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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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CONTENT

Mining Zimbabwe Magazine | Issue 52



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INSIDE MINING ZIMBABWE

08 KEY MINING PROJECTS 2021

- 14 Factors Affecting Mining Investment in Zimbabwe
- 16 Forget Gold, Diamonds and Platinum, Zim can still make millions & millionaires
- 18 Unki production up 48 per cent



10

- 18 US\$60 million from Arcadia sale to fund Step Aside lithium project in Goromonzi
- 19 Zimplats produces over a tonne of gold in 2021



- 20 Zimplats In A Major Exploration Drive
- 20 Zimplats production decreases as operational costs increase
- 21 Invictus confident of Muzarabani oil potential
- 22 Zim, Malawi propose a SADC gemstone marketing centre



21

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KEY MINING PROJECTS IN THE YEAR 2021

MINISTRY OF MINES AND MINING DEVELOPMENT

Eureka Gold Mine, Dallaglio Investments (Pvt) Ltd Re-opening, Guruve,



- Eureka Gold Mine has resumed operations after the injection of capital from new investors.
- The reopening programme started in 2018 through a ground breaking ceremony by His Excellency, the President, Cde Dr. E.D Mnangagwa. On October 21 2021, His Excellency, Cde Dr.E.D. Mnangagwa officially commissioned Eureka Gold Mine.
- The project has created employment for 500 employees, with over 300 employees from the local community.
- Resuscitation of Eureka Gold Mine is a success story to the President's call for investors to invest in the geologically rich nation.

Caledonia Mining Corporation/ Blanket Mine (Shaft Expansion), Gwanda



- Caledonia Mining Corporation completed the construction of the USD 67 Million Central Shaft at Blanket Mine in Gwanda.
- The Central Shaft is expected to boost production to 80 000 oz of gold per year.

Rio Zim Murowa Diamonds Midlands (Expansion Projects), Zvishavane, Midlands

- As at Q3 2021, the expansion was at 78% completion. Commissioning expected in Q2 2022.
- Feasibility Studies for underground mining are in progress.
- The expansion will see Murowa processing 500 000 tonnes per month from 190 000 tonnes per month.

Anjin Investments (Pvt) Ltd Diamond Reopening, Chiadzwa, Manicaland

- His Excellency, Cde E.D Mnangagwa officially reopened Anjin Diamond Mine in August 2020.
- Anjin Diamond Reopening Benefits
 - i. Increase in diamond production to achieve 10 million carats by 2023, peaking at 12 million carats 2025.
 - ii. Employment creation

Shamva Gold Mine Reopening, Shamva

- Shamva Gold Mine Project reopened in April 2020 since closure in January 2019 and currently the mine employs 800 employees.
- Exploration was completed in 2021 with the project set to produce 250 kg of gold per month in addition to the current production of 900 kg per annum (75 kg of gold per month).
- Plant and Mine Construction to commence in February 2022.
- Shamva Gold Mine to build 800 houses, 2 schools and a clinic and contribute to the growth of Shamva town.
- Shamva Gold Mine benefits
 - i. Ore production expected to meet the design capacity of the mine of 30 000 tonnes of gold ore per month.
 - ii. Employment creation of 1000 people directly and indirectly.

RioZim Cam and Motor Mine (Expansion Project) Kadoma,

- The USD17 Million Biox Plant project is nearing completion. The project will be commissioned in Q1 2022.
- The gold production will reach 140 kilograms per month, during the first phase of the project, and will peak at 200 kilograms per month, after Phase 2 is implemented.
- The project has created employment for 100 locals

ZCDC (Expansion Projects), Chiadzwa and Midlands



- ZCDC commissioned a 450tons per hour metallurgical process plant. The mining company is expanding operations from alluvial operations to conglomerate ore processing. ZCDC is the first mining company globally to process conglomerate ore and is using state of the art technology such as X-Ray Transmography technology.
- ZCDC ramped up production which saw them surpass their 2021 target of 2 million carats.
- To date ZCDC has produced 2.3 million carats.

ZCDC/ALROSA J.V (New Mine), Malipati, Matabeleland South

- Following the signing of a joint venture agreement between the Zimbabwe Consolidated Diamond Mining Company (ZCDC) and Russia's ALROSA in 2019 to develop diamond fields in the country, exploration work is now in full swing.
- Work has been done in setting up the exploration camp and assembling a diamond washing plant with a capacity of 1 tonne per hour of ore.

Gemmology Centre, Mutare, Manicaland

- Government's thrust to promote value addition and beneficiation is bearing fruit with a Gemmology Centre being constructed at Fern Valley in Mutare.
- In the quest to achieve targets set under Vision 2030, government is spearheading construction of a Gemmology Centre in Mutare, to promote value addition and beneficiation of the country's precious stones.
- Phase one of Gemmology Centre will be completed by mid-February 2022 and it is 51 percent to completion. The phase 1 comprises of the perimeter fence, security fence, brick wall, gate house. 2 boreholes were drilled in the first phase and installed 2 water tanks.
- Mobilizing of funds for the construction of the cutting and polishing plant is now underway.

Great Dyke Investments (Pvt) Ltd (New Mine), Darwendale

- To date, the first Boxcut of the two is complete and Excavation Work is complete.
- The project employs a total of 360 employees with 70 being GDI employees while 290 are contactors.
- Once fully operational the two mines will produce a total of 3.45 million tonnes of PGM ore per year.

Karo Platinum (Pvt) Ltd (New Mine), Darwendale,



President Mnangagwa Operates a Drill Rig at KARO Mine

- Karo has successfully completed an exploration/ resource delineation exercise and the project is at implementation stage.
- Resettlement of affected individuals is scheduled for Quarter 1 2022.
- The project is expected to mine approximately 14.4 Mtpa of run of mine ore.
- The project has created employment for 100 employees.

Mimosa Mine (Expansion Project), Zvishavane, Midlands

- Mimosa mine has a short life of mine and is investing in the opening of a new portal at North Hill to increase life of mine. This will contribute to the attainment of the critical mass for local beneficiation.
- Mimosa Mine is carrying out various projects to increase process efficiency. A concentrate handling facility to use a bulk loading bunker has been commissioned. The company is also working on process optimization project to improve recovery from the metallurgical plant.
- This will all target increasing revenue and helping the nation attain a USD12 Billion mining economy.

