#### MANICALAND STATE UNIVERSITY

#### OF

#### APPLIED SCIENCES

FACULTY OF ENGINEERING

**MINING AND MINERAL PROCESSING ENGINEERING DEPARTMENT**

**MARKETING AND TRANSPORTATION OF MINERALS**

**CODE: HMIE 516**

### SESSIONAL EXAMINATIONS

**MAY-JUNE 2019**

**DURATION: 3 HOURS**

**EXAMINER: MR TOGA**

## INSTRUCTIONS

1. *Answer* ***any five*** *questions*
2. *Each question carries 20 marks*

**Question 1**

1. Minerals can be marketed at any stage of their value chain. With reference to the markets of a mineral of your choice, describe the stages at which minerals can find markets for. **[10]**
2. Briefly describe the factors that may affect the supply of minerals at each of the stages you have identified in part (a) above. **[10]**

**Question 2**

1. Discuss the factors that drive the consumption of minerals giving appropriate examples. **[15]**
2. Briefly explain what causes the prices of minerals to fluctuate. **[5]**

**Question 3**

Markets can be categorized into the competitive, oligopoly and monopolymarket structures. Describe the key characteristics of each of these market structures. **[20]**

**Question 4**

1. Imagine you have been employed in the marketing department of a newly established mining venture, and using your knowledge of the MMCZ Act, draft a letter to MMCZ informing them of your company’s intention to market the processed mineral. You are expected to include all the pertinent information that MMCZ may need to know. **[15]**
2. Briefly explain the punitive measures meted against those who market minerals outside the framework of MMCZ and RBZ Acts. **[5]**

**Question 5**

1. Discuss the different pricing mechanisms of minerals commodities. Give examples of minerals commonly priced by each mechanism. **[10]**
2. Explain how the price shift of a mineral commodity affects the cut-off grade of a mine extracting that mineral. Why do mines extracting the same mineral have different cut-off grades even though the selling price of the mineral commodity is the same? **[5]**
3. Explain the relationship between cut-off grade and scheduling. **[5]**

**Question 6**

1. What are the *benefits* and *drawbacks* of having a contract for selling mineral commodity? **[6]**
2. Explain what you understand by the term blood diamonds and how has the diamond industry tried to circumvent this problem of blood diamonds. **[4]**
3. Briefly discuss how the knowledge of the markets of the mineral your mine is extracting is very important for a mining engineer. **[10]**

**END OF EXAM**