

THE CHAMBER OF MINES



OF ZIMBABWE

# 2022 Annual Report



## THE CHAMBER OF MINES



## OF ZIMBABWE

*The Chamber is established for the purpose of promoting, encouraging, protecting and fostering the mining industry and doing everything necessary and advisable for those objects.*

# Mission Statement

## Our Mandate

The Chamber of Mines of Zimbabwe was established for the purpose of promoting, encouraging, protecting and fostering the mining industry and doing everything necessary and advisable for these objects.

## Our Vision

To be the leading advocacy organisation in the economy

## Our Mission

We are committed to taking leadership position in Zimbabwean mining space, working with our members and stakeholders to deliver a safe, enduring, valued and profitable resources industry for Zimbabwe.

## Our Values

- Understanding
- Passion
- Respect
- Responsive
- Excellence
- Integrity

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## 2022 Annual Report



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**THE CHAMBER OF MINES**



**OF ZIMBABWE**

Chamber of Mines  
20 Mount Pleasant Drive, Mount Pleasant, Harare.

## Foreword by the President



**Colin Chibafa** President

Our mining industry has remained a key pillar in the economy. The sector accounted for approximately 80% of national exports in 2022, employing more than 38,000 formal jobs and over 500,000 artisanal and small-scale miners and contributing over 20% to government revenue.

In 2022, domestic economic growth slowed down to 4%, from 8.5% in 2021, largely weighed down by poor agriculture season, infrastructure and power deficits, foreign currency shortfalls and adverse global developments including commodity market disruptions and tight financial conditions. The exchange rate volatility and high inflation which resulted in macroeconomic instability continued to dodge the economy in 2022. In the outlook for 2023, Government is projecting economic growth to remain largely flat at around 3.8%. Recovery in agriculture and strong performance in mining are expected to anchor economic growth in 2023. Downside risks to the outlook include infrastructure and power deficits, high inflation, exchange rate volatility and capital constraints.

Notwithstanding the above, the mining sector remained resilient, growing by 10% in 2022. Most key mineral subsectors recorded output growth compared to the previous year, with gold (18%), coal (29%), lithium (183%), diamonds (15%), and PGMs (5%). On the back of favourable prices and output growth, the mining industry generated US\$5.6 billion in 2022, compared to US\$5.1 billion in 2021. In the outlook for 2023, the mining sector is expected to further grow by 10.4%, largely on the back of ongoing expansion projects and anticipated favourable commodity prices. Risks to the mining sector outlook include fragile power supply, capital constraints, foreign currency shortfalls, loss of value on the surrender portion of export

proceeds and high cost of production.

During the period under review, the Chamber of Mines of Zimbabwe engaged Authorities on outstanding and emerging Legislative and policy matters including the Amendments to the Mines and Minerals Act, Indigenization and Economic Empowerment, Minerals Development Policy and Local Content Policy. Other key matters included power supply to the mining industry as well as fiscal and foreign exchange matters.

In line with the Chamber's thrust to improve information symmetry in the mining industry across all stake holders, the Chamber sponsored the 2022 State of the Mining Industry Report which was launched in November 2022. The annual surveys have become a key source of information for shaping policy for the mining industry as well as bridging information gaps.

Our industry has also remained conscious of its social footprint outside the primary mining activity and continues to approach the process of wage negotiations with a receptive mind-set to ensure that the gains made over the past few years in terms of skills development, career growth paths and support for education, health and housing initiatives are not sacrificed in the interest of short-term decision-making.

Finally, as the President of the Chamber of Mines, I want to express my appreciation for the unwavering support from all the Members, the Executive Committee and the Management during the year. The Chamber will continue to seek out avenues to discuss pertinent issues of mutual concern with government and all our industry partners.

## Office Bearers



**Colin Chibafa** President



**Thomas Gono** Vice President



**John Musekiwa** Vice President



**Isaac Kwesu** Chief Executive Officer



**Elizabeth Nerwande**  
Immediate Past President



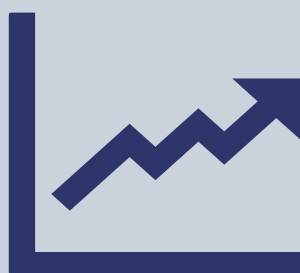
## Mining Industry Key Highlights

### 2022 - Key Highlights

10% mining sector growth



10% growth in mineral exports



Gold deliveries up  
18%



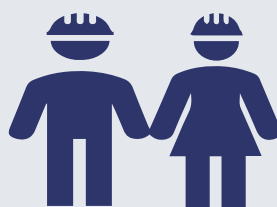
Diamond output up  
15%



USD5.6bn  
Mineral exports



Capacity Utilisation  
81%



Mining industry formal  
employment

53,000

# Chief Executive Officer's Review



**Isaac Kwesu** Chief Executive Officer

In terms of the Chamber of Mines of Zimbabwe (the Chamber) Constitution, the Council must meet at least once a year. Accordingly, the Council Meeting and the 83rd Annual General Meeting of the Chamber were held Virtually on 31 May 2022. The 2022 Annual Mining Conference was held on 1 – 4 June 2022, at Elephant Hills, Victoria Falls.

## Key Matters in the Mining Industry

During the period under review, the mining industry grew by 10%, on the back of firm commodity prices. The sector generated a record US\$5.6 billion in export earnings compared to US\$5.1 billion in 2021. In the outlook, the sector is projected to further grow by 10.4% in 2023, on the back of the ongoing expansion projects and attractive mineral prices. Average capacity utilization for the mining industry is expected to increase to 84% in 2023, compared to 81% in 2022. Mineral export earnings are expected to surpass US\$6 billion in 2023. Notwithstanding the above, the potential of the mining sector continued to be undermined by foreign currency shortfalls, fragile power supply, capital shortages, high-cost structure. The Chamber of Mines engaged Authorities on these and other outstanding legislative and policy matters including Amendments to the Mines and Minerals Act, fiscal matters and Indigenization and Economic Empowerment.

## Amendments to the Mines and Minerals Act

Government gazetted the revised Mines and Minerals Act Amendment Bill in February 2023. The Bill seeks to simplify the mining titles system and the establish the mining cadastre registry that will be computerised to enhance security of title among other key matters. The Parliamentary Portfolio Committee on Mines and Mining Development has since initiated stakeholder consultations on the Bill. Meanwhile, the Chamber submitted a Position Paper on the Bill. Government is targeting to finalise the Amendments before end of 2023.

## Amendments to the Gold Trade Act and Precious Stones Act

The Ministry of Mines released the draft Principles to the Amendment of the Gold Trade Act in February 2022. The main objective of the amendments is to strengthen the chain of custody of gold from mine to market and close loopholes for leakages. The Chamber of Mines submitted proposals into the Amendments for consideration by the Ministry of Mines. Meanwhile, the Ministry of Mines also released the draft principles to Amendments to the Precious Stones Trade Act for stakeholder consultations.

## Indigenisation and Economic Empowerment

The government, through a statement released on 2 February 2021 announced that the mining industry was now exempted from complying with the equity threshold of the Indigenization and Economic Empowerment Act. Regularization of this policy intent remained outstanding during the period under review. Meanwhile, the Government is developing a new Economic Empowerment Framework that seeks to replace the current Equity Model. The Chamber is working closely with the Ministry of Industry in developing the Economic Empowerment Implementation Framework for the mining industry. The Framework is expected to be finalized before the end of 2023.

## Fiscal Framework for the Mining Sector

In the year under review, the Chamber of Mines continued to engage the Government for an optimal fiscal framework for the mining industry.

### a) Export tax on minerals on unbeneficiated Platinum Group Metals

Following successful engagement with Government, implementation of the export tax on unbeneficiated PGMS was deferred pending finalization of consultations with Government for a comprehensive beneficiation roadmap for PGMs.

### b) Royalty

Government increased royalty for platinum (2.5% to 7%) and lithium (2% to 5%) in the second half of 2022. The Chamber engaged Government to reconsider and reduce royalty for the minerals to their previous levels while engaging for reduction of royalty for diamond in line with regional and international averages.

### c) Mining Fees and Charges

In 2022, the Ministry of Mines announced new mining fees and charges through SI 40 of 2022. The fees were set in US\$ with mines given the option of paying the fees in local currency at the prevailing official exchange rate. Some of the fees were deemed too high and affordable and the Chamber engaged the Ministry of Mines to review the fees in line with best practice.

## Foreign exchange framework for the mining sector

### a) Foreign exchange retentions

In February 2023, through the 2023 Monetary Policy Statement, Government increased foreign exchange retentions to 75% from 60% for mining companies not listed on the VFSE (while standardising retentions

# Chief Executive Officer's Review

for those listed on the Victoria Stock exchange to 75%). Notwithstanding the above, increased pressure for payments in foreign currency for inputs and services including the new requirement for mining companies to pay for electricity bills wholly in foreign currency, has squeezed the retentions to between 60% to 65%. The retentions, thus, remained inadequate to meet operational requirements and expansion projects for mining houses. The Chamber continues to engage Government and RBZ to align retentions to mining companies' foreign exchange requirements.

## b) Loss of value on the surrender portion of export proceeds

Widening disparities between the official and parallel market exchange rates during 2022 resulted in mining companies experiencing loss of value on the surrender portion of export proceeds liquidated into ZWL at the official exchange rate (at a time local inputs and services are priced at the parallel market rate). The Chamber continued to engage Authorities to find home for the ZWL balances as well for fair compensation of the surrender portion.

## c) Payments for gold delivered to Fidelity Printers and Refiners

The payment situation for gold delivered to Fidelity Gold Refiners generally improved in 2022 with most deliveries being paid in time. The Chamber of Mines continues to monitor the situation and engage for timeous payment for gold deliveries.

## Minerals Development Policy

The Ministry of Mines released a revised working version of the comprehensive Mineral Development Policy in October 2022. The revised document incorporated some of proposals submitted by the Chamber of Mines. An all-stakeholder workshop was held on 18 March 2023 to review the Draft. The Ministry of Mines is now reviewing the Draft based on stakeholder comments. The Policy is expected to be finalized before the end of 2023. Meanwhile, the Ministry of Mines has also committed to finalize all outstanding Mineral Specific Policies in 2023. The Chamber of Mines submitted proposals to the Mineral Specific Policies (including gold, PGMs, ferrochrome, coal and lithium) for consideration by the Ministry of Mines.

## Use it/ Lose it Principle

During 2022, the Ministry of Mines continued to enforce the "use it or lose it" principle as enshrined in the Mines and Minerals Act. The Chamber encouraged members to ensure that their mining titles are fully inspected as provided by the Act.

## Mining Cadastre Systems

During the period under review, the development of the computerised Mining Cadastre Systems remained under way during the period under review. The gazetted Mines and Minerals Act Amendment Bill provides for the Mining Cadastre Registry. Once finalised, the mining cadastre system is expected to reduce disputes surrounding overlapping boundaries and ownership of mining titles.

## Local Content Policy

In 2021, Government directed the Chamber of Mines Joint Suppliers and Producers Committee to develop a Local Content Implementation Framework and local content thresholds for the mining industry. Consultations to come up with the Local Content Implementation Framework were underway during the period under review. The Implementation Framework is expected to be finalised in 2023.

## Rural District Council (RDC) Levies

During the period under review, RDC Unit taxes remained high and varying by District. The Chamber engaged Government and RDCs on the matter. The matter is now being handled between the Minister of Mines and the Minister of Local Government. The Chamber will continue engaging Authorities for optimal and standardised RDC charges.

## Coal Producer Viability Matters

During the period under review, coal producers faced viability challenges including low coal price, delays in payments for coal deliveries to ZESA and foreign currency shortages. The Chamber engaged Government and ZESA to resolve these matters. Meanwhile coal producers were now receiving some payments in foreign currency. The Chamber will continue engaging ZESA and Government to improve viability of coal producers.

