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WRITERS/ JOURNALISTS

Rudairo Mapuranga - rudairomap@gmail.com
Shantell Chisango
Anerudo Mapuranga
Keith Sungiso
Dumisani Nyoni

CONTRIBUTORS/ GUEST WRITERS

Hon Edmond Mkaratigwa
Dr Albert Maipisi
Sharon Tsuro
Lyman Mlambo

SALES & ADVERTISING

Kelvin Sungiso
kelvin@miningzimbabwe.com
Cell/Whatsapp: 0775523000

PUBLISHER
Timelison Media (Zimbabwe)

ABOUT PUBLICATION

Mining Zimbabwe is the 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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MANGUDYA: The "Golden Knight" in shining armour


Keith Sungiso

EDITOR'S NOTE

The small-scale gold mining industry in July received progressive news from a very unlikely source in the form of the Reserve Bank of Zimbabwe Governor.

The Reserve Bank Governor Dr John Panonetsa Mangudya in July told the National Assembly Portfolio Committee on Environment, Climate and Tourism that all artisanal miners will soon be required to be registered as part of efforts by the government to formalise their operations, curb illegal gold dealing and protect the environment.

This move is what the industry needs as the Mines and Mining Development Ministry seems to be struggling judging from only 16% of total miners registered by the Ministry.

The move is what the country currently needs to right some of the ills that emanate from operating without requisite paperwork. The talk of gold smuggling has been topical for some time now with most quoting minister Kazembe-Kazembe's statement "100 million worth of gold being smuggled out of the country monthly".

The unfortunate reality is the press and people outside mining do not know the root causes that need to be fixed to effectively curb smuggling.

The majority of artisanal and small-scale mining activities operate informally, which means they take place illegally without the required licences and permits. Why in Zimbabwe expect all gold to move into formal channels when over 80% of miners mine informally boggles the mind. An illegal miner is similar to a thief as they are taking what they are not allowed to. Expecting a thief to bank what they have just stolen is twaddle as it is likely if caught all proceeds will be forfeited to the state. Just a few issues need to be resolved for government to realise the full benefits of gold in Zimbabwe.

1. Make it a culture to register all ASM miners (Formalisation/ let miners mine freely).

2. Let FPR pay the USD cash on delivery.

3. Pay the international going rate or a little less like what's happening now.

4. Introduce as many Fidelity buying centres as possible *(Gold rich Chegutu doesnt even have a FPR buying centre).*

Dr Mangudya deserves the Zimbabwe Order of Merit (medal of honour) for such a move as it will likely:-

· Help promote better working practices and conditions.
· Reduce negative environmental impacts of activities.
· Prevent and helps to better manage conflict associated with encroachment of miners and operations onto other mining concessions.
· Support ASM to become an engine of enterprise and growth leading to higher government returns and job creation and stability.
· Enable government to capture the revenues and tax from ASM activities.
· Is an essential first step to transforming ASM into a sustainable livelihood activity.
· Reduces criminality and criminal elements associated with some ASM activities.

Whether you are just an information junkie or a potential investor, this is the publication to read, we have all things mining covered for you all in one place. We love to hear from you, so feel free to leave your comments on our social media pages and you can also write to us on info@miningzimbabwe.com. Enjoy the read!

K Sungiso

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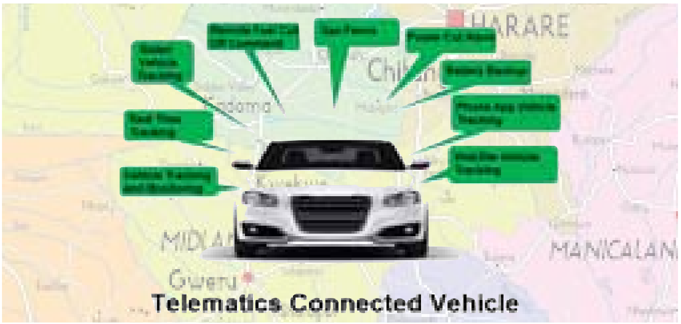

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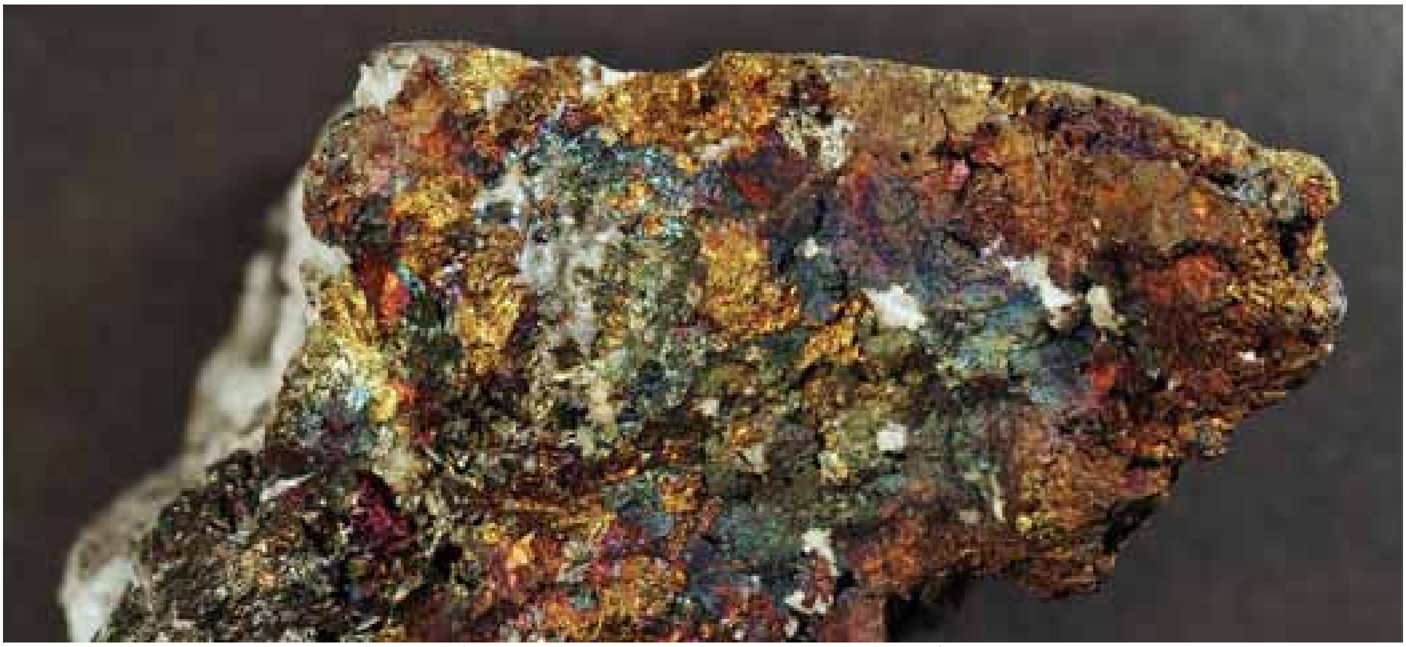
Arcadia confirms Rare Earths presence



Australian Stock Exchange-listed mining and exploration junior Prospect Resources s has identified two significant sized rare earth elements (REE) anomalies at its Chishanya Carbonatite Project in southeastern Zimbabwe, the company's Managing Director Sam Hosack has said.

Rudairo Mapuranga

According to the company, the deposit was a known source of apatite hosted phosphate but was previously untested for REE.

Prospect said the project still has phosphate potential despite the metallurgical test work by Vast Resources indicating the difficulty in extracting the phosphate economically.

"The project, though undoubtedly primarily prospective for REE, also still has phosphate potential. Despite the metallurgical testwork by African Consolidated Resources (now named Vast Resources plc) indicating the difficulty in extracting the phosphate economically, this test work was limited in scope and the grades do compare favourably with the Dorowa mine, located 100km to the north.
"At Dorowa, the Industrial Development Corporation is currently mining rock phosphate at 6.5% to 8% P2O5, from a similar carbonatite," Prospect Resources said.

According to the company Managing Director, Sam Hosack, the discovered REE potential at the Chishanya project gives Prospect the zeal to explore potential REE targets in the region that are yet to be explored.

"We are excited by the soil sampling results as an initial indication of Chishanya's potential to be a Rare Earth Element Project. Based on these results, we have exercised the option on the adjoining ground to bulk up the project with a view to undertake further exploration and evaluation."

"While our core focus is on the development of our flagship Arcadia Lithium Project, Chishanya offers a November 2018 niche opportunity to evaluate the REE potential of this ground and to also assess other targets in the region that have never been explored for REE on this basis before."

These results of moderate tenor from two well-defined anomalies, in an area of a limited surface outcrop, likely indicate the presence of sub-surface mineralisation and significant extra potential at depth. The average soil value of 775ppm represents a value almost five times greater than the crustal average of REE. Chishanya exhibits no signs of supergene concentration within a laterite that is often caused by tropical weathering.

The considerable lithological variation seen at Chishanya is typical of carbonatites, and this leaves considerable scope for the concentration of REEs at differing levels within the project.

In short, there is considerable potential for concentration on various REE combinations which have no current surface expression.

