

BAM CONTRACTORS (I) LTD

MINUTE SHEET

Dokuz
No.

EXD

The approved project has fulfilled the investment requirements, which are: -

(a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 1.014m

(b) Legal entity has been incorporated under certificate

No. 52416-01 of 05/12/2013

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.


N. Senzia

DIF

6th December, 2013



2.

EXD

In response to the TIC letter of registration dated 6th December 2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from NMB Bank LTD

(c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 04286 herein attached.

30/04/2014



DIF

A



JAMHURI YA MUUNGANO WA TANZANIA

THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

EXCHEQUER RECEIPT

37897234

1

IFN. 614 (Rev. 8.94)

NIMEPOKEA KWA

Received from

BAM CONTRACTORS LIMITED

Shs.		Cts.
= 1,620,000 =		

JUMLA YA SHILINGI (Kwa majina)

The sum of Shillings (Words)

ONE MILLION SIX HUNDRED TWENTY THOUSAND ONLY

KWA MALIPO YA

In respect of

CERTIFICATE OF INCENTIVES

KWA PEDHA (TASLIMU) HANU

NAMBA

By Cash Cheque No

CASH

SAHIBI YA MPOKRAZI - Receiving Officer's

Signature

[Signature]

NAME - Title

CHEO - Taka

MANAGER

DATE - Date

15.4.14

ROfo - Station Tanzania Investment Centre SHZ OFFICE MBEYA

MPK-KUTA

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

	Nationality	Shareholding (%)
Laban B. Malilah	Tanzanian	24.4
Bernad A. Malilah	Tanzanian	73.2
Ismail B. Malilah	Tanzanian	2.4

2. Proposed Activities : **To establish and operate gold processing project**

3. Sector: **Manufacturing** Subsector **Gold processing**

4. Investment cost:

	Foreign USD 0m.	Local USD 1.014m.	Total USD 1.014m.
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5. Project Financing:

Equity	USD 0.264m.	Loans	USD 0.75m.	Total USD 1.014m.
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6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign USD 0m.	Local USD 1.014m.	Total USD 1.014m.
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8. Technology Agreement **None**

9. Date of TIC Registration: **6th December, 2013**

10. Implementation period **December 2013 - November 2016**

11. Operative date **December 2016**

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act 1997**
 - As per Income Tax Act, 2004 (as amended)**
 - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate

Finished goods are not allowed under this Certificate

Signed  Executive Director



00220839

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042566

This is to certify that

BAM CONTRACTORS (T) LIMITED

of address P.O. BOX 1744

MBEYA

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/extension~~ enterprise known as

BAM CONTRACTORS (T) LIMITED

Which is located at **SHOGA AREA, SHOGA**

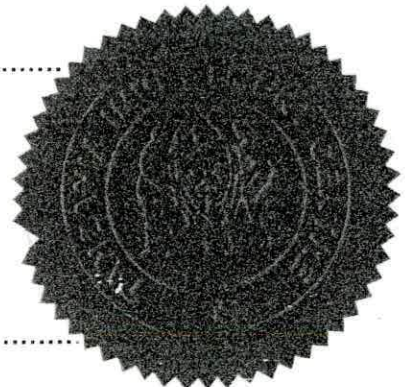
CHUNYA - MBEYA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 6TH DECEMBER, 2013





TIC Evaluation Report

Name of the Company
Bam Contractors (T) Ltd.

Post Box	Shoga Area, Chunya District	COI Number	52416-01	Contact	Mr. Bernad A. Malilah
Post Office	1744	COI Date	05/12/2005	Designation	Director
Region	Mbeya	Application F. No	11534	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0755 88 66 14
		Sub Sector	Gold Processing	Fax	0
		File No	042566	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Shoga Area	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.264</td> <td>0</td> <td>0.75</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.264	0	0.75			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.264		0	0.75									
Plot	Shoga												
District	Chunya												
Region	Mbeya												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.14
Ismail B. Malilah	Tanzanian	2.4	Plant	0.693
Laban B. Malilah	Tanzanian	24.4	Vehicles	0.13
Bernad A. Malilah	Tanzanian	73.2	Furniture & Fittings	0.005
			Pre-expenses	0.011
			Others	0
			Working Capital	0.035
			Total	1.014

Employment	19	Evaluated By	wf officer3
Capacity	8000 troy ounces pa.	Drawn By	wf registry2
Project Turn Over		Project Type	Local

Description

To establish and operate gold processing project in Chunya District

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision

APPROVED BY EXD

Sign:

Date: 02/12/13

TICC/PP.10/042566/3

6th December, 2013

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

We wish you every success in the implementation of the project.

Yours sincerely,

Tanzania Investment Centre



Juliet R. Kairuki

EXECUTIVE DIRECTOR

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry, Trade and Marketing,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM

TICC/PP.10/042566/3

6th December, 2013

Managing Director,
Bam Contractors (T) Ltd,
P.O. Box 1744,
MBEYA

**RE: CERTIFICATE OF INCENTIVES FOR GOLD PROCESSING PROJECT
IN CHUNYA, MBEYA**

We wish to acknowledge receipt of your project proposal to establish gold processing in Chunya, Mbeya as presented in the tic P.A. 1 Form No. 11534 and Feasibility Study with a projected investment amounting to USD 1.014m.

We are pleased to inform you that your investment proposal is officially registered by TIC and therefore the project will be granted a certificate of incentives under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997.

Also be informed that you will have to submit a project implementation Progress Report on the implementation of the project in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of the Certificate of Incentives. Please make deposit direct to the bank as per bank details below:-

BAM CONTRACTORS (T) LIMITED

1

P.O. Box 1744 MBEYA; Tel: +255 755 886614

November 10 2013

Ref. No: BCL/TIC/2013/1

Executive Director
Tanzania Investment Centre
P.O. Box 938
Dar es Salaam



RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are planning to establish and operate a gold processing project at Shoga area in Chunya District. It is against this background that we hereby submit our application for TIC Certificate of Incentives to facilitate smooth implementation of the project.

Attached herewith please find the following basic documents for ease of reference and approval:

1. Three copies of Application for TIC Certificate of Incentives form
2. Certified true copy of Certificate of Incorporation.
3. A copy of Company Memorandum and Articles of Association
4. One copy of project Feasibility Study Report
5. Lease Agreement Document in respect of the project location
6. A Letter of Reference from the Bank
7. Company Board Resolution to register the project with TIC

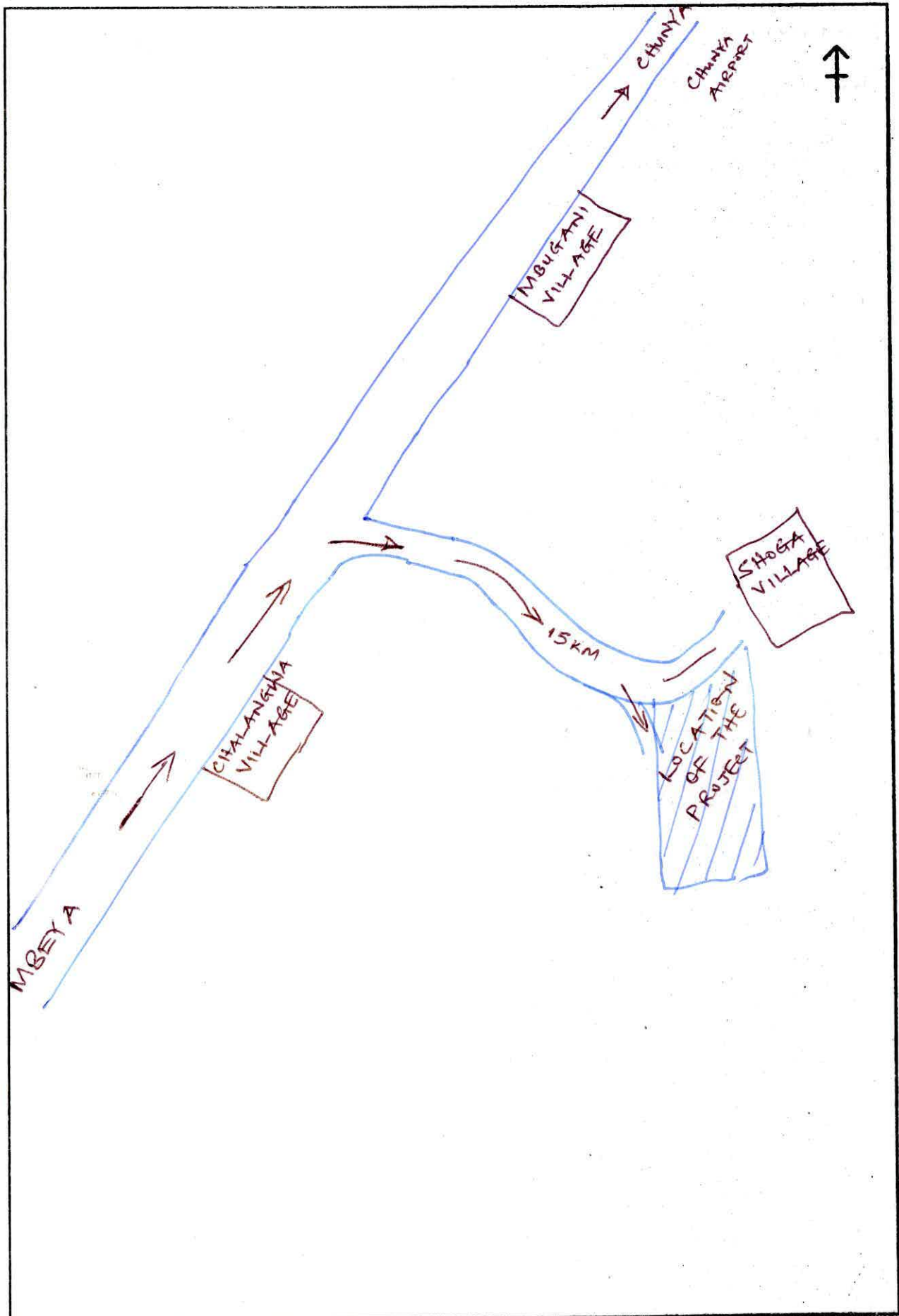
Thanking you for your kind cooperation.

Yours sincerely,
BAM CONTRACTORS (T) LIMITED

Bernad A. Malilah
Managing Director



SKETCH MAP SHOWING PROJECT LOCATION



Investment Breakdown US\$/Tshs.M

Land/Building 140,000
Plant, MACHINERY & EQUIPMENT 693,000
Vehicles 130,000
Furniture & Fittings 5,000
Pre-expenses 11,000
Others -
Working Capital 35,000
TOTAL 1,014,000

Contact Details:

Name: BERNAD A. MALILAH Title: DIRECTOR
Telephone: +255 755 886614 Fax: -
Email: -

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000

APPLICATION SUMMARY

Company Name: BAM CONTRACTORS (T) LIMITED

Certificate of Incorporation Number: 52416 Status: NEW

Certificate of Incorporation Date: 12TH MAY 2005

Post Box: 1744

Town: MBEYA

Sector: MANUFACTURING Sub-Sector: GOLD PROCESSING

Investment Financing Plan in Million US\$/Tshs:

Foreign Equity	Local Equity	Foreign Loan	Local Loan	TOTAL
.....	<u>264,000</u>	.....	<u>750,000</u>	.....

Project Objectives: TO ESTABLISH AND OPERATE A
GOLD PROCESSING PROJECT IN CHUNYA DISTRICT

Capacity: 8,000 TROY OUNCES P.A

Employment: Foreign: 0 Local: 19 Total: 19

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: SHOGA AREA

Street: SHOGA District: CHUNYA Region: MBEYA
 (Attach sketch map showing project location)

Shareholders	Nationality	%
① <u>BERNAD A. MALILAH</u>	<u>TZ</u>	<u>73.2%</u>
② <u>LABAN B. MALILAH</u>	<u>TZ</u>	<u>24.4%</u>
③ <u>ISMAIL B. MALILAH</u>	<u>TZ</u>	<u>2.4%</u>
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 1,014,000

8. The month and day of the financial year end is 31ST DECEMBER

Note: **failure to provide all the required information will result in the return of the application by the Centre.**

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 160,000 Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

I, BERNAD A. MALILAH of Post Office Number 1744

MBEYA do solemnly and sincerely declare that I am a director/duly

authorized agent of BAM CONTRACTORS (T) LTD

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

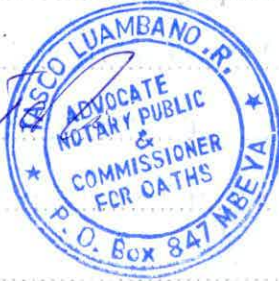
Declared at MBEYA }
Dar es Salaam }

The day of 2013 }


Applicant

Before me:

Jasco Luambano
Commissioner for Oaths



UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/we BERNAD A. MALILAH
(director/directors/agent of BAM CONTRACTORS (T) LIMITED
(name of business enterprise) apply for registration of BAM CONTRACTORS (T) LTD
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at SHOGA AREA IN
CHUNYA DISTRICT, MBEYA.

