

Workshop Report

Small Scale Mining is Here to Stay

21-23 July 2004: Zimbabwe

Margaret Manyanhaire

MPhil Econ Geology, BSc Hons Geology.

Workshop

- Funding
 - World Bank –CASM, US\$10 000.
 - Gold Mining and Minerals Development Trust
 - Others in cash and kind
- 100 Participants
 - Zimbabwe
 - Tanzania
 - Zambia
 - South Africa
- Programme
 - Pre-workshop field trip
 - 2 day paper presentations
 - Workshop discussions and recommendations.

Field Trip

- Visited Hope Fountain Custom Gold Processing plant 20km outside Bulawayo.
- Unravelling the Traditional Myths vs Technological Advancements and Environmental concerns in gold processing.
- Gold trading policy applicable to ASM.

Stamp mill vs Ball mill

- Stamp mill: 40-60 % gold liberation
 - Low operational efficiency
- Ball mill: > 85% liberation.
 - High operational efficiency



Concentrators



Concentrators

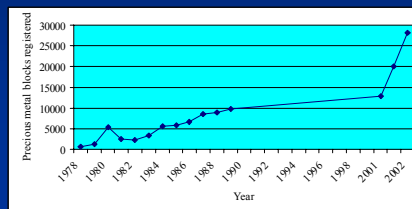
- Copper plate:
 - Good for fine gold
 - Exposure to amalgam and mercury fumes.
 - Low gold recovery
- Blankets
 - Good for coarse gold
 - Fine gold is lost to the tailings
 - Labour intensive
- Centrifugal concentrators
 - Suitable for all gold particle sizes
 - Efficiency 85-98% range.

Workshop Proceedings

- Status of small scale mining in Zimbabwe
- Legal and regulatory impediments in advancing the small scale mining sector.
- Lessons learnt from Zambia and Tanzania ASM sectors-Issues for its sustainability.
- Safety, health and environmental issues.
- Women in mining
- Financing small scale miners
- Discussions and recommendations.

Status of ASM in Zimbabwe

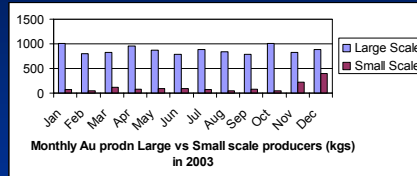
- Tremendous growth over the past few years
 - Whereas the sector comprised 10% of mining in 1978, it now stands at over 95% active mining.
 - Contributes ~+8% to GDP
 - Numbers involved estimated at 500 - 600 thousands.
 - Diverse ASM activities-gold, chrome, tantalite, precious stones
 - 95% ASM in gold mining.
- Growth caused by
 - Opening up of mining opportunities to majority of people at independence
 - Intermittent droughts that drove many people to gold panning to seek relief
 - Economic reform programmes and consequential hardships
 - General national economic decline coupled with shortages of foreign currency on the legal market
 - An attractive gold price particularly on the black market.



Recent trends in gold production from ASM

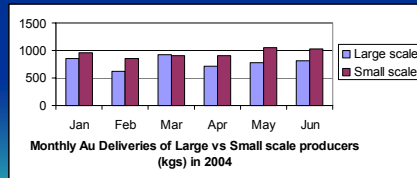
- Old trend

- Externalisation of mineral commodities e.g., gold, Tantalite, precious stones etc
- Zimbabwe lost ~8t of gold from the ASM.
- Overall 2003 Gold prodn from ASM was 1379.3kgs against an expected 10200kg



- New trend

- Tightening security
- Marketing reforms
- Attractive pricing policy



Positive developments attributed to ASM in Zimbabwe.

- Discovery of Chimanimani alluvial gold deposit
- Nuggets up to 9grams picked
- Average monthly production from Chimanimani-50-90kg.



Legal and regulatory impediments to advancing ASM.

- Problems inherited from the Mines and Minerals Act from the Colonial regime.
 - No appropriate policy unique to ASM
 - Speculative pegging
 - Blockage by big companies.
- Lack of adequate resource
 - Financial resources
 - Technical resources

Safety, Health and Environmental Issues.



Lessons from Zambia and Tanzania

- Need for an enabling legal and institutional framework for formalising ASM activities.
- A deliberate gvt policy on promoting ASM
- A proper marketing strategies and pricing policy suitable for ASM.

Women in Mining

- Gender main streaming-an enabling environment to allow women entrepreneurs in mining.
- Support of women mining networks.
 - Technical skills
 - Business skills
 - Financial support



Financing small scale miners

- Government financing
 - Plant and equipment hire scheme
 - Mining Industry Loan Fund now called Mining Industry Development Fund (MIDF).
 - Limited financing (\$ 5 billion)
- Private sector financing
 - Still limited and require collateral
 - High interest rates (>200%)
 - Accessible to those with sufficient collateral and bankable projects.

Discussions and Recommendations

- Gvt to allocate adequate resources and cheap loans
- Ammending the Mines & Minerals act to incorporate issues unique to ASM- formalisation, land titles, marketing, and concept of “mine it or lose it” .
- Devolution of power and control in order to allow other stake holders' participation (Local Authorities, NGOs, communities).

Discussions and recommendations

- Recommended a holistic approach towards improvement of livelihoods in ASM
 - Change of attitudes/mindset by ASM
 - Training in technical and business skills
 - Fair mining and trading practice
 - Safety
 - HIV and child labour
- Proper and competitive marketing and pricing policies.
- Gender mainstreaming.
 - Access to finance
- Devise an environmental impact assessment policy suitable for ASM.



Thank You