Unki Mine (Pvt) Ltd (Expansion Project) Shurugwi, Midlands



- The concentrator expansion is now complete and steady ramp up is in progress.
- The expansion will result in increased concentrator capacity from 179 000 tonnes per month to 210 000 tonnes per month.

Bravura (Pvt) Ltd (New Mine), Darwendale



- Bravura carried out exploration and feasibility studies in 2021 and plans to go into mine construction in 2022 and production in 2023.
- Bravura has created employment for a total of 40 employees.

ZIMPLATS (Expansion Project), Mhondoro Ngezi



- ZIMPLATS signed a memorandum of understanding with Government of Zimbabwe in 2021 that will see the company invest USD1.8 Billion to expand its operation by the year 2025.
- A key project is The PGM Base Metal Refinery (BMR) plant that will cost an estimated USD 200 million.
- Currently ZIMPLATS is undertaking a bankable feasibility study that is expected to be complete by 2022.
- The construction of the Base Metal Refinery, installation and commissioning of the plant is expected to be complete by 2026.

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Todal Mining (New Mine)



- Todal is currently undertaking resource estimation, aeromagnetic survey and drilling.
- Metallurgical testworks on comminution, variability and flotation are expected to be finished by 2022 and a pilot plant to be built by 2023.

Dinson Iron and Steel Company (Pvt) Ltd (Tshingshan), Carbon Steel Plant (New Project)



- The steel plant will produce 1.2 million tons of carbon steel per annum and will generate around USD1.9 billion per annum.
- The investment will create at least 6000 jobs, thousands of downstream activities and a new town of about 30 000 residents.
- The Carbon Steel Plant is now due for commissioning by Quarter 1 2022.

Southern Granite, Chitungwiza & Mashonaland Central



- Southern Granites has 3 Multiwire saws which have 52, 56 and 72 wires and 2 polishing lines. They export approximately 12000 m² per month. Southern Granites adds value to approximately 95% of blocks produced.
- They produce 400-500 cubic metres per month and exports 8 000 square metres to key markets including Europe, Asia and South Africa.

Afrochine Smelting (Pvt) Ltd Selous



- Operationalization of 2 x 12.5 MVA additional Furnaces in addition to 3 Chrome Smelters already operating to produce 600 000 tons per annum of ferrochrome was done in June 2019. The furnaces are ready for commissioning by H.E

Jin An Corporation Chrome Smelters, Gweru, Midlands

The Low Carbon Ferrochrome Furnace is operational with a capacity of 1200 tonnes/ month of Low Carbon Ferrochrome.

- JinAn also produces High Carbon Ferrochrome and ferrosilicon chrome.
- The electrode paste plant is operational with an annual capacity of 5000 tonnes per annum.

Prospect Lithium New Mine, Arcadia

- Prospect Resources and its subsidiary Prospect Lithium Zimbabwe remains focused to bring the Arcadia Lithium project into production.
- Prospect finished the construction of a Pilot Plant which will initially produce bulk samples of 500t of Petalite and 120t of Spodumene concentrates for customer qualification.
- Prospect Resources signed agreements for the sale of 87 percent stake in the Arcadia Lithium Mine to China's Zhejiang Huayou Cobalt Limited.

Grand Sanyuan Copper Resources Zimbabwe (Alaska Mine Re-opening) Makonde



- Phase 1 comprising of installation of the furnace is expected to be completed by end Quarter 1 2022.
- The company has directly employed over 50 locals and the construction and civil works are being done by local contractors which takes the total (direct and indirect) employees to over 100

Yang Sheng Mining, Murehwa

- Yang Sheng Mining (Pvt) Ltd is a granite mining company that commenced operations in 2018 in Zimbabwe.
- Yang Sheng Mining Private Limited is in the process of the construction of a granite cutting and polishing facility that is expected to be completed by February 2022.
- Yang Sheng Mining Private Limited first phase will produce 1950 tonnes of polished slabs per month and 2400 tonnes of granite will be cut every month.
- A total investment of USD10 Million will be required for the first phase and 100 local employees will be recruited.
- The company's expansion plan will involve 5 phases which will create more than 300 local job opportunities.

South Mining (Pvt) Ltd, Hwange

- The expansion project was officially opened by H.E Cde E.D Mnangagwa on the 16th July 2020.
- 2 Coke Oven Battery with a capacity of 12000 tonnes per month each.
- The main local suppliers for raw material are Hwange Colliery, Makomo and Zambezi Gas
- Construction of Phase 2 with an additional 140 000 t capacity has commenced and is expected to be completed by February 2022.
- The combined capacity at the plant will be 280000 tonnes of coke, 2800 tonnes of tar, 2400 tonnes of benzoyl and 40 million m3 of gas as by-products.

Project Benefits

- Local employment
- Exports
- Coke by product at ZIMCHEM
- Gas supply to ZPC

Tutu/Jin An Corporation, Hwange

- Construction of semi coke plant still underway. and mobilization of material resources is on-going.

Zhong Jian Investments (Pvt) Ltd, Hwange

- Current production is 150 000 t/month of thermal coal for ZPC
- 474 locals employed for mining operations
- Commenced construction of a coke battery of 300 000 tonnes /year capacity
- The investment for the coke battery has been budgeted at USD120 Million

Zimbabwe Zhong Xin Coking Company (ZZCC) (Pvt) Ltd, Hwange

- The current coke production is 10 000 t/month and the main product is foundry coke.
- The current stockpile is 18000t of foundry coke which has a market price of USD290/tonne.
- The main market for foundry coke is AcelorMittal in South Africa, Zambia and Congo for processing copper, manganese and cast iron.
- 173 locals employed by the project to date.

GeoAssociates (Pvt) Ltd, Muzarabani Oil and Gas Exploration Project, Muzarabani

- The Seismic survey was successfully carried out in 2021.
- Muzarabani, has secured the necessary casing, wellheads and long lead items for its 2-well oil and gas drilling programme scheduled for May 2022

Dingmao Mining, Mutoko, Mash East

- The company currently has two granite polishing plants and they are planning to erect five more granite polishing plants by October 2022.
- The company's expansion plan would increase the number of locals employed from 200 to 500 workers by end of year 2022.