## Membership

### Elections

In terms of the Constitution of the Chamber, Council elected the following as office bearers for the year 2022 /2023:

President	C. Chibafa
Vice President	T. Gono
Vice President	J. Musekiwa

### Executive Committee

Council appointed the Executive Committee for 2022-2023, which comprised the following:

President	C. Chibafa
Vice President	T. Gono
Vice President	J. Musekiwa
Past President	E. Nerwande

### Class A Representatives

Anglo American Corporation  
BNC  
Blanket Mine (Caledonia)  
Bulawayo Mining Co.(How Mine)  
Freda Rebecca Gold Mine  
Great Dyke Resources  
Hwange Colliery  
Mimosa Mining Company  
MMCZ  
Murowa Diamonds  
New Dawn Mining  
Riozim  
Zimasco  
Zimplats  
ZCDC

### Representative Alternate

C Chibafa P Mangwengwende  
T Lusiyano P Maseva-Shaywabaya  
M Learmonth P Dell  
K Chiota T Dafana  
E Hove G Mapakame  
M Shava  
B Mhatiwa  
E Nerwande F Makoni  
TM Muzenda M Chandavengerwa  
T Gova O Dzawo  
Q Nkomo IR Saunders  
M Shah  
J Musekiwa C Sadomba  
A Mhembere S Segula  
M Mabhudhu

### Class B Members

Bilboes Holdings  
Bikita Minerals  
John Mack & Co.  
Pan African Mining  
Todal Mining

### Representatives

V Gapare  
G Hudson  
A Watson  
A Darare  
A Munshi

# Chief Executive Officer's Review

## Class C Members

Old Nic Mine GA Muzvidzwa

## Class D Members

Golden Reef Mining T Gono

## Class E Members

KW Blasting AS Ndlovu

## Class F Members

Geological Society of Zimbabwe T Gumede

## Class G Members

Vacant

## Chairpersons of Committees

Economic Affairs Committee	C Chibafa
Electricity and Power Committee	J Musekiwa
Finance Committee	F Makoni
Gold Producers Committee	Q Nkomo
Indigenisation Committee	M Shava
Labour committee	T Gono
Legal Matters (General) Committee	P Mangwengwende
SHE Committee	K Chiota
Joint Suppliers and Producers Committee	A Mhembere
Platinum Producers Committee	A Mhembere
Coal Producers Committee	L Masimura

## Co-opted Members

There were no co-opted Members for 2022/ 2023.

## Ex Officio Members

I. Kwesu – Chief Executive Officer

## Senior Management Secretariat

Chief Executive Officer

Technical Affairs Manager

Economic Affairs Manager

Finance Officer

I. Kwesu

D.D. Matyanga

P. Chitsuro

A. Chimunye



# Safety, Health and Environment



## Occupational Health

The number of COVID19 cases reported in the mining industry in 2022 were at 2,627 compared to 4,056 in 2021. The mining industry recorded 7 deaths attributed to COVID-19 in 2022, compared 28 in 2021. The Chamber SHE Committee closely monitored developments of the COVID-19 virus through its meetings and received updates from the Mining Medical Practitioners Committee. The Covid prevention protocols of getting fully vaccinated, social distancing, masking-up up and frequent washing of hands and covering one's mouth when coughing or sneezing will continue to be maintained to minimise transmission across the mining industry.

## Occupational Safety

Information gathered from the Ministry of Mines show that the mining industry recorded 179 fatal accidents in 2022 compared to 121 in 2021. This data includes 67 accidents from small operations and 84 from illegal mining operations. Of the 179 accidents reported during the year, 28 fatal accidents are attributed to members of the Chamber of Mines of Zimbabwe compared to 8 reported in 2021. The 179 fatal accidents resulted in 182 fatalities, with the accidents at illegal operations carrying the bulk of the multiple fatality accidents.

## Causes of Accident

Out of the 179 fatal accidents reported in 2022, fall of ground contributed 32% to total fatal accidents reported and continue to be the main cause of fatal accidents in the mining industry. Shaft related accidents were the second largest contributor to fatal accidents in 2022 at 17% of total fatal accidents, down from 19% in 2021.

## Causes of accidents (2021– 2022)

Cause of Accident	2021	2022
Fall of Ground	66	58
Gassing	16	24
Shaft	27	31
Explosives	5	4
Surface	1	1
Machinery	0	21
Falling Material	0	5
Falling Down Excavations	0	23
Others	24	12
Total	139	179

Source: Chamber of Mines, Ministry of Mines

## Environmental Management

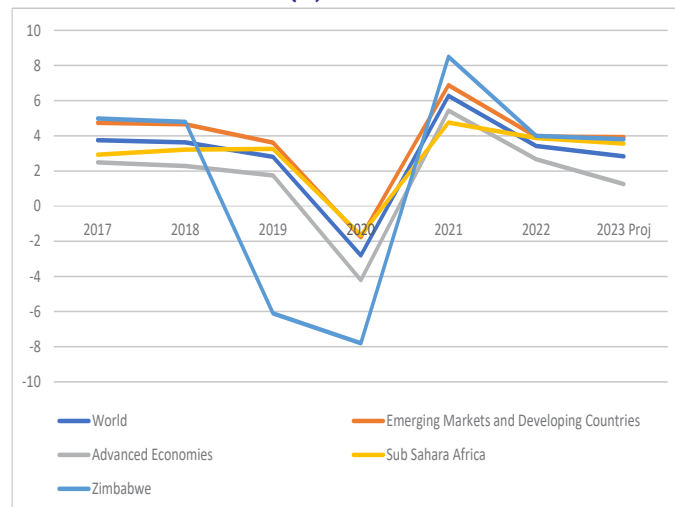
The Environmental Management Agency undertook stakeholder consultations on the proposed amendments to the Environmental Management Act. Most of the proposed amendments are in line with best practices in the management of the environment. The Chamber is engaging EMA and Government to influence the outcome of the Amendments.

# Economic Affairs Review

## The Global Economic Outlook

The Global economy is estimated to have slowed down to 3.4 % in 2022 from 6% in 2021, indicating the weakest growth profile since 2001 outside of the global financial crisis of 2009 and the acute stage of the COVID-19 epidemic. The slowdown was on the back of the Ukraine war induced disruptions specifically as they relate to trade, energy, and food supply restrictions due to economic sanctions imposed on Russia. In the outlook, the Global Economic growth is expected to further slow down to 2.9 % in 2023, largely weighed down by anticipated subdued performance of Advanced economies (from 2.6% in 2022 to 1.3 in 2023). The Chinese economy, however, is expected to recover and grow by 4.4% in 2023 from 2.3% in 2022. Key risks to the Global economic outlook include high global inflation, tight global financial conditions, and persistent spill over effects of the Ukraine crisis leading to Global supply disruptions. Compounding the risks are the worsening trade and diplomatic relations between China and the US. Further on going discussions by the BRICS around currency options to replace the USD in Global trade has worsen the Global Economic outlook.

## Global Growth and Outlook (%)



Source: IMF, World Economic Outlook Database, Ministry of Finance and Economic Development

## Commodity price outlook

Commodity prices remained elevated above historical averages in 2022. Precious metal Prices benefited more from safe-haven demand while base metal prices were largely supported by the reopening of the Chinese economy from Covid-19 induced lockdown. In the outlook for 2023, Precious Metal and energy commodity markets are expected to remain bullish on the back of uncertainty and restricted global supply in various markets emanating from the Geopolitical conflict in Europe. Notwithstanding the anticipated sluggish global growth, the attendant demand for base metals is expected to support high prices.

# Economic Affairs Review

## Price forecast for selected commodities

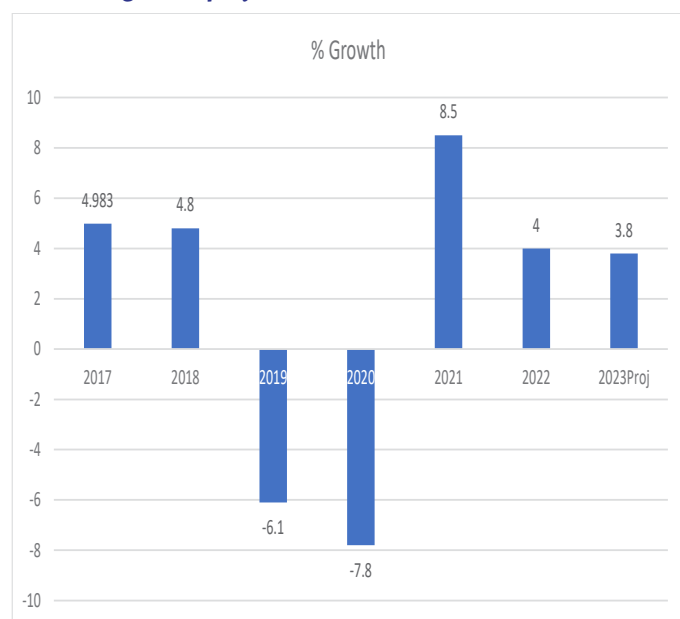
	2021	2022	2023f
Gold/ounce	1,798	1,801	1,850
Platinum/ounce	1,091	962	1,000
Palladium/ounce	2,390	2,800	1,800
Nickel/ton	18,465	25,834	21,000
Rhodium	18,074	14,310	8,995
Lithium	17,000	37,000	45,833

Source: World Bank, Trading Economics, Kitco, Chamber of Mines of Zimbabwe

## Zimbabwe Economic Outlook

Domestic economic growth slowed down to 4% in 2022 from 8.5% in 2021, on the back of poor rainfall season which resulted in agriculture output falling by -14.1% compared to 17.5%. The situation was worsened by infrastructure and power deficits, foreign currency shortfalls, high inflation, exchange rate depreciation, and capital constraints as well as adverse global developments including commodity market disruptions and tight financial conditions. In the outlook for 2023, economic growth is expected to remain largely flat at around 3.8% from 4% in 2022. Recovery in agriculture and strong performance in mining are expected to anchor economic growth in 2023. Downside risks to the outlook include infrastructure and power deficits, high inflation, exchange rate volatility and capital constraints.

## Economic growth projections



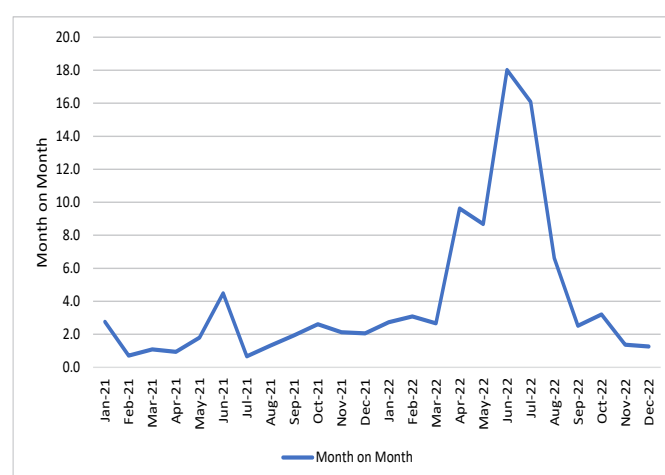
Source: ZIMSTAT, Ministry of Finance and Economic Development

## Inflation, money supply and exchange rate developments

The economy experienced inflation pressures during the first half of 2022 on the back of high money supply growth and sharp exchange rate

depreciation. Month on Month inflation increased from 2.7% in January 2022 to peak at 18% in June 2022. Tight liquidity management measures introduced by Government in the middle of the year resulted in dissipation in inflation pressures with month-on-month inflation declining from a peak of 18% in June 2022 to close to 1.3% in December 2022. Year on Year inflation increased from 249% to close the year at 105.5%. Key risks to the inflation outlook for 2023 include anticipated high money supply growth (emanating from funding of the 2023 general elections, wage pressures and funding of outstanding infrastructure projects, funding of procurement of 2022 Agriculture produce and financing of 2023/2024 summer cropping season) and anticipated attendant exchange rate depreciation.

## Inflation and Money Supply Growth



Source: Ministry of Finance and Economic Development

## Broad money growth spiralled

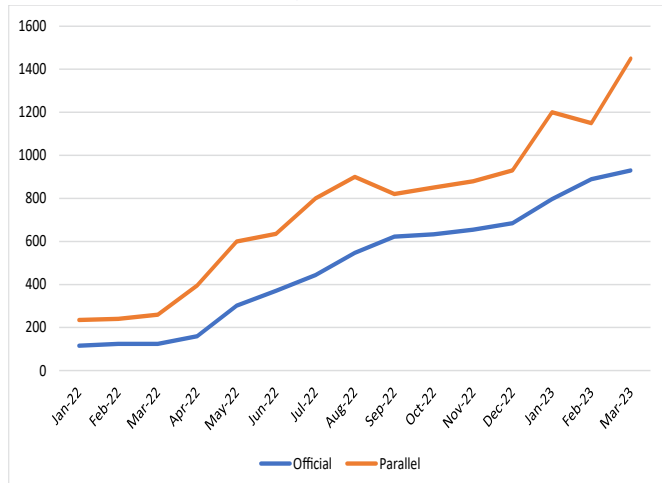
Broad money increased by 397% during the period under review. M3 growth was largely driven by a 390% increase in M1 (M1 constitutes 90% of M3). The rapid increase in M1 is attributable to, pressure on wage demands as incomes were eroded by inflation, financing of infrastructure projects, and financing of the 2022 summer cropping season.

## .....as exchange rate volatility persisted in 2022.

The economy experienced exchange rate volatility for the greater part of 2022. Cumulatively, the official exchange rate depreciated by 493% during the period under review, while the parallel market exchange rate depreciated by 296% for the same period. Meanwhile the parallel market premium shrunk from 104% in January to close the year at 36%. The rapid growth in money supply in 2022 and the attendant inflationary pressures in the economy exerted significant pressure on the exchange rate market. In the outlook for 2023, exchange rate volatility is expected to persist as reflected by the widening parallel market premium during the first quarter of 2023. Most of the adverse conditions that put pressure on the exchange rate in 2022 (money supply growth and inflation) are expected to be prominent for the greater part of 2023.

