are getting it back.

"We have some mining concession dating back to 1910, 1972, it's now a thing of the past. Any mining concession that is not being utilised in terms of the provisions of the Mines and Minerals Act it will be repossessed by government, said Minister Chitando.

The mining sector remains Zimbabwe's key foreign currency earner contributing significantly to the fiscus and Gross Domestic Product (GDP).

Meanwhile, six new investors have been granted coal-bed methane (CBM) special grants by the government in Matabeleland North province to tap into cleaner fuel for electricity generation. The companies include Tumagole of South Africa, Sakunda Holdings, and Shangani Energy Exploration (SEE), which is owned by Chinese steel giant, Sinosteel.

Already, some of the investors undertaking CBM exploration activities in Lupane and Gwayi areas of Matabeleland North include Discovery Investments and Liberation Mining.

It is believed that the country is overwhelmed by huge deposits of untapped coal-bed methane gas in Hwange, Lupane, and Gwayi but their commercial viability has not yet been supported by geological information.

# Order! Portfolio Committee On Mines Chairperson's Update



*Portfolio Committee On Mines Chairperson: Hon Edmond Mkaratigwa*

During the interview with this magazine previously, I hinted at our commitment to keep updating the mining community regarding the Parliamentary Portfolio Committee on Mines and Mining Development business.

By Hon Edmond Mkaratigwa

The Portfolio Committee henceforth referred to as the Committee is concerned with the delays in completion of the Draft Mines and Minerals Amendment Bill. That Bill was returned to Parliament by The President of the Republic of Zimbabwe, His Excellency Cde E. D. Mnangagwa. By way of background, along with the separation of powers doctrine continuum of practice, Zimbabwe's parliamentarianism is located on the extreme hybrid side known as Semi-Presidentialism. In this New Dispensation, the Select or Portfolio Committees as delegates of the Committee of the Whole House are fighting to regain parliament's space that had become over-stepped by the former executive.

In brief, the Bill was returned to Parliament without the Presidential Assent because of a number of reasons. Those include the need for our laws to align with aspirations of the New Dispensation as articulated in the Vision 2030 strategy. Further, the interim milestone of achieving the US\$12 billion mining sector target by 2023 is to a greater extent tied to the imperative legal framework. As a result, the Committee held an inquiry on 14th July 2020 seeking an explanation on the progress made towards completion of the Draft Mines and Minerals Amendment Bill that is anticipated to give

further impetus to the fight against corruption and towards addressing mining title disputes which are a reflection of lack of transparency and accountability in the sector.

That Inquiry has been a follow-up on resolutions that were arrived at in Kariba in 2019. There the Committee together with its stakeholders agreed to have completed working on the Mines and Minerals Amendment Bill by 20th October 2019. The work is supposed to lead to the Use It or Lose it Principle but no significant strides have been made regarding finalising the draft Bill. It appears the Bill is being overtaken by other newer Bills in terms of prioritisation hence the Committee is unhappy with the slow pace and level of seriousness with which the Bill is being treated. Having noted the snail's pace with which the process is moving, the Committee even established a Steering Committee to ensure agreed deadlines would be met according to schedule but alas, the yields are not pleasing due to limited successes on the part of government's drafting organ that is mainly citing human resource inadequacy.

The Committee is engaging its stakeholders once more with the intention of revitalising the target, recommitting and guaranteeing that clogs are removed along the way towards achieving the mining sector vision which should progressively inspire more confidence to investors for the public good.



## Order! Portfolio Committee On Mines Chairperson's Update

Parliament is ready and the President in his State of the Nation Address during the Official Opening of Parliament chanted the legislative agenda through which Parliament as the midwife in that regard is itching to have the long-awaited Bill finalised. The Committee has therefore rescheduled another planning Indaba to make sure that this time around the frustrations witnessed to date do not happen again. Last week the committee engaged its stakeholders through a workshop that was held in Mutare and success in having the Bill brought back to Parliament is all the committee expects to yield. Our approach as a Committee has been that of communication, negotiation, and continuous engagement on the aspect of the Bill and other issues such as corruption and inefficiency which appear to be untimid. Adequate time, room, and lenience has been extended to key stakeholders and thence forward behold the Committee is now flexing its muscles.

