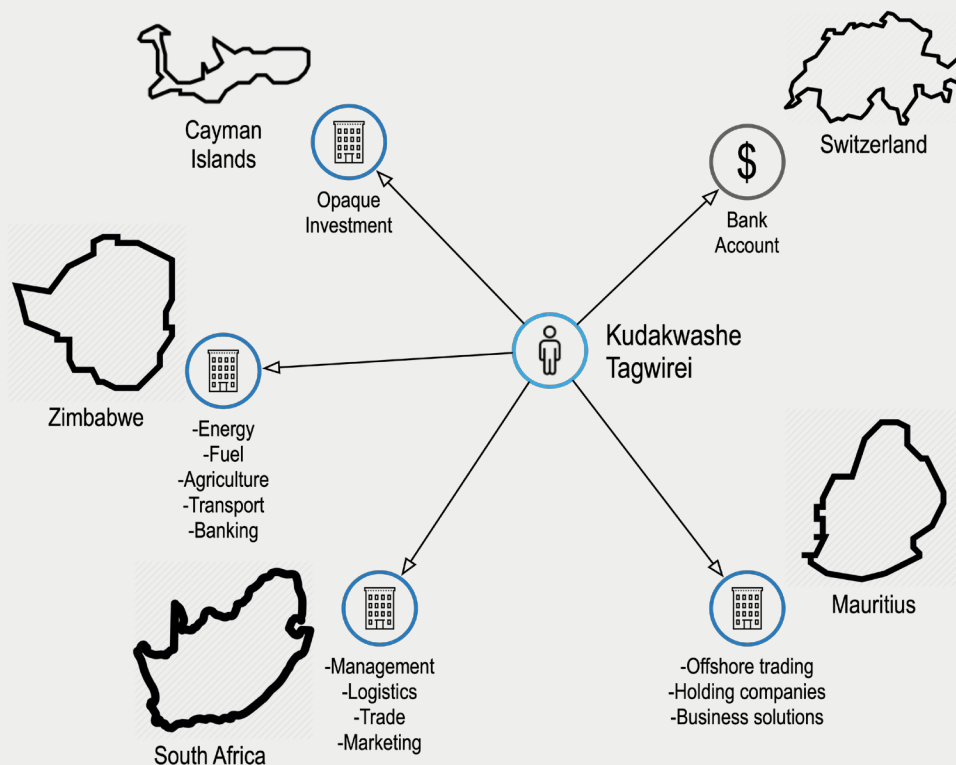


One of the most important entities in Tagwirei's corporate labyrinth was Sotic International, a holding company based in Mauritius.<sup>13</sup> Sotic's strategy was to use Tagwirei's wealth to buy local Zimbabwean companies that earned hard currency through mining exports and then use those dollars to import fuel and other commodities into Zimbabwe.<sup>14</sup>

### Tagwirei's Business Model

Tagwirei's business strategy centers on exporting raw commodities, including minerals, from Zimbabwe and then using the hard currency earned offshore to import fuel and goods back into Zimbabwe. Source: The Sentry.



Possibly due to the accusations of corruption that damaged his reputation with banks and potential business partners, Tagwirei benefited from business partnerships with four South Africans—Jozef Behr, Christopher Fourie, Ronelle Sinclair, and Christian Weber—from 2019, arranging for them to have prominent roles at Sotic, a move that effectively concealed his de facto control over the company.<sup>15</sup> Fourie later became a whistleblower.

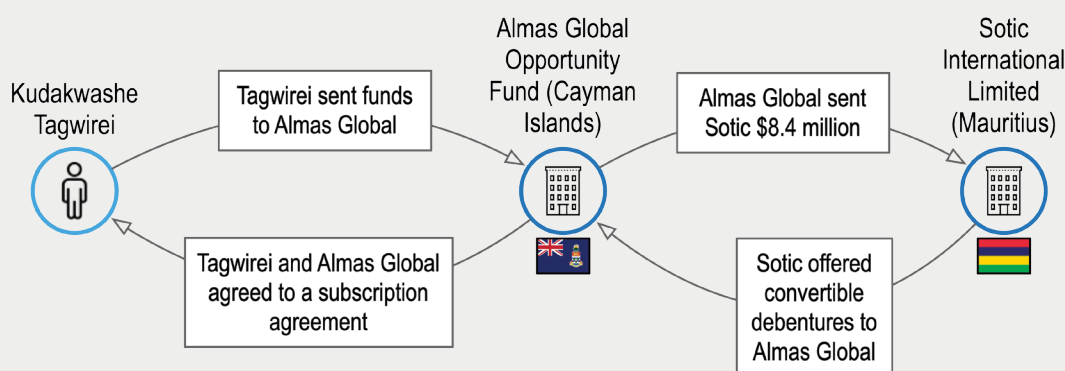
Both legal and unwritten agreements clearly established Tagwirei as the boss, although he kept his name away from registries of directors and shareholders through a complex system of nominee directorships and envisaged shareholdings held in trusts.<sup>16</sup> Meanwhile, an equally complicated structure by which Tagwirei



