Geological Society of Zimbabwe

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Creating an enabling environment for Junior Mining in Zimbabwe

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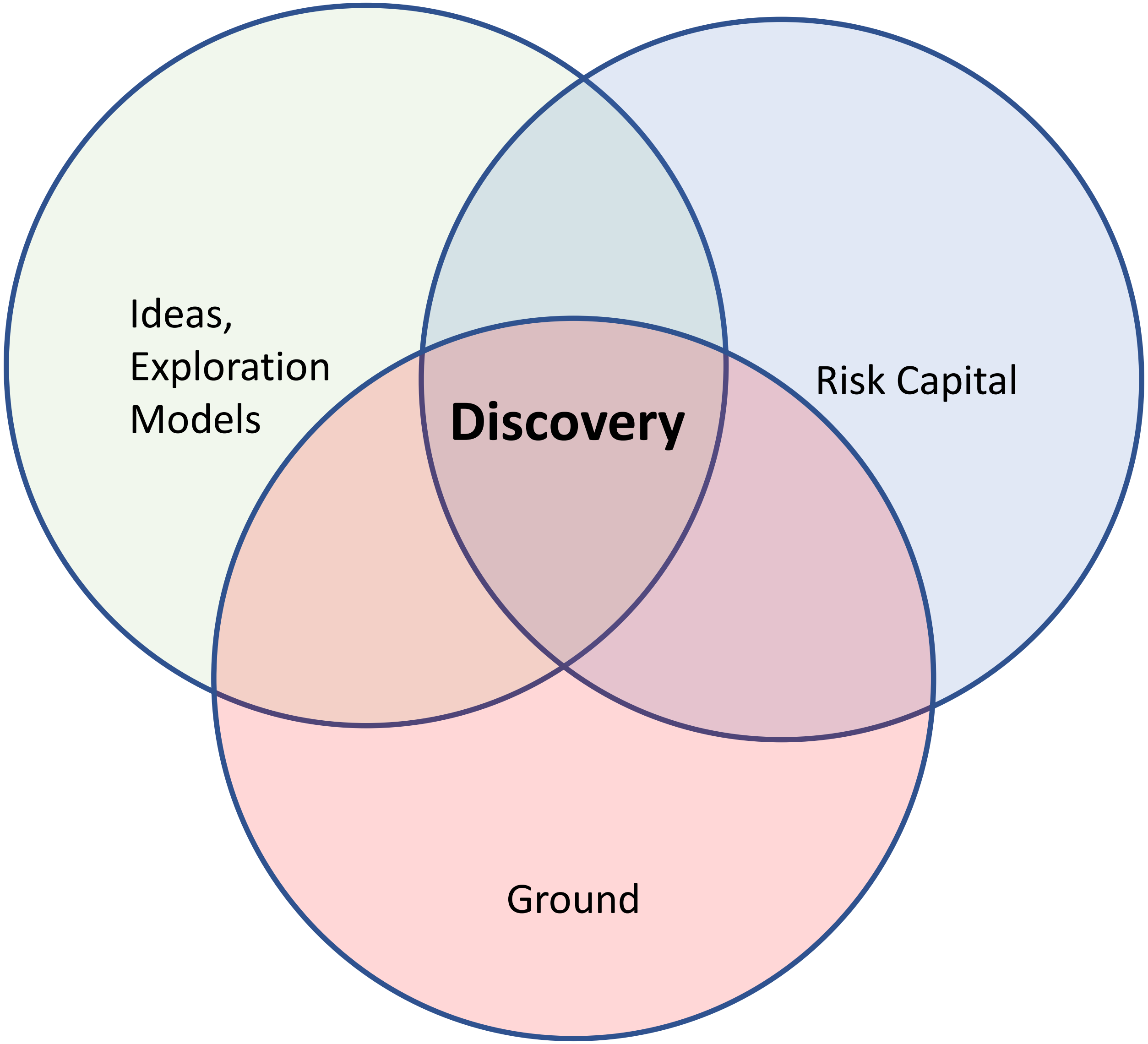
What are Junior mining companies

- Junior miners are small to medium companies exploring or developing new mineral deposits.
- These firms are high-risk investments due to limited capital and metals price sensitivity.
- Junior miners are often not listed on major stock exchanges and have small market capitalizations.
- Investing can yield high rewards but requires discernment between legitimate firms and unreliable operations.
- In recent time, the main global drivers for deposit discovery are the Junior companies
- The ingredients for success is access to large tracks of land and risk capital to fund exploration
- High risk associated with exploration requires favourable jurisdictions
- Global exploration spends anywhere between $4B (2002) and $43B(2025) annually
- Zimbabwe needs to create a favourable jurisdiction to attract Junior explorers
- This can start by granting exploration prospecting orders (EPOs) for large scale exploration

