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Daily Mining Watch

Mining Intelligence – Today
Friday 3 July 2020

This is your daily dose of information on mineral prices, mineral commodity markets and mining company performance.

Quote of the Day: Only by much searching and mining, are gold and diamonds obtained, and man can find every truth connected with his being, if he will dig deep into the mine of his soul." - James Allen.

MINERAL PRICES

Precious Metals

Table 1: Precious Metal Prices -USD/oz

Metal	Current <small>Day close</small>	Previous <small>Day Close</small>	+/- (%)
Gold	1,777	1,780	-0.2%
Silver	17.99	18.20	-1.2%
Platinum	805	819	-1.7%
Palladium	1,845	1,873	-1.5%
Rhodium	5,900	5,800	+1.7%

Precious metals traded lower following the release of the U.S. employment report for June that cited more jobs growth than expected and a lower unemployment rate. Gold shed 0.2% to trade at USD1,777/oz from USD1,780/oz. Silver fell by 1.9% to trade at USD17.99/oz up from USD18.20/oz. Platinum led in losses shedding 1.7% to trade at USD805/oz from USD819/oz. Palladium fell by 1.5% to trade at USD1,845/oz from USD1,873/oz. Rhodium gained 1.7% to trade at USD5,900/oz from USD5,800/oz.

Top gains

Rhodium 1.7%
Copper 0.6%

Top losses

Lithium -1.9%
Platinum -1.7%
Palladium -1.5%

Covid-19 Count

Zimbabwe

Screened 71236
Tested positive 617
Recovered 173
Deaths 7

Global

Tested positive 10.9M
Recovered 6.1M
Deaths 524K

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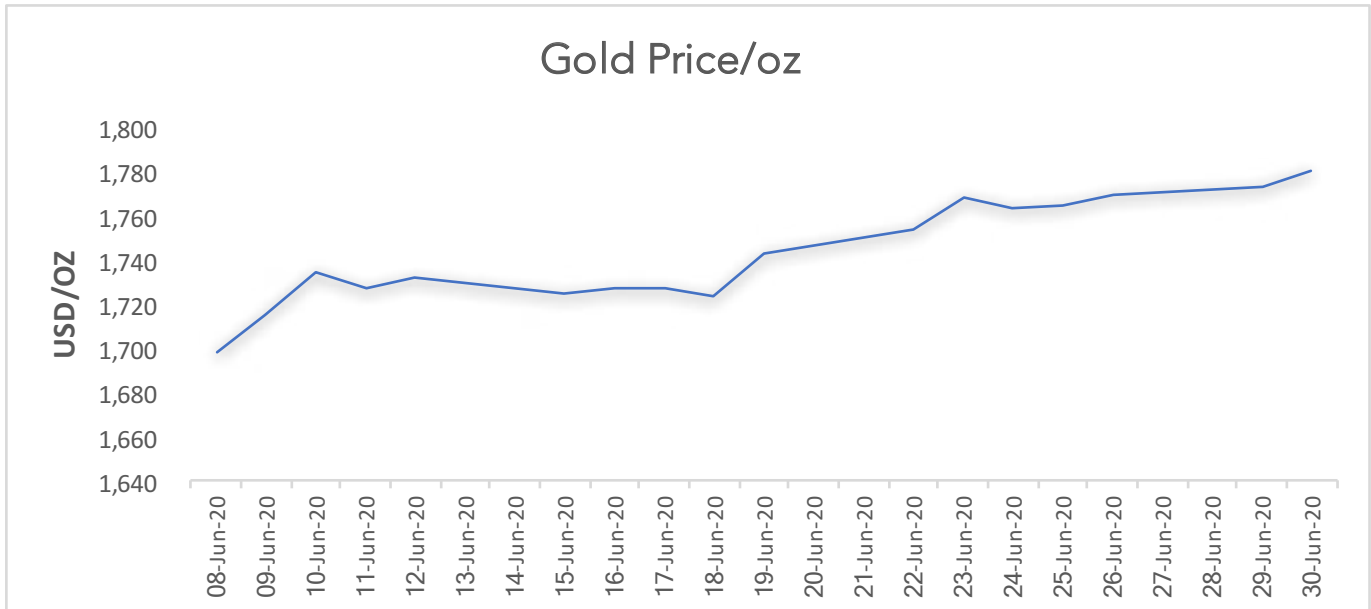
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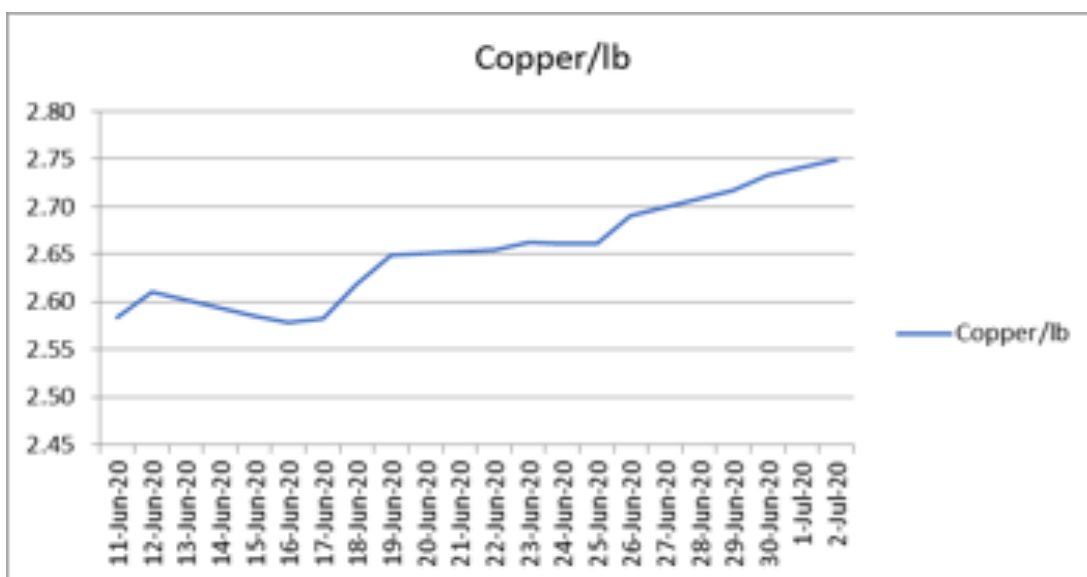