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the **implementation period**, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at KIHATA AREA, MBINGA DISTRICT.
4. The Principal Officers of the Company are ① BERNAD A. MALILAH
② LABAN B. MALILAH ③ MICHAEL KENNETH
④ MANASE A. MALILAH
5. Auditors of the Company are MWAKATABE (SINDE MBEYA)
6. The authorized share capital of the Company is Tshs./US\$ 2,000,000/=



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

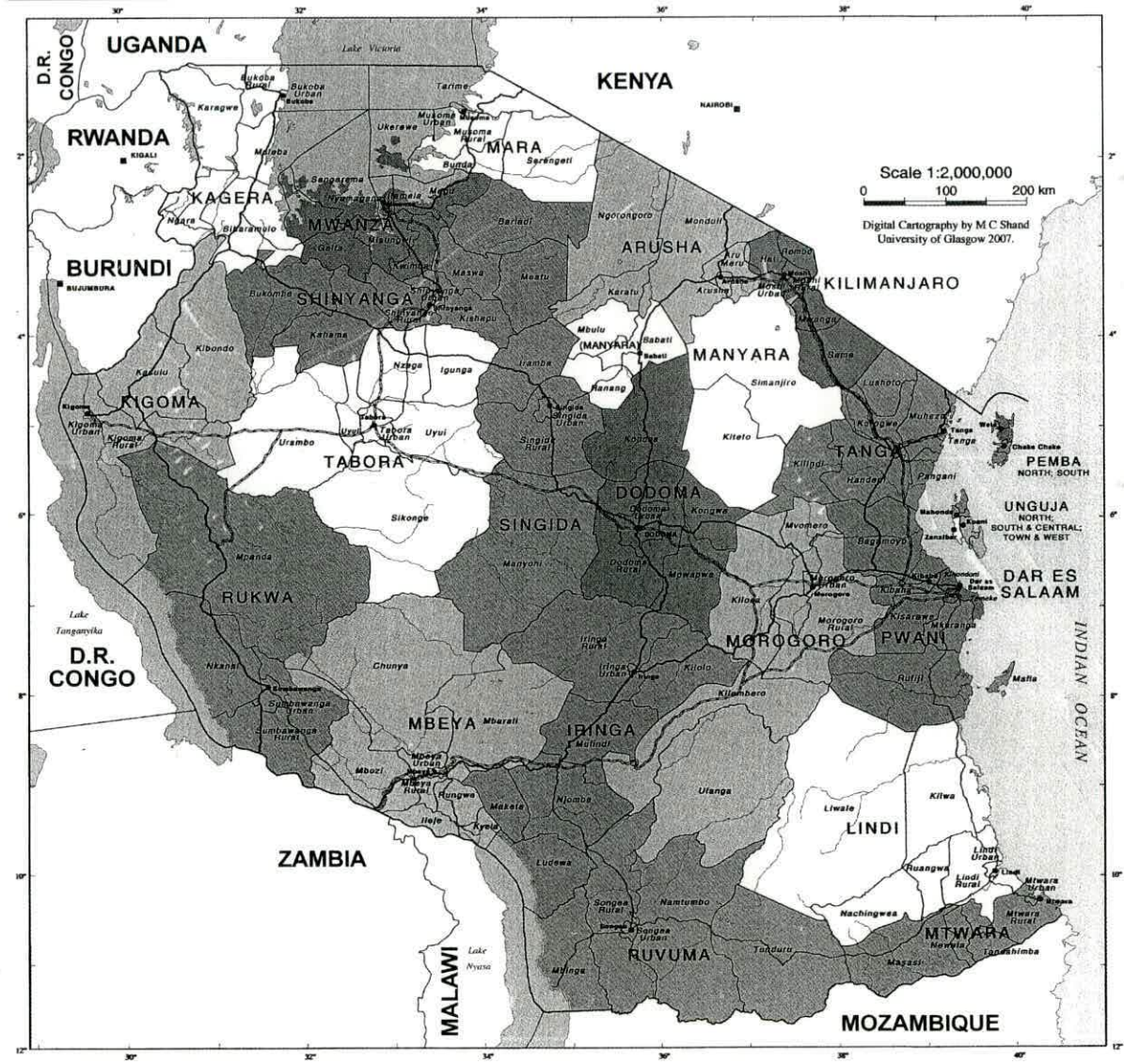
FOR

CERTIFICATE OF INCENTIVES

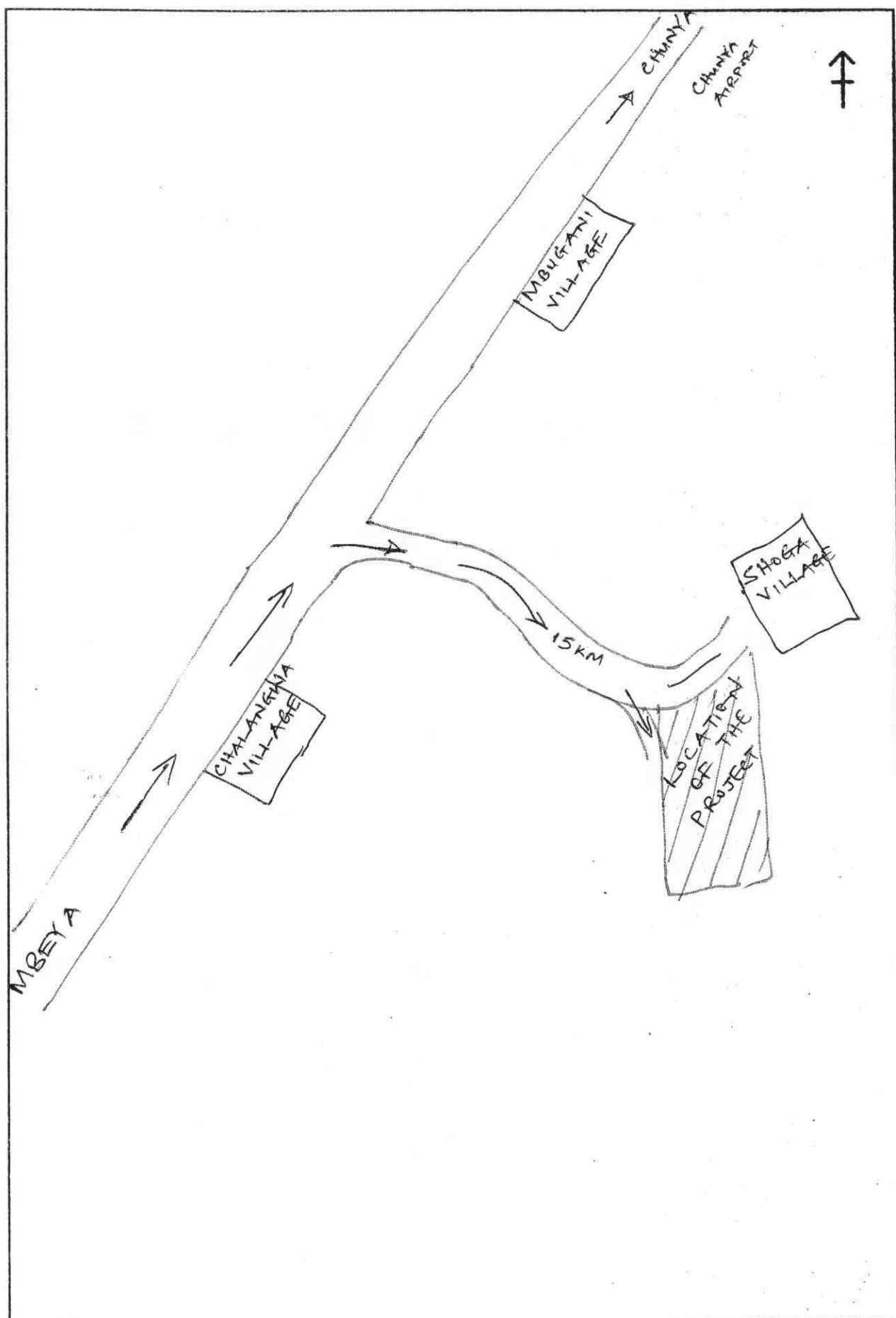
**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)



SKETCH MAP SHOWING PROJECT LOCATION



Investment Breakdown **US\$/Tshs.M**

Land/Building	..... 140,000
Plant, MACHINERY & EQUIPMENT	..... 693,000
Vehicles	..... 130,000
Furniture & Fittings	..... 5,000
Pre-expenses	..... 11,000
Others —
Working Capital	..... 35,000
TOTAL	..... 1,014,000

Contact Details:

Name: BERNAD A. MALILAH Title: DIRECTOR
Telephone: + 255 755 886614 Fax: —
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SWIFT ADDRESS: SCBLTZTX
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Company Name: BAM CONTRACTORS (T) LIMITED

Certificate of Incorporation Number: 52416 Status: NEW

Certificate of Incorporation Date: 12TH MAY 2005

Post Box: 1744

Town: MBEYA

Sector: MANUFACTURING Sub-Sector: GOLD PROCESSING

Investment Financing Plan in Million US\$/Tsh:

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>264,000</u>	<u>750,000</u>

Project Objectives: TO ESTABLISH AND OPERATE A
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Capacity: 8,000 TROY OUNCES P.A

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Project Location

Site/Plot/Block No.: SHOGA AREA

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(Attach sketch map showing project location)

Shareholders	Nationality	%
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7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,014,000

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Declared at MBEYA Dar es Salaam


Applicant

The day of 2013.

Before me:

Jasco Luambano
Commissioner for Oaths



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6. The authorized share capital of the Company is Tshs./US\$ 2,000,000/=



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

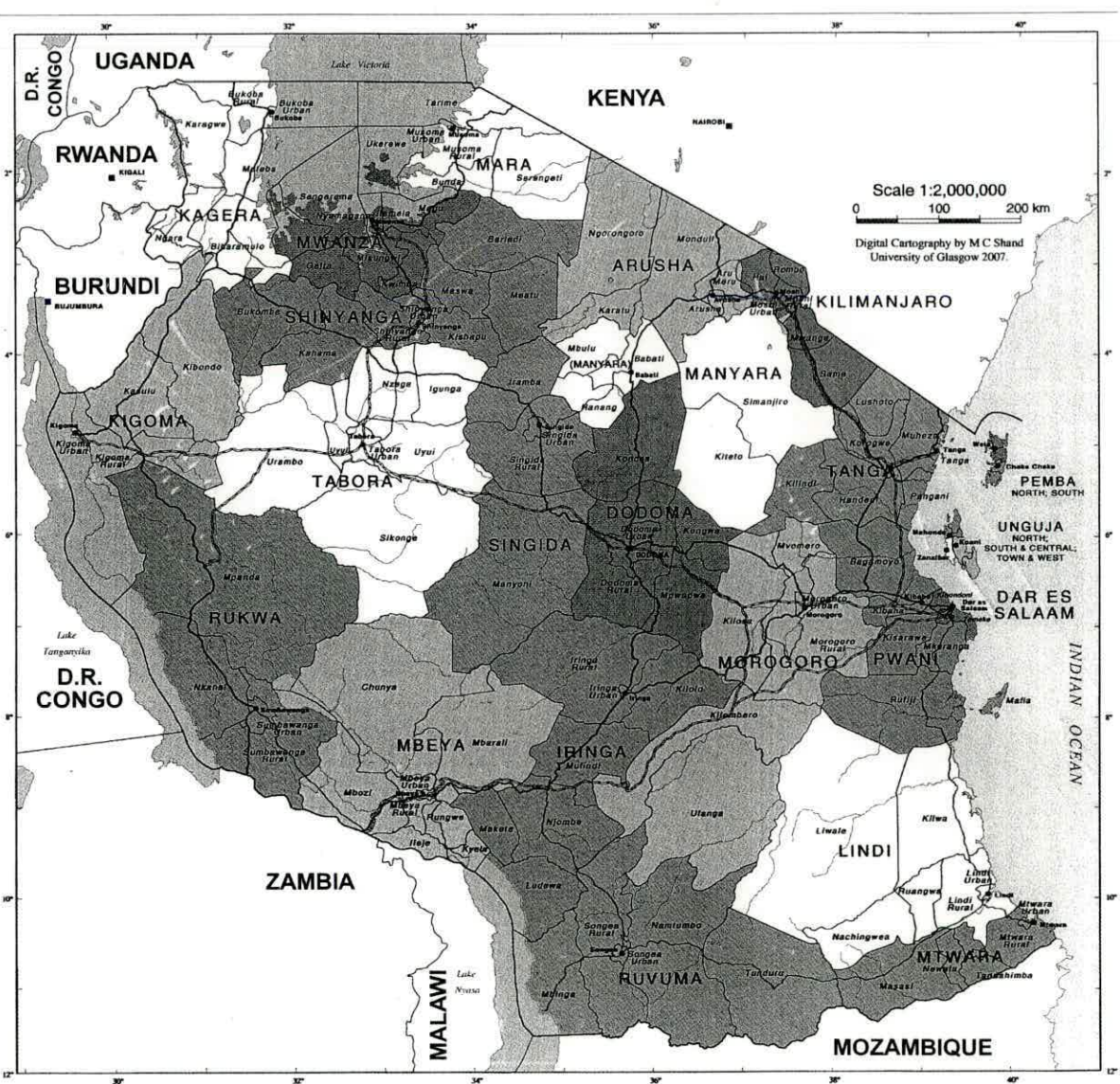
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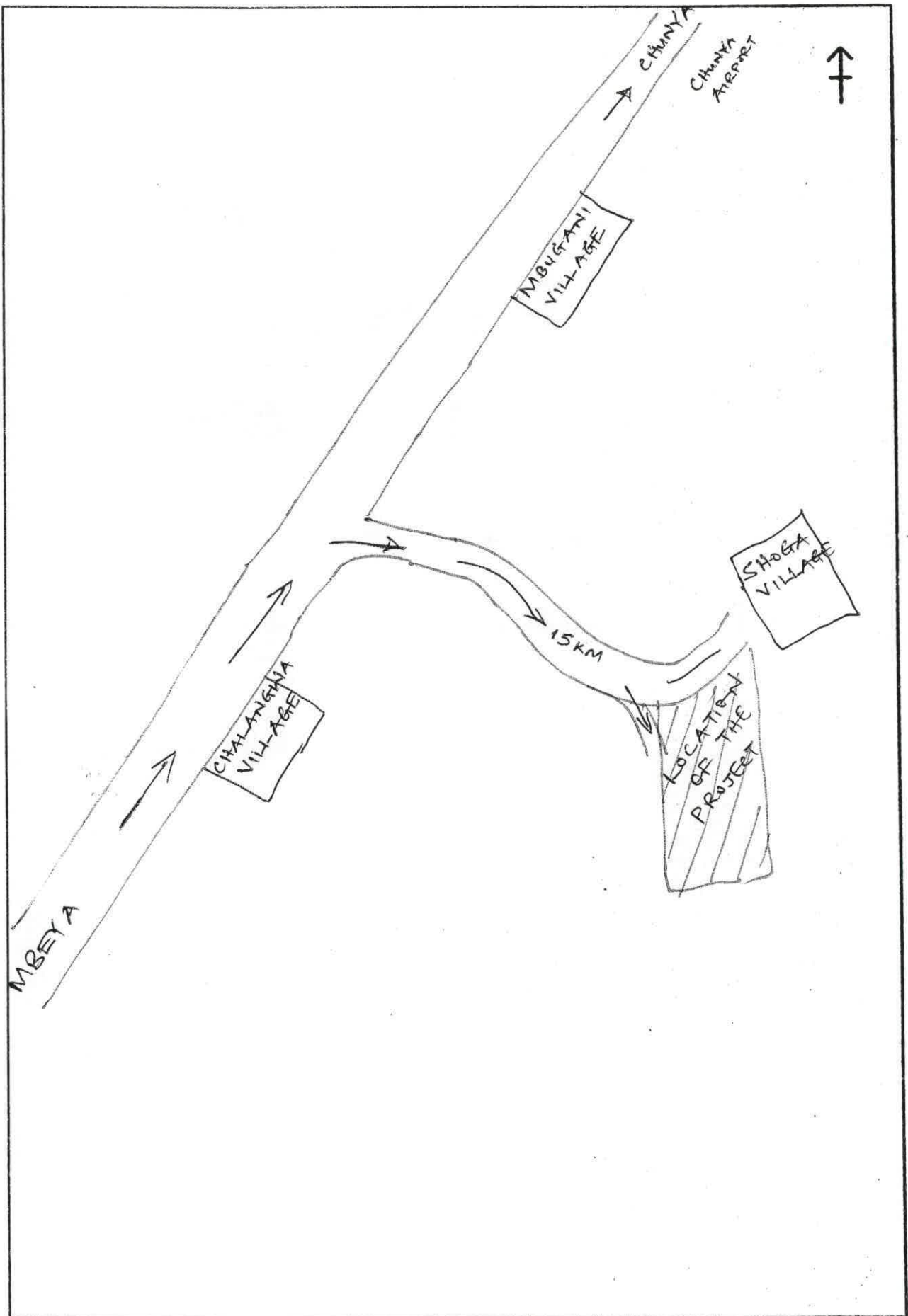
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Working Capital 35,000
TOTAL 1,014,000