# Economic Affairs Review

## Interbank and Parallel Exchange Rates

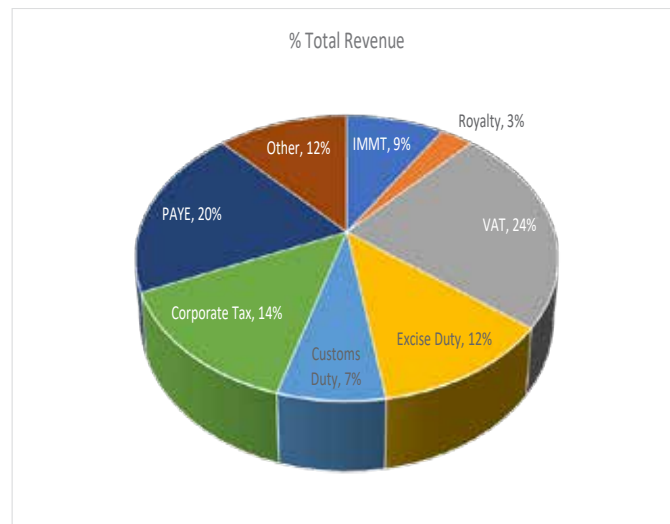


Source: RBZ, Chamber of Mines, Ministry of Finance and Economic Development

## Fiscal Budget Performance

Cumulative Government revenue for the year was ZWL 2.1 trillion compared to total expenditure of 2.3 trillion culminating in a fiscal deficit of approximately ZWL 200 billion (largely financed by domestic borrowing). The 2022 budget was predominantly recurrent with 78% of the total budget consumed by current expenses.

## Sources of 2022 Fiscal Revenue



Source: Ministry of Finance and Economic Development

## External sector developments

Cumulative exports for 2022 stood at USD 7 billion (compared to USD 6.4 billion in 2021) against merchandise imports of \$USD 8.6 billion (compared to USD 7.6 billion in 2021) culminating in a trade balance of USD 1.6 billion. Mineral exports accounted for 80%. In the outlook export earnings are expected to benefit from anticipated improved mineral exports on the back of attractive metal prices and strong output performance.



# Mining Affairs Review

## Overview

During the period under review, most key minerals, excluding nickel and ferrochrome, recorded output increases, compared to 2021.

## 2022 Mineral Output Performance

	2022	2021	% Change
Gold (kgs)	37,265	31,477	18%
Platinum (kgs)	15,480	14,732	5%
Palladium (kgs)	12,927	12,619	3%
Diamonds (cts)	4,844,019	4,224,301	15%
Chrome (MT)	1,109,800	1,244,356	-11%
Nickel (MT)	14,260	15,439	-10%
Coal (MT)	4,185,417	3,246,011	29%
HCFC (MT)	369,931	310,776	19%
Lithium (MT)	86,225	30,502	183%

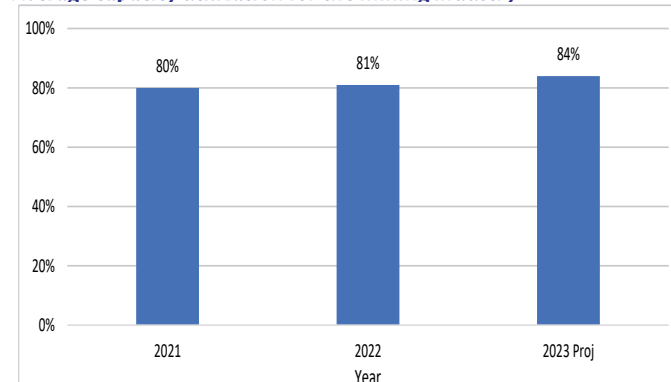
Source: Ministry of Mines and Mining Development

Notwithstanding the above, the operating environment for the mining industry was challenging on the back of regular and prolonged power outages, foreign currency shortfalls, capital constraints and high-cost structure (emanating from high electricity tariffs and high royalty for some minerals). These challenges weighed down the performance of the mining industry with most mineral sub sectors operating below capacity.

## Capacity utilization

Average capacity utilization for the mining industry increased to 81% in 2022, from 80% in 2021. Notable increases in capacity utilization were in respect of gold (80% to 85%) and coal (65% to 80%), while full capacity utilization was maintained in the PGM sector. In 2023, average capacity utilization is expected to increase to 84%. Factors that constrained full capacity utilization in some mineral subsectors included electricity outages, foreign exchange shortfalls, capital shortages and high operating cost structure.

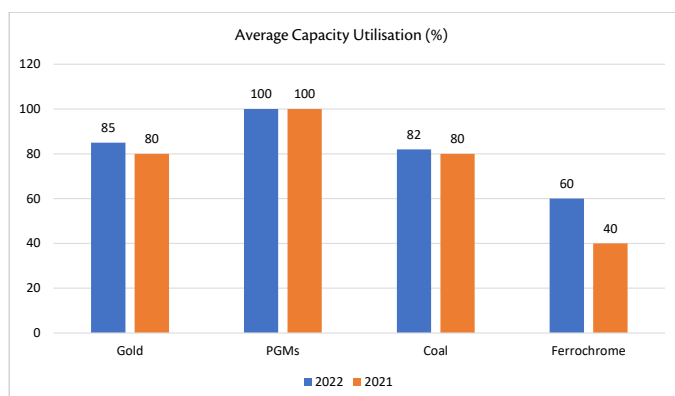
## Average capacity utilization for the mining industry



Source: 2021 State of Mining Industry Report

## Average capacity utilization for selected minerals

# Mining Affairs Review

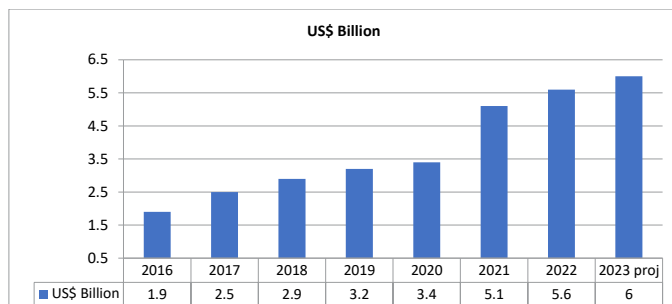


Source: 2022 State of Mining Industry Report

## Mineral Exports

Mineral exports increased to US\$5.6 billion in 2022, compared to US\$5.1 billion in 2021, largely driven by strong output performance and favorable commodity prices. In 2023, mineral exports are expected to surpass US\$6 billion as attractive prices are anticipated to persist throughout the year.

## Mineral Exports (US\$ billion)

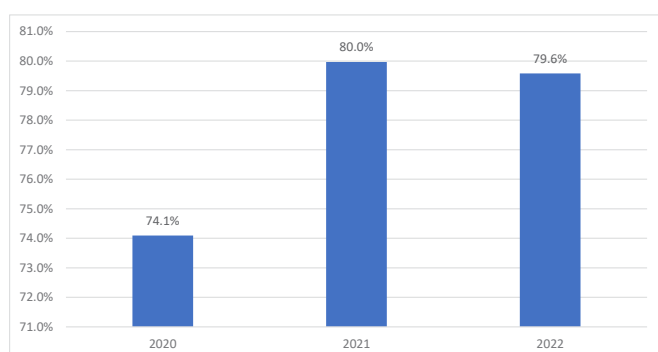


Source: RBZ and Chamber of Mines

## Contribution of Mining Sector to National Export Earnings.

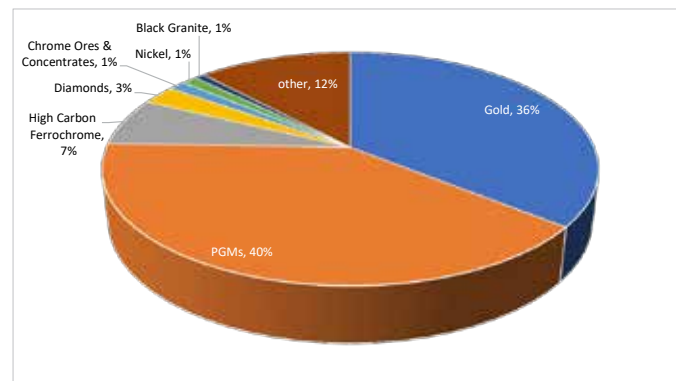
For the second consecutive year, mineral exports accounted for 80% of national exports in 2022. The contribution of mineral exports to the economy has progressively increased from 56% in 2011 to 80% by 2022.

## Mineral exports % of national exports



Source: RBZ, Chamber of Mines

## Distribution of mineral revenue (2022)



Source: Reserve Bank of Zimbabwe

## Concentration ratio of the top minerals

The mining industry remained less diversified with the top five minerals contributed 86% of mineral exports in 2022 compared to 88% in 2021, while the top 3 accounted for 82% in 2022, compared to 83% in 2021.

	2019	2020	2021	2022
Top 5 mineral	89%	90%	88%	86%
Top 3 mineral	81%	84%	83%	82%

Source: RBZ: Chamber of Mines

## Gold

Gold output for 2022 reached an all-time high of 37.3 tons, up from 31.5 tons in 2021, largely benefitting expansion projects across the sector, gold incentive framework largely targeting the small-scale sector, improved payments situation for gold delivered to Fidelity Gold Refiners and attractive prices that prevailed during the period under review.

## Gold production by class

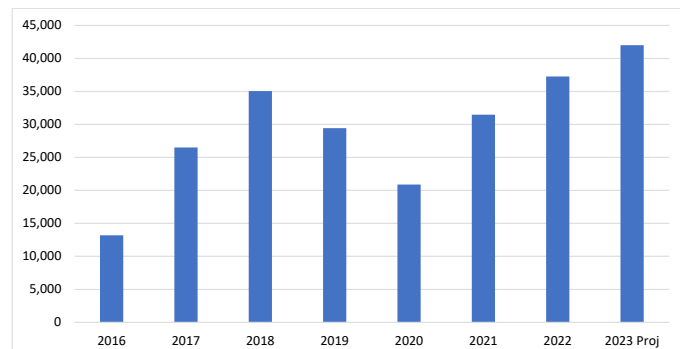
	2021	2022	% Change
Large Scale Primary Producers	11,159	11,178	0.2%
Small Scale Producers	18,471	24,055	30.2%
Secondary Producers	1,869	2,032	8.7%
Total Gold Production	31,490	37,265	18.3%

Source: Fidelity Printers and Refineries, Chamber of Mines

Factors that continued to undermine the full potential of the gold industry include power outages (more pronounced for operations not connected to dedicated power lines), capital shortages (as gold producers cannot securitise their gold for raising capital) and foreign currency shortfalls.

# Mining Affairs Review

## Annual Gold Production



Source: Chamber of Mines, FGR and Ministry of Finance

In the outlook, with improved access to capital and adequate power, gold production is projected to increase to 42 tons in 2023. Gold market conditions are expected to remain bullish, with gold prices anticipated to remain elevated above historical averages, while gold payments situation is expected to remain optimal. Key projects that are set to support improved gold output are in respect to production ramp up at Caledonia (Blanket Mine) following completion of their central shaft and acquisition of Bilboes; Eureka Gold Mine plant completion; How Mine shaft sinking project, Pan African Mining dump retreatment project; and other expansion projects across the gold industry.

## Platinum Group Metals (PGMs)

The three PGM operations of ZIMPLATS, Mimosa Mining Company and Unki Mines continued to operate at (near) full capacity utilization in 2022. Karo Resources officially commenced construction operations during the year, while Todal advanced the development of the project in the same period. PGMs production for 2022 increased across most of the metals in the basket: platinum (14,732 kg to 15,480 kg), palladium (12,619 kg, to 12,927 kg), rhodium (1,333 kg to 1,366 kg) and ruthenium (1,249 kg to 1,362 kg). Key matters for the PGMs industry included upward review in royalty for platinum from 2.5%, to 7% and export tax on unbeneficiated PGMs.

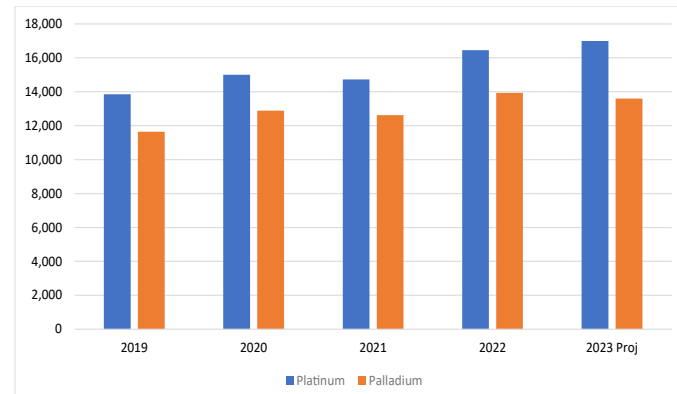
## Platinum Group Metals Output

	2016	2017	2018	2019	2020	2021	2022
Platinum/kg	15,110	14,257	14,703	13,857	15,004	14,732	15,480
Palladium/kg	12,222	11,822	12,094	11,640	12,890	12,619	12,927
Rhodium/kg	1,322	1,283	1,334	1,224	1,368	1,333	1,366
Ruthenium/kg	1,174	1,102	1,155	792	1,026	1,249	1,362

Source: Ministry of Mines

In the outlook for 2023, Platinum output is expected to increase to 16,000 kg, while palladium is expected to increase to 13,600 kg for the same period.