Base Metals

Table 2: Base Metal Prices - USD

Metal	Current <small>Day Close</small>	Previous <small>Day Close</small>	+/- (%)
Chrome/ton	436.92	436.28	+0.1%
Nickel/lb	5.80	5.78	+0.3%
Copper/lb	2.75	2.73	+0.6%
Cobalt/ton	425.30	424.67	+0.1%
Aluminium/lb	0.73	0.72	+0.2%
Lead/lb	0.8001	0.8030	-0.4%
Tin/ton	16,800	16,800	-
Zinc /lb	0.9207	0.9244	-0.4%

Copper led in gains for the group gaining 0.6% to trade at USDD2.75/lb from 2.73/lb. with growing concerns over supply disruption from Chile one of the world's top producers. Lead shed 0.4% driven by the increase Covid-19 cases in the US which has left the production



Energy Materials

The Coal price remained unchanged trading at USD40/ton. Uranium fell by 0.6% to trade at USD32.60/ton from USD32.80/ton.

Table 3: Energy Material Prices -USD

Metal	Current <small>day close</small>	Previous <small>day close</small>	+/- (%)
Coal/ton	40	40	-
Uranium/ton	32.80	32.60	-0.6%

Battery Materials

Although pressure on the lithium market has remained high as the Covid-19 pandemic has affected both supply and demand in a low market price environment, the battery material gained by 2% to trade at USD4,594/ton from USD4,502/ton the previous day. Vanadium and Graphite traded unchanged from previous day levels, at USD6.2/lb and USD1,800/ton respectively.

Table 4: Battery Materials Prices -USD

Metal	Current <small>day close</small>	Previous <small>day close</small>	+/- (%)
Lithium/ton	4,508	4,594	-1.9%
Vanadium/lb	6.2	6.2	-
Graphite/ton	1,800	1,800	-

