

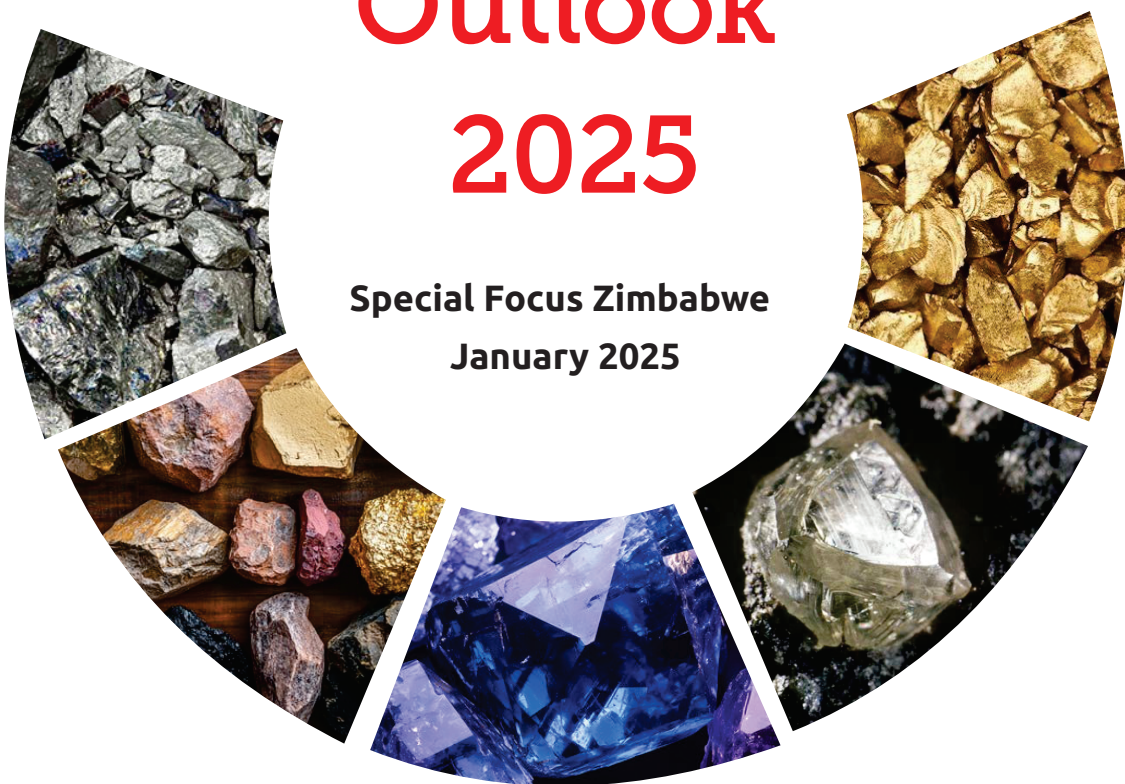
THE CHAMBER OF MINES



OF ZIMBABWE

Commodity Outlook 2025

Special Focus Zimbabwe
January 2025



'A look ahead into the volume and price trends of key minerals'

THE CHAMBER OF MINES



OF ZIMBABWE

The Chamber is established for the purpose of promoting, encouraging, protecting and fostering the mining industry and doing everything necessary and advisable for those objects.

Our Mandate

The Chamber of Mines of Zimbabwe was established for the purpose of promoting, encouraging, protecting and fostering the mining industry and doing everything necessary and advisable for these objects.

Our Mission

We are committed to taking leadership position in Zimbabwean mining space, working with our members and stakeholders to deliver a safe, enduring, valued and profitable resources industry for Zimbabwe.

Our Values

- Understanding
- Passion
- Respect
- Responsive
- Excellence
- Integrity

Executive Summary

Improving supply conditions, negative spinoffs on commodity prices

The World Bank Commodity Price Index is projected to continue on a downward trend slowing down by approximately 5%, after a year-on-year decline of 3% in 2024. The projected decline is the lowest since 2020. Meanwhile, global economic growth is showing signs of fatigue and is expected to remain flat at 3.3% in 2025, compared to 3.2% in 2024. This suggests a bearish outlook for commodity markets. Overall, supply-side growth across most metals is expected to outpace demand, leading to a broadly stable to slightly weaker price environment, though uncertainties surrounding China's economic policies, global industrial activity, and geopolitical risks could introduce volatility.

Prices forecast for selected commodities

	3-Year Average*	2024	2025f
Gold/toz	1,845	2,400	3,300
Platinum/toz	1,006	955	965
Palladium/toz	1,948	970	985
Nickel/mt	21,940	16,800	15,200
Lithium/mt	40,200	12,500	10,400

Notes: *2021-23; f- Chamber forecast

Source: Trading Economics, Pinksheet, Kitco

The “Trump Effect” reshaping global developments

Meanwhile, the “Trump factor” is reshaping global developments, with the U.S. imposing new tariffs and restrictions that could disrupt trade and impact commodity markets, while also withdrawing support for developing nations, Ukraine, and NATO, shifting geopolitical dynamics. The U.S. has pulled out of a \$45 billion climate finance coalition, reducing funding for green energy transitions, while China continues to expand its environmental commitments but maintains coal as a key energy source. These shifts are likely to create uncertainties in global trade, energy markets, and economic partnerships, influencing the outlook for commodities and investment flows.

Precious metals to experience increased demand amid geopolitical tensions

Gold price is expected to remain bullish in 2025 to breach the US\$3,300 mark on safe haven demand reflecting heightened geopolitical tensions, trade relations uncertainties, strong central bank demand, and U.S. monetary easing. Silver is forecasted to follow gold's bullish trend, with an average price of \$32.86/oz, 16% higher than in 2024. Meanwhile, both platinum and palladium prices are expected to remain range-bound, due to weakening demand particularly from the auto sector. Overall, gold is set to lead the precious metals market in 2025,

with silver showing strong gains, while platinum and palladium remain relatively subdued.

