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## **Is the Government shielding criminal mining syndicates from accountability in Penhalonga?**



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## **Introduction**

The Centre for Research and Development(CRD) is deeply concerned that recurrent state security operations in Mutare River have been sparing criminal gold mining syndicates from arrest and accountability for rehabilitation. A day before another operation to flush out illegal mining syndicates started on 8 October 2024, CRD observed the main culprits hurriedly removing their excavators from Mutare River. Police sources indicated that the culprits knew about the impending operations ahead. These syndicates, responsible for mineral plunder, tax evasion, community infrastructural damage, and irreversible destruction of the Mutare River channel and riverine ecosystem are comprised of well-known politicians and servicemen. They are colluding with Chinese miners notorious for gold smuggling.CRD observed that mountains of mining overburden soil extracted from the riverbank have blocked water flow in the diverted river channel resulting in excessive siltation and overflow threatening Mutare Bridge with collapse. As the rainy season approaches, CRD is deeply concerned that residents of Penhalonga's low residential areas risk losing their lives and properties to potential river flooding. The syndicates have also left huge unsecured pits with stagnant water exposing the local community to drowning and malaria-breeding mosquitoes.

## **Abuse of political power to undermine the rule of law**

On 25 June 2024, CRD rallied residents in Penhalonga affected by the adverse impacts of illegal mining activities in the Mutare River and appended their signatures to a letter of complaint submitted to the Ministry of Mines and all relevant government authorities. In the letter, residents complained that the mining activities were near their residential areas in violation of section 31 of the Mines and Minerals Act and S.1 72 of 1989 which prohibit mining within 450 metres of residential areas. The illegal miners were also in violation of S.1 268 of 2018 which forbids settling plants without EIAs and S.1 258 of 2018 on control of hazardous substances. Responding to growing complaints from residents, the Environmental Management Agency(EMA) had earlier on 12 June 2024 ordered one of the illegal mining syndicates Primascopic Private Limited to stop all mining operations in Mutare River. EMA's order pointed out that Primascopic was conducting alluvial mining without a valid EIA license from the Agency in violation of section 97(2) of EMA Act 20:7 and written consent from the Ministry of Environment, Climate and Wildlife Management in terms of Section 3(1) of statutory instrument 104 of 2021.EMA's stop order did not count as Primascopic continued mining in the Mutare River.

From 12 to 15 July 2024, the Zimbabwe Republic Police(ZRP)-led Provincial Joint Operational Command embarked on an operation to arrest illegal miners in the Mutare River in response to the letter submitted by Penhalonga residents. After being briefly detained by the police the illegal miners including Primascopic representatives were released and their mining activities resumed. CRD raised concern over the resumption of illegal mining activities with ZRP operations and was referred to EMA.EMA informed CRD that the illegal operations were continuing because of a directive from higher authorities. Information gathered by CRD indicates that the leading illegal mining syndicates were owned by a senior military officer and high-ranking ZANU PF politicians fronted by a ZANU PF activist Evan Kamombo. The objectives of Primascopic rehabilitation gleaned by CRD were to “restore the degraded area to its original state by rehabilitating pits left by DTZ and artisanal miners to improve water flow in Mutare River reduce siltation, increase groundwater recharge, improve aquatic life and improve riverine vegetation”. On the contrary, Primascopic was conducting open cast mining in Mutare River in an area where DTZ and artisanal miners had not mined. Sources close to Primascopic mining activities told CRD that a minimum of 8 kgs of gold were produced weekly from their mining operations. CRD interviewed revenue collection authorities in Mutare and discovered that the mining syndicates were not paying taxes. The authorities indicated that they could not charge taxes on illegal mining operations. At Fidelity Gold Refinery(FDR) in Mutare authorities confirmed knowledge of commercial alluvial gold mining operations in Mutare River but were not aware of where the gold was going. The government ban on riverbed mining that was announced on 21 August 2024 was not backed by the amendment of SI 104 of 2021 to close an existing weakness. In response to the ban, CRD in collaboration with other civil society actors in Manicaland Province released a press statement edging the government to demonstrate its commitment to the ban by restoring section 3 of SI 92 of 2014 to ensure just application of the law on riverbed Mining.CRD also implored on government to urgently undertake environmental audits to fully comprehend the scale of destruction in affected rivers and hold those responsible for environmental crime accountable for rehabilitation. The government did not heed the call. Large-scale alluvial mining operations continued unabated in the Mutare River for one and a half months.

Against the increased vulnerability of residents of Penhalonga to adverse mining impacts and lack of government protection CRD sought legal assistance for Penhalonga residents from human rights lawyers. The court

action by representatives of Penhalonga residents supported by Zimbabwe Lawyers for Human Rights (ZLHRs) riled beneficiaries of illegal mining operations. One of them, a well-known ZANU PF activist Cosmos Pasanduka was recorded on the phone challenging one of the affected residents for taking the matter to court. Cosmos argued that his syndicate would resist any court outcome because he had been granted permission to mine in Mutare River by the highest authority. On 23 September 2024, residents of Penhalonga won a High Court ruling against illegal mining in Mutare River. The court barred illegal mining syndicates from carrying out any mining operations in Mutare River, close to Penhalonga Bridge or any other area within Mutare River.

