



ST CLAIR MINES LTD



# 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](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

(Please fill the form in duplicate)

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 TERRY THOMAS BLAKE.  
(director/directors/agent of ST CLAIR MINES LIMITED.  
(name of business enterprise) apply for registration of ST CLAIR MINES 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 PLOT NO 14, BLOCK T  
MWENGE STREET SINGIDA TANZANIA.

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 FLAT NO 14 BLOCK T, MWENGE ST.  
SINGIDA, TZ.

4. The Principal Officers of the Company are .....
- 1) TERRY THOMAS BLAKE - DIRECTOR/SECRETARY.
  - 2) ABASI MOHAMMED SABUNI - DIRECTOR.

5. Auditors of the Company are HASSANALI RUTAKYAMURWA & CO.  
P O BOX 345, ARUSHA, TANZANIA.

6. The authorized share capital of the Company is Tshs./US\$ T shs 500,000,000/-  
(Five hundred Million) divided into 5,000 Ordinary  
Shares of sh 100,000 = each.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 309,000 = USD Three hundred and nine thousand.

8. The month and day of the financial year end is 30th June.

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\$

\$ 750 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ABDUL MOHAMMED S. of Post Office Number 12083 Aneshe

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

authorized agent of ST CLAIR MINER 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 Dar es Salaam }  
The 3 day of 3 2009

[Signature]  
Applicant

Before me:



[Signature]  
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: ST. CHAIR MINES LIMITED.

Certificate of Incorporation Number: 66158. Status: .....

Certificate of Incorporation Date: 20th June 2008.

Post Box: 338

Town: SINGIDA

Sector: MANUFACTURES Sub-Sector: LAPIDARY PROCESSORS OF GOLD AND OTHER GEMSTONES.

Investment Financing Plan in Million US\$/Tshs. 72500

Foreign Equity	Local Equity	Foreign Loan	Local Loan
481,427			

Project Objectives: TO PROCESS GOLD AND OTHER VARIOUS GEMSTONES.

Capacity: .....

Employment: Foreign: 1 Local: 6 Total: 7

Implementation Period: .....

Project Location

Site/Plot/Block No.: SINGIDA.

Street: MUCENGE SJ. District: SINGIDA. Region: SINGIDA.

(Attach sketch map showing project location)

Shareholders	Nationality	%
1, MR TERRY TB	BRITISH.	75.
2 MR ABAS MOHAMMED S.	TANZANIAN	25

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

Land/Building	<del>US\$ 3,987,500</del>
Plant	<del>\$ 71,489,723</del> 30,000
Vehicles	<del>\$ 75,000</del> 50,000
Furniture & Fittings	<del>\$ 80,000</del> 9,000
Pre-expenses	\$ 9,000
Others	\$ 22,000
Working Capital	\$ 220,000
<b>TOTAL</b>	<del>481,477,327</del> 160,000

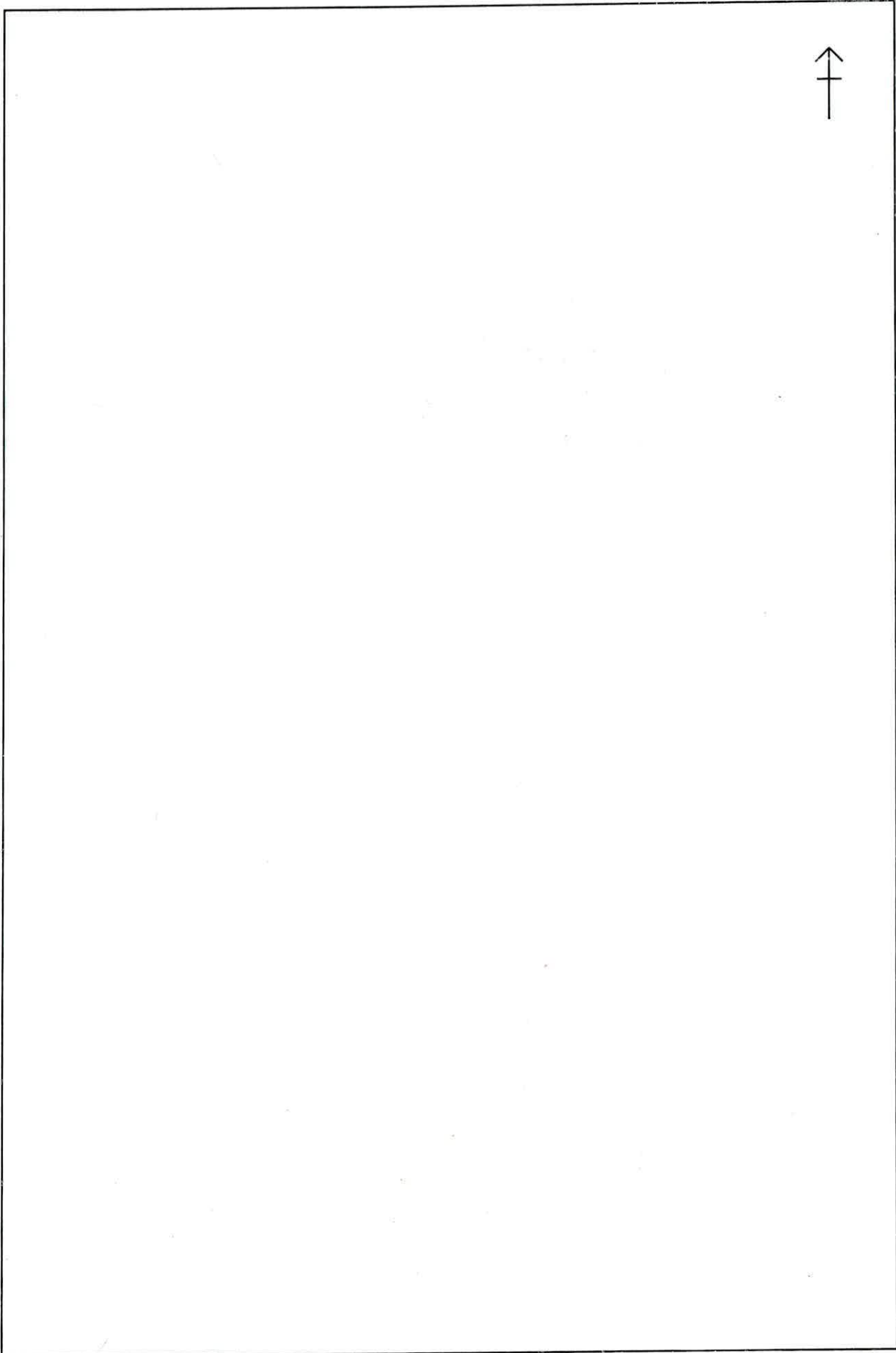
**Contact Details:**

Name: TERRY THOMAS BLAKE Title: ST CLAIR MINES LTD.  
Telephone: 0769 734325 Fax: .....  
Email: Blakehelicopters@yahoo.co.uk

**Payments to be made payable to:**

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

SKETCH MAP SHOWING PROJECT LOCATION





1

ARUSHA BRANCH  
P.O BOX 1102  
ARUSHA  
TANZANIA  
TEL: +255 786702065  
+255 784284688  
Email: terry@stclairstates.net



SINGIDA HEAD OFFICE  
P.O BOX 338  
SINGIDA  
TANZANIA  
TEL: +255 2502612

DATE 21<sup>st</sup> July 2008

## St. Clair Mines Ltd

Mr Terry Thomas Blake  
The Elms House  
Exeter Road  
Winkleigh  
Devon EX19 8JJ  
UK

TI. +44 (0)1837 682837  
TI. +44 (0)1837 682890  
Email: terry@stclairstates.net



### SUMMARY

Successful investor and business developer with 38 years of experience in different industries and owner of large portfolio of properties around the world. Supporter of charities and strong believer in God.

### Areas of Expertise

- Land Sales and Acquisition
- Venture Capitalist
- Property Development
- Company Development
- Precious Metals/Stones
- Mining Various

### Business & Personal Resume

HEAD OFFICE: UNIT 3 GERRYDOWN BUSINESS PARK OLD AIRFIELD WINKLEIGH DEVON EX19 8EZ  
OFFICES IN EGYPT, DUBAI, LONDON & KENYA  
TEL. +44 (0)1837 682890 EMAIL: info@stclairstates.net  
COM REG NO. 03995599

Company activities: Mining of precious and semi-precious stones and minerals.  
Gold refining and trading.  
Reg. Office: Tanzania  
Position Held: Managing Director

**Created company and opened offices in Arusha and Singida to trade in raw gold.  
Obtained Master Dealer License. All aspects of the company personally funded.**

Responsible for the foundation and management of the company:

- Registered company in Tanzania
- Investor/owner D Block Tanzanite mine Arusha.
- Opened to offices in Arusha and Singida.
- Responsible for the import of all gold melting/refining equipment and vehicles for transportation.
- Employment of local people.
- Creation of jobs.
- Large investment in the local economy.

#### **Company History & Future Development**

As a new investor in Tanzania, Terry Blake, has created St Clair Mines Ltd to manage the part ownership of D Block (mine) in Arusha, the trade derived from the Master Gold License and business created by the new offices located in Arusha and Singida.

The offices have currently been inspected by the relevant authorities for the purpose of trading and melting gold for export purposes.

The opening and refurbishment of both offices has been fully completed with the employment of local people and goods, the aim of the company is to support and improve the local economy, generate employment and encourage the teaching of new skills and education to support the local community.

#### **Schedule of Current Investment**

Mine Investment	\$75.000
Stock & Samples	\$22.000
Office/Expenditure	\$27.000
Equipment	\$30.000
Vehicles/Import Expenses	\$55.000
Total	\$209.000

St Clair Mines Ltd's account is in funds by \$71,000 to be increased by an additional \$200,000 from the UK company St Clair Estates Ltd.

I am committed to the continued to support St Clair Mines Ltd, as I strongly believe the investment in the company and large potential of the country of Tanzania, will benefit both the people and the economy and provide a good investment return. My future plans will not be limited to the current ventures but will be seeking to find other opportunities for ventures in the country.

### ST CLAIR ESTATES, LTD

2006- Present

Companies Activities: Land sales and acquisition.  
Residential developments.  
Construction.

Ref. Office: Unit 3 Gerrydown Business Park, Old Airfield, Winkleigh, Devon UK  
Position Held: Managing Director

**Took over company in 2006 and turned over from commission based sales to major land holder and developer within a 2 year period. In charge and responsible for all acquisitions and funding.**

Companies assets:

- Gerrydown Business Park (24 acre site comprising 169 plots)
- Winkleigh Control Tower (11 acre site being developed into 70 residential plots)
- Folkstone (12 acre site being developed into 83 residential plots)
- [www.stclairestates.net](http://www.stclairestates.net)

### PERSONAL ASSETS & OTHER INVESTMENTS

- 1,280 Acres in Nevada USA
- 60 Acres in Red Sea Egypt (Offices & Company)
- 6 Acres land Tarragona Spain
- Marble Mine Egypt. Employment 40 people.
- 5 Acres Timmins Canada
- 5 Bedroom Property Russellville Kentucky
- 5 Bedroom Property Devon UK
- Founder and financier of St Clair Charities (HIV Awareness & Research)

**MAJINA YA WANACHAMA KWENYE CLAIM NO:-P.M.L 0006944 NA  
0008275 YA DHAHABU SAMBARU SINGIDA VIJIJINI**

1. ELIZABETH SHANGO..... *Shango*
2. VEVE MUSHI..... *Mushi*
3. ROSE CHARLES..... *R. Charles*
4. ADELINA MUSHI..... *Mushi*
5. ATHUMANI ALLY..... *Ally*
6. ABDULRAHAMAN HAMISS..... *Hamiss*
7. ABASS MOHAMED SABUNI..... *Sabuni*
8. ST. CLAIR MINES L.T.D..... *St. Clair*

Tumeamua kwa pamoja kushirikiana na kampuni ya ST. CLAIR MINERS  
L.T.D ili waweze kuchimba kwa pamoja katika Claim tajwa hapo juu.

Wenu katika ujenzi wa taifa

*Shango*  
Elizabeth Shango

Kwa niaba ya wanachama wote

NAKALA:

OFISI YA MADINI KANDA YA KATI  
BOX 925  
SINGIDA



## TANZANIA



## Certificate of Incorporation

Section 15

No **66158**

I HEREBY CERTIFY THAT

**ST. CLAIR MINES LIMITED =====**

is this day incorporated under the Companies Act, 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this **20TH** day of **JUNE**

**TWO THOUSAND AND EIGHT**

A handwritten signature in black ink, appearing to read 'Mays', written over a dotted line.

Assist. Registrar of Companies

0151043009253



**TANZANIA REVENUE AUTHORITY**

DEPARTMENT ARD SINGIDA No 082940

**PAYMENT NOTICE AND DEPOSIT SLIP**

**PART 1: TAX PAYMENT NOTICE**

1. Taxpayer Name and Address: ST CLAIR MINES LIMITED

2. TIN: 106 916 209

P.O. Box 338

3. Tax Debit No.

4. Tax Region SINGIDA

5. Total Tax Payment TZS 200,000/-

6. Type of Tax DITAX

GFS CODE	Amount	Tax Period	GFS CODE	Amount	Tax Period
<u>010202</u>	<u>200,000</u>	<u>2008</u>			

**PART 2: TAX PAYMENT DEPOSIT SLIP**

7. Name of Bank CRDB

Branch SINGIDA

8. Payment

Cash:	Denomination	Amount (TZS)	Cents
	Notes: 10000/-x		
	5000/-x <u>40</u>	<u>200,000</u>	<u>=</u>
	2000/-x		
	1000/-x		
	500/-x		
	Coins 200/-x		
	100/-x		
	50/-x		
	20/-x		
	10/-x		
	5/-x		
	<b>Total Cash TZS</b>	<u>200,000</u>	<u>=</u>

**Cheques:**

Cheque Number	Drawer's Name	Bank and Branch	TZS	Cents
<b>TOTAL CHEQUES</b>				
<b>GRAND TOTAL</b>				

9. Amount in words Two hundred thousand only

10. Taxpayer's Signature [Signature]  
Original: Taxpayer Duplicate: TRA Triplicate: Bank

Date 25/8/08

TANZANIA REVENUE AUTHORITY

BUSINESS LICENCE TAX CLEARANCE  
CERTIFICATE N<sup>o</sup> 0052276

Consec. No: \_\_\_\_\_

TANZANIA REVENUE AUTHORITY

TIN No: 106-916-209

P.O. Box 118

SINGIDA

Date 25/08/2008

Trade officer - Singida

Re: ST. CLAIR MINES LIMITED

This is to certify that the tax affairs for the past five years in respect of the above named tax payer are in order.

I, therefore, have no objection if a trading licence is issued to the applicant in respect of the following business (es) GOLD TRADE

This certificate is valid only if it is embossed with the official seal, and it should be retained by the licensing authority.

Official Seal

*[Handwritten Signature]*

for: REGIONAL MANAGER



TFN 226  
(Rev. 296)

JAMHURI YA MUUNGANO WA TANZANIA

LESENI YA BIASHARA

B No 01062873

(Imetolewa chini ya Sheria ya Leseni za Biashara Na. 25 ya Mwaka 1972, marekebisho ya mwaka 1980 na masharti yaliyo nyuma)

\*Futa isiyotakiwa

- 1. Ofisi iliyotolewa... BIASHARA (W)
- 2. Nambari ya Ushuru wa mapato... 106-916-209
- 3. Leseni imetolewa kwa... Mrs. ST. CHAR. Mwandishi  
kuendesha biashara ya... UJUMBUZI (M)  
katika Wilaya/Kanda ya... SINGIDA Mtaa... FUSAMA CINEMA (MUNENGE)
- 4. Ni ya Shina/Tawi\*  
Ada Sh. 20000/= Nambari ya Stakabadhi... 07269  
ya tarehe... 25/08/2008
- 5. Mpya inaendeleza\* muda wa leseni Na... 5  
ya tarehe.....

(ii) Muda wa leseni hii utaishia 30 Juni, 2009

Tarehe

25/08/2008

Sahihi na Mthuri wa Mtoaji Leseni

**THE UNITED REPUBLIC OF TANZANIA  
THE MINING ACT, 1998**

**THE MINING (MINERAL TRADING) REGULATIONS, 1999  
Made Under Section 73**

**RENEWAL OF DEALER'S LICENSE No. DL 1743/2008**

Licence is hereby granted to **ST. Clair Mines Limited**  
of **P.O. Box 338, Singida, Tanzania**

to buy, sell or otherwise deal in **Gemstones** for the period of twelve months from the date of issue at the following premises

**Plot No.14, Block T  
Mwenge Street  
Singida  
Tanzania**

This licence is issued subject to the following terms and conditions:-

**ALL TERMS AND CONDITIONS OF THE MINING (MINERAL TRADING)  
REGULATIONS, 1999.**

Granted at Dar es Salaam this 19<sup>th</sup> day of DECEMBER, 2008

  
Dr. Daldly P. Kafumu  
COMMISSIONER FOR MINERALS

Note:-

1. This licence must be displayed at the place of business specified herein.
2. The licensee shall be liable for the due payment of royalties and other prescribed fees in respect of all minerals bought, sold, received or exported by him.

**THE UNITED REPUBLIC OF TANZANIA**

**THE MINING ACT, 1998**

**THE MINING (MINERAL TRADING) REGULATIONS, 1999**  
*Made Under Section 73*

**DEALER'S LICENSE No. DL 1620/2008**

Licence is hereby granted to **ST. Clair Mines Limited**  
of **P.O.Box 1102, Arusha, Tanzania.**

to buy, sell or otherwise deal in **Gold** for the period of twelve months from the date of issue at the following premises

**Plot No.14, Block T**  
**Mwenge Street**  
**Singida**  
**Tanzania**

This licence is issued subject to the following terms and conditions:-  
**ALL TERMS AND CONDITIONS OF THE MINING (MINERAL TRADING) REGULATIONS, 1999.**

Granted at Dar es Salaam this 03<sup>rd</sup> day of July, 2008



**Hamisi .M. Komba**  
**DEPUTY COMMISSIONER FOR MINERALS**

Note:-

1. This licence must be displayed at the place of business specified herein.
2. The licensee shall be liable for the due payment of royalties and other prescribed fees in respect of all minerals bought, sold, received or exported by him.



SINGIDA BRANCH  
P.O BOX 338  
SINGIDA  
TANZANIA  
TEL: +255 2502612

## St. Clair Mines Ltd

REG. TANZANIA

### RESOLUTION

Certified true extract of the Minutes of the Board Meeting held at the Registered Offices of the Company on 2<sup>nd</sup> July, 2008 at 10.00A.M.

“ It was resolved that the Company be and is hereby authorized to apply to the Tanzania Investment Centre for Registration and obtaining the relevant Certificate.”

Certified true extract

for and behalf of St.Clair Mines Limited

Terry Thomas Blake  
Managing Director.



SINGIDA BRANCH  
P.O BOX 338  
SINGIDA  
TANZANIA  
TEL: +255 2502612

## St. Clair Mines Ltd

REG. TANZANIA

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

Dear Sir,

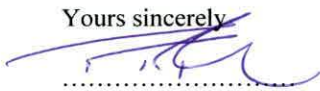
### CERTIFICATE OF INCENTIVES

Please find enclosed the following relevant documents for you to enable our Company to obtain the Certificates of Incentives.

1. Application forms in triplicate.
2. 3copies of the Feasibility study
3. Copy of the Memorandum & Articles of Association
4. Copy of the Certificate of Incorporation
5. Brief profile of the investors
6. Evidence of sufficient capital
7. Evidence of ownership of mining location
8. Project implementation schedule

Please do not hesitate to contact us for any further information or clarification that you may require.

Yours sincerely

  
.....  
Terry Thomas Blake  
Managing Director

CLAIR

ST. CLAIR MINES LIMITED

01J/10/497450/00

ST. CLAIR

0.000

31 JUL 08

\* INTERIM \*

1 TSH

02 JUL 08	CASH DEPOSIT	02 JUL 08		1,000,000.00	1,000,000.00		
28 JUL 08	MAINTENANCE FEES	28 JUL 08	7,500.00		992,500.00		
29 JUL 08	CQ BOOK	29 JUL 08	20,000.00		972,500.00		
29 JUL 08	CQ BOOK	29 JUL 08	20,000.00		952,500.00		
11 AUG 08	MOHAMED IBRAHIM ISMAIL	11 AUG 08		11,209,590.00	12,162,090.00		
11 AUG 08	SWIFT - BM+ COMM	11 AUG 08	5,000.00		12,157,090.00		
25 AUG 08	SERVICE FEES	25 AUG 08	7,500.00		12,149,590.00		
29 SEP 08	SERVICE FEES	29 SEP 08	7,500.00		12,142,090.00		
27 OCT 08	SERVICE FEES	27 OCT 08	7,500.00		12,134,590.00		
24 NOV 08	SERVICE FEES	24 NOV 08	7,500.00		12,127,090.00		
27 DEC 08	ANNUAL CARD FEE	22 DEC 08	5,000.00		12,122,090.00		
29 DEC 08	SERVICE FEES	29 DEC 08	7,500.00		12,114,590.00		
26 JAN 09	SERVICE FEES	26 JAN 09	7,500.00		12,107,090.00		
26/01/2009	26/01/2009 SAP		7,500.00DR		12,107,090.00CR	0.00	SERVICE FEES
23/02/2009	23/02/2009 SAP		7,500.00DR		12,099,590.00CR	0.00	SERVICE FEES
24/02/2009	24/02/2009 SW+ 0542429001			72,471,916.20CR	84,571,506.20CR	0.00	TERRY BLAKE/OR LOISE N
MW							
24/02/2009	24/02/2009 CHG 0542429001		5,000.00DR		84,566,506.20CR	0.00	SWIFT - BM+ COMM
26/02/2009	26/02/2009 CSW Y190284901		269,800.00DR		84,296,706.20CR	0.00	CASH WITHDRAWAL
26/02/2009	26/02/2009 SAP		500.00DR		84,296,206.20CR	0.00	SERVICE FEES

ST. CLAIR MINES LIMITED

CRDB BANK PLC  
SINGIDA BRANCH. 03

Branch Manager



## MKATABA WA KUPANGISHA SEHEMU YA NAFASI NDANI YA JENGO LA FURAHA CINEMA:

MKATABA huu umefanyika leo tarehe 3, April, 2009 KATI YA JUMA SELEMANI ABUBAKARI wa S.L.P. 1528, SINGIDA, kwa niaba ya familia ya marehemu SELEMANI ABUBAKARY, yeye akiwa ni MSIMAMIZI WA MIRATHI (Ambaye kwa Mujibu wa mkataba huu atajulikana kama "MMILIKI") kwa upande mmoja, NA ST. CLAIR MINING COMPANY LTD ya S.L.P. 1102 Arusha (Ambayo kwa mujibu wa mkataba huu itajulikana kama 'MPANGAJI') kwa upande mwingine.