moved his money into Sotic via a Cayman Islands fund allowed him to limit scrutiny from the compliance departments of banks and the businesses he sought to buy.<sup>17</sup> Capital Horizons, a Mauritian company service provider and financial advisory firm, assisted Tagwirei in setting up this structure. Although it is not clear if the activities of Capital Horizons violated the laws of Mauritius or other jurisdictions in taking these steps, at least one executive was, at a minimum, aware of a range of risks involving Tagwirei and the proposed structures. Mauritian officials should investigate these issues to determine whether any illegality occurred.<sup>18</sup>

### Complex Structures and Secrecy Havens: How Tagwirei Moved His Money

Tagwirei's use of offshore tax havens effectively obscured the origins of the funds that were used to buy mines. Source: The Sentry.



Reports and correspondence suggest that Tagwirei owes some of his success to his strong relationships with the highest echelons of power in Zimbabwe's government. "Tagwirei has utilized his relationships with high level Zimbabwean officials to gain state contracts and receive favored access to hard currency, including U.S. dollars," according to the US Department of the Treasury. "Since former Zimbabwe President Robert Mugabe's 2017 departure, Tagwirei used a combination of opaque business dealings and his ongoing relationship with President Mnangagwa to grow his business empire dramatically and rake in millions of U.S. dollars."<sup>19</sup>

### Buying Zimbabwe's Assets

The growth of Tagwirei's portfolio during Mnangagwa's first years in office was indeed dramatic.

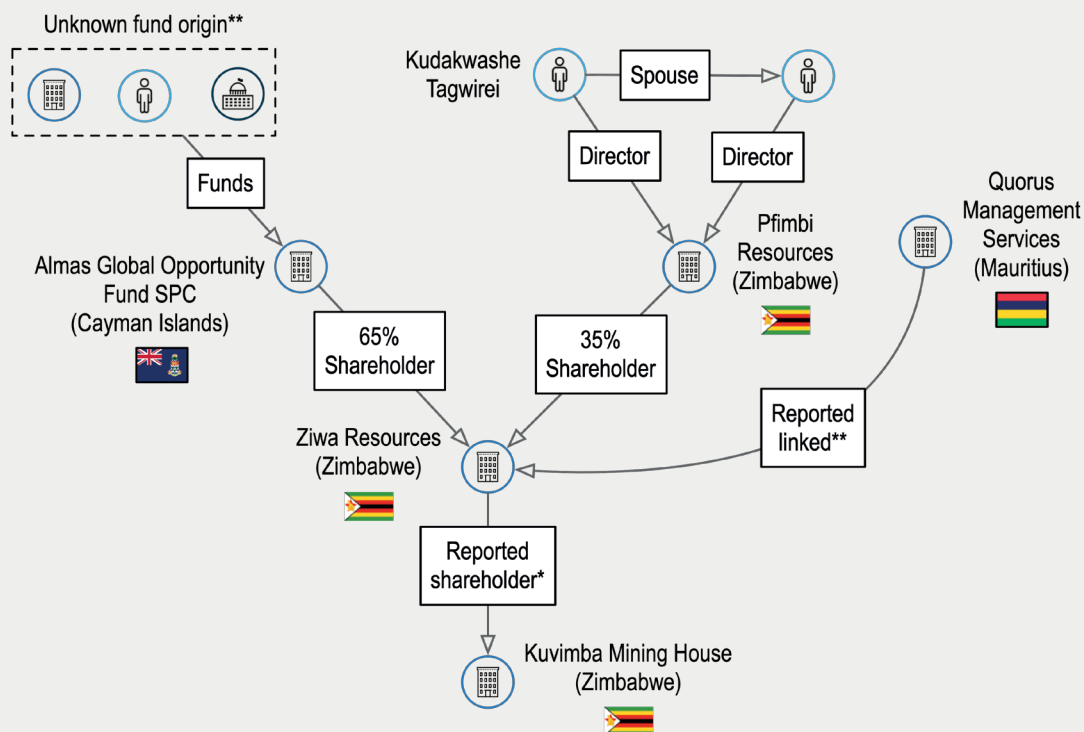
Between 2018 and 2020, Sotic and its subsidiaries:

- entered into an arrangement to buy 85% of ZimAlloys, a ferrochrome producer based in Gweru, in the center of Zimbabwe.<sup>20</sup>



## Tagwirei's Kuvimba Connection

Corporate records indicate that Tagwirei appears to be involved in Kuvimba Mining House, despite denials. Source: The Sentry.



