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THE CHAMBER OF MINES OF ZIMBABWE

Quarterly Members Brief

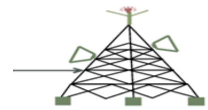
Q2 2025

Weakened global economic prospects

Resurgence in PGM prices boosts market outlook

Mineral exports surge

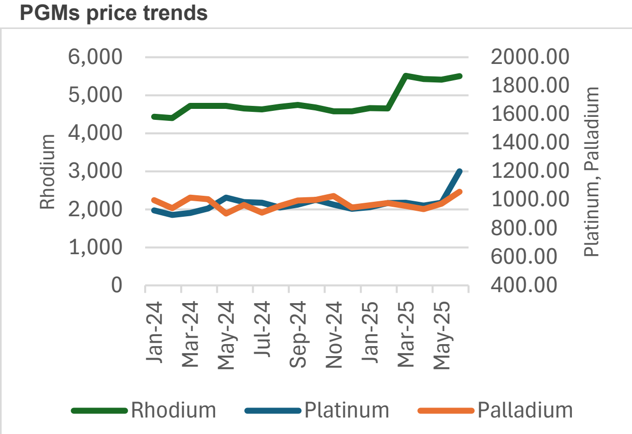
Power supply situation improves



Resurgence in PGMs prices boosts market outlook

During the period under review, prices of Platinum Group Metals (PGMs) staged a notable rebound following a prolonged period of depressed prices. Platinum soared by around 40% in the second quarter of 2025, including a record-breaking 28% jump in June alone (marking the strongest monthly performance since 1986). This price jump led to platinum reaching an 11-year peak of around US $1,432 per ounce in June 2025. Palladium has also rallied by more than 15%, supported by a recovery in global auto production and renewed demand for catalytic converters, particularly in hybrid vehicles. Meanwhile, rhodium has surged by around 20%, supported by supply constraints in key producing countries. PGMs prices are expected to remain firm for the remainder of the year, supported by structural supply deficits and the accelerating global energy transition.

PGMs price trends



Source: Kitco, Pink sheet, Trading Economics

……as commodity markets show signs of resilience

Commodity markets have shown relative resilience amid ongoing global uncertainty, with most key mineral prices rebounding compared to the previous quarter. Gold continued its bullish trend, averaging US$3,292 per ounce in the second quarter, supported by strong safe-haven demand. Base metals such as aluminium, copper, iron ore, and zinc rebounded during the period under review, reflecting improved demand particularly from China's industrial and property sectors. Notwithstanding the recent upward trend, most key mineral prices remain below their historical averages. In the outlook, commodity markets are expected to remain volatile through the second half of 2025, driven by uncertainties around global growth, ongoing trade tensions, and potential supply shocks

Global prices for selected commodities

Commodities	Q2 2024	Q1 2025	Q2 2025	Q-O-Q %change
Nickel($/mt)	18,416	15,583	15,154	-2%
Gold ($/troy oz)	2,336	2,863	3,292	15%
Platinum ($/troy oz)	980	969	1,063	10%
Palladium ($/troy oz)	943	965	988	2%
Rhodium ($/troy oz)	4,700	4,944	5,446	10%
Coal($/mt)	137	109	104	-5%

Lithium ($/mt)	14,453	10,721	9,217	-14%

Source: Kitco, World bank, Trading economics

Weakened global economic prospects amid heightened policy uncertainty

Meanwhile, global economic growth has been revised downwards to 2.3% for 2025, from the World Bank's initial projection of 3.3%, marking the weakest pace since 2008 outside of global recessions. The slowdown is primarily driven by escalating trade barriers and persistent policy uncertainty, which are dampening investor confidence and weighing heavily on global investment. Emerging Market and Developing Economies (EMDEs) are particularly affected, with growth projections lowered to 3.5% from the original projection of 4.3%. These economies have also seen a sharp decline in foreign direct investment (FDI), now less than half of its 2008 peak, with no signs of recovery in the near term. Risks to the global outlook are tilted to the downside, including heightened trade restrictions, prolonged policy uncertainty, slower growth in major economies, rising geopolitical tensions, and climate-related disruptions.

Zim mineral exports surge

During the first half of 2025, Zimbabwe's mineral export revenue surged by around 28% to US$3.2 billion, up from US$2.5 billion recorded during the same period last year. Notable increases in export volumes were recorded in key minerals including coal (121%), high-carbon ferrochrome (HCFC) (12%), chrome (343%), lithium (spodumene) (30%), and copper (264%). In the outlook, we expect mineral export revenue to surpass US$6 billion in 2025, driven by increased production and firm demand in select minerals. However, risks to the mining sector remain tilted to the downside emanating from subdued commodity prices (particularly in the PGMs and lithium sectors), foreign currency shortages, high-cost structures, and capital constraints.