After being served with the High Court order to ban their operations, the syndicates removed their mining equipment from the Mutare River. They however resurfaced a week later under different names with more mechanised equipment and fronted by 4 Chinese nationals. CRD approached ZRP operations in Mutare to inform them of the latest developments. On 8 October 2024, JOC descended on Penhalonga with yet another operation. But the illegal mining syndicates had left the night before. Without rehabilitation, Mutare River is experiencing a proliferation of illegal artisanal miners and gold processing hammer mills under government watch. Recently, an artisanal miner digging for alluvial gold got trapped under the heaps of soil left by Primascopic company and lost his life. The widespread use of chemicals such as cyanide and mercury, to extract gold by illegal artisanal miners in Mutare River is contaminating water bodies with toxins that do not degrade easily.

### **Policy Uncertainty**

Between 2018 and 2021 government has been deliberately tempering with laws governing riverbed mining to suite self-serving interests. In 2014 government enacted statutory instrument (SI) 92 of 2014 that banned alluvial mining in rivers in Zimbabwe. Riverbed mining was resumed under S1 258 of 2018. In 2020 government bowed to growing pressure against riverbed mining and announced another cabinet ban. Instead of restoring progressive clauses in section 2 and 3 of S1 92 that completely ban riverbed mining, government issued SI 104 of 2021 to confer responsible government minister powers to authorise alluvial mining on riverbed in exceptional circumstances. Political elites and securocrats have been abusing the discretionary powers of the Minister to conduct riverbed mining operations with impunity. Without repealing SI 104 political elites will return their criminal mining gangs to Mutare River to continue with mineral plunder on

the pretext of conducting rehabilitation. The abuse of political power observed by CRD in Mutare River mining, Odzi River, Premier Estates and Chimanimani river bed mining is also widespread in other provinces in Zimbabwe where mining is taking place.

**Gold leakages and illicit Trade: Zimbabwe is losing US\$158 million of revenue every year in Penhalonga.**

### **Influence of Redwing Mine Plunder**

The Mining Affairs Board(MAB) approved a controversial non-standard tributary agreement between corporate rescue legal practitioner Knowledge Hofisi and Scot Sakupwanya's Betterbrands mining entity in December 2020. Hofisi was the interim Corporate Rescue Practitioner for Redwing Mine appointed by the High Court after Redwing Mine was put under judiciary management on 23 July 2020. Little-known mining entities such as Betterbrands, Proper Deck and Prime Royal Africa began jostling for control of Redwing Mine immediately after the granting of the High Court Order. Backed by high-profile political elites, Betterbrands elbowed the other two to take over Redwing. Thus Scot Sakupwanya's Betterbrands opened floodgates to porous subsistence mining activities at Redwing that saw the mushrooming of illegal gold processing plants such as hammer mills and cyanidation sites in Penhalonga. The mining practice has been a worst case of mineral leakage and smuggling, high fatality incidences due to unsafe management and safety regulations, tax evasion and severe environmental degradation.

The porous mining practice fueled a thriving gold black market and organised crime. CRD warned the government of the dire consequences of approving an unsafe mining practice at Redwing mine from the onset. Through evidence-backed advocacy, CRD has been consistent in calling for a government ban on irresponsible mining in Penhalonga. As witnessed in Mutare River mining, the government response has been evasive. Political elites connected to Redwing mining activities have been fingered in the illicit trade in gold. As a result of self-serving agendas, the government has been reluctant to combat the gold plunder at Redwing Mine. Watching fellow ZANU PF elites amassing wealth at Redwing Mine through manipulation of political power has triggered other prominent ZANU PF politicians, party youth and securocrats to do the same. They have also formed gold mining syndicates to conduct illegal mining operations in the Mutare River to also enrich themselves.

CRD recently tracked production statistics for gold finding its way to illegal processing plants in Penhalonga. CRD also interviewed illegal alluvial miners who were operating in Mutare River to ascertain the quantities of gold they were recovering. Illegal hammer mills and cyanidation tanks are sprouted along rivers, communal land, farming and residential areas in Penhalonga and surrounding communities. These gold processing plants have increased from 532 hammer mills and 21 cyanidation sites in January 2023 to 28 cyanidation sites and 860 illegal hammer mills this year. Figures collated by CRD indicate that between 5 to 7 kgs of gold is recovered daily at these gold processing plants from gold ore coming from Redwing Mine. The gold is sustaining a thriving black market. Since porous mining activities started at Redwing Mine in October 2020, Zimbabwe has lost an average of US\$ 554 million of potential revenues to illicit trade. This year's remarkable surge in gold price on the international market from US\$55 to US\$88 per gram means that Penhalonga alone is losing US\$158 million every year of potential revenue contribution to fiscus through leakages and illicit trade. Penhalonga presents another classical case of manipulation of political power by political elites to sustain gold illicit trade for self-enrichment. The net effect on citizens has been revenue loss affecting citizens' constitutional rights to attain basic human rights standards and sustainable development.