## Platinum and Palladium Output Projections (kg)



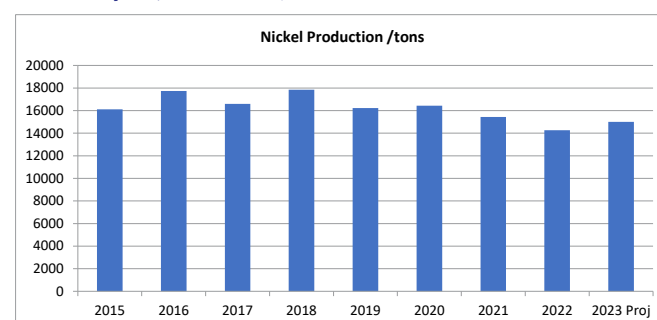
Source: Ministry of Mines, Chamber of Mines of Zimbabwe

The anticipated increases are expected to emanate from ongoing capital projects across active players while in the medium to long term, new projects including Karo Resources, Todal and GDI are expected to boost PGMs production.

## Nickel

Nickel production in 2022 at 14,259 tons, declined by 8% compared to of 15,439 tons recorded in 2021. There were production stoppages at the primary producer, Bindura Nickel Corporation totalling six months of 2022. As a result, 90% of nickel production in 2022 was came from PGMs production, with the primary producer contributing the remaining 10%.

## Nickel output (2009 – 2023)



Source: Chamber of Mines and Ministry of Mines

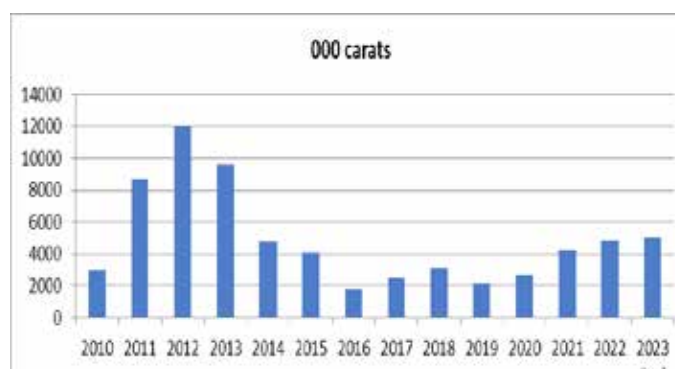
In the outlook for 2023 and beyond, finalisation of BNC's Trojan Mine Shaft Re-deepening Project and the transition from a low volume, high grade to a high volume-low grade strategy is expected to boost high production. In the medium to long term, production is expected to increase with exploration works earmarked at Trojan Mine, Shangani Mine, the BSR facility, Hunters Road Project, Damba-Silwane as well as the Trojan Hill and Kingstone Hill Projects, while expansion projects at PGMs producers will add more nickel output in the outlook.

# Mining Affairs Review

## Diamonds

Three operations of ZCDC, Anjin and RZ Murowa produced consistently during the year under review to produce at total of 4.8 million carats in 2022, compared to 4.2 million carats in 2021. ZCDC remains the dominant diamond producer contributing 85% to total production. In the outlook for 2023, diamond output is projected at 5 million carats, benefitting from production ramp up at Anjin and expansion activities at ZCDC. Other projects including RioZim Murowa Diamonds Expansion Projects and ZCDC/ALROSA joint venture also expected to improve production in the medium to long term.

### Diamond output (2010 – 2023)

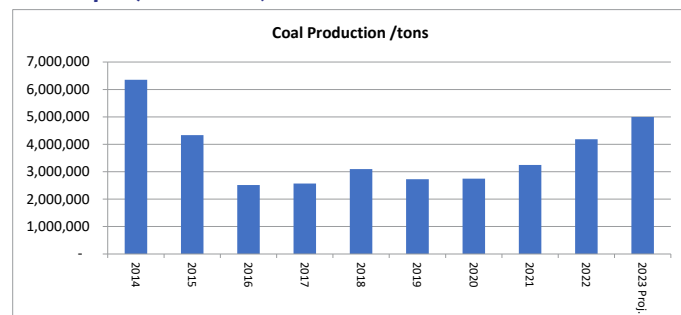


Source: Ministry of Mines and Mining Development

## Coal

Six coal producers were operational during the year producing a total of 4.2 million tons in 2022, compared to 3.3 million tons in 2021. In the outlook for 2023, coal production is set to increase to 5 tons, benefitting from production ramp-up across all key coal producers. The coal sector continued to be impacted negatively by foreign exchange shortfalls for maintenance of production capacity, delays in payment for coal delivered to the national power utility and low coal price.

### Coal output (1990 – 2023)



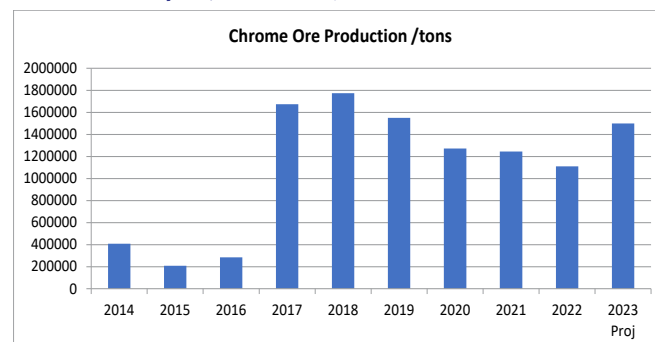
Source: Chamber of Mines and Ministry of Mines

## Chrome and Ferrochrome

Chrome ore production 1.1 million tons for 2022 was 11% down compared to 1.2 million tons in 2021. In the outlook for 2023, chrome output is expected at 1.5 million tons. Projects expected to boost production include Zimasco's six additional furnaces in Kwekwe and Mberengwa; Afrochine Smelting's new 2 × 12.5 MVA additional furnaces; and projects at Jin An

Corporation Chrome Smelters.

### Chrome ore output (2009 – 2023)

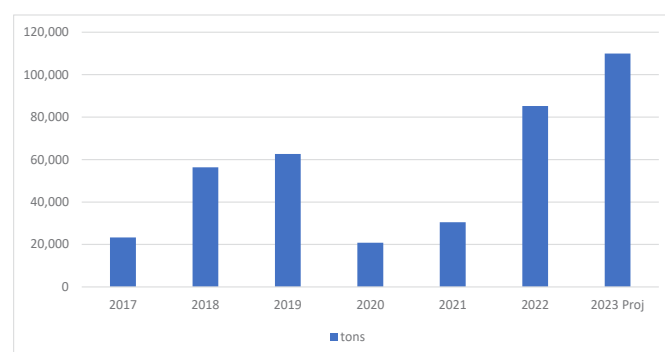


Source: Chamber of Mines and Ministry of Mines

## Lithium

Lithium output increased from 30,502 tons in 2021, to 86,225 in 2022. The growing global push towards electric vehicles (EVs) has seen significant capital injections in the Zimbabwe lithium space. Lithium projects under investigation during the year under review included Acadia Lithium Zimbabwe, Zulu Lithium, Step Aside, Sabi Star and Zimbabwe Lithium among others. These projects were at various stages of development from resource evaluation to commissioning. Acadia Lithium announced that production is expected to commence during the first quarter of 2023, while Zulu Lithium is also expected to start production in the first quarter of 2023. Increased production of both spodumene and petalite is expected from Prospect Resources following completion of a Pilot Plant as well as Bikita Minerals beneficiated ore.

### Lithium output



Source: Ministry of Finance, Chamber of Mines

## Iron Ore \ Asbestos

Dinson Iron and Steel Company invested in producing the limestone and coke required by the Mvuma plant. Coal-to-coke processing has begun operating in the Hwange area and the limestone mining in Masvingo. The company broke ground during the year on a USD 1bn iron and steel-making industrial park in Mvuma. Construction of a steel plant at the site is already underway and is expected to start operating in August 2023 to produce some 1.2 million tons of steel a year at full capacity. Asbestos mines remain dormant during the year.

# Electricity and Energy



## Introduction

The electricity supply situation remained predominantly depressed during the year under review. Total power supply including imports was reduced to approximately 760MW against demand of 1650MW. Frequent breakdown of equipment at Hwange Power Station and low water levels at Kariba Hydro- Power Station exacerbated the situation.

In the outlook for 2023, the power supply situation is set to improve benefiting from increased water allocation at Kariba and the synchronization of the Hwange unit 7 in March 2023 adding 300 megawatts to the national grid, while Hwange unit 8 with an additional 300 megawatts is expected to be synchronized beginning 16 May 2023.

## Power Supply Status April 2023

Power Supply status	MW
Hwange	610
Kariba	675
Harare	12
Total available excluding imports	1,297
Forecast Demand	1,700

Source: Zimbabwe Power Company

## Hwange 7 and 8

Work on the 600 MW Hwange 7 and 8 generating units was ongoing during the year, with Unit 7 having been synchronized into the national grid in March 2023. The outstanding Unit 8 is also expected to be synchronized beginning 16 May 2023.

## Other Projects

There were a number of power projects, including solar, at various stages of implementation during the period under review. The projects are expected to add power to the national grid in the outlook.

## Electricity supply situation for the mining industry

The mining industry was not spared from the fragile power supply situation in the country, with reports of power outages specifically for mining companies not connected to dedicated power lines. The mining industry requires an upwards of 450 MW of power. The Chamber engaged ZESA and Government on this matter throughout the year. Meanwhile, the IEUG facilitated importation of 100MW from Zambia which was availed to the mining industry. The Chamber engaged IEUG to facilitate direct importation of more power to minimize power outages in the mining industry. An assessment of demand from the mining industry was undertaken to support efforts by IEUG to secure additional supply of electricity from regional utilities. Power supply for the mining industry is expected to improve in line with anticipated general power supply improvements in the country.

## Electricity tariff

ZESA increased the tariff for mining companies from US\$9.86/kWh to US\$10.63/kWh. The revised tariff is above regional and international averages. The Chamber engaged ZESA and Government for an optimal competitive electricity tariff for the mining industry.

# Labour and Manpower Matters



## National Employment Council for the Mining Industry (NEC)

### NEC Meetings

A total of nineteen (19) meetings of the NEC, including meetings of Finance, Wage negotiations and Sub-technical committees, were held during the year under review.

### Council

Most of the meetings were done physically at the NEC Offices. Some of the issues considered in the Meetings included:

#### *Appointment of Independent Chairman for 2022*

Mr Cleophas Kare was unanimously re-appointed for another year as the independent Chairman of Council. Mr Kare had shown growing competence in handling the affairs of Council, including the negotiations for 2022 which were of significance in achieving settlements.

#### *Review of the Collective Bargaining Agreement (C.B.A)*

The S.I of 1992 is out-dated and is being amended to align to the Labour Act and the National Constitution. The Council is also reviewing the C.B.A to incorporate some jobs that are not current within the C.B.A. The Council is amending C.B.A to incorporate the Child Labour laws as provided for in terms of ILO Convention NO. 182.

#### *Learnerships*

Despite the ongoing difficult economic position of the mining industry, seventy-one (71) learnerships were approved; fifty six (56) Hard Rock Miners and fifteen (15) being for Plant Operators.

#### *Exemptions*

There were eleven (11) applications approved for exemptions from paying the minimum wage, and four (4) were disqualified.

#### *Adoption of Council Audited Accounts*

The audited accounts for 2021 were adopted by Council.

#### *Review of the Collective Bargaining Agreement*

The Principal Collective Bargaining Agreement was published in SI 150 of 1990, and several amendments have been made since that time, principally on wage adjustments. The CBA is being reviewed to take into account new statute provisions enacted by government, and compliance with international standards, including conventions published by the ILO and adopted by government. A number of workshops and seminars were held on the issues to be considered. The two principles that guide any amendments are -

#### *Matters of Right*

These are issues provided for in terms of the existing legal framework, generally in terms of the Labour Act and ancillary legislation. These include:

- The fundamental rights of employers and employees, including the

# Labour and Manpower Matters

- freedom of association and collective bargaining.
- Provision of minimum conditions of service, including sickness benefits and maternity leave, annual leave, disciplinary matters
- Right to take collective job action
- Right to fair labour standards and practices

These are a requirement in terms of the Act, and any negotiations would be bound by those parameters, and any agreement would be within those limits.

## Matters of Interest

This is the area where employees (and employers) may negotiate for additional benefits, which are not a right. For example,

- Reduction in the hours of work
- Productivity bonuses
- Accommodation and schooling
- Additional benefits (transport, transport allowances, vehicles)
- Increases in wages.