Lokalise Investments Limited (Western Areas) Western Areas, Matebeleland North



- Current coal production is 75000 tonnes/month
- Lokalise is supplying 50% coal to ZPC and other customers include Triangle, Hippo Valley, farmers and small thermals. Metallurgical coal supplied to Dinson Colliery (Pvt) Ltd
- Coal testing lab and office building to be completed in October 2021
- Rehabilitation of mined out area already taking place as mining is being undertaken

Makomo Resources (Pvt) Ltd, Hwange

- Current Monthly production of 20000 tonnes of coking coal, 8000 tonnes of thermal coal and 8000 tonnes of industrial coal.
- There is scope to ramp up production by 100% to meet the Expansion of ZPC Units 7 and 8 requirements.
- Coal Sales is 73% Production ZPC, 15% for Commercial Market and 3% for Exports.

Project Benefits

- Employment Creation
- Power Generation
- Fiscal contribution - over US\$300m

Zimbabwe Zhong Xin Electrical Energy (ZZEE) (Pvt) Ltd Hwange



- ZZEE finished the construction of the power plant in 2021 and connected to the 80 kV power line.
- 100 locals employed by the project to date.

Project Benefits

- Employment Creation and Power Generation

Factors Affecting Mining Investment in Zimbabwe



Lyman Mlambo, Chairman of the Institute of Mining Research

BACKGROUND

Lyman Mlambo, in a 2013 article entitled "An Analysis of the Determinants of Mining Investment in Zimbabwe: Based on the Flexible Accelerator Model", which was published in Volume 3, Issue 3 of the International Journal of Research in Commerce, Economics and Management (p.1) states that:

Net investment in any sector of the economy, mining included, creates employment, makes the economy grow and makes future consumption possible. Without mining investment, mineral resources remain sleeping resources, with their extent unknown and the country benefiting nothing from them. Following the perspective of the New Growth Theory that technology is embodied in new capital, investment, therefore, combines two important growths - capital growth and technical progress. This is especially the case in the Zimbabwe mining sector, where both investment and technical progress significantly derive from the foreign sector.

Thus, geological prospectivity per se is not useful if there is no investment into exploration, mine development, mining and other activities in the higher value chain. These are the activities that create value in a natural resource, hence the term value chain. The quote above also implicitly refers to the dilemma between sovereignty and capital facing a developing yet mineral-rich country like Zimbabwe, where without foreign capital (foreign direct investment), the resources cannot be optimally developed, which capital then dilutes the country's claim to its resources. The issue of resource nationalism is a whole discourse on its own. However, the quote carries the important idea that investment, whether local or foreign, is critical in the mining sector.



Earnest R Chinyanga, Consultant at LMS Mining Consultancy

Understanding the factors that attract or repel mining investment in Zimbabwe is a core foundation of mining investment policy and general mining policy in Zimbabwe. The Fraser Institute's Annual Survey of Mining Companies seeks to gauge the company executives' perception of the conduciveness of a country's environment to attract investment, given that investment capital has competing country destinations. According to the Institute, the first condition is the availability of mineral resources, and the second condition is the policy regime (or environment).

Policy is only a part of the mineral resource governance framework, with the latter concept encompassing policies, legislations, regulations and procedures together with the institutional frameworks implementing them. Thus, the whole governance framework is relevant in determining the attractiveness of Zimbabwe to mining capital. So far, the background relates to aspects that are under the purview of government. There are also pure economic (including market-based) factors that impact investment, though governments all over the world intervene in the market to influence these factors or modulate their impact on investment. This article attempts to briefly discuss these economic factors and the governance framework that impact on mining investment in Zimbabwe.

Geological prospectivity per se is not discussed for the simple reason that it is a given, which cannot be changed.

Discussion of Factors Impacting on Mining Investment Levels in Zimbabwe

Mlambo, in the article quoted earlier, finds lack of finance (one may include under this underdeveloped stock exchanges) as a big factor in Zimbabwe mining sector. Lack of finance (which is itself explained by other factors) explains the increasing gap

between the desired stock of capital and the actual stock every year. Capital requirements are always expanding every year due to a negative capital adjustment coefficient. The mining sector would require a capital-output ratio of 4 (that is, the value of capital stock should be 4 times that of current output at any point to maintain a normal working rate). Due to lack of finance, investment in any year is normally explained by the previous year's investment (lagged investment variable), for three reasons: (i) scarcity of finance makes it difficult to undertake investment as a lump, but rather spread it to take advantage of annual receipts; (ii) the existence of investment adjustment costs – in other words, installation of capital is not costless or instantaneous, especially in Zimbabwe where the cost structures are very high; and (iii) senior managers use the previous year's budgets to modulate budget proposals by junior managers unless the latter can put forward strong arguments for the variance.

Mlambo also argues that real capital depreciation (that is, at historic cost) in the mining sector is very significant at an estimated rate of 7.26%, though the nominal figure tends to be negative because of inflation which tends to suggest capital stock value appreciation. The real depreciation has made a requirement for replacement capital huge besides that for expansion capital. It is found that current levels of output have little to do with decisions on that year's investment level, and that stoppage in production and investment for a few consecutive years normally leads to closure due to high fixed costs associated with mining operations as well as legacy issues. This partly explains the failure of mines on care and maintenance to come back into full resuscitation in a reasonable period of time.

Interest Rate and the Internal Rate of Return

The relative magnitudes of the bank interest rate on lending (loosely representing the cost of capital), denoted by r , and the internal rate of return of the invested capital, denoted by i , determine whether or not investment in a whole mining project or in a piece of mining equipment should be done (Mlambo, 2013). While r is determined in the banking system (or money market), the level and dynamics of i reflect the operational costs (or general operational environment) of the project or piece of equipment in

question. A situation where $r > i$, or generally where either r is rising or i is falling is not conducive for mining investment. In Zimbabwe, interest rates have generally been rising historically, while the internal rate of return has been falling, making the environment theoretically repellent to investment. However, local interest rates have, in reality, no significant effect on mining capital investment projects for the simple reason that there are no significant lines of credit to match the requirements of the mining sector given very low national savings levels. Nevertheless, the banks are capable of offering loans for operating capital requirements as well as for investment in formal small-scale mines.