Weak demand to weigh down energy prices

Energy prices are expected to be influenced by a number of factors that include supply outlook, geopolitical developments, anticipated performance of key economies e.g. China and the US, as well as the economic and foreign policies of the US new administration. Brent crude is expected to average \$73 per barrel, down from \$80 in 2024 on the back weak global economic growth outlook and the potential premature relaxation of OPEC+ production cuts, which could lead to excess supply in the market. Coal prices are also expected to trend lower throughout the year due to the global revolution towards cleaner energies

Base metal prices to remain subdued

Base metal prices are expected to remain subdued in 2025, with steady supply growth counterbalancing demand from the energy transition. Aluminum prices are expected to hold steady, while copper prices may edge up by 1%, supported by resilient demand but capped by increased production from Chile, Africa, and other regions. Nickel prices, following a sharp decline in 2024, are expected to remain subdued on oversupply from Indonesia and weakening demand. Similarly, iron ore prices are expected to remain subdued due to weak construction demand in China. Zinc and lead prices are projected to decline by 4% and 2%, respectively, as global supply expands.

Prices for critical minerals to remain weak on excess supply

Critical minerals prices including lithium and cobalt are expected to remain weak in 2025 due to strong supply growth outpacing demand from the energy transition. Notwithstanding, exploration spending continues to rise, led by Australia and Canada, while major economies introduce incentives to strengthen domestic supply chains. Long-term demand for EV batteries and renewable energy technologies is likely to drive a recovery.

Zimbabwe's mining sector set for growth

The mining sector is expected to grow by approximately 7% in 2025, driven by ongoing expansion projects and new investments, with most key minerals expected to record output increases. Mineral revenue is projected at US\$6.2 billion in 2025, up from US\$5.9 billion in 2024, buoyed by anticipated strong performance from the gold sector benefitting from bullish prices and output increases. Downside risks to the mining sector outlook include fragile power supply, foreign exchange shortfalls, capital shortages and high-cost structure (high electricity tariff, high royalty fiscal charges)



Inside

- Global Economy and Markets
- Commodity Price Outlook
 - Gold
 - Platinum Group Metals
 - Lithium
 - Coal
 - Copper
 - Iron and Steel
 - Chrome
 - Diamond
- Zimbabwe Mining Outlook
- Mineral Performance and key projects
 - Gold
 - PGMs
 - Diamond
 - Nickel
 - Chrome
 - Lithium
 - Coal
- Risks to the outlook

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Chamber of Mines
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Commodity Price Outlook (Metals and Energy)

Global economy outlook

Global economic growth is projected to remain largely flat at 3.3% in 2025 from 3.2% in 2024 (lower than the historical average of 3.7% for 2000–2019). The weak recovery is on the back of anticipated heightened policy uncertainty, adverse trade policy shifts, geopolitical tensions, and climate-related phenomena. China's economic momentum is expected to slowdown amid subdued consumer demand and weaker productivity. Meanwhile, global inflation is projected to decline to 4.2% in 2025 and further to 3.5% in 2026 due to restrictive monetary policies in major economies.

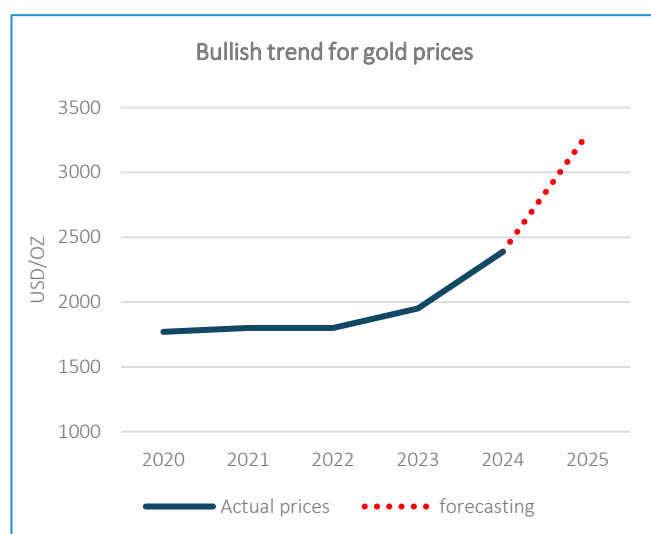
Bearish outlook for commodity markets

A projected decline in commodity prices of around 5% in 2025 from 3% in 2024 is primarily being influenced by a sluggish global economic outlook, a strong US dollar, weak demand from major consumers like China, increased supply in several key commodities, and concerns around potential geopolitical instability. As a result, aggregate commodity prices are projected to reach their lowest levels since 2020, albeit still nearly 30% higher than the 2015–2019 average.

Gold price set to rally on safe haven demand

Gold Forecast Snapshot		USD/oz
2024	Annual Average	2,400
2025	Annual Average*	3,300
	Baseline*	3,000
*CoMZ forecasts		

In 2025 gold prices are expected to rally and hit fresh new records averaging around US\$ 3,300 per ounce. This bullish trend will be driven by safe-haven demand on back of heightened geopolitical tensions, sustained demand from central banks and US monetary easing. We anticipate the metal to outperform 2024, averaging between US\$ 3,300/oz for the rest of 2025.