Contact Details:

Name: BERNAD A. MALILAH Title: DIRECTOR
Telephone: +255 755 886614 Fax: —
Email: —

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: **SCBLTZTX**
ACCOUNT NO.: **8702006002000**

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Certificate of Incorporation Number: 52416 Status: NEW

Certificate of Incorporation Date: 12TH MAY 2005

Post Box: 1744

Town: MBEYA

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MBEYA do solemnly and sincerely declare that I am a director/duly authorized agent of BAM CONTRACTORS (T) LTD

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Declared at MBEYA Dar es Salaam }

The day of 2013 }

[Signature]
Applicant

Before me:

Josco Luambano
Commissioner for Oaths



UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

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(2) LABAN B. MALILAH (3) MICHAEL KENNETH
(4) MANASE A. MALILAH
5. Auditors of the Company are MWAKATABE (SINDE, MBEYA)
6. The authorized share capital of the Company is Tshs./US\$ 2,000,000/-



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)

Tanzania Investment Centre
9A & B Shaaban Robert Street
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DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

TANZANIA



Certificate of Incorporation

No 52416

I HEREBY CERTIFY THAT

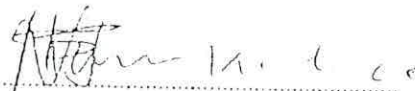
BAM CONTRACTORS (T)

Limited

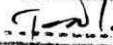
is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es salaam

this 12TH day of MAY
TWO THOUSAND AND FIVE


Assist. Registrar of Companies

CERTIFIED TRUE COPY OF THE ORIGINAL
TASCO R. LUAMBANO
ADVOCATE, NOTARY PUBLIC &
COMMISSIONER FOR OATHS

Sign:  Date: 14/12/2012

BAM CONTRACTORS (T) LIMITED

P.O. Box 1744 MBEYA; Tel: +255 755 886614

EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING HELD AT HILL VIEW HOTEL IN MBEYA CITY ON 3RD DAY OF NOVEMBER 2013

Present:

- | | | |
|----------------------|---|-------------------|
| 1. Bernad A. Malilah | - | Chairman/Director |
| 2. Laban B. Malilah | - | Director |
| 3. Michael Kenneth | - | Secretary |

AGENDA NO. 1/2013: APPLICATION FOR TANZANIA INVESTMENT CENTRE (TIC) CERTIFICATE OF INCENTIVES

At its meeting on 3rd November 2013 at around 15.15 hrs, the Board of Directors of BAM Contractors (T) Limited resolved to apply for the Certificate of Incentives from TIC to facilitate development and operation of gold processing project at Shoga Area in Chunya District.

The Board resolved further that:

- o This Certificate shall be used only for the purpose of the stated project and not otherwise.
- o Mr. Bernad A. Malilah, the Director and Shareholder of this company be and is hereby authorized, directed and empowered to execute for and on behalf of this company and its name any and all documents required in connection with this application.

The meeting was closed by the Chairman at around 16.20 hours.


.....
Chairman

BAM CONTRACTORS (T) LIMITED
P. O. Box 1744
MBEYA


.....
Secretary

NMB

MBINGA BRANCH,
P.O.BOX 4,
TEL: 025-2640072,
FAX: 025-2640306,
MBINGA

15.12.2012

TANZANIA INVESTMENT CENTRE(TIC),
P.O.BOX 1316,
MBEYA

RE: BAM CONTRACTORS TANZANIA LTD

Reference is made to the above subject.

This letter serves to introduce to you **BAM CONTRACTORS TANZANIA LTD**, a company that has been maintaining and operating successfully a business account No: **61703500197** with us since year 2006.

Please accord the director of the company all necessary assistance that will enable him accomplish his mission.

Thanking you in advance,

Anthony

LUGANO MWAMPETA
BRANCH MANAGER



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999

PRIMARY MINING LICENCE

No. 0000929

The Mining Act, 1998

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 30th day of MARCH 2000 to 29th Day of MARCH 2005 is hereby granted to MR MANASE A. MALILA, BERNARD A. MWAKIKUSI AND MAIKO KENETH OF P.O. BOX 956, MBEYA. AT SHOGA, CHUNYA. SHEET 229/3. AREA: 8.36 Hg. (here insert name, address and description of the primary mining licence) of to prospect and mine for (type of mineral) REEF GOLD within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 41,800/=

E.R.V. No. 06141323 of 3-5-2000

[Handwritten signature]



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999

PRIMARY MINING LICENCE

No. 0000928

The Mining Act, 1998

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 30th day of MARCH 2000 to 29th Day of MARCH 2005 is hereby granted to MR. MANASE A. MALILA, BERNARD A. MWAKIKUSI AND MAIKO KENETH, OF P.O. BOX 956, MBEYA, AT SHOGA, CHUNYA SHEET 229/3. AREA: 8.36 Ha. (here insert name, address and description of the primary mining licence) of to prospect and mine for (type of mineral) REEF GOLD within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 41,800/=

E.R.V. No. 0541323 of 3-5-2000
 This 29th day of MAY 2000

[Signature]
 Commissioner for Minerals



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999

PRIMARY MINING LICENCE


No. 0000927

The Mining Act, 1998

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 30th day of MARCH 2000 to 29th Day of MARCH 2005 is hereby granted to MR. MANASE A. MALILA, BERNARD A. MWAKIKISI, AND MAIKO KENETH. OF P.O. BOX 956, MBEYA. AT SITOGA, CHUNYA, SHEET 229/3. AREA:- 8.36 Ha. (here insert name, address and description of the primary mining licence) of to prospect and mine for (type of mineral) REEF GOLD within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 41,800/=

E.R.V. No. 06141323 of 3-5-2000

This 29th day of MAY 2000

 Commissioner for Minerals



THE UNITED REPUBLIC OF TANZANIA

THE MINING (MINERAL RIGHTS) REGULATIONS, 1999

PRIMARY MINING LICENCE

No. 0000946

The Mining Act, 1998

The exclusive right, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force or which may come into force during the continuance of this primary mining licence or any renewal thereof, from the 22ND day of FEB. 2000 to 21ST Day of FEB. 2005

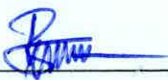
hereby granted to MR. MANASE A. MALILA, BERNARD A. MWAKIKUSI AND MAIKO KENETH OF P.O BOX 956, MBEYA AT SHOGA, CHUNYA. 229/3 AREA: 8.36 Ha. (here insert name, address and description of the primary mining licence) of REEF GOLD to prospect and mine for (type of mineral) within the area described on the application for registration of this primary mining licence and on the plan attached thereto,

RENT: Shs. 41,800/=

E.R.V. No. 05141323 of 3/5/2000
 This 29TH day of MAY. 2000


LESSEE

For and on behalf of the LESSEE BAM CONTRACTORS (T) LIMITED

NAME BENARO A. MALILA
SIGNATURE 
POSTAL ADDRESS Box 1744 MBEYA
QUALIFICATIONS Director

BAM CONTRACTORS (T) LIMITED
P.O. Box 1744
MBEYA

WITNESS TO ABOVE SIGNATURES

NAME Jasco Luambano
SIGNATURE 
POSTAL ADDRESS Box 841 MBEYA
QUALIFICATIONS Advocate



LESSORS

SIGNED by the LESSOR, M/S MANASE A. MALILA on the 1st day of Nov 2013

NAME MANASE A. MALILA

SIGNATURE 

POSTAL ADDRESS 1744 MBEYA

QUALIFICATIONS DIRECTOR

SIGNED by the LESSOR, BERNARD A. MWAKIKUSI on the 1st day of Nov 2013

NAME BERNARD A. MWAKIKUSI

SIGNATURE 

POSTAL ADDRESS BOX 1744 MBEYA

QUALIFICATIONS DIRECTOR

SIGNED by the LESSOR, M/S MAIKO KENETH on the 1st day of Nov 2013

NAME MAIKO KENETH

SIGNATURE 

POSTAL ADDRESS BOX 1744 MBEYA

QUALIFICATIONS DIRECTOR

5.2 Not to prevent the Lessor and/or his agent with or without workmen, at reasonable time of the day, after reasonable notice to the Lessee in that respect, to enter upon the premises to examine and/or execute major repairs to the said premises under the Lessor's covenants in that behalf.

5.3 To use the premises for lawful business purposes

5.4 To keep the premises and fixtures in good state of repair

5.5 Not to make any alterations or additions to the premises without the written consent of the Lessor

5.6 Not to do anything that will invalidate the insurance policy or cause an increase of risk and premium and pay for such damages unless the Lessor is eligible for insurance compensation

5.7 Unless the lease is renewed, within three months prior to the expiry of the contractual period, to surrender vacant possession of the premises to the Lessor

5.8 Either party may terminate the lease by giving the other party three months notice in writing of the desire to do so, any time from 12 months after this lease has become effective, on FIRST day of NOVEMBER 2013

5.9 If at any time during the lease the property becomes damaged by fire, not attributable to the Lessee, or by major forces and it becomes unfit for habitation/intended business, the Lessor shall afford the Lessee acceptable alternative accommodation/business premises or terminate the lease.

6. DISPUTE RESOLUTION

All the disputes arising out of the terms of this agreement shall be settled through negotiations or arbitration.

IN WITNESS WHEREOF; the parties hereto have set their respective hands on the day and the year in the manner herein below appearing:

LEASE AGREEMENT

1. THIS AGREEMENT made this FIRST day of NOVEMBER 2013 between MANASE A. MALILA, BERNARD A. MWAKIKUSI & MAIKO KENETH of P.O. Box 956 MBEYA, Tanzania (hereinafter referred to as "the Lessor") of the one part and BAM CONTRACTORS (T) LIMITED of P.O. Box 1744 MBEYA, Tanzania (hereinafter referred to as "the Lessee") of the other part.

2. WHEREAS the Lessors are the owners of land with Primary Mining Licenses No. **0000946, 0000927, 0000928** and **0000929** situated at SHOGA AREA IN CHUNYA DISTRICT, MBEYA and are desirous of leasing THE LAND (hereinafter referred to as the "Demised Premises") to the Lessee for a consideration of TSHS 1,000,000 (ONE MILLION ONLY) per month and,

3. WHEREAS the Lessee is desirous of taking in lease the abovementioned Demised Premises for the same consideration and upon the conditions and the terms hereinafter appearing.

4. NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

4.1 The period of tenancy herein referred as the "Contractual Period" shall be for Ten (10) years starting from the FIRST day of NOVEMBER 2013 to the THIRTY FIRST day of OCTOBER 2023 with an option for renewal following three months prior to the expiry date.

4.2 The monthly rent shall be TSHS 1,000,000 (SHILLINGS ONE MILLION ONLY) payable twelve months in advance and the receipt of the first such payment shall be signified by signing of the agreement.

5. THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS FOLLOWS

5.1 Not to assign, sublet or part with the possession of the premises or any part thereof without the written consent of the Lessor.

Name, Address and Description of the Subscribers	No of Shares Taken	Shares in	Signature
1. BERNAD A. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	300		<i>Bernad</i>
2. LABAN B. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	100		<i>Laban</i>
3. ISMAIL B. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	10		<i>I. Malilah</i>

DATE at DORRE SALAAM this 10th

WITNESS to above Signatures.....

NAME: A.P. BETHUEL

ADDRESS: P.O. Box 2203 Dorre

QUALIFICATION: ADVO

SIGNATURE:



WINDING UP

14. with the sanction of a Special Resolution of the shareholders any part of the assets of the Company including any share in other Companies may be divided between the members of the Company in specie or may be vested in Trustees for the benefit of such members and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares whereupon there is any ability.
15. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application (Under section 345 of the ordinance) in which relief is granted to him by the court.