Mineral	H1 2024	H1 2025	% Change
Spodumene (mt)	451,824	586,197	30%
Coke Various (mt)	377,244	556,742	48
Coal (mt)	114,859	253,849	121%
PGMS Matte (ozs)	18,844	14,164	-25
PGMS CONCS	85,408	33,705	-61
Diamonds (cts)	6,846,436	2,720,687	-60%
HCFC (mt)	175,383	196,646	12%
Chrome Ore Lumpy (mt)	1,500	6,645	343%
Steel	413	140,242	33,855%
Copper (MT)	409	1,489	264%
Cobalt (MT)	191	158	-17%

Source: MMCZ

…. as gold deliveries surge

Gold deliveries to Fidelity Gold Refinery surged by 46% in the first half of 2025, reaching record 20 tons, compared to the 13 tons recorded during the same period last year. The increase was driven by a combination of ongoing expansion projects and bullish market prices. Meanwhile, gold export earnings soared to US$1.8 billion in the first half of the year, a 115% increase from the US$870 million recorded during the same period last year. We expect export earnings from the gold sector to surpass US$3 billion in 2025, underpinned by increased production and favourable gold prices.

Gold output performance in the first half

	H1 2024	H1 2025	% Change (Y-O-Y)
Large scale (producers) kgs	6,367	5,542	-13%
Small-scale (producers) Kgs	7,484	14,562	95%
Total (Kgs)	13,784	20,104	46%

Similarly, on a quarterly basis, gold deliveries to FGR surged by 37% in the second quarter of 2025, reaching approximately 12 tons compared to 8 tons recorded in the first quarter. Gold output is expected to surpass 42 tons in 2025, on the back of new and ongoing expansion projects across the sector, underpinned by bullish gold prices.

	Q2 2024	Q1 2025	Q2 2025	% Change (Q-O-Q)
Large scale (producers) kgs	3,224	2,726	2,816	3%
Small-scale (producers) Kgs	4,515	5,771	8,791	52%
Total (Kgs)	7,739	8,496	11,607	37%

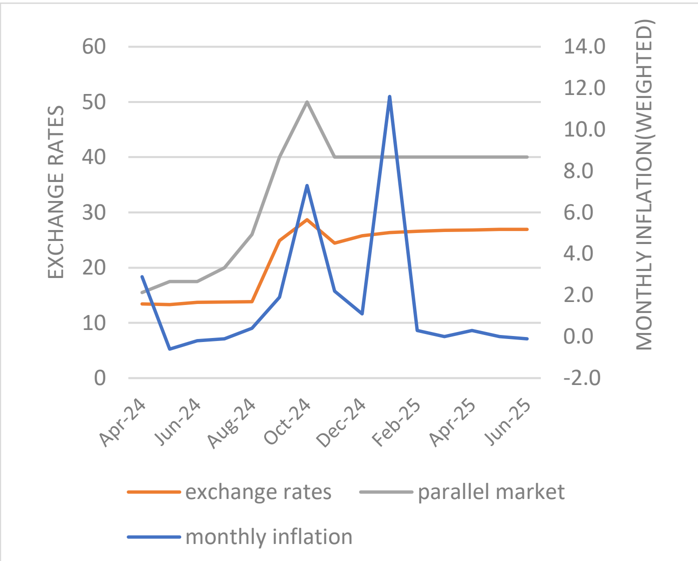
Source: Ministry of Mines

Domestic power supply situation improves

The power supply situation improved notably during the period under review, with national generation rising to around 1,456 MW following the restoration of units at Hwange and the addition of new coal and solar projects. This enhanced energy capacity, along with strong agriculture and mining performance and relative macroeconomic stability, is expected to underpin economic momentum in the second half of the year.

Tight monetary policy anchors inflation and exchange rate stability

During the period under review, the economy exhibited signs of relative macroeconomic stability. Exchange rates in both the official and parallel markets remained steady, with the parallel rate trading at 40 and the official rate at 26 throughout second the quarter. The month-on-month ZiG inflation rate stood at 0.3% in June, down from 0.9% in May while the U.S. dollar month-on-month inflation was –0.2% in June, from –0.3% in May, indicating ongoing price deflation in USD terms. This stability reflects a tight monetary policy stance by the Reserve Bank, supported by foreign exchange reforms, including enhancements to the WBWS auction mechanism. In the outlook, we expect inflation and the exchange rate market to remain generally stable for the remainder of the year, as the Government maintains a tight monetary policy stance.



Source : RBZ

Update on Chamber engagement initiatives

During the period under review, the Chamber continued to engage Government and authorities on all legislative and policy matters including the following: electricity and energy; monetary and foreign exchange; fiscal and tax matters; labour matters, Mines and Minerals Act; and Indigenisation and Economic Empowerment.