Cashflow, Currency Exchange rates and the Surrender Requirements Investment has been affected by low cash flows resulting from a high forex surrender requirement which currently stands at 40% of gross export revenue. This forex is converted by the Reserve Bank of Zimbabwe at the official auction rates which are far lower than rates prevailing in the black market. The latter rates are used as the basis for the pricing of most goods and services, including the locally supplied raw materials for the mining sector, and payments for public goods and services provided by the Government itself. This issue of high surrender requirement (or low retention level) continues to be a subject of contentious engagement between the mining industry and the Government. The mining industry is requesting the Government to reduce the surrender requirement and also accept payment by the industry for public goods and services (utilities) and statutory obligations using the surrender component and at official auction exchange rates. In the past, extreme surrender levels, reaching 100% for gold around 2008, for example, resulted in many mines closing down or being placed on care and maintenance.

Policy Stability, Clarity and Political Dynamics

Mlambo also notes that investment irreversibility, high capital intensity, long lead times and long payback periods of large mining projects has inevitably put the stability of mining regulations or regimes and the security of tenure to the fore of the investment question. Both policy stability and security of tenure or titles have been under threat in Zimbabwe, a fact which is witnessed by many cases in the courts. In order to reduce the associated risks, several foreign potential large-scale mining projects have been sitting on the fence, while many Zimba-

bwean-owned enterprises have remained small-scale by international standards. General dynamics in property rights and resource nationalism, cases in point being the chaotic land reform programme and the evictions of people from their ancestral lands in Marange, which have left enduring legacy issues related to compensation, among others, have corroborated these fears.

Lack of clear policy has hampered investment in some sub-sectors such as coal bed methane gas, where a case in point is the Lupane Gas Development project which failed to take off because of failure to agree on the shareholding structure of the envisaged vehicle (LUPGAS) for about two decades. The Mines and Minerals Amendment Bill is taking too long to be finalized, and the period of waiting is at times characterized by inconsistent policy pronouncements, some of which are akin to mere political rhetoric resulting in policy uncertainty.

The question of political regime stability is also a significant factor that has created uncertainty about the future of the mining sector. There is a perennial tight political contestation in this country, characterized by hate speech, political violence, alleged human rights violations, alleged judicial biases, alleged election rigging, all of which have resulted in protracted political legitimacy issues, antecedent to several diplomatic tiffs and the consequential reputational risks for the country. Besides reputational risk, in a situation where it is highly possible for the ruling party to change or for radical internal evolution within the same party, the continued honouring of signed mining contracts cannot be guaranteed.

Country Perception Indices and Competitiveness

Lyman Mlambo, in a 2016 report for the Chamber of Mines of Zimbabwe on "Growth Prospects of the Gold Mining Industry in Zimbabwe", concludes that, based on the Fraser Institute's Policy Perception Index (PPI) and its micro-perception index (the Taxation Regime Index), the country compares unfavourably to other mining jurisdictions. This conclusion has not fundamentally changed since the writing of the said report. Ynis, J. & Aliakbari, E. (2021) in the Annual Survey of Mining Companies 2020 (retrieved from <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2020> on 2 February 2022) presents Zimbabwe as being among the least attractive jurisdictions for mining investment on number 70 out of 77 Jurisdictions according to the Fraser

Institute Investment Attractiveness Index (IAI). IAI is a broader index than the policy and taxation regime indices. An important statement that is worth repeating many times is the fact that, while perceptions are subjective, they still determine the level of mining investment because mining executives make decisions on their basis (Mlambo, 2016). These perceptions sometimes also get a quantitative corroboration through, for example, the level of the effective tax rates, which for Zimbabwe, is among the highest in the world at 65% compared to South Africa's 36.3%.

The 2016 Chamber of Mines report referred to above highlights several challenges, which we currently need to watch, and if necessary, address particularly in the gold sector, including (i) depressed local prices; (ii) high unit costs of production; (iii) infrastructure deficits including power outages; (iv) high cost of local sources of finance; and (v) sub-optimal fiscal regime with high royalty rates, the multiplicity of tax heads, legislative instruments and collecting agencies. These have caused the country's global and continental ranks in terms of gold production to go down phenomenally over time. Due to a high perceived country risk, mining companies that seek to invest in Zimbabwe face the high cost of offshore finance. The country risk profile hinges on the operating environment (including the challenges highlighted above and the ease of doing business), the fiscal regime, legislative, regulatory and policy environment (which should not have vacuums and gaps and should be stable), human rights record, corruption index (and the related transparency issues), democratic freedoms (space), and general macroeconomic stability. Zimbabwe shows up badly on most of these criteria.

Conclusion - Country perception, including international perception and the perception by local mining business executives expressed in the Annual State of the Mining Industry Report published by the Chamber of Mines, is the key to unlocking local and foreign direct (FDI) investment in the mining sector. It essentially mirrors all the factors we have discussed. The conclusion is that the mining investment environment should be made and be perceived to be complete (without policy or legislative gaps), clear (unambiguous), competitive (good for profitable business), consistent (not sending contradictory messages), and stable (not likely to vary arbitrarily in a way that significantly affects initial business decision criteria).



Tantalite

Forget Gold, Diamonds and Platinum, Zim can still make millions & millionaires from these minerals

In an endeavour to see the mining sector contributing significantly to the President Dr Emmerson Mnangagwa's vision for the country to become an upper-middle-income economy by 2030 through the National Development Strategy_1 (NDS) the Minister of Mines and Mining Development Hon Winston Chitando proposed a mining roadmap where the sector will contribute annual revenue of US\$12 billion by 2023.

Rudairo Mapuranga

Through the US\$12 billion mining roadmap, gold, platinum and diamonds are expected to earn a total of US\$8 billion annually by 2023 with gold fetching US\$4 billion, platinum US\$3 billion while diamonds are expected to contribute a total of US\$1 billion towards vision 2030.