The central Ce, La anomaly, with significant Nd and Pr, could represent the edge of a much larger multielement deposit. There is also the potential for peripheral Nb (niobium) and of course, the historically defined phosphate REE mineralisation tends to be concentrated in late carbonate phases such as ferrocarbonatites (ankerites) or coarse calcio-carbonatites (sÖvites) forming central breccia zones, ring dykes or cone sheets. They can also form distally to the carbonatite, along faults in the country rocks.

By their nature carbonatites are geologically complex and require detailed investigations to understand their geology and mineralogical distribution. However, Chishanya certainly shows lithological affinities to other carbonatites worldwide that are host to significant REE and Nb deposits. Notable examples include Chilwa in Malawi and Mount Weld in Australia.

The soil sample program has identified statistically elevated values and anomalies from the following four oxides:
- Cerium Oxide (CeO_2) – 84 significant values (>615ppm), three of these anomalous (>2,455ppm)
- Lanthanum Oxide (La_2O_3) – 10 significant values (>440ppm), two of these anomalous (>1,135ppm)
- Neodymium Oxide (Nd_2O_3) – 36 significant values (>500ppm), three of these anomalous (>730ppm)
- Niobium Pentoxide (Nb_2O_5) – 6 significant values (>430ppm), two of these anomalous (>1,430ppm)

Nickel, gold constitute 54 percent of total exports

The Zimbabwe National Statistics Agency (ZimStat) has revealed that the value of Zimbabwe's total exports clocked US$486,8 million in May this year, signifying a marked increase of 9,5% from $444,7 million earnings realised in April with nickel mattes, ores and concentrates and gold realizing a total of 54,7% in total export earnings.

Rudairo Mapuranga

The mining sector is Zimbabwe's largest foreign currency earner, accounting for an average of 70% of the country's export receipts.

Mining is expected to contribute significantly to President Emmerson Mnangagwa's vision for the country's economy to become an upper middle income by 2030 through the National Development Strategy 1, (NDS1). The sector is also expected to become a US$12 Billion annual earner by 2023 for the country to achieve vision 2030.

The Government, in partnership with foreign investors, has made significant strides in propelling the mining industry with over US$1 billion expected to be invested in existing and new mines.

According to ZimStat Nickel mattes, ores, and concentrates contributed 38,6% to total exports in May while semi-manufactured gold realized 16,1 of the total exports.

However, the increase in total export earnings has been attributed to a spike in tobacco earnings since the commencement of the selling season for the golden leaf in April.

"Zimbabwe's main exports during May 2021 were nickel mattes, ores and concentrates (38,6%), semi-manufactured gold (16,1%) and these minerals constituted a total of 54,7% in total export earnings. As the 2020-2021 tobacco selling season commenced, tobacco exports shot up to 21,8% in May 2021 from 9,1% in April 2021," said the national statistics agency in the latest update.

Meanwhile, during the period under review ZimStat said imports increased slightly by 2,6% to US$503,1 million from US$490,1 million in April 2021.

"Main imports in May 2021 were machinery (15.5%), fuels (12.6%), cereals (5,7%) and pharmaceuticals (3.7%). In 2021 maize excluding seed imports declined from a peak of 7.1% in February to 3% in April and 1.9% in May," Zimstat said.

In 2020 according to the Minerals and Marketing Corporation of Zimbabwe (MMCZ) Zimbabwe's mineral exports, excluding gold and silver, surged by 27%, earning the country US$2,4 billion.

Unki performance gives optimism to the achievement of US$12billion industry

Johannesburg Stock Exchange-listed Anglo American Platinum (Amplats)'s Shurugwi based miner Unki PGM production increased by 53% to 47 900 ounces giving optimism to the achievement of the US12 Billion industry by 2023.

Anerudo Mapuranga

According to Amplats, the mine's platinum production also increased by 55% with palladium production increasing by 55%.

"Unki PGM production increased by 53% to 47,900 ounces (platinum production increased by 55% to 21,500 ounces and palladium production increased by 55% to 18,700 ounces), owing to higher concentrator throughput and recovery, with no Covid-19 impact on production," Anglo American Platinum said in a statement.

According to the US$12 Billion mining roadmap Platinum is expected to contribute US$3 Billion by 2023, with gold contributing US$4 billion, diamonds will weigh in US$1 billion. Chrome, Nickel, and Steel are expected to generate US$1 billion; coal and hydrocarbons are also expected to produce US$ 1 billion. Lithium at the moment is expected to produce US$0.5 billion while other minerals are forecast to produce US$1.5.

According to the Minister of Mines and Mining Development Hon Winston Chitando revenue from Zimbabwe's platinum sector is expected to exceed US$3 billion by the end of next year, driven by new projects that are expected to take off at the end of this year and the beginning of 2022.

Anglo American Platinum reported no fatalities during the first half at its own-managed operations or its non-managed joint operations.

"The Total Recordable Case Frequency Rate ("TRCFR") per million hours at managed operations disappointingly regressed to 2.93 per million hours, compared to 1.71 per million hours in the prior period. The disruption caused by Covid-19 has undoubtedly had an effect. Increasing infection rates towards the end of the quarter from the third wave in South Africa have been significant within our mining and front-line supervisory employees, leading to greater levels of absenteeism and is impacting planning. These challenges are reassessed on an ongoing basis and plans adjusted to remain effective to ensure a sustained turnaround in safety and production performance".

"Total PGM production increased by 59% to 1,057,900 ounces (against prior period Q2 2020), with platinum production 59% higher at 488,300 ounces, and palladium production increasing by 46% to 334,400 ounces. The improved performance was due to a strong recovery from the prior period which was materially impacted by Covid-19. The Covid-19 pandemic continues to have an impact on working conditions, but strict protocols have been maintained, limiting Covid-19 impacts in the period to 7,200 PGM lost ounces, compared to the prior period where Covid-19 impacted production by 521,600 PGM lost ounces.

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Zululand Anthracite Colliery (ZAC)

Flexible equipment solutions for anthracite producer and exporter

Striving to find effective, flexible solutions to customers' unique needs underpinned Babcock's recent partnership with Zululand Anthracite Colliery (ZAC). Earlier this year ZAC celebrated an impressive average of 5 000 machine hours worked in the space of just one year, with zero downtime while running 24-hour shifts.

ZAC's fleet of Babcock-supplied and maintained machinery consists of three Volvo A30G articulated haulers, two Volvo crawler excavators and two Volvo wheel loaders. The machinery was purchased to manage the reprocessing of a discard dump in KwaZulu-Natal, located approximately 100 km from Richards Bay, and has worked up to 5 800 hours per individual machine since July 2017.

Owned by Menar, a mining resources investment company, the Zululand Anthracite Colliery is South Africa's sole producer and exporter of prime anthracite coal. COO of Menar, Bradley Hammond, says their purchase from Babcock is an all-round success story.

"In addition to providing us with a highly competitive price, Babcock was the only company able to fulfil our extended service warranty requirements. This cost-effective, tailored package was the ideal solution for ZAC. Babcock also provided spot-on advice as to which machinery would be the most effective and efficient, and we are currently running at full utilisation with no wastage," says Hammond.

As the mine dump is located in a remote bushland area, dealing with multiple equipment suppliers would not have been a practical option for ZAC. After a thorough assessment of the market, Babcock stood out with a comprehensive, cost-effective package that ticked all the boxes.

Hammond admits that the 10C warranty and attractive maintenance plan offered by Babcock made the package highly cost-effective in the long term.

The CAP10C extended warranty covers 10 000 hours, and Babcock's Richard Bay branch maintains the Volvo machinery through Caretrack. Caretrack allows for early detection and resolution of problems and Volvo-trained Babcock technicians are sent to site when necessary.

Hammond affirms that Babcock's Richards Bay team is the best in the business and has provided maximum value. "The Volvo fleet is a great investment for our mining operation with a fuel burn that is 20% less than competitors and equipment that is perfect for our needs," says Hammond.

Siyabonga Mathonsi, Engineering Manager at Zululand Anthracite Colliery, who played a key role in selecting the Volvo machines, adds that the equipment has performed extremely well over the past year in terms of service and ease of usability. As a result, Menar is considering expanding their Babcock-supplied construction equipment for other mining operations within their fold.

The Volvo Construction Equipment operating at ZAC is being used to mine the surface dump and transport it to a newly built processing plant, as well as clean slurry dams at the mine. Although being used for 'soft' mining, Hammond comments that the conditions have nevertheless tested the machinery's capacity and endurance. "The equipment has shown excellent performance in wet conditions, with the crawler excavators doing especially well," says Hammond.

The Zululand Anthracite Colliery has a capacity of 100 tph and is expected to wash 3 Mt of discard in the next five years. This reclamation of the long-standing discard dump will decrease the rehabilitation footprint of the colliery and produce 1 Mt of saleable product which will be made available for both inland and export market.

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Production costs going up in local currency

Large scale gold miners are currently in a quagmire due to the inability to meet operational costs, Mining Zimbabwe can reveal.

Rico Mutizhe

According to the Deputy Chairperson of the Geological Society of Zimbabwe Mr Kennedy Mtetwa operation costs in local currency are increasing due to high inflation on the parallel market and the failure by the central bank to provide all suppliers with the required foreign currency.

"Production costs are going up in ZWL yet exchange rate of 40% is staying the same," Mtetwa said.

Large scale Miners in Zimbabwe are paid 60 per cent of their exports in United State dollars while the other 40 per cent is paid in local currency at the auction exchange rate (interbank rate) with many suppliers choosing to peg their local prices against the parallel market rate which is twice the interbank rate.