Parliament as an agency made up of the agents (parliamentarians) is usually as strong as its membership. The agents are in addition as powerful as their host institution, institutional limitations, and flexibilities, as well as the competing principals' support mechanisms and disincentives. The main principals for parliamentarians are the electors as well as the different delegator agencies. Both groups agree that one of the primary foundation blocks for Zimbabwe's economic development lies to a greater extent in the mining sector. Many times the Committee has also noted and reiterated the need for urgent implementation of the Computerised Cadastre System whose key is the Bill that the Committee is also pushing among other advocacy groups. That Bill has the potential to promote both small scale and large scale miners as well as peggers who are complementarily the backbone of the mining industry in Zimbabwe.

The institution of Parliament as the agency has supported the Committee to the extent that when budgets had dwindled and during the initial COVID-19 lockdown period, it was given the green light to always sit while most of the committees' business was in suspension. There is again a time when Parliament's Budget was dwindling and the Committee on Mines' business and in particular resources for public inquiries on the Mines and Minerals Amendment Bill were set aside and the draft program was already approved. Those are the inconveniences suffered by the Committee and Parliament as the main Committee. Such bounded rationality is common with agents but the cost is cascading to the electorate and to the dignity of the whole House which this Committee among others should redeem through continuous initiative and reverting to other more effective and coercive options at its disposal

exceedingly above mere verbose and perceived babelism.

Parliamentarianism is an old concept but with the new challenges and demands placed on parliamentarians as agents of the masses who form part of the electors and appointors, old traditions may act like the biblical new wine in old skins which may not always remain sustainable. The economic challenges facing the country like the king's business further requires haste and the Committee has gathered momentum to succeed in this collective national ambition to grow the economy. The importance of the urgent development, approval, and operationalisation of this law cannot be over emphasised. Its significance is being echoed in all platforms. The significance includes the notable room for protecting private property rights of both large scale and growing or former small scale mines which we hope are not static but transitioning, and the regulation of often adverse farmer miner property rights relationship.



# Expedite ASM Formalisation and regulation to curb smuggling and increase revenue

The Zimbabwe Miners Federation (ZMF) has called on the government to expedite the formalisation and regularisation of the small-scale miners' operations to curb smuggling and increase revenue to the fiscus.

Benard Rinomhota

In an interview, ZMF chief executive officer Mr. Wellington Takavarasha said the formalisation of the small-scale mining

industry has been talked about for a long time now and thus it was imperative to move with speed to complete the exercise.

"This needs to be expedited and stakeholders like Fidelity Printers and Refiners (FPR) have actually written to the government to say they are ready to assist in the formalisation process.

"And if we remain not regularised, the government continues to lose lots of money to illicit trade of gold," he said.



The artisanal and small-scale mining industry has more than 500 000 members across the country.

"You are quite aware that people are being arrested for smuggling gold because we have quite a huge chunk of people that are not registered," said Mr. Takavarasha.

In the recent past, there have been reports that the country has been losing the yellow metal through smuggling to neighboring countries such as South Africa where gold offers favorable price.

Finance and Economic Development Minister Professor Mthuli Ncube recently said the government was also aware that the country's gold was being smuggled to Dubai through South Africa.

In this context, he said the government was putting in place measures to curb gold leakages.

Such initiatives include the setting up of 20 gold milling centers across the country to facilitate the processing as well as the recent increase in the buying price of the yellow metal by FPR.



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# Miners yet to access \$1 bln credit facility



***SMALL scale miners are yet to access the \$1 billion credit facility aimed at reviving their operations affected by the outbreak of the global COVID-19 pandemic.***

On May 1, 2020, President Emmerson Mnangagwa announced an \$18 billion economic stimulus package to scale up production in all sectors affected by the COVID-19 pandemic.

Out of the \$18 billion, a total of \$1 billion was meant to support a credit facility to incentivise investment in large scale and small scale mining and speed up implementation of a computerised cadastre system.

But three months down the line, miners are yet to access the fund.

"Nothing has happened yet. We have presented our budgets to the Ministry of Mines and Mining Development as well as the Ministry of Finance but nothing has happened," Zimbabwe Miners' Federation Chief Executive Officer Wellington Takavarasha, whose organisation represents all small-scale miners in the country, said.



In its mid-term budget and economic review analysis, Zimbabwe Environmental Law Association (Zela) said it seems the government was not adequately prepared to roll out this program in the mining sector as "there is no progress to talk about since the 1st of May 2020 when it was announced."

Zela is a public interest non-governmental organisation that seeks to promote environmental justice, sustainable and equitable use of

natural resources, democracy, and good governance in the natural resources and environment sector.