\* In an interview with the state-owned newspaper The Herald, the Kuvimba CEO reportedly said, "There are a number of Government groups that form the 65 percent; the other 35 percent is owned by Ziwa, which is wholly owned by Quorus in Mauritius and Tagwirei is not part of that vehicle."<sup>53</sup>

\*\* The origin of the funds used by Almas Global Opportunity Fund could be a third-party investor, the government of Zimbabwe as reported by The Herald, or even Tagwirei himself, given that he previously used the Almas Global Opportunity Fund to invest in Sotic International, a Mauritius holding company he controlled.

## Platinum Payment to the Zimbabwean Military

In 2019, Tagwirei's Landela Mining Ventures paid at least \$21.5 million to Great Dyke Investments (GDI) as part of a deal by which it obtained a 50% stake in the joint venture company.<sup>‡</sup> The payment was a shareholder loan to match the money already invested by the other 50% shareholder Afromet, a Russian subsidiary of Vi Holdings, a Russian industrial conglomerate.<sup>54</sup>

In addition to that \$21.5 million payment from the parent company, Landela Mining Ventures, to the subsidiary, GDI, correspondence reviewed by The Sentry indicates that Tagwirei made a payment to GDI's former 50% shareholder, Pen East Mining, a company controlled and owned, at least in part, by Zimbabwe's mil-

<sup>‡</sup> Unless otherwise specified, all dollar amounts are given in USD.



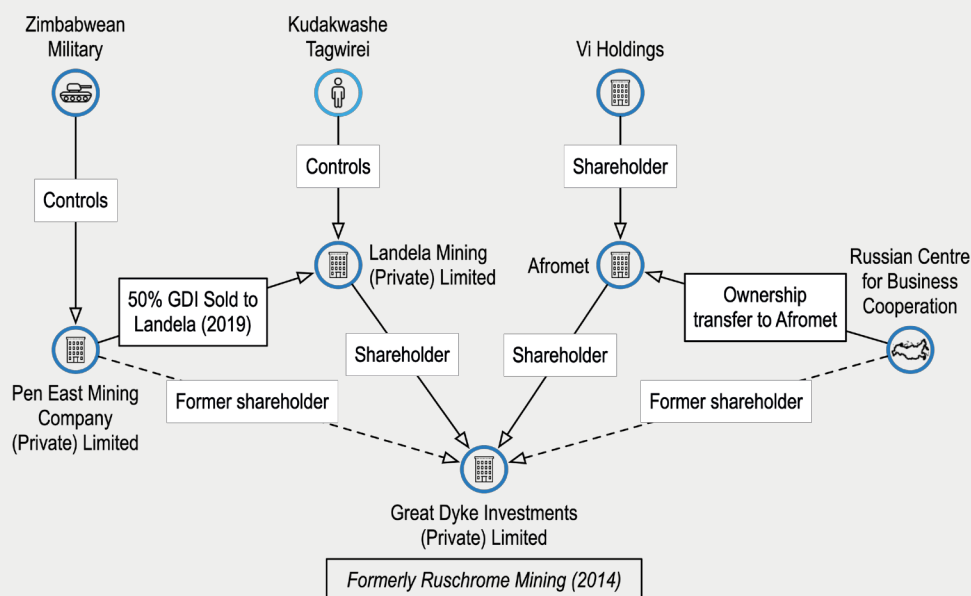
itary.<sup>55</sup> Different documents indicate a range of potential payments made by Tagwirei to Pen East in 2019: from ZWL\$46 million, to ZWL\$300 million, to \$11 million, or possibly even as much as \$220 million—and this is on top of the \$21.5 million paid to GDI.<sup>56</sup>

Internal communications reviewed by The Sentry cite GDI as having a gross asset value of “well in excess” of \$600 million.<sup>57</sup> In March 2020, the two shareholders of GDI each sold 2.2% of the company to Fossil Mines, owned by Tagwirei’s reported frequent business partner Obey Chimuka. The \$30 million paid for that 4.4% stake implies a valuation of about \$680 million for GDI.<sup>58</sup> Projected revenues and lifetime earnings before tax, interest, depreciation, and amortization run into the billions, according to financial projections presented to a potential funder.<sup>59</sup>