Although there has been hype and investment rush by both local and foreign investors into mining these minerals since Hon Chitando was appointed the Minister of Mines there was little emphasis on other minerals. With the exception of lithium which the Minister feels can fetch half a billion by

2023 this publication gives an insight into other minerals that have the potential to contribute significantly to the 12 billion mining industry.

There is an opportunity for the country to create more millionaires by encouraging citizens to venture into the following minerals in 2022 and beyond.

Iron ore

Iron Ore is the Slam-Dunk of Minerals for 2021 and Beyond. According to Goldman Sachs, iron ore has been in a bull market for more than two years, and it's not about to end soon.

"It would be wrong to say that the bull market for iron ore, you know, is on the cusp of ending," said Nicholas Snowden, head of base metals and bulks research at the investment bank.

Zimbabwe has huge iron ore deposits associated with banded ironstone formations in greenstone belts. Major deposits are estimated to be over 30 billion tonnes of reserves. Deposits with

high-grade ore are found in Buchwa and Ripple Creek. Significant ironstone deposits include the huge Mwanesi deposit west of Chivhu and Nyuni near Masvingo. Manyoka and Mongula and several similar deposits in the Limpopo Mobile Belt are also important deposits.

In 2017 Australia earned a total worth \$117 billion (approximately US\$85 billion) from Iron ore export revenue, iron ore is the country's largest foreign currency earner. Over the last ten years, Australia's iron ore export volumes have more than doubled with China being the key export market for Australian iron ore accounting for 80 per cent of Australia's iron ore exports.

If the country invests in iron ore extraction there is a better chance that a billion-dollar industry can be created from iron ore exports alone. The country can also benefit from exporting directly to China thereby potentially creating millionaires from the iron ore industry.

Lithium

Although the Minister of Mines and Mining Development Hon Winston Chitando through the mining roadmap believes that lithium can fetch US\$0.5 billion annual revenue by 2023, there is a greater potential for the sector to grow than expected because experts project that lithium demand will skyrocket 10 fold by 2030.

The skyrocketing of lithium demand by more than 10 times means lithium prices are also going to skyrocket giving lithium miners an operational boost as well as more than double in profits.

Experts have also predicted that the price of batteries for electric vehicles are set to rise in 2022 following a decade of sharp decline as supplies of lithium and other raw materials fail to keep up with ballooning demand.

According to S&P Global Market Intelligence, lithium supply is forecast to jump to 636,000 metric tons of lithium carbonate equivalent in 2022, up from an estimated 497,000 in 2021 -- but demand will jump even higher to 641,000 tons, from an estimated 504,000 this means that the country which is currently the world's fifth-biggest lithium supplier should invest in more lithium projects. This means that there is an opportunity for citizens to consider pushing to lithium mining.

Several lithium projects are currently taking place in the country with Prospect Resources' Arcadia Project and Premier African Minerals' Zulu project leading to ensure that the country benefits from the lithium boom.

Sometimes referred to as "white gold", lithium is an ingredient in lithium-ion batteries, the batteries that will power a projected renewable, clean-energy future.

Lithium batteries are the leading technology in electric vehicles (EVs), laptops, computers, mobile phones, pacemakers, hearing aids, drones, even remote-control toys and so much more.

The U.S. military has been using lithium batteries in radios, thermal imagers and other portable devices for over a decade. Over the next five years, the country's Department of Defense expects to expand the use of lithium batteries into military vehicles, ships, aircraft and missiles.

With the demand for lithium batteries

skyrocketing, the U.S. government has officially classified lithium as essential and critical to economic and national security.

The explosive growth in EVs, mobile phones, energy storage units for wind and solar energy, and other clean technologies, is a clear indication that lithium will be the hottest in-demand mineral for decades.

According to Florida-based technical analyst, market researcher, educator and trader, James Hyerczyk, the leader in lithium raw material resources and lithium battery production could determine which country dominates economically and technologically in the 21st century. This means that Zimbabwe has a role to play in taking centre stage in producing lithium to achieve President Mnangagwa's vision to see the country achieving an upper-middle-income economy by 2030.

Tantalite and Tin

Zimbabwe is endowed with significant and excellent deposits of tantalite and tin deposits. The listed areas of verified tantalum deposits include 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 and Insiza.



The lowest tantalum grade fetches US\$40 per kilogram, which translates into US\$5 385.40 per metric tonne while the highest grade is currently fetching US\$550 per kilogram which culminates into US\$163.691.55 per metric tonne.

Tantalite is the most widespread tantalum mineral and makes for an important ore of the industrially useful metal. Tantalum is used in alloys for strength and higher melting points, in glass to increase the index of refraction, and in surgical steel, as it is non-reactive and non-irritating to body tissues.

Tantalite is also commonly used in the electronics industry for the manufacturing

of electronic equipment such as tantalum capacitors and the production of radio transmitter electron tubes which are of ultra-high frequency.

Ionosphere Investment Pvt Ltd Director Mr Nyasha Chidoh said his company processes and engages in the value addition of tantalite and tin because it has discovered that other minerals like tantalite and tin can have a significant contribution towards the achievement vision through supporting the mechanisation of small scale miners.

Chrome

Zimbabwe has the world's second-largest reserves of high-grade chromium ore after South Africa, with deposits of about 10 billion tonnes, equivalent to around 12 per cent of the global total, according to the Ministry of Mines and Mining Development.

Chrome is a significant metal to the rise of the metal foundry sector in Zimbabwe. A total of 22 smelters are now operating and are shared among nine foreign and local companies. Unless chrome mining capacity is expanded, the smelting operations could soon face the challenge of insufficient feedstock in the form of chrome ore. This means that there is an opportunity for investors to consider investing in the chrome mining sector. Chrome is currently fetching between US\$40-60 per tonne if investors are to produce over 20 000 tonnes a month it means a sustainable business can be created.