1. Electricity and energy matters

Power supply situation

During the period under review, electricity supply to mining companies remained stable, with no major power outages having been reported. Isolated power outages that were reported were attributable to transmission faults and grid disruptions due to rainfall and thunderstorm activities. The Chamber continues to engage for prioritization of mining companies for available power.

Electricity tariff

The electricity tariff for mining companies remained high and unsustainable, impacting negatively on viability. Meanwhile, most mining houses have undertaken initiatives to produce their own power, including solar energy. Notable projects include, Zimplats, which is advancing its planned 185MW solar project, with the next phase, (adding 45MW), already underway. This will bring total capacity to 75MW following completion of the initial 35MW. The Chamber continues to engage Government for a competitive power tariff.

Alternative power supply

The Electricity and Power Development Committee of the Chamber received proposals from GEnergy, Grid Power, Lafrica Energy, Genesis Energy, Unifyd Energy and SOLARX Power on alternative power solutions for the mining industry. Interested Members are encouraged to engage these independent power providers for further enquiries while the Chamber continues to seek for more alternative power solutions to supplement available power for mining companies.

2. Monetary and foreign exchange matters

Foreign exchange retentions

During the period under review, mining companies continued to face disproportionate pressure on retentions as most suppliers of goods and services, including some Government agencies such as ZESA, were demanding payments exclusively in foreign currency. The Chamber continued to engage the Governor to ensure that the industry retains enough forex to meet capital and operational requirements.

Non-payment of ZiG component

Information gathered by the Chamber show that Platinum Producers have not been receiving the ZiG equivalence of their surrender portion since February 2025. The Chamber and Platinum Producers are engaging the Ministry of Finance and RBZ on the matter.

Payment of electricity bills in line with retentions

The Chamber has been engaging the Ministry of Finance, ZESA and RBZ to allow mining companies to pay electricity bills in line with foreign exchange retentions. The Chamber continues engaging on the matter.

Loss of value on the surrender portion of export proceeds

The exchange rate generally stabilized over the past 4 months with foreign currency premiums shrinking to as low as 10%, resulting in somewhat improvement in the value of the surrender portion of export proceeds. The Chamber continues to engage RBZ for fair compensation of the surrender portion of export proceeds.

3. Fiscal matters

Beneficiation Tax on PGMs

The Government is now collecting a 3% tax on export of PGMs concentrates from producers unable to take 100% of their concentrates to Zimplats. Meanwhile, Zimplats has been commissioning its smelters in phases with full operational capacity expected by year-end. The Chamber will continue engaging the Minister of Mines and Minister of Finance on this matter.

Beneficiation Tax on Lithium
Information gathered from lithium producers shows that ZIMRA is collecting the 5% beneficiation tax on lithium concentrates. This is despite the Government having agreed with lithium producers a 2-year period for the construction of lithium sulphate plants. The initial agreement provided for the deferment of the beneficiation tax until 1 January 2027. The Chamber with the support of the Minister of Mines is engaging the Minister of Finance on the matter. Meanwhile, the Chamber and Lithium Producers are arranging an all-stakeholder Lithium Workshop to resolve all lithium producer matters. The Workshop will be held on 26 August 2025.

Computation of Royalty on lithium exports
The Chamber, with the assistance of the Minister of Mines held 2 meetings with the Minister of Finance to resolve this matter. The Ministers agreed in principle to allow royalty to be levied on concentrates and not on lithium carbonate. The Ministers referred the matter to the technical team to draft a motivation to amend the Law. The Chamber is working with the technical team in the Ministry of Finance to finalise the matter.

Royalty for platinum, lithium and diamond
Royalty for platinum, lithium and diamond have remained high. The Chamber submitted this matter to the Ministry of Finance for consideration in the 2025 Mid Term Budget Review. The Chamber will continue to engage for optimal royalty for platinum, lithium and diamond.

4. Economic Empowerment and Local Content

The Chamber of Mines and the Ministry of Industry are working closely to develop an Economic Empowerment Implementation Framework for the mining industry in line with the new Economic Empowerment Bill which is expected to replace the Indigenisation Act. The Ministry of Industry is hosting workshops to review the Policy Framework on Community Share Ownership Trusts. The chamber is participating in the Workshops to influence the outcome of the stakeholder engagements. The Chamber is also working with the Ministry of Industry in shaping local content implementation framework for the mining industry that encompasses ongoing local content and local empowerment initiatives being undertaken by mining companies including local enterprise development, local procurement, local employment and local skills development.

5. Mines and Minerals Act

The Mines and Minerals Act Amendment Bill HB 1 of 2025 was gazetted on 25 June 2025. The bill resembles the 2022 version (to some extent) that failed to pass through Parliament. Some of the previous recommendations and concerns remain unaddressed. The Chamber has initiated a process of developing a comprehensive position paper on the Bill. The Chamber has since presented its preliminary report on the Bill to Parliament and the ZANU PF Committee on Mines and Energy. Meanwhile, Parliament indicated that a comprehensive stakeholder consultation process will be undertaken. A detailed Chamber position and engagement strategy on the Bill has been circulated to members.