These 2019 transactions came just months after the Motlanthe Commission into the post-election violence of August 1, 2018, found that the Zimbabwe Defence Forces (ZDF) had used “unjustifiable” force in killing 6 demonstrators.<sup>60, 61, 62</sup> Although the run-up to the 2018 election was peaceful, the ZDF has a long history of using violence against opposition supporters, most notably in the 2002 and 2008 elections, creating a well-understood backdrop to every election that the military would exercise a veto over any party other than Zimbabwe African National Union-Patriotic Front (ZANU-PF) coming to power.<sup>63</sup>

The involvement of Zimbabwe’s military in GDI reportedly deterred potential lenders needed for the capital investment to commence mining.<sup>64</sup> Documents reviewed by The Sentry show the three-way negotiations between Pen East, Tagwirei, and the Russians as they grappled with the replacement of one controversial partner by another.<sup>65</sup>

Controversial tycoon Kudakwashe Tagwirei appears to have paid tens of millions of dollars to a Zimbabwean military-owned company as part of a platinum mining deal. The move raises concerns about off-budget funding for an abusive and partisan security sector. Source: The Sentry.



A review of Zimbabwean company documents, Parliamentary proceedings, and open-source information found:

- Sakunda Properties and Warcos Investments had Tagwirei and his wife, Sandra Mpunga, as directors, and Warcos was likely used to finance the building of their home in Borrowdale, Harare.
- Tagwirei and his wife are the sole beneficial owners of Sakunda Holdings, according to its chief operating officer and company director, who gave evidence under oath to the Public Accounts Committee in Parliament on March 16, 2019.<sup>202</sup>

Records for Sakunda Energy, Sakunda Logistics, Pom Pom Investments, and Mabelreign Service Station were unavailable.

## Companies owned, part-owned, or controlled by Tagwirei or his business partners<sup>203</sup>

Name	Jurisdiction	Purpose
Sakunda Energy (Private) Ltd	Zimbabwe	Petroleum
Sakunda Holdings (Private) Limited	Zimbabwe	Holding company
Sakunda Properties (Private) Limited	Zimbabwe	Property
Sakunda Trading (Private) Limited	Zimbabwe	Fuel marketing and trading
Sakunda Logistics (Private) Limited	Zimbabwe	Logistics
Sakunda Petroleum (Private) Limited (Majority shareholding)	Zimbabwe	Fuel retail
Sakunda Agriculture (Private) Limited	Zimbabwe	Agriculture
Warcos Investments (Private) Limited	Zimbabwe	Property
Billheights Investments (Private) Limited	Zimbabwe	Petroleum wholesale and bulk fuel supplier
Bionest Investments (Private) Limited t/a Trek Petroleum	Zimbabwe	Fuel retail
Balesite Investments (Private) Limited, name changed to African Connection Logistics (Private) Limited	Zimbabwe	Logistics
Landela Mining Ventures (Private) Limited	Zimbabwe	Mining
Landela Investments (Private) Limited	Zimbabwe	Investments
Great Dyke Investments (Private) Limited (50%)	Zimbabwe	Platinum mine
Bindura Nickel Corporation Limited (Majority shareholding)	Zimbabwe	Nickel mine
Freda Rebecca Holdings (Private) Limited and subsidiary, Freda Rebecca Gold Mine (Private) Limited (Majority shareholding)	Zimbabwe	Gold mine



Chervantes Investments (Private) Limited	Zimbabwe	Was to be used to buy Chemplex
Landela Infrastructure (Private) Limited	Zimbabwe	Infrastructure
Landela Energy (Private) Limited	Zimbabwe	Energy
Landela Infrastructure (Private) Limited	Zimbabwe	Infrastructure
Takutata (Pty) Limited	South Africa	Trading and investment
Suzako Investments (Pty) Limited	South Africa	Commodity trading and investment
Redfox Management (Pty) Limited	South Africa	Management consulting
East Africa Supply and Trading (Pty) Limited	South Africa	Commodity trading and investment
African Connection Logistics SA (Pty) Limited	South Africa	Logistics
ACL Transport Solutions (Pty) Limited	South Africa	Transport and logistics
ACL Bulk Packaging Solutions (Pty) Limited	South Africa	Logistics and packaging
Sotic International Limited	Mauritius	Holding and trading company
Sotic Trading Limited	UAE	Trading
Sotic Singapore Pte Limited	Singapore	Trading and investment
SOTIC South Africa (Pty) Limited	South Africa	Trading and investment
Pfimbi Limited	Mauritius	Holding company
Pfimbi Resources (Private) Limited	Zimbabwe	Mining
Ziwa Resources (Private) Limited	Zimbabwe	Mining
Caladius Investments Limited	Mauritius	Logistical services
Cascade Imperial (Pty) Limited	South Africa	Logistics