### MKATABA HUU UNASHUHUDIA MAKUBALIANO YAFUATAYO:-

1. Kwamba, Mmiliki ndiye mwenye jengo la Furaha Cinema mjini Singida.
2. Kwamba, sehemu ya Furaha Cinema inayotazamana na Stanley Motel ina Ofisi ambayo Mmiliki anapangisha.
3. Kwamba mpangaji anapanga nyumba hiyo kwa ajili ya shughuli za kutengeneza dhahabu (gold processing) na kusanifu vito (lapidary).
4. Kwamba mpangaji anapangisha nyumba hiyo kwa bei ya Tshs 60,000/= kwa mwezi, fedha ambayo italipwa kwa tasilimu ya mwaka mmoja ambayo ni Tshs. 720,000/=, wakati wa kutia saina mkataba huu.
5. Kwamba, mkataba huu ni wa miaka mitano na kodi italipwa tasilimu kila mwanzoni mwa mwaka kulingana na mkataba huu.
6. Kwamba, mambo ya usafi na kuweka mazingira yanayofaa yatamhusu mpangaji mwenyewe katika eneo lake.
7. Kwamba, iwapo mpangaji atasitisha mkataba kabla ya mwaka mmoja hataweza kurudishiwa salio.
8. Kwamba iwapo mmiliki atataka kusitisha mkataba kabla ya mwaka mmoja, atalazimika kurudisha salio la miezi inayobaki kwa mpangaji.
9. Kwamba, iwapo mpangaji atakuwa na nia ya kuongeza mkataba mwingine baada ya miaka mitano, atatoa taarifa (Notisi) ya miezi mitatu kabla ya kumalizika kwa mkataba huu wa mwaka mmoja.
10. Kwamba, iwapo mmiliki ataridhia kuingia mkataba mwingine baada ya miaka mitano watajadiliana kuingia masharti watakaokubaliana wao.
11. Kwamba, mmiliki atahakikisha kwamba hatambughudhi mpangaji katika muda wote wa mkataba.

### PANDE ZOTE MBILI ZIMETIA SAHIHI HAPA CHINI KAMA IFUATAVYO:

#### IMETIWA SAHIHI NA KUTOLEWA

Na JUMA SELEMANI ABUBAKARI ambaye  
Namfahamu/ametambulishwa kwangu na A. HAMISI  
ambaye namfahamu hapa Singida  
leo tarehe 3, Aprili, 2009

J. ABUBAKARY  
MMILIKI

MBELE YANGU leo tarehe 03 March 2009

FLT  
KAMISHNA WA VIAPO.



IMETIWA SAHIHI na kutolewa  
na ABDULRAHAMANI HAMISI,  
Kny ST. CLAIR MINING COMPANY LTD  
ambaye namfahamu/ametambulishwa  
kwangu na J. Abubakari ambaye  
namfahamu hapa Singida leo tarehe 3, April, 2009.

Abubakari  
MPANGAJI

MBELE YANGU leo tarehe 03 March 2009

FLT  
KAMISHNA WA VIAPO.





2

Name of the Company  
St. Clair Mines Limited

Post Box	Mwenge	COI Number	66158	Contact	
Post Office	338	COI Date	20/06/2008	Designation	Terry Thomas Blake
Region	Singida	Application F. No	03612	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0769 734325
		Sub Sector	Gemstones	Fax	0
		File No	041678	E-Mail Address	Blakehelicopters@Yahoo.Co.Uk

Project Location		Investment Finance Plan in Millions USD										
Block	Singida	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.716</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.716	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.716		0	0								
Street	Mwenge											
District	Singida Rural											
Region	Singida											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Abasi N=Mohammed	Tanzania	25	Plant	0.03
Terry Thomas	United Kingdom	75	Vehicles	0.05
			Furniture & Fittings	0.009
			Pre-expenses	0.009
			Others	0.022
			Working Capital	0.22
			Total	0.716

Employment	7	Evaluated By	Revocatus Arbogast
Capacity	xxxx	Drawn By	Sarah Registry
Project Turn Over			

Description  
TO ESTABLISH FACILITIES TO PROCESS GOLD AND OTHER GERMSTONES

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

Decision

*Approved for investment*  
*ES 9/4*

3

TICC/PP.10/041678/3

15 April 2009

Managing Director,  
St. Clair Mines Ltd,  
P.O. Box 338,  
**SINGIDA**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF GOLD AND OTHER GERMSTONES  
PROCESSING FACILITY**

We wish to acknowledge receipt of your project proposal to establish gold and other gemstones processing project as presented in the TIC P.A. 1 Form No. 03662 and Feasibility Study with a projected investment of USD 0.716m.

We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives you will be required to submit the following:

- Certified current Company shareholding position from BRELA.
- Letter of no objection from Ministry of Energy and Minerals.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:

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

..../2

TICC/PP.10/041678/3

15 April 2009

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

Yours sincerely,  
**Tanzania Investment Centre**



**B. D. Chonjo**

For: Executive Director

Copy to: Permanent Secretary,  
Ministry of Finance and Economic Affairs,  
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**

JAMHURI YA MUUNGANO WA TANZANIA  
THE UNITED REPUBLIC OF TANZANIA  
STAKABADHI YA SERIKALI  
EXCHEQUER RECEIPT

30325555 1

TFN. 614 (REV. 8/94)

NIMLPOKEA KWA  
Received from

*JS*  
ST. CLARA ST. CLAIR MINES LTD

KIASI  
Amount

Shs.					Cts.				
U	7	5	0	0					

JUMLA YA SHILINGI (Kwa maneno)  
The Sum of Shillings (Words)

US DOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI  
And Cents

KWA MALIPO YA  
In Respect of

CERTIFICATE OF INCENTIVES  
FOR Executive Director

KWA FIDHIA TASLIM/HUNDI NAMBA  
By Cash/Cheque No.

CASH

Tanzania Investment Centre

KITUO - Station

SAHIBI YA MPOKEAJI - Receiving Officer's  
Signature.

*JS*

CHEO - Title

Acc.

TAREHE - Date

16 APR. 2009

BOM.

Govt. Press, Dsm.



**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF ENERGY AND MINERALS**

8

Telegrams "ENERGY".

Telephone: 255-22-2117156-9

Fax: 255-22-2137142

In reply please quote:



754/33 SAMORA AVENUE

P.O. BOX 2000

DAR ES SALAAM.

24<sup>th</sup> April 2009

Ref. No. CDB 171/467/01

St. Clair Mines Limited,  
P.O Box 338,  
**SINGIDA.**

**Re: A LETTER OF NO OBJECTION FOR INVESTMENT IN ESTABLISHMENT OF  
GOLD AND GEMSTONES PROCESSING FACILITY**

We wish to acknowledge receipt of your letter Ref. ST.CLM/VDL2/2009 dated 22<sup>nd</sup> April 2009, requesting for a letter of no objection to enable your company to invest in the establishment of gold and gemstones processing facility in Singida.

Kindly be informed that the Ministry of Energy Minerals (MEM) supports such initiatives that promote development of industries for mineral processing and value addition activities in the country.

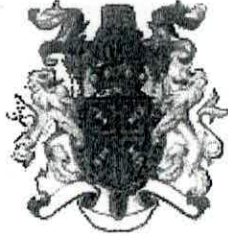
Accordingly, the Ministry of Energy and Minerals has no objection to your proposed gold and gemstones processing facility project.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Shubi J. Byabato'.  
Shubi J. Byabato

**For: PERMANENT SECRETARY**

5



SINGIDA BRANCH  
P.O BOX 338  
SINGIDA  
TANZANIA  
TEL: +255 2502612

## St. Clair Mines Ltd

25/5/2009

REG. TANZANIA

The Commissioner for Customs and excise  
Tanzania revenue Authority  
P.O.Box 9053  
Dar es Salaam

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



### RE: DUTY AND VAT EXEMPTION ON CAPITAL /DEEMED CAPITAL GOODS

The above captioned subject refers.

Our company is involved activities establishing and manufacturing of Gold and Gemstone processing in Singida. The project is registered with TIC and owns a valid certificate of Incentives No. 041678 . In its implementation, we are applying for duty and VAT exemption on capital / deemed capital goods.

Attached are:

- I. List of items exemption is sought for
- II. Copy of certificate of Incentives
- III. TIN certificate.

Thanking you in advance.

Sincerely Yours,

Abasi Mohamed Sabuni  
DIRECTOR

ST. CLAIR MINES LTD  
PO BOX 338  
SINGIDA

HEAD OFFICE: UNIT 3 GERRYDOWN BUSINESS PARK OLD AIRFIELD WINKLEIGH DEVON EX19 8EZ  
OFFICES IN EGYPT, LONDON & KENYA  
TEL. +44 (0)1837 682890 EMAIL: info@stclairstates.net  
COM REG NO. 03995599

**LIST OF CAPITAL / DEEMED CAPITAL GOODS FOR  
M/S CLAIR MINES LTD SECTOR MANUFACTURE  
TIC CERTIFICATE No. 041678**

No.	DESCRIPTION / ITEM	ITEM GROUP	QUANTITY	UNIT
1.	Lapidary Equipments for Gold and Gemstone:- a) Model M. D. R. Master b) Ring Machine c) Gold Binding Machine		4 2 2	
2.	TRIO Gold Crusher Machine		2	
3.	Tilt Pour System 45kwm		1	
4.	Reload Scales (Testing)		4	Pcs
5.	Gold Re-finer Equipment		2	Pcs
6.	Gold Washer and Shaker Machine		3	Set
7.	G. 937.5 Allas Copco Air compressor		7	Pcs
8.	1000 L. Air Compressor Diesel		8	Pcs
9.	Backup Generator		4	Pcs
10.	Submasive Water Pumps		6	Pcs
11.	40ft empty Containers		6	Pcs
12.	Monorop Winches		4	Pcs
13.	Gas Cylinder (empty)		4	Set
14.	Diggers and Tack Hammers		20	Pcs
15.	Fuso Truck		3	
16.	Helicopter		1	
17.	Pickup 4 x 4 Land Cruser		2	
18.	Water Tanks		4	Pcs
19.	Air Pipes		2000	Miters
20.	Grading Machines and Hand Bench		4	Pcs
21.	Drilling Machine / Hand Press Machine		4	Pcs
22.	Tools Box Spanners		4	Set
23.	ATC Welding Machines		2	Set
24.	Mig Welding Machine		2	Set
25.	Land Cruser Hard Top		1	

**Item Group:-**

These are Building Materials, Vehicles, Aircrafts, Ships, Communication Equipment, Machines, Hotel Equipment, Furniture, Linen, Metal Structures and other articles of metal.

verified true copy  
of The Original  
Signature *[Signature]*  
Date 20/5/2009



No 00215577

For: Executive Director  
Tanzania Investment Centre  
THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041678  
No: .....

## This is to certify that

.....  
ST. CLAIR MINES LTD  
.....

of address .....  
P.O. BOX 338  
.....  
SINGIDA  
.....

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

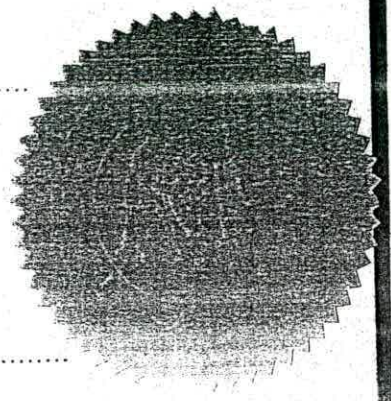
.....  
ST. CLAIR MINES LTD  
.....  
Which is located at.....  
FURAHA CINEMA BUILDING, SINGIDA MUNICIPALITY  
.....  
SINGIDA  
.....

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

*[Signature]*  
.....  
Executive Director

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

Dated ..... 18TH MAY 2009 .....



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 (%)
Terry Thomas Blake	British	75
Abasi Mohamed Sabuni	Tanzanian	35
  
2. Proposed Activities: To establish facilities to process gold and other gemstones
  
3. Sector: Manufacturing Subsector Gold and gemstone processing
  
4. Investment cost:
 

Foreign	-	Local	USD 0.716m.	Total	USD 0.716m.
---------	---	-------	-------------	-------	-------------
  
5. Project Financing:
 

Equity	USD 0.716m.	Loans	-	Total	USD 0.716m.
--------	-------------	-------	---	-------	-------------
  
6. Source, terms and conditions of loan
  
7. Assets to be invested:
 

Capital items:	Foreign	Local	Total
	-	USD 0.716m.	USD 0.716m.
Technology Agreement		None	
Date of TIC Registration:	15th April 2009		
Implementation period	April 2009 - March 2012		
Operative date	April 2012		
  
8. 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
  - (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 allow

CT N: 00257064



# TANZANIA REVENUE AUTHORITY

## CERTIFICATE OF REGISTRATION

### FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 59 OF 2004)

**THIS IS TO CERTIFY THAT**

ST. CLAIR MINES LIMITED

has been registered with the Tanzania Revenue  
Authority and assigned the Taxpayer  
Identification Number

106-916-209

with effect from 14-Jul-2008

JOHNNI S. N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATE OVERLEAF



Nº 00215577

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041678 .....

## This is to certify that

ST. CLAIR MINES LTD

of address P.O. BOX 338 .....

SINGIDA

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~  
~~XXX equity of the~~ enterprise known as

ST. CLAIR MINES LTD

Which is located at FURAHA CINEMA BUILDING, SINGIDA MUNICIPALITY .....

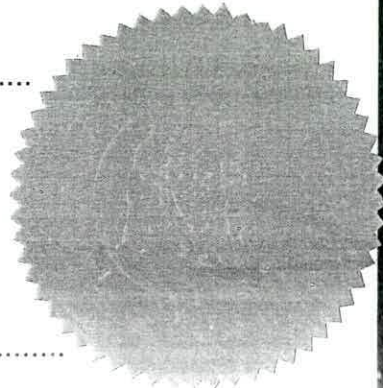
SINGIDA

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 18TH MAY 2009 .....



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 (%)
Terry Thomas Blake	British	75
Abasi Mohamed Sabuni	Tanzanian	35
2. Proposed Activities: To establish facilities to process gold and other gemstones
3. Sector: Manufacturing Subsector Gold and gemstone processing
4. Investment cost: Foreign — Local USD 0.716m. Total USD 0.716m.
5. Project Financing:  
Equity USD 0.716m. Loans — Total USD 0.716m.
6. Source, terms and conditions of loan.
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	—	USD 0.716m.	USD 0.716m.
8. Technology Agreement None
9. Date of TIC Registration: 15th April 2009
10. Implementation period April 2009 – March 2012
11. Operative date April 2012
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
  - (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

(6)

**THE UNITED REPUBLIC OF TANZANIA  
BUSINESS REGISTRATION AND LICENSING AGENCY  
(Offices: Co-operative Building Lumumba Street)**

Website: <http://www.brela.org>  
E-mail: [usajili@cats-net.com](mailto:usajili@cats-net.com)  
[ipo@cats-net.com](mailto:ipo@cats-net.com)  
[brela@cats-net.com](mailto:brela@cats-net.com)

Telephone: +255-22-2180139, 2181344,  
2180113, 2180141  
D/L 2180048, 2180385  
Fax: +255-22-2180371 2180411



P.O. Box. 9393,  
DAR ES SALAAM.

(All Official communications should be  
addressed to the Registrar not to  
individuals)

In reply please quote:

MITM/RC/66158

7<sup>TH</sup> MAY, 2009

THE EXECUTIVE DIRECTOR  
TANZANIA INVESTMENT CENTRE  
P.O. Box 938  
DAR ES SALAM.



Dear Sir,

RE: 1. COMPANIES ORDINANCE ACT 2002  
2. ST. CLAIR MINES LTD.

I refer to your letter with ref. No. ST. CLM/VDL3/2009 dated 22<sup>nd</sup> April 2009.

The current shareholders/Directors are:

- Terry Thomas Blake	-	750 shares
- Abasi Mohamed Sabuni	-	250 shares

  
N. Shani  
DEPUTY REGISTRAR OF COMPANIES

**TICC/PP.10/041678/9**

**28/05/2009**

Commissioner for Customs & Excise,  
Tanzania Revenue Authority,  
P.O. Box 9053,  
**DAR ES SALAAM**

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL  
GOODS OF CERTIFICATE OF INCENTIVES NO. 041678**


**M/S St. Clair Mines Limited** is a TIC registered company with certificate of incentives **No. 041678** which is valid up to **March 2012**

The company has been registered with objectives of establishing facilities for processing gold and other gemstones.

Attached herewith please find a list of capital/ deemed capital goods for Duty and VAT exemption approval.

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**



APPLICATION FOR FOREIGN CURRENCY FUNDS TRANSFER  
(to be completed in duplicate)

BRANCH NIC JUNCTION

DATE 19/02/09

Kindly debit my/our account

Account Title	TERRY BLAKE / LOICE N. MUDANGI
Account Number	CA1310001213



and remit by SWIFT

Currency	USD	Amount	66,179.78
----------	-----	--------	-----------

Beneficiary Details

ST. CLAIR MINES LIMITED	
Account Number	DLT1049746000

Beneficiary's Bank

CRDB BANK PUBLIC LIMITED COMPANY.	
SIGHT SINGIDA BRANCH	
P.O BOX 135 SINGIDA	
SWIFT Code	CORUTZTZ
Sort Code	

Intermediary Bank

SWIFT Code		Sort Code	
------------	--	-----------	--

Payment Details

VERIFIED	
----------	--

Foreign Bank Charges for:  my/our account

beneficiary's account

FUNDS	SIGNATURE	CALL BACK
<input type="checkbox"/>	<i>[Signature]</i>	<i>[Signature]</i>

I/We agree that the Bank is not liable for any errors, omissions or delays in transmissions arising from circumstances beyond its control. I/We agree to pay all charges resulting from the repetition or clarification of any message if this occurs

LOICE *[Signature]*

Authorized Signatory/ies (As per mandate)

FOR OFFICIAL USE ONLY

Foreign Currency Amount	
Exchange Rate	
Local Currency Equivalent	
Commission	
Other Charges	
Total Kshs.	

	Branch	H/Office
Prepared By	<i>[Signature]</i>	
Verified By		
Authorised by		



# 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](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

(Please fill the form in duplicate)

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 TERRY THOMAS BLAKE.  
(director/directors/agent of SI CLAIR MINES LIMITED.  
(name of business enterprise) apply for registration of SI CLAIR MINES 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 PLOT NO 14, BLOCK T  
MWENGE STREET SINGIDA TANZANIA.

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 FLAT NO 14 BLOCK T, MWENGE ST.  
SINGIDA, TZ.

4. The Principal Officers of the Company are .....
- 1) TERRY THOMAS BLAKE - DIRECTOR/SECRETARY.
  - 2) ABASI MOHAMMED SABUNI - DIRECTOR.

5. Auditors of the Company are HASSANALI RUTAKYAMUKWA & CO.  
P O BOX 345, ARUSHA, TANZANIA.

6. The authorized share capital of the Company is Tshs./US\$ T Shs 500,000,000/-  
(Five hundred Million) divided into 5000 Ordinary  
Shares of Sh 100,000 = each.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 309,000 = USD Three hundred and nine thousand.
8. The month and day of the financial year end is 30th June.

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\$

\$ 750 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ABUBAKAR MOHAMMED S. of Post Office Number 12083 Anesho

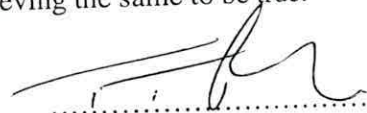
do solemnly and sincerely declare that I am a director/duly

authorized agent of ST CLAIR MNGSP 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 Dar es Salaam

The 3 day of 3 2009

  
Applicant

Before me:



Commissioner for Oaths

APPLICATION SUMMARY

Company Name: ST. CLAIR MINES LIMITED.

Certificate of Incorporation Number: 66158. Status: .....

Certificate of Incorporation Date: 20th June 2008.

Post Box: 338

Town: SINGIDA

Sector: MANUFACTURERS Sub-Sector: LAPIDARY PROCESSORS OF GOLD AND OTHER GEMSTONES.

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
481,477			

Project Objectives: TO PROCESS GOLD AND OTHER VARIOUS GEMSTONES.

