



Will Government of Zimbabwe Balance FDIs and Resource Capture by Political Elites at Redwing Mine Following Minister Kambamura's Statement?

Introduction

The mining policy announced by Mines and Mining Development Minister Winston Kambamura on 22 May 2023 has brought renewed attention to the long-running dispute at Redwing Mine in Penhalonga. While the policy seeks to reserve small-scale gold mining for Zimbabweans and require foreign investors operating in the sector to transition into formal large-scale mining operations by January 2027, Redwing Mine remains a case where these two objectives collide. For six years, a dispute involving a foreign-owned mining asset, a local mining operator, conflicting administrative decisions and competing claims over mining rights has raised fundamental questions about investor protection, local participation, environmental accountability and the rule of law in Zimbabwe's mining sector.

Announcing the policy, Minister Kambamura stated that foreign companies currently operating in small-scale gold mining have until January 2027 to transition to a large-scale mining framework by meeting production thresholds exceeding 20 kilograms of gold per month or investment thresholds of at least US\$15 million. The new measures also require mining companies to produce Environmental, Social and Governance (ESG) frameworks supported by Environmental Impact Assessments (EIAs) before commencing operations.

According to the Minister, the policy is intended to promote sustainable mining practices, improve environmental compliance, strengthen mineral accountability and ensure Zimbabwe's mineral resources contribute to broad-based socio-economic development. While the policy announcement was made before corresponding amendments to the Mines and Minerals Act, it immediately raises questions about how government intends to apply these principles at Redwing Mine.

Why Redwing Comes Into Focus

Redwing Mine, owned by Metallon Corporation, entered corporate rescue in 2020. During the rescue process, Betterbrands Mining commenced mining activities under arrangements established through the corporate rescue framework. However, in September 2022, the Supreme Court removed Redwing Mine from corporate rescue, restoring control of the mine to Metallon. Despite the ruling, Betterbrands remained at Redwing Mine.

In August 2024, the Ministry of Mines and Mining Development wrote to Betterbrands, cancelling the non-standard tributary arrangement and directing the company to vacate Redwing Mine. The Ministry's decision recognised the effect of the Supreme Court ruling, which Metallon argues automatically terminated mining arrangements established during corporate rescue. Subsequently, the same Ministry issued another communication to Betterbrands

indicating that the Mining Affairs Board had not cancelled the non-standard tributary agreement and that its tenure and terms should continue to be respected. The agreement reportedly allows Betterbrands to undertake both surface and underground mining activities within the concession.

These conflicting positions have left unresolved questions regarding the status of mining activities at Redwing Mine and created uncertainty around the protection of mining rights, investment security and regulatory consistency.

Minister Kambamura's announcement, therefore, places Redwing at the centre of Zimbabwe's mining policy debate. If government seeks to encourage foreign investors to transition into formal large-scale mining operations while reserving small-scale mining for Zimbabweans, how does that framework apply where a local operator continues mining within a concession owned by a foreign investor?

The Cost of Six Years of Uncertainty

For Penhalonga residents, the dispute is not merely a legal disagreement between mining companies. It has shattered the social and environmental landscape of the community.

During EIA consultations conducted in 2020, Betterbrands assured stakeholders that it would facilitate the revival of formal mining operations at Redwing Mine. However, between 2020 and 2026, its mining activities remained largely subsistence-based and porous. CRD estimates that more than US\$1 billion in potential revenue may have been lost through these mining activities at Redwing Mine during this period. CRD field investigations have documented extensive environmental degradation, destruction of community infrastructure, water and noise pollution, and the proliferation of dangerous mining pits across the mine field. More than 200 fatalities have occurred in these hazardous mining pits. Meanwhile, environmental destruction has intensified as mining expanded into surrounding communal settlements, forestry areas and farming zones.

The movement of ore, in violation of the non-standard tributary agreement and mining regulations that prohibit the transportation of ore without permits, has contributed to the growth of illegal mining settlements. These mining activities around Penhalonga have exposed communities to mercury and cyanide contamination. While mining activities have provided income opportunities for thousands of desperate households in a province affected by industrial decline and unemployment, the haphazard mining methods being used have generated substantial environmental, social and governance costs for surrounding communities.