Copper

There are over 70 known deposits in Zimbabwe that have produced copper either as a primary or secondary product. The main producing area has been the Magondi Basin in an area stretching for over 150km. Similar copper deposits are found in the south-eastern part of the country in the Umkondo Basin. According to experts, copper prices due to the popularity of clean energy are rising significantly, copper prices reached an all-time high of \$10,512 per metric ton on May 9 2021, marking a 130 per cent growth since March 22, 2020. There is also a high demand for copper cathode meaning that the country. Reinvestment into the copper sector can create more millionaires in Zimbabwe.

Unki production up 48 per cent



AngloAmerican Platinum (Amplats) owned platinum group of metals (PGM) producer Unki mine recorded a 48 per cent production increase in the fourth quarter of 2021 compared to the previous quarter figures released by Amplats show.

Rudairo Mapuranga

During the fourth quarter of 2021, the platinum miner produced a total of 63 200 ounces up 48 per cent from 42 600 ounces produced in the previous quarter.

Unki's annual production was at 204 600 ounces in 2021 marking a 4 per cent increase from the 196 100 ounces produced during the previous year (2020). During the first quarter of 2021, the platinum giant produced 50 900 ounces while during the second quarter the mine produced 47 900 ounces.

The fourth quarter of 2021 has been impressive for the mine again as it managed to up production by 13 per cent compared to the same quarter of 2020 which produced 55 800 ounces.

According to Amplats Unki Mines' increased production in 2021 has been necessitated by the Completion of the company's R700 million de-bottlenecking project towards year-end resulting in an improved capacity.

The project focused on upgrading the flotation circuit, the primary mill and other ancillary equipment.

"Production at Unki increased by 13% to 63,200 ounces due to the successful completion of the debottlenecking project at the concentrator," the company said.

The new plant was a second major value addition and beneficiation project by the mine after the commissioning of a US\$60 million smelting plant at the mine by President Mnangagwa in 2019.

The project was expected to increase the production of platinum group concentrate at the plant by 30 per cent and ultimately increase exports by the same margin.

US\$60 million from Arcadia sale to fund Step Aside lithium project in Goromonzi



Prospect Directors Paul Chimbodza and Harry Greaves

Australia Stock Exchange-listed mining and exploration junior Prospect Resources Limited has announced that it is going to use up to US\$60 million proceeds from the sale of Arcadia Lithium mine to fund the Step Aside lithium project and other battery metal claims in Zimbabwe.

Prospect Resources recently executed Binding agreements for the sale of the Arcadia Lithium Project, to Huayou International Mining (Hong Kong) Limited for approximately US\$377.8 million (\$528.4 million).

According to the company, subject to transaction completion, and following payment of requisite Zimbabwean taxes and transaction fees, Prospect expects to distribute approximately \$430 – 450 million to shareholders and intends to retain a cash balance of between \$30 and \$60 million. The company intends to use the cash balance to embark on other battery metals projects in Zimbabwe and pursue new battery and electrification metals growth opportunities globally.

"Prospect plans to retain a cash balance of \$30 – 60 million4 (\$0.06 - \$0.13/share2) to



progress its other battery metals projects in Zimbabwe and/or pursue other growth projects in the battery and electrification metals space globally," the company said.

Currently, Prospect Resources assets are Step Aside Project in Zimbabwe and other

battery metal tenements also in Zimbabwe.

Step Aside comprises of 140 hectares of claims located in the Harare Greenstone Belt, west of the Mashonganyika Fault, and approximately 8 kilometres north of Arcadia Lithium mine.

The potential of the area was confirmed by the positive regional stream and soil sample geochemistry results and four mineralized pegmatites have been mapped from east to west at the surface.



Rudairo with a sample of Lithium at State House

Observations made at Arcadia indicate that several parallel narrow pegmatites can coalesce into thicker pegmatites down dip.

The exploration programme is underway with the commencement of rock chip sampling. If successful, to be followed up by trenching alongside RC drilling, to help with determining the sub-surface strike extensions, providing greater detail as to the thickness and strike length of the underlying pegmatite.

Zimplats produces over a tonne of gold in 2021



ZIMPLATS Chief Executive Officer Mr Alex Mhembere

Zimbabwe's biggest platinum producer Zimplats has produced a total of 1.002 US tons contributing significantly to the country's gold target, Mining Zimbabwe can report.

Rudairo Mapuranga

The platinum giant produced a total of 32 064 ounces in the year 2021 making it an important player in the achievement of the 100 tonnes gold target by 2023. The company has been producing an average of 30 000 ounces a year since 2016.

Through the US\$12 billion roadmap, the mining industry is expected to generate an annual revenue of US\$12 billion by 2023 and the gold sector is expected to account for US\$4 billion of the sum.

Unofficial figures show that the biggest platinum producer made nearly US\$50 million from gold alone whereas the country generated US\$2.7 billion from gold in 2021.

Last year Zimplats announced that it had invested US\$1.8 billion in growth projects a development that will aid in the resuscitation of the country's economy.

According to Zimplats Chief Executive Officer Mr Alex Mhembere, the company has invested US\$386.2m towards Mupani Mine re-development and US\$82m on Bimha mine upgrade. The mines are expected to be the replacement for depleting Rukodzi, Ngwarati and Mupfuti mines. The

Australian Stock Exchange-listed miner also invested US\$289m in Hartley mine development.

He said that the company invested US\$133m on a third concentrator plant with the capacity to create 100 direct permanent jobs at the same time increasing its ore milling capacity from 6.7 Mtpa to 7.52Mtpa.

PGM base metal refinery (BMR) plant cost the miner US\$200m. The base metal refinery has the capacity for local PGM base metal refining and has the capability to create 100 direct jobs and at least 1000 in-direct jobs.



The expanded smelter will cost a total of US\$280m with smelting capacity increased from 132-kilo tonnes to 380 kilotonnes of smelted concentrates, Capacity to smelt own-sources and local third parties, Employment creation of 40 permanent jobs, saving on transportation of bulk concentrates across the border, and avails the opportunity for new mines to reduce capital requirements.

Zimplats according to Mhembere will invest US\$200m in the Sulphuric acid

plant that the company intends to install will produce 100-kilo tonnes per annum. The sulphuric acid will be used in the manufacturing of fertilizers in the country thereby reducing acid imports.

The mining sector plays a pivotal role in the country's economic development, contributing more than 60 per cent of exports revenue, employing over 45 000 formal employees and attracting significant foreign direct inflows into the country.