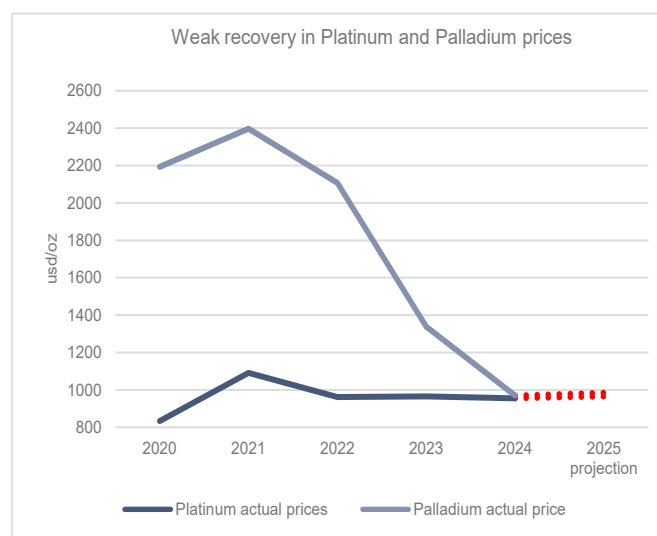


Source: World bank, CoMZ forecasts

PGMs prices set for a weak recovery

		Platinum	Palladium
Forecast Snapshot		USD/oz	USD/oz
2024	Annual Average	955	970
2025	Annual Average*	965	985
	Baseline*	960	975

World Bank, CoMZ forecasts



Source: World Bank, SFA Oxford, CoMZ forecasts

Forecasts for PGMs in 2025 indicate continued bearish sentiment, mirroring 2024 trends. Platinum is expected to average \$965/oz, from \$955/oz in 2024, while palladium prices are projected to average \$985/oz, from \$970/oz in 2024. This weak recovery is due to oversupply and decreasing demand, particularly from the auto sector. Global concerns over PGMs demand continue to grow as the energy transition to renewables gains momentum. Meanwhile, the demand for platinum as a substitute for palladium in autocatalyst manufacturing has seen limited support, as the price gap between platinum and palladium is expected to nearly converge.

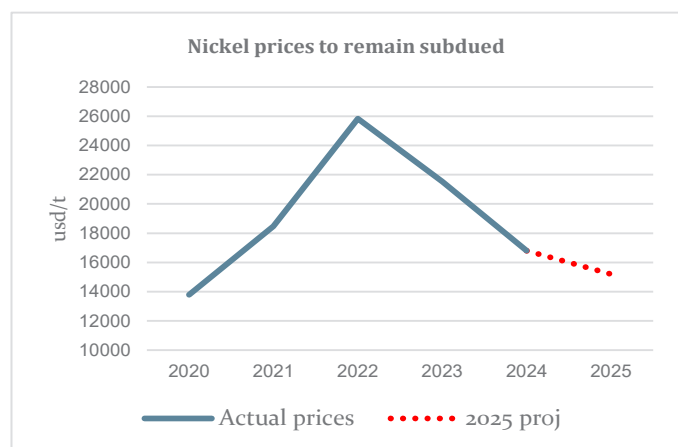
Nickel prices to remain subdued on oversupply and weakening demand

Forecast Snapshot		USD/t
2024	Annual Average	16800
2025	Annual Average*	15,200
	Baseline*	15,000

World bank, *CoMZ forecasts

Nickel prices are expected to remain subdued in 2025, averaging US\$15,200/mt, following a 21% decline in 2024 (year-on-year). Global demand for nickel is projected to weaken due to subdued construction activity in China. Additionally, the implementation of the nickel ore export ban in 2020 led to a surge in Indonesian refined nickel production, which continues to put downward pressure on prices. Meanwhile, global nickel output continues to expand rapidly, and the metal along

with aluminum and tin faces increasing trade restrictions, including import curbs by some advanced economies. As a result, any short-term price recovery is expected to be limited or modest.



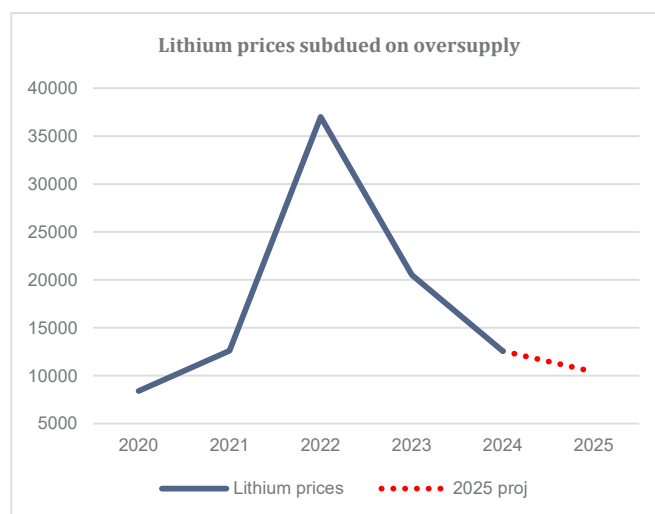
Source: World bank

Lithium prices to remain depressed on oversupply

Forecast Snapshot		USD/MT
2024	Annual Average	12,500
2025	Annual Average*	10,400
	Baseline*	10,000

Lithium carbonate prices *CoMZ forecasts

Lithium prices are expected to remain subdued in the near term, averaging US\$10,400/mt in 2025, down from US\$12,500 in 2024, due to global oversupply. However, long-term prices are projected to rise as demand from EV batteries and renewable energy technologies outpaces supply growth. Despite falling prices, exploration investment, led by Australia, continues to increase. China's EV market remains a key driver of demand, with the US and Europe also accelerating EV adoption. Additionally, government policies promoting renewables and clean energy are expected to further support demand for lithium and other critical minerals.