According to the mid-term budget and economic review, the resources are already being disbursed to all key areas but the government did not share information on the criteria it has used to allocate the funds to the mining sector and how the priorities are linked to the \$12 billion mining strategy.

In its analysis at the end of May, Zela noted that the funds allocated to the various sector of the economy including the mining sector were losing value rapidly due to the continued depreciation in the value of the local currency.

"Now that the amounts have depreciated further before their use, one would have expected the government to increase the funding commitments to generate a meaningful impact on reviving production in the mining sector," the organisation said.

"Key raw materials needed for mining production require foreign currency and any delays in the implementation of the policy in targeted areas means that the \$1 billion will not make any major difference as the local currency continues to lose value," it said.

Mining is one of the country's biggest foreign currency earners.

As a means to further growing the sector, the government has since put some strategies to achieve a US\$12-billion mining sector by 2023.

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 US\$500 million while other minerals will contribute US\$1,5 billion.

But without financial support, it could be hard to achieve the vision.



# Mining laws must promote transparency and accountability TIZ



*The poor performance of the mining sector in Zimbabwe has been attributed to the archaic Mines and Minerals Act, which currently does not address issues of revenue management, transparency, and accountability in the sector.*

This was disclosed by the Transparency International Zimbabwe in their recent paper titled US\$12 billion Mining Economy by 2023: The Key Enablers.

They also attribute a lack of political will as one of the reasons behind the lack of transparency and accountability in the mining sector.

"The poor performance of the sector has been attributed to the archaic Mines and Minerals Act of 1961 which has failed to address issues of transparency and accountability, revenue management and environmental and community engagement," the TIZ paper said.

"Despite political pronouncements captured in 2019 and reiterated in the 2020 national budget, Zimbabwe has been hesitant to join the Extractive Industries Transparency Initiative (EITI). Further, a domestic version of EITI called the Zimbabwe Mining Revenue Transparency Initiative (ZMITI) which was launched in 2011 with the aim of promoting the disclosure of mineral revenues and payments was shortlived due to lack of political will," they said.

The TIZ said a US\$12 billion economy by 2023 from the mining industry represents a 344% increase from US\$2, 7 billion registered in 2017.

They said the current challenges in the Mines and Minerals Act include that the law in its current form considers artisanal and small scale miners (ASM) as informal and criminals.

"The lack of proper definition of this form of mining has resulted in policy inconsistencies over the recognition of ASM leading to its growing informalisation. Moreover, the mining sector is characterised by excessive investment incentives including provisions for carrying over losses indefinitely.

"Such incentives, apart from the harmful tax holidays limit the capacity of the state to benefit from the sector. The lack of policy clarity and potential conflict between mining and agriculture over access to land and mineral exploitation further undermines the potential of the sector to contribute to sustainable development."

Currently, the Mines and Minerals Act gives precedent to mineral exploration and exploitation ahead of agricultural usage, which has disrupted agricultural activities, which TIZ says creates opportunities for corruption and conflict.



# Mining laws must promote transparency and accountability TIZ



"The mining sector is further characterised by the unequal distribution of revenue between the central and local governments. The local governments are entitled to unitary tax which is charged per unit comprising of 10 unskilled labourers. The bulk of the revenue is distributed through the national Treasury leaving the mining communities worse off.

"The opacity in contract negotiations limits the ability of the state and communities to benefit from the sector. The opacity of these contracts leads to tax evasion and avoidance, which drain the country of the much-needed resources," the TIZ said.



In their recommendations, TIZ said the government must expedite enactment of the Mines and Minerals Act to address transparency and accountability issues. They said ASM must be

formalised and decriminalised, and incentivised.

"By joining the EITI government will be committing itself to ensure full disclosure of information along the mineral value chain from how extraction rights are awarded to government revenues and how the public benefit from the sector," the TIZ said.

They said the government should avail details about those who own extractive companies in the country and the ultimate beneficiaries.

"Government must desist from giving harmful tax incentives and abolish the indefinite carrying over of losses in the mining sector. They should incorporate into contracts provisions that impose obligations on the mining companies to respect human rights of the highest standards of environmental, social, and health protection consistent with the United Nations Guiding Principles on Human Rights. This will create the basis for mining communities to report wrongdoing and assure them of prosecution of companies that violate human rights," the TIZ said.



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# Government urged to support local geologists



Zimbabwe Prospectors Association President Mr. Samson Dzingwe has urged the government to support local geologists in order to improve exploration in the country.