Metallon's Revival Plans

Against this backdrop, CRD recently engaged Metallon to assess progress towards reviving formal mining operations. According to company representatives, Redwing has already commenced dewatering operations aimed at restoring access to underground workings and restarting mining activities. Metallon indicated that more than 4,000 artisanal miners operating across over 2,000 pits within the concession remain a major challenge to its revival plans.

Company officials expressed concern that new pits continue to emerge along canals carrying water from dewatering operations. Particular concern was raised regarding renewed mining activities around the Rezende shaft. Metallon indicated that mining in the area had previously been halted after the development of a dangerous ground crack.

CRD observed continued mining activity around the area during recent field visits. Pits have been opened around fencing erected to secure the shaft. Metallon warned that continued excavation could threaten the stability of the shaft, pump house and associated infrastructure, potentially resulting in loss of life and serious consequences for nearby residents of Penhalonga Low Residential Area. Company representatives further stated that Betterbrands has not remitted payments to Metallon since 2023 and maintained that no current arrangement exists between the two parties. Metallon indicated that eviction proceedings remain before the courts and that it has appealed to the Ministry of Mines and other government authorities to facilitate the separation of the two parties.

Metallon stated that it is targeting to raise approximately US\$300 million through local banks and its investor, Namib Minerals, which is listed on the United States stock exchange, to support mining development at Redwing, Mazowe and How Mine. The company further stated that international consultancy WSP Global has been engaged to conduct underground studies to determine future mining potential.

Can Penhalonga Benefit from Redwing Mine Revival?

CRD also engaged Metallon on issues of community development and corporate social responsibility in a community that has experienced deteriorating infrastructure and service delivery over recent years. The company indicated that it is planning to support organised and regulated small-scale mining under formal tribute arrangements in areas not required for its own operations. According to Metallon, such arrangements should operate within a lawful framework and contribute royalties while allowing formal mining activities to proceed. According to the company, discussions have already been held with Mutasa Rural District Council and traditional leadership regarding its revival plans and community priorities.

Metallon also reported that it has rehabilitated the Redwing Mine Clinic, secured medical supplies in partnership with health authorities, purchased a new ambulance and restored electricity infrastructure that had been disconnected since June 2020. New transformers have reportedly been acquired and installation is underway.

On worker welfare, Metallon indicated that some workers have already been recalled and that addressing legacy obligations remains a priority. According to the company, repayment arrangements are being implemented in consultation with worker representatives, and outstanding liabilities are gradually being reduced. While these initiatives are significant, Penhalonga residents continue to face the broader consequences of six years of unregulated and contested mining activities. Environmental rehabilitation, restoration of infrastructure, improved service delivery and sustainable employment opportunities remain critical priorities.

Conclusion: The Real Test of Government Policy

Minister Kambamura's policy announcement seeks to promote sustainable mining, environmental compliance, mineral accountability, local participation and responsible large-scale investment. Redwing Mine now presents one of the clearest tests of whether those objectives can be achieved simultaneously.

The ultimate question is not whether Zimbabwe should support local miners or foreign investors. Both have legitimate roles within the mining sector. The challenge is whether government can establish a predictable framework where investment rights are respected, artisanal mining is formalised, environmental standards are enforced and communities benefit from their mineral resources.

Four years after Redwing emerged from corporate rescue, Penhalonga remains caught between competing interests. Evidence gathered by CRD indicates that Betterbrands' mining activities within sections of the approximately 1,300-hectare Redwing mining field have increasingly attracted individuals with political and administrative influence. Community members continue to express concerns about political patronage networks and the lack of accountability surrounding some mining activities within the concession.

The contradiction exposed by Redwing lies at the heart of Minister Kambamura's announcement. Government is seeking to ring-fence small-scale mining for Zimbabweans while encouraging foreign investors to commit capital, meet ESG obligations and operate under a formal large-scale mining framework. Whether these objectives can coexist at Redwing Mine will determine not only the future of Penhalonga, but also the credibility of Zimbabwe's broader mining reform agenda.

If government can resolve the legal, environmental and governance challenges that have characterised Redwing since 2020, the mine could become a model for balancing local participation, responsible investment and community development. If not, Redwing will remain a symbol of the policy contradictions that continue to undermine confidence in Zimbabwe's mining sector.

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