## Trade Union Activities

The Associated Mine Workers Union of Zimbabwe (AMWUZ), currently the only trade union registered for the NEC, is coming under increasing pressure from newly registered trade unions that have been registered by the Ministry of Public Service Labour and Social Welfare for the industry.

Currently there are nine active employee representative bodies (trade unions) in the mining sector. These are:

- Associated Mine Workers Union of Zimbabwe (AMWUZ)*
- National Union of Mines, Quarries, Iron and Steel of Zimbabwe (NUMQISZ)*
- Mine Workers Union of Zimbabwe*
- National Mine Workers Union of Zimbabwe*
- Black Granite, Quarries, Workers Union of Zimbabwe*
- Zimbabwe Diamond Workers Union*
- Solidarity Mine Workers Union of Zimbabwe*
- Progressive Mining and Allied Industries Workers Union of Zimbabwe*
- Zimbabwe Union of Mine Workers*

The Constitution of the NEC for Mining was a voluntary agreement between the Chamber of Mines and the AMWUZ in terms of the Labour Act and does not give any automatic rights for other trade unions (or Employer Organisations) to participate. However, amendments to the Labour Act are expected to allow all registered trade unions to participate in the affairs of Council.

## Financial Report of Council for the year ended 31 December 2021

### Finance Committee Meetings

Two finance committee meetings were held during the year.

### Financial Highlights

Results for the year showed a marked improvement from the previous year.

Historical revenue was up by 243% from previous year of ZWL68 141 354, to ZWL233,639,414. Historical expenditure was up by 324% from previous year by ZWL171,596,982, to ZWL224,498,567. Historical surplus for the year amounted to ZWL9,171,774.

### Fixed Assets

The Council managed to renovate the Bulawayo offices and boardroom furniture. It also bought office equipment.

### Budgetary Performance

Council operated with a budget of ZWL607,605,320. Contributions receipts were 160% less budget (ZWL607,605,320 budget: ZWL233,639,414 actual). Expenditure was ZWL224,498,567 against a budget of ZWL418,403,507 resulting in an overall savings of ZWL193,904,940.

The Accumulated Fund increased to ZWL19,228,155 from ZWL18,627,747 in previous year. Assets increased to ZWL125,066,716 from ZWL53,560,577 in previous year. Cash Resources increased to ZWL65,102,296 from ZWL10,950,213 in previous year.

Revenue inflows of Council increased for the third year in succession as most mines settled arrear contributions and met current dues. Out of 570 mines registered about 311 contributed to the NEC on a regular basis during the year.

### Other Financial Matters

Arrear contributions amounting to approximately ZWL27,055,203 in respect of various mines remained unsettled at year end.

### Mining Industry Labour

As at 31 December 2022, records showed that at least 53,000 workers were employed in the mining industry, with a vast, but unknown number of unregistered small workers also operating in gold mining.

### Outlook

Prospective small miners continue to register with Council, and some with the Chamber. Further increase in contributions revenue is expected as council continues to receive arrear contributions.

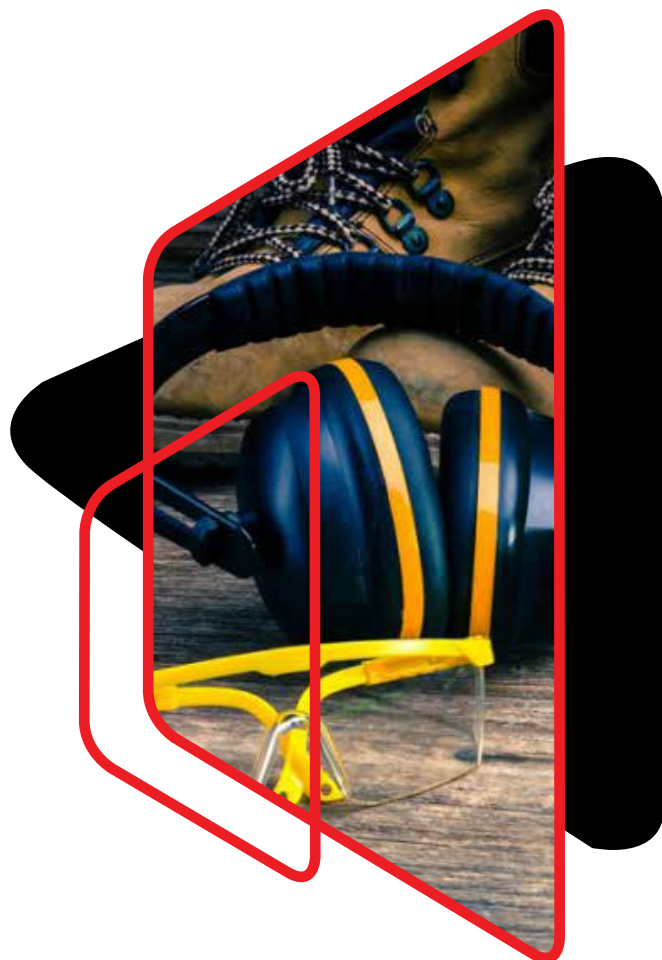
## Wage Agreement - 1 January to 31 December 2022

Wage negotiations for 2022 culminated in three salary reviews for the year. Mining companies were advised that should they not be in a position to pay the increases they should apply to the NEC for exemptions in terms of the Collective Bargaining Agreement.

### Technical Sub Committee

Two meetings of the Technical Sub-committee were held in 2022. Most of the applications concerned exemptions from paying the new minimum wage increases.

# Mining Industry Pension Fund (MIPF) 2022 Report



## Introduction

This report provides an update on all aspects of the Fund's operations for the year ended 31 December 2022. The year 2022 remained challenging on the back of inflation pressures coupled with a depreciating local currency. Foreign currency shortages, power outages, liquidity challenges, low investor confidence and negative real interest rates also persisted during the year under review. The Zimbabwe Stock Exchange witnessed the migration of some blue-chip companies which went on to list on the VFEX. Despite the above, the Fund recorded positive performance attributed to the value preservation strategy adopted by the Board which is skewed towards investments in real assets such as quoted equities and real estate.

## Financial Performance Overview

The financial performance of the Fund is presented in ZWL\$, the Fund's reporting currency. The Fund recorded a surplus of \$20.62 billion during the year under review after actuarial adjustments, compared to \$13.51 billion for 2021. Resultantly, the Fund closed the year 2022 with an accumulated fund balance of \$38.25 billion compared to \$17.63 billion for the year 2021.



# Mining Industry Pension Fund (MIPF) 2022 Report

## Summarized Income & Expenditure Statement for the Year Ended 31 December 2022

INCOME	2022	Movement	2021
	ZWL\$	%	ZWL\$
Pension Contributions (inc interest)	12,455,483,759	366	2,674,091,878
Grossed Rentals	1,635,175,866	372	346,601,716
Investments	1,563,029,790	330	363,459,429
Other	894,289,803	2,132	40,063,515
Fair Value Gains	96,091,481,134	304	23,780,412,755
<b>TOTAL INCOME</b>	<b>112,639,460,352</b>	<b>314</b>	<b>27,204,629,293</b>
<b>EXPENDITURE</b>			
Pension Benefits	1,772,954,410	(352)	392,423,527
Administration	1,556,676,539	(340)	353,434,464
Property Running	565,503,886	(363)	122,164,373
Impairment Loss- Debtors	3,285,382,324	(365)	706,070,034
Provisions- Actuarial Liabilities	84,841,285,553	(600)	12,124,300,000
<b>TOTAL EXPENDITURE</b>	<b>92,021,802,712</b>	<b>(572)</b>	<b>13,698,392,398</b>
<b>Increase / (Decrease) in Fund</b>	<b>20,617,657,640</b>	<b>53</b>	<b>13,506,236,895</b>
Accumulated Fund B/Fwd	17,630,970,409	327	4,124,733,514
<b>Accumulated Fund as at 31.12.2022</b>	<b>38,248,628,049</b>	<b>117</b>	<b>17,630,970,409</b>

### Income

Total annual income for the year 2022 at \$112.64 billion was 314% above \$27.20 billion recorded in 2021. This was underpinned by contributions at \$12.46 billion (11.1%), fixed property rental income at \$1.64 billion (1.5%), investments income at \$1.56 billion (1.4%), fair value gains \$96.09 billion (85.3%), and other income at \$894.29 million (0.8%). The improvement in income was mainly attributed to fair value gains and the depreciation of the local currency against the USD. The exchange rate movement has a significant impact on Fund income as rentals are indexed to the USD while most mines are paying their employees in USD and remitting contributions to the Fund in ZWL\$ based on RBZ foreign currency auction rate. Investments income driven by dividend and interest income also contributed significantly to the growth in income.

### Expenditure

Total expenditure for the year 2022 at \$92.02 billion (after actuarial adjustments) was 572% above the 2021 expenditure of \$13.698 billion. Pension benefits at \$1.77 billion were 352% above the prior year expenditure of \$392.42 million mainly driven by pension increases and actuarial bonuses declared during the year in respect of the December 2021 and June 2022 actuarial valuations. The pension benefits constituted 1.9% (3%:2021), administration expenses were 1.69% (3%:2022), property running expenses 0.6% (0.9%:2021), provision for bad debts 3.6% (5%:2021) while provisions for actuarial liabilities were 92% (89%:2021). Administration expenses at \$1.56 billion (\$353.4 million:2021)

were 363% above the prior year due to inflationary pressures prevailing in the economy.

### Cash Flows

Total cash inflows for the year 2022 were \$11.74 billion compared to prior year collections of \$2.78 billion. Cash outflows amounted to \$5.28 billion for 2022 and were 359% above the year 2021 outflows of \$1.15 billion.

Net investments amounted to \$6.827 billion split as quoted equities disposal (\$288.67 million), money market investments (\$439.25 million), prescribed assets (\$740.49 million), real estate purchases and development (\$5.23 billion) and fixed income instruments (\$705 million).

### Investments

The Fund's total assets inclusive of net current assets were estimated at \$151.31 billion as at 31 December 2022 (based on the 2022 actuarial valuation) compared to \$38.069 billion in 2021. This represented an approximate increase of 297%. The investments portfolio posted an aggregated return of 255% for the year ended 31 December 2022, as calculated by the Actuary compared to an aggregate return of 257% earned in 2021. The positive performance of the Fund was largely attributed to the value preservation strategy adopted by the Fund, which is premised on investing in real assets. The real assets, which include real estate and equities, recorded significant fair value gains during the year under review and this had a significant impact on Fund return.

# Mining Industry Pension Fund (MIPF) 2022 Report

## Summarized Fund Value Statement as at 31 December 2022

ASSET CLASS	2022 ZWL\$	Movement %	2021 ZWL\$
Real Estate	83,543,170,324	470%	14,658,000,000
Quoted Equities	47,724,087,956	131%	20,700,431,804
Unquoted Equities	2,889,807,380	294%	734,159,797
Prescribed Assets	6,434,533,442	1491%	404,507,719
Guaranteed Fund investments	863,693,774	253%	244,782,258
Money Market Investments	1,612,998,818	523%	258,740,684
Fixed Income	919,826,275	419%	177,342,338
Net Current Assets	2,513,000,000	182%	891,268,965
Actuarial Adjustments	4,807,000,000	323%	1,137,500,000
<b>TOTAL ASSETS</b>	<b>151,308,117,969</b>	<b>297%</b>	<b>38,069,233,566</b>
Actuarial Liabilities	112,050,000,000	963%	10,544,100,000
<b>Surplus / Deficit</b>	<b>39,258,117,969</b>	<b>43%</b>	<b>27,525,133,566</b>

### Real Estate Portfolio

The real estate portfolio was valued by Edinview Property Group (EPG) Global who valued the portfolio at \$83.54 billion as at 31 December 2022, up 465.05% from \$14.67 billion as at 31 December 2021. The increase was attributed to capital appreciation of existing properties, undeveloped land purchases as well as injections into property developments that were carried out by the Fund during the year under review. Cash injections in the form of property purchases and development amounted to \$5.23 billion for the year 2022, while fair value gains amounted to \$61.17 billion for the period under review. Properties constituted 55.21% (38.50%:2021) of the total assets. Gross rental income increased by 372% to \$1.635 billion from \$346.60 million in 2021. The Fund closed the year with a void rate of 13.25%.

### Rental Debtors

For the year ended 31 December 2022, the Fund collected \$1.560 billion in rentals compared to prior year collections of \$345.45 million. The outstanding rental debtors as at 31 December 2022 were \$484.60 million. Of the debtors, 22% were handed over and the Fund was pursuing recovery through the legal process, while the remaining 78% were being followed up and some were on payment plans. Tenants that had either been evicted or voluntarily vacated premises owed \$55.70 million which was equivalent to 11% of the outstanding amount.