Recently, diversified mining group RioZim during the first quarter of 2021 said it did not benefit from a 12 per cent increase in average gold prices due to the reduction of gold foreign currency retention threshold from 70 to 60 per cent by the central bank. The miner said the retention threshold impacted negatively on gold production by 10 per cent.

The Reserve Bank of Zimbabwe (RBZ) through its subsidiary, Fidelity Printers and Refiners (FPR) is the country's sole gold buyer and exporter in the country. In 2008, many gold producers particularly the largest that time Metallon Gold was reported to have shut down operations following due to unfavourable forex retention and failure by the government to pay them in time. Some gold mines allegedly went up to a year without receiving a single penny for their deliveries of the same year.

In 2005 gold deliveries declined by 31 per cent, in the first half of the year compared to the previous one. The Chamber of Mines blamed the administration glitches at RBZ which was delaying payments to producers for gold deliveries as well as an uncompetitive exchange rate. The official exchange rate which miners were paid for a third of their earning was blasted by the Chamber of Mines as unviable.

The Reserve Bank in 2008 paid 75 per cent of the total value of gold delivered in US dollars directly to the producers' foreign currency accounts with a balance of 25 per cent paid in local currency, this was, however, not viable as the government was always falling behind on payments to gold miners as it struggles for hard cash to import food and other basic commodities in short supply in the country.

It seems the 2008 era of an unfavourable foreign currency retention threshold has again hit the mining industry with fears that some companies will be forced to shut down operations.

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Strides made towards achieving US$12 billion mining industry by 2023

IN his 2021 mid-term budget and economic review, Finance minister Mthuli Ncube revealed that the mining sector has made huge strides towards achieving the US$12 billion mining industry by 2023, with a number of projects having been implemented.

By Dumisani Nyoni

These include the reopening of closed mines, expansion of existing mines, opening of new mines, and establishment of several processing facilities among others.

We present below a few selected milestones that have been achieved so far.

Mining Cadastre Information Management System

Ncube said outstanding payment for the purchase of hardware for the operationalisation of the automated Mining Cadastre Information Management System was made to the contractor in the first quarter of this year. He said a user verification exercise was conducted in the Mutare pilot office the Ministry of Mines and Mining Development is set to meet with the contractor to share and iron out observations made.

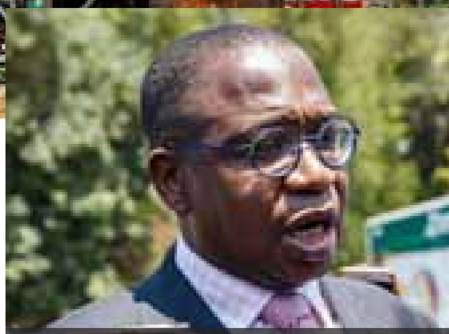
The system is supposed to unlock value, avoid double allocation of title and enhance the security of tenure. It will also eliminate the chaotic allocation of mining claims and mineral leakages that continue to bleed the country of billions of dollars in potential revenue.

Establishment of a Gemology Centre

Ncube said the country's Gemology Centre was 5% complete. So far, ZW$41 million funding has been released for project implementation to the Zimbabwe School of Mines. The implementation of the first phase of infrastructural development is now under consideration, he said.

A Gemology Centre is an office that supports the efforts of small-scale miners and traders and allows the government to capture the true value of its gemstones based on international guidelines.

Mutare City Council in March 2020 released title deeds for the 80-hectares of land in Fernhill to the Zimbabwe School of Mines to make it easier for the centre to attract foreign direct investment and achieve set targets.



Professor Mthuli Ncube

The centre is expected to feed into the diamond cutting and polishing value chain and will be subdivided into four sections—the school of gemology, which will offer training courses across the value chain; the diamond manufacturing and lapidary, which will house cutting and polishing companies; the jewellery blacksmith and manufacturing for blacksmiths and manufacturers; as well as ancillary services that will house all supporting businesses.

Exploration

The Treasury boss said a total of 28 Exclusive Prospecting Orders (EPOs) were issued from January to June 2021 this year, covering 1 506 073 hectares, adding to the already existing nine EPOs (255 530 hectares). The total area now under exploration from the 37 EPOs is 1 761 603 hectares, he said.

Mining Industry Loan Fund (MILF)

Ncube said the government availed ZW$7,5 million MILF for operations to support small scale miners. In addition, he said the Artisanal and Small Scale Miners Strategy is being developed. The development and implementation of a national mercury management program for ASM is ongoing.

Opening of new mines

GDI Platinum Mine is doing mine development; Sese Diamond Mine is currently doing diamond exploration, Sunrise Chilota, Yang Sheng, Mutoko Resources, Bravura Gold and Platinum Exploration projects.

Expansion of existing mines

On the expansion of existing mines, Ncube said the shaft expansion program at Trojan Nickel Mine was completed in the first quarter of 2021 while the concentrator expansion program is currently underway.

The Zimbabwe Zhong Xing Electrical Energy (ZZEE)'s construction of a 50 MW Thermal Power Station was also completed in the first quarter of this year. Ncube said Dingmao Mining Mutoko, currently having two granite polishing plants, was planning to erect five more granite polishing plants by October 2022. The increase in their granite polishing capacity would enable them to polish 100m2 per day of polished products. Currently, they have granite polishing capacity to polish 25m2 per day.

Construction of a granite cutting and polishing facility by Yang Sheng is currently underway with the plant completion expected to be 1 September 2021. Ncube said Murowa, which is expanding its plant from 190 000 to 500 000 tons, is migrating from open-pit mining to underground mining. Current work on the expansion project involves the construction of the processing plant with a 500 tons per hour capacity and commissioning is expected to be done in the fourth quarter of this year.

Zambezi Gas seeks to produce 100 000tons per month while Lokalize, whose current coal production is 80 000tons per month, plans to ramp up production to 200 000tons per month by the fourth quarter of 2021.

Sunrise Chilota, on the other hand, plans for an underground mine to produce 15 000 to 20 000tons per month of coking coal by the fourth quarter of this year. Makomo is working on the recapitalization of machinery.
Blanket Mine completed a Central Shaft Expansion program which will result in an increase in capacity from 55 000oz to 80 000oz of gold output.

Unki Mine is involved in the debottlenecking project to increase concentrator capacity from 179 000 tonnes per month to 210 000 tonnes per month of Platinum Group of Metals. The 87.5MW smelter was set up with planned upgrades of up to 12.5MW by 2023. The mine is involved in an expansion project to produce between 310 000 and 360 000tons of ore per month.

Mimosa is investing in opening a new portal at North Hill to increase the life of mine while Zimplats is investing in new mines to replace old ones.

Resuscitation of closed mines

Ncube revealed that the processing plant at Eureka Gold Mine was now 98% complete and the mine was set to resume operations by the end of last month. At its peak, Eureka Gold Mine will produce 1.5 tonnes of gold per annum.

He said Shamva Gold Mine reopened in December 2020 after closure in January 2019. So far, the gold mining company has invested over US$8 million for resuscitation of the mine and US$1 million for exploration. The mine is targeting to produce 400 kg of gold per annum by 2023.

"The resuscitation of Shamva Gold Mine has seen over 800 workers who had been laid off resume work at the mine, with more expected to be hired once the mine completes its expansion process," he said.

On Bindura Nickel Corporation (BNC), Ncube said the concentrator refurbishment is in the final stages of its resuscitation and the project is expected to be completed by end of this year. The company has also completed its underground main shaft re-deepening project.

Todal Platinum mine is currently undertaking mine development, he said.

Chrome to ferrochrome processing facilities

The Ministry of Mines and Mining Development has availed land prioritising companies intending to establish integrated chrome mining and ferrochrome smelters.

These companies included Amazon (Pvt) Ltd which was granted 21 chrome claims (1 545ha); Best Trade (Pvt) Ltd with 13 claims; and Afrochine (Pvt) Ltd (38 claims).

Monachrome was granted 1000ha for chrome mining for ferrochrome production while Tsing Shang was allocated iron ore claims for setting up a carbon steel manufacturing plant.

Jin An (Pvt) Ltd's 3 831ha of applications for chrome claims are still being processed.

Ncube said Zimalloys A3 furnace is 70% complete.

An Inter-Ministerial Task Team, Chaired by the Ministry of Mines and Mining Development was set to coordinate the implementation of the project, he said.

Coal to coke processing plants

Ncube said Dinson Colliery recovery type coke oven battery recovering by-products (coal and methane gas) was established in Hwange and is ready for commissioning. He said phase 1 has 35 ovens–300 000 tons per annum, phase 2 has 300 000tons per annum while phase 3 has 1 000 000 tons per annum of coke.

South Mining has finished exploration on their Mutagech Special Grant. Currently, the company has plant A which is a non-recovery type coke oven with 120 000tons per annum production capacity.

Plant B has a recovery type coke oven with 140 000tons per annum production. Phase 2 of South Mining plans is the construction of a recovery type coke battery of 140 000tons per year and the construction of a gas pipeline to the Zimbabwe Power Company.

The Ministry of Mines is issuing the company with a mining title to start mining.