MINERAL COMMODITY MARKETS

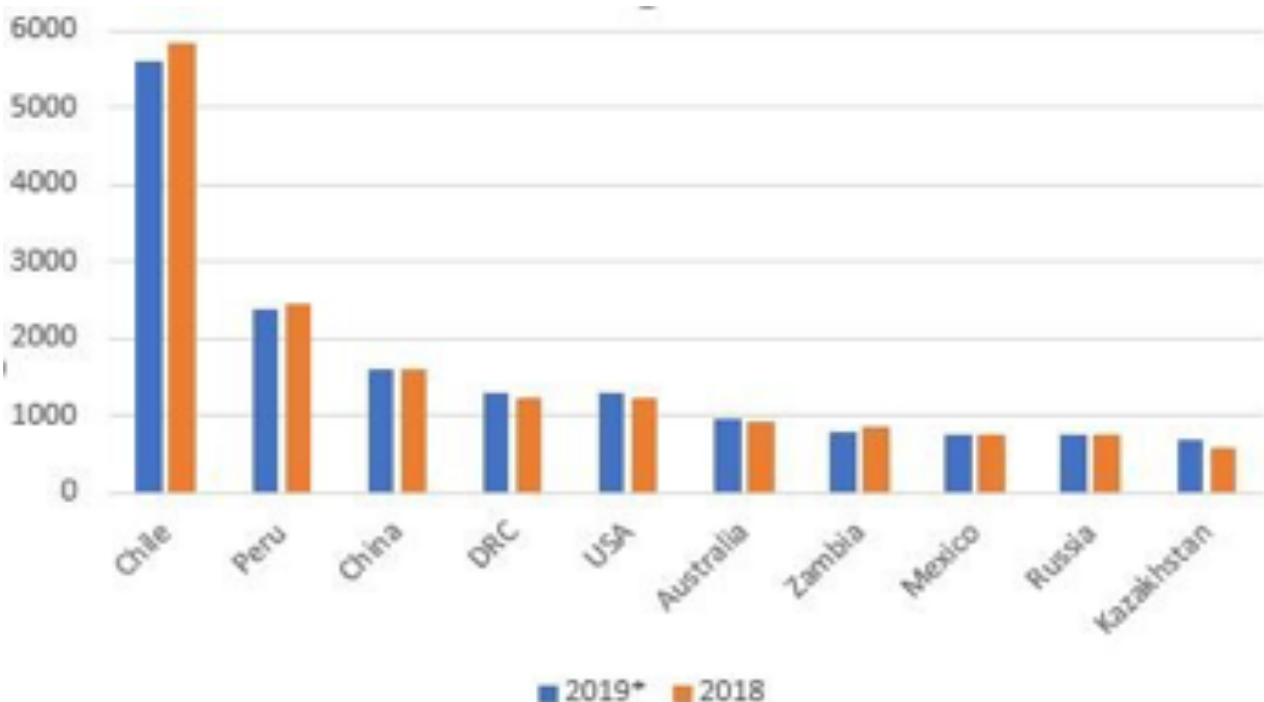
The outbreak of COVID-19 has had a substantial impact on commodity prices, with declines in most commodities, particularly crude oil. Natural rubber and platinum (both used extensively in the production of transport equipment) also experienced large price declines. Oil prices have declined by two-thirds since January due to the unprecedented combination of a major demand and supply shock. On the demand side, COVID-19 containment measures have sharply reduced travel, and therefore oil demand. Oil demand is forecast to fall by almost 10 percent in 2020, more than twice as large as the previous record. COVID-19 unleashed a unique combination of shocks to commodity markets, impacting both demand and supply simultaneously. Mitigation measures, while essential, disrupt both demand and supply of commodities. The unfolding economic recession presents a further major shock to demand. The combination of demand and supply shocks manifest themselves through a variety of channels, with varying impacts on different commodities. – [World Bank Special Focus Report, 2020](#)

MINERAL OF THE DAY

Nickel

Whilst Chile was the biggest mined copper producer in the world in 2019, way ahead of its competitors, it faced a 4% decline in copper output due to lower ore grades, strikes and weather related disruptions. This decrease however was partially offset by increased output from other countries. Six countries out of top ten (China, DRC, USA, Australia, Mexico, Kazakhstan) increased their copper output while four (Chile, Peru, Zambia, Russia) have faced a decline. Global production contracted by 1.9% in 2019 to 20.6million tonnes. 2020 output is forecasted at 21million tonnes with falling demand and on-going disruptions to mining activities due to lockdowns.