ALTERATION OR ADDITIONS

16. Subject to the provisions of the Ordinance and to those contained in the Memorandum of Association the Company may by special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those Articles and be subject in like manner to alteration by special Resolution.

9. A resolution in writing signed by the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
10. The Directors may from time to time borrow or raised any moneys for the purpose of the Company which may exceed the issued share capital of the Company.

BORROWING POWERS

11. The Directors may raise or borrow for the purpose of the Company's business such sum or sums of money as they think fit and they may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future including its uncalled or an issued capital or by the issue, at such price as they may think fit, or bonds or debentures, either charge upon the whole or any part of the property and assets of the Company, or not charged or in such other way as the Directors may think expedient.

ALTERNATE DIRECTORS

12. Each Director may nominate a person, who shall be approved off in writing by the other Director, to act as alternate in his place during his absence from Tanzania or inability to act as such Director. Such alternate Director shall be subject in all other respects to the terms and conditions existing with reference to the Directors of the Company, and such alternate Director whom he represents and in the case of an alternate Director being unable to act during the absence or inability to act as the Director whom he represents he may subject to the like approval of the other Directors appoint a duly qualified person to act in his place.

SECRETARY

13. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

be sold to him, provided that no shareholder shall be obliged to take more than maximum number of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer the single shareholder who shall have agreed to purchase the same.

4 Article 39 to 53 Table 'A' shall apply subject to the following variations:

(a) A General Meeting, Ordinary or Extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.

(b) Two members, present either personally or by proxy shall be from quorum.

(c) Any ordinary resolution of the Company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the Company holding three fourths of the issued shares of the Company shall be valid and effectual as an ordinary resolution duly passed at a General Meeting of the Company.

DIRECTORS

6 (a) Until otherwise determined by the Company in General Meeting the Directors shall not be less than two and not more than seven in number.

(b) The following persons shall be the first Directors of the Company:-

1. BERNARD A. MALILAHA
2. LABAN B. MALILAH
3. ISMAIL B. A. MALILAH

7 The share holding qualification for Directors may be fixed by the Company in General Meeting, and unless and until so fixed no qualification shall be required.

8 The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be two.

determination of such employment to be members of the Company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this article, be trusted as a single member.

- (c) Any invitation to the public to subscribe for share or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrant to bearer.

TRANSFER OF SHARES

- 1 The Directors may in their discretion and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
- 4 Subject to Clause 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows:-
 - (a) No share shall be transferred to a person who is not a member so long as any member or any person selected by the Directors as one who is desirable in the interest of the Company to admit to membership.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of Company as his agent for the sale of such shares to any member of members of the Company at a price to be agreed upon between the party giving such notice and the Board, or in case of difference to be determined by the Auditor of the Company
 - (c) Upon price of such shares being agreed to as determined as per Clause (b) above, the Board shall forthwith give notice to such or the shareholders other than the shareholders design to sell or transfer the said shares stating the number and price of such shares inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any if so what maximum number of such shares. At the expiration of such 21 days' notice the Board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as may now prorata according to the number of shares already held by them respectively, or if there be only one such share holder, the whole of such shares shall

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THE COMPANIES ORDINANCE (CAP. 212)
COMPANY LIMITED IN SHARES
ARTICLES OF ASSOCIATION OF
BAM CONTRACTORS (T) LIMITED

PRELIMINARY

1. In these regulations:-

"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanzania.

When any provision of the Ordinance is referred to; is that provision as modified by any laws for the time being in force.

Unless the context otherwise requires, the expressions defined in the Ordinance or any statutory modification thereof in force at the date at which those regulations become binding on the Company, shall have the meanings so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall includes bodies corporate, partnership, firms, cooperative societies etc.

The Regulation of Table 'A' in the first schedule to the Companies Ordinance (hereinafter called Table 'A' shall apply to the Company, save in so far they are varied or exclude hereby, but in case of any conflict between the provisions herein, and the provisions under Table 'A' the former shall prevail, and in addition to substitution shall be the Regulation of the Company.

PRIVATE COMPANY

2. The Company is a private Company and accordingly:-

- (a) The right to transfer shares is restricted in the manner hereinafter prescribed
- (b) The number of the members of the Company (exclusive of persons who are in this employment of the Company and of person who, having been formerly in the employment of the Company were while in such employment and have continued after the

Name, Address and Description of the Subscribers	No of Shares Taken	Shares in	Signature
1. BERNAD A. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	300		<i>Bernad</i>
2. LABAN B. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	100		<i>Laban</i>
1. ISMAH B. MALILAH B A M CONTRACTORS (T) LTD P.O. Box 428 MBINGA	10		<i>I. Malila</i>

DATE at *DARE SALAAM* this *10th*

WITNESS to above Signatures.....

NAME: *H.P. Bethuel*

ADDRESS: *P-O Box 2203 Dsm*

QUALIFICATION: *ADVO*

SIGNATURE:.....



5 The share of the company is Two Million shillings only.

(Tshs. 2,000,000.00) divided into hundred (1000) ordinary shares of ten thousand shillings (Tshs. 2000) each. Subject and without prejudice to the right attaché to any class of shares of the Company, whether part of the original or any increased special, qualified, preferred rights of and privileges or conditions as to capital, dividends, rights of voting or others, but so that any such rights, privileges or conditions shall not be altered or modified except in accordance wit Article of Association of the Company for time being in force. .

We the several persons whose names, addresses, occupation are subscribes, are desirous of being formed into a company is pursuance of this Memorandum of Association, and we respectively agreed to take number of shares in the capital of the company set opposite our respective names.

contracting loading, unloading and stevedore business and to conduct as general brokerage commission and customs houses, brokerage service business and to handle and forward for transportation by air, highway, water and rail, road between cities, towns, villages and other places in various parts of the world person, bills notes, packages, merchandise, luggage, goods, wares, parcels and other movable and personal property over and on such lines and routes as may from time to time exist and generally to act as agents for land and estate, charters, auctioneers, clearing and forwarding agents, insurance agents and agency in all its respective branches.

- (v) To carry on the business of motor vehicle garage and repairing and servicing of all types of vehicles and machineries and the business as dealers, wholesalers, retailers, distributors, agents, importers and exporters of hardware, motor vehicles, bicycles and its spares, agriculture and industrial machineries and spares, electrical machinery, accessories and spares of all kinds.
- (w) To purchase, own or otherwise acquire lands, real property, easements, rights and other property, real or personal for the purpose and conducive to the objects of the Compete including farming, cultivation of cassava, maize, potatoes, cereal crops and other agricultural crops which are suitable for the manufacture and production of starch and other derivatives aforementioned.
- (x) To carry on the business of petrol service station and deal in, diesel, oil, kerosene, mineral oil, crude oil, lubrication oil, grease and / or fuel oil of all kinds and all other kinds of mineral and petroleum products as an importers, dealer or distributors and servicing and repairing of vehicles of all types generally.
- (y) To carry on the business of imports of electrical goods of various kinds, machinery, computer calculators, metals, refrigerators, air-conditioners, cookers, textiles, building materials, industrial joinery spares, agricultural machinery.
- (z) To carry on business of all types of agricultural, dairy and industrial equipment, implement, machinery, implements, raw materials, spare parts for industrial, transport agriculture and minerals sector as an importer, exporter, distributors, wholesaler and retailer and also farming business.
- (aa) To amalgamate with any other company having objects altogether or in any part similar to those of this country.

4 The liabilities of members are limited.

- (m) To carry out the business of hotel restaurant café road house out court motel holiday camp and apartment house keepers.
- (n) To fit up furnish for the purpose of letting the same, of the visitors or guests whether in single room suites, chalets, cottages or other wise.
- (o) To buy, sell import produce, manufacture or other wise deal in food products, meat, groceries fruits, confectionery, wines, spirits, beer and other alcoholics beverages, tobacco, drug supplies beverages, limes, furniture and furnishing and other articles required in the said business of the Company.
- (p) To carry on any business, whether financial, manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with and the business of the company.
- (q) To carry on the business as importers, wholesalers, retailers, manufactures of and dealers in chemicals, gases, drugs, medicines, plasters, disinfectants, salts, acids, laboratory reagents and chemical photographic electrical, surgical, laboratory and scientific furniture, equipment, apparatus and materials.
- (r) To sink wells, and shafts, and to make, build and construct, lay down, acquire and maintain factories, engines, machinery, tramways, docks, plant and appliances and to execute and to do all other works and things necessary or convenient for working, obtaining, storing, treating, preserving, fining, mineralizing, bottling, canning and discharging any such fruit products or otherwise for the purpose of the company.
- (s) To carry on the business of veterinary surgeons in all its branches for the treatment of animals, cattle, sheep, goats, poultry and all livestock generally to attend animals dispense any medicine, perform operations and to do all other acts and things necessary for the carrying of the business of the veterinary dispensary and general pharmacy and to carry on business of wholesale and retail agricultural inputs and plant medicines of all kinds and dealers in surgical instrument appliances and deal in all requisites of veterinary hospitals.
- (t) To carry on the business or trade and deal in the export of all wild live birds, animals, and generally any kind of pets for sale and export, improve, import, deal and trade in carvings, paintings, curios, game skins, pottery, and coconut by-products, beeswax, meat ghee, cooking oils, corn flour, cloves, cheese and commodities from by-products of milk.
- (u) To engage in, conduct in and between any and all the regions and districts in Tanzania, neighboring countries and other foreign countries as agents or otherwise the business of general trucking, forwarding, cartage, storage, warehousing, distributing, wharf age,

THE COMPANIES ORDINANCE (CAP. 212)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
BAM CONTRACTORS (T) LIMITED

The name of the Company is "BAM CONTRACTORS (T) LIMITED".

The registered office of the Company will be situated in the United Republic of Tanzania.

The objects for which the Company is established are:-

- (a) To engage and or carry on the business of road constructions, engineering, general civil works, buildings, renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of gadgets whatsoever, to be timber-processors, sawmillers and suppliers of all kinds of timber, to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers of same.
- (b) To carry on the business as exporters, importers, suppliers, distributors, buyers, sellers, general merchants, worldwide traders, wholesalers, retailers, dealers in goods, stores, consumable articles, general merchandise and commodities, maize, rice, wheat and wheat flour, beans, tea, jute, bags, corn, sugar, beans, sisal, hides, leather products, leather goods, beeswax, honey, simsim instant coffee, raw coffee, coconuts and coconut products, green peas, food and cash crops including livestock farming of every kind.
- (c) To carry on the business of building, renovation and rehabilitation, dealers in water supply sewage and sanitation, electricity burglar proofing, roofing, ceiling and painting.
- (d) To carry on the business of fumigation of warehouses, living houses and grains.
- (e) To carry on the business of technical training in civil, mechanical and electrical engineering fields.
- (f) To carry on the business of tailoring in large scale and weaving with the installation of tailoring and weaving machine.
- (g) To carry on the business of milling grains, such as maize, finger, millet, millet.
- (h) To carry on the business of manufacturing furniture of all kinds with the installation of the manufacturing machines.
- (i) To carry on the business as transporters of public, general cargo haulers, agents and removal contractors of agents, transport agents, hires and proprietors of vehicles of all kinds however propelled.
- (j) To carry on the business of garage proprietors, dealers in hirers, repairers, cleaners, stores and warehouses of all kinds of vehicles, machinery, equipment and plant, whether moved by mechanical power or not, implements, utensils, appliances, apparatus, solutions, batteries and accessories and all things capable of being used in connection with the said business or in the manufacturer of maintenance as such vehicles, machinery, equipment and plant.
- (k) To amalgamate with any other company having similar or identical objects altogether or in part to those of this company.
- (l) To purchase, lease, hire, take in exchange or otherwise acquire and hold and lands, buildings and premises and any other estate and to acquire any confession, license and any copy rights and real and personal property calculated directly to benefit the company:

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Handwritten notes on the left side of the page, including a signature and the date 10/5/05.

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF INCORPORATION

NO. 52416

BAM CONTRACTORS (T) LIMITED

Is this day incorporated under the Companies Ordinance (Cap. 212) and that the
Company is Limited.

Given under my hand at Dar es Salaam, this 12TH Day of MAY

Asst. Registrar of Companies

SEAL.