Source: Trading Economics, CoMZ forecasts

Coal prices expected to decline on global shift to green energy

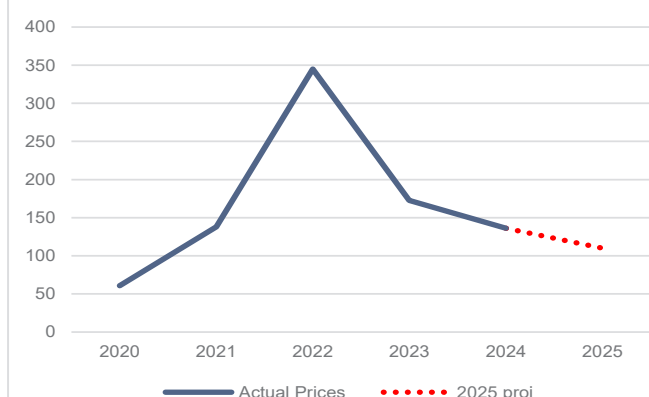
Forecast Snapshot		USD/mt
2024	Annual Average	137
2025	Annual Average*	110
	Baseline*	95

*CoMZ forecasts

Coal prices are projected to decline in 2025, averaging USD \$120 per tonne, a 20% drop from USD \$137 per tonne in 2024. The decline is driven by a gradual reduction in global coal consumption, particularly in China and Europe, as the transition to renewable energy and natural gas accelerates. Downward pressure may arise if anticipated supply cuts in Indonesia and the U.S. do not materialize. Additionally, weaker-than-expected economic growth in China and India, which account for over two-thirds of global coal demand, poses further downside risks.

While the U.S. policy support for coal may provide some short-term optimism for coal producers, it is unlikely to significantly alter global market dynamics. China, India, and other major consumers in Europe will remain the key drivers of coal demand, and the broader shift toward renewables and regulatory pressures in other regions will likely keep global coal prices under pressure.

Coal prices to decline on global shift to green energy



Source: World bank

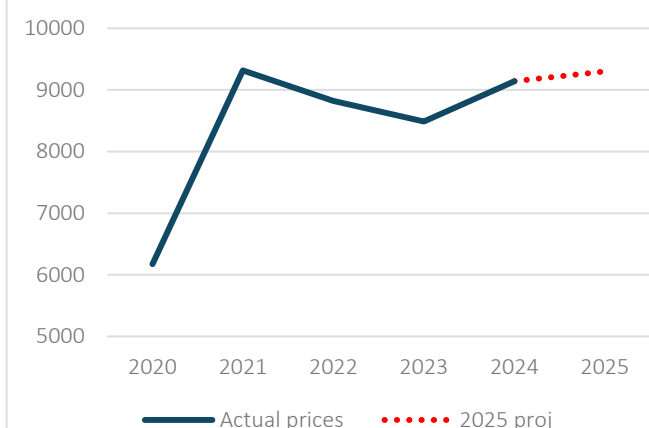
Copper prices set to increase

Forecast Snapshot		USD/mt
2024	Annual Average	9,142
2025	Annual Average*	9,300
	Baseline*	9,200

Worldbank, *CoMZ forecasts

Copper prices are projected to increase by 2% in 2025, averaging \$9,300 per metric ton, driven by rising demand from energy transition sectors, including EVs and renewable energy. The U.S. market is expected to see modest demand growth, supported by infrastructure projects and clean energy initiatives. A tightening supply-demand balance is likely to sustain high prices, though risks such as a U.S. recession and trade protectionism remain. Metals critical to the energy transition, including copper, nickel, and aluminum, will remain sensitive to supply disruptions and global industrial activity trends, with long-term demand underpinned by the shift to renewables.

Copper prices set to increase



Source: World Bank

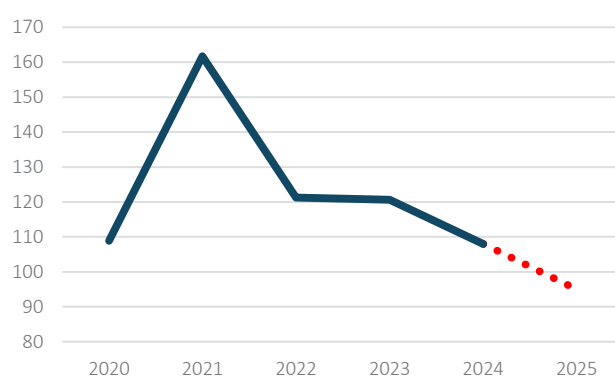
Iron ore price to soften on weak demand

Forecast Snapshot		USD/t
2024	Annual Average	108
2025	Annual Average*	95
	Baseline*	90

*CoMZ forecasts

Iron ore prices are forecasted to decline by 12% in 2025, averaging US\$95 per dry metric ton, down from US\$108 in 2024. The decline is driven by weak demand from China, which consumes over 60% of global iron ore. A slowdown in China's economic growth, particularly in the steel industry and real estate sector, is expected to weigh on prices.

Iron ore prices to soften



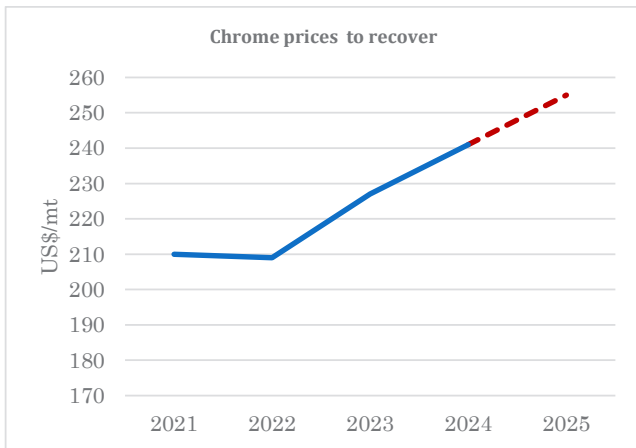
Source: World bank, CoMZ forecasts

Chrome prices to recover on rising demand

Forecast Snapshot		USD/MT
2024	Annual Average	240
2025	Annual Average*	255
	Baseline*	250

*CoMZ forecasts

Chrome prices are expected to increase by an average of 6% to US\$255/mt, compared to the previous average price of US\$240/mt. We anticipate a moderate rise in demand, primarily driven by the growing stainless-steel industry, increased use of high-strength steels in vehicles, and expanding infrastructure development. However, concerns about a potential global economic downturn could lead to reduced steel production, subsequently lowering ferrochrome demand. Additionally, geopolitical tensions and trade disputes could disrupt supply chains and impact chrome prices. Weak Chinese economic recovery may further weigh down demand for ferrochrome.