Capacity: .....

Employment: Foreign: 1 Local: 6 Total: 7

Implementation Period: .....

Project Location

Site/Plot/Block No.: SINGIDA.

Street: MUNCENGESI District: SINGIDA Region: SINGIDA

(Attach sketch map showing project location)

Shareholders	Nationality	%
1, MR TERPY.T.B	BRITISH	75
2 MR ABAS MOHAMMED S.	TANZANIAN	25

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

Land/Building	u\$ 3987.60
Plant	\$ 71,489.72
Vehicles	\$ 75,000
Furniture & Fittings	\$ 80,000
Pre-expenses	\$ 9,000
Others	\$ 22,000
Working Capital	\$ 220,000
<b>TOTAL</b>	<b>481,477.32</b>

**Contact Details:**

Name: TERRY THOMAS BLAKE Title: ST CLAIR MINES LTD.

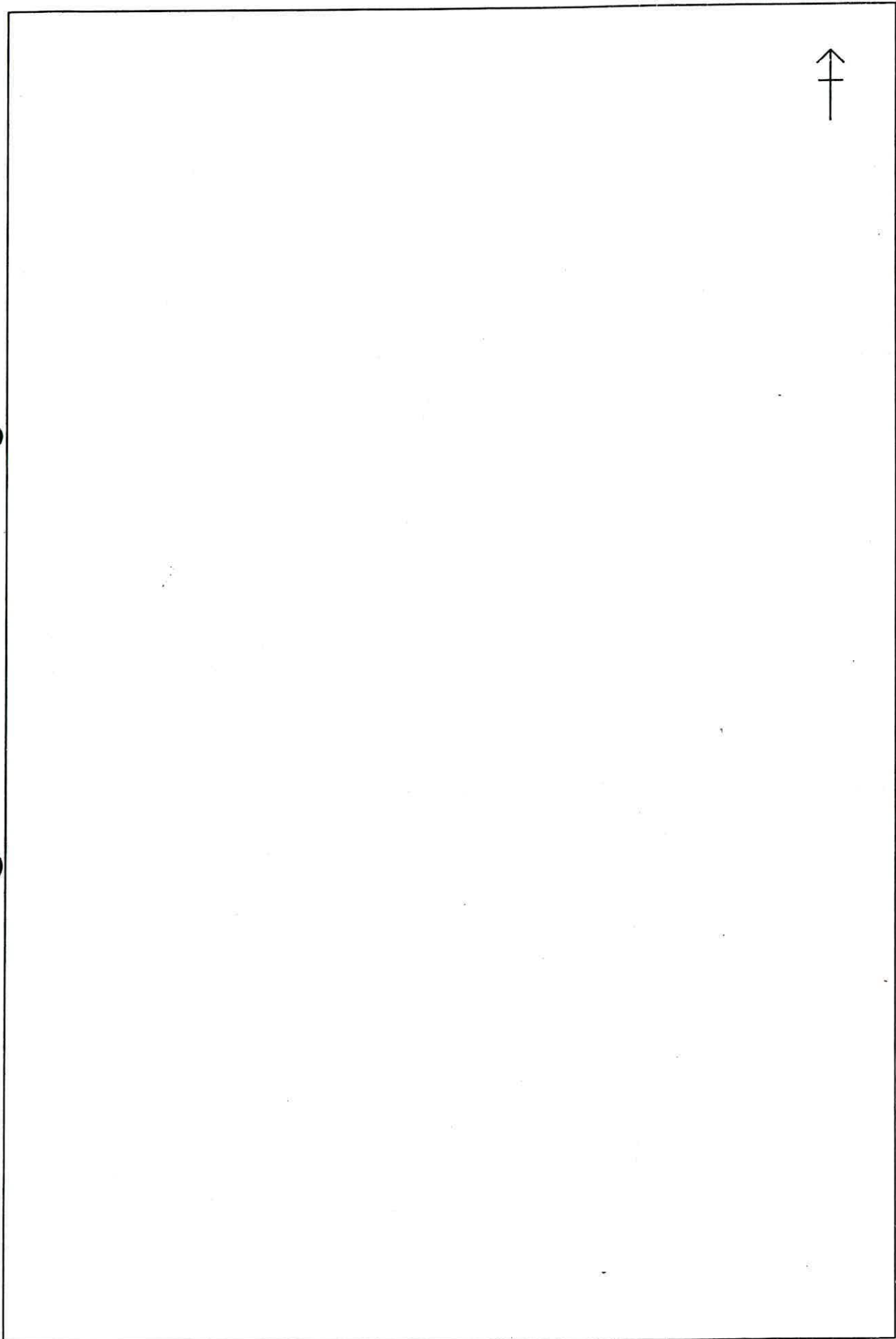
Telephone: 0769734325 Fax:

Email: Blakehelicopters@yahoo.co.uk

**Payments to be made payable to:**

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

SKETCH MAP SHOWING PROJECT LOCATION





MKATABA WA KUPANGISHA SEHEMU YA NAFASI NDANI  
YA JENGO LA FURAHA CINEMA:

MKATABA huu umefanyika leo tarehe 7 Juni, 2008 kati ya JUMA SELEMANI ABUBAKARI - kwa niaba ya familia ya Marehemu SELEMANI ABUBAKARY, yeye akiwa ni MSIMAMIZI WA MIRATHI [ Ambaye kwa Mujibu wa mkataba huu atajulikana kama "Mmiliki"] kwa upande mmoja, na ST. CLAIR MINING COMPANY LTD. ya S. L. P. 1102 Arusha [ Ambaye kwa mujibu wa mkataba huu itajulikana kama "Mpangaji"] kwa upande mwingine.

**MKATABA HUU UNASHUHUDIA MAKUBALIANO YAFUATAYO:-**


1. Kwamba, Mmiliki ndiye mwenye jengo la Furaha Cinema mjini Singida.
2. Kwamba, sehemu ya Furaha Cinema inayotazamana na Stanley Motel ina Ofisi ambayo Mmiliki ana pangisha.
3. Kwamba, Mmiliki anapangisha sehemu hiyo ya Furaha Cinema kwa bei ya Tshs. Laki moja na Ishirini elfu (120,000/=) kwa mwezi.
4. Kwamba, pande zote mbili zimekubalina na kuanza mkataba wa mwaka mmoja kuanzia tarehe ambayo matengenezo ya chumba kilichopangishwa yatamalizika.
5. Kwamba, Mpangaji amelipa fedha tasilimu Tshs. Milioni moja laki nne arobaini elfu (Tshs. 1,440,000/=) tu ambayo ni kodi ya mwaka mzima.
6. Kwamba, Matengenezo ya chumba kilichopangishwa yatafanywa na Mpangaji.
7. Kwamba, masuala yanayohusu umeme ni kwamba Mpangaji atachangia pamoja na wapangaji wengine kwa utaratibu watakaolewana.
8. Kwamba, mambo ya usafi na kuweka mazingira yanaofaa yatamhusu mpangaji mwenyewe katika eneo lake.
9. Kwamba, kama kutakuwepo haja ya kupangisha mtu mwingine, basi mpangaji atafanya hivyo kwa ridhaa ya mmiliki wa jengo la Furaha Cinema, na si vinginevyo.
10. Kwamba, iwapo Mpangaji atasitisha mkataba kabla ya mwaka mmoja hataweza kurudishiwa salio.
11. Kwamba, iwapo mmiliki atataka kusitisha mkataba kabla ya mwaka mmoja, atalazimika kurudisha salio kwa mpangaji.
12. Kwamba, iwapo mpangaji atakuwa na nia ya kuongeza mkataba mwingine atatoa taarifa (Notisi) ya miezi mitatu kabla ya kumalizika kwa mkataba huu wa mwaka mmoja.
13. Kwamba, mmiliki atahakikisha kwamba hatambughudhi mpangaji katika muda wote wa mkataba.

**PANDE ZOTE MBILI ZIMETIA SAHIHI HAPA CHINI KAMA IFUATAVYO:**

IMETIWA SAHIHI NA KUTOLEWA  
Na JUMA SELEMANI ABUBAKARI  
leo tarehe 7 Juni, 2008

  
.....  
MMILIKI


MBELE YANGU

  
.....  
KAMISHNA WA VIAPO



P.O. Box 338  
SINGIDA.

IMETIWA SAHIHI NA KUTOLEWA  
Na ABDULRAHAMANI HAMISI King  
ST. CLAIR MINING COMPANY  
Ltd. leo tarehe 7 Juni  
2008.

  
.....  
MKODISHWAJI

MBELE YANGU:

  
.....  
KAMISHNA WA VIAPO



*Certified true copy  
of the original.*  
*Hamad*  
30/03/09

JAMHURI YA MUUNGANO WA TANZANIA  
 THE UNITED REPUBLIC OF TANZANIA  
 STAKABADHI YA SERIKALI  
 EXCHEQUER RECEIPT

30322039

1 2162/03662 (Rev. 8/94)



NIMEPOKEA KWA  
 Received from

KIASI  
 Amount

Shs. USD										Cts.
									100	

ST CLAIR MINES LTD

JUMLA YA SHILINGI (Kwa maneno)  
 The Sum of Shillings (Words)

ONE HUNDRED USD

NA SENTI  
 And Cents

KWA MALIPO YA  
 In Respect of

APPLICATION FORM

KWA FEDHA TASLIM/HUNDI NAMBA  
 By Cash/Cheque No.

CASH

KITUO - Station

TIC - MOSHI

SAAHIHI YA MPOKEAJI - Receiving Officer's  
 Signature.

*[Signature]*

CHEO - Title

Ag. Mgr.

TAREHE - Date

25/8/08

Print, Dem.

CFO. Executive Director  
 Tanzania Investment Centre

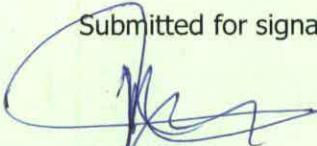
**EXD**

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 0.716 m
- (b) Legal entity has been incorporated under certificate No. 66168 of 20/06/2008

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. A. Senzia  
**DIF**

15<sup>th</sup> April 2009

**EXD**

In response to the TIC letter of registration dated 15<sup>th</sup> April 2009

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from CRDB Bank - Singida
- (c) Lease Agreement in favour of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 041678 herein attached.

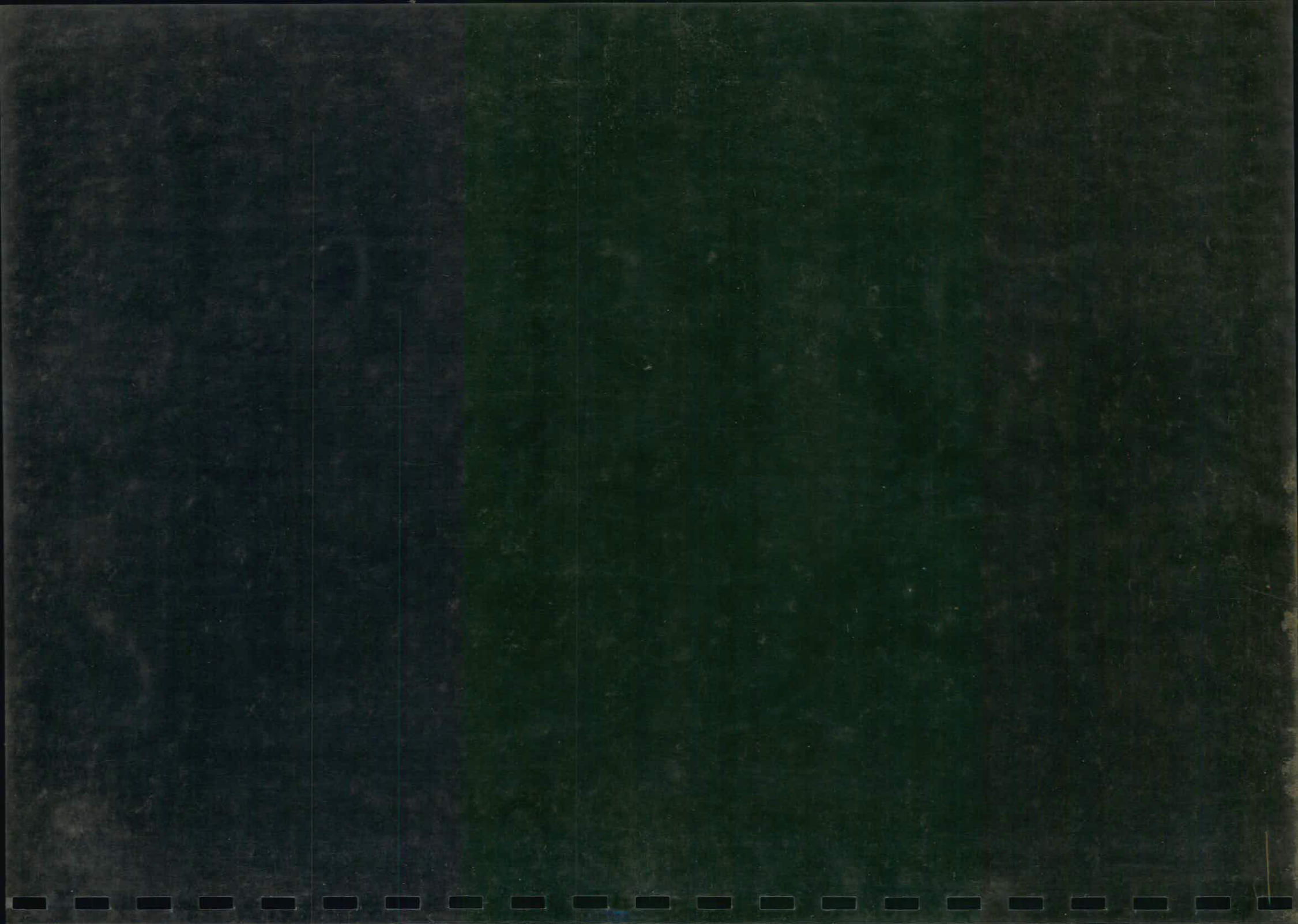
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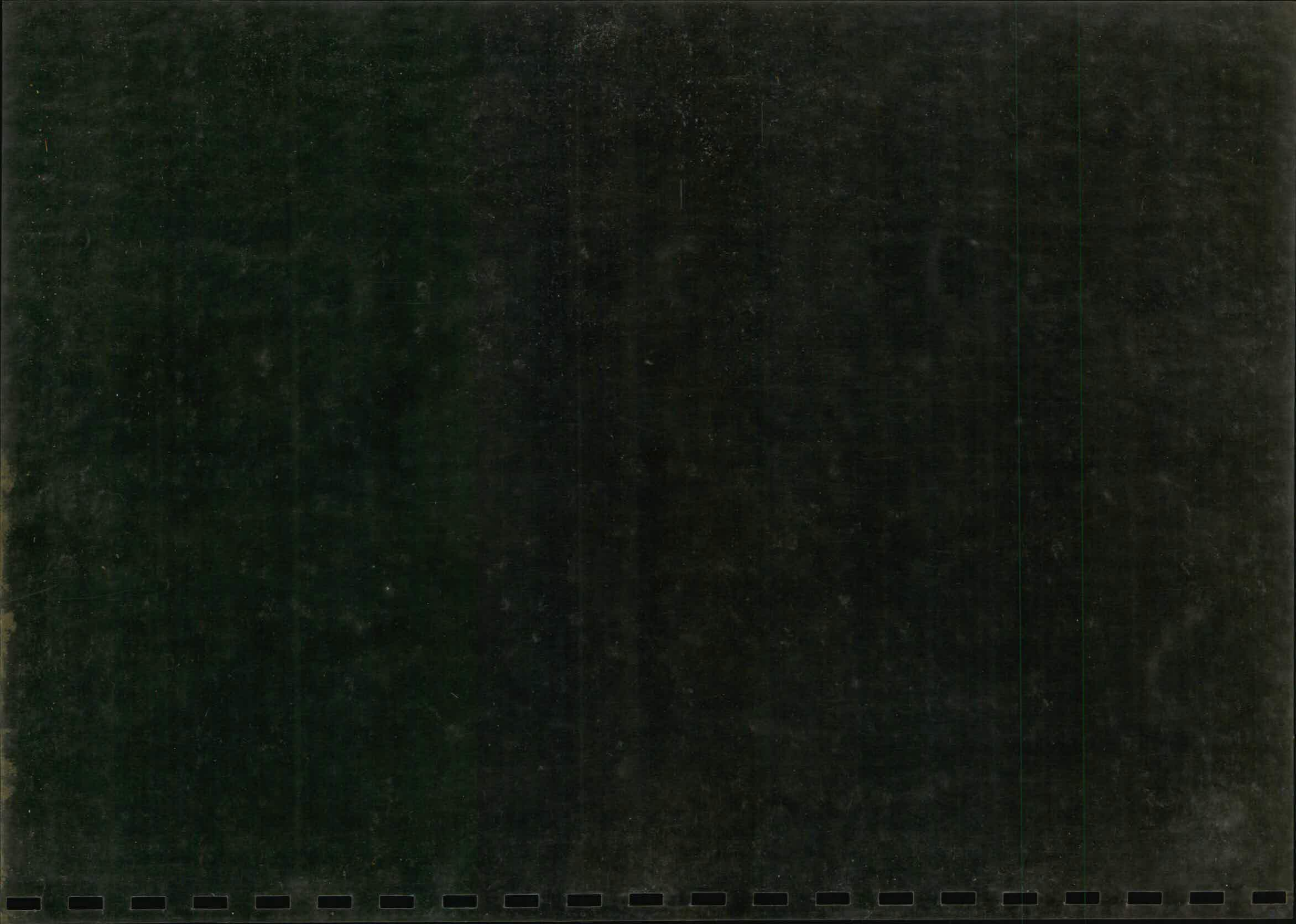


**DIF**

MINUTE

PAGE NO. \_\_\_\_\_





THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES

MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION

OF

ST. CLAIR MINES LIMITED

Incorporated this <sup>th</sup> 20.....day of.....June.....2008.

Drawn by:  
THE SUBSCRIBERS  
P.O. Box 1102  
ARUSHA

**THE COMPANIES ACT, 2002**  
**COMPANY LIMITED BY SHARES**

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**

**OF**

**ST. CLAIR MINES LIMITED**

Incorporated this <sup>th</sup> 20.....day of.....*June*.....2008.

Drawn by:  
THE SUBSCRIBERS  
P.O. Box 1102  
ARUSHA

TANZANIA

Stamp Duty Shs. 5000/=

PAID ON ORIGINAL

Receipt No. 32/19208

19/6/08

Stamp Duty Officer

## THE COMPANIES ACT, 2002

### COMPANY LIMITED BY SHARES

### MEMORANDUM OF ASSOCIATION OF ST. CLAIR MINES LIMITED

20208  
32/19208  
19/6/08

1. The Name of the Company is **ST. CLAIR MINES LIMITED**

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

3. The Objects for which the Company is established are:

- (a) To carry on business as goldsmiths, silversmiths, jewellers, gem merchants, unwrought precious metal dealer, watch and clock makers, electro-platers, dressing bag makers, importers, exporters and dealers of bullion and precious stones and to buy, sell and deal in (wholesale and retail) precious stones, jewellery, watches, clocks, gold and silver plate, electro-plate, cutlery, dressing bags, bronzes, articles of virtue, objects of art, and such other articles and goods as the Company may consider capable of being conveniently dealt in relation to its businesses, and to manufacture and to establish factories for manufacturing good for the above businesses and to establish a lapidary or lapidaries.
- (b) To carry on all kinds of mineral exploration and in particular to search for, prospect, examine and explore mines and grounds supposed to contain minerals or precious or semi-precious stones and to search for and obtain information in regard to mines, mining claims, mining districts and localities.
- (c) To purchase, take on lease or otherwise acquire and to sell, dispose off and deal with any mines, mining rights, licenses, claims, locations, leases, grants or concessions in respect of mineral and precious or semi precious stones of all kinds and undertakings connected therewith and to explore, work, exercise, develop and turn to account the same.
- (d) To crush, win, get, quarry, smelt, calcine refine, dress, cut, polish, amalgamate, manipulate and prepare for market, ore, metal and mineral substances of all kinds, including precious and semi precious stones and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects.
- (e) To prospect, search for, pump, harness, refine, purify and otherwise turn to account water, mineral oil, natural gas, steam and other natural sources of energy and to sell and otherwise deal in the same, the products and by-products thereof and electrical and other energy produced therefrom.
- (f) To carry on the business of general merchants, general storekeepers, universal providers, importers, exporters and whole sale and/or retail traders of or other wise dealers of and in cotton, silk and wooden goods and textiles fabrics of all kinds.