6. Safety Health and Environment

Fatal Accidents
During the period January to May 2025, the mining sector recorded 59 fatal accidents, compared to 58 recorded during the same period in 2024. These accidents resulted in 70 fatalities, compared to 72 fatalities recorded in the corresponding period last year. Fall of Ground (FoG) remains the leading cause of fatal accidents, accounting for 37% of the total. Shaft-related accidents were the second most prevalent, contributing 18%, followed by accidents involving falls into excavations.

First aid
The first aid zone competitions were held on 27 June and 11 July for the south and north zone respectively. The north zone was hosted by ZCDC and the south zone by Blanket Mine. The Mine Rescue Association AGM was held on 28 March 2025 at the Zimbabwe School of Mines.

Mine Rescue
The Mine Rescue Association continued with the renovation of training facilities at Gaths Mine. Quarterly training exercised were conducted for all zones. No call out incident was reported during the period under review.

7. Chamber of Mines Events

Annual General Meeting
The 2025 Annual General Meeting was held on 21 May 2025. The Council Meeting elected new Office Bearers for the year 2025/2026 as follows:

President	**J Musekiwa**
First Vice President	**M Shava**
Second Vice President	**F Makoni**

Chairmen of Committees for 2025/2026

Economic Development and Investment Committee	C Chibafa
Electricity and Power Development Committee	T Gono
Finance Committee	F Makoni
Gold Producers Committee	Q Nkomo
Local Content and Empowerment Committee *(Replacing Indeginisation Committee)*	J Musekiwa
Labour Committee	M Shava
Legal Matters (General) Committee	P Mangwengwende
SHE Committee	A Chinyere
Suppliers Committee *(Local Content Sub-committee)*	Co-chaired COMZ/CZI
Platinum Producers Committee	A Mhembere
Coal Producers Committee	L Masimura
Lithium Producers Committee	G Xuedong
Ferrochrome Producers Committee	(yet to reconstitute)

Annual Mining Conference

The Annual Mining Conference was held from 22 to 24 May 2025 and was attended by over 400 participants. The Guest of Honour, Honorable Winston Chitando, Minister of Mines and Mining Development, delivered the keynote address. The event also saw the participation of government officials, industry leaders and development partners and key speakers including: Deputy Minister of Finance, Honorable D. Mnangagwa, Parly Chairpersons of Mines and Budget and Finance, President of the Chamber of Mines of Zimbabwe, Joshua K. Mortoti, Immediate Past President of the Chamber of MiSutcliffe, Managingenjane ,CEO - Minerals Council of South Africa, F. Ahmad - AKW Consultants, A. Sutcliffe, Managing Director and R. J. Coetzee - SFA Oxford.

The programme was structured as follows:

- Gold and PGMs Symposiums on 22 May 2025.
- Main Conference on 23 May 2025 at Elephant Hills
- Golf Tournament on 24 May 2025

The Chamber received positive feedback from stakeholders. A report on the conference resolution and way forward will be circulated to all key stakeholders.

8. Upcoming Events

Lithium Producers Conference

The Chamber of Mines, through its Lithium Producers Committee, is set to host the inaugural Lithium Conference on 27 August 2025 at Bikita Minerals. The conference seeks to foster dialogue on pertinent issues in the lithium sector, including policy frameworks, beneficiation strategies, investment incentives, taxation, and the broader vision to position Zimbabwe as a competitive global player in the lithium value chain. The conference will also provide an opportunity to share and provide updates on lithium projects, particularly in beneficiation. The Minister of Mines and Mining Development, Hon. W. Chitando, will be the Guest of Honour.

Contribution of the mining sector validation seminar

Following the successful hosting of the multi-stakeholder technical scoping workshop on the economic contribution of the mining sector on 10 - 11 of April in Kadoma, the Chamber is arranging a high-level Validation Seminar in the third quarter of 2025 to disseminate the findings of the Workshop Report. The Seminar will be attended by relevant Ministers, Parliament, RBZ, ZIMRA, MMCZ, ZESA, among key stakeholders. A contribution template for the mining sector will be developed to assist in reporting the actual contribution including all indirect payments to central and local Government while also incorporating payments done through LED, CSR and other community development initiatives. This is expected to build consensus on the contribution of the sector to the economy and manage stakeholder perceptions while assisting the Chamber to engage for optimal royalty and fiscal charges.

The Chamber of Mines Inter-Mines (Jumbo) Golf Tournament

The Chamber of Mines Jumbo Golf Tournament will be held from 20 to 21 September 2025 in Bulawayo. The tournament is expected to provide valuable networking and branding opportunities for members and stakeholders.

END