Rudairo Dickson Mapuranga

It is a fact that Zimbabwe is hamstrung by lack of exploration, the creation and continued support of Exploration Prospecting Orders (EPOs) by the government through the Ministry of Mines is an attempt to improve the country's geological maps. However, many EPO holders are now being accused of holding on to these EPOs for speculative purposes thereby disadvantaging local small to medium miners who would want to peg claims.

According to Dzingwe, the government should abandon EPOs held for speculative purposes and come in to support local companies with state-of-the-art exploration equipment.

Dzingwe said that the government should have a firm control on all exploration activities in the country to avoid geological data theft by foreign firms who are in the habit of fleeing the country before handing over geological data.

He said the idea of EPOs should be abandoned to create a more favorable exploration that will be done by the government province by province in partnership with a serious local investor in order to

boost the country's geological maps.

"Government must abandon speculative E.P. Os, the reason being speculative E.P.Os holds up vast minerals land for a speculative purpose which in no way benefits the nation but individual companies on the expenses of the whole nation. These speculative E.P.Os block or closes business of artisanal small scale miners, abort, and extinct them with time.

Speculative E.P.Os brings no inclusivity and coexistence of all stakeholders concerned. The government must do it's on exploration strategically, systematically, sporadically stage by stage, I mean province by province. The government must just acquire state of art exploration equipment to make that dream come true.

Whilst doing that certain land must be precluded from blanketing thus why I said, systematically, sporadically, stage by stage, province by province to benefit, promote and empower artisanal small-scale miners. The government must partner with serious investors after acquiring their own exploration data to improve its bargaining power, avoid, sabotage, speculation, falsification, stealing, or withholding of exploration data by individual companies as history reminds us. The idea of blanketing or carpeting whole country with speculative E.P.Os is against national interests and development of our country thus retrogressive." Dzingwe said.



# Government urged to support local geologists



Dzingwe's remarks have been supported by RIOZIM's chief geologist Mr. Patrick Takaedza who said that the government can fund exploration the same way the government has been supporting local farmers.

Takaedza said that in other countries exploration is funded through stock exchange however Zimbabwe Stock Exchange has no capacity to finance exploration activities in the country therefore the government can cheap in to help. He said there should be criteria, strict vetting, and assessment in order for the government fund to be successful. Then progress reporting and monitoring by the Ministry of Mines through the department of Geology.

Takaedza said that the reason why the government-owned Mining Promotion Corporation is failing is due to lack of resources, to him, the MPC can be successful if it is well funded by the government.

"In the same way, they have assisted local farmers they have to assist to Mining industry too In developed countries exploration funds can be raised on the stock exchange the ASX in Australia or the JSE in SA. You can't do that here in Zimbabwe on the ZSE. By the way, the Ministry has an exploration branch called MPC - Mining Promotion Corporation that has been largely unsuccessful because it is not well resourced." Takaedza said.

However, renowned geologist Mr. Kennedy Mtetwa blasted the idea of government-funded exploration saying the country does not have the capacity to fund exploration activities when it was failing to

import fuel and other basic commodities.

Mtetwa also said that the fact that the government is failing to fund the Ministry of Mines is a clear indication that such initiative can't happen anytime soon in Zimbabwe.

"How does the government fund exploration which is expensive and is not a guarantee that you will find an economic deposit when the government doesn't have enough to import fuel and pay civil servants? Nowhere in the world does governments fund exploration because it's high risk. It's for tier 1 and 2 exploration and mining companies who can easily write off USD 50 million if they don't find a deposit. Exploration is not a joke. People talk about it whilst having zero knowledge of what exploration entails and the risks and costs related. The government can't fund the ministry of mines adequately how then do you ask if they can fund exploration? There are not enough geologists at the Geological survey due to no funding." Said Mtetwa.

On the other hand, Dzingwe disagreed with Mtetwa's remarks saying that the reason why the mining sector is failing to receive funding from the government is due to misplaced priorities.



# Financing the mining industry after Covid-19



***Fidelity Printers and Refiners (FPR) predicts that in the post-COVID-19 period the mining industry will have a strong appetite for short to long-term financing to capacitate operations.***

Benard Rinomhota

Before the outbreak of the Covid-19 pandemic which was first detected in China last December before it spread across all the continents, the local mining industry required US\$1 billion to revitalise operations.

Speaking during the 2020 Mine Entra virtual meeting last week, FPR head of the Gold Development Initiative Fund Mr. Matthew Chidavaenzi said the pandemic has brought adverse economic shocks reducing accessing to markets leading to loss of revenue.