Jin An, which was issued a Special Grant (SG) for mining, is also constructing a coke battery to process semi-coke. The company also holds an exploration SG on Beifa. It is also constructing tutu coke batteries with one battery at 80% and the other at 20% completion.

Ncube said the Zimbabwe ZhongXin Coking Company (ZZCC)/ Zimbabwe ZhongXin Electrical Energy (ZZEE) have coking batteries that produce approximately 120 000 tonnes of coke per annum. The company is also completing a power plant and the first phase which will be producing 50 MW due for commissioning.

Lokalize (Western Areas) was issued with a mining SG for coal. The company also holds an IPP licence for a thermal power plant to produce 600MW.

Zambezi Gas is expanding its operations and has opened a second pit with a capacity of 100 000 tonnes of coal.

Gold Service Centres Establishment

The Ministry of Mines and Mining Development last year revealed plans to establish gold centres across the country to curb illegal leakages of bullion and promote the official sale to the state buyer Fidelity Printers and Refinery.

But presenting his mid-term budget, Ncube said so far only five sites for service centres have been established.

The Zimbabwe Miners Federation has been calling 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 had targeted to establish 15 additional gold service centres countywide before the end of 2020.

Beneficiation and Value Addition Strategy

The Treasury boss revealed that the beneficiation and value addition strategy is being developed and still going through internal consultations.

Amendment of Mines and Minerals Act (MMA), Gold Trade Act (GTA) and Precious Stones Trade Act (PSTA)

He said the MMA Amendment Bill awaits tabling before the Cabinet Committee on legislation.

"Principles on the amendment of the Gold Trade Act are now in place and have been submitted for examination to the Legal Drafting Department of the Attorney General waiting for submission to Cabinet. Principles on the amendment of the Precious Stones Trade Act are being developed," he said.

Policies and Strategies

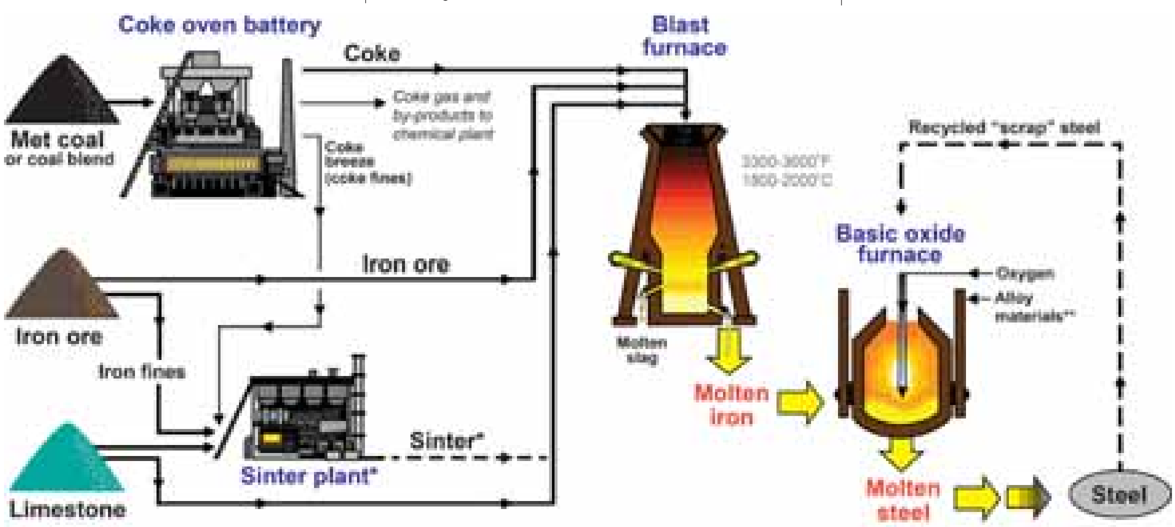
Minerals Development Policy and Artisanal Small Scale Gold Mining (ASGM) Strategy are being developed.

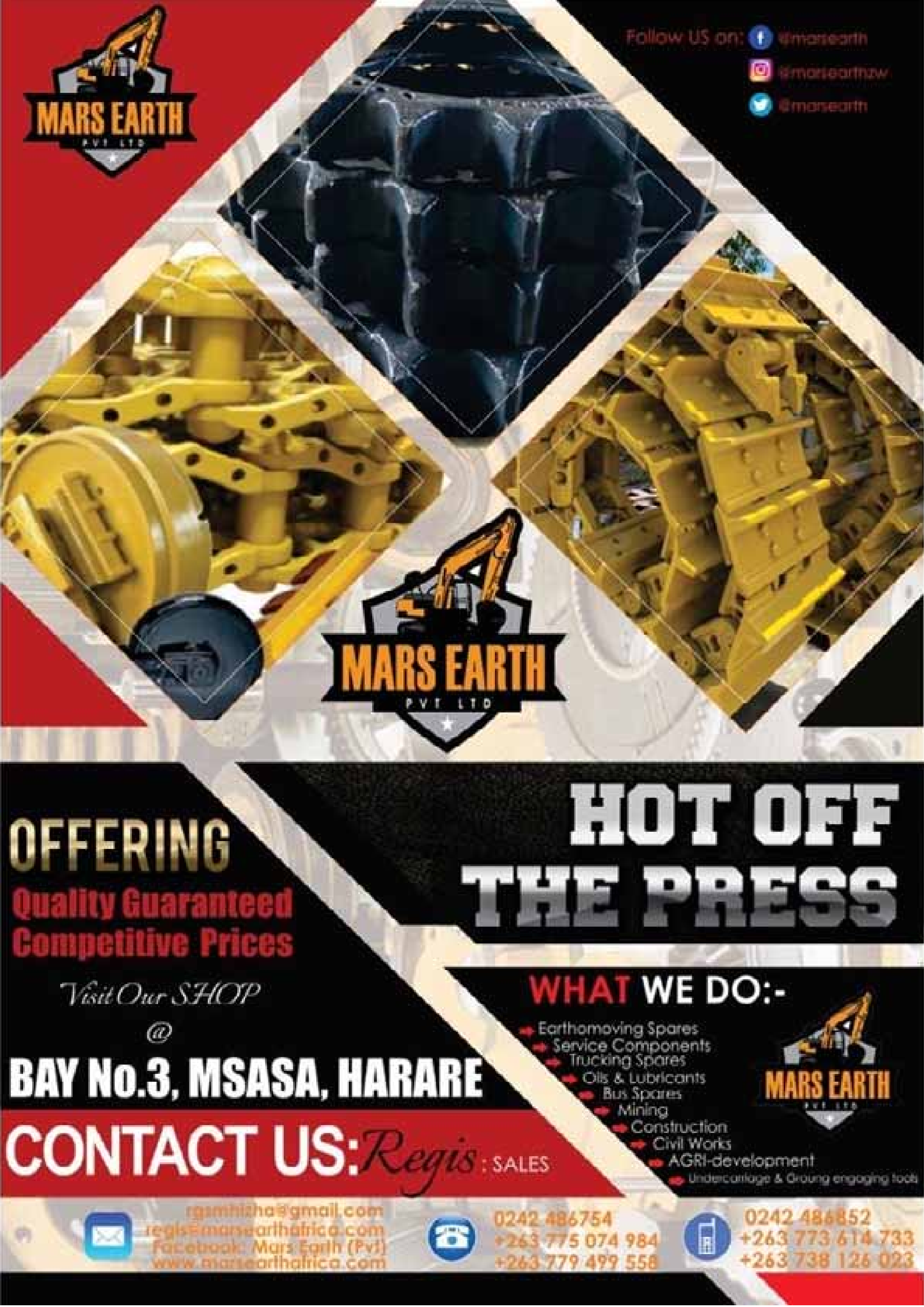
Retreatment of the Roasting Plant Dump

Ncube said the building of the roasting plant dump processing plant is currently underway, expected to be completed by the second quarter of this year.

How much has been disbursed so far

The 2021 National Budget allocated ZW$1.4 billion towards the operations of the Ministry of Mines and Mining Development. So far, a total of ZW$561 million (40%) has been disbursed, according to Ncube.





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DECENTRALISATION:

Kadoma mines office should be fully resourced

As Zimbabwe currently forges ahead with the 12 billion road map, decentralisation plays a critical role in attaining the milestone.

Mashonaland West being undoubtedly the richest province with over 63 minerals only has one Provincial Mining Director based in Chinhoyi, the provincial capital. All Mashonalandwest mining-related paper-work is submitted and processed at the Chinhoyi office.

In the same province is Kadoma, popularly known as the city of Gold. It is undoubtedly a hub of gold mining in the country. In the vicinity of Kadoma is one of the biggest gold mine and producer, RioZim owned Cam and Motor mine. The town is also much closer to Zimbabwe's biggest platinum producer Zimplats. Kadoma is also a stone throw away from mines such as Golden Valley, Venice Mine, Pickstone Peerless, Elvington, Brompton mine, Dalny Mine, Glencain (Tolrose), Giant Mine, Kadoma Magnesite, and is home to thousands if not hundreds of thousands of small-scale miners and big names in the small-scale mining industry.

Kadoma is without a shadow of a doubt a much busier mining town than Chinhoyi currently is or will ever be. Its Ministry of Mines and Mining Development offices are largely underutilised for a town of such calibre.