**THE COMPANIES ORDINANCE
(CAP. 212)
COMPANY LIMITED BY SHARES**

Memorandum

AND

Articles of Association

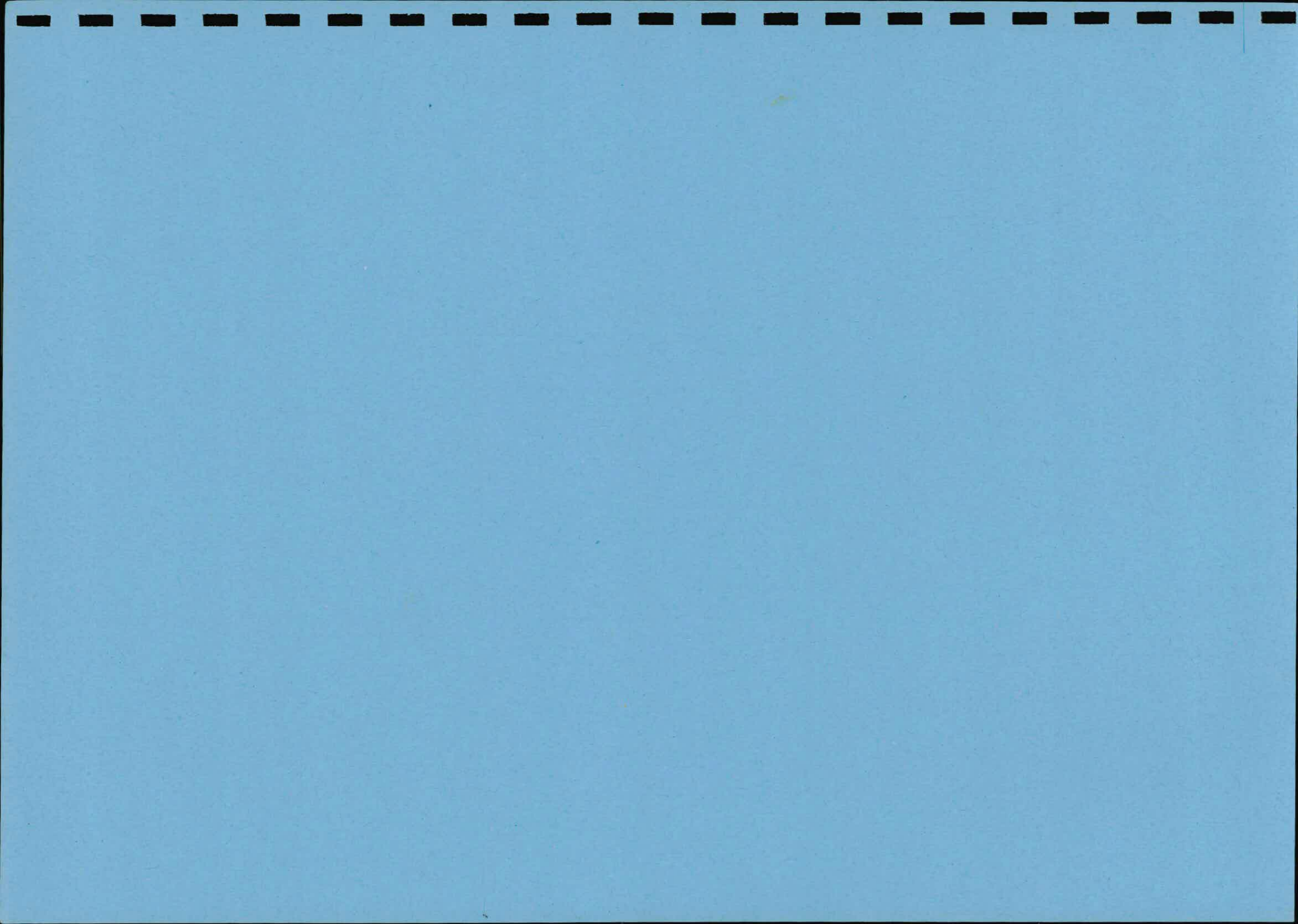
OF

B A M CONTRACTORS (T) LTD.

Incorporated this day of 2005

Prepared by:

BERNAD. A. MALILAH.
Subscriber
P.O. Box 428
MBINGA - RUVUMA



25	526,800	7,902	534,702	19,045	515,657
26	515,657	7,735	523,391	19,045	504,346
27	504,346	7,565	511,912	19,045	492,867
28	492,867	7,393	500,260	19,045	481,214
29	481,214	7,218	488,433	19,045	469,388
30	469,388	7,041	476,428	19,045	457,383
31	457,383	6,861	464,244	19,045	445,199
32	445,199	6,678	451,877	19,045	432,832
33	432,832	6,492	439,324	19,045	420,279
34	420,279	6,304	426,584	19,045	407,538
35	407,538	6,113	413,652	19,045	394,606
36	394,606	5,919	400,526	19,045	381,480
37	381,480	5,722	387,203	19,045	368,158
38	368,158	5,522	373,680	19,045	354,635
39	354,635	5,320	359,954	19,045	340,909
40	340,909	5,114	346,023	19,045	326,978
41	326,978	4,905	331,883	19,045	312,838
42	312,838	4,693	317,530	19,045	298,485
43	298,485	4,477	302,962	19,045	283,917
44	283,917	4,259	288,176	19,045	269,131
45	269,131	4,037	273,168	19,045	254,123
46	254,123	3,812	257,935	19,045	238,890
47	238,890	3,583	242,473	19,045	223,428
48	223,428	3,351	226,779	19,045	207,734
49	207,734	3,116	210,850	19,045	191,805
50	191,805	2,877	194,682	19,045	175,637
51	175,637	2,635	178,272	19,045	159,227
52	159,227	2,388	161,615	19,045	142,570
53	142,570	2,139	144,709	19,045	125,663
54	125,663	1,885	127,548	19,045	108,503
55	108,503	1,628	110,131	19,045	91,086
56	91,086	1,366	92,452	19,045	73,407
57	73,407	1,101	74,508	19,045	55,463
58	55,463	832	56,295	19,045	37,250
59	37,250	559	37,809	19,045	18,764
60	18,764	281	19,045	19,045	0
		392,704			

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Loan Repayment Schedule (in US \$)

Amount 750,000
 Period 60 Months or 5 Years
 Rate 18% p.a

	Loan	Months	Rate		
	750,000	60	18.00%		
	Start	Interest	End	Payment	Balance
1	750,000	11,250	761,250	19,045	742,205
2	742,205	11,133	753,338	19,045	734,293
3	734,293	11,014	745,307	19,045	726,262
4	726,262	10,894	737,156	19,045	718,111
5	718,111	10,772	728,883	19,045	709,838
6	709,838	10,648	720,485	19,045	701,440
7	701,440	10,522	711,962	19,045	692,917
8	692,917	10,394	703,310	19,045	684,265
9	684,265	10,264	694,529	19,045	675,484
10	675,484	10,132	685,617	19,045	666,572
11	666,572	9,999	676,570	19,045	657,525
12	657,525	9,863	667,388	19,045	648,343
13	648,343	9,725	658,068	19,045	639,023
14	639,023	9,585	648,608	19,045	629,563
15	629,563	9,443	639,007	19,045	619,962
16	619,962	9,299	629,261	19,045	610,216
17	610,216	9,153	619,369	19,045	600,324
18	600,324	9,005	609,329	19,045	590,284
19	590,284	8,854	599,138	19,045	580,093
20	580,093	8,701	588,794	19,045	569,749
21	569,749	8,546	578,296	19,045	559,251
22	559,251	8,389	567,639	19,045	548,594
23	548,594	8,229	556,823	19,045	537,778
24	537,778	8,067	545,845	19,045	526,800
25	526,800	7,902	534,702	19,045	515,657

Total Interest 392,704

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Projected Balance Sheet (in USD)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Assets:										
Fixed Assets (net)	211,900.00	215,850.00	220,351.75	228,625.18	232,445.04	235,561.86	239,177.04	241,689.74	245,710.16	248,835.08
Current Assets:										
Cash & bank	104,619.46	98,533.84	83,771.80	70,334.92	66,538.02	61,011.51	58,487.76	57,307.23	55,297.39	55,444.65
Debtors	14,572.58	20,062.00	35,844.60	46,829.83	52,512.45	61,764.08	66,940.50	73,634.56	77,698.00	84,267.22
Total Current Assets	119,192.04	118,595.84	119,616.40	117,164.75	119,050.47	122,775.59	125,428.26	130,941.79	132,995.39	139,711.87
Less: Current Liabilities:										
Trade Creditors	25,124.36	27,257.58	29,399.62	31,551.09	34,712.66	36,885.02	39,068.95	43,265.24	46,474.77	50,698.49
Net Current Assets	25,124.36	27,257.58	29,399.62	31,551.09	34,712.66	36,885.02	39,068.95	43,265.24	46,474.77	50,698.49
Net Total Assets	305,967.68	307,188.26	310,568.53	314,238.84	316,782.85	321,452.43	325,536.35	329,366.29	332,230.78	337,848.46
Financed by:										
Equity/ Joint venture	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00
Loan	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00
Reserves	41,967.68	43,188.26	46,568.53	50,238.84	52,782.85	57,452.43	61,536.35	65,366.29	68,230.78	73,848.46
Net Worth	305,967.68	307,188.26	310,568.53	314,238.84	316,782.85	321,452.43	325,536.35	329,366.29	332,230.78	337,848.46

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Discounted Cashflows (in USD)											
Item	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Inflows:											
Profit Before Tax		9,350,260.00	9,335,081.00	9,259,487.00	10,218,326.00	11,275,176.00	12,439,984.00	13,723,699.00	15,138,380.00	16,697,301.00	18,415,078.00
Depreciation		209,175.00	165,728.38	133,120.76	92,768.88	74,391.38	60,589.58	50,220.63	25,802.27	19,941.45	15,530.83
Residue Value		0.00	0.00	0.00	0.00	231,445.04	200,561.86	172,177.04	145,689.74	138,710.16	132,835.08
Total Inflows	0.00	9,559,435.00	9,500,809.38	9,392,607.76	10,311,094.88	11,581,012.42	12,701,135.44	13,946,096.67	15,309,872.01	16,855,952.61	18,563,443.91
Outflows:											
Investment	1,014,000.00	1,014,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinvestment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Working Capital		165,189.25	2,340.95	52,422.37	77,398.29	71,852.95	115,162.02	80,808.39	74,027.78	76,077.61	51,240.96
Total Outflows	1,014,000.00	1,179,189.25	2,340.95	52,422.37	77,398.29	71,852.95	115,162.02	80,808.39	74,027.78	76,077.61	51,240.96
Net Cashflows	-1,014,000.00	9,394,245.75	9,498,468.43	9,340,185.39	10,233,696.59	11,509,159.47	12,585,973.42	13,865,288.28	15,235,844.23	16,779,875.00	18,512,202.95

NPV at 25%	30,663,019.03
NPV at 30%	24,905,409.32
IRR	72.00

Appendix VIII

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Cashflow Projections (in USD)

Item	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Inflows:										
Equity	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00	264,000.00
Loan Capital	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00
Profit Before Tax	9,350,260.00	9,335,081.00	9,259,487.00	10,218,326.00	11,275,176.00	12,439,984.00	13,723,699.00	15,138,380.00	16,697,301.00	18,415,078.00
Depreciation	209,175.00	165,728.38	133,120.76	92768.88	74,391.38	60,589.58	50,220.63	25,802.27	19,941.45	15,530.83
Total Inflows	10,573,435.00	10,514,809.38	10,406,607.76	11,325,094.88	12,363,567.38	13,514,573.58	14,787,919.63	16,178,182.27	17,731,242.45	19,444,608.83
Outflows:										
Investment	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00	1,014,000.00
Reinvestment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Working Capital	165,189.25	2,340.95	52,422.37	77,398.29	71,852.95	115,162.02	80,808.39	74,027.78	76,077.61	51,240.96
Total Outflows	1,179,189.25	1,016,340.95	1,066,422.37	1,091,398.29	1,085,852.95	1,129,162.02	1,094,808.39	1,088,027.78	1,090,077.61	1,065,240.96
Operating Cashflow	9,394,245.75	9,498,468.43	9,340,185.39	10,233,696.59	11,277,714.43	12,385,411.56	13,693,111.24	15,090,154.49	16,641,164.84	18,379,367.87
Less: Loan Instalment	0.00	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	0.00	0.00
Net Cashflow	9,394,245.75	9,481,325.57	9,323,042.53	10,216,553.73	11,260,571.57	12,368,268.70	13,675,968.38	15,073,011.63	16,641,164.84	18,379,367.87
Cummulative Cashflows	9,394,245.75	18,875,571.32	28,198,613.86	38,415,167.59	49,675,739.16	62,044,007.86	75,719,976.25	90,792,987.88	107,434,152.72	125,813,520.59

Appendix VII

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Working Capital Schedule (In USD)

Item\ Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Current Assets:										
Debtors 1 month of sales	214,572.58	220,062.00	275,844.60	356,829.83	432,512.45	551,764.08	636,940.50	715,634.56	796,698.00	853,267.22
Trade debtors insurance - 1 Year	10,140.00	10,951.20	11,827.30	12,773.48	13,795.36	14,898.99	16,090.91	17,378.18	18,768.43	20,269.91
Total Current Assets	224,712.58	231,013.20	287,671.90	369,603.31	446,307.81	566,663.07	653,031.41	733,012.74	815,466.43	873,537.13
Current Liabilities:										
Salaries and wages (1 month)	26,740.00	28,077.00	29,480.85	30,954.89	32,502.64	34,127.77	35,834.16	37,625.87	39,507.16	41,482.52
Electricity & Water (1 month)	5,016.67	5,418.00	5,851.44	6,319.56	6,825.12	7,371.13	7,960.82	8,597.69	9,285.50	10,028.34
Carbon, Cyanide, Lime, Chemicals (1 month)	15,250.00	16,470.00	17,787.60	19,210.61	20,747.46	22,407.25	24,199.83	26,135.82	28,226.69	30,484.82
Plant/Motor running expenses (1 month)	12,516.67	13,518.00	14,599.44	15,767.40	17,028.79	18,391.09	19,862.38	21,451.37	23,167.48	25,020.87
Total Current Liabilities	59,523.33	63,483.00	67,719.33	72,252.45	77,104.00	82,297.24	87,857.19	93,810.74	100,186.82	107,016.55
Net Working Capital	165,189.25	167,530.20	219,952.57	297,350.86	369,203.81	484,365.83	565,174.22	639,202.00	715,279.61	766,520.58
Change in Working Capital	165,189.25	2,340.95	52,422.37	77,398.29	71,852.95	115,162.02	80,808.39	74,027.78	76,077.61	51,240.96