Source: Trading economics

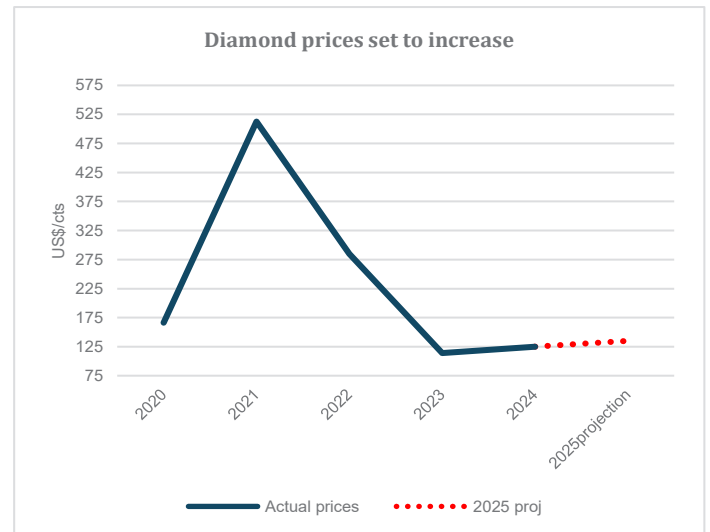
Diamond prices set to rebound on strong demand

Forecast Snapshot		USD/carat
2024	Average	125
2025	Average*	135
	Baseline*	130

*CoMZ forecasts

Diamond prices are projected to average US\$135 per carat in 2025, an 8% increase from the US\$ 125/carat in 2024 driven by strong demand

for jewelry and a decline in global diamond output. The reduced supply is expected to impact the entire value chain, from manufacturers to retailers.



Source: World bank, CoMZ forecasts



Mining sector to anchor 2025 economic growth

Mineral output set to surge on production ramp up

Mineral output is expected to grow by a weighted average of 7% underpinned by expansion of existing projects and ramp up at new establishments. All key minerals are projected to record output increases in 2025 compared to 2024.

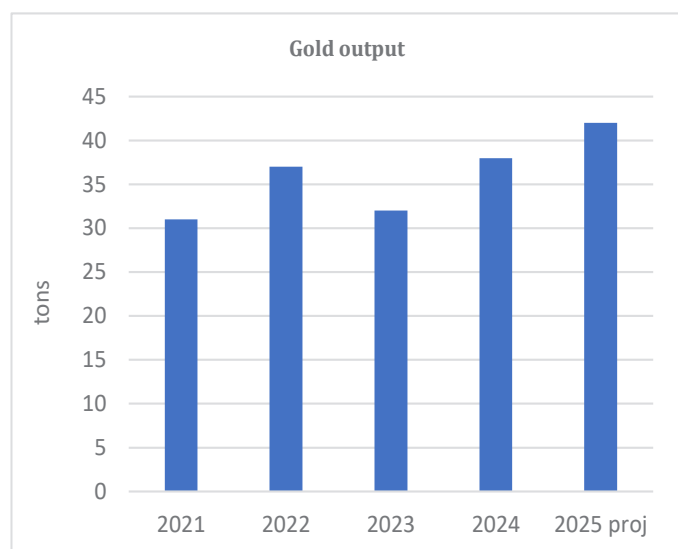
Zimbabwe Mining Production forecast

	2024	2025f	% change
Gold (kg)	38,454	42,000	9%
Platinum(kg)	18,911	19,600	4%
Palladium(kg)	15,603	16,000	3%
Nickel (t)	15,128	15,580	3%
Diamonds (crt)	5,146,025	5,506,220	7%
Coal(t)	5,797,525	6,377,200	10%
Chrome	2,454,662	2,700,000	10%
Lithium(mt)	2,471,688	3,262,600	32%

Notes: f- Chamber forecast

Gold Output set to reach 42 tons in 2025

Gold output is projected to reach 42 tons in 2025, up from 38.5 tons in 2024, largely driven by ongoing expansion projects supported and bullish prices. Gold revenues are expected to surpass US\$3 billion in 2025, up from US\$2.5 billion in 2024. The average capacity utilization for the gold sector is expected to increase to 96% in 2025, up from 95% in 2024.



Source: Ministry of Mines, CoMZ forecasts

Projects Expected to boost gold output in the outlook

Rebecca mine

Freda Rebecca is planning to spend US\$13.8 million in 2025 on tailings storage facilities extensions and exploration. The project is expected to sustain the mine's current operations.

Shamva Gold Mine

Shamva Gold Mine is expecting to spend more than US\$560,000 on exploration drilling activities around its mine. This investment is expected to contribute to increasing production, aiming to reach a target of 200kt per month.

Bulawayo Mining Company

Bulawayo mining company is planning to spend USD\$ 4.5 million on expansion projects. The expansion is expected to ramp up the current level of production by 18%.