- (g) To buy, sell, manufacture prepare for market and deal in foods and other products, goods, provisions, clothing, stores, drugs, medicines and pharmaceutical preparations, and all conveniences or necessities of life which may be used or required for workmen or others employed by the company
- (h) To buy, sell, import, export, produce, manufacture, process or otherwise deal in food and products, meat, poultry, fish, groceries, fruits, vegetables and milk.
- (i) To enter into any arrangements and contracts with the Government or Authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons, having objects that may seem conducive to the company's objects or any of them and to obtain from any such government authority, corporation, company or person any characters, contracts, decree, rights, privileges and concessions.
- (j) To carry on the business of farmers and ranches and to own and operate agricultural machinery and equipment including tractors combine harvesters, ploughs, planters, seed drills, fertilizers, spreaders, seed grading and cleaning equipment for the express or implied purpose of cultivating and growing all agricultural produce and commodity which the company in its absolute discretion may decide to grow, process, import and export.
- (k) To carry on the business of mine works and obtain mining rights or take on lease or otherwise acquire lands and properties for mining in the United Republic of Tanzania or elsewhere and to crush, wash, melt, reduce, or otherwise treat and marketable and sell or dispose of the produce of any mines whether belonging to the company or not.
- (l) To develop the resources of the turn to account any lands and any rights over or connected with land belonging to or in which the Company is interested, and in particular by cleaning, draining, fencing, planning, cultivating, building, improving, farming, irrigation, grazing and by promoting immigration and emigration and the establishment of towns, villages and settlements.
- (m) To carry on the business of poultry farmers including the erection of and purchase of broiler houses and the sale, by wholesale or retail, of the live poultry and of eggs and to carry on the business of livestock breeders of every variety of Halal animal whether bred as pedigree stock or for the purpose of its sale only as livestock. To carry on the business of dairymen and to manufacture and sell, by wholesale or retail, import or export all dairy products in every form.
- (n) To carry on and transact any other businesses and operations, commercial manufacturing, financial, agricultural or otherwise which the company may think directly or indirectly conducive to any of its objects or capable or being conveniently carried on in connection therewith or calculated, directly or indirectly to enhance the value of or render profitable the company's property or other rights.
- (o) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents brevets, Invention, licenses, concessions and like, conferring and exclusive or non-exclusive or limited rights to use any invention which may seem calculated directly or indirectly to benefit the company and to use exercise, and develop, or grant licenses in respect of, or otherwise turn to account the property and rights so acquired.

- (p) To purchase, take on lease or in exchange, hire or otherwise require any property movable or immovable, or any interested therein and any rights or privileges which the company may think necessary or convenient for the purposes for its business, and in particular any land or building, and to pay for such properties, rights and privileges, either in cash or in stock or shares or otherwise.
- (q) To charter or hire motor vehicles, ships, aircrafts and other means of transport for the purpose of business to charter or let on lease its own vehicles and other properties to other people or companies as the company may find it necessary.
- (r) To acquire from any sovereign, state or authorities any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
- (s) To build, contract, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control, and superintend any buildings, offices, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidies, or otherwise aid or take part in any such operations.
- (t) To carry on business as capitalists and concessionaires and to undertake and execute all kinds of financial, commercial, trading and other operations and to carry on any other business which may seem to be capable of being conveniently carried on in connection with any of this objects, directly or indirectly to enhance the value of, or facilitate the realization of, or render profitable, any of the property or rights of the Company.
- (u) To carry on the business of industrial consultancy, Management consultancy, financial and tax consultancy, personnel selection advisers, manufacture's representatives, tour operators, travel agency and insurance agency.
- (v) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debenture stock certificate or other securities, perpetual or otherwise charges upon all or any other company's rights and property (present and future) including any uncalled capital or without any such security and to purchase, redeem or pay off any such security or loan.
- (w) To amalgamate with, or enter into partnership or into any arrangement for sharing profits, union interest, co-operations, joint venture reciprocal concession or otherwise with any person or company carrying or, engage in, or about to carry on or engage in any business or transactions which the company is authorized to carry on capable or being conducted so directly or indirectly to benefit the company. And to take or otherwise acquire shares and securities of any such company, and sell hold reissue with or without guarantee, or otherwise deal with the same.
- (x) To adopt such means of making known the activities and products of the company as may seem expedient and in particular by advertising in the press, on radio or television, by circular, by purchase and exhibition, of works of art or interest, by publication of books and periodicals by granting prizes, rewards and donations and maintaining stores and / or showrooms.

- (y) To promote any other company for the purpose of acquiring all or any of the property in liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the company, and subsidize or otherwise assist any such company.
- (z) To take or otherwise acquire and hold shares in any other company, having objects altogether or in part similar to those of the company, or carrying on any business capable of being conducted so as directly or indirectly benefit the company in any way.
- (aa) To lend money to such persons and on such terms as may seem expedient, and in particular but without restricting customers, and others having dealings with the company, and to guarantee and become surety for the liabilities, of, the performance of contracts and the repayment of money by any persons, customers and other whether or not having dealings with the company.
- (bb) To carry on the business of importers of industrial plants, farm machinery including trucks lorries, cars, spare parts for all the said machine any other power propelled vehicles and machinery whatsoever.
- (cc) To invest in and carry on the business of tented camps and motels for residents and tourists and holiday camp keepers, game lodge, hotels, restaurant, cafés and apartment houses.
- (dd) To carry on business of management, administration, catering, public relations, personnel management of tourists boarding house.
- (ee) To carry on the business of importers, dealers and distributions of all kinds of mineral and petroleum products.
- (ff) To carry on the business of aviation, buy, sell, take and let on hire, repair, maintain store and otherwise deal with and in aero planes, helicopters, gliders, motorcars and ships, boats, trawlers and other vehicles and crafts of all kinds (whether for use in the air or on land or water and howsoever powered or propelled), radio instruments, electronics equipment and other equipment and machinery of all kinds, as well as parts of propellers accessories, types, tubes, fuel and lubricants for any of the foregoing.
- (gg) To carry on the business of an air charters, operators, sea charter operators, ground transporters, carriers of passengers, freight and mail by air, water and land, as aviation engineers, as flying instructors and as travel and tourist agents, and to promote, organize, control and conduct tours, safaris and expeditions by air, water and land for recreational scientific business and other purposes.
- (hh) To carry on the business of farming in all its branches (agricultural, horticultural, livestock, poultry, fish rearing, green house, orchards etc) and to carry on the business of cultivators, growers, sellers and whole sellers, horticulturists and merchants.
- (ii) To pay out of the funds, of the company all expenses of and incidental to its formation and registration and to remunerate any person or company either in cash or by the allotment of shares credited as fully or partly paid up, for services rendered in the formation of the company or in placing, or assisting to place any of the shares in the company's capital or in or about the promotion of the company or the conduct of its business.

- (jj) To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, and other negotiable instruments.
- (kk) To distribute any of the property of the company among the members in specie or in kind
- (ll) To invest the money of the company not immediately required in any beneficial manner.
- (mm) To establish and support or aid in the establishment and support of associations institutions, funds trusts and conveniences calculated to benefit and to grant pensions and allowances to directors or ex directors and any persons who are or have been at any time employed by or in the service of the company or of any subsidiary allied or associated company or of the predecessors in business of such persons and to make payments towards insurance for the purpose of or aforesaid and to subscribe or guarantee money for any charitable or benevolent object of for any exhibition or for any public, general or useful object.
- (nn) To sell, improve, manage, develop, and lease mortgage or dispose of the whole or any portion of the property and rights of the company.
- (oo) To do all such other things as may be conducive or incidental to the attainment of the above objects.
- (pp) To do all or any of the things in any part of the World and as principals managing agents contractors, trustees, or otherwise, and by or through trustee, agents, managing agents or otherwise and whether alone or in conjunction with objects.
- (qq) To operate Internet, sell websites, sell domains and computer hardware parts, Car market, New and Secondhand.
- (rr) Import and sell medicine drugs and all pharmaceutical equipments.
- (ss) To carry on the business of Forestry, farming, saw milling, agri processing and export and import of agricultural products.
- (tt) To do all such things as are incidental or conducive to the attainment of the above objects or any of them and the exercise of any of the powers of the Company.



The Objects set forth of this clause shall not accept when the context expressly so required, be in any wise limited or restricted by reference to or inference from the terms of any sub-clause or by the name of the Company. None of such sub-clause or order of the words or the objects therein specified or the objects mentioned in the first sub-clause of this clause, but the Company shall have full power to exercise all or any part of the powers conferred by any part of this clause in any part of the World notwithstanding that the business, undertaking, dealt with or performed do not all within the objects of the first sub-clause of this clause.

AND it is hereby declared that, the interpretation of this clause the powers conferred on the Company by any paragraph, shall not be restricted by reference to any other paragraph, or to the name of the Company, or by the juxtaposition of two or more objects and that in the

event of any ambiguity, this clause and every paragraph hereof shall be constructed in such a way as to widen, and not to restrict the powers of the Company.

4. The liability of the members is limited.
5. The Authorized Share Capital of the Company is Tshs 500,000,000 (Five hundred million) divided into 5,000 (five thousand) ordinary shares of Tshs 100,000 (One hundred thousand) each, with such rights, privileges and conditions respectively attached thereto as may from time to time be conferred by the regulations of the Company with power to increase and reduce the capital for the time being and to divide the same into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights privileges or conditions as may be done determined by all in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may from time to time be provided by the regulations of the Company.


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

NAMES, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NO OF SHARES TAKEN BY EACH SUBSCRIBER	SUBSCRIBERS SIGNATURES.
1. MR. TERRY THOMAS BLAKE P.O. BOX 14229 ARUSHA	750	
2. MR. ARAFAT JUMA P.O. BOX 14229 ARUSHA	250	

Dated at Arusha this 16<sup>th</sup> day of June, 2008.

WITNESS to the above signatures.

Name : .....

Signature :  .....

Postal Address : .....

Qualification : Asst. Auditor .....

**F. T. ZAVERY**  
P. O. BOX 395  
ARUSHA - TANZANIA  
TELE - 2504419  
FAX - 2500306  
MOBILE - 786952

# THE COMPANIES ACT NO.12 OF 2002

## COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF ST. CLAIR MINES LIMITED

#### PRELIMINARY

1. In these Regulations:-

The Act means The Companies Act 2002 of the Laws of Tanzania.

When any provision of the Act is referred to, the reference is that provision is as modified by any law for the time being in force.

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

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

The Regulations of Companies Act shall not apply to the Company, save as in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulations the former shall prevail, and in addition to substitution shall be under the regulations of the Company.

#### PRIVATE COMPANY

2. The Company is a private Company and accordingly the following shall have effect:

- (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 the employment of the Company and of persons who having been formerly in the employment and have continued after determination of such employment to be members of the Company) shall not at any time exceed 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 treated as a single person.
- (c) Any invitation of the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have powers to issue share warrants to bearers.

## TRANSFER OF SHARES

3. The directors may in their absolute and uncontrolled discretion decline to register any transfer of any shares whether or not it is fully paid share and subject to the provisions of these Articles, the shares shall be under the control of directors who may allot or dispose of the same to any person or persons and at such price either at par or at premium or subject to the such manner as they think fit with full power to give any shares at such price either at par or premium and for such time and for such consideration as the directors think fit.
4. Subject to Clauses 2 and 3 hereof the right of members to transfer their shares shall be restricted as follows:-
  - (a) No share shall be transferred to a member who is not a member or any person deemed by directors to be one that is undesirable in buying the shares. All share transfers shall be confirmed by board of directors.
  - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any shares and every of the shares to the board of directors or any member or members of the Company at price to be agreed upon between the party giving such notice and the board, person 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 the Company as his agent for the sale of the said shares to any member or members of the Company at the price to be agreed upon between the party giving such notice the party 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 on and determined as per Clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share 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 such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as any be pro-rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be obliged to take more than the maximum 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 such shares shall be bound upon payment of the said price to transfer shares to the respective shareholders or to the single shareholder who shall have agreed to purchase the same.

## GENERAL MEETING: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS

5. The Regulations of the Companies Act shall apply 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) All members, present either personally or by proxy shall form a quorum.
- (c) Any Ordinary Resolution of the Company determined without any General Meeting and evidenced by writing under the hands of all members or their proxies.

### **DIRECTORS**

6. Until otherwise determined at a General Meeting the number of directors shall not be less than two and not more than ten.

The following persons shall be the first directors of the Company:-

MR. TERRY THOMAS BLAKE  
MR. ARAFAT JUMA

- 7. Every director shall have power to nominate any person to act or attend as an alternate director in his place during his absence from Tanzania and on such appointment being made the alternate director shall be subject in all respect to the terms and conditions existing with reference to the other directors and such alternate director while acting in the place of such absent director for whom he is an alternate.
- 8. In addition to their usual remuneration, the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred in connection with their attendance at meetings of directors. The Company in General Meeting may fix the shareholding qualification for directors, unless and until so fixed no qualification shall be required. The directors may by power of attorney appoint any person to be attorney, or agent of the Company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.
- 9. A Resolution in writing signed by all directors then in Tanzania shall be valid and effectual as if it had been passed at a Meeting of directors duly called and constituted.

### **DISQUALIFICATION OF DIRECTORS**

- 10. The Office of a director shall be vacated if the Director;
  - (a) becomes bankrupt; or
  - (b) is found to be lunatic or becomes of unsound mind; or
  - (c) resigns his office by notice in writing to the Company; or
  - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other directors.
- 11. The directors may from time to time borrow; raise money for the purpose of the Company, which may exceed the issued share capital of the Company.

## **BORROWING POWERS**

12. The directors may raise or borrow for the purpose of the Company's business any sum or sums of money as they think fit and they may secure the repayment of or raise any future, including its uncalled or debentures either charged upon the whole or any part of the property and assets for the Company, not charged, or such other way as the directors may think expedient

## **VOTES OF MEMBERS**

13. Subject to any rights or restrictions attached to any share or class or classes of shares, on a show of hands every member (being an individual) present in person or (being a Corporation) present by a duly authorized representative, not being himself a member entitled to vote, and on a poll every member shall have one vote for each share of which he/she is the holder.
14. No member shall be entitled to vote at any General Meeting or at a separate meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
15. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote disallowed at such meeting shall be valid for all purposes.

## **ALTERNATE DIRECTOR**

16. Each director may nominate a person who shall be approved in writing by the other director to act as an 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, discharge all the duties and functions of the director being unable to act during the absence or inability to act and he may subject to the like approval of the other directors appoint a duly qualified person to act in his place.

## **AUDIT**

17. Auditors shall be appointed and their duties regulated in accordance with Sections 170 to 179 of the Companies Act.
18. Notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The Company may give any notice to a member whether personally or by sending it by post in a prepaid envelope addressed to the member at his registered address, or by leaving it at that address where a notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, preparing and posting a letter containing the notice and to have been effected at the expiration of (seventy two) hours after the letter containing the same was posted. A member whose registered address is not within Tanzania and who gives to the Company any address within Tanzania which notices may be given to him/her shall be entitled to receive any notice from the Company.

## **SEAL**

19. The Seal shall be used by the authority of the directors or of a Committee of the directors authorized by the director. The directors may satisfy by being done by or to the same person

acting both as director and as or in place of the secretary.

### **SECRETARY**

20. The directors shall appoint the Secretary for such term, at such remuneration and upon such conditions as they think fit, and they may remove any secretary so appointed. A provision of the Companies Act or these Regulations requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in place of the secretary.

### **ALTERATION OR ADDITIONS**

21. Subject to the provisions of the Act and those contained in the Memorandum of Association, the Company may by special resolution make alterations or additions to the Articles of Association any such alterations or additions made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alterations by special resolution.

### **WINDING UP**


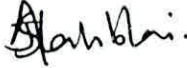
22. With the sanction of the special resolution of the shareholders, any part of the assets of the Company including any shares in other Companies may be divided in Trustees for the benefit of such members and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any share whereupon there is any liability.

### **INDEMNITY**

23. Every director, managing director, agent, auditor, secretary and the other officers for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him/her in defending any proceedings whether Civil or Criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application under Section 481 of the Act in which relief granted to him/her by the Court.

### **ARBITRATION**

24. Whenever there shall be an equality of votes amongst the members or the Directors or whenever differences shall arise between the company and the directors on the one hand, and any of the members or their representative on the other hand or between any members or class of members with regard to any thing done, executed omitted or suffered in pursuant of these presents or the Companies Ordinance or with regard to any breach or alleged breach or otherwise relating to these presents or to any of the affairs of the Company every such difference and any such reference shall be subject to all the provisions of the Arbitration Ordinance for the time being in force in Tanzania.

NAMES, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NO. OF SHARES TAKEN BY EACH SUBSCRIBER	SUBSCRIBERS SIGNATURES
1. MR. TERRY THOMAS BLAKE P.O. BOX 14229 ARUSHA	750	
2. MR. ARAFAT JUMA P.O. BOX 14229 ARUSHA	250	

DATED this 16<sup>th</sup> day of June 2008.

WITNESS to the above signatures:

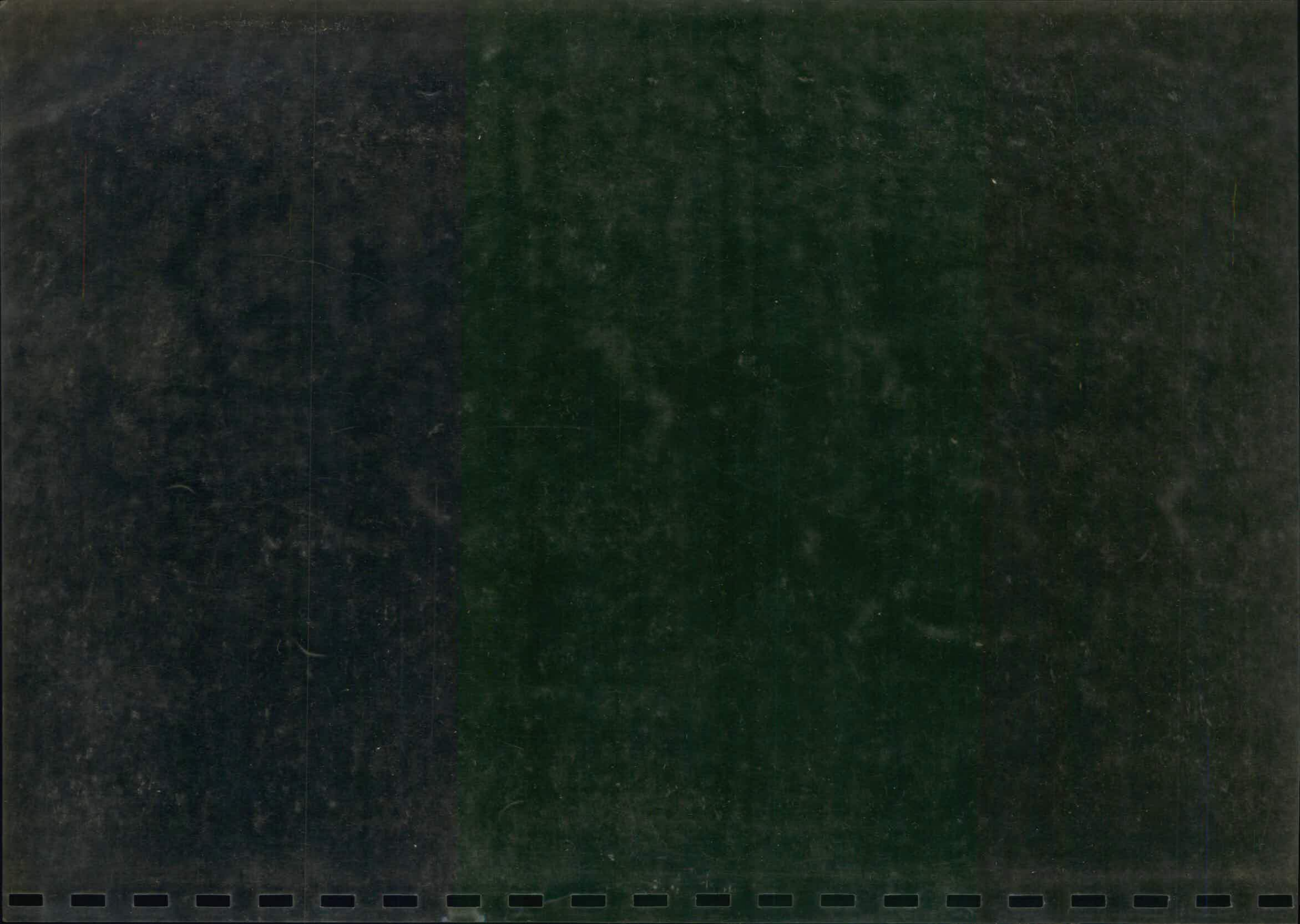
Name: .....