Depreciation Schedule (in USD)															
NO:	Item	Rate	Method	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X	R/Value
1	Land and buildings	2%	DB												
	Opening Balance			140,000.00	140,000.00	137,200.00	134,456.00	131,766.88	129,131.54	126,548.91	124,017.93	121,537.57	119,106.82	116,724.69	
	Depreciation				2,800.00	2,744.00	2,689.12	2,635.34	2,582.63	2,530.98	2,480.36	2,430.75	2,382.14	2,334.49	
	Closing Balance				137,200.00	134,456.00	131,766.88	129,131.54	126,548.91	124,017.93	121,537.57	119,106.82	116,724.69	114,390.19	114,390.19
2	Motor Vehicle	25%	SLM												
	Opening Balance			130,000.00	130,000.00	97,500.00	65,000.00	66,500.00	49,875.00	33,250.00	16,625.00	0.00	0.00	0.00	
	Depreciation				32,500.00	32,500.00	32,500.00	16,625.00	16,625.00	16,625.00	16,625.00	0.00	0.00	0.00	0.00
	Closing Balance				97,500.00	65,000.00	32,500.00	49,875.00	33,250.00	16,625.00	0.00	0.00	0.00	0.00	0.00
3	Furniture and Fittings	12.5%	DB												
	Opening Balance			5,000.00	5,000.00	4,375.00	3,828.13	3,349.61	2,930.91	2,564.54	2,243.98	1,963.48	1,718.04	1,503.29	
	Depreciation				625.00	546.88	478.52	418.70	366.36	320.57	280.50	245.43	214.76	187.91	
	Closing Balance				4,375.00	3,828.13	3,349.61	2,930.91	2,564.54	2,243.98	1,963.48	1,718.04	1,503.29	1,315.38	1,315.38
4	Equipment and Machinery	25.0%	DB												
	Opening Balance			693,000.00	693,000.00	519,750.00	389,812.50	292,359.38	219,269.53	164,452.15	123,339.11	92,504.33	69,378.25	52,033.69	
	Depreciation				173,250.00	129,937.50	97,453.13	73,089.84	54,817.38	41,113.04	30,834.78	23,126.08	17,344.56	13,008.42	39,025.27
	Closing Balance				519,750.00	389,812.50	292,359.38	219,269.53	164,452.15	123,339.11	92,504.33	69,378.25	52,033.69	39,025.27	39,025.27
	Total Invest. & Reinvestment			1,014,000.00	1,014,000.00	758,825.00	593,096.63	493,975.86	401,206.98	326,815.60	266,226.02	216,005.39	190,203.12	170,261.66	
	Total Depreciation				209,175.00	165,728.38	133,120.76	92,768.88	74,391.38	60,589.58	50,220.63	25,802.27	19,941.45	15,530.83	

Note: DB - Declining Balance Method
 SL - Straight Line Method

Appendix V

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Assumptions for Projections

- Salaries and Wages will Increase by 5% Every year

Projected Income and Expenditure Statement (in USD)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Revenue:										
Sales/Revenue	10,400,000	10,400,000	10,400,000	11,440,000	12,584,000	13,842,400	15,226,640	16,749,304	18,424,234	20,266,657
Total Income	10,400,000	10,400,000	10,400,000	11,440,000	12,584,000	13,842,400	15,226,640	16,749,304	18,424,234	20,266,657
Less: Expenses:										
Salary and wages	320,000.00	320,000	336,000	352,800	370,440	388,962	408,410	428,831	450,272	472,786
Operating expenses	729,740	744,919	804,513	868,874	938,384	1,013,454	1,094,531	1,182,093	1,276,661	1,378,793
Total Expenses	1,049,740	1,064,919	1,140,513	1,221,674	1,308,824	1,402,416	1,502,941	1,610,924	1,726,933	1,851,579
Operating Profit	9,350,260	9,335,081	9,259,487	10,218,326	11,275,176	12,439,984	13,723,699	15,138,380	16,697,301	18,415,078
Less: Interest	0	0	0	0	0	0	0	0	0	0
Profit Before tax	9,350,260	9,335,081	9,259,487	10,218,326	11,275,176	12,439,984	13,723,699	15,138,380	16,697,301	18,415,078
Cummulative Profit	9,350,260	18,685,341	27,944,828	38,163,154	49,438,331	61,878,314	75,602,014	90,740,394	107,437,695	125,852,773

Appendix IV

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Assumptions for Projections

- Estimated Troy Ounces per year: 8,000
- Estimated Price of One Troy Ounce of Gold: \$ 1,300
- One Troy Ounce = 31.1 Grams
- After 3 years, Sales will Increase by 10% Every year

Sales/Revenue Projections (in USD)

Use	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Sales										
Processed Gold (Troy Ounces)	10,400,000	10,400,000	10,400,000	11,440,000	12,584,000	13,842,400	15,226,640	16,749,304	18,424,234	20,266,657.00
Total	10,400,000	10,400,000	10,400,000	11,440,000	12,584,000	13,842,400	15,226,640	16,749,304	18,424,234	20,266,657

Appendix III

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Operating Cost Schedule (in USD)

Guidelines:

- Operating cost will increased by 8% every year
- Insurance will be 2% of the major capital assets(Motor vehicles and Machinery/Equipment)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Insurance 2% of assets	10,140.00	10,951.20	11,827.30	12,773.48	13,795.36	14,898.99	16,090.91	17,378.18	18,768.43	20,269.91
Plant/Motor Running expense	150,200.00	162,216.00	175,193.28	189,208.74	204,345.44	220,693.08	238,348.52	257,416.41	278,009.72	300,250.49
Electricity & Water	60,200.00	65,016.00	70,217.28	75,834.66	81,901.44	88,453.55	95,529.83	103,172.22	111,426.00	120,340.08
Carbon, Cyanide, Lime, Chemicals	183,000.00	197,640.00	213,451.20	230,527.30	248,969.48	268,887.04	290,398.00	313,629.84	338,720.23	365,817.85
Repair and Maintenance	120,600.00	130,248.00	140,667.84	151,921.27	164,074.97	177,200.97	191,377.04	206,687.21	223,222.18	241,079.96
Lisence	40,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travelling costs	12,500.00	13,500.00	14,580.00	15,746.40	17,006.11	18,366.60	19,835.93	21,422.80	23,136.63	24,987.56
Royalties	125,000.00	135,000.00	145,800.00	157,464.00	170,061.12	183,666.01	198,359.29	214,228.03	231,366.28	249,875.58
Consultancy/Audit Fees	15,000.00	16,200.00	17,496.00	18,895.68	20,407.33	22,039.92	23,803.11	25,707.36	27,763.95	29,985.07
Communications	8,000.00	8,640.00	9,331.20	10,077.70	10,883.91	11,754.62	12,694.99	13,710.59	14,807.44	15,992.04
Directors/Board Fees	5,100.00	5,508.00	5,948.64	6,424.53	6,938.49	7,493.57	8,093.06	8,740.50	9,439.74	10,194.92
Total	729,740.00	744,919.20	804,512.74	868,873.75	938,383.66	1,013,454.35	1,094,530.70	1,182,093.15	1,276,660.60	1,378,793.45

Appendix II

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

Staff Remunerations Package (in USD)

Position	Employees	Salary	Monthly Pay	Annual Package
Mine Manager	1	3,000	3,000.00	36,000.00
Site Supervisor	1	2,500	2,500.00	30,000.00
Surveyor/Mechanic/Electrician	2	2,000	4,000.00	48,000.00
Mine Engineer	2	2,000	4,000.00	48,000.00
Other experts/geologists	2	2,000	4,000.00	48,000.00
Warehouse Clerk	1	1,000	1,000.00	12,000.00
Maintenance Personnel	2	600	600.00	7,200.00
Accountant/Cashier	1	1,500	1,500.00	18,000.00
Secretary/Receptionist	1	250	250.00	3,000.00
Security Guards	2	200	400.00	4,800.00
Service Drivers	3	200	600.00	7,200.00
Environmental Technician	1	400	400.00	4,800.00
Sub Total	19		22,250.00	267,000.00
20% Pension fund				53,880.00
Grant Total				320,880.00

Note: *

- 10% of the benefits will be for Social Security Fund's contribution.
- salary will be inclusive of housing allowance

M/S BAM CONTRACTORS (T) LIMITED P.O. BOX 1744 MBEYA

CAPITAL INVESTMENT STRUCTURE (in USD)

Description	Equity	Loan	Total
Land and Buildings	140,000	0	140,000
Plant, Machinery and Equipment	50,000	643,000	693,000
Motor Vehicles	23,000.00	107,000.00	130,000.00
Office Furniture and Equipment	5,000.00	-	5,000.00
Preparation Expenses	11,000.00	-	11,000.00
Initial Working Capital	35,000.00	-	35,000.00
Total	264,000.00	750,000.00	1,014,000.00
Contribution in Percentage	30%	70%	100%

12.0 CONCLUDING REMARKS AND RECOMMENDATIONS

12.1 Overall Project Concept

In all aspects, the project is feasible, sustainable and beneficial not only to the promoters but also to the ultimate consumers and the public as a whole. It also has great potential for generating foreign exchange for the economy.

12.2 Economic and Financial Viability

The technical analysis indicates that the project is both financially and economically feasible.

12.3 Social and Administrative Sustainability

The project is socially acceptable as it contributes directly to the national development objective. There are no likely social complexities with respect to the project.

12.4 Recommendations

The project is highly recommended for implementation and necessary approvals.

11.0 PROJECT IMPLEMENTATION PLAN

The Company's plan of activities for the business is divided into the following main activities:

- Consultations and approvals from TIC
- Mobilization of Resources (including financing)
- Procurement and installation of necessary equipment and plants
- Operations (production, marketing, distribution, etc)

These will be implemented as indicated in the schematic below:

Activity/Time (Quarters)	2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consultations and approvals								
Mobilization of resources								
Procurement and installations								
Commercial operations								

10.0 ECONOMIC AND SOCIAL ASPECT

10.1 Economic Aspects

The promoters' mission is to contribute maximum benefits to the society and economy at large. They will create a good livelihood for their employees and their families. They will have strong tax generation capabilities as their enterprise believes that, if there is more National Development & Government spending, then there will be even a bigger market for their products. This in turn will bring the nation's living and social standards on par with the world at large.

After initial start up and settling well in the market, the company will seek to export to abroad and further promote tax generation and make the industry competitive in East Africa.

10.2 Social Aspects

The Company understands the importance of the community in areas where it does business as an important stakeholder to the Company. During due diligence review of the industry and social implications, nothing negative about the social implications of the project came to the attention of the promoters, aside from environmental aspects dealt with above.

The project promoters will participate and engage in the Community's joint efforts to improve infrastructure and other social services around their business areas. The Company will seek partnership with Community groups to engage in Community development issues, and to resolve amicably, any social misunderstanding or conflicts of interest that arise between the Company and other parties such as the government, employee, customers, suppliers, and other stakeholders.

9.0 ECONOMIC AND FINANCIAL ANALYSIS

9.1 Projected Financial Statements

The projected financial statements for ten year period are attached as Appendix I-XI. These statements include the projected balance sheets, income statements, and the statement of cash flows.

The projected balance sheets indicate a healthy trend, with a total equity position. The projected current assets will remain substantially above current liabilities, thus posing no liquidity problems. The projected income statement shows a steady increase in net income starting from the first year of project implementation.

The projected cash flows indicate a strong cash position, enough to support loan repayment and interest payments at the due dates. The projected interest calculation and loan amortisation is attached as annex XI.

9.2 Analysis of Financial and Economic Viability

The analysis of financial viability of the projected was done using the Discounted Cash flow approach (DCF) and the payback method. On the basis of the results of the analysis, the project is financially viable as it has a positive net present value. The Internal Rate of Return (IRR) of 72.0% is also above the cost of capital.

The project's payback period is 60 months.

Economically, the project is also viable for it will contribute significantly to the development in the following measurable ways:

- ❖ The project will create about 19 employment
- ❖ The project will contribute to government revenue in the form of taxes. It is projected that, the project will have generated about USD.20, 266,657 sales alone by the end of year ten.
- ❖ The project will result into significant positive multiplier effects through various stages of gold processing and distribution chain.

9.3 Contribution of the Project to Economic Development

The project will serve as an additional source of supply of gold and gold products to the economy. It will also contribute to the supply of foreign exchange, since a significant portion of products will be exported. The project will also contribute to the growth of the economy through generation of employment, increase in government revenue through payment of taxes, and through a multiplier effect that would arise through various points in the value chain of gold processing, distribution, and export.

8.0 ENVIRONMENTAL AND PERMITTING ISSUES

The BAM Contractors (T) Limited operation has designed to comply with Tanzanian environmental requirements and Company's corporate environmental policy. The project has been designed to industry best practice standards.

8.1 Potential Impacts of the Project

In keeping with our environmental ethics, BAM Contractors (T) Limited would ensure high standards of the facilities to be installed sufficient to comply with safety standards. The company will have appropriate environmental standards in place for surface and ground water management. Part III and Part VII of the Environmental Management (Water Quality Standard) Regulations, 2007 provide water quality standards and penalties respectively.

8.2 Planned Preventive and Internalisation Programmes

The Company plans to engage some industry experts to undertake periodic technical evaluation of the effectiveness of the facilities. The first evaluation will take place after installation of the effluent treatment facility and just before the commencement of commercial production, and once every two years.

8.3 Monitoring and Evaluation

The management has full commitment to ensuring good use of the resources and sustainable environment and the well being of the Community with which they will do business. Thus, the directors considers environment as an important clause in the job functions and the management philosophy of the Company. Through its business processes, managers will strive to ensure compliance to standards and safety of products and customers they serve. The company would hire environmental technicians to monitor the environmental protection facility installed in the area.

The Company will also conduct environmental monitoring on biodiversity and publish reports that will be readily accessible to the public.

7.0 PROJECT OPERATING COSTS

The following are considered to be the project's vital operating costs:

Item	Unit Cost	Amount	Cost
Carbon	4	8,000.00	32,000.00
Cyanide	4	14,000.00	56,000.00
Lime	6	5,000.00	30,000.00
Chemicals			5,000.00
Diesel	1	30,000.00	30,000.00
Total			183,000.00

7.1 Raw materials

Several raw materials will be required in various technical combinations:

7.2 Salaries and Wages

This is another major cost item in this kind of undertakings. A total of 19 people will be employed by the project on a permanent basis.

Salaries and wages of the above employees as given under the Financial Statements annexed to this profile is USD 320,880 per annum in year 1.

7.3 Utilities

7.3.1 Electricity and water will cost USD 60,200,000 p.a.

7.3.2 Carbon, Cyanide, Lime, Chemicals will cost USD 183,000 p.a.

7.3.3 Telephone/fax/email (Communication): Will cost USD 8,000 p.a.

7.3.4 Plant/Motor running expenses: Will cost USD 150,200 p.a.

7.3.5 Insurance: Will cost USD 10,140 p.a.

6.0 PROJECT INVESTMENT

The estimated investment cost of the project is US\$ 1,014,000 out of which US\$ 979,000 is earmarked for fixed capital while US\$ 35,000 is budgeted for initial working capital. The Project promoters have made the following provisions for investing in the project. All the figures below are in US Dollars.