Exploration



De-risking investment for junior exploration companies

- A strong national geological and exploration database forms the foundation for reducing investment risk for junior exploration companies.
- Access to high-quality geological information enables companies to undertake comprehensive desktop studies before acquiring EPOs, thereby improving exploration targeting and reducing costs.
- There has been minimal geological national data since 2000.
- The current Geological Survey of Zimbabwe 1:1 000 000 geological map is a 1977 edition. Reprinted with amendments in 1985.
- Junior exploration companies can play a critical role in generating new exploration concepts and projects for larger mining companies by utilizing information available from the Geological Survey, universities, libraries and other repositories.
- These companies are often more agile and innovative, allowing them to explore new geological ideas that larger companies may overlook.

De-risking investment for junior exploration companies

- To succeed, junior exploration companies should be led by experienced exploration geologists who are familiar with modern exploration models for discovering world-class mineral deposits.
- Zimbabwe, like Australia and Canada, contains cratons, mobile belts and rift zones with excellent potential for hosting giant mineral deposits.
- Management teams with international exposure and membership of recognized professional bodies enhance investor confidence and improve the credibility of their projects, making subsequent acquisition by major mining companies more likely.
- In fact, these junior exploration companies are not necessarily limited to locals, in Tanzania, Tanganyika Gold P/L run by Jim Rose of Australia championed gold exploration in the Geita Province and attracted giant international companies to take up good projects in the late 1990s and Tanzania grew to be one of the largest gold producers in Africa.

De-risking investment for junior exploration companies

- The world's biggest mining houses hardly do grassroots exploration anymore. They now rely on Junior exploration companies to do the very hard boots on the ground exploration work.
- The world's biggest mining house BHP is now leveraging on junior exploration companies work through the Xplor project.
- First selection of 7 junior exploration companies was is 2023.
- The 2026 cohort brings together junior exploration companies, geoscience organisations, and technology teams.
- The BHP Xplor 2026 cohort features 10 participants, including FrontierX (Canada), Litchfield Minerals (Australia), Orion Minerals (South Africa), PT GeoFix (Indonesia), Utah Geological Survey (USA), Otrera Resources (South America), RadiXplore (Australia), Discovery Genomics (UK), plus additional specialized technology and geoscientific teams.
- Each participant receives a US$500,000 equity-free grant and mentorship.

De-risking investment for junior exploration companies

Once upon a time……..

Minimizing environmental footprints during early-stage exploration

- Early-stage exploration generally has a relatively small environmental footprint because it mainly involves geological mapping, geophysical surveys, geochemical sampling and limited drilling.
- Government can create an enabling environment by promoting environmentally responsible exploration practices while applying environmental requirements that are appropriate for the exploration stage rather than those designed for mining operations.
- This means at exploration stage, exploration companies should prepare exploration prospectus rather full EIAs.
- Clear environmental guidelines, combined with best-practice exploration methods, reduce unnecessary compliance costs while protecting the environment.
- Junior companies that demonstrate good environmental stewardship from the beginning are also more attractive to investors and major mining companies seeking responsible exploration partners.

Navigating environmental approvals and permits

- Lengthy and complex permitting processes can discourage investment in mineral exploration.
- Zimbabwe can strengthen its attractiveness by establishing a transparent, predictable and efficient system for environmental approvals and exploration permits, with clearly defined timelines and improved coordination between the Ministry of Mines and Mining Development, the Environmental Management Agency (EMA) and other regulatory authorities.
- A streamlined permitting system reduces investment risk, enables exploration programmes to commence more quickly and lowers the cost of doing business.
- At the same time, it maintains high environmental standards while improving Zimbabwe's competitiveness as a preferred destination for junior exploration investment.
- Geological Survey can give guidelines of expected work to ensure information useful to the nation is collected

Conclusions

We believe Zimbabwe’s mineral industry can boom if we

- Clearly define a minerals policy that guides the industry and encourages formal growth
- Complete minor changes to the Mines Act and lay the foundation for an online cadastral system
- Make data and cadastral information easily available.
- Encourage large scale exploration through EPOs
- Bring all minerals under the Mines Act and define the strategies and conditions attached to ‘strategic’ minerals
- Compete with neighbouring countries for high-risk capital which globally is usually over $43 billion per annum.
- Create a stable fiscal environment