

Zim gold for unnamed SA firm's machines

Allafrica.com reports that the Zimbabwe Miners' Federation (ZMF) has entered into an agreement with a South African gold buyer for the provision of mining equipment and financial support to boost their operations. Under the arrangement, ZMF will sell its gold to the South African company, which would in turn provide machinery to the miners to ramp up production. Gold production by small-scale miners surged to 489,5kg in December 2011 compared to 348,5kg the previous month.

ZMF president Trynos Nkomo said selling gold to South Africa meant high returns for the miners. "It is a win-win situation where we get machinery and capital while the South African firm gets gold," he said, adding that as ZMF members will get "good prices for their gold" the deal will go a long way to boost local production, since mining is capital intensive. "We are just activating a deal that existed before. The initial contract expired three years ago when [Zimbabwe] went through a bad patch," Nkomo added.

According to Allafrica.com, Nkomo noted the South African firm was a reputable gold refiner in both SA and in India. "The firm has also agreed to advance machinery on credit to the federation," he said. Nkomo, however, would not disclose the name of the South African company or the details of the deal.

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