Zimplats has been supportive of the government's vision to see the economy achieving an upper-middle-income status by 2030 and the mining industry becoming a US\$12 Billion industry by 2023. Platinum is projected to contribute US\$3 Billion in annual revenue by 2023.

Zimplats has reached a milestone towards sustainable development of the platinum sector by increasing melting capacity from 132-kilo tonnes to 380-kilotonnes of smelted concentrates with the capacity to smelt own-sources and local third parties.

Mhembere said the company will also build a 110 MWAC Solar power plant for US\$201m with sufficient capacity to satisfy the needs of the company, including related mining and mineral beneficiation facilities.

The company will also invest US\$20m to build houses for its workers.

ZIMPLATS IN A MAJOR EXPLORATION DRIVE

Zimbabwe's biggest platinum group of metals (PGM) producer Zimplats spent more than US\$1.3 million on exploration during the quarter ended 31 December 2021 as the company continued on its quest to lead world-class mining operations in Zimbabwe.

According to the company, US\$1.3 million was spent during the quarter with a further US\$1.5 million committed during the quarter to advance mineral resource evaluation as well as increasing geological and geotechnical confidence in production schedules.

"A total of US\$1.3 million was spent on exploration projects, with a further US\$1.5 million committed as at 31 December 2021.

"Exploration activities included mineral resource evaluation, comprising approximately 13 464 metres of surface diamond drilling over existing projects on the two mining leases. Exploration activities increased geological and geotechnical confidence in production schedules," the company said in a statement.

Last year Zimplats announced that it invested US\$516 million towards maintaining current production levels through mine replacements and upgrades. The mine replacement and upgrades funding are part of the US\$1.8 billion capex plan which has been approved by the company's body of directors for a 10 year period.



In November 2021, according to Zimplats, the board of directors approved a US\$521 million capital expenditure project to construct a new 38MW furnace and establish an acid plant for the abatement of sulphur dioxide generated by the smelter operations. Implementation of this project will increase smelting capacity from the current 132 000 tonnes to 380 000 tonnes of concentrate per year. The expanded smelter complex will have capacity for toll treatment of third-party material. The acid

plant, in addition to reducing point-source sulphur dioxide emissions, will produce sulphuric acid – a vital feedstock in the manufacture of fertiliser.

The company said that: Implementation of the Mupani Mine development project, the upgrade of Bimha Mine and the construction of the third concentrator plant progressed according to plan during the quarter, with project-to-date expenditure of US\$211 million and commitments of US\$131 million at period end, against a combined budget of US\$562 million. The Mupani Mine development and Bimha Mine upgrade are replacement mines for Rukodzi, Ngwarati, and Mupfuti mines, which will be depleted in FY2022, FY2025 and FY2028, respectively. Commissioning of the third concentrator plant will increase milling capacity by 0.9 million tonnes per year and is expected to be completed in FY2023.

The bankable feasibility study for the 185 MW solar project was completed and Independent Power Producer (IPP) licenses were issued by the regulator.

Zimplats production decreases as operational costs increase



Australia Stock Exchange-listed platinum group of metals (PGM) producer Zimplats has recorded a 4 per cent decrease in 6E (Platinum, Palladium, Gold, Rhodium, Ruthenium, Iridium) production during the quarter ended 31 December 2021 compared to the same quarter of 2020 while operating costs increased by 8 per cent.

Rudairo Mapuranga

Of all the 6E metals only gold production was on an upward trajectory recording a 4 per cent increase in production from 7 839 ounces produced during the quarter ended 31 December 2020 to 8 144 ounces during the same quarter of 2021. Gold production also increased by 4 per cent

compared to the quarter ended 31 September 2021 with 7 803 ounces production.

In total, 6E production declined by 2 per cent during the quarter ended 31 December 2021 with a total of 140 768 ounces as compared to the previous quarter of September 2021 where a total of 6E 143 061 ounces was produced.

Mined tonnage decreased 7 per cent both quarter-on-quarter and year-on-year. This was mainly due to production disruptions at Mupfuti Mine during a changeover of trackless mining equipment service provider. The process has since been completed.

6E head grade decreased 2 per cent to 3.39 g/t from the prior quarter, largely due to the impact of ore mix as increased volumes of lower grade ore were milled from the Mupani Mine development stockpile.

Milled tonnes increased by 3 per cent quarter-on-quarter and year-on-year due to higher running time at the concentrator plants. The previous quarter's milled

volumes were affected by the planned concentrator mill reline shutdown at the Selous Metallurgical Complex.

6E metal in the final product decreased by 2 per cent to 140 768 ounces from the prior quarter, impacted by the lower head grade notwithstanding the higher tonnes milled. On a year-on-year basis, metal in the final product decreased by 4 per cent driven by lower head grade and a decrease in concentrator recoveries. Recoveries were adversely affected by the 2 per cent decrease in head grade.

According to the company, total operating cash costs increased by 4 per cent from the prior quarter, driven mainly by increased prices of some major consumables. A total of US\$0.6 million was transferred from operating costs to closing stocks during the quarter largely due to the concentrate stockpiled during the routine furnace taphole inspection shutdown. The combination of lower production volumes and higher operating costs resulted in an 8 per cent quarter-on-quarter and a 13 per cent year-on-year increase in operating cash costs to US\$735 per 6E ounce.

Invictus confident of Muzarabani oil potential



Invictus Energy Limited is confident that Muzarabani oil and gas project has great potential due to its encouraging preliminary seismic results, the company's Managing Director and CEO Scott Macmillan has said.

Rudairo Mapuranga

According to MacMillan through the Invictus Energy December 2021 Quarterly Report, the company is on track to commence a 2-well drilling campaign in May and capital raising has been completed for the mobilisation of the drill rig and long leads for the 2nd well.

During the quarter according to MacMillan, the Cabora Bassa 2021 seismic survey (CB21 Survey) was completed with a total of 864km of high-resolution 2D seismic data acquired. A total of 424km of data was acquired in SG 4571 (including a 24km test line). Following approvals, a further 440km of contiguous data was acquired in an existing application area. The CB21 Seismic Survey significantly exceeds the Company's minimum work program obligations of 300km of 2D seismic data for the current licence period, which runs to June 2024.