Eureka Gold Mine

Eureka Gold Mine is expected to spend about USD\$4 million on tailings storage facilities, which is expected to sustain current production

Pickstone and Peerless

Pickstone and Peerless are planning to spend about USD\$15 million on exploration and expansion projects, and this investment is expected to increase their level of production by 26%.

Golden Valley

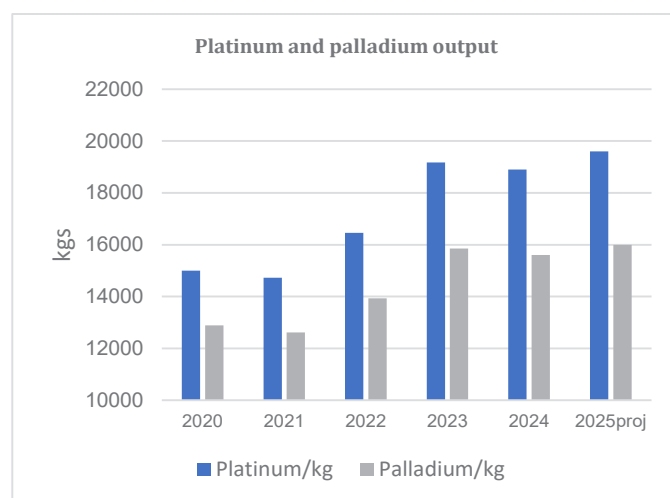
Golden Valley is expected to invest USD\$600,000 in plant and solar, which is expected to increase current production levels.

Blanket Mine

Blanket Mine is expected to spend USD\$27 million on expansion projects to increase current levels of production by 5%.

PGMs output set to rise

Platinum output is projected to reach 19.6 tonnes in 2025, up from 18.9 tonnes in 2024, while palladium is projected to reach 16 tonnes in 2025, a 3% increase from 15.6 tonnes in 2024. Capacity utilization in the PGMs sector is projected to remain around 100%, with all three operating mines (Zimplats, Mimosa, and Unki) planning to operate at near full capacity, as was the case in 2024. While companies in the PGM sector are anticipating a rebound in prices, some have shelved large expansion projects due to weak prices that have impacted the sector's cashflow generation.



Source: Ministry of Mines, CoMZ forecasts

Projects Expected to boost PGMs output in the outlook

Zimplats

Zimplats is planning to invest US\$190 million to refurbish its mothballed

Base Metal Refinery (BMR) and undertake several key projects, that are expected to be completed between 2025 and 2028.

Mimosa Mining Company

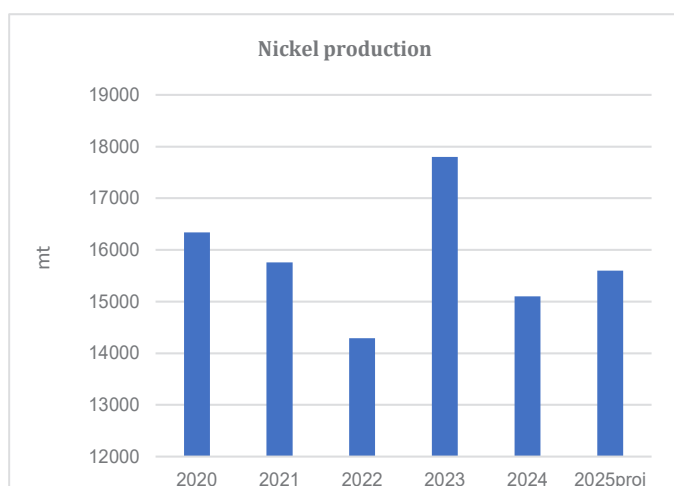
Mimosa Mining Company is planning to spend USD\$2.1 million on the development of tailings storage facilities for life-of-mine extension.

Unki Mines

Unki Mines are planning to spend USD\$500,000 on expanding its open-pit mining and USD \$200,000 on solar projects investment, which will boost production by 1%.

Nickel output to benefit from activities in the PGMs sector

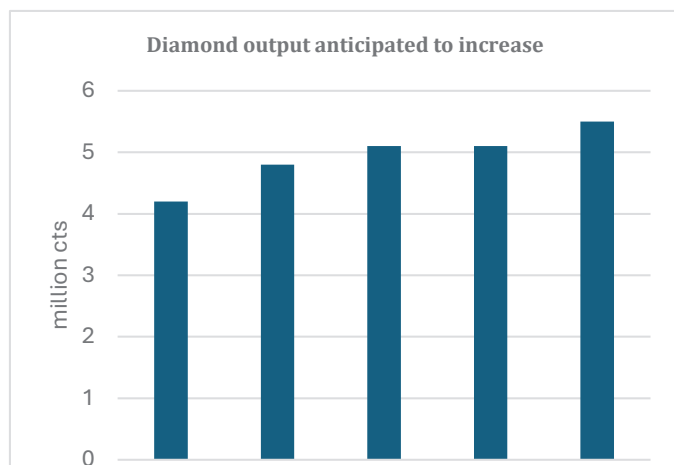
Nickel output is projected to increase by 3%, reaching around 15,600 metric tons in 2025, up from 15,100 metric tons in 2024, largely benefiting from anticipated improved activities in the PGMs sector. However, the primary producer Bindura Nickel Corporation is still not operational due to equipment failure, compounded by low prices and a high-cost structure, particularly the high cost of electricity.