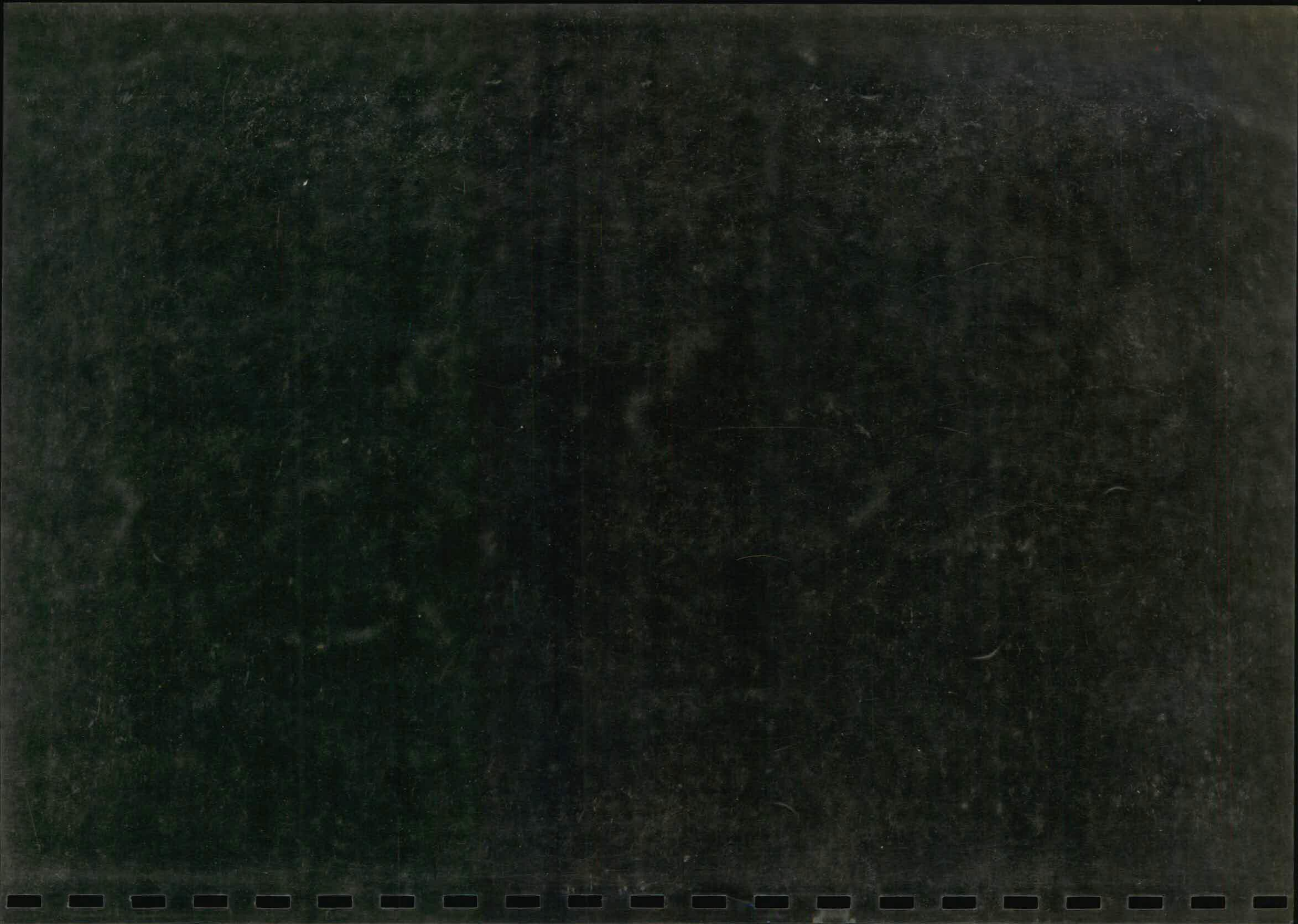
Signature:  .....

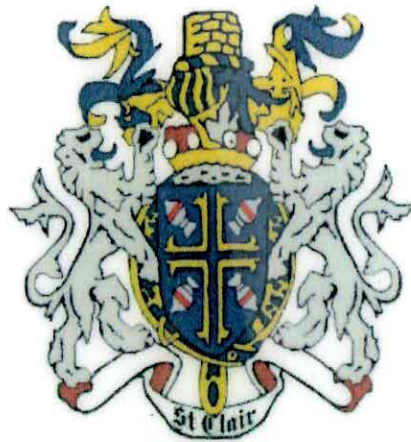
Postal Address: .....

**F. T. ZAVERY**  
**P. O. BOX 395**  
**ARUSHA - TANZANIA**  
**TELE - 2504419**  
**FAX - 2500506**  
**MOBILE - 786952**

Qualification: Asst. Auditor .....







# St Clair Mines Limited

## OFFICES.

SINGIDA BRANCH, P.O BOX 338, SINGIDA, TANZANIA

## BUSINESS PLAN

## FEASIBILITY STUDY &

## LAPIDARY WORKSHOP

IN AFFILIATION WITH ST CLAIR ESTATES LTD  
UNIT 3 GERRYDOWN BUSINESS PARK OLD AIRFIELD WINKLEIGH DEVON EX19 8EZ  
OFFICES IN EGYPT & LONDON  
TEL. +44 (0)1837 682890 EMAIL: [info@stclairestates.net](mailto:info@stclairestates.net)  
COM REG NO. 03995599

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In order to comply with the procedure for obtaining TIC Certificate of Incentives by the Tanzania Investment Centre, St Clair Mines Ltd, has produced a business plan to comply with the requirements stated in the guidelines reflecting the points specified regarding foreign exchange generation and savings, import, creation of employment opportunities, benefits, transfer of technology, expansion of production of goods and services and other related activities.

St Clair Mines Ltd is seeking to invest in Tanzania due to the creation of a safe and favorable environment for private investors in order to put in place the government's policy and boost efforts for self sufficiency in the country.

**MEMORANDUM OF ASSOCIATION OR ST CLAIR MINES LTD**

c.1

TANZANIA



Certificate of Incorporation  
Section 15  
No **66158**

I HEREBY CERTIFY THAT


**ST. CLAIR MINES LIMITED** =====

is this day incorporated under the Companies Act, 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this **20TH** day of **JUNE**

**TWO THOUSAND AND EIGHT**

  
Assist. Registrar of Companies

/MM

**THE COMPANIES ACT, 2002**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**ST. CLAIR MINES LIMITED**

TANZANIA  
Stamp Duty  
19/6/18  
22/19/2018  
Stamp Duty Officer

22/19/2018  
19/6/18  
Stamp Duty Officer

1. The Name of the Company is **ST. CLAIR MINES LIMITED**
2. The Registered office of the Company will be situated in the United Republic of Tanzania.
3. The Objects for which the Company is established are:
  - (a) To carry on business as goldsmiths, silversmiths, jewellers, gem merchants, unwrought precious metal dealer, watch and clock makers, electro-platers, dressing bag makers, importers, exporters and dealers of bullion and precious stones and to buy, sell and deal in (wholesale and retail) precious stones, jewellery, watches, clocks, gold and silver plate, electro-plate, cutlery, dressing bags, bronzes, articles of virtue, objects of art, and such other articles and goods as the Company may consider capable of being conveniently dealt in relation to its businesses, and to manufacture and to establish factories for manufacturing good for the above businesses and to establish a lapidary or lapidaries.
  - (b) To carry on all kinds of mineral exploration and in particular to search for, prospect, examine and explore mines and grounds supposed to contain minerals or precious or semi-precious stones and to search for and obtain information in regard to mines, mining claims, mining districts and localities.
  - (c) To purchase, take on lease or otherwise acquire and to sell, dispose off and deal with any mines, mining rights, licenses, claims, locations, leases, grants or concessions in respect of mineral and precious or semi precious stones of all kinds and undertakings connected therewith and to explore, work, exercise, develop and turn to account the same.
  - (d) To crush, win, get, quarry, smelt, calcine refine, dress, cut, polish, amalgamate, manipulate and prepare for market, ore, metal and mineral substances of all kinds, including precious and semi precious stones and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects.
  - (e) To prospect, search for, pump, harness, refine, purify and otherwise turn to account water, mineral oil, natural gas, steam and other natural sources of energy and to sell and otherwise deal in the same, the products and by-products thereof and electrical and other energy produced therefrom.
  - (f) To carry on the business of general merchants, general storekeepers, universal providers, importers, exporters and whole sale and/or retail traders of or other wise dealers of and in cotton, silk and wooden goods and textiles fabrics of all kinds.

- (g) To buy, sell, manufacture prepare for market and deal in foods and other products, goods, provisions, clothing, stores, drugs, medicines and pharmaceutical preparations, and all conveniences or necessities of life which may be used or required for workmen or others employed by the company
- (h) To buy, sell, import, export, produce, manufacture, process or otherwise deal in food and products, meat, poultry, fish, groceries, fruits, vegetables and milk.
- (i) To enter into any arrangements and contracts with the Government or Authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons, having objects that may seem conducive to the company's objects or any of them and to obtain from any such government authority, corporation, company or person any characters, contracts, decree, rights, privileges and concessions.
- (j) To carry on the business of farmers and ranches and to own and operate agricultural machinery and equipment including tractors combine harvesters, ploughs, planters, seed drills, fertilizers, spreaders, seed grading and cleaning equipment for the express or implied purpose of cultivating and growing all agricultural produce and commodity which the company in its absolute discretion may decide to grow, process, import and export.
- (k) To carry on the business of mine works and obtain mining rights or take on lease or otherwise acquire lands and properties for mining in the United Republic of Tanzania or elsewhere and to crush, wash, melt, reduce, or otherwise treat and marketable and sell or dispose of the produce of any mines whether belonging to the company or not.
- (l) To develop the resources of the turn to account any lands and any rights over or connected with land belonging to or in which the Company is interested, and in particular by cleaning, draining, fencing, planning, cultivating, building, improving, farming, irrigation, grazing and by promoting immigration and emigration and the establishment of towns, villages and settlements.
- (m) To carry on the business of poultry farmers including the erection of and purchase of broiler houses and the sale, by wholesale or retail, of the live poultry and of eggs and to carry on the business of livestock breeders of every variety of Halal animal whether bred as pedigree stock or for the purpose of its sale only as livestock. To carry on the business of dairymen and to manufacture and sell, by wholesale or retail, import or export all dairy products in every form.
- (n) To carry on and transact any other businesses and operations, commercial manufacturing, financial, agricultural or otherwise which the company may think directly or indirectly conducive to any of its objects or capable or being conveniently carried on in connection therewith or calculated, directly or indirectly to enhance the value of or render profitable the company's property or other rights.
- (o) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents brevets, Invention, licenses, concessions and like, conferring and exclusive or non-exclusive or limited rights to use any invention which may seem calculated directly or indirectly to benefit the company and to use exercise, and develop, or grant licenses in respect of, or otherwise turn to account the property and rights so acquired.

- (p) To purchase, take on lease or in exchange, hire or otherwise require any property movable or immovable, or any interest therein and any rights or privileges which the company may think necessary or convenient for the purposes of its business, and in particular any land or building, and to pay for such properties, rights and privileges, either in cash or in stock or shares or otherwise.
- (q) To charter or hire motor vehicles, ships, aircrafts and other means of transport for the purpose of business to charter or let on lease its own vehicles and other properties to other people or companies as the company may find it necessary.
- (r) To acquire from any sovereign, state or authorities any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
- (s) To build, contract, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control, and superintend any buildings, offices, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses and other works and conveniences which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidize, or otherwise aid or take part in any such operations.
- (t) To carry on business as capitalists and concessionaires and to undertake and execute all kinds of financial, commercial, trading and other operations and to carry on any other business which may seem to be capable of being conveniently carried on in connection with any of these objects, directly or indirectly to enhance the value of, or facilitate the realization of, or render profitable, any of the property or rights of the Company.
- (u) To carry on the business of industrial consultancy, Management consultancy, financial and tax consultancy, personnel selection advisers, manufacturer's representatives, tour operators, travel agency and insurance agency.
- (v) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debenture stock certificate or other securities, perpetual or otherwise charges upon all or any other company's rights and property (present and future) including any uncalled capital or without any such security and to purchase, redeem or pay off any such security or loan.
- (w) To amalgamate with, or enter into partnership or into any arrangement for sharing profits, union interest, co-operations, joint venture reciprocal concession or otherwise with any person or company carrying on, engage in, or about to carry on or engage in any business or transactions which the company is authorized to carry on capable or being conducted so directly or indirectly to benefit the company. And to take or otherwise acquire shares and securities of any such company, and sell hold reissue with or without guarantee, or otherwise deal with the same.
- (x) To adopt such means of making known the activities and products of the company as may seem expedient and in particular by advertising in the press, on radio or television, by circular, by purchase and exhibition, of works of art or interest, by publication of books and periodicals by granting prizes, rewards and donations and maintaining stores and / or showrooms.

- (y) To promote any other company for the purpose of acquiring all or any of the property in liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the company, and subsidize or otherwise assist any such company.
- (z) To take or otherwise acquire and hold shares in any other company, having objects altogether or in part similar to those of the company, or carrying on any business capable of being conducted so as directly or indirectly benefit the company in any way.
- (aa) To lend money to such persons and on such terms as may seem expedient, and in particular but without restricting customers, and others having dealings with the company, and to guarantee and become surety for the liabilities, of, the performance of contracts and the repayment of money by any persons, customers and other whether or not having dealings with the company.
- (bb) To carry on the business of importers of industrial plants, farm machinery including trucks lorries, cars, spare parts for all the said machine any other power propelled vehicles and machinery whatsoever.
- (cc) To invest in and carry on the business of tented camps and motels for residents and tourists and holiday camp keepers, game lodge, hotels, restaurant, cafés and apartment houses.
- (dd) To carry on business of management, administration, catering, public relations, personnel management of tourists boarding house.
- (ee) To carry on the business of importers, dealers and distributions of all kinds of mineral and petroleum products.
- (ff) To carry on the business of aviation, buy, sell, take and let on hire, repair, maintain store and otherwise deal with and in aero planes, helicopters, gliders, motorcars and ships, boats, trawlers and other vehicles and crafts of all kinds (whether for use in the air or on land or water and howsoever powered or propelled), radio instruments, electronics equipment and other equipment and machinery of all kinds, as well as parts of propellers accessories, types, tubes, fuel and lubricants for any of the foregoing.
- (gg) To carry on the business of air charters, operators, sea charter operators, ground transporters, carriers of passengers, freight and main by air, water and land, as aviation engineers, as flying instructors and as travel and tourist agents, and to promote, organize, control and conduct tours, safaris and expeditions by air, water and land for recreational scientific business and other purposes.
- (hh) To carry on the business of farming in all its branches (agricultural, horticultural, livestock, poultry, fish rearing, green house, orchards etc) and to carry on the business of cultivators, growers, sellers and whole sellers, horticulturists and merchants.
- (ii) To pay out of the funds, of the company all expenses of and incidental to its formation and registration and to remunerate any person or company either in cash or by the allotment of shares credited as fully or partly paid up, for services rendered in the formation of the company or in placing, or assisting to place any of the shares in the company's capital or in or about the promotion of the company or the conduct of its business.

- (jj) To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures, and other negotiable instruments.
- (kk) To distribute any of the property of the company among the members in specie or in kind
- (ll) To invest the money of the company not immediately required in any beneficial manner.
- (mm) To establish and support or aid in the establishment and support of associations institutions, funds trusts and conveniences calculated to benefit and to grant pensions and allowances to directors or ex directors and any persons who are or have been at any time employed by or in the service of the company or of any subsidiary allied or associated company or of the predecessors in business of such persons and to make payments towards insurance for the purpose of or aforesaid and to subscribe or guarantee money for any charitable or benevolent object of for any exhibition or for any public, general or useful object.
- (nn) To sell, improve, manage, develop, and lease mortgage or dispose of the whole or any portion of the property and rights of the company.
- (oo) To do all such other things as may be conducive or incidental to the attainment of the above objects.
- (pp) To do all or any of the things in any part of the World and as principals managing agents contractors, trustees, or otherwise, and by or through trustee, agents, managing agents or otherwise and whether alone or in conjunction with objects.
- (qq) To operate Internet, sell websites, sell domains and computer hardware parts, Car market, New and Secondhand.
- (rr) Import and sell medicine drugs and all pharmaceutical equipments.
- (ss) To carry on the business of Forestry, farming, saw milling, agri processing and export and import of agricultural products.
- (tt) To do all such things as are incidental or conducive to the attainment of the above objects or any of them and the exercise of any of the powers of the Company.

The Objects set forth of this clause shall not accept when the context expressly so required, be in any wise limited or restricted by reference to or inference from the terms of any sub-clause or by the name of the Company. None of such sub-clause or order of the words or the objects therein specified or the objects mentioned in the first sub-clause of this clause, but the Company shall have full power to exercise all or any part of the powers conferred by any part of this clause in any part of the World notwithstanding that the business, undertaking, dealt with or performed do not all within the objects of the first sub-clause of this clause.



AND it is hereby declared that, the interpretation of this clause the powers conferred on the Company by any paragraph, shall not be restricted by reference to any other paragraph, or to the name of the Company, or by the juxtaposition of two or more objects and that in the

event of any ambiguity, this clause and every paragraph hereof shall be constructed in such a way as to widen, and not to restrict the powers of the Company.

4. The liability of the members is limited.

5. The Authorized Share Capital of the Company is Tshs 500,000,000 (Five hundred million) divided into 5,000 (five thousand) ordinary shares of Tshs 100,000 (One hundred thousand) each, with such rights, privileges and conditions respectively attached thereto as may from time to time be conferred by the regulations of the Company with power to increase and reduce the capital for the time being and to divide the same into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights privileges or conditions as may be done determined by all in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may from time to time be provided by the regulations of the Company.

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

NAMES, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NO OF SHARES TAKEN BY EACH SUBSCRIBER	SUBSCRIBERS SIGNATURES.
1. MR. TERRY THOMAS BLAKE P.O. BOX 14229 ARUSHA	750	
2. MR. ARAFAT JUMA P.O. BOX 14229 ARUSHA	250	

Dated at Arusha this 16<sup>th</sup> day of June, 2008.

WITNESS to the above signatures.

Name : .....

Signature :  .....

Postal Address : .....

Qualification : Asst. Auditor .....

F. T. ZAVERY  
P. O. BOX 395  
ARUSHA - TANZANIA  
TELE - 2504419  
FAX - 2500306  
MOBILE - 786952



### TRANSFER OF SHARES

3. The directors may in their absolute and uncontrolled discretion decline to register any transfer of any shares whether or not it is fully paid share and subject to the provisions of these Articles, the shares shall be under the control of directors who may allot or dispose of the same to any person or persons and at such price either at par or at premium or subject to the such manner as they think fit with full power to give any shares at such price either at par or premium and for such time and for such consideration as the directors think fit.
4. Subject to Clauses 2 and 3 hereof the right of members to transfer their shares shall be restricted as follows:-
  - (a) No share shall be transferred to a member who is not a member or any person deemed by directors to be one that is undesirable in buying the shares. All share transfers shall be confirmed by board of directors.
  - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any shares and every of the shares to the board of directors or any member or members of the Company at price to be agreed upon between the party giving such notice and the board, person 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 the Company as his agent for the sale of the said shares to any member or members of the Company at the price to be agreed upon between the party giving such notice the party 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 on and determined as per Clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share 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 such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as any be pro-rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be obliged to take more than the maximum 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 such shares shall be bound upon payment of the said price to transfer shares to the respective shareholders or to the single shareholder who shall have agreed to purchase the same.

### GENERAL MEETING: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS

5. The Regulations of the Companies Act shall apply 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) All members, present either personally or by proxy shall form a quorum.

(c) Any Ordinary Resolution of the Company determined without any General Meeting and evidenced by writing under the hands of all members or their proxies.

#### DIRECTORS

6. Until otherwise determined at a General Meeting the number of directors shall not be less than two and not more than ten.

The following persons shall be the first directors of the Company:-

MR. TERRY THOMAS BLAKE  
MR. ARAFAT JUMA

7. Every director shall have power to nominate any person to act or attend as an alternate director in his place during his absence from Tanzania and on such appointment being made the alternate director shall be subject in all respect to the terms and conditions existing with reference to the other directors and such alternate director while acting in the place of such absent director for whom he is an alternate.

8. In addition to their usual remuneration, the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred in connection with their attendance at meetings of directors. The Company in General Meeting may fix the shareholding qualification for directors, unless and until so fixed no qualification shall be required. The directors may by power of attorney appoint any person to be attorney, or agent of the Company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.

9. A Resolution in writing signed by all directors then in Tanzania shall be valid and effectual as if it had been passed at a Meeting of directors duly called and constituted.

#### DISQUALIFICATION OF DIRECTORS

10. The Office of a director shall be vacated if the Director;

(a) becomes bankrupt; or

(b) is found to be lunatic or becomes of unsound mind; or

(c) resigns his office by notice in writing to the Company; or

(d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other directors.

11. The directors may from time to time borrow; raise money for the purpose of the Company, which may exceed the issued share capital of the Company.

### **BORROWING POWERS**

12. The directors may raise or borrow for the purpose of the Company's business any sum or sums of money as they think fit and they may secure the repayment of or raise any future, including its uncalled or debentures either charged upon the whole or any part of the property and assets for the Company, not charged, or such other way as the directors may think expedient

### **VOTES OF MEMBERS**

13. Subject to any rights or restrictions attached to any share or class or classes of shares, on a show of hands every member (being an individual) present in person or (being a Corporation) present by a duly authorized representative, not being himself a member entitled to vote, and on a poll every member shall have one vote for each share of which he/she is the holder.
14. No member shall be entitled to vote at any General Meeting or at a separate meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
15. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote disallowed at such meeting shall be valid for all purposes.

### **ALTERNATE DIRECTOR**

16. Each director may nominate a person who shall be approved in writing by the other director to act as an 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, discharge all the duties and functions of the director being unable to act during the absence or inability to act and he may subject to the like approval of the other directors appoint a duly qualified person to act in his place.

### **AUDIT**

17. Auditors shall be appointed and their duties regulated in accordance with Sections 170 to 179 of the Companies Act.
18. Notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The Company may give any notice to a member whether personally or by sending it by post in a prepaid envelope addressed to the member at his registered address, or by leaving it at that address where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice and to have been effected at the expiration of (seventy two) hours after the letter containing the same was posted. A member whose registered address is not within Tanzania and who gives to the Company any address within Tanzania which notices may be given to him/her shall be entitled to receive any notice from the Company.

### **SEAL**

19. The Seal shall be used by the authority of the directors or of a Committee of the directors authorized by the director. The directors may satisfy by being done by or to the same person

acting both as director and as or in place of the secretary.

#### **SECRETARY**

20. The directors shall appoint the Secretary for such term, at such remuneration and upon such conditions as they think fit, and they may remove any secretary so appointed. A provision of the Companies Act or these Regulations requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in place of the secretary.

#### **ALTERATION OR ADDITIONS**

21. Subject to the provisions of the Act and those contained in the Memorandum of Association, the Company may by special resolution make alterations or additions to the Articles of Association any such alterations or additions made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alterations by special resolution.