"This has been an excellent quarter for the company, advancing our exploration program on multiple fronts, as we progress towards our maiden drilling campaign in May 2022.

"We completed the Cabora Bassa 2021 seismic survey (CB21 Survey), obtaining 840km of new high-resolution 2D seismic data, that is providing greater insight into the subsurface and petroleum potential of the Cabora Bassa Basin.

"Early results from CB21 survey processing are highly encouraging, particularly the strong amplitude anomalies and potential Direct Hydrocarbon Indicators observed in the Muzarabani structure and along the basin margin fault.

"These results have generated confidence for selection of optimal drilling locations ahead of the upcoming campaign."

"The company secured Exalo's #202 drilling rig and ordered long-lead items for a 2 well program, providing line of sight to the anticipated May 2022 drilling program. The company also executed a non-binding farm-in option agreement executed with Cluff Energy Africa, an endorsement of the project given the group's history and success in Zimbabwe's natural resources sector.

"A capital raising program consisting of a placement and a share purchase plan to fund the rig mobilization fee and long lead items for a second was extremely well supported by existing shareholders. This enabled the Company to double its targeted raise.

The Company is in a strong position and is now firmly focused on the execution of the planned May drilling campaign."MacMillan said.

Mimosa production down over 6 per cent

Sibanye-Stillwater Limited and Impala Platinum Holdings Limited (Implats) jointly owned platinum group of metals (PGM) producer, Mimosa Mining Company's half-year production for the period June to December 2021 decreased by 6.1 per cent compared to the same period in 2020.

Rudairo Mapuranga

According to figures released by Implats in its Production Update and Trading Statement for the Six Months ended 31 December 2021 Mimosa produced 124 000 ounces during the half-year compared to 132 000 ounces produced during the same period in 2020 marking a 6.1 per cent decrease.



The half-year performance to 31 December 2021 means during the whole year of 2021 the mining company produced 184 714 ounces as supported by half-year results released by Sibanye-Stillwater last year indicating that the platinum miner produced 60 714 ounces during the six months period to June 30, 2021. Mimosa's parent company, Sibanye-Stillwater of South Africa, in a half-year results presentation said the platinum company maintained a steady performance with an all-in sustaining cost increase of 8% to \$912 per 4Eoz due to a 56% increase in sustaining capital.

"Attributable 4E PGM production from Mimosa of 60 714 4Eoz was 1% higher than for the first half of 2020, with Mimosa maintaining a steady performance with AISC increasing by 8 per cent due to a 56 per cent increase in sustaining capital," Mr Neal Froneman, Sibanye's chief executive said.

Mimosa is among the country's largest three platinum producers namely Zimplats and Unki, which are majority-owned by South African mining giants Implats and Amplats respectively. Other upcoming platinum projects under different stages of implementation include the Great Dyke Investments and Bravura.

Zimbabwe has the world's second-biggest known deposits of platinum after South Africa with Zimplats' Mupfuti Mine and Bimha Mine ranked among the world's ten largest platinum mines in 2020 by GlobalData's mining database.

Zim, Malawi propose a SADC gemstone marketing centre



Zimbabwe and Malawi gemstone miners are proposing to create a coloured gemstone market-based in the Southern African region to combat the exploitation of miners by foreign buyers as well as value-adding the stones.

Rudairo Mapuranga

Speaking to the media after a closed-door executive meeting held in the capital in January, Zimbabwe Miners Federation (ZMF) Secretary for Gemstones and Semi Coloured Stones Mr Privelage Moyo and Malawi Gemstone Association President Mr Chikomeni Manda said the two countries coloured gemstone sectors agreed that there was a need to push the proper marketing and cutting of coloured gemstones that are being mined in SADC so that jobs will not be exported to Asia like what is happening now.

Moyo said there was a need for exchange programs to grow and develop the coloured gemstone industry in the region.

"As Southern Africa, we need more engagement with our sister countries. The growth of Zimbabwe should be the growth of Malawi or Zambia. There is a need for exchange programs so that at the end of the day we will have a world-class gemstone industry," Moyo said.

Manda said there was a need for Africa to train its cutters to world-class levels to avoid a situation where the majority of the stones mined in Africa are cut in Asia

(India, China, Hongkong etc) while Most of the people from Africa are unemployed and poor. For example, gemstone mine Gemfields is mining in Mozambique and Zambia but cutting them in India thus exporting jobs.

"As Africa, we are the source country but the most pathetic part is we are the poorest. As a region, we need to value add our stones to create better markets. We need to have skills when it comes to value addition. Most of the cutters don't care about the quality but quantity, we need to perfect our cutting as a continent," Manda said.

Manda also said that there were a lot of policies that Southern African nations were supposed to learn from Malawi since the country's citizens have been mining gemstones for over 50 years and are experienced in the trade.

"In Malawi, only a citizen is allowed to mine at a small scale level, but a foreigner can be allowed to buy.

"When exporting, there are no questions. In Malawi, the government is pushing people to work together. The government is very cooperative although sometimes they play politics out of it. The government is trying to promote cooperatives and fund them.

"The government has discovered that most of the gemstone mining is happening in rural areas so they are trying

to create incentives so that people formalise their operations," Manda said.

He said the creation of a Southern African marketing unit was important to push out unscrupulous and unfair traders like some Chinese who capitalise on people's poverty to dupe them just like the erstwhile colonisers.

"Some Chinese are not fair even when we partner with them, they are exploiting our poverty. People are making deals because of an empty stomach. We have discovered that the best place to sell your stone is in your home country. That's why we need to create our own markets here so that our people are not defrauded," he said.

ZMF secretary for semi-precious stones said he was going to engage the government to come up with similar policies with that of Malawi that allow for the timely export of stones. He said the creation of a Southern Africa marketing centre should also come up with responsible sourcing of the stones to do away with fraudsters.

"We heard what is happening in Malawi and we need to advocate for our government to follow a similar path. We also need to come up with a controlling body for SADC gemstones. It is us Africans who are losing from our coloured gemstones." Moyo said.



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