RioZim Limited (“RioZim”) has recently noticed that newspaper columns are being used to write various stories about the Company that have no basis in fact and indeed are not only untrue but also purposely designed to mislead those who read them.

RioZim would like to inform the public, including all its stakeholders that the Company has at all times kept its regulators and the public informed as required by law and the regulations, including best practice.

The Company has deemed it fit to publish this statement to put this matter to rest. The relationship between RioZim and Murowa Diamonds (Private) Limited (“Murowa”) has not changed as a result of Rio Tinto Plc’s sale of its interests in Zimbabwe last year. For clarification, Rio Tinto Plc, through a foreign holding company, held 77.8% shareholding and RioZim held 22.2% shareholding in Murowa. Rio Tinto Plc sold its shares in the holding company that included amongst other assets, its stake in Murowa. RioZim’s shareholding in Murowa remained unaffected by the transaction at 22.2%.

On 10 June 2015, the Board of Directors of RioZim passed a resolution to irrevocably and unconditionally waive the Company’s rights of pre-emption in connection with the transfer of the sale of shares to RZ Murowa Holdings Limited. The resolution was made in light of the financial challenges being faced by RioZim, its inability to raise the required financing plus the challenges faced by Murowa Mine which was closed down and faced huge hurdles that required, amongst other things, substantial additional capital investment. The decision taken by the Board of Directors of RioZim was also discussed at a properly constituted Annual General Meeting held on 28 August 2015 and the Company’s position was confirmed.

This statement has been issued in consultation with the Zimbabwe Stock Exchange.

For and on behalf of RioZim Limited

Lovemore Chihota
Board Chairman
20 May 2016