#### **WINDING UP**

22. With the sanction of the special resolution of the shareholders, any part of the assets of the Company including any shares in other Companies may be divided 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 share whereupon there is any liability.

#### **INDEMNITY**

23. Every director, managing director, agent, auditor, secretary and the other officers for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him/her in defending any proceedings whether Civil or Criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application under Section 481 of the Act in which relief granted to him/her by the Court.

#### **ARBITRATION**

24. Whenever there shall be an equality of votes amongst the members or the Directors or whenever differences shall arise between the company and the directors on the one hand, and any of the members or their representative on the other hand or between any members or class of members with regard to any thing done, executed omitted or suffered in pursuant of these presents or the Companies Ordinance or with regard to any breach or alleged breach or otherwise relating to these presents or to any of the affairs of the Company every such difference and any such reference shall be subject to all the provisions of the Arbitration Ordinance for the time being in force in Tanzania.

**Deed of Partnership for the Mining "PIT" at Mererani Block D PCM No. 000036**

**DEED OF PARTNERSHIP  
FOR THE MINING "PIT" AT  
MERERANI BLOCK D PCM NO. 000036**

This deed made this 1<sup>st</sup> day of June, 2008 BETWEEN M/S. ABBAS MOHAMED SABUNI and ABRAHAMAN ABEID OF P.O.BOX 12083, ARUSHA, (Joint owners of the above mining PIT, hereinafter called the 1<sup>st</sup> PARTNER) of one part AND MR. TERRY THOMAS BLAKE of P.O.BOX 14229, ARUSHA the Financier, (Hereinafter called the 2<sup>nd</sup> PARTNER) of the other Part.

WITNESSES that it is hereby mutually agreed that the Parties here to (hereinafter called the PARTNERS) shall be and become equal Partners in the above Mining Project at Mererani, Block D, PMC No. 000036.

1. The Partnership shall be carried out in mining the said PIT (Mgodi) owned by the 1<sup>st</sup> PARTNER.
2. The Partnership shall be deemed to have commenced on the date of execution hereof until determined as hereinafter provided.
3. The principal place of business shall be Mererani or at such other place of places as many from time to time be decide upon by the Partners.
4. The 2<sup>nd</sup> Partner will inject into the project funds amounting to USD 73,693, By virtue of which he will become an equal Partner, owning 50% of the total shares in the said Project.
5. This project Partnership will be for a minimum period of 12 months after it will be decided by the parties to continue or not, depending on the performance / production of the mine.
6. In case if the partnership is dissolved then all the machinery invested will be returned to the Financier, the 2<sup>nd</sup> Partner.
7. When there is Production from the mine it should be shared equally 50% BETWEEN PARTNERS.
8. All necessary and proper books of accounts shall be maintained by the form showing all assets and liabilities and of the profits and losses of the Partnership (including therein profits and losses earned or incurred but not actually received or paid) and the same shall be signed by both partners and profit and losses shall be divisible among the partners aforesaid at such time as it is expedient.
9. Both partners shall be just and faithful to the other partner in all transactions relating to the Partnership business and at all times give to another true account of all such dealings.

10. Neither partner shall without the consent of the other:-

- a. Either into any engagement whereby the Partnership business may be at stake of risking loss or be liable for payment of any sum arising from such engagements.
- b. Draw or accept or endorse any bill of exchange or Promissory note on account of the Partnership except in the ordinary course or trade, dispose by loan pledge or otherwise of any part of the Partnership properly.

11. All disputes and differences, in any which shall arise amongst the Parties shall be settled and sorted out amicably, failing which the matter shall be referred to two arbitrators one to be chosen by each Party hereto, such arbitration to conform in all respects to the Provisions of the Arbitration Ordinance prevailing in Tanzania.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands the day and year first above written.

SIGNED and DELIVERED by  
The said Abbas Mohamed Sabuni  
AND  
Abrahaman Abeid  
(Joint owners and as 1<sup>st</sup> Partner)

  
.....  
  
.....

WITNESS  
Signature .....

Postal Address 1102 ARS.....

Occupation B. man.....

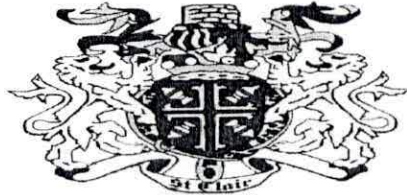
SIGNED and DELIVERED by  
The said Terry Thomas Blake  
(2<sup>nd</sup> Partner)

  
.....

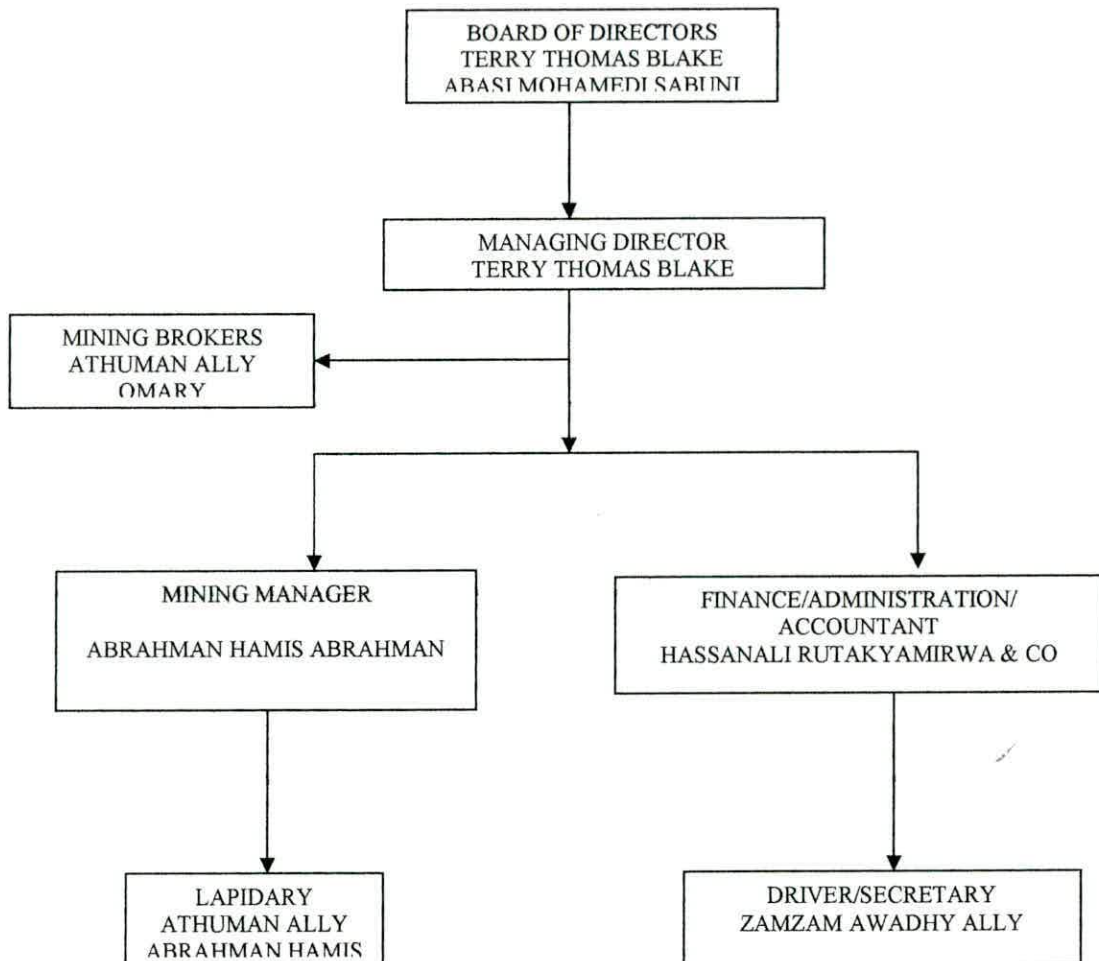
WITNESS  
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Postal Address 1102 ARUSHI.....

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# St Clair Mines Limited



## **INVESTORS PROFILE**

Mr Terry Thomas Blake, Managing Director and Proprietor of St Clair Mines Limited, a new company created to manage all business and investment in Tanzania. St Clair Mines Limited will join a portfolio of companies based in the United Kingdom that includes St Clair Estates Ltd, St Clair Real Estates Ltd, Westleigh Property Developments & Westleigh Management Property Ltd.

## **SUMMARY**

**Successful investor and business developer with 38 years of experience in different industries and owner of large portfolio of properties around the world. Supporter of charities and strong believer in God.**

## **Areas of Expertise**

- Land Sales and Acquisition
- Venture Capitalist
- Property Development
- Company Development
- Precious Metals/Stones
- Mining Various

## **Business & Personal Resume**

### **ST CLAIR MINES, LTD**

2008-Present

Company activities: Mining of precious and semi-precious stones and minerals.  
Gold refining and trading.

Reg. Office: Tanzania

Position Held: Managing Director

**Created company and opened offices in Arusha and Singida to trade in raw gold. Obtained Master Dealer License. All aspects of the company personally funded.**

Responsible for the foundation and management of the company:

- Registered company in Tanzania
- Investor/owner D Block Tanzanite mine Arusha.
- Opened to offices in Arusha and Singida.
- Responsible for the import of all gold melting/refining equipment and vehicles for transportation.
- Employment of local people.
- Creation of jobs.
- Large investment in the local economy.

### **Company History & Future Development**

As a new investor in Tanzania, Terry Blake, has created St Clair Mines Ltd to manage the part ownership of D Block (mine) in Arusha, the trade derived from the Master Gold License and business created by the new offices located in Arusha and Singida.

The offices have currently been inspected by the relevant authorities for the purpose of trading and melting gold for export purposes.

The opening and refurbishment of both offices has been fully completed with the employment of local people and goods, the aim of the company is to support and improve the local economy, generate employment and encourage the teaching of new skills and education to support the local community.

### **Schedule of Current Investment**

Mine Investment	\$75.000
Stock & Samples	\$42.000
Office/Expenditure	\$37.000
Equipment	\$80.000
Vehicles/Import Expenses	\$75.000
Total	\$309.000

:

St Clair Mines Ltd's account is in funds by \$71,000 to be increased by an additional \$200,000 from the UK company St Clair Estates Ltd.

I am committed to the continued to support St Clair Mines Ltd, as I strongly believe the investment in the company and large potential of the country of Tanzania, will benefit both the people and the economy and provide a good investment return. My future plans will not be limited to the current ventures but will be seeking to find other opportunities for ventures in the country.

#### **ST CLAIR ESTATES, LTD & WESTLEIGH PROPERTY DEVELOPMENTS LTD.**

2006- Present

Companies Activities: Land sales and acquisition.  
Residential developments.  
Construction.

Ref. Office: Unit 3 Gerrydown Business Park, Old Airfield, Winkleigh, Devon UK  
Position Held: Managing Director

**Took over company in 2006 and turned over from commission based sales to major land holder and developer within a 2 year period. In charge and responsible for all acquisitions and funding.**

Companies assets:

- Gerrydown Business Park (24 acre site comprising 169 plots)
- Winkleigh Control Tower (11 acre site being developed into 70 residential plots)
- Folkstone (12 acre site being developed into 83 residential plots)
- [www.stclairestates.net](http://www.stclairestates.net)

#### **PERSONAL ASSETS & OTHER INVESTMENTS**

- 1,280 Acres in Nevada USA
- 60 Acres in Red Sea Egypt (Offices & Company)
- 6 Acres land Tarragona Spain
- Marble Mine Egypt. Employment 40 people.
- 5 Acres Timmins Canada
- 5 Bedroom Property Russellville Kentucky
- 5 Bedroom Property Devon UK
- Founder and financier of St Clair Charities (HIV Awareness & Research)

## **PROJECT OBJECTIVE**

### **Tanzanite**

The main project objective of St Clair Mines Limited, is to develop a regulated market where supply matches and grows with demand. The past erratic production has resulted in relatively low rough prices and did little to help those miners upon whom the industry rested. With little money reinvented into the industry, it wasn't advancing.

Tanzanite, although considered a modern stone, it has positioned itself as a gem, accepted along with other gemstones such as diamonds, sapphires and rubies, reflected in the American market where Tanzanite is widely sought and highly priced.

Although the methods used to trade the stones has been revised by other companies in the past, it is necessary to support fragmented selling by miners and local individuals to support the local economy.

Prices of Tanzanite have already been established on the international markets. St Clair Mines has already appointed 4 major international precious stone dealers, ready to purchase.

The stones offered to jewelers are pieces of rough tanzanite prepared by the company, with a mix of qualities based on color, clarity, shape and weight to best reflect the individual's requirements and business models. Grading is conducted using an in house system.

The worldwide market for rough tanzanite is estimated to be worth around US \$100 million per annum. The majority of our customers are based in Dubai and the USA. Even though an estimated 80% of all rough tanzanite is cut and polished in India, our company will aim to concentrate the process of cutting and polished the stones locally in Arusha to encourage the local community.

St Clair Mines Ltd, is aiming to establish a new market in Dubai, where a successful trade is already established in gold and gemstones.

It is estimated that 80% of all rough tanzanite is cut and polished in India, for onward selling to the USA, Europe and to a lesser extent, the Far East. Our sister companies have a wide experience with the Dubai market and know of the new possibilities open when dealing with the Far East. Their expertise in gemstones doesn't only concentrate in quantity but excels in the quality of their products. Our links with Dubai will be linked to the gold exports that will mainly be processed through the Far East market.

The worldwide market for polished tanzanite at wholesale is estimated to be worth between US \$150 million and US \$200 million per annum, with margins between rough and polished typically around 30%. Such margins can be increased through branding and promotion.

A percentage of St Clair Mines Ltd's profit will be reinvested into education of the local community, to investment will concentrate in:

- Introduction of new technology to the local industry
- Education on new technology's available to the local industry
- Creation of employment
- Primary use of local suppliers
- Supporting social investment and community projects

## Gold

St Clair Mines Limited has obtained the Dealer's License No. DL 1620/2008 (see below) and opened two offices in Arusha and Tanzania;

ARUSHA BRANCH  
P.O BOX 1102  
ARUSHA  
TANZANIA  
TEL: +255 786702065  
+255 784284688

SINGIDA BRANCH  
P.O BOX 338  
SINGIDA  
TANZANIA  
TEL: +255 2502612

Local banking account has been opened for St Clair Mines Limited with CRBD Bank with a balance of \$300,000 required for the trading.

Both offices will concentrate in the trading, melting, refining and exporting raw gold material. They have been refurbished to meet all government requisites.

St Clair Mines Limited, is now evaluating and negotiating final tenders for the principle project contracts, including engineering, procurement and construction management and contract mining. This process is expected to be completed in the near term, at which time definitive estimates for operating and capital cost will be available. Nonetheless, producing gold from the Singida and Arusha projects at a cost of US\$ 184/ounce.

With a current gold price of US\$325/ounce, the company relying on local miners and passing by trade as opposed to big mining corporations will form a profitable venture for both St Clair Mines and the community.

Encouraged a report in 2000 on the trade policies of Tanzania says that Tanzania has eliminated its export restrictions and foreign exchange controls and has, overall, made a concerted effort to create an environment conducive both to domestic and foreign investment.

Tanzania's mineral sector, focused primarily on gold production, offers one of the best opportunities for growth. With over US\$600 million of new investment in this sector likely to be realized in the next 2-3 years, the mineral sector promises to be an increasingly important contributor and export earnings. It should be note that the viability of Tanzanian gold production is closely tied to international gold prices, which have shown continued volatility.

The company will be expanding into gold mining operations in the future, although mining is inherently a risky operation, since expensive but promising explorations may not result in commercially viable deposits. Heightened risk perceptions and high start up costs for infrastructure and skilled labor are the reason for the disparity between mineral resource endowment and mining investment in many parts of the world. Civil disturbances and conflict can disrupt normal operations. Social and environmental concerns have become prominent. Reason why once established in the trading of gold we will aim to expand.

Form No. MTF 6

THE UNITED REPUBLIC OF TANZANIA

THE MINING ACT, 1998

THE MINING (MINERAL TRADING) REGULATIONS, 1999  
Made Under Section 73

DEALER'S LICENSE No. DL 1620/2008

Licence is hereby granted to **ST. Clair Mines Limited**  
of P.O.Box 1102, Arusha, Tanzania.

to buy, sell or otherwise deal in Gold for the period of twelve months from the date of issue at the following premises

Plot No.14, Block T  
Mwenge Street  
Singida  
Tanzania

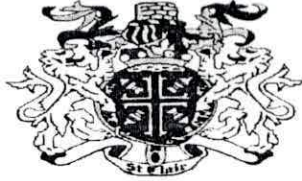
This licence is issued subject to the following terms and conditions:-  
ALL TERMS AND CONDITIONS OF THE MINING (MINERAL TRADING) REGULATIONS, 1999.

Granted at Dar es Salaam this 03<sup>rd</sup> day of July, 2008

  
Hamisi M. Komba  
DEPUTY COMMISSIONER FOR MINERALS

Note:-

1. This licence must be displayed at the place of business specified herein.
2. The licensee shall be liable for the due payment of royalties and other prescribed fees in respect of all minerals bought, sold, received or exported by him.



## St Clair Mines Limited

### FINANCIAL PROJECTION

2008

BALANCE SHEET AND COMPANY EXPENDITURE

(Note St Clair Mines Ltd started trading in September 2008)

#### ST CLAIR MINING ACCOUNT

DATE	DETAIL	CASH	T shilling	US dollar
11/06/2008	Drill bits			750
	Digger 1 pc			1000
	Food & explosive			3274
11/07/2008	Food & explosives & accommodation	3000+1000+400		4400
12/07/2008	Bingo(taking sand out )& electricity			4816
14/07/2008	Diesel			1349
16/07/2008	Bingo & Diesel			2100
17/07/2008	Diesel	800000		17689
18/07/2008	diesel	800000		
22/07/2008	Electrical material	84000		
24/07/2008	Diesel	800000		
28/07/2008	1 pc Nyundo 1 pc screper 1 pc konolao 2 pk 10/ White cement 1 p tape measure	3000 1000 1500 6000 1500		13000
29/7/08	Hospital			50000
15/9/08	Diesel 400 lts	760,000		660
15/9/08	Petrol 50 lts	87,500		76
15/9/08	Hydrolic oil 20 lts	74,000		64
15/9/08	Fuel filter	10,000		8

28/10/08	Cash(food for the mine for two month)		2500
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### SINGIDA ACCOUNT US

DATE	DETAILS	CASH US	TSHS
10/9/08	Electricity	14.20	16,000
	Flowers	18.65	21,000
	Sign board	62.16	70,000
	Anst house	79.92	90,000
	(sweetwater vocher cash	328.59	370,000
	Flowers port	159.85	180,000
	Repair (wall)	53.28	60,000
	Drilling 8 switch		
	Security (connection)	22.20	25,000
	Salary (Abraham Athuman)	222.02	250,000
	Arusha (Abasi)	177.6	200,000
		250.22	281,750
	Director Salary	250.22	281.750
9/10	Singida Salary	222.02	250,000
		222.02	250,000
	Abasi	355.23	400,000
	Internet connection fees	133.21	150,000

Mine Investment	\$75.000
Stock & Samples	\$42.000
Office/Expenditure	\$37.000
Equipment	\$80.000
Vehicles/Import Expenses	\$75.000
Total	\$309.000
Current investment up to date 4.11.8	£550.000

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**ST CLAIR MINES LIMITED**  
**PROJECTED INCOME & EXPENDITURE STATEMENT**

	<b>2009 USD</b>	<b>2010 USD</b>	<b>2011 USD</b>	<b>2012 USD</b>	<b>2013 USD</b>
Sales Revenue	348,000	397,483	443,000	501,000	583,000
<b>Expenses:</b>					
Administrative Overhead	24,000	26,000	28,000	30,000	32,000
Motor Vehicle expenses	12,000	18,000	24,000	30,000	36,000
Salaries and wages	18,000	19,500	25,000	25,500	32,000
Pension Contribution	-	-	-	-	-
Depreciation	-	-	-	-	-
Bank Interest	-	-	-	-	-
building maintenance	5,000	5,950	7,100	8,200	8,600
Utility costs	2,400	3,200	3,300	3,500	3,700
Insurance	600	650	1,500	1,670	2,000
<b>Total Expenses</b>	<b>62,000</b>	<b>73,300</b>	<b>88,900</b>	<b>98,870</b>	<b>114,300</b>
<b>Profit before Tax</b>	<b>108,000</b>	<b>148,000</b>	<b>172,000</b>	<b>234,000</b>	<b>256,000</b>
Tax (30%)	32,400	44,400	51,600	70,200	76,800
<b>Profit After Tax</b>	<b>75,600</b>	<b>103,600</b>	<b>120,400</b>	<b>163,800</b>	<b>179,200</b>