### Listed Equities

At a market value of \$47.73 billion as at 31 December 2022, the listed equities portfolio increased by 130.56% from \$20.70 billion as at 31 December 2021 due to share purchases and capital appreciation during the year under review. During the year under review, Natfoods and Simbisa Holdings migrated from the ZSE to the VFEX. Listed equities constituted 33.77% (55%:2021) of the

total investments portfolio in market value terms. Of the total quoted equities portfolio, 71.99% (\$34.358 billion) was in respect of shares denominated in local currency and listed on the ZSE, 21.84% was in respect of shares denominated in United States dollars and listed on the VFEX valued at \$10.425 billion (US\$15.234 million) while 6.16% was in foreign listed companies valued at \$2.940 billion (US\$4.297 million). The foreign listed shares value dropped by 42.82% from US\$13.90 million as at 31 December 2021 to USD\$7.999 due to share price volatilities. The USD denominated shares are converted to ZWL\$ at the RBZ foreign currency auction rate for reporting purposes.

An annual return of 135.80% (353.84%:2021) was recorded. Dividend income of \$798.709 million was received for the year under review, which was 213.03% up from \$255.158 million in 2021. This represented a dividend yield of 3.86%.

### Unlisted Equities

Unlisted equities investments, at a market value of \$2.890 billion, translating to 1.98% of the total assets, registered a growth of 293.62% from \$734.16 million in 2021 due to the general increase in the valuation of the underlying companies. The Fund's private equity portfolio comprises of Old Mutual Zimbabwe Limited (6.93%), New Corporate Investments Seven representing Flamboyant Hotel in Masvingo (64.71%) and Twirlton Investments representing Kadoma Hotel and Conference Centre (28.37%) of the total unlisted equities portfolio. Dividends amounting to \$22.623 million were received during the period under review and this translated to a dividend yield of 3.08%.

### Money Market

Money market book closed the year at \$1.613 billion up from \$258.74 million at the end of 2021. The money market investments were made up of USD placements (USD6.715 million) in respect of USD contributions. Money market

# Mining Industry Pension Fund (MIPF) 2022 Report

investments constituted 1.11% of the total assets. A total of \$289.47 million was earned in interest. The Fund adopted a deliberate strategy to minimise exposure to monetary assets in local currency so as to minimise value erosion given the high inflation.

## Prescribed Assets

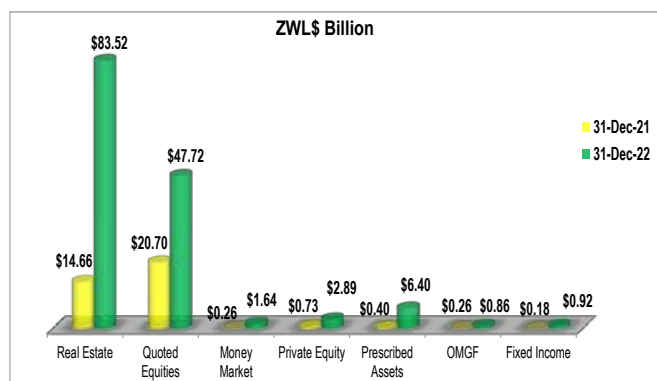
Investments in Prescribed Assets increased from \$404.51 million as at 31 December 2021 to \$6.43 billion as at 31 December 2022 due to new investments and some instruments indexed to the USD at interbank rate whose value tracks the movement in the interbank exchange rate. This translated to 4.55% of total assets against the compliance threshold of 20% in market value terms.

## Old Mutual Guaranteed Fund (OMGF)

The Fund's investment in the OMGF was valued at \$863.69 million as at 31 December 2022, up 252.84% over the 31 December 2021 market value of \$244.78 million. The OMGF declared a bonus of 255.4% for the year ended 31 December 2022 compared to 163.81% declared in the prior year.

## Fixed Income

The Fund's investments in Fixed Income instruments increased by 418.68% from \$177.34 million in 2021 to \$919.83 million in 2022. The fixed income investments are mainly made up of the Econet debentures and back up investments in respect of the MIPF Assisted Member Mortgage Scheme.

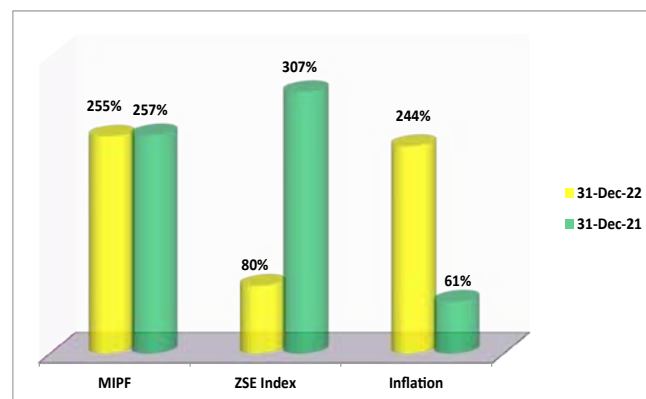


## Investments Market Values

### Gross Return

The Fund earned a gross return of 255% for the year 2022 against the prior year return of 257% as per Actuary's computation. The return was mainly attributed to fair value gains on real assets such as equities and fixed properties.

## Investment Returns



## Operations

### Introduction

The operating environment continued to be challenging characterised by hyperinflation which led to the erosion of value of pension benefits. Some mines struggled to remit pension contributions on time due to operational challenges. Notwithstanding the difficult operating environment, some positives were realised and notably, the Fund applied its best efforts to sweat its investments assets and significant fair value gains were recorded on the investments assets. As a result, in March 2022, pensioners were awarded an interim pension increase while two (2) bonuses were awarded in June and December 2022 in an effort to cushion members and pensioners against the harsh effects of inflation. In addition, some mines that pay salaries in USD started remitting pension contributions in USD as a way of preserving value for their employees. The USD contributions are ring fenced and administered under a separate sub account in line with the IPEC Guidelines.

### Contributions Collections and Debtors

Total contributions received during the year 2022 amounted to \$8.47 billion, compared to \$2.04 billion collected in 2021. The 2022 collections translated to a collection rate of 63% (2021:66.6%) of total invoiced contributions. A total of USD5.6 million was invoiced in respect of twenty-five (25) mines that are now remitting contributions in foreign currency.

In terms of the Fund's Enterprise Wide Risk Management (ERM) framework, failure to collect contributions is flagged as a high-risk area and this is being addressed by rigorous follow ups with debtor mines, charging interest in compliance with the law, and litigation, where justified. Contribution debtors, including interest, stood at \$4.98 billion as at 31 December 2022, compared to \$1.04 million as at 31 December 2021. Eleven (11) largest mines with outstanding amounts in excess of \$100 million constituted 73% of the total contributions debtors as at 31 December 2022.

### Fund Membership

Overall, the Fund's total membership decreased by 4.36% to 83,522 as at

# Mining Industry Pension Fund (MIPF) 2022 Report

31 December 2022 from 87,331 as at 31 December 2021. The decrease in membership was mainly attributed to the transfer to the Guardian Fund in January 2022, of pension benefits that had remained unclaimed for over five (5) years in respect of 5,207 Deferred and Preserved Members who are over the late retirement age of 65 years. Notwithstanding the overall membership decrease, the number of Active Members marginally increased by 1.1% to 23,268 from 23,022, after 2,296 new members joined the Fund while 270 members exited the Fund and 1,780 transferred from the active membership category to the deferred and pensioners categories within the Fund. This was against a target active membership of 28,400 members (80% market share) for the year. On the other hand, the number of Pensioners increased by 0.9% from 12,004 to 12,114 due to new retirements while that of deferred members decreased by 8% from 52,305 as at end of 2021 to 48,140 as at end of 2022.

## New Mines Recruited

During the year under review, twelve (12) new mines with a total membership of nine hundred and twenty-eight (928) employees were recruited and this increased the total number of member mines as at 31 December 2022 to one hundred and sixty (160). Comparatively, eight (8) mines with a total membership of four hundred and thirty-one (431) employees were recruited in 2021. The number of new members recruited in 2022 represent 3.99% of the total active membership of 23,268 as at 31 December 2022.

## Retrenchments

For the year 2022, the Fund recorded two hundred and thirty-three (233) retrenchments from forty-three (43) mines compared to one hundred and fifty-seven (157) retrenchments from thirty-five (35) mines in 2021. These resulted in retrenchments costs of \$221 million in 2022 compared to \$16.63 million for the 2021 retrenchments.

## Pension Benefits Payment

For the year 2022, pension benefits expenditure was \$1.77 billion compared to \$392.42 million incurred in 2021. The growth in the expenditure was attributed to higher bonuses declared by the Fund in line with fair value gains on investments assets mainly driven by inflation. As the Fund now conducts at least two actuarial valuations per year in order to pass on value to members, higher bonuses were awarded in respect of the December 2021, June 2022 and December 2022 actuarial valuations.

## Mine Visits and Data Collection

The Fund visited eighty-five (85) out of a total of one hundred and sixty (160) mines for purposes of information dissemination and data collection in 2022. The Data collection exercise was initiated as part of efforts to maintain an accurate and up to date membership database, as well as the need to meet the regulatory requirement to have in place, copies of National Identification documents (IDs) for all members. Cumulatively to 31 December 2022, the Fund collected 10,553 IDs and 13,574 contacts from 23,248 Active members. From a total of 12,114 Pensioners, 10,932 IDs and 10,735 contact details have

been collected. The total outstanding for both actives and pensioners is 14,004 IDs and 11,180 contacts from the total 35,362 Active members and Pensioners.

## Actuarial Valuation

The Fund is now carrying out Actuarial Valuations twice per year in line with the Fund's 2019 Board resolution to award regular pension increases so as to cushion pensioners against the loss of value given the hyperinflationary environment and the need to distribute fair value gains to members more frequently. Therefore, in 2022, the Fund carried out two Actuarial Valuations as at 30 June and 31 December 2022. In addition, an interim valuation was also carried out in March 2023 for the purposes of determining the level of pension increases that were awarded to pensioners for the first quarter of 2022.

## Actuarial Valuation Results

For the six (6) months to 31 December 2022, the market value of the Fund's assets increased to \$150.715 billion while the Fund's liabilities increased to \$112,050 billion. Resultantly, the Fund recorded a surplus of \$38.665 billion which translated to a funding level of 135% before declaration of bonuses. Based on this performance, the Fund awarded bonuses of 44.8%, 46.6%, and 3.6%, to the Actives and Deferred Members in Sub Accounts 1, 2 and 3, respectively. Pensions in payment were also increased by 42.2% for Sub Account 1, and 44.1% for Sub Account 2, effective from January 2023. The Sub Account 1 Additional Death Benefit was increased by 44.8% while that of Sub Account 2 was increased by 46.6% to \$212,363.46 and \$47,684.27, respectively, effective from January 2023. Resultantly, the total Additional Death Benefit from both Sub Accounts 1 and 2 in respect of Members that joined the Fund prior to 31 December 2018 and continued as Active Members after 1 January 2019, was increased to \$260,047.73. A summary of the actuarial valuation results for both the June and December 2022 valuations are presented in the Table below;



# Mining Industry Pension Fund (MIPF) 2022 Report

## Summary of the Actuarial Valuation Results for June and December 2022

Issue	Membership Category	Sub Account 1		Sub Account 2		Sub Account 3	
		Jun-22	Dec-22	Jun-22	Dec-22	Jun-22	Dec-22
Bonus	Active, Deferred and Preserved members, Outstanding benefits and Suspended pension arrears	176.60%	44.80%	60.50%	46.60%	3.80%	3.60%
Pension Increase	Current and Suspended Pensioners	97.70%	42.20%	44.20%	44.10%	0.00%	0.00%
Additional Death Benefit increase	Active & Pensioners	176.60%	44.80%	60.50%	46.60%	3.60%	0.00%
Interim Bonus	Active, Deferred, Preserved, Outstanding, benefits, Suspended pension arrears.	181.60%	0.00%	65.50%	0.00%	3.80%	0.00%

## Update on the MIPF Assisted Member Mortgage Scheme

As part of efforts by the Fund to create value and improve its product offering to Members, the Fund implemented the MIPF Assisted Member Mortgage Scheme effective from March 2018. The purpose of the scheme is to assist members prepare for retirement while they are still at work by acquiring residential properties without raising deposits as required by the Building Societies in the case of walk in applicants. Members from mines that are up to date with remittance of pension contributions are able to access traditional mortgages or micro-mortgages through CABS, Nationals Building Society and FBC Building Society. A total of one hundred and forty-one (141) members have accessed loans totaling \$188.789 million since inception of the Scheme.

## Corporate Governance

All Board and Committee meetings were held as scheduled and the Fund held its annual Strategic Planning review workshop in October 2022. The 2022 year-end audit and Actuarial Valuations were carried out and completed without any issues of concern being raised. These now await Board approval and adoption. The 2023 operating budget was finalised and approved by the Board in December 2022.

