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**ZIMBABWE’S MINING SECTOR – THE COUNTRY’S EMERGING  
ECONOMIC ENGINE**

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## Zimbabwe Mining and Mineral Resources: Analytical Review and 2026 Strategic Outlook

### 1. Executive Summary

Zimbabwe’s mining sector has transcended rapid extraction to enter an accelerated phase of value addition "Golden Era of Value Addition," cementing its status as the nation’s economic anchor by contributing 14-14.9% of GDP and approximately 75% of national export earnings. Following a landmark 2025, the industry is accelerating toward a US\$7.5 billion revenue target, fueled by a gold surge and a strategic recovery in Platinum Group Metal pricing. This growth represents a structural shift from "dig and ship" to "refine and retain," underpinned by transformative milestones like Zimplats’ US\$360 million smelter expansion and the commissioning of Africa’s first lithium sulphate plant. These developments are tripling processing capacities and allowing Zimbabwe to capture exponentially higher margins per tonne, while gold production remains the sector's powerhouse, targeting a historic 53 tonnes driven by a resilient artisanal sector.

Although the country’s mining US\$12 billion revenue goal by 2030 might be slightly out of reach, the goal reveals a high-reward frontier for strategic investors ready to bridge critical systemic gaps. A US\$2.1 billion reliance on imported machinery and a 750MW–880MW energy deficit represent massive, untapped opportunities for foreign direct investment in local manufacturing and captive power solutions. While policy nuances like the 70/30 USD-to-ZiG retention remain, the emergence of the Mutapa Investment Fund (MIF) provides a powerful new vehicle for high-impact Public-Private Partnerships in rail and water infrastructure. For the 2026 investor, Zimbabwe offers a fascinating entry point into the midstream chemical processing of transition minerals, provided they can navigate a risk matrix defined by a total ban on lithium concentrate exports and the urgent global demand for robust ESG frameworks to secure a long-term social license to operate. Capital allocation should prioritize energy infrastructure, lithium midstream processing, and logistics modernization, where structural bottlenecks create the highest risk-adjusted returns.

### 2. Major Export Minerals and Revenue Breakdown

The country’s mineral wealth is anchored by four primary pillars being Gold, PGMs, Lithium, and Chrome.

- **Gold:** Remains the top export, accounting for **40.8% to 50.9% of total export value**. Production hit a record **46.7 tonnes in 2025**, a 17% increase over 2024.
- **Platinum Group Metals (PGMs):** Zimbabwe holds one of the world's largest platinum deposits. In FY2025, PGM matte exports generated **US\$1.5 billion**, a 71% increase in value compared to FY2024 due to increased downstream processing.
- **Lithium:** As the host of Africa’s largest lithium reserves, Zimbabwe saw record sales of **1.52 million metric tonnes** in 2025, yielding **US\$571.6 million**.
- **Steel and Chrome:** The commissioning of the **Dinson Iron and Steel Company (DISCO)** plant in 2025 marked Zimbabwe’s return as a major regional steel exporter.

### 3. Performance Comparison: 2024-2025 vs. 2026 Outlook

Metric	2024 Actuals	2025 Actuals/Est.	2026 Projections
<b>Total Mineral Revenue</b>	US\$5.56 Billion	~US\$7.0 Billion	<b>US\$7.5 Billion</b>
<b>Gold Production</b>	36.5 Tonnes	46.7 Tonnes	<b>50–53 Tonnes</b>

<b>PGM Output (6E)</b>	512,000 oz	502,000 oz	<b>518,000 oz</b>
<b>Capacity Utilization</b>	81%–84%	88%	<b>95%</b>
<b>Sector Growth Rate</b>	n/a	~5.6%	<b>5.9% – 6.3%</b>

#### 4. Main Drivers of Growth

The projected **US\$7.5 billion revenue for 2026** is driven by two distinct engines:

- **The "Safe Haven" Gold Run:** Global geopolitical tensions and trade uncertainties have pushed gold prices up to **US\$5,634/oz**, incentivizing record-breaking production.
- **The Beneficiation Pivot:** Data from 2025 confirms Zimbabwe's shift to mineral beneficiation, with PGM matte export values increasing by 71% to US\$1.5 billion, despite only a 2% rise in volume, as reported by the Minerals Marketing Corporation of Zimbabwe (MMCZ). This strategy significantly increases value per tonne by transitioning from raw concentrate to processed PGM matte and high-value lithium sulphate.

#### 5. The USD Retention Policy: A "De Facto" Tax

The mining sector is governed by a dual-currency framework that remains a point of friction for large-scale operations. As of early 2026, most mineral exporters are subject to a **70% USD / 30% local currency (ZiG) retention policy**.

- **The 30% Surrender:** Miners must surrender 30% of export proceeds to the Central Bank in exchange for local currency. This is viewed by industry executives as a **"de facto tax"** due to the overvaluation of the local currency and its limited utility for international procurement.
- **The ASM Exception:** To curb side-marketing and smuggling, the government recently introduced a **90:10 framework for small-scale miners**, allowing them to retain 90% of their earnings in USD.
- **Corporate Strategy:** Major players like **Zimplats** continue to use the **USD as their functional currency** to insulate their balance sheets from exchange-rate-induced inflation.