Source: Ministry of Mines, CoMZ forecasts

Diamond output expected at around 5.5 million carats

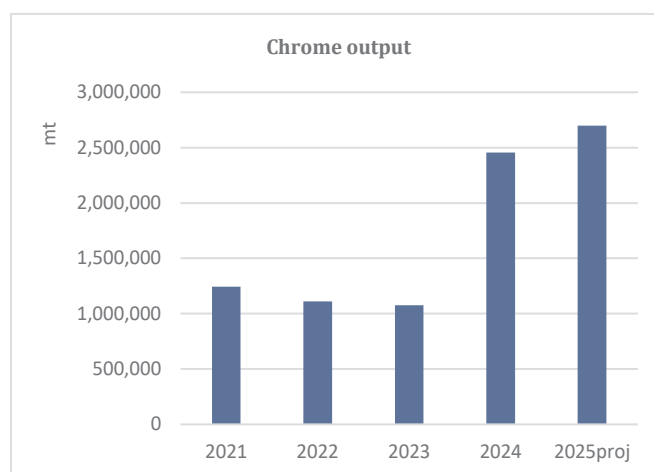
Diamond output is expected at around 5.5 million carats in 2025, a 7% increase from 5.1 million carats in 2024, benefiting from ongoing expansion projects.



Source: Ministry of Mines, CoMZ* forecasts

Chrome output to reach 2.7 million metric tonnes

Chrome output is projected to reach around 2.7 million metric tonnes in 2025, up from 2.5 million metric tonnes in 2024. Chrome production has seen revitalisation especially through the restoration of ZimAlloy's high carbon ferrochrome plant in Gweru.



Source: Ministry of Mines, CoMZ forecasts

Projects expected to boost chrome output

Zimasco

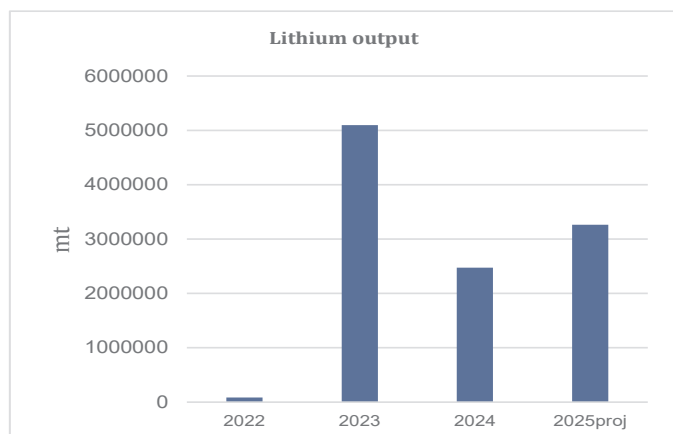
Zimasco Mining Company is planning to invest approximately \$3 million in mine exploration to sustain ferrochrome production feed. Additionally, it will invest around \$43,243 in the 19m01 Ngezi 3D 24 underground mine as part of a strategic initiative to ensure a steady supply of mineral resources, aiming for a monthly production of 2,500 tons of lumpy ore. These projects are expected to be completed by October 2025.

Afrochine smelting

Afrochine Smelting Company is planning to invest about USD\$22.6 million in two new smelters in 2025. The project is expected to be completed by 2026 and is anticipated to boost production by 28%.

Lithium production to benefit from new projects

Lithium output is expected to increase to 3.26 million metric tons in 2025, up from 2.47 million metric tons produced in 2024, largely benefiting from the production ramp-up of new entrants that commenced operations in 2024.



Source: Ministry of Mines, CoMZ forecasts

Projects expected to boost output in the Lithium Sector

Bikita Minerals

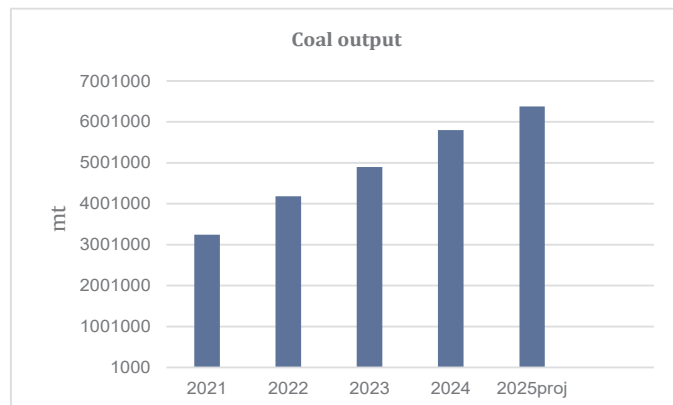
Bikita Minerals is planning to invest \$100 million in smelters in 2025, boosting smelting production by 95%. This is part of a broader \$500 million investment in a lithium smelter. The projects are expected to be completed by December 2025.

Sandawana Mine

Sandawana Mine is planning to invest \$28 million in a lithium concentrate processing plant, with completion expected by March 2026. The investment is projected to double production, reaching 500,000 tonnes of concentrate upon full commissioning.

Coal output projected to reach 6.3 million metric tonnes

Coal output is projected to increase to 6.3 million tons in 2025, up from 5.7 million tons in 2024, benefiting from improved activities by current producers, including Zambezi Gas and Hwange Colliery.



Source: Ministry of Mines, CoMZ forecasts

Projects expected to boost output in the Coal sector

Zambezi Gas

Zambezi Gas is planning to invest \$450,000 in a coke oven, and its production is expected to increase by 60%. The project is expected to be completed by October 2025.

Hwange Colliery

Hwange Colliery is planning to invest \$17 million on Unit 3 main maintenance, which is expected to increase production by 13%. The maintenance is expected to be completed in 2025. The mine is also planning to invest \$3.1 million in battery oven resuscitation, which will boost production by 100%.



Risks to the outlook

Key risks to the Zimbabwe mining sector outlook include foreign currency shortages, high-cost structure, fragile power and capital shortages.