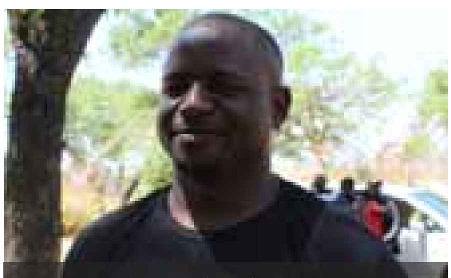

Minister Winston Chitando

As revealed by Mines and Mining Development Minister Hon Winston Chitando Mashwest has one of the highest pending mining title applications with unofficial reports pegging numbers to over 5000 pending applications.

It is much sensible for the Ministry of Mines and Mining Development offices in the City of Kadoma to be fully resourced and allocated its own Mines Director to minimize workload at the Provincial offices in Chinhoyi and minimise time-consuming long-distance travelling for miners and limit unwanted movement in these Covid-19 times.

Zimbabwe Miners Federation (ZMF) Mashonalandwest Chairman Mr Timothy Chizuzu said Kadoma is the centre of more than 80 per cent of mining activities in Mashonaland West Province, therefore, to minimize the overburden at the Chinhoyi offices, the offices in the city should be fully utilised.

"Kadoma is the centre of all mining actives in Mashwest and I think the Kadoma office should be fully resourced so that people will not have to travel for long distances to pay for inspection fees or to collect maps. More than 80% of activities are close to Kadoma," Chizuzu said.


Timothy Chizuzu

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Decentralisation

Since the Ministry of Mines changed from mining commissioners to provincial directors, all offices are now in the capital of each province. Prospective miners and miners who wish to peg e.g Willa area' Battlefields one has to go to Chinhoyi over 160km away, pegging in Rushinga, one has to go to the Bindura mines office 159km away. It is a problem in almost every province.

A chunk of the $1.4 billion allocated by the treasury towards the operations of the Mines Ministry should therefore be used to establish offices in almost every district in the country.


Lyman Mlambo

The Chairperson and Mineral Economist at Institute of Mining Research Mr Lyman Mlambo said decentralization of key mining services was of importance to increase the effectiveness of the Mines Ministry.

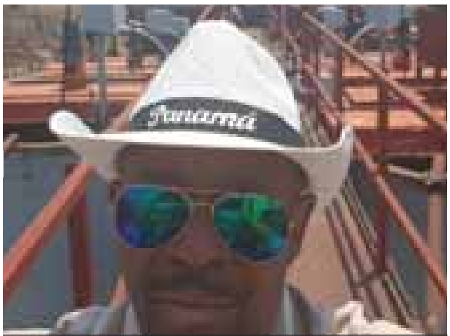
Mlambo said the area of communication in the Ministry of Mines was of significance especially in Mashonaland West province since the province has many mining players as such communication of the Ministry's policies, information, regimes (fiscal, etc) and any changes is key.

"Mashonaland West Province has the greatest number of large-scale and medium-scale gold mines compared to other Provinces. Examples include Cam & Motor, Dalny, Elvington, Golden Kopje, Muriel, Patchway, Brompton, Riffle Blue, Last Shot, and Golden Valley.

"There are also many more mines producing other minerals like chromite, PGMs, limestone, graphite and magnesite. In terms of the total number of formal mines (for all minerals), it is second to Midlands province. The idea of decentralization of key mining services in the case especially of Mashonaland West is important, it will definitely expedite payment of fees and other charges, processing of applications for various permits and delivery of technical support by the Ministry to the industry in the province.

"Kadoma has the greatest density of mining operations among the cities in the province, including the artisanal and Small-Scale Gold mining activities. It makes sense therefore to enhance the capacity of the Ministry's office in this city.

"Kadoma District office should be fully capacitated in all areas including title administration, inspections (increase inspectors and vehicles to increase visibility in the field), geological services (in terms of staff, maps, field equipment and vehicles), engineering (both mining and processing extension services), and legal (advisory) services.



Kennedy Mtetwa

"Also the department responsible for communication and advocacy should be strengthened.

"Where you have so many operators and players communication of the Ministry's policies, information, regimes (fiscal, etc) and any changes become key," Mlambo said.

Cadastral system

According to the Deputy Chairperson of the Geological Society of Zimbabwe Mr Kennedy Mtetwa, the answer to most of the problems arising in the mining industry is the cadastral system.

The cadastral system will help miners in terms of the urgency in the application of prospecting and mining licences as the system will accept and reject applications automatically.

In terms of convenience, miners will be able to access cadastral maps and all the information of registered claims, who registered the claims and when at any given time without any hindrance or bottlenecks as happening now.

It is also going to boost government revenue because it will be easy for the government to track the miners.

"In fact, the answer to this problem is for government to install the cadastre licensing system and everything becomes digital. Miners pay their inspection fees electronically.

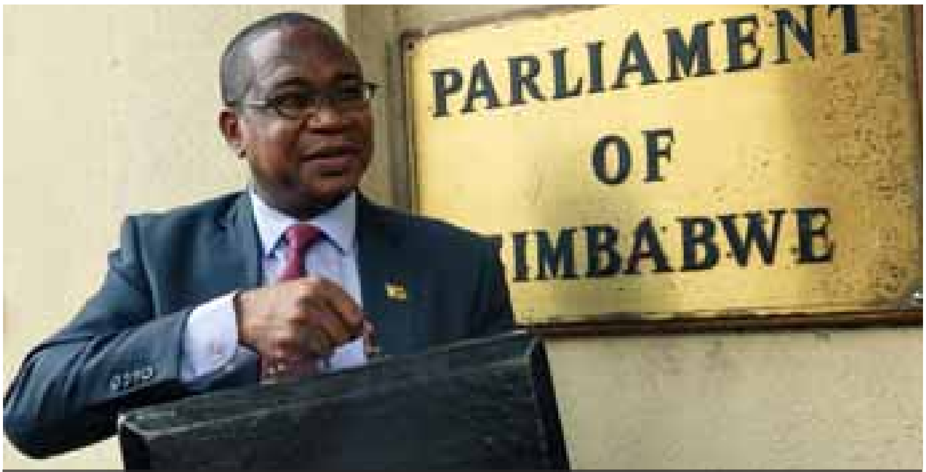
"Most SADC countries DRC Mozambique Botswana Namibia Zambia are using the cadastre mining system," Mtetwa said.

What is the government doing?

According to the Deputy Minister of Mines and Mining Development Hon Polite Kambamura in an endeavour to see the mining sector achieving the President's vision for the country to become an upper-middle-income economy by 2030 through contributing to the mining roadmap where the sector is expected to fetch an annual revenue of US$12 Billion by 2023, the ministry was working on establishing sub-offices in Kadoma, Gokwe, Hwange and Zvishavane.

"We are working towards that sub-offices will be capacitated and new ones established. Targetted areas are Kadoma, Gokwe, Hwange, Zvishavane."

Treasury allocates $1.4 billion towards the operations of the Mines Ministry



Minister of Finance and Economic Development Professor Mthuli Ncube

In an endeavour to see the mining sector on track to meet the target of generating US$12 billion annual revenue by 2023, the treasury has allocated ZWL$1.4 billion towards the operations of the Ministry of Mines and Mining Development.

Anerudo Mapuranga

Through the 2021 Midyear budget preview, the Minister of Finance and Economic Development Professor Mthuli Ncube said the government was making sure it has capacitated the Ministry of Mines for the country to derive value from its minerals.

"Government recognises the importance of capacitating the Ministry of Mines and Mining Development in order for the country to derive value from its minerals. Therefore, the 2021 National Budget allocated ZWL$1.4 billion towards the operations of the Ministry.

"A total of ZWL$561 million (40%) has so far been disbursed, with the following selected milestones having been achieved," Prof Mthuli Ncube said.

The finance minister noted that, by end of the first quarter, most minerals had recorded 20 – 27% of the annual output target, save for gold with 13%. Measures are being instituted to compensate for the first-quarter loss of production as well as sealing of leakages to attain the original growth projection of 11%.

The Minister has outlined how Gold, PGM, Nickle, Diamond, Coal, and Chrome have performed during the first half of 2021.

Gold

Gold output for the first quarter of 2021 stood at 4 311kg, about 13% of the annual target and lower than the comparable period in 2020, largely weighed down by low deliveries from the artisanal and small-scale gold sector (ASGM).

Large scale producers delivered about 2 291kg during the first quarter of 2021, about 11.2% above the same period in 2020, while ASGM delivered 1 586kg, about 55.6% below the same period in 2020. This points to possible incidences of side marketing and smuggling (leakages) of our minerals.

However, in June 2021, gold deliveries increased by 129.5% to 1 798.71 kg per month from 783.8 kg in May due to various measures and incentives instituted by Government that include reduction in royalty fees.

The improved performance in June was against a slight retreat of international gold prices. As of the end of June, spot gold prices fell by 7.6% for the month to US$1 761.80 per ounce. Gold prices are now under pressure as yields for government debt instruments begin to improve.

PGM

During the first quarter of 2021, platinum output stood at 3 369.3 kg, about 23% of the annual target but slightly surpassing the previous quarter of 2020, by 1.3%.

Palladium output at 2 848.6 kg for the first quarter of 2021, was 3.7% and 5.5% below output recorded during the comparable period in 2020 and the previous quarter, respectively.