#### 6. Institutional Anchors

- **Zimplats (Implats Group):** The undisputed heavyweight. It tripled its processing capacity with a **US\$360 million smelter** in 2025 and is a pioneer in ESG and local enterprise development.
- **Caledonia Mining (Blanket Mine):** The gold benchmark. It consistently delivers high margins and leads in transparency and CSR.
- **Padenga Holdings (Dallaglio):** Crucial for gold expansion. It has moved from a niche player to generating the **second-highest net profits** in the gold subsector through its Pickstone and Eureka mines.
- **Zhejiang Huayou Cobalt (Arcadia):** The primary driver of the lithium revolution. Their **US\$422 million acquisition** and subsequent plant development have set the pace for domestic beneficiation.
- **Kuvimba Mining House:** The state's strategic vehicle. It owns **Sandawana Mines** (a potential lithium giant with 100Mt+ resource) and serves as the primary partner for "resource nationalism" models.

#### 7. Investor Entry Points & FDI Shortfalls

The system's primary shortfalls represent the most lucrative entry points for **Private Equity** and **Partnerships**:

- **The Energy Deficit:** Power supply deficits cause an estimated **10% loss in potential output**. FDI should target **bespoke power generation**, such as captive solar plants or coal-to-energy projects to support energy-intensive refining.
  - **Capital Deployment Strategy:**
    - Develop captive power assets (solar + storage, coal hybrid systems)
  - **Structure via:**
    - Build-Own-Operate (BOO) models
    - Long-term power purchase agreements (PPAs) with anchor mines
  - **Strategic Partners:**
    - Zimplats
    - Kuvimba Mining House
  - **Return Characteristics:**
    - Infrastructure-style stable cash flows
    - USD-linked revenues mitigate currency risk
    - Direct upside from increased mining throughput
  
- **Rail & Logistics Resuscitation:** The rail network is in a state of collapse, forcing bulk minerals onto expensive road transport. Opportunities exist for **Public-Private Partnerships (PPPs)** to modernize the railway network, potentially using the **Mutapa Investment Fund (MIF)** as a co-financier.
  - **Capital Deployment Strategy:**
    - Enter Public-Private Partnerships (PPPs) to rehabilitate rail corridors
    - Focus on:
      - Rail-to-port logistics routes
      - Bulk commodity transport systems
  - **Strategic Partner:**
    - Mutapa Investment Fund
  - **Return Characteristics:**
    - Long-duration, infrastructure-style returns
    - High barriers to entry → quasi-monopolistic pricing power
    - Stable, volume-linked revenue streams
  - **Key Risks:**
    - Political and regulatory risk
    - Long payback periods
      - Multilateral Investment Guarantee Agency (World Bank Group) offers insurance against this so risk is distributed.
  
- **Midstream Chemical Processing:** The February 2026 ban on raw lithium concentrate creates an immediate need for capital in **lithium sulphate and carbonate refineries**.
  - **Capital Deployment Strategy:**
    - Finance and develop:
      - Lithium sulphate plants
      - Lithium carbonate refineries
    - Acquire or partner with existing operators to scale capacity
  - **Strategic Partners:**
    - Zhejiang Huayou Cobalt
    - Kuvimba Mining House

- **Return Characteristics:**
  - Structural margin expansion (concentrate → chemical products)
  - Policy-protected demand
  - High exposure to global EV and battery supply chains
- **Key Risk:**
  - Lithium price volatility

## 8. Risk Matrix: What Matters & Why

Risk Factor	Why It Matters	Impact
<b>Commodity Price Volatility</b>	Zimbabwe's basket is concentrated in Gold, PGMs, and Lithium.	A sharp lithium price drop (as seen in 2023-24) can force temporary mine closures and halt exploration.
<b>Operational Deficits (Energy/Water)</b>	Mining is energy-intensive, current droughts hit both hydropower and processing water.	Directly suppresses capacity utilization, currently capped by a <b>750MW to 880MW demand gap</b> .
<b>Policy Inconsistency</b>	Frequent shifts in export rules (e.g., the abrupt 2026 lithium concentrate ban).	Hinders long-term planning and makes "bankable" feasibility studies difficult to secure.
<b>Revenue Leakages</b>	Estimated annual losses of <b>US\$1.8 billion to US\$1.9 billion</b> due to smuggling.	Erodes state fiscal buffers and leads to stricter, more punitive regulatory crackdowns.
<b>Social License &amp; ESG Risks</b>	Allegations of forced displacement and chemical spills, particularly in the lithium belt.	Can lead to mine shutdowns (e.g., Bikita in 2023), fines, and reputational damage for international parents.

### Summary

Zimbabwe's mining sector is transitioning from a resource extraction economy into a value-add, infrastructure-constrained investment landscape, positioning it as a high-conviction opportunity for long-horizon investors. While public market entry remains limited, this dynamic shift capital deployment toward private equity, infrastructure financing, and strategic partnerships, where returns are driven by solving systemic bottlenecks rather than expanding extraction alone.

The most compelling opportunities lie in energy infrastructure, lithium midstream processing, and logistics modernization, where structural deficits directly suppress output and create embedded demand for capital. In particular, the global transition toward cleaner energy sources reinforces Zimbabwe's strategic relevance, with solar and hybrid power solutions emerging as critical enablers of mining expansion.

For investors with both capital and technical capacity, Zimbabwe represents a high-risk, high-return frontier market.

### Sources and Methodology

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