ST CLAIR MINES LTD

PROJECTED BALANCE SHEET

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
<b>Fixed Assets</b>					
Long-term Assets	100,000	83,000	66,000	49,000	32,000
Depreciation	17,000	17,000	17,000	17,000	17,000
Total Long-term Assets	<b>83,000</b>	<b>66,000</b>	<b>49,000</b>	<b>32,000</b>	<b>13,800</b>
<b>Current Assets</b>					
Cash	300,000	569,000	759,000	1,031,000	1,459,000
Accounts Receivable	300,000	297,000	286,000	278,000	266,000
Stock	70,000	74,000	79,000	84,000	92,000
Total Current Assets	<b>670,000</b>	<b>940,000</b>	<b>1,112,000</b>	<b>1,393,000</b>	<b>1,817,000</b>
Total Assets	<b>753,000</b>	<b>1,006,000</b>	<b>1,161,000</b>	<b>1,713,000</b>	<b>1,830,800</b>
<b>Current Liabilities</b>					
Current Liabilities	5,000	5,403	6,200	6,600	6,980
Subtotal Current Liabilities	<b>5,000</b>	<b>5,403</b>	<b>6,200</b>	<b>6,600</b>	<b>6,980</b>
<b>Long-term Liabilities</b>					
Long-term Liabilities	-	-	-	-	-
Total Liabilities	<b>5,000</b>	<b>5,403</b>	<b>6,200</b>	<b>6,600</b>	<b>6,980</b>
<b>Net Assets</b>	<b>748,000</b>	<b>1,000,597</b>	<b>1,154,800</b>	<b>1,706,400</b>	<b>1,823,820</b>
<b>Capital and Reserves</b>					
Owners Contribution	450,000	450,000	450,000	450,000	450,000
Retained Earnings	95,000	215,000	486,000	698,000	1,057,000
Total Capital	<b>545,000</b>	<b>665,000</b>	<b>936,000</b>	<b>1,148,000</b>	<b>1,507,000</b>

**ST CLAIR MINES LTD**  
**PROJECTED CASHFLOW**

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
<b>CASHFLOW FROM OPERATIONS</b>					
Cash Sales	-	-	-	-	-
VAT Receipt	-	-	-	-	-
<b>Subtotal Cash Received</b>	-	-	-	-	-
<b>Expenditures from Operations:</b>					
Cash Spent	168,000	194,000	210,000	217,000	268,000
VAT payments					
<b>Subtotal Cash payment</b>					
<b>CASH FROM OPERATIONS</b>					
<b>CASH FLOW FROM INVESTMENTS:</b>					
Purchase of Assets	- 100,000				
working capital	- 120,000	- 160,000	-80,000	-83,000	-89,000
<b>CASH FROM INVESTMENTS:</b>	<b>- 220,000</b>	<b>-160,000</b>	<b>-80,000</b>	<b>-83,000</b>	<b>-89,000</b>
<b>CASH FLOW FROM FINANCING:</b>					
Owners Equity Contribution	220,000				
Bank loan	-	-	-	-	-
Bank loan interest	-	-	-	-	-
<b>CASH FROM FINANCING</b>	<b>220,000</b>	-	-	-	-
<b>NET CASHFLOW FOR PERIOD</b>					
<b>CASHFLOW AT START OF YEAR</b>					
<b>CASHFLOW AT THE END OF YEAR</b>					

**FINANCING PLAN**

FINANCING COMPONENT	AMOUNT	PERCENT
EQUITY	481,477 <sub>0</sub>	100% <sub>0</sub>
LOAN	0	0.00
TOTAL FINANCING	0	0

**COST  
STRUCTURE**

PARTICULAR	FOREIGN USD	LOCAL USD	AMOUNT USD
Land and Buildings		-	-
Equipment & tools		30,000	30,000
Motor Vehicle		50,000	50,000
Furniture & Fixtures		5,000	5,000
Pre exp		9,000	9,000
Others		22,000	22,000
Working Capital		300,000	300,000
<b>TOTAL</b>	<b>0</b>	<b>716,000</b>	<b>716,000</b>

**MOTORVEHICLES**

PARTICULAR	No	PRICE	AMOUNT USD
Landrover	1	18,000	18,000
Landrover	1	9,000	9,000
Mitsubishi 4x4	1	9,000	9,000
Toyota pickup	1	10,000	10,000
<b>TOTAL</b>	<b>4</b>	<b>46,000</b>	<b>46,000</b>

**OTHER OPERATING COSTS**

<b>OTHER OPERATING COST</b>	<b>YEARS</b>				
	<b>2009 USD</b>	<b>2010 USD</b>	<b>2011 USD</b>	<b>2012 USD</b>	<b>2013 USD</b>
Motor vehicle expenses	12,000	18,000	24,000	30,000	36,000
Salaries and wages	18,000	19,500	25,000	25,500	32,000
Pension Contribution					
Depreciation					
Bank Interest	0	0	0	0	0
Administrative Overhead	24,000	26,000	28,000	30,000	32,000
Maintanance	5,000	5,950	7,100	8,200	8,600
Utility costs	2,400	3,200	3,300	3,500	3,700
Insurance	600	650	1,500	1,670	2,000
<b>Total costs</b>	<b>62,000</b>	<b>73,300</b>	<b>88,900</b>	<b>98,870</b>	<b>114,300</b>

**FIXED ASSETS SCHEDULE**

<b>NAME OF ASSETS</b>	<b>2009 USD</b>	<b>2010 USD</b>	<b>2011 USD</b>	<b>2012 USD</b>	<b>2013 USD</b>
Land and Buildings	-	-	-	-	-
Machinery, tools & Equipment	30,000	28,900	27,500	25,300	24,900
Motor Vehicles	50,000	43,000	41,500	39,000	37,500
Furniture & Fixtures	5,000	4,865	4,045	3,338	2,630
<b>TOTAL</b>	<b>85,000</b>	<b>76,765</b>	<b>73,045</b>	<b>67,638</b>	<b>65,030</b>
<b>DEPRECIATION</b>	<b>2008 USD</b>	<b>2009 USD</b>	<b>2010 USD</b>	<b>2011 USD</b>	<b>2012 USD</b>
Land and Buildings	-	-	-	-	-
Machinery, tools & Equipment	1,250	1,250	1,250	1,250	1,250
Motor Vehicles	2,000	2,000	2,000	2,000	2,000
Furniture & Fixtures	500	500	500	500	500
<b>ANNUAL DEPRECIATION</b>	<b>3,750</b>	<b>3,750</b>	<b>3,750</b>	<b>3,750</b>	<b>3,750</b>
<b>CLOSING FIXED ASSETS</b>	<b>81,250</b>	<b>73,015</b>	<b>69,295</b>	<b>63,888</b>	<b>61,280</b>

Results for the first quarter ended 30 September 2008

The quarter at a glance:

- Total gold production up by 6% and grade increased by 4%
- Good signs of operational improvement
- Management restructuring and refocusing
- Good progress with projects, particularly Singida and surrounding areas.
- Rand/gold price marginally down, but likely to remain robust in medium to long term
- Debt levels reduced.
- Receipt commencing of imported equipment and vehicles.
- Establishing new trading relations with local miners.
- Cash operating costs (R/kg) up by 9%, as input costs (electricity and labour) increase
- Cash operating profit will be established within 6 months.

#### **Financial summary**

Trading only commenced in October 2008 preliminary forecasts will not be available until January 2009.

#### **Chief executive officer's review**

##### **Overview**

We made pleasing progress during the quarter under review towards fulfilment of our vision to create a sustainable company that generates earnings to fund dividends and growth.

Increased volumes, improved average grade and consequent higher gold trading and Tanzanite production demonstrate clearly that the measures we have applied in implementing our 'back-to-basics' philosophy during our stabilisation phase of our strategy, have delivered the stability we need to implement the next phase of our strategy, being local growth.

There is a very notable turn for the better in the morale of the greater St Clair Mine's team. Our people are getting excited about the business again and their particular roles in it, which is evidenced by our productivity figures.

Safety improvement remains a critical priority requiring immediate and decisive action.

##### **Gold Market**

There was only a 3% drop in our average gold price received of R217 295/kg (\$869/oz), compared with R224 036/kg (\$897/oz) in June 2008, despite the turmoil in global financial markets during the quarter. Notwithstanding evidence to suggest that gold still fulfils its historic role as the investment of last resort for many nervous investors in these circumstances, it seems reasonable to assume that gold price volatility will continue until the financial storm starts to abate.

We remain bullish about the fundamentals for the metal in the medium and longer term. However, with economic deposits in mining locations harder to come by and exploration and development budgets under extreme pressure, supplies of new gold into the market are likely to continue to shrink.

Productivity has improved, but we need to remain focused on attaining ore reserve management excellence and quality mining throughout our operations to ensure that we meet our productivity targets.

## **Tanzanite Market**

### **(Market example)**

Shares in Tanzanite One rise 4.4 percent as the miner announces a record production of 1.8 million carats of tanzanite for the nine month period to September 2008, up 57 percent from the corresponding period in 2007.

The share price gain comes amid strength among large cap miners, with the DJ Stoxx European Basic Resources index up 2.4 percent, tracking stronger copper and gold prices.

Ambrian, which keeps its "buy" recommendation on the company, says Tanzanite One continues to demonstrate "extremely strong progress" towards its stated strategy of ramping up production rates.

"The Gemfields unsolicited takeover offer of 45p per share was opportunistic in the prevailing general market conditions, at less than Tanzanite One's price just three months ago and giving little value to Tanzanite One's organic growth opportunities associated with mine ramp-up and tsavorite development," says the broker in a note.

Ambrian has a 75 pence target price on Tanzanite One.

## **Social and Labour Plans**

We continue to make substantive progress in the implementation of our Social and Labour Plans. While this is essential to ensure retention of our licence to operate, it is also an enormously satisfying fulfilment of our commitment to be relevant to communities in which we do business.

During the quarter, we have contributed, with various other interested and affected parties, towards three major land development projects.

### **Looking ahead**

While we remain mindful of the need to continue to apply the core principles of our 'back to basics' philosophy initiated in August 2008 most diligently in those of our operations that have been slower to turn around than we would have hoped I believe we are well embarked on the 'organic growth' phase of our three-phase growth plan to June 2012.

We now have sufficient latitude to focus more closely on delivery of our various organic growth ,also to strengthen our balance sheet, positioning to look towards the third 'organic-acquisition' phase of our strategy from June 2009.

These statements are only predictions. All forward-looking statements involve a number of risks, uncertainties and other factors and we cannot assure you that such statements will prove to be correct.

Risks, uncertainties and other factors could cause actual events or results to differ from those expressed or implied by the forward-looking statements.

These forward-looking statements, including, among others, those relating to the future business prospects, revenues and income of St Clair Mines Ltd, wherever they may occur in this quarterly report and the exhibits to this quarterly report, are necessarily estimates reflecting the best judgment of the senior management of St Clair Mines and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in the forthcoming quarterly report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements include, without limitation:

- overall economic and business conditions in Tanzania and elsewhere;
- the ability to achieve anticipated efficiencies and other cost savings;
- increases or decreases in the market price of gold;
- the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions;
- availability, terms and deployment of capital;
- changes in Government regulation, particularly mining rights and environmental regulations;
- fluctuations in exchange rates;
- currency devaluations and other macro-economic monetary policies; and
- socio-economic instability in Tanzania and regionally.

## **MINING PROJECT AT MERERANI BLOCK D PMC NO 000036**

### **Current Report**

#### **MINING PROJECT AT MERERANI BLOCK D PMC NO 000036**

##### **AREA OF THE PROJECT:**

The project is at Mirerani Simanjiro block D area; and the Shaft it self is 400 metres long and it has already produce. So many times since it has started and has a good history of producing good Quality stones.

##### **NAME OF THE OWNERS**

Abrahaman Abeid - 40%  
Abas Muhamed - 60%

##### **HISTORY OF THE MINE**

The mine has started to operate since 1992 and from 150 metres it has start to produce. And each year we were producing two or three times big production and good colour. And it has stop producing since 2001 due to the fact that we didn't have money to operate the mine. And we started to take loan from different people and they didn't want to take the sand up so we stop the contract up to now while the mine was in production, so they want the stones but they don't want to take the sand up.

In order for this mine to operate efficiently we have come to realize that we need to fix a monorop winch which will make the work become easy and small number of workers to shift sand and also instead of using diesel compressor we must use electric compressor to minimize the cost. This is the reason why we are looking for somebody to help us operating this mine because we don't have money at the moment. The mine itself has the following items which are in good running order

1. Two diesel compressors
2. Electric winch, which can pull the sand only 100 metres
3. Tractor and trailer, for shifting sand outside the mine and collecting water and food.
4. Bossier of 10,000 litres
5. Digger
6. Drill bits and etc.

Sometimes we are operating the mine by using diesel but not in full effort thus why we are crying to find somebody to help us because the mine has a lot of production veins.

We are operating mine right now but to make the work easy and efficiency and reduce the number of workers and reduce expenses we need the following items and machines if possible.

##### **THINGS NEEDED FOR THE MINE TO OPERATE EFFICIENTLY**

- |  |              |
|--|--------------|
| 1. Electric compressor                                 | USD 10,000/- |
| 2. Monorop Winch                                       | USD 18,335/- |
| 3. Drill bits- One piece is 45,000/= we need 20 pieces | USD 750/-    |
| 4. Digger 1 piece (new)                                | USD 1000/-   |

For this project to be successful and to reduce the cost of operation of the mine instead of using diesel compressor we must use electric compressor due to the fact that 200 litres of diesel is USD 284/- which will be used per week. And if you calculate per month will be USD 1136/- so instead of

using diesel compressor which we have right now in the mine is better to use electric compressor we will pay the bill of USD 250/- per month.

6. Electric connection fees is USD 1084  
 For cleaning the mine we need 100 people (Labour) which we always pay USD 7/- per person that will be USD 700/- for one shift. So for ten shift it will be USD 6667/- and mine will be clean to start the work.

**THE FOLLOWING IS HE WORK SCHEDULE FROM DAY 1 – 1 WEEK  
 A- MONTH THEN A YEAR.**

DATE A	PARTICULARS	QUANTIT Y @	ONE MONTH	ONE YEAR
	<b>FOOD FOR WORKERS</b>			
	1	Maize flour 6 sack	USD 25	USD 150
	2.	Beans 3 sack	USD 33.5	USD 100
	3.	Cooking Oil 1 tins	USD 18.75	USD 18.75
			<b>USD 268.75</b>	<b>USD 3225</b>
	<b>BLASTING EXPLOSIVIVE</b>			
B	1	V6. 30Cartons	USD 62.5	USD 1900
	2.	E.Cord 4	USD 79.16	USD 316.6
	3.	Fuse 4	USD 22.9	USD 91.6
	4.	Stop line 4	USD 29.16	USD 116.6
	5.	Diesel 200litres drums 3	USD 283.3	USD 8050
		<b>TOTAL</b>	<b>USD 3274.80</b>	<b>USD 39297.60</b>

If we decide to change system of working we will need the following items

No	C	DETAILS	AMOUNT
1		Electric compressor	USD 10000
2		Monorop Winch	USD 18335
3		Drill bits – one piece is 45,000/= we need 20 pieces	USD 750
4		Digger 1 piece (new)	USD 1000
5		Electric connection fees is	USD 1083
		<b>TOTAL</b>	<b>USD 31168</b>

The total amount of A,B,C are as follows: A – USD 3225/-  
 B – USD 39300/-  
 C- USD 31168/-  
**TOTAL AMOUNT** USD 73693/-

**CONCLUSIONS:**

We have conclude that, due to the problems we are facing now we must split our shares to a new sponsor as follows:

1. Abraham Abeid & Abasi Mohamed 50%
2. Terry Thomas Blake 50%

And start a new chapter

## **INVESTMENT COSTS & EXPENDITURE**

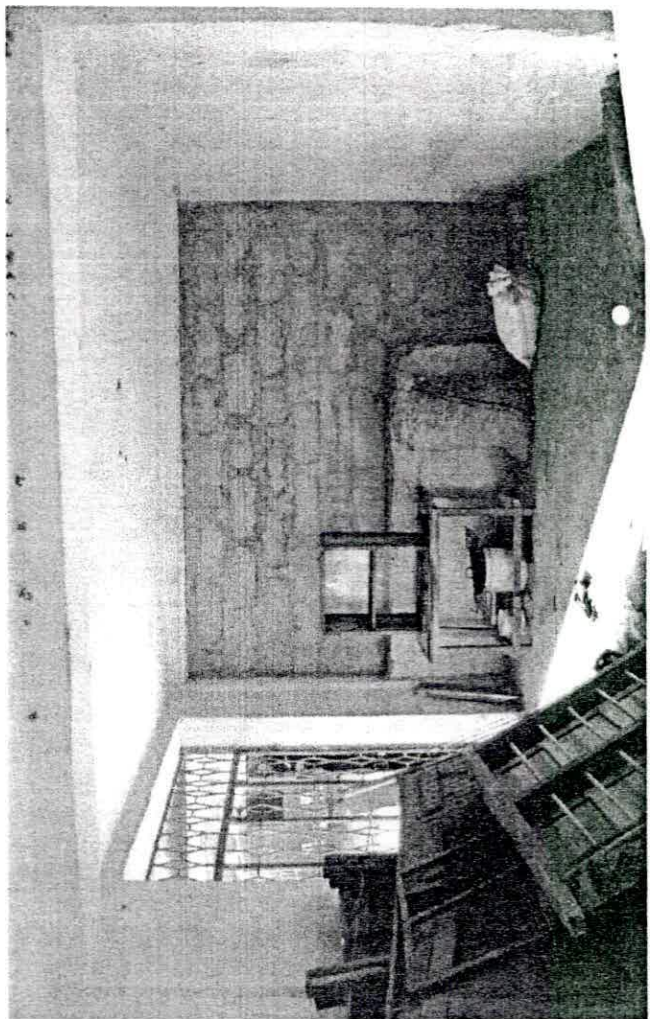
As detailed in other sections, we have invested in different areas such as technology, employment, transport... other investments include the complete refurbishment of offices in Arusha and Singida to expand to a couple more offices in the country.

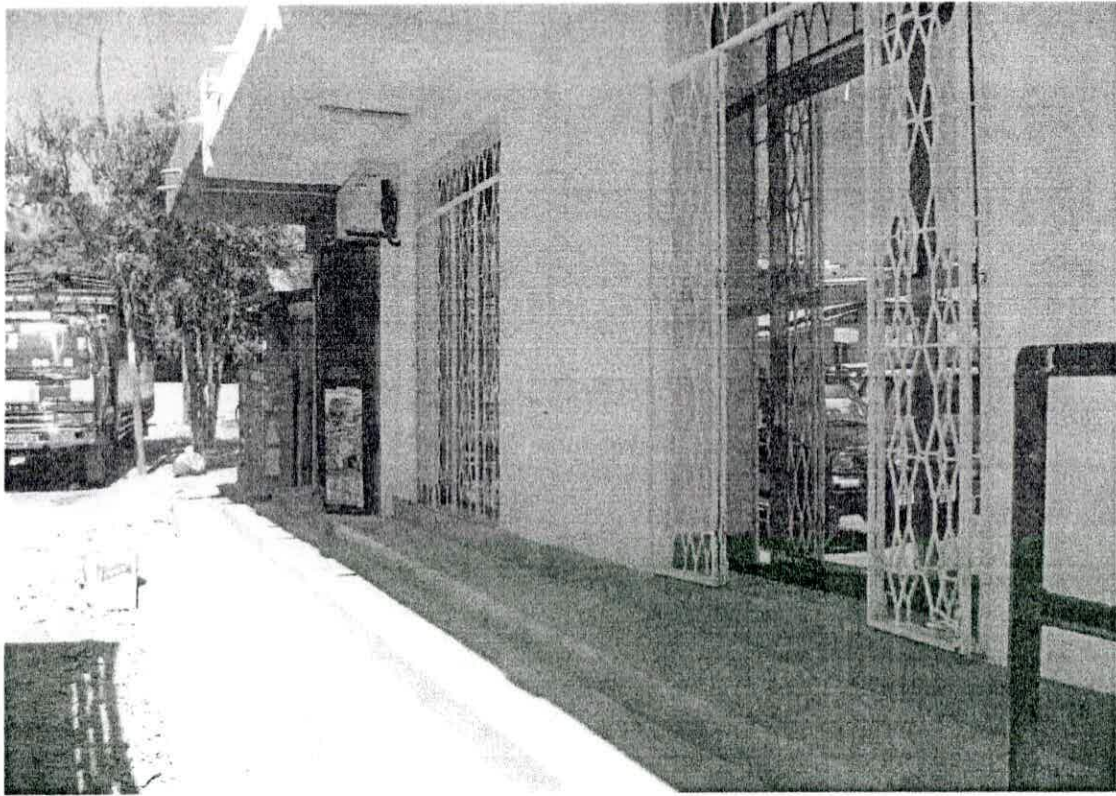
A couple of examples of the Arusha office below, that will concentrate in the trading and processing of raw gold.

The investment will depend on demand. Once trade has been established the company will be able to produce a report.

Pictures prior and after refurbishment.







Until trade is established it's impossible to speculate on expenditure, St Clair Mines Ltd, is committed with its investment in Tanzania and will support with all assets available. A report will be produced detailing expenditure and profits after the first 12 months of trading in both tanzanite and gold.

## **TECHNOLOGY / EQUIPMENT & TRAINING**

### **Mining**

The mine is considered a modern, low-cost operation and boasts an exemplary safety record. It applies international best practice in the design of its employment, social and environmental policies.

Shafts are sunk at an angle of 42° along dip of the JWZ mineralisation zone. The shafts are fitted with tracks and material is removed via a hoist and inclined shaft structure. Drives are driven along strike at an angle of ±16° along the plunge of the fold noses. A monorope (endless looped rope and pulley) system is used to remove materials in bags from the mining fronts (in each of the drives, raises and winzes) towards the inclined shaft ore pass infrastructure.

Ore passes are developed over the shaft to ensure available surge capacity and improved mining efficiencies. Blasting is used as the main method of mine advancement. Once favourable bounding structures are approached pneumatic drilling and handpicking is used to remove tanzanite as carefully as possible. It is anticipated that current enhancements to mining operations aimed at introducing greater mechanisation, including the introduction of a scoop-tram and greater emphasis on selective stopping, will result in a significant increase in material passing through the processing plant and sort house.

