

GEMFIELDS

Montepuez Ruby Mine Resettlement Project – update

22 June 2020

Background

Within Montepuez Ruby Mine's ("MRM") 340 square km concession there are five communities: Namanhumbir, Sede, Nanune, Nseue, Nthoro and Mpena. A number of these settlements are situated directly on potentially productive areas of the mining concession and it was determined that obligatory resettlements would be needed for MRM to access the ore-body contained within key areas of the concession. Throughout 2014, under the provisions made within Mozambique, MRM undertook the development of a resettlement action plan ("RAP"). This RAP not only followed national law, but followed international best practice including Performance Standard 5 (Land Acquisition and Involuntary Resettlement) of the International Financial Corporation Environmental & Social Performance Standards, as well as meeting the principles of Free, Prior and Informed Consent ("FPIC"). Following extensive consultation with the affected communities within the concession area and the authorities, the only village that was agreed to be relocated was the Nthoro, thus ensuring the MRM prioritised the avoidance of resettlement as part of this process.



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Update since January 2020

Movement of residential beneficiaries

Owing to the Mozambican State of Emergency due to the COVID-19 pandemic, all timelines associated with the movement of beneficiaries into their homes has been suspended and pushed back to later in the year. With the announcement that the State of Emergency had not been lifted and instead would extend to the end of June 2020, the movement of beneficiary families has been suspended till the timeline becomes clearer.

Houses and public infrastructure

Since the last update at the end of January 2020, the 105 residential houses have now been completed. Prior to the State of Emergency these were undergoing final checking and ‘snag’ corrections. At the time of writing, nearly half had been partially checked by a third party appointed by the government, the Center for Studies and Development of Habitat (“CSDH”). Subject to the control measures of COVID-19 lifting, the contractor will be resume snag corrections for the remaining houses, the roads and at same time build the concrete drainage for the roads.

The state power provider, EDM, approved the Power Reticulation System on the 3rd of April. The next step, after the village system’s connection to the main EDM power lines, is commissioning.

COGESA, a company managing the Namanhumbir water system, has connected the water system to the RAP Village. Further steps to be completed are the establishment of the connections to 15 public fountains, the 105 houses and the final commissioning of the system. This commissioning will be monitored by the Provincial Directorate of Public Work and Water Resource.

Village Security & Management

The MRM RAP team initiated an engagement of the Provincial Police Command and the District Administration to discuss the security of the RAP Village. Given the presence of a large number of illegal miners in the area, renting of rooms or even illegal occupancy is a possible risk. As the contractor’s responsibilities are due to cease upon completion, there is a risk to the site’s security and occupancy of the houses before the official move by the intended beneficiaries.

The MRM RAP team was advised to submit a formal letter to the Provincial Commander, with endorsement from the District Administrator, asking for the policing of the RAP Village in the interim until the site is handed over to the beneficiaries. MRM is awaiting a response.

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Livelihood Restoration Programme

Since January 2020, the MRM RAP team has presented the District Government the status of the activities proposed for restoring livelihoods to the beneficiaries. In this meeting, the District Administration agreed with the view, strategy and expectations addressed in the livelihoods restoration project (“LRP”) proposal.

The RAP team initiated the engagement of consultancies specialized in the preparation and implementation of the LRP. Because most of the firms are based in the capital Maputo, MRM’s RAP team must hold meetings there after the COVID-19 restrictions have been lifted.

In readiness for the LRP, a soil study was completed and the Strategy of the Land Demarcation & Preparation also submitted to the “CTASR” for approval. The three levels of “CTASR” have already issued approvals for this strategy, but one unique aggregated “note of approval” is required. For this instance, MRM’s RAP team needs to have all three CTASR levels in one single meeting however due to the COVID-19 restrictions this will not be possible till restrictions are lifted.

There is a further delay in performing the Land Demarcation and Preparation process which is related to the continuous presence of compensated and non-compensated community members who are already farming inside the RAP area. This issue was presented to the District Government, which instructed the local administrator to handle this matter. Until now, the local administrator has faced difficulties in solving this matter and has had no support from local leaders. MRM RAP team continues to liaise with local administrators and leaders to try and help resolve the issue.