High-cost structure

The cost structure for the mining industry is high on the back of high royalty and taxes, high electricity tariff, exchange rate losses and high cost of capital. The economy is experiencing a fiscal squeeze, marked by the closure of several formal businesses. As a result, pressure on the remaining formal businesses is expected to intensify, potentially through measures such as the introduction of new taxes. Additionally, ZIMRA is ramping up tax enforcement efforts, with a strong focus on compliance audits and revenue collection. Beyond the introduction of new taxes, stricter enforcement of existing tax regulations is likely to dominate the fiscal landscape.

Foreign currency shortages

Reserve Bank, through the 2025 Monetary Policy Statement reduced foreign exchange retentions for exporters from 75%, to 70%. This development came at a time the industry has been experiencing foreign currency shortfalls to meet their operational requirements. Worsening the industry woes are suppliers of goods and services including some Government departments demanding payments exclusively in foreign currency. This has reduced the effective forex retention with information gathered from mining companies showing that their

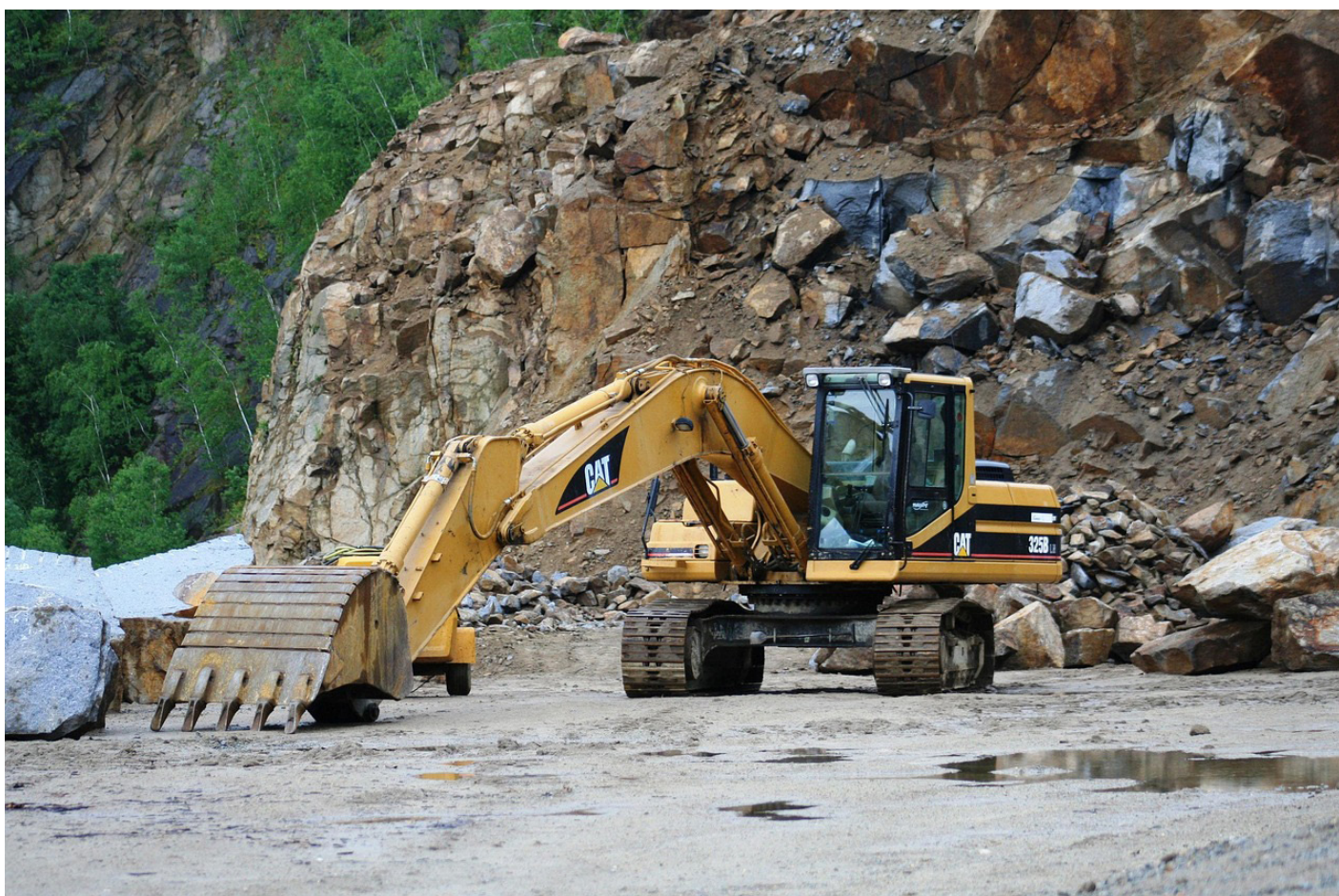
effective retentions are now around 40%. With most mining companies undertaking expansion projects and some investing in beneficiation projects, the available forex is inadequate to meet the requirements of mining companies, potentially leading to the suspension of key projects impacting negatively on the prospects for the mining industry. Meanwhile, RBZ has indicated that they will further reduce reductions in line with the the Government's de-dollarization strategy ahead of the 2030 deadline.

Loss of value on the surrendered portion of export proceeds

Meanwhile, the 30% surrender portion remains vulnerable to exchange rate volatility which continues to characterise the country's foreign exchange market. Parallel market premiums which have persisted over the last years have resulted in loss of value on the surrender portion of export proceeds, akin to an implicit tax of around 12% on exporters' gross process.

Fragile electricity supply

The power supply situation has remained fragile notwithstanding the improvements in hydrothermal power due to increased rainfall activity during the 2024/2025 rain season. Most mining companies continue to experience unscheduled power outages resulting in production stoppages and output losses. Meanwhile, the electricity tariff has remained high and uncompetitive at US\$14.21/KWh, with a peak tariff of approximately US\$19/KWh.



Notes

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