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Govt loses millions as EMA forces gold mine closure

Hundreds of people lost their jobs when the Environment Management Agency closed down Russian-owned DTZ Ozgeo mining operations along the Mutare River in October last year. CLAYTON MASEKESA reports.



Vice President Phelekezela Mphoko flanked by the Minister of State for Manicaland Province Cde Mandi Chimene and DTZ-OZGEO Chairman of the Board of Directors.

The sun is not yet up and already David Pedzeni (23) is working in a field in the nearby mountain. Wearing tattered clothes, this disillusioned youth works land allocated to him by his father. He cannot even afford to buy fertiliser since he lost his job.

Pedzeni and hundreds of others like him lost their jobs when the Environment Management Agency (EMA), closed down Russian-owned DTZ Ozgeo mining operations along the Mutare River in October 2014. The EMA stopped the company from mining, ordered it to rehabilitate the land and to complete an Environment Impact Assessment (EIA).

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In April last year, a delegation from DTZ-Ozgeo appeared before the Parliamentary Portfolio Committee on Environment, Water, Tourism and Hospitality pleading with the committee to reverse it’s decision. Environment Minister, Saviour Kasukuwere, advised that government would not entertain an appeal by the mining company and as a result 400 workers were made redundant.

In addition to this, Metallon Gold Zimbabwe (Pty) Ltd were forced to suspend operations at its Redwing mine in October 2012 due to flooding. The company advised that it would need \$10 million to clear flooded mine shafts.

Hope turns to despair

The discovery of gold deposits once brought hope to the Penhalonga community. They hoped to be employed by the mining companies and they hoped to improve their financial circumstances. However, after several years, the community still lives in abject poverty and they are now desperate.

The community has called on the government to the re-open the DTZ-Ozgeo gold mine. During

a familiarisation visit to the closed mine recently, Vice-President Phelekezela Mphoko pledged government assistance to the people.

“It is very critical to look into DTZ-Ozgeo’s concerns since the company employed so many people and generated so much revenue for the country. It is very important that we assist the mine because it was making a profit of more than US\$21 million. An operation of this nature is critical,” said Mphoko.

Minister of State for Manicaland Provincial Affairs, Mandiitawepi Chimene, agreed that people in Mutasa were living in abject poverty due to the closure.

“The mine created employment. Villagers were previously contract employees. Job losses have brought misery and poverty to the community. I understand the daily challenges of the people. As government we want the plant to start operating again. This will enable parents to send their children to school and fend for their families,” said Chimene.

She added that it would also put an end to Illegal panning activities that are presently on the increase.

Government losing out

DTZ-Ozgeo chairman, Alexander Derkach, appealed to Mphoko, explaining that the company was facing financial constraints.

“Following the closure we faced liquidity challenges, which subsequently affected the rehabilitation process. We were forced to lay off more than 400 local workers and repatriate over 70 Russian employees,” he said.

“The target was to mine about 400kg of gold this year that equates to about US\$21 million at current gold prices, of which, close to US\$3 million would have gone to Government as taxes and various royalties,” said Derkach.

Illegal panners drown

Youth spokesperson, Cleopas Samanga, says that since the mine closed, illegal gold panning has increased.

“Because most of the youth in Ward 21, who used to be employed at DTZ-Ozgeo are now jobless, they have got involved in illegal gold panning,” said Samanga.

He added that some youths had drowned while panning for gold in a local dam and that this illustrated their desperation.

Local resident Lawrence Mutambo, told this reporter that the mining company used to have many community social responsibility programmes and that they assisted orphans and the elderly.

“We are disadvantaged since operations ceased. Redwing Mine is struggling and DTZ-Ozgeo was of great importance in assisting the community by fixing roads and even building schools,” said Mutambo.

He added that time was running out for this community and urged the authorities to lay the groundwork for the re-opening of the mine and for the company to align its activities with the environmental requirements of EMA as soon as possible.

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