## Chamber of Mines Pension Enhancement Fund (COMPEF)

The COMPEF investments portfolio was valued at \$11.18 billion as at 31 December 2022 and was invested 18.19% in quoted equities, 5.45% in the money market, 3.61% as cash in bank and 72.76% in real estate. The average monthly payment from COMPEF in 2022 was \$2,635.33 and was paid over and above the monthly pension. Comparatively, the average monthly payment from COMPEF in 2021 was \$678.04. The COMPEF payout is \$9,497.52 per month effective January 2023.

## Conclusion

The Fund continues to pursue its value preservation strategy given the high inflation prevailing in the economy. The strategy is biased towards developing part of the land bank so as to unlock value for the Fund's members and also diversify the Fund's property portfolio which is concentrated in CBD office space. In addition, strategies aimed at improving contributions, rentals and operating costs collections and sweating the assets are being implemented so as to grow the Fund. To this end, the Fund has reduced exposure in near cash assets such as \$ money market investments to minimise value erosion due of inflation. Cost containment remains a key area of focus given the harsh operating environment.



# Chamber Of Mines Pension Enhancement Fund (COMPEF) Performance Report For The Year 2022



## Introduction and General Outlook

This report is a summary of the Chamber of Mines Pension Enhancement Fund's performance for the year ended 31 December 2022 that covers the financial and investments performance, corporate governance and outlook.

## 2022 Performance

The financial report is presented in ZWL.

## Financial Performance

Total income for the year 2022 was \$9.473 billion, compared to \$1.783 million in 2021. Income was mainly driven by fair value gains on investments assets \$7.446 billion, (2021: \$1.352 billion), contribution income \$1.434 million (2021: \$378.105 million) and investments income \$137.207 million (2021: \$41.307 million). Total income was made up of contributions (15%), fair value gains (79%), other income (4%), while rental and other investments income constituted 1%.

Cumulative expenditure for the year 2022 amounted to \$566.550 million (2021: \$215.624 million). COMPEF pay outs to pensioners amounted to \$347.947 million (2021: \$85.282 million) which was 308% above the 2021 pay outs. These accounted for 61% (2021:40%) of total expenditure, while provisions for bad debts accounted for 32% (2021:57%). Administration expenses for the year at \$21.362 million constituted 4% of total expenditure and property running expenses of \$13.825 million contributed 2% of total expenditure.

Cumulatively, the fund recorded a surplus of \$8.906 billion against the prior year surplus of \$1.567 billion mainly due to fair value gains on fixed property and quoted equities. Resultantly, the fund value grew from \$2.520 billion in 2021 to \$11.426 billion as at 31 December 2022.

## Contributions Income and Debtors

Collection of COMPEF contributions remained depressed as some mines failed to remit COMPEF contributions. Cumulative contributions debtors increased by 203% from \$215.260 million as at 31 December 2021, to \$652.464 million as at 31 December 2022. Total COMPEF contributions received during the year 2022 were \$1.062 billion compared to \$234.87 million collected in 2021. This translated to a collection rate of 74.09% (2021:62%) of invoiced contributions. The improvement in the collection rate was due to arrear payments.

## Investments

The COMPEF portfolio had 18.19% exposure in quoted equities, 5.37% in money market, 72.76% in fixed properties, 3.61% in cash and 0.08% in fixed income. The COMPEF asset allocation portfolio is summarised in Table 1 below.

# Chamber of Mines Pension Enhancement Fund (COMPEF)

## Performance Report for the Year 2022

### COMPEF Portfolio Asset Allocation as at 31 December, 2022

Asset Allocation	31 Dec'21 \$	Exposure %	31 Dec'22 \$	Exposure %	Targeted
<b>Equities Mkt Value</b>	709,716,897.04	23.98	2,033,802,706.90	18.19%	<b>30%</b>
<b>Money Market</b>	166,909,342.00	5.64	600,240,425.00	5.37%	-
<b>Cash</b>	517,281,285.00	17.47	403,867,189.00	3.61%	-
<b>Fixed Income</b>	1,120,506.00	0.04	8,976,469.00	0.08%	-
<b>Real Estate</b>	1,565,203,000.00	52.87	8,136,613,009.00	72.76%	<b>70%</b>
<b>Total</b>	2,960,231,030.23	<b>100.00</b>	11,183,499,798.90	100.00%	100%

### Investments performance highlights for the year ended 31 December 2022 were as follows:

Total weighted return for the year under review was estimated at 326.24% with quoted equities contributing a weighted return of 22.48% and fixed properties 302.81%.

The COMPEF quoted equities portfolio posted a return of 123.59% for the year 2022 compared to 572.86% for 2021 and 79.56% return posted by the benchmark industrial index. The above benchmark performance was due to gains in Delta, Econet and Innscor which are key stocks in the COMPEF portfolio.

Total dividends received for the year 2022 amounted to \$33.229 million compared to \$11.680 million for the prior year.

### COMPEF Equities Portfolio Performance Comparison: 2022

Index/Fund	YTD 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022
<b>Industrial Index</b>	307.21%	46.61%	24.52%	-25.47	31.97	79.56%
<b>COMPEF/ Equities</b>	586.43%	63.82%	26.66%	-21.00	35.62	123.59%

The top five COMPEF equities portfolio exposures for the year ended 31 December 2022 were as represented below.

### Top Five Quoted Equities Exposures

Rank	Counter	Portfolio Weight %
1	Delta	38.19
2	Innscor	33.11
3	Econet	25.60
4	Old Mutual	1.85
5	Nedbank	0.82
<b>Total</b>		<b>99.57</b>

### COMPEF Real Estate Portfolio as at 31 December 2022

Property	Date Purchased	Book Value (\$)	Market Value (ZWL\$)	*Market Value (US\$)
<b>Undeveloped Stands</b>				
Mt Pleasant (Olympia Farm)	19/09/2017	3,867,140	2,699,438,000.00	3,000,000.00
Gunhill Property	27/02/2018	6,316,947	2,289,645,000.00	2,544,000.00
1214 Bannockburn	29/08/2018	2,453,430	899,289,000.00	1,000,000.00
<b>Commercial Properties</b>				
26 Kaguvu	13/11/2017	2,257,428	1,282,870,000.00	1,460,000.00
Stand 50A (Willowvale)	20/12/2017	1,049,783	678,510,000.00	770,000.00
<b>Residential Properties</b>				
Four (4) units in Imba MuMadokero, Tynwald	26/02/2020 & 28/12/2022	63,486,009	286,861,009.00	340,000.00
<b>Total</b>		<b>79,400,699.00</b>	<b>8,136,613,009.00</b>	<b>9,114,000.00</b>

NB: The COMPEF property portfolio was valued in both USD and ZWL\$ by the independent valuer. The ZWL\$ valuation was adopted for reporting purposes

# Chamber of Mines Pension Enhancement Fund (COMPEF)

## Performance Report for the Year 2022

while the USD is used for management decision making and tracking performance in real terms.

During the year 2022, one residential apartment was purchased at Imba MuMadokero, Tynwald at a cost of US\$85,000 (ZWL\$57.361 million). New funds will be channelled towards quoted equities and real estate development so as to achieve the target portfolio mix of 70% in real estate and 30% in quoted equities while preserving value.

### Rental Income and Debtors

The COMPEF rent generating properties comprise of one industrial building (Stand 50 A Willowvale), one commercial building (26 Kaguvi Street) and three residential units in Imba Mumadokero which are tenanted. All the tenanted properties with the exception of Stand 50 A Willowvale, are generating USD rentals. Rental income of \$46.519 million was generated from the properties compared to \$10.482 million for 2021. Of the total monthly rent generation of US\$11,926.60, monthly invoices totalling US\$8,926.60 are in respect of tenants paying in hard currency while one tenant is paying in local currency. Rent debtors amounted to \$13.684 million in respect of 36-38 Kaguvi Street and three units in Imba Mumadokero. The debtors are on payment plan which they are adhering to.

### Outlook

The year 2023 is anticipated to be challenging on the back of high inflation, depreciating local currency, foreign currency shortages, power outages, liquidity challenges, low investor confidence and negative real interest rates. It is envisaged that the aforementioned challenges will continue to negatively impact on the fund's operations and investment performance. To this end, the COMPEF Board will continue to pursue a value preservation strategy while taking advantage of any growth opportunities which might arise.

### Income and Expenditure Statement for the Year Ended 31 December 2022

	HISTORICAL COST		
	31-Dec-22		31-Dec-21
Income	ZWL\$	%	ZWL\$
Employer Contributions	1,433,849,060	3	378,105,375
Investments Income	137,207,149	2	41,306,790
Fair Value Gain on Investments Assets	7,446,400,431	5	1,351,925,335
Rental Income	46,519,327	3	10,481,960
Other Income	408,675,922	442	923,329
<b>Total Income</b>	<b>9,472,651,889</b>	<b>4</b>	<b>1,782,742,789</b>
<b>Expenditure</b>			
Monthly pension pay-outs	347,947,147	3	85,281,562
Administration Costs	21,361,746	9	2,221,460
Property Running Expenses	13,825,144	2	4,971,204
Provisions for bad debts	183,415,981	0	123,149,605
<b>Total Expenditure</b>	<b>566,550,018</b>	<b>2</b>	<b>215,623,831</b>
<b>Increase/(Decrease) in Fund</b>	<b>8,906,101,871</b>	<b>5</b>	<b>1,567,118,958</b>
Accumulated Fund B/Fwd	2,520,002,485	2	952,883,527
<b>Accumulated Fund as at 31.12.2022</b>	<b>11,426,104,356</b>	<b>4</b>	<b>2,520,002,485</b>

# Zimbabwe School Of Mines Report

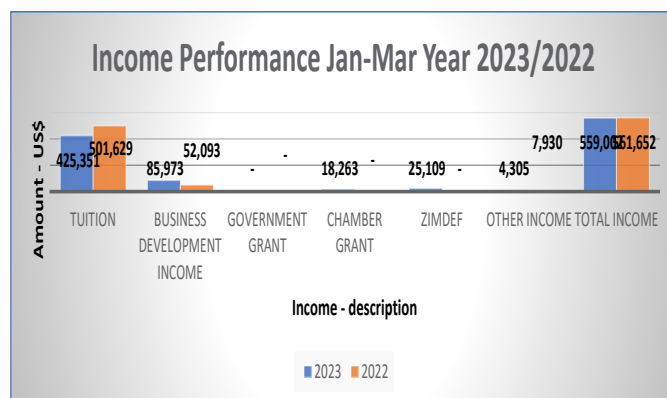
## Executive Summary

In 2022, the school operated in a challenging operating environment largely on the back of exchange rate volatility and high inflation. New courses were developed in the year to close the skills gap in Gemology, Oil and Gas, Shaft Timberman, Foundry Technology and Iron & Steel Making. Enrolment remained stable with a total of graduating on 2022.

## Financial performance 2022/23

Continued price indexing experienced in the market against the depreciating local currency which was the major transactional currency in both 2023 and 2022 resulted in increased operating costs. Performance of Grants from both Chamber of Mines and Government increased from 1% to 9% in 2022. Fund raising efficiency comprising of Business Development Income increased from 9% to 15% from prior year.

Tuition fees decreased cumulatively by 15% in the Jan-Mar 2023. Business Development income increased by 65% in 2023 as compared to 2022 due to the introduction of new courses i.e. Certificate in Mine Occupational Safety Health & Environment and Executive Diploma in Mine Management. The Chamber of Mines Grant increased by 100% in the period Jan-Mar 2023 as compared to the same period in 2022.



## Academic Report

### Overall Enrolment Statistics 2022/2023

Total enrolment stands at 1,141

COURSE	LEVEL									TOTALS
	CERT1	D1	BD1	D2	BD2	D3	ND2	ND3	HD	
MET-ASSAY		32		36		33				101
MINE VENT		25		31		24				80
GEOLOGY		62	11		10		60	66		209
METALLURGY		60	10		5		60	72	11	218
MINING		62	12		17		63	68	4	226
SURVEY		61			4		60	66		191
SHAFT TECH		29								29
EXECUTIVE DIPLOMA		18								18
MOHSE (FT)	27									27
MOHSE (PT)	17									17
SMALL-SCALE	25									25
TOTALS	69	349	33	67	36	57	243	272	15	1,141

## New Courses

The following new courses were developed and are on offer in 2023;

- Diploma in Gemology
- Certificate in Gemstone Cutting and Polishing
- Diploma in Foundry Technology
- Diploma in Iron and Steel Making

# Zimbabwe School of Mines Report

## Curriculum Development Consultations

The school is currently carrying out stakeholder consultations for the development of the following new courses.