### **Production**

THE HISTORY GEMSTONES PRODUCTION OF THE MINE PML NO, 000036 WHICH IS NOW UNDER SUPERVISION OF INVESTOR ( ST. CLAIR MINES LTD) FROM THE YEAR 1992 -2008

YEAR OF PRODUCTION	PRODUCTION PER GRAM	DETAILS OF PRODUCTION
1992	-----	The year mining stated
1993	2550 gm	We started production but the price was very low
1994	4200gm	
1995	1350gm	
1996	-----	The mine was full up of sand
1997	800 gm	„ „ „
1998	5900gm	Good

		production but low price
1999	7840gm	„
2001	1220gm	„
2002	660gm	
2003		There was an accident which course a huge damage to our mine and the mine was closed; the accident was coursed by our neighbor.
2004		„
2005		„
2006		„
2007		We started search for investor to help us
2008		We find the investor (St. Claire mines ltd) and we sign the agreement.

The above information shows exactly what has happen since 1992;

Up to 2008, we have started cleaning the mine under supervision

Of the investor St Claire Mine ltd...

### **Gold Refining Equipment**

Scales -



Salter Brecknell

### Reload Scale

Capacity: 100g /  
1500gn  
Accuracy: 0.01g /  
0.1gn

Testing -



Mizer M-24 Gold Tester

Determines gold carat  
values equal to or greater  
than 9C, 10C, 12ct, 14ct,  
16ct, 18ct, 20ct, 22ct,  
and 24ct

Furnace -

### **Tilt Pour System**

#### **45kW Melter**



RDO's Induction Furnaces are built with the latest solid-state technology using parallel resonant circuitry. The furnaces are available in power supplies from 5kW to 200kW.

All systems come with digital controls. These allow for the programming and control of any application, including complete electronic diagnostic systems, for ease in trouble shooting any potential problems.

The Tilt furnaces are equipped with either Hand-Wheel or Electro-Mechanical Tilt systems, depending upon the load being melted.

Systems can be equipped with optional Thermocouples or Infrared pyrometers for accurate temperature control of the materials being heating and melted.

Each system is custom built, for the particular material being melted. This ensures that the melting circuit is optimized for the properties of the materials being melted.

These Induction Furnace systems are ideal for melting metals such as: Steel, Iron, Copper, Brass, Gold, Platinum, Silver, Nickel, Palladium, and their alloys.

### **Gold Mining Equipment**

## **HPC Gravity Separation Technology**

The Extrac-TEC Heavy Particle Concentration (HPC) technology allows for cost-effective gravity separation of materials of differing densities.

Based on our revolutionary, new patented transverse spiral belt separator and benefiting from almost 20 years of development experience, the system boasts recovery rates of 95%-98% down to 40microns.

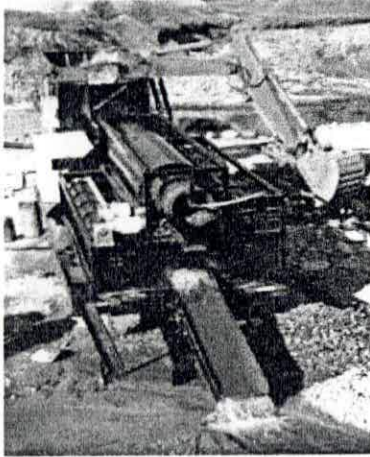
The HPC system is ideally suited to the following applications:

- Mining (gold, PGMS, etc.):
  - alluvial / placer operations
  - reprocessing of tailings dumps
  - as a pre-concentration component in hard rock mines - prior to, or in place of chemical leaching processes
  - for exploration and bulk sampling activities
- Sand and Gravel operations where gold and/or other minerals are present.
- For environmental cleanups / lead remediation projects in decontamination of polluted land, specifically shooting ranges

Key benefits of the HPC technology include:

- A broad material-size processing spectrum with high recovery rates.
- Mobile, self-contained machines from 10 to 400 tons/hour are fully equipped, robust, reliable and easy to set up and use.
- A continuous process with a simple, secure and highly efficient final recovery stage.
- An environmentally friendly process with no chemicals and reduced water use.
- Versatility/scalability offering solutions to a wide range of operating requirements.

The "bottom line" is high yield, cost effective and reliable equipment requiring minimal operator skills allowing for the profitable processing of lower grade ore bodies in any location worldwide.



## **Processing**

**Tanzanite** - Processing and sorting take place on site within purpose-built infrastructure and facilities. The concentrate passes through a fully automated optical sorting system, where after the "super concentrate" is then hand sorted and graded, ready for export. Rough is sorted both manually and using a fully automated rough tanzanite optical sorting and primary grading system.

**Gold** - We buy, refine and assay all forms of gold. We provide services to businesses such as jewelers, salvage companies, and the health care industry.

The refining process:

1. precious metal scrap is weighed
2. the scrap is smelted in an induction furnace, a gas blast furnace, or by blowtorch
3. materials such as borax and soda ash are mixed in to absorb impurities
4. a sample of the mixture is tested to determine the amount of precious metal

## **ENVIRONMENTAL IMPACT ASSESSMENT**

### **Tanzanite**

The world's only known source of tanzanite is situated in the Simanjiro district of Tanzania, 70km south-east of Arusha and 16km south of Kilimanjaro International Airport. In 1990, the Tanzanian Government demarcated the tanzanite mining area into four blocks: A, B, C and D, measuring approximately 5km by 2km in total.

Tanzanite is located within a relatively complex geological environment and is found in 'chocolate-tablet' boudin structure, typically located in the hinges of isoclinal folds (folds dipping in the same direction) present in the ore body.

St Clair Mines Ltd aims to make significant strides towards delineating the tanzanite deposit. Deep hole drilling, geophysics, geochemical analyses and structural and geological mapping have all increased our level of geological knowledge and confidence. Our drilling programme has shown that the lower horizon, which hosts the economic mineralisation, extends three times further dip than initially anticipated. This databank of proprietary geological know-how is unrivalled and will become more important than ever as mining operations deepen and the artisanal mining styles employed on the other licence blocks become redundant.

A conservative estimate of St Clair Mines resource is impossible to guess but other mines in the area have estimated production at the figure at 63-83 million carats. At an average price of \$ 12/carat in the rough, this represents an estimated \$756 million to \$996 million in the ground.

## Tanzania

Tanzania, which takes its name from the old colonial territory of Tanganyika and the island of Zanzibar, is home to around 30 million people. From Africa's deepest lake, Tanganyika, to its highest peak, the legendary Mount Kilimanjaro. The country's national parks, conservation areas and game reserves, which include the famous Serengeti and Ngorongoro Crater, cover nearly a quarter of the country and are home to an estimated twenty percent of Africa's largest mammals.



Tanzania has also been blessed with vast natural resources, mostly untapped and ready to transform Tanzania into one of Africa's major production and distribution centres. Tanzania is also one of the most promising gemstone frontiers, with more than 50 varieties of gemstones having been identified to date. Significantly, it is also the world's only source of tanzanite.

## **Gold Mining**

Tanzania is fast becoming one of Africa's leading gold producers.

Gold exports have increased from about three million US dollars in 1998 to 120 million US dollars last year, thanks in part to new mining laws designed to encourage foreign investment. Tanzania is now the third largest producer in Africa, after South Africa and Ghana.

### **The impacts of mining**

Mining is an activity rarely associated with deforestation and forest degradation. Nor is it usually associated with wars, dictatorships and violation of human rights, and even less with the worsening of poverty and social inequity. On the contrary, mining is presented as the paradigm of wealth (in particular when dealing with gold and diamond mining), while its marketing conceals its terrible social and environmental consequences.

However, mining is responsible for such impacts and many others, making it one of the most depredatory activities in the world. Mining activities are unsustainable not only because they exploit non-renewable resources, but also because they leave behind them destruction of the environment and society, which is very often irreversible.

For these reasons, it has seemed important to give people a tool to enable them to better understand the various aspects of mining activities in relation to social and environmental issues, as a way of encouraging the adoption of an informed position on this issue, leading to a wellfounded opposition to face those who present it as a positive activity for the development of the countries of the South.

As part of the above, we also considered it important to show a diversity of concrete experiences in various countries regarding the exploitation of a wide range of minerals, in order to appreciate the common characteristics of mining activities.

The result is this book, which we have divided into two main sections. In the first part, a detailed description is made of the various aspects of mining activities, including types of mining, and social actors and impacts involved. The second part gives details of concrete impacts and struggles in many countries of Africa, Latin America, Asia and Australasia, arising as a response to the actions of various types of mining and mining companies.

The information contained in both sections is closely related, given that the overall vision provided in the first part makes it possible to understand better the details of the concrete situations, while these contribute to a more comprehensive understanding of the general vision of the issue.

We hope that this book will serve as a tool to support local struggles against mining, to generate awareness on the issue and to strengthen campaigns against this type of activity ending in the destruction and degradation of wide forest areas and of local livelihoods and cultures.

## MINING KEYS FOR UNDERSTANDING

### **Mining is a problem, and as such should be treated**

The concept of "sustainability" is increasingly being emptied of any content, particularly by those who carry out basically unsustainable activities. Among them, mention needs to be made of an activity which is – by definition – unsustainable: mining. It can be argued that mining is necessary to provide people with a number of goods, but it can certainly not be argued that it can ever be sustainable, being as it is based on the extraction of non-renewable resources.

In spite of that, mining corporations are trying very hard to convince the public that they are "sustainable." With that aim in mind, the World Business Council for Sustainable Development – which represents many of the most destructive corporations in the world – contracted the International Institute for Environment and Development – which describes itself as a non-profit organization – to carry out "an independent two-year project of research and consultation seeking to understand how the mining and minerals sector can contribute to the global transition to sustainable development." The project has of course the necessary catchword "sustainable": the "Mining, Minerals and Sustainable Development Project."

That project had, of course, a political aim and was part of the corporate lobbying activity for the inclusion of the absurd concept of "sustainable mining" in the official report of the World Summit on Sustainable Development. In spite of the vocal opposition of anti-mining campaigners during the WSSD process, mining corporations were successful and mining was officially declared – as if by magic – as "sustainable."

However, in the real world, to say that mining is unsustainable is really an understatement. Its impacts go far beyond what people normally understand as unsustainable. Mining is responsible for the loss of livelihoods of millions of people; it is at the root of numerous civil wars, dictatorships and foreign armed interventions; it is responsible for widespread human right abuses; it is responsible for poisoning people and the environment; it is one of the major direct and underlying causes of deforestation and forest degradation. Those and many other impacts attached to mining are described in detail in several articles included in this book.

It is true that humanity needs a certain amount of minerals to satisfy some of its – basic or otherwise – needs. It is however equally true to say that overconsumption by one part of humanity is destroying the livelihoods and environments of the other humanity at the receiving end of mining.

Because of its impacts, mining is one of those activities that needs to be strictly controlled at all stages, from prospection and exploitation to transportation, processing and consumption. In many cases, strict control will simply mean prohibition. To pretend that mining corporations will control themselves is being more than naive: it's an absurdity.

Even government control is insufficient, given the economic and political power that mining corporations have proven to have over them. Society

as a whole must be empowered to participate directly in such control.

But above all, peoples living in mineral-rich areas should have the capacity to take fully-informed decisions on whether mining is to be allowed or not in their territories. In case they agree, they should be empowered to decide on how this activity will be carried out, in order to ensure environmental conservation and social justice.

### **To understand mining: Starting from the beginning**

Mining is the series of activities referring to the discovery and extraction of minerals lying under the surface of the earth. Minerals can be metal

(such as gold and copper) or non-metal (such as coal, asbestos and gravel). Metals are mixed with many other elements, but occasionally large quantities of certain metals can be found concentrated in a relatively small area – the deposit – from which one or more metals can be mined with financial benefit. The impacts of mining are related to mining itself, to the elimination of the residues from the mine, to the transportation of the mineral and to its processing, which frequently involves or produces hazardous substances.

Mines vary in size, from small operations producing less than 100 tonnes per day, to large mines moving hundreds of thousands of tonnes. The method of exploitation used to mine specific mineral deposits depends on the type, size and depth of the mineral deposit and the economic and financial aspects of the undertaking.

Until the middle of the twentieth century, underground mining was the method most commonly used to extract large deposits. Following the Second World War, technological progress and the development of larger and more powerful machinery such as bulldozers, levellers, power shovels and trucks, made it possible to move enormous quantities of material, promoting the exploitation of opencast mines. However, underground mines still exist such as the Witwatersrand gold mines in South Africa – the deepest in the world – or the El Teniente mine in Chile – the largest underground mine in the world – or Olympic Dam in Australia. An underground mine is reached by a shaft or a decline spiral, leading to the galleries and production levels that are interconnected by raises and winzes used to transport the mineral and workers. Drills and explosives are used to break up the ore – the mixture of minerals from which one or more metals can be extracted – underground. Generally, this type of mining has less impact on the environment than opencast mines. There is less disturbance of the ground's surface, but all the same, it can have effects on the water by contaminating it with acids and metals and by intercepting aquifers.

The workers are exposed to more hazardous situations than those working in opencast mines, due to the risk of collapse, poor air quality and underground explosions. Progressively, companies have abandoned this method due to a problem of profitability, although minerals such as coal, nickel, zinc or lead are still usually mined underground.

Presently, over 60% of the materials mined in the world are extracted by the opencast method, causing devastation of the ecosystem where

they are operating (deforestation, contamination and alteration of the water, destruction of habitats). Within this type of mining we may distinguish, among others, open cast mines (usually for hard rock metals), quarries (for industrial building materials such as sand, granite, slate, marble, gravel, clay, etc.), and leach mining (the application of chemical products to filter and separate the metal from the rest of the minerals).

Opencast mines look like a series of terraces arranged in great deep wide pits in the middle of a desolated and stark landscape, lacking any living resources. The operation usually starts with removal of the vegetation and the soil, followed by extensive dynamiting and removal of the rocks and materials above the ore until the deposit is reached, which is again dynamited to obtain smaller pieces. The new technologies, enabling better performance in the speed of extraction and processing of the minerals, increase environmental problems, as the waste materials do not normally revert to restoring the site.

Quarries are surface mines, very similar to open cast mines, as the end result of their exploitation is also a desolated landscape with deep trenches between wide steps. The aggression to the environment that this type of mining generates is more serious due to its proximity to urban zones, as the reduction of transportation costs is sought to make the quarries more profitable. This proximity causes further environmental problems, because the excavation sites, already lacking vegetation, end up by becoming urban waste dumps, in addition to affecting surface and groundwater near them.

In leach mining, chemicals are used (such as sulphuric acid in the case of copper or a solution of cyanide and sodium in the case of gold) to dissolve (leach) the metals in question from the mineral containing them, obtaining a very high rate of recovery. In situ leaching involves boring the intact rock with drills and adding the solvent, whereas the very frequent type of heap leaching is done on heaps of crushed minerals. The chemical solutions used not only release the desired metals but also mobilize other heavy metals such as cadmium, thus contaminating surface and groundwater.

Even though the environmental impacts of mining vary according to the type of mineral and the mine, this is intrinsically an unsustainable activity, as it implies the exploitation of a non-renewable resource by means of destructive or contaminating methods, such as crushing, grinding, washing and classifying minerals, refining and casting. Mining is presently doubly destructive both due to its large scale and to technology, which has increased its productive capacity. (WRM Bulletin N° 71, June 2003).

## Environmental and social impacts of mining

Mining is a short-term activity with long-term effects. There can be no doubt that when it takes place in forest zones, it is a factor of degradation. It is calculated that, together with oil prospecting, mining is threatening 38% of the last stretches of the world's primary forests.

Mining activities are carried out in various stages, each of them involving specific environmental impacts. Broadly speaking, these stages are: deposit prospecting and exploration, mine development and preparation, mine exploitation, and treatment of the minerals obtained at the respective installations with the aim of obtaining marketable products.

During the prospecting phase, among other activities having an impact on the environment are the preparation of routes of access, topographic and geological mapping, establishment of camps and auxiliary facilities, geophysical works, hydro-geological research, opening up of reconnaissance trenches and pits, taking of samples.

During the exploitation phase, the impacts depend on the method used. In forest zones, the mere deforestation of the land with the consequent elimination of vegetation – greater in the case of opencast mines – has short, medium and long-term impacts. Deforestation not only affects the habitat of hundreds of endemic species (many doomed to extinction), but also the maintenance of a constant flow of water from the forests towards other ecosystems and urban centres. Deforestation of primary forests causes a rapid and fluid runoff of rainwater, increasing flooding in rainy periods because the soil cannot contain the water as it does when covered by forest.

In addition to the area disturbed by the excavation, the damage caused by mines on the surface due to the consequent erosion and silting (sedimentation of the watercourse beds) is made more serious due to heaps of rock residues lacking economic value (known as tailings), that usually form great mounds, sometimes larger than the area given over to excavation.

The enormous consumption of water required by mining activities generally reduces the water table around the site drying up wells and springs. Water usually ends up being contaminated by the acid drainage, that is, exposure to air and water of the acids formed in certain types of ore – particularly sulphuric acids – as a result of mining activities, which in turn react with other exposed minerals. A self-perpetuated dumping of acid toxic material is generated that can go on for hundreds or even thousands of years. Furthermore, the small particulates of heavy metals that with time separate from the waste, are disseminated by the wind, landing on the soil and in the beds of watercourses and slowly integrating the tissues of living organisms, such as fish.

Hazardous chemicals used in the various stages of metal processing, such as cyanide, concentrated acids and alkaline compounds,

although supposedly controlled, usually end up, one way or another, in the drainage system. The alteration and contamination of the water cycle has very serious side effects that affect surrounding ecosystems – especially more so in forests – and people.

Air pollution can be caused by the dust generated by mining activities, a serious cause of illnesses, generally in the form of respiratory troubles in people and asphyxia of plants and trees. Furthermore, usually, a release of gases and toxic vapour takes place: sulphur dioxide – responsible for acid rain – is produced because of metal treatment, and carbon dioxide and methane – two of the main greenhouse effect gases causing climate change – are also released, due to the burning of fossil fuels and the creation of artificial lakes for the hydroelectric dams, built to provide energy for the casting ovens and refineries.

Additionally, mining activities consume enormous quantities of wood for their construction – in the case of underground mines – and as a source of energy for mines with charcoal-fuelled casting ovens. Also, when carried out in remote zones, mining activities imply major works such as road building (opening access to the forests), ports, mining villages, the deviation of rivers, construction of dams and energy generating plants.

The deafening sound of the machinery used in mining and the blasting cannot be considered as minor impacts either because they create conditions that may become unbearable for the local populations and the forest wildlife.

It is argued that mining is vital for industrialization, because it provides raw material and sources of energy. However, the present disproportionate concentration of investment on gold and diamondseeking, marginal for industrial production, refute the sector's social justification for its activities. In 2001, 82% of the gold refined found its way to the jewellery market and it is worth remembering that to make a gold ring, the average amount of rock waste generated in a mine is over 3 tonnes. In the United States, the Pegasus Gold company caused the Spirit Mountain in Montana to disappear, replacing what had been a sacred tribal place by an opencast gold mine. Over the next 1,000 years, the site will continue to distil acid into the region's watershed.

Throughout history, the various gold rushes have brought death and devastation to the local populations. From the Sioux of the Black Hills, to the Aborigines around Bendigo in Australia, the history of gold is tainted with blood; and today Amazonian tribes, like the Yanomami and Macuxi, the Galamsey of West Africa, and the Igorot of the Philippines, are similarly endangered.

Mining comes along with its promise of wealth and jobs, but millions are those throughout the whole world who can testify to the high social costs that it brings with it: appropriation of the land belonging to the local communities, impacts on health, alteration of social relationships, destruction of forms of community subsistence and life, social disintegration, radical and abrupt changes in regional cultures, displacement of other present and/or future local economic activities.

All this is added to the hazardous and unhealthy working conditions of this type of activity.

It may be held that many of the affected communities have given their consent. However, it is hard to speak of previous, genuine informed consent, as they do not have the opportunity to fully understand what is waiting for them when they are asked to place their signature on the dotted line at the foot of a contract. For this reason, mechanisms to enable indigenous and local communities to effectively participate in decision-making processes are called for, together with legislation enabling them to reject this type of undertaking in their territories.

If there are people who want to wear gold anyway, or use it to fill cavities, or for micro-circuitry in computers and cell phones, that is all well and good but as someone proposed, take it from recycled sources. Of the 125,000 tonnes of gold extracted from the ground, more than 35,000 tonnes lie in the vaults of central reserve banks. The US Federal Reserve holds 8,145 tonnes of gold, approximately 6% of all the gold ever mined.

What would be better than recycling it from the bank vaults! (WRM Bulletin N° 71, June 2003).

### **Tanzania: Gold mining adds new problems to Lake Victoria**

The Tanzanian territory embraces a wide variety of landscapes, including mountains, savanna, bushlands and forests. Some 53,000 square kilometres of the country comprises lakes, being Lake Victoria the biggest one. With a total area of 69,490 square kilometres, Lake Victoria – the second biggest lake of the world – is shared by Tanzania and Uganda. 32,890 square kilometres belong to Tanzania.

It is an essential resource for the life of the surrounding region, which has one of Africa's highest population densities. Farming, fishing and boatbuilding are the most significant economic activities that directly depend on the lake.

The ecological health of Lake Victoria has been deeply affected by a combination of degrading processes of different nature, such as the clearance of natural vegetation along the shores, a booming fish-export