NO	ITEM	ESTIMATED CAPITAL INVESTMENT (US\$)
1	Land and Buildings and other Civil Works Structures	140,000
2	Plant, Machinery, and Equipment	693,000
3	Motor vehicles	130,000
4	Office Furniture and Equipment	5,000
5	Pre-operational expenses	11,000
	Subtotal	979,000
6	Add: Initial Working capital	35,000
	TOTAL PROJECT INVESTMENT	1,014,000

6.1 Project Financing

The proposed project costs, including fixed and working capital will be financed in the following structure:

Equity Contribution	US\$ 264,000 (30%)
Bank Term Loan	US\$ 750,000 (70%)
Total	US\$ 1,014,000

Site operations will be supervised by an expert professional Metallurgist or a Mining Engineer backed by executives who will visit a site on a twice monthly basis.

There will be a total of 19 employees including 2 agency hired security guards. Administration will be manned by an accountant and warehouse clerk together with 3 service drivers. At the same time, 2 maintenance personnel will provide maintenance support to operations. Similarly, an Environmental technician will be hired to monitor the environmental protection facility installed in the area.

5.3 Technical Advisory Services

The Company plans to engage external consultants and auditors to provide management advisory services, including the initial set up of accounting and management information system, tax issues, and audit of financial statements for external users. Consultants will be engaged on contract terms, and would be expected to work closely with the MD. The Company's use of external consultants would ensure continuous improvements in business strategy and will be a low cost alternative to having a large internal pool of employee.

5.4 Support Services and Needs Assessment

The project would require moderate use of support services. These would include secretarial, stores, and machine operators. The market availability of the people for these positions in Tanzania is favourable as the existing enterprises and the government is unable to fully absorb the labour force. Others may be hired as temporary workers paid on an hourly basis.

The Company will outsource other services such as security to credible security company.

5.5 Management Structure and Strategic Positioning

The Structure of the Organisation proposed is expected to afford the management a reasonable degree of flexibility and information flow that is considered critical for its business strategy and its market target. The strategy requires high level of contact and interaction with market players; therefore need to remove information barriers between the top management and operational staff. The structure would also allow an efficient and effective production and distribution of gold, leading the Company into achieving its objectives of supplying high quality gold for the export market at competitive prices.

5.6 The Company's Vision

BAM Contractors (T) Limited is an emerging gold producer, engaged in both exploration and mining projects in highly prospective, under-explored areas of Tanzania

5.7 Company's Mission

The mission of BAM Contractors (T) Limited is to help the mining industry in Tanzania to acquire quality gold processing equipment on one hand and to provide gold products at a very competitive price.

5.0 MANAGEMENT OF THE COMPANY

BAM Contractors (T) Limited will be managed by three directors and shareholders, with support of the expatriate staff and local technicians. They will recruit highly trained and experienced craftsmen to operate the equipment. The table below indicates proposed positions and emoluments:

PERSONNEL DISPOSITION AND WAGE BILL

CALIBRE	NOS	MONTHLY EMOLUMENTS (US\$)	ANNUAL BILL (US\$)
Mine Manager	1	3,000	36,000
Site Supervisor	1	2,500	30,000
Surveyor/Mechanic/Electrician	2	2,000	48,000
Mine Engineer	2	2,000	48,000
Other experts/geologists	2	2,000	48,000
Warehouse Clerk	1	1,000	12,000
Maintenance Personnel	2	600	7,200
Accountant/Cashier	2	1,500	18,000
Secretary/Receptionist	1	250	3,000
Security Guards	2	200	4,800
Service Drivers	3	200	7,200
Environmental technician	1	400	4,800
Sub Total	19	22,250.00	267,200
Add 20% Social Benefits			53,880
GRAND TOTAL			320,880

5.1 Brief Profiles of Directors

All directors of the company have extensive personal experience in the construction, engineering and coffee businesses.

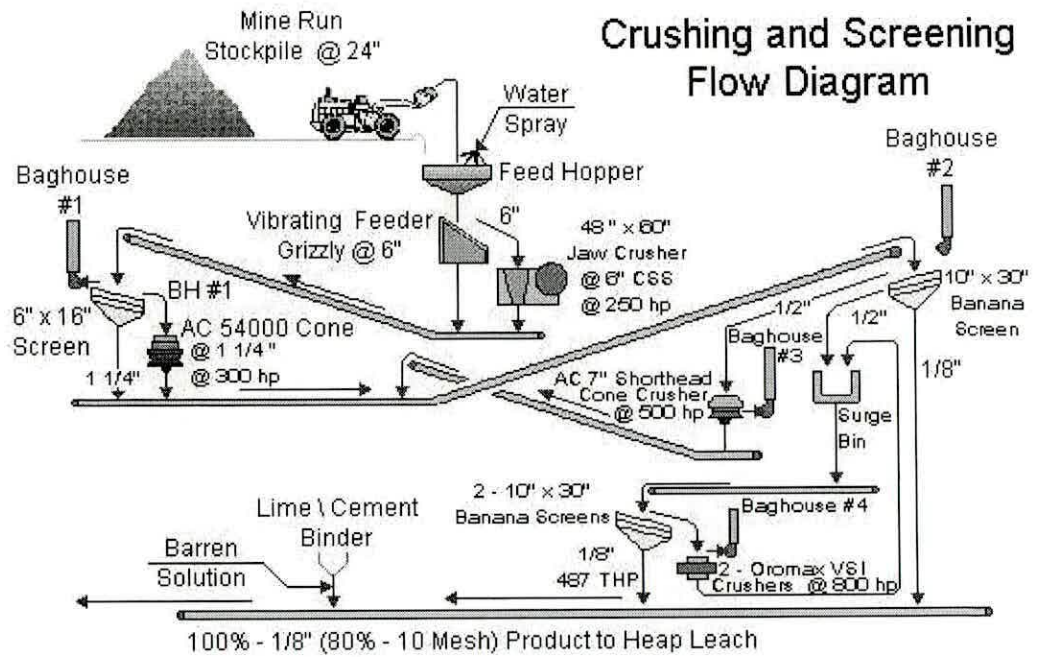
5.2 Organizational Structure

The BAM Contractors (T) Limited shall be run and managed by Mr. Bernard A. Malilah who has extensive experience relating to construction, engineering and coffee businesses.

The Managing Director will oversee and coordinate the implementation of various Board decisions and business goals. He will be in charge of all affairs of the Company and reports to the Board.

Basic bookkeeping records and administration shall be carried out on site and records shall be transferred to our accountant.

The Company will adapt a management structure capable of meeting the needs of its operations, and recruit additional personnel to accommodate additional operations as the business expands.



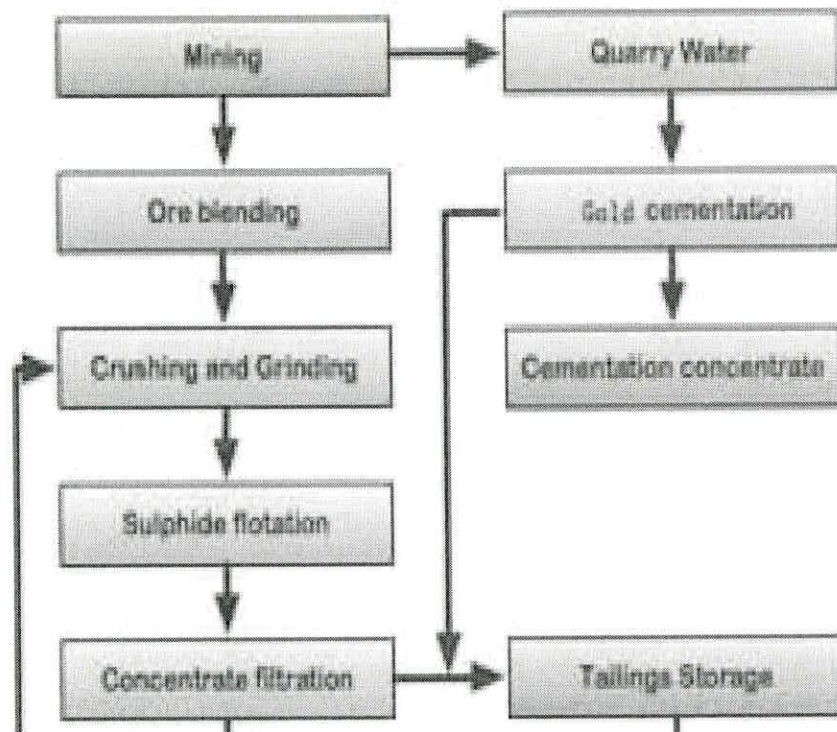
4.3 Infrastructure

The proposed gold site has been carefully selected after technical surveys are made with respect to infrastructural suitability. The currently earmarked site is well connected to accessible road, and utilities such as electricity and water are readily available.

4.4 Technology and process

The company will adapt a modern but simple technology for gold processing.

Main and back-up gold ore generators provided power for lighting, pumps and the mill, together with a compressor for mining equipment. A fully equipped workshop provided an on-site facility for routine maintenance and repair. The mine buildings housed offices, smelting and refining laboratory mill, sampling room, miners change room, canteen and visitor changing facilities. Our gold ore refining processing machines will include crusher, grinding mill, etc.



Gold Ore Refining Flow Chart

4.0 TECHNICAL ASPECTS

4.1 Project Location, Civil Works, and Equipment

The company's proposed project is located at Shoga Area within Chunya District in Mbeya where the project promoters entered into tenancy agreement for a period of twenty years.

The substantial part of the investment would be devoted to processing plant and machinery such as:

Table 1: Plant, Machinery & Equipment

S/N	Item	Quantity
1	Excavator	1
2	Primary Jaw Crusher	1
3	Dozer	1
4	Ball Mill Crushers	2
5	Wheel Loader	1
6	Air Compressor	2
7	Crawler Tractors	2
8	Tertiary Cone Crusher	1
9	Water Pumps	

The total Capital Expenditure for equipment and machinery is estimated at USD 693,000.00 with initial working capital of USD 35, 000.00.

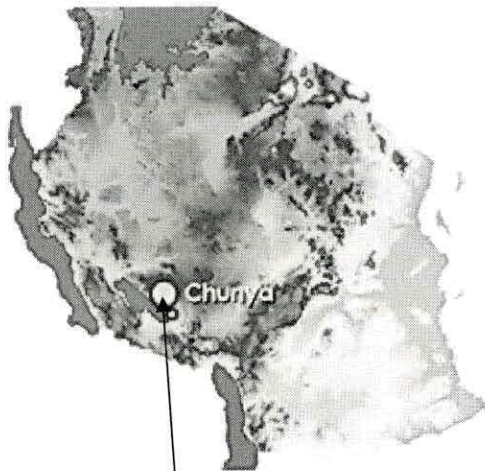
4.2 Motor vehicles

The Company will acquire several trucks for mineral processing. The Company will acquire one Tipper, one Land cruiser (Hardtop) and one pick-up (single cabin) for the management and marketing activities.

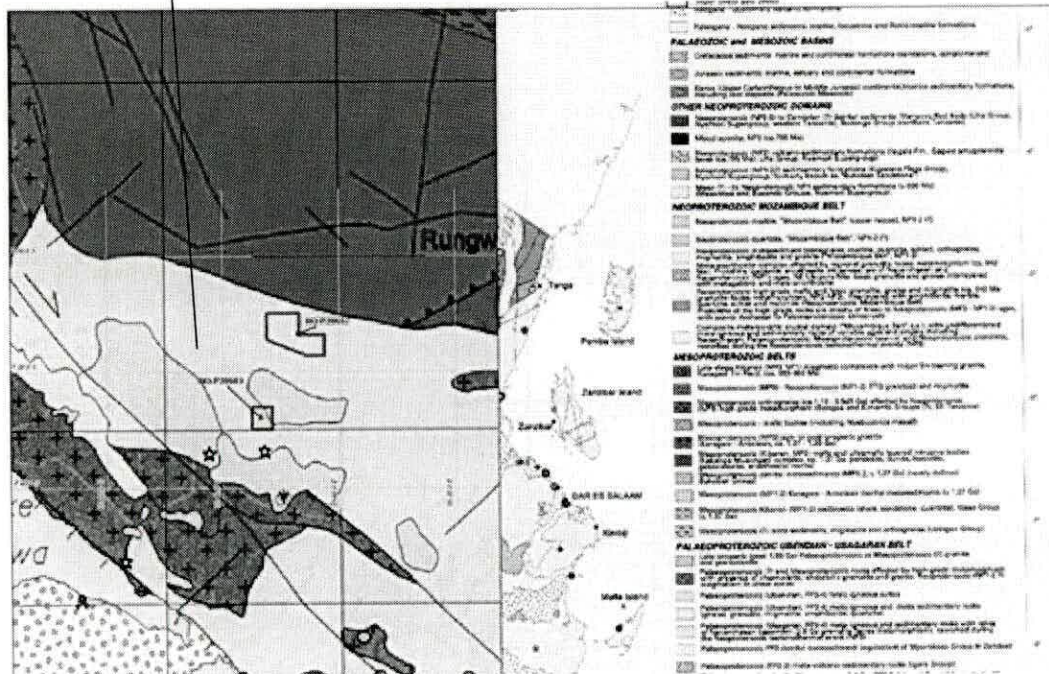
Table 2: List of Motor Vehicles

S/N	Item	Quantity
1	Pickup (Single Cabin)	1
2	Land Cruiser (Hardtop)	1
3	Tipper	1

The total Capital Expenditure for motor vehicles is estimated at USD 130, 000.00.