PGMs production benefitted from the favourable international mineral prices that prevailed during the period under review, as well as ongoing investments in mine development meant to extend the life of mines by mining houses. Output was, however, weighed down by the temporary closure of one of the key mines since mid-February 2021 following a fatal accident.

In 2021, platinum output is projected to grow marginally on account of the expected resumption of the closed mine towards the end of June. This will also be buttressed by increased utilisation of the enhanced concentrator capacity in the PGMs sector.

Nickel

Nickel output stood at 3 283.75 tonnes during the first quarter of 2021, constituting 22% of the annual target, benefitting from the nickel price surge.

Primary producers focused on investments in mines development, mainly re-deepening to extend the life of the mine and acquisition of modern mining equipment in order to enhance productivity.

On the other hand, the closure of one of the key mines at one of the major secondary producers saw the first quarter output from this subsector 13% lower than in the comparable period.

However, the overall nickel output target of 16 500 tonnes in 2021, is within reach, given the expected ramping up of production by both primary and secondary producers.

Continued on next page>

Diamond

During the first quarter of 2021, about 702 639 carats were produced surpassing the previous quarter and same period in 2020 by 20.3% and 15%, respectively. In the outlook to year-end, diamond production is projected at 3 million carats, driven by anticipated ramping up of production by current producers taking advantage of the ongoing investments in exploration and mine development, as well as the anticipated resumption of operations at Anjin in June 2021.

Favourable prices, driven by recovering global demand as the world economy opens should facilitate trade in diamond and hence boost diamond production.

Coal

Coal output stood at 669 382 tonnes in the first quarter of 2021, (21% of the annual target), surpassing that of the comparable period in 2020 and the previous fourth quarter of 2020, by 44.8% and 37.3%, respectively.

By year-end, coal production is projected at 3.3 million tonnes, on account of improved access to foreign currency by coal miners, increased demand from ZPC due to resuscitation of power generation units later in the year and new coke oven batteries established in the Hwange area in 2021, among others.

Chrome

Chrome ore output for the first quarter of 2021 stood at 300 926 tonnes, compared to the previous quarter output of 311 495 tonnes. Output was weighed down by reduced intake for both raw chrome and High Carbon Ferrochrome (HCF) from China, in the aftermath of the second wave of COVID-19, which constrained shipments of goods.

In response, most local smelters closed operations but took advantage of this period to refurbish and modernise their furnaces in anticipation of the resumption of trade.

Therefore, chrome ore output is projected at 1.5 million tonnes in 2021, as miners are expected to ramp up production taking advantage of the general stability in power, investments in smelters undertaken by most players during the lockdown, and the favourable prices for chrome related by-products.

Generally, prices are expected to remain firm, and better than the previous year, riding on shortages created by the second and third waves of COVID-19.

Mixed feelings as government announce chrome ban

Minister of Information, Publicity & Broadcasting Mrs Monica Mutsvangwa

Experts and miners have expressed mixed feelings over the government's decision to ban the exports of raw chrome ore as a good move to resuscitate the iron and steel industry in Zimbabwe.

Rico Mutizhe

According to the government of Zimbabwe through the Minister of Information Senator Monica Mutsvagwa, the country is endowed with the world's second-biggest resources of chrome ore which is required for metallurgical processes such as steel manufacturing and a cumulative twenty-two smelters are currently operating and are shared among nine foreign and local companies.

The Information Minister said, unless chrome mining capacity is expanded, the smelting operations could soon face the challenge of insufficient feedstock in the form of chrome ore, in light of the need to safeguard the ferrochrome industry in the above regard, Cabinet approved a total ban on exports of raw chrome ore with immediate effect.

Mutsvangwa said the ban will capacitate current smelters and maximize the value chain to be realized from the country's abundant resources as spelt out in the National Development Strategy 1. Cabinet approved the total ban of export of chrome concentrates with effect from July 2022.

According to the chairperson and Mineral Economist at the Institute of Mining Research Mr Lyman Mlambo, the chrome ban has the extra indirect and positive effect of creating demand for iron to feed into stainless steel production

"This is also a good move in light of the current thrust by the government to resuscitate the iron and steel industry. Both ferrochrome and iron are inputs into the production of stainless steel. Thus, the ban has the extra indirect and positive effect of creating demand for iron to feed into stainless steel production," Mlambo said.

Legendary miner and former Zimbabwe Miners Federation (ZMF) Deputy President Engineer Chris Murove the ban should encourage chrome miners to get together to set up their own smelting facilities to increase the value of their production.

"If govt offers the proper incentives, other local players can come in to set up mini smelting facilities. This will introduce competition to the Chinese smelters that are behaving as an oligopoly and which miners are complaining about. Rome was not built in a day but the transformation has to start somewhere," Murove said.

According to Chrome Miners Association Chairperson Mr Shelton Lucas, the chrome ban was a constructive ejectment of chrome miners from mining and was going to create a Chinese monopoly in chrome buying thereby increase predatory prices.

Lucas said the government was supposed to empower miners with locally owned smelters first before moving to ban the export of raw chrome.

He said empowering small-scale miners is a good starting point because smelting is capital intensive.

"This ban is going to affect the Zimbabwean small-scale miners, the so much hyped smelters are owned by the Chinese. They buy ore and this will have a negative impact since they no longer have competition.

"How does this help our economy? It just propels the Chinese and they are now paying peanuts for the chrome ore since there is no competition.

"If the government was sincere, they were supposed to have put toll smelters for miners not relying on Chinese smelters who buy ore. What do I do if I want to get my ore processed without the option of selling to the smelter owners."

"Smelting is a capital-intensive business with long payback periods. Do we have local financial capacity willing to get involved in this type of business? And the incentives you refer to are a cost, is the government of the day willing to forego the benefits that come with offering these incentives. For China, these smelters might not be necessarily the source of the value, most likely they are vertically integrated within some value chains and the value is being realised in China, not in Zim. For them, it's about the security of supply." Lucas said.

Engineer Clever Sithole Head Gemologist (DAI-USAID Invest Afghanistan) said the move is of paramount importance but does come with challenges.

"Cost of electricity is high for the production of High Carbon Ferrochrome, and also many smelters would need allocation of foreign currency for retooling equipment. Government should now invest heavily in subsidies."

"The government is trying to harness foreign currency for wider economic benefits such as employment creation and also technological benefits. Policy interventions that promote value addition and beneficiation are welcome but now the government via the relevant parastatal must regulate the domestic prices of chrome ore," Sithole concluded.

Mines and Minerals Bill affected by Covid, Parly considering alternatives

The slow pace at which the mines and minerals bill is moving has been instigated by the Covid-19 pandemic as the government delay stakeholder's consultation due to fear of fashioning a pandemic super spreader, Parliament has hinted.

Anerudo Mapuranga

Speaking to Mining Zimbabwe Parliamentary Portfolio Committee on Mines and Mining Development Chairperson Hon Edmond Mkaratigwa said the mines and minerals bill has taken too long mostly due to the Covid-19 pandemic forcing parliament to consider a new way of doing business to speed up the bill.

"The Mines and Minerals Bill has taken very long mostly due to COVID-19 now that has further impacted normal operations of both the Executive and Parliament.

"Some processes require the involvement of the public and if the Bill is sent to Parliament then the processes fail to take place at stipulated times, it may have ramifications on its passage in terms of Parliament sessions and rules of the House so there is need for a balance. Covid-19 may have to force us to revisit the way we do business maybe," Mkaratigwa said.

The Parliamentary Portfolio Committee on Mines and Mining Development Chairperson said parliament was eager to see the bill passing very soon to address the problems in the mining sector caused by the lack of a clear policy.

Hon Mkaratigwa also said that his committee was pleased that the formalisation of small scale and artisanal mining was taking shape addressing the famous smuggling problems.

"It's now not an easy answer given the current uncertainty as a result of the pandemic but we want the Bill ready earliest. As you can see, however, we are happy that formalization is gathering momentum and if the strategy equitably balances the public and private sector interests, we will be good to go." Mkaratigwa said.

The Reserve Bank of Zimbabwe Governor said all artisanal miners will soon be required to be registered as part of efforts by the Government to formalise their operations, curb illegal gold dealing and protect the environment, a statutory instrument on the requirements for registration was being crafted and would be gazetted soon.

It is estimated that there are between 500 000 and 1,5 million artisanal and small-scale miners, including farmers who do a little gold panning in the offseason, and only 16 per cent are registered.

"We want to register for the sake of traceability and knowing who you are and where you are from," the central bank governor said.

Under the envisaged registration system, the miners' biometric details would be captured and the miner would be issued with a registration number.

Registered miners would also undergo training on environmentally friendly mining methods and land reclamation.

Lonely Mine in encouraging gold samples

Australian Stock Exchange (ASX) listed gold exploration and development company Ragusa Minerals (RAS) has completed underground reconnaissance work at the Tiberius prospect within the Lonely Mine gold project coming up with high-grade samples.

Anerudo Mapuranga

The company has collected and analysed 13 samples from the mineralised reef all of which returned high grades, samples peak at 221g/t gold and other significant values include 68g/t, 49.5g/t and 45.8g/t gold.

Ragusa plans to follow up on these results with drilling which will test the depth and strike extensions of the Tiberius lode. Following the reconnaissance work and these positive results, Ragusa's geological consultants determined the Tiberius reef is a likely splay from the main Peter Pan regional shear zone that trends north-east-southwest.