Program	Stage in Development	Comments
Higher Diploma in Oil and Gas Engineering	Regulations Completed Subject syllabi complete	Stakeholder consultations
Diploma in Mine Occupational Health and Safety	Regulations and Subject syllabi work in progress	Stakeholder consultations Curriculum Development Workshop TBA
Samplers course	Regulations and Subject syllabi work in progress	Stakeholder consultations
Diploma in Exploration Techniques	Regulations and Subject syllabi work in progress	Stakeholder consultations
GIS and GPS in mining short course	Regulations and Subject syllabi work in progress	Stakeholder consultations

## E-Learning Report

The school currently has an inventory of 22 short courses which are supplemented in number by customized training options offered to the mining industry. The school managed to attract 417 online participants in 2022 with 191 participants in 13 online courses. The Science of Mining enrolled 226 online learners. The school is currently offering 14 online courses, 6 Blended learning courses and 1 MOOC.

## Business Development

The school had projected income from business development initiatives of US\$ 134,085.00 by end of February 2023 against a yearly target of \$657,056. The course listed under New trainings below have also raised US\$26000 from the Capital Development Levy.

Notably, Minerals Marketing Corporation of Zimbabwe sponsored 132 youths from Young Miners Federation drawn from 6 different provinces in a capacity building training programme titled Small Scale Mining Management. For customized trainings, the school trained 25 Ecobank executives from Zimbabwe, Rwanda, Senegal, Mali, Mozambique, Burkino Faso, Tanzania, Zambia and Malawi on Technical and Financial Evaluation of Mining Projects.

## 4. ZSM Strategic Projects

### Drone Training and Technical Services

A complete starter kit with a drone was procured and delivered in 2022.

### ZSM Geochemical and Assaying Laboratory

The Laboratory was equipped in 2022 with critical equipment which includes a Fusion Furnace and an AAS Machine. The Geochemical and Assay laboratory will be undertaking various laboratory test works that include assay work, water tests, XRF elemental analysis, Particle Size

Analysis, Bottle roll Leach testing, Flotation Bench Tests, AAS analysis.

### Environmental Monitoring Services

The School has registered as an Environmental Management consultant with EMA which will allow EIAs and EMP for the mining industry.

### ZSM Experimental Mine

Acquisition of Mining claims with the view of development of an Experimental Mine is envisaged.

### Infrastructural Development Update

#### Progress in Construction of the Gemology Centre

The Zimbabwe School of Mines (ZSM) is set to open a Gemology Training Centre in Manicaland Province aimed at promoting value addition and beneficiation of precious stones in the country.

The Gemology Training Centre is part of the Diamond Park that will house other businesses involved in cutting and polishing and jewellery manufacturing. This is a Government initiative to address the NDS1 objective on value addition and beneficiation.

### Hurungwe Gemstone Training Centre

The school in collaboration with the Ministry of Mines and Mining Development and the Minerals Marketing Corporation of Zimbabwe will aid in supporting gemstone value addition and local jewellery manufacturing capacity through the establishment of the Hurungwe Gemstone Training Centre.

### Governance

The current board term of office is expiring in 2023. The School appreciates and acknowledges the work done by the ZSM Board of Management.

# The Chamber of Mines Abridged Audited Financial Accounts

for the year ended 31 December 2022

## Auditor's Statement

The abridged version of the financial results should be read in conjunction with the full set of Financial Statements for the year ended 31 December 2022, which have been audited by PNA Chartered Accountants. A qualified opinion was issued thereon because of non-compliance with International Accounting Standard 21 (The Effects of Changes in Foreign Exchange Rates) and IFRS13 on Valuation of Property and Equipment. The auditor's report on these financial statements is available for inspection at the Chamber's registered office.

## THE CHAMBER OF MINES OF ZIMBABWE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

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	Inflation Adjusted		Historical Cost	
	2022 ZWL \$	2021 ZWL \$	2022 ZWL \$	2021 ZWL \$
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property and Equipment	356 951 419	96 032 153	332 201 772	54 604 476
	<b>356 951 419</b>	<b>96 032 153</b>	<b>332,201,772</b>	<b>54 604 476</b>
<b>Current Assets</b>				
Inventories	9 430 060	5 474 902	3 830 247	1 592 653
Accounts Receivables	13 099 106	11 836 766	13 099 106	3 443 324
Held for Trading Investments	245 103	795 637	245 103	154 031
Cash and Cash Equivalents	139 722 748	90 716 760	139 722 748	26 389 572
	<b>162 497 017</b>	<b>108 824 065</b>	<b>156,897,204</b>	<b>31 579 580</b>
<b>Total Assets</b>	<b>519 448 436</b>	<b>204 856 218</b>	<b>489 098 976</b>	<b>86 184 056</b>
<b>RESERVES AND LIABILITIES</b>				
<b>Reserves</b>				
Accumulated Funds	(18 141 176)	33 980 406	(82,080,874)	(9 990 176)
Capital Reserves	4 736 513	4 736 513	857,210	857 210
Revaluation reserve	289 374 559	22 215 326	326,844,100	53 449 433
	<b>275 969 896</b>	<b>60 932 245</b>	<b>245,620,436</b>	<b>44 316 467</b>
<b>Current Liabilities</b>				
Accounts Payables	235 403 431	143 073 288	235 403 431	41 620 124
Subscriptions in Advance	8 075 109	850 685	8 075 109	247 465
	<b>243 478 540</b>	<b>143 923 973</b>	<b>243 478 540</b>	<b>41 867 589</b>
<b>Total Reserves and Liabilities</b>	<b>519 448 436</b>	<b>204 856 218</b>	<b>489 098 976</b>	<b>86 184 056</b>

IAS 21 discourages the publication of historical results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements. As a result, the auditors have not expressed an opinion on this historical information.

C CHIBAFA (PRESIDENT)

I KWESU (CHIEF EXECUTIVE OFFICER)

Date: 17 May 2023

# The Chamber of Mines Abridged Audited Financial Accounts

for the year ended 31 December 2022

## THE CHAMBER OF MINES OF ZIMBABWE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

7

	Inflation Adjusted		Historical Cost	
	2022 ZWL \$	2021 ZWL \$	2022 ZWL \$	2021 ZWL \$
Revenue	671 196 141	468 022 620	451 558 980	107 318 628
Other Operating Income	562 286 157	579 654 733	378,287,878	132,916,120
<b>Total Income</b>	<b>1233 482 298</b>	<b>1047 677 353</b>	<b>829 846 858</b>	<b>240 234 748</b>
Operating Expenses	(1,605,208,493)	(1,088,499,519)	(1,071,531,502)	(248,762,878)
<b>Operating Deficit</b>	<b>(371 726 195)</b>	<b>(40 822 166)</b>	<b>(241 684 644)</b>	<b>(8 528 130)</b>
Fair Value Adjustment on held for trading investments	( 550 534)	91 313	91,072	26,563
Financing Income - Interest Received	73 108	5 373	49,185	1 232
Foreign Currency Revaluation	251 875 540	34 262 306	169,453,689	7 856 423
Monetary gain	68 206 499	92 086 356	-	-
<b>Surplus / (Deficit) for the year</b>	<b>(52 121 582)</b>	<b>85 623 182</b>	<b>(72 090 698)</b>	<b>( 643 912)</b>
<b>Other Comprehensive Income</b>				
Property, Plant and Equipment Revaluations	267 159 233	-	273,394,667	49 428 923
<b>Total Comprehensive income for the year</b>	<b>215 037 651</b>	<b>85 623 182</b>	<b>201 303 969</b>	<b>48 785 011</b>

IAS 21 discourages the publication of historical results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements. As a result, the auditors have not expressed an opinion on this historical information.

# The Chamber of Mines Abridged Audited Financial Accounts

for the year ended 31 December 2022

## THE CHAMBER OF MINES OF ZIMBABWE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

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	Inflation Adjusted		Historical Cost	
	2022 ZWL \$	2021 ZWL \$	2022 ZWL \$	2021 ZWL \$
<b>Operating Activities:</b>				
Surplus/(Deficit) for the year	(52 121 582)	85 623 182	(72 090 698)	( 643 912)
Depreciation	18 400 591	13 033 227	3 978 644	2 156 065
Profit/(Loss) on disposal of equipment	-	65 896	-	15 110
Interest received	( 73 108)	( 5 373)	( 49 185)	( 1 232)
Fair Value Adjustment on trading investments	550 534	( 91 313)	( 91 072)	( 26 563)
<b>Net Cash outflow before investment in working capital</b>	<b>(33 243 565)</b>	<b>98 625 619</b>	<b>(68 252 311)</b>	<b>1 499 468</b>
<b>Working Capital Changes</b>				
Accounts receivables (increase)/decrease	(1 262 340)	(5 484 016)	(9 655 782)	(2 293 609)
Inventories (increase)	(3 955 158)	(4 710 620)	(2 237 594)	(1 454 334)
Accounts payables increase/(decrease)	92 330 143	(61 431 648)	193 783 307	17 562 749
Other current liabilities increase/(decrease)	7 224 424	( 552 847)	7 827 644	( 6 545)
<b>Net Cash in-flow from operations</b>	<b>61 093 504</b>	<b>26 446 488</b>	<b>121 465 264</b>	<b>15 307 729</b>
Interest receivable	73 108	5 373	49 185	1 232
<b>Net cash inflow from operations</b>	<b>61 166 612</b>	<b>26 451 861</b>	<b>121 514 449</b>	<b>15 308 961</b>
<b>Net cashflows from investing activities</b>				
Purchase of property and equipment	(12 160 624)	(11 381 586)	(8 181 273)	(2 609 823)
<b>Net cash outflow in investing Activities</b>	<b>(12 160 624)</b>	<b>(11 381 586)</b>	<b>(8 181 273)</b>	<b>(2 609 823)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>49 005 988</b>	<b>15 070 275</b>	<b>113 333 176</b>	<b>12 699 138</b>
Cash and cash equivalents at the beginning of the year	90 716 760	75 646 485	26 389 572	13 690 434
<b>Cash and cash equivalents at the end of the year</b>	<b>139 722 748</b>	<b>90 716 760</b>	<b>139 722 748</b>	<b>26 389 572</b>

IAS 21 discourages the publication of historical results as the inflation adjusted results are the primary financial results. However, the historical cost results are included as supplementary information to meet other user requirements. As a result, the auditors have not expressed an opinion on this historical information.

# The Chamber of Mines Abridged Audited Financial Accounts

for the year ended 31 December 2022

## THE CHAMBER OF MINES OF ZIMBABWE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 GENERAL INFORMATION

The Chamber of Mines of Zimbabwe is a private voluntary organisation which was incorporated in terms of the Chamber of Mines of Zimbabwe Incorporation (Private) Act [Chapter 21:02] to represent the mining companies of Zimbabwe. The Chamber is also registered in terms of the Labour Act [Chapter 28:01] to represent or advance the interests of any employers or groups thereof in the mining industry in respect of matters relating to employment.

The Chamber is domiciled in Zimbabwe, with its registered offices at 20 Mt Pleasant Drive, Harare.

### 2 ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements, which are set out below, have been consistently followed in all material aspects.

#### 2.1 Basis of Preparation and Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards; ("IFRS") except for the effects of IFRS 13 Fair value which have not been fully complied with. The Council did not fully comply with IFRS 13, and IAS 21 to the extent that it is described in the auditors opinion. In light of this failure to fully comply with the requirements of IFRS 13, the Chamber's Independent Auditors, PNA Chartered Accountants have issued a qualified opinion on the financial statements for the year ended 31 December 2022.

#### 2.1.2 Functional Currency

The Chamber's functional currency is the Zimbabwean Dollar (ZWL \$). In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which introduced a new currency Zimbabwe (ZWL \$) and an interbank exchange rate between the US Dollar and the Zimbabwe (ZWL \$).

#### 2.1.3 Hyperinflationary Reporting

##### Basis for preparation

These financial statements have been prepared on the inflation adjusted basis in accordance with International Accounting Standard 29 *Financial Reporting in Hyperinflation Economies*. In terms of International Financial Reporting Standards and the provisions of IAS 29, the adjusted financial statements constitute the primary financial statements. Whilst the historical cost financial statements are the basis of computation of the adjusted financial statements, in terms of IAS 29 their presentation is discouraged, they are nonetheless presented as supplementary information.

The financial statements and the comparative figures for the previous period have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar and as a result are stated in terms of the measuring unit current at the statement of financial position date. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") compiled by the Zimbabwe Central Statistical Office.

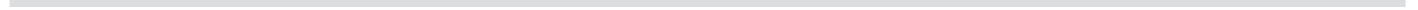
The indices and conversion factors have been applied to the historical cost of transactions and balances as follows:

Period	Index	Conversion factor
31-Dec-22	13672.91	1.00
31-Dec-21	3977.48	3.44

##### The key procedures applied in the restatement process are as follows:

- Items in the statement of profit or loss and other comprehensive income are restated by applying the relevant monthly conversion factor.
- Monetary assets and liabilities at the reporting date are not restated since they are already stated in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at current cost and components of shareholders equity are restated using the indices in terms of the measuring unit, current at the latest reporting date (31 December 2022). Non-monetary assets and liabilities that are carried at amounts current at the reporting date, that is at fair value, are not restated.

# Notes



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# Notes



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**THE CHAMBER OF MINES**



**OF ZIMBABWE**