

## Zimbabwe: New Hwange Concessions to Increase Mine Life

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THE country's largest coal miner, Hwange Colliery Company Limited (HCCL)'s new concessions are expected to increase the life of the mine by 70 years, the Financial Gazette's Companies & Markets (C&M) has learnt.

The company's managing director, Thomas Makore, revealed the development to C&M in a recent interview, saying the tri-listed coal miner had started Environmental Impact Assessments (EIA) at the Western Area and at Lubimbi West and East concessions, which it was granted by government this year.

The Zimbabwe Stock Exchange-listed coal miner also has pockets of its shares trading on the London and Johannesburg stock markets.

The EIA study is being undertaken by one of the leading environmental consultancy firms in the country, Environmental Guardians Services (EGS).

It is understood that the new mining concessions hold deposits in excess of a billion tonnes of coal consisting of both coking and thermal coal at Western areas and Lubimbi West while Lubimbi East has coal-bed methane gas.

The coal-mining giant was granted the new concessions after a realisation that resources at its opencast concessions were on the verge of depletion.

"We have started the EIA study for Western Areas and at the Lubimbi and the reports for both areas are expected in January 2016," said Makore adding: "The new concessions are expected to increase the life for the mine by 70 years."

Government is the largest shareholder in HCCL controlling a 37 percent stake in the company, which has been battling a legacy debt in excess of US\$160 million, while multi-millionaire British tycoon, Nicholas van Hoogstraten, who is the second largest shareholder in HCCL, holds a 30 percent stake in the mine.

The National Social Security Authority has a 5,87 percent shareholding while Mittal Steel Africa Investments controls a 9,76 percent stake.

HCCL, which used to enjoy a monopoly in coal production, has come under pressure from new producers, Makomo Resources, Coal Brick and Chilota Colliery, which have chipped off its market share.

Recently, HCCL acquired mining equipment worth US\$31,2 million from Belarus firm, Belaz and BEML of India through a vendor financing scheme secured from PTA Bank and India Exim Export Bank.

The equipment was commissioned in June this year but barely a month after, some of it was burnt before it was even used.

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