The company will continue reviewing additional mineral project opportunities to enhance its portfolio and add value.

This has resulted in the company shares going up by 6.1% to trade at 8.7 cents.

LONELY MINE GOLD PROJECT comprises four granted tenements (Mining Claims) covering an area of 44 hectares, Lonely Mine A (Registration Number 10632BM), Tiberius 14 (Registration Number 33599), Tiberius 32 (Registration Number 35732) and Tiberius 33 (Registration Number 35733), the project spans back to 1906, when prospectors discovered an auriferous quartz reef.

Lonely Mine was one of the top seven producing operations in Zimbabwe during its peak production period (1914-1930), producing ~50,000oz Au per year, with overall life-of-mine gold production recorded as 1,118,383oz with an average recovered grade of 17.50g/t Au (Bartholomew 1990).

Operations on the Lonely Mine re-commenced during the 1970s when the Lonely Mine was the single largest gold producer in the region until its closure in the mid-1990s.

It is located within the Bubi Greenstone Belt a major gold producing region of Zimbabwe.

Its Mid-term objective is to identify sufficient resources to support a mid-tier gold production operation.

The Project is located within the Bubi Greenstone Belt hosting several gold mines that have produced >300koz, with over 3.5 million total ounces produced at an average grade of 9.27g/t.

Gold deposits are spatially distributed in distinct clusters and linear groups, most important being Lonely, Motapa, Durban, Turk, Queens & Sunace groups.

Bubi Greenstone Belt lithostratigraphy is fundamentally the same as globally accepted Archean successions from Canada, Australia and South Africa.

The project area is located over transgressive shear zones that have not had any modern-day systematic exploration.

Mastering the art of insurance through cell captives

Cell Insurance offers a diverse range of short-term insurance and other risk financing solutions targeted at corporate enterprises, small to medium enterprises and individual needs. The company's philosophy is deeply rooted in providing comprehensive risk management solutions. As risk management standards have improved in the workplace and efficiencies have increased, there has been increasing demand for innovative risk financing solutions that cover complex risks in a cost-effective manner.

WHAT ARE CELL CAPTIVES?

Cell Captives are an innovative risk management product that allows insured clients to transfer the economic benefits of their risk and investments into a facility called a Cell. Cell Insurance's unique structures allow clients an equity participation in that cell which is governed contractually by a shareholding agreement. The structure is similar to that of a honeycomb with separate classes of shares which individually comprise a business cell. Each cell is represented by a separate class of ordinary shares with specified dividend rights which are limited to that cell. Clients subscribe for these shares and as cell owners, they are afforded the risk financing and conventional insurance capabilities similar to those enjoyed by a licensed insurer. As a valuable risk management tool, Cell Captives provide a useful vehicle for companies to underwrite their own insurance risks limited to the solvency of their cell. This facility allows Cell owners to enjoy a greater degree of control on how their insurance program is managed and enables them to customize the risk financing program according to their needs.

Unlike in the conventional market, risk benefits and profits of the Cell accrue to the Cell owner and not the insurer. Typical risks which are insured in Cells include excess buy down layers, risks which are not insurable conventionally or risks which are uneconomic to insure in the conventional market due to high premium levels and good loss ratios.

> ***Cell Captives are an innovative risk management product that allows insured clients to transfer the economic benefits of their risk and investments into a facility called a Cell.***

CELL INSURANCE

Cell Captives allow clients to access the conventional insurance and reinsurance markets directly and cost-effectively to cover the excess and catastrophe exposures such that there will always be adequate cover for the risks.

Key benefits of Cell Captives are that:

- They assist in reduction of the cost of conventional insurance.
- They allow the companies to retain risk and share in the profit potential of an integrated risk management program.
- The investments of premium and capital accrue to the cell and increases risk carrying capacity.
- They provide access to direct insurance and reinsurance markets locally and globally.
- They are flexible to structure customized insurance programs for specific clients.
- Actuarial input provides correct cell retentions and solvency levels.

CONTINGENCY POLICIES

A contingent policy is a conventional policy which provides insurance protection on a conventional basis with added benefits of allowing the insured client to participate in sharing of underwriting profits and implementation of sound risk management policies. They provide the primary layers of an insurance program or cover risks not insurable. Contingent policies can be issued as a stand-alone policy or as a part of a risk arrangement where reinsurance is structured above the layers provided by contingency policy. At renewal or cancelation of policy, a performance bonus in declared based on claims experience. With the intention of creating insurance capacity over many years, contingency policies enable the clients to negotiate better insurance rates in the market.

Key benefits

• A valuable tailored tool for risk management and controlling the client's risks, losses and exposures.
• Facilitates sharing of underwriting profits.
• A flexible arrangement that facilitates various combinations of structures, premiums, cover, insurance and reinsurance capacity.
• Reduces exposures of price volatilities in the conventional insurance market.
• Creates insurance capacity and reserves to absorb risk retention for difficult to insure and expensive risks in the conventional market.
• Cost of risk is stabilized over time and determined with precise certainty.
• Actuarial input is used to determine suitable limits and reinsurance levels.

BRANDED INSURANCE – VOLUME AND AFFINITY BUSINESS SOLUTIONS

By partnering with Cell Insurance, clients are afforded an opportunity to sell customized, branded short-term insurance products to their customers through Cell Captives hence earning additional revenue. Clients get a competitive edge by developing branded mass market insurance solutions that are tailored for their customers. Cell Insurance provides the strategic and technical support in developing these products and assists in managing the processes through claims reviews, analysis of underwriting results which enables participation in enhanced revenue stream emanating from profitable underwriting results. These products are ideal for affinity groups, employers and organizations that provide high volume branded insurance products to their customers, members and employees.

Products suitable for this solution include:

• Cellphone insurance
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• Electronic equipment and gadgets cover
• Motor insurance (motorcar, motorcycle, caravan, trailer, LDV)
• Credit Protection Insurance
• Personal liability cover
• Car hire insurance
• Excess waivers
• Permanent disability covers

UNDERWRITING MANAGEMENT AGENCIES (UMA)

Cell Insurance's Cell Captive structures offer underwriting managers a business partnership in which they benefit from access to Cell Insurance's license and enjoy the rights to;
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• A flexible business partnership across levels including risk retention
• Technical capabilities and support that includes actuarial services

The classes of insurance suitable for this solution include the following:
• Selected commercial and personal lines products
• Niche uniform insurance related products
• Risk class specific or multiple class products

From the current standpoint into the future

Hon Edmond Mkaratigwa

The government's mining drive towards the 2023 US$12 billion target appears to be progressively moving in the right direction throughout the country.

By Hon Edmond Mkaratigwa and Dr Albert Maipisi

New and closed mines are being opened, with some mines' mineral resources almost getting finished-up as is the nature of minerals; they are non-renewable. Mines whose mineral resources are fully exploited need to acquire new mining areas to renew their mine lives. Questions that arise in that scenario revolves around sustainability plans of mining as an investment, the natural environment, employment and mining hinged development security.

The same aspects vindicate the need to discuss the size of the potential area that a mine should be granted for its current and future plans, while at the same time, considering the interests of other groups which equally want land for mining and these include small scale and artisanal miners. Already, there are different views with regards to the size of mining grants being given to the large-scale miners when compared to that allocated to small-scale and artisanal miners. Some assert that there is discrimination in the allocation of these resources between the small-scale together with the artisanal miners, and the large-scale miners. A contrast between those who aspire, or simply, in the lower rungs of the ladder, and those who are already at its zenith.

Those at lower capital mobilization levels are allocated resources considering their current status than aspirations while the same applies to the other group, and minerals are non-renewable. In trying to untie the Gordian Knot, the small scale and artisanal mining formalization debate is going on and the government is warming up towards implementation of the long-awaited proposal up-scaling.

Many advantages of formalization have been advanced and formalization should be thinly differentiated from legalization. These terms may be seen as the same although formalization transcends legalization. Small scale and artisanal miners are often operating on already registered sites and for instance, most of the gold smelting plants that exist throughout the country are also registered.

The matter now is, why is that whereas these are registered (hence operating formally), there are still a number of challenges being faced among this category of mines and miners. Lawlessness that has disturbed smooth operations has been witnessed and accusations of leakages have also been reported. This is not meant to exonerate leakages in large scale mines.

Because of the nature of limitations around small-scale and artisanal mining in Zimbabwe as is dominant in many countries in Africa, small scale and artisanal miners are predominantly found in the gold sector. In our context gold is easier to identify, mine, process and convert to cash. However, do the small-scale and artisanal miners aspire to grow and expand only in the gold sector?

Discussions around these challenges also offer the opportunity for reconsideration in the same drive for formalization. There is no doubt that the voices for formalization have become acceptable in the national public policy cockpit. Formalization offers room for further thinking outside the box concerning balancing between aspirations for small-scale and artisanal miners and large-scale miners regarding natural resource access.

Some assert that there is discrimination in the allocation of these resources between the small-scale together with the artisanal miners, and the large-scale miners.

Small-scale and artisanal miners are mostly indigenous people with aspirations for growth through deliberate national social and market-friendly empowerment policy frame-works. The country also needs to competitively produce its own home-grown billionaires. In simple terms within the formalization debate, the question that mostly require answers is, what is the theory of change to be adopted for transforming the small-scale and artisanal mining sector as well as the large-scale mining sector in the country. The country cannot afford to embrace these words only to move with international trends. The debate has to be locally contextualized but ideologically broadened for adaptation to a broad-based national growth and economic sustainability aspirations.