"In the post-COVID-19, there is going to be a significant push for short to long term finance to bridge cash flows, support expansion projects, add production and restructure balance sheets," he said.

However, Mr. Chidavaenzi said the country has limited access to internal capacity to support the mining industry working capital and thus it was critical to have a stimulus funding.

Unanimously, he said it was also imperative for the country to attract offshore capital.

"It's also important to realise that the global markets have taken a huge knock due to the pandemic.

"Obviously, our hope lies in the fact that our gold has remained one of the hedging asset class of choice for most investors, hence we expect demand to continue outstripping supply," said Mr.

Chidavaenzi.

Prior to the outbreak of Covid-19, the country's local mining industry required about US\$1 billion to re-equip, finance expansion plans, and operations.

"We also speak about US\$250 million for the next three years but what has Covid-19 done, it brought adverse economic shocks and the general scaling down and mothballing of operations," he said.

The other challenge likely to continue facing the mining industry after the pandemic, Mr. Chidavaenzi said would be power constraints.

Before the advent of Covid-19, power supply in Zimbabwe has generally been erratic and unreliable due to generation constraints by the country's power utility Zesa.

"In the post-COVID-19 period, we expect a gradual increase in industrial activity leading to demand for power outstripping supply, and we are likely to return to power outages which will have a negative impact on the mining industry," said Mr. Chidavaenzi.

Zimbabwe's electricity generation constraints have largely been engendered by a lack of investment in new power projects.

Against this background, the government through the Zimbabwe Energy Regulatory Authority has since 2010 licensed over 70 independent power producers to set up electricity generation projects.

However, the country continues to experience power supply challenges as the power projects are at different stages of implementation.

In addition to the IPPs projects, the government has also been expanding and rehabilitating the country's existing power plants such as Hwange Thermal Power Station and Kariba Hydropower plant.

Currently, Zimbabwe's demand for power hovers around 2000MW but due to the aging of the power generation plant equipment, the country is producing far below the national requirement.



# Miners detained for travelling after curfew. Police clarify



*National Police spokesperson Assistant Commissioner Paul Nyati*

***Some small-scale gold miners in Maramba, Mashonaland East were on Sunday briefly detained by police for traveling at night despite the mining sector being exempted from the national lockdown regulations and the curfew order.***

On July 21, President Mnangagwa announced further strict national lockdown measures and imposed a curfew to curb the spread of the rising cases of Covid-19 pandemic, while exempting essential services from the lockdown measures and curfew.

Such essential services include the mining sector from which registered miners fall and to promote their activities during the national lockdown and curfew period, all registered miners are required to obtain exemption letters from the Ministry of Mines and Mining Development.

The curfew runs from 6 pm to 6 am.

Speaking to Mining Zimbabwe, some of the small-scale miners who spoke on condition of anonymity said despite carrying exemption letters from their parent ministry, they have been detained by the police for traversing at night on mining business.

"We were transporting our mining consumables from Harare to Maramba in Mashonaland East on Sunday, but because our truck developed a mechanical fault while in Harare, we ended up traveling at night.

"While we did not encounter any challenges along the way, trouble started when we got to Mutawatawa Business Centre where we

were detained by the police for travelling at night," said one of the miners.

He said police at Mutawatawa Business Centre detained them from 8 pm to around 2 am.

Another small-scale miner who suffered the same fate said chances are high that there are also fellow miners around the country who are facing the same predicament and called on the law enforcement agents to take into consideration that the mining sector falls under the essential service.

"If more investigations could be done, you would find out that there are also fellow miners elsewhere across the country who have faced the same predicament as us. We are, therefore, making a clarion call to the law enforcement agents not to detain us for moving around at night on mining business as long as we carry with us proper documentation," said the miner.

Contacted for comment, national police spokesperson Assistant Commissioner Paul Nyati said the country is under national lockdown and curfew order, and thus the miners prior to their night movements at night, should seek clearance with local police.

"Remember, the country is under national lockdown and curfew order. Should there be any issues, genuine issues must be redressed with their respective local Officer In Charge and local Officer Commanding District prior to their traveling at night," he said.

Meanwhile, the deadly contagion which was detected in the country in March has as of Tuesday killed 80 people from over 4 000 confirmed cases.

Under the strict lockdown measures, public gatherings for social, religious, or political purposes remain banned with funeral gatherings also remaining curtailed. The measures are expected to be reviewed once the situation improves.

# 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, Shurugwi, 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