Top 10 Copper Producing Countries 2019 (tons)





MINING THE NEWS

Local Mining News

Black granite factory for Mash East

A black granite mining concern, Yangshen Mining Company, has committed to set up a granite cutting and polishing factory in Mashonaland East province. The setting up of the factory is in line with Government strategy to maximise on mineral value addition before exports. The Chinese company has been mining the black granite in Mutawatawa area for the past two years and has been hugely impressed by the quality of rock being recovered. Mines and Mining Development Minister Winston Chitando, toured the mine

yesterday in the company of Mashonaland East Provincial Affairs Minister Apolonia Munzverengwi on a familiarisation visit. Speaking after the tour, Minister Chitando said local beneficiation will see black granite exports surging from less than US\$100 million currently to over US\$500 million annually. "The whole black granite industry in Zimbabwe, we have provided that it should generate in excess of US\$500 million by the year 2023," said Minister Chitando. – [The Herald 3 July 2020](#)

Metallon sells gold assets to Tagwirei's Landela

Mzi Khumalo's Metallon has completed the sale of Shamva Mine to Kuda Tagwirei's Landela Mining Ventures, while the sale of Mazowe Mine is expected shortly. The transaction represents a change of guard in the industry. Metallon was once the country's largest gold producer. It is now down to just a single working operation, How Mine in Bulawayo. Its other remaining mine, Redwing near Penhalonga, has been idled for over a year and is also up for sale. As the sun sets on Khumalo's gold empire, it is rising on well-connected Landela, which has used its influence to take

over key mining operations over the past year. Production at Shamva, which has stalled since last year, has now resumed after the change of ownership, Landela CEO David Brown said. "We are now focusing on growing production," Brown said. The purchase price has not been disclosed. For 2017, the last publicly available production results, Shamva produced 20 359 ounces of gold, while Mazowe's output was 8 888. Shamva has an estimated resource of 2,5 million ounces of gold as of 2018, while Mazowe's estimate is at 1,8 million ounces. – [NewsDay, 3 July 2020.](#)

Slow Progress in Mhangura Expansion

The development of Mhangura Town is hanging in the balance due to the land dispute between Zimbabwe Mining Development Corporation (ZMDC) and Makonde Rural District Council (MRDC). ZMDC has been holding on to land it had marked for residential

stands despite a growing demand for housing in the town after its population doubled from 6,000 to 12,000 this year. Residents and civic organisations are now lobbying responsible ministries to intervene so that ZMDC can transfer the land to MRDC. – [Herald, 3 July](#)

Shabanie Mine turn to Prodigal son

AILING former Premier Soccer League side Shabanie Mine have turned to their former player Arnold Jani to help them revive the club's fortunes. While the financial difficulties at Shabanie Mine have been the biggest cause for their recent demise which saw

them avoiding demotion to Division Two by a whisker last season, it is the lack of acumen on the technical bench that has also caused them problems. Last season, they were coached by former Bulawayo city assistant coach Timothy Maphosa. – [NewsDay, 3 July 2020.](#) 2020.

MINING THE NEWS

International Mining News



Copper price surges due to global shortage

Chile, the world's largest exporter of metal essential in electronic products and manufacturing, faces drastic drop in production due to COVID-19. The price of copper is shooting up due to a global shortage of the crucial metal. Production has been hit hard

as coronavirus cases continue to rise among mine workers in Chile. The country is the world's largest exporter of the metal which is essential in almost all electronic products and manufacturing. – [Al Jazeera, 1 July 2020](#)

Barrick touts first year of joint operation with Newmont

Barrick Gold said the first 12 months of joint operations in Nevada with Newmont was a success due to better co-operation between the two senior gold miners. Barrick operates NGM, the world's largest gold mining complex. Barrick owns 61.5% of the business with Newmont Corporation holding the rest. "In its

first year of combined operation, NGM not only met the production and cost targets set out at the start of the joint venture, but did so despite the past few months of stress experienced as a result of the Covid-19 pandemic," said Barrick Gold in a news release. – [Kitco News, 2 July 2020](#).

UPCOMING EVENTS

Gold Watch: Effects of the Gold Price Rally In Africa

Time: 1300 GMT

Date: 28 July 2020



MINING
REVIEW AFRICA

LIVE WEBINAR

**GOLD WATCH: EFFECTS OF THE GOLD
PRICE RALLY IN AFRICA**

**TIME: 13H00 GMT
DATE: 28 JULY 2020**



Counting on Copper: Renewable Energy and Ev Boom Drive Demand

Date: 9 July 2020
Time: 1300hrs
Live Webinar

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