Small-scale mine site at Cristonbank near Harare

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An artisanal Miner laments on lack of equipment at a mine site in Gadzema, Chegutu

Vision 2030 and the National Development Strategy are clear road maps and the end in mind is clearly defined. It would be naïve to think within the small-scale and artisanal mining mindset but in the mindset of raising future mining giants from our dusts. In the same thinking, it further implies looking at these large-scale mining aspirants from the whole of economy (integrative) perspective.

Most positive steps of importance are already embraced in the country. The will is visible. The steps include making local investment opportunities easily accessible to both local and international communities, through continuously unclogging identified setbacks; leaving no one behind to ensure sustained national growth in unity and peace. The integrative approach has to span across natural environment and resource management, corporate social responsibility, the small-scale investor growth strategy as well as large-scale investments sustainability and security.

Incentivization as well as a compendium of public and private sectors-led initiatives should also be part of this formalization drive which should be built on foundations and the dream for a self-sustaining economic future. Formalization should not only be defined from the national purse's perspective, but also from the aspiring citizen's perspective. Small-scale and artisanal mining should further never be perceived as the domain for those who are weak, desperate and crump picking. It has to be a domain for dreamers, the emerging future and courageous sons and daughters of our land who are defying poverty, and believe in working with their own hands.

"The steps include making local investment opportunities easily accessible to both local and international communities, through continuously unclogging identified setbacks; leaving no one behind to ensure sustained national growth in unity and peace"

The belief is only internalized into this group of miners through the respects and support they will get from both government and the market. Those initiatives are achieved more easier and more effectively where these groups continue to be well organized and mentored. Mentoring as part of the theory of change has worked elsewhere especially in the agricultural sector, where government partnered private players towards achieving the goal of producing future homegrown blended sectoral leaders.

Hon Edmond Mkaratigwa is a Ph.D. Candidate of Energy, Innovation and Sustainable Technologies and Chairperson of the Parliamentary Portfolio Committee on Mines and Mining Development & Dr Albert maipisi is a Ph.D. in Disaster Management and Public Administration. Published ideas are entirely views of authors and cannot be attributed to their current positions].

Mazowe Mining company in breach of tributary contracts

Under Corporate Rescue, Mashonaland Central based gold miner, Mazowe Mining Company (MMC) is accused of dislodging mining operations of small-scale miners, it contracted to mine until the end of August this year.

Anerudo Mapuranga

According to a document seen by this publication, the gold mining firm through its Mine Manager Stanley Matunhire contracted Mazowe Mining Company Mine Workers Scheme (MMCMWS) to mine on its claim for a period of 6 months from February to August 2021 with MMC getting a share percentage of 30% while MMCMWS walks out with 70%.
MMC however after the contract was signed according to MMCMWS stopped the small-scale miners from operating siting implications caused by the Covid-19 pandemic only to ask them to resume operations in late April, dislodging their operations again in mid-June.

The documents seen by this publication evidence that, although the contracts were issued by the mine manager whereas in terms of section 130 (4) of the Insolvency Act (Chapter 6:07) the contract should have been signed by the Judiciary Management, corporate rescue practitioners, Grant Thornton represented by Bulisa Mbano gave the manager a go-ahead to issue contracts to the miners.

Resolutions to issue contracts according to documents seen by this publication were signed by Mbano as the chairperson of the meetings and Advance Nare representing corporate rescue and Matunhire, Gilbert Gavakava representing MMC. The documents show that Mazowe Mining Company and Grant Thornton were conducting the meetings to contract as well as to disrupt small scale contracts at number 135 Enterprise Road Highlands, Harare.

Reports have it that machinery, equipment, and consumables of the small scale miners under contracts were destroyed by the overzealous police under the operations deemed to have been allegedly necessitated by the gold mining firm.

The miners have engaged the Zimbabwe Miners Federation (ZMF) complaining that MMC is in deep breach of contract since the miners only managed to work for less than 3 months now.

According to a letter written by the Zimbabwe Miners Federation (ZMF) Chief Executive Officer Mr Wellington Takavarasha to Zimbabwe Republic Police (ZRP) Officer Commanding Operations Deputy Commissioner-General Stephen Mutamba the police were used by MMC to disrupt operations of small-scale miners under the contract agreement.

“This letter of complaint against ZRP that has been sent by Mazowe Mining Company to dislodge mining operations of small-scale miners who have got valid contracts. We have written to the management notifying them of Breach of Contract. The fact of the matter is that 50 miners were charged each USD 2,500 as signing fees.

“We pray that the police should not be used to settle this organizational fiasco,” reads the letter in part.

The gold mining company through the Mine Manager in May had written to MMCMWS informing them that the contract they had signed was to be terminated on the 31 of July 2021 whereas according to the contract was signed, the contract was supposed to go into August.

However, according to the Mazowe Mining Company corporate rescue practitioners Grant Thornton Zimbabwe represented by Bulisa Mbano, his company did not authorize the contract agreement.

“Let me investigate, we did not authorize such an agreement,” he said.

If during a company’s corporate rescue proceedings, one or more directors of the company at the time the corporate rescue proceedings commenced purports to take any action on behalf of the company, that action is void unless approved by the corporate rescue practitioner.

Where are Zimbabweans as government avails land for Ferrochrome smelters to foreign owned companies

THE government recently availed land to five companies intending to establish integrated mining and ferrochrome smelters in the country, but the majority of the companies, if not all, are foreign-owned, raising questions as to why local companies are not taking such opportunities.

Dumisani Nyoni

Announcing his 2021 mid-term budget, Finance and Economic Development Minister Mthuli Ncube said the government had availed land to five companies intending to establish integrated chrome mining and ferro-chrome smelters.

Amazon was granted 21 chrome claims on 1 545 hectares, Best Trade was granted 13 chrome claims on about 1 000 ha while Zimbabwe Alloys, whose furnace is 70% complete also got land exploration.

Afrochine and Monachrome were granted 1 000 ha each while Jin An's application for nearly 4 000 hectares is being processed.

Hon Edmond Mkaratigwa

Chairman of the Portfolio Committee on Mines and Mining Development, Edmond Mkaratigwa, said, even though he was not sure about the share ownership structure of the companies given land, it was important for locals to take up such opportunities.

“I am asking the same question also, where are we? Business is about capital and like all professions, it's about your voluntary initiation,” Mkaratigwa said.

“Mostly our people are able to mine on small scale which is why I always advance that there should be a national growth strategy for our small scale miners so that they also upscale their operations.”

“Generally, I also know that all those are names of companies and I have not yet managed to have the opportunity to know the share ownership structure for me to conclusively endorse the view that it's wholly foreign-owned in the sense of shareholding.”

“In the same mind, opportunities are there but usually capital capacity is the challenge. We need to amalgamate our capabilities and capacities so that we can migrate to larger investment and not rely on selfish and individualized investment models,” Mkaratigwa said.

Cabinet recently banned raw chrome exports in a bid to promote the local value-addition chain.

The southern African nation is endowed with arguably the world's second-biggest resources of chrome ore after South Africa, which is used for metallurgical processes such as steel manufacturing.

In 2015, Zimbabwe lifted a ban on raw chrome exports introduced in 2011 after companies struggled to build smelters citing lack of capital, high production costs and power shortages.

Ferrochrome, alongside platinum, gold and nickel is among minerals expected to help Zimbabwe achieve the US$12 billion industry by 2023.

Afrochine and Chinese owned Zimasco are the country's major producers of ferrochrome.

Chrome ore output for the first quarter of 2021 stood at 300 926 tonnes, compared to the previous quarter output of 311 495 tonnes, according to Ncube.

Ncube said output was weighed down by reduced intake for both raw chrome and High Carbon Ferrochrome (HCF) from China, in the aftermath of the second wave of COVID-19, which constrained shipments of goods.

Professor Mthuli Ncube

In response, Ncube said most local smelters closed operations but took advantage of this period to refurbish and modernise their furnaces in anticipation of the resumption of trade.

“Therefore, chrome ore output is projected at 1.5 million tonnes in 2021, as miners are expected to ramp up production taking advantage of the general stability in power, investments in smelters undertaken by most players during the lockdown and the favourable prices for chrome related by-products,” he said.

Generally, prices are expected to remain firm, and better than the previous year, riding on shortages created by the second and third waves of COVID-19, he said.

Available

Ex-Stock

US$35,000

Engine Type: MIVEC DOHC Intercooled Turbo Diesel

Fuel System: Common Rail Direct Injection

Max. Output: 133kW@3500rpm

Max. Torque: 430Nm@2500rpm

Transmission: 5-speed M/T

Turning Radius: 5.9m

Ground Clearance: 220mm

Fuel Tank Capacity: 75litres

Fuel Consumption: 7.5L/100km (Combined Cycle)

ZIMOCO

SPECIALISED SERVICE FOR SPECIAL BRANDS

Sam Levy's Village Showroom:
Shop III, Borrowdale, Harare
Tel : (+263 242) 885 729/30, 885 744/45, 885 748/49/50
Email : Enquiries@zimoco.co.zw
Website : Www.zimoco.co.zw