GEOLOGICAL MAP OF HQ-P P206857 & P20683



3.6.3 Mining and processing: Chunya is a multiple open-pit operation with underground potential, which is currently serviced by a 6Mtpa carbon-in-leach (CIL) processing plant. Standard open-pit mining methods are employed: hard overburden is drilled and blasted, hydraulic excavators are used to load waste material into a fleet of 100t dump trucks exposing the gold-bearing ore material which is directed to the processing plant.

3.6 Chunya Gold Deposits

3.6.1 Description:

Chunya Goldfield which is part of Lupa Goldfield is one of the lesser understood Goldfields in Tanzania. The ore deposits are hosted by Early Proterozoic granite and gneissic rocks. It underlain by gneisses, migmatites and later intrusive. Meta basite bodies and magnetite-quartzite inclusions probably represent remnants of volcanic secondary sedimentary sequences which include mafic volcanics and magnetite bearing BIF. Granodiorite and diorite intrusions cut these rocks, particularly in the Northern part of the area of the area. Potassium and sodic alteration of gneiss occurs near the intrusive. Metamorphic grades within the Lupa Goldfields are greenschists to lower amphibolite facies, in contrast to much higher grades of the surrounding terrane of Ubendian system.

3.6.2 Geology:

The regional geology is characterized by deformed, folded, sheared and metamorphosed paleoproterozoic rocks with major fold axes trending east southeast to west northwest. The following main lithological units occur in the region:

- **Ilunga Granite Formation**

The Ilunga Granite is located in the northern portion of the Lupa Goldfield and is mostly comprised of a medium to coarse grained leucogranite (aplogranite). Biotite and muscovite are commonly associated secondary minerals.

- **Saza Granite Formation**

The Saza Granite is located in the central portion of the Lupa Goldfield and consists of numerous rock types including hornblende rich granites and hornblende-biotite rich granodiorites.

- **Gneiss Formation**

The Gneiss Formation, the main ore bearing host, is the dominant rock unit within the Lupa Goldfield. The Gneiss Formation has been subjected to at least three granitic intrusive events that have given rise to a variety of rock types such as felsitic gneiss, biotite and hornblende granite gneiss, leucocratic granular gneiss. Diorite, granodiorite and granite rocks are evident within the Gneiss Formation.

Mineralised quartz veined targets are hosted within brittle-ductile to ductile deformational features of variable orientation.

Tanzania has centered mostly around the greenstone belts around Lake Victoria, where several large deposits have already been discovered and are being developed.

3.2 Mineral rights

The number of prospecting licences issued to-date are beyond 2,000, a vast difference when compared to the 10 licences issued in 1990. This is important because prospecting and exploration activities are precursors to development of new mines. The chances of success are, however, small while the financial outlay of exploration drilling is large. Therefore, the existence of many licences increases the probability that new mines will be constructed.

3.3 Mining Companies

Since 1998, five new modern large scale gold mines and a tanzanite mine have been constructed. This comes after nearly 40 years of unimpressive performance of the mining sector. A number of multinational companies, such as: Resolute Mining Limited, AngloGold Ashanti, Barrick Gold Corporation, Placer Dome, Falconbridge, TanzaniteOne, Gallery Gold, the revamped Williamson Diamonds, Goldstream, Shanta Gold and others are exploring and developing mines in the country.

3.4 Exploration

Exploration work has revealed gold resources at 38. 8-million oz.

3.5 Mineral exports

Total mineral exports from the new ventures in the year of 2004 was US\$652-million compared to just US\$16,1-million in 1997, with gold alone rising from US\$13,1-million in 1999 to US\$602,3 million in 2004.

Gold exports earned Tanzania \$1.076 billion in 2009, up from \$932.4 million the previous year.

Between 2008 and December 2009, prices of gold increased by 11.6 percent to \$972.7 per troy ounce. Meanwhile, export volumes of gold went up to 34.0 tonnes from 32.3 tonnes recorded during the previous year.

Between October 2010 and October 2011 Tanzania gold exports witnessed a 33 percent increase as a result of an increase in the price of gold on the world market. Based on estimates from the BoT Monthly Economic Review for November 2012, the value of gold export increased from a total of USD 1.496 billion to a total of USD 2.096 billion in Tanzania, a country that is currently ranked third along with Mali as the largest producer of gold in Africa.

3.0 MINING INDUSTRY IN TANZANIA IS A MAJOR CONTRIBUTOR TO DEVELOPMENT AND COUNTRY'S ECONOMY

3.1 Brief historical background of mining

Contribution of mining to the GDP was reportedly as high as 10% during the 1950s and, together with agriculture, provided the bulk of tax and foreign exchange revenues. The coming of independence brought with it political and economic uncertainties to the largely foreign investor community. This uncertainty coupled with a continued low gold price of US\$35 per oz led to the closure of most mines within the country. In the mid 1960s, the command economy was established and caused further withdrawal of foreign investors from mining in Tanzania. As a result, the contribution of the mining sector to the GDP fell to less than 1%. During the 1970s and 1980s, the mining industry had stagnated due to lack of investment capital, technology and management. This disabled the mining sector from making its presence felt in the economy. At the same time, other African nations were attracting investor dollars, developing their mining industries and reaping the benefits. It was for this reason that, in the early 1990s, the government retreated from running business and instituted macro-economic reforms essentially placing economic development in private hands. Mining was targeted as a sector that could contribute to the economy if investors could be attracted to the country. Incentives to investment were put in place and it was this move that sparked the beginning of a new era in the minerals sector.

The Tanzania mining sector is responsible for approximately 2.3% of the overall GDP and, based on the Development Vision 2025 plan, is expected to account for 10% of the GDP in the coming years. Through the exportation of non-traditional materials, the Tanzania mining sector has become one of the leading methods for generating foreign exchange in the country. The potential for employment opportunities within this sector are also developing and increasing.

The mineral resources that are available in the country also have great potential for further discovery and development, particularly with regard to materials such as gold, diamonds, base metals, ferrous minerals as well as a variety of gemstones, including the rare tanzanite gemstone.

For several decades, Tanzania has been a significant diamond producer in the region, with over 300 kimberlites confirmed in the country, 20% of which are diamondiferous. Most of the diamonds in the country originate from the Williamson Diamonds Mine at Mwadui, where commercial production began in 1925.

Currently, the mineral resources in Tanzania compose over 52% of the country's total exports, a large part of which is gold. The discovery and exploration of gold in Tanzania offers one of the best areas for investment in the country's mining sector.

Tanzania is thought to have the largest gold reserves in Africa behind South Africa and, for this reason, the country has been the major focus for the exploration and development of gold on the African continent, receiving as much as 15% of the exploration expenditure in Africa. Because of its growing importance in the region, the mining industry in Tanzania grew from 17% to 27% in 1999.

During the 1990's, gold exploration also grew at a rapid rate because of advances in modern technology and in refining models. The focus for the exploration of gold in

2.0 PROJECT DESCRIPTION

2.1 Objective of the Project

The project will be centered in gold processing with the objective of increasing the value of the products destined for export market. On successful of this project, the company plans to embark on the production of gold and ornamental products/jewelry from the polished gemstones.

2.2 Equipment

The list of equipment for the gold production process work under project, including the complete units, is detailed in Chapter 4. The processing equipment will be produced on orders by a number of factories and enterprises. Variants of orders for equipment have already been worked out.

2.3 Transportation

Shipment from abroad will be handled by the company from European Union (EU).

2.4 Equipment installation starting up and adjustment work

Assembling starting up and adjustment works will be executed by specialists, who will be recruited outside the country for the installation of the production system. The specialists will include trainers who will be responsible for training local personnel in the processing of gold.

2.5 Production schedule

The production operations of the plant will run for 10-hours daily. A one shift work of duration of 10 hour (almost all day light) is envisaged. Projections show that such time is sufficient for the volumes of work required for the processing of gold. Increasing of production will certainly entail a corresponding increase in working hours requiring the introduction of day –light double shift schedule mineral and industrial production work will be manned by 1 mining manager, 2 mining engineers, 1 site supervisor, technicians, drivers, office staff, accountants, etc. A total of 19 workers will be employed; 3 foreigners and 16 Tanzanians from year one to year three.

Likewise, it is anticipated that manpower requirement will increase with production levels, rising from 16 local employees to 30 by end of the fifth year. The number of expatriate staff however will remain fixed at three.

1.4 Project Sponsor

The sponsor of this new venture is the recently incorporated Limited Company going by the name of BAM Contractors (T) Limited of P.O. Box 1744 Mbeya. M/s BAM Contractors (T) Limited is a legally incorporated private company under Certificate of Incorporation No: 52416 dated 12th May 2005. The following are the current shareholders of the Company:

NO	NAME AND ADDRESS	NATIONALITY	% OF SHARES
1.	Bernad A. Malilah P.O. Box 1744 MBEYA	Tanzanian	73.2%
2.	Laban B. Malilah P.O. Box 1744 MBEYA	Tanzanian	24.4%
3.	Ismail B. Malilah P.O. Box 1744 MBEYA	Tanzanian	2.4%
	TOTAL		100%

The shareholders of the company have extensive personal experience in the construction, engineering and coffee businesses.

1.0 INTRODUCTION

Gold is a precious metal that is frequently featured in jewelry, as well as in other fine decorative objects. Statistics from the Bank of Tanzania (BOT) reveals that in recent years, Tanzania has become one of the fastest-merging gold producers in Africa, and is now the continent's fourth-largest gold-producing country after South Africa, Ghana and Mali. Tanzania's gold production rose to 40.4 tonnes in 2011 from 35.6 tonnes in year 2010 after mining companies invested in higher output due to cash in on the rising price of the precious metal.

Based on ongoing projects and developing mines, Tanzania's estimated gold reserves have been calculated at a conservative total of Tanzania now has proven gold reserves in excess of 36 Moz (1000 t). In 2003 Tanzania reported a 20% increase in gold exports from US\$414 million to US\$504 million and accounted for more than 62% of total export revenues, compared with 49% in 2002. There was a tremendous increase in gold exports which resulted in the signing of another gold-mining contract, this time between the Government of Tanzania and Pangea Minerals Ltd.

It is in light of the above factors that have prompted M/s BAM Contractors (T) Limited, an incorporated company of foreign investors to embark on the establishing gold processing facilities in Chunya, Tanzania exclusively for the export market. The available data suggest the existence of a source of the minerals of substantial reserve and of highly profitable prospective if a modern method of technological enrichment and processing is applied.

1.1 Proposed Location

The investment site is located at Shoga Area in Chunya district. The area is permanently accessible by rough road throughout the year.

The Shoga mining area is located approximately 15 km from Chunya District Headquarters. The site is in the area where non-alluvial gold is mined and processed and later amalgamated by using mercury. Gold will be recovered from quartz reefs and veins in this area.

1.2 Capital Investment

The investment under this scheme of the project will be approximately US\$ 1,014,000. After a period of preparation and installation of equipment, it is expected that in about 18 months from the start of operations the project will be financially self propelling.

1.3 The significance of the Project

The adoption of the proposed scheme of technological processing will increase the volume of the processed gold thereby increasing production capacity, productivity and profitability. The establishment of this facility in the country will add to the quantum of corporate tax, royalties and other statutory to the treasury exchequer.

On the basis of the results of the analysis, the project is financially viable as it has a positive net present value. The Internal rate of Return (IRR) of 72.0% is also above the cost of capital.

The project's payback period is 60 months.

The project is recommended for approval and immediate implementation.

EXECUTIVE SUMMMARY

The Project is being promoted by M/s BAM Contractors (T) Limited. The Company was duly registered by the Registrar of Companies in pursuance of the Companies Act 2002 on 12th May 2005 under Certificate No: 52416.

The current shareholders and directors of the Company are:

1. Bernad A. Malilah
2. Laban B. Malilah
3. Ismail B. Malilah

All shareholders and directors are Tanzanian citizens, holding 100% shares into the authorized and issued capital of the company.

The objective of the project is to establish a gold processing project at Shoga Area in Chunya District.

The government of Tanzania having seen the importance of these precious stones in bringing foreign exchange and account of the vast untapped wealth of the stones had shifted from depending on public sector to the private sector on executing commercial undertakings. It is in the light of this factor that has prompted M/S BAM Contractors (T) Limited, an incorporated company to embark on the gold processing business for export market.

The Management of BAM Contractors (T) Limited has conducted both primary and secondary research into the exploration and gold processing in Chunya. The products & services which the project promoters are planning to process are uniquely positioned to serve this segment of the market because of its quality, its cost benefit, and its necessity. The project is expected to contribute to the increased supply of gold and gold products. Increased supply relative to demand would have the potential of keeping prices constant or relatively low. In addition, the project will contribute to the generation of foreign currency as the larger proportion of gold will be exported to abroad.

The project will also contribute to the growth of the Tanzanian economy through generation of employment, increase in government revenue through payment of taxes and royalty, and through a multiplier effect that would arise through various points in the value chain of gold production and distribution.

The total project cost, combining start up costs, capital expenditure, and working capital and operating expenses amounts to US \$ 1,014,000.

The project will be financed through both equity and loan. The project promoters, who are the directors and shareholders of the Company, will inject equity into the project in the form of cash and assets. Assets will comprise plants and machinery, storage equipment, start up costs to be capitalised, and all improvements to be made on the project site. The total amount of equity is expected to amount to US\$ 264,000.

The projected cash flows indicate a very strong cash position, enough to support loan repayment and interest payments at the due dates. The projected interest calculation and loan amortisation is attached as Appendix XI.

FINANCIAL STATEMENTS

Appendixes

- 1.0 Capital Investment Structure
- 2.0 Staff Remunerations Package
- 3.0 Operating Cost Schedule
- 4.0 Sales/Revenue Projections
- 5.0 Projected Income and Expenditure Statement
- 6.0 Depreciation Schedule
- 7.0 Working Capital Schedule
- 8.0 Cashflow Projections
- 9.0 Discounted Cashflows
- 10.0 Projected Balance Sheet
- 11.0 Loan Repayment Schedule

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BAM CONTRACTORS (T) LIMITED

A Feasibility Study Report for
Establishing Gold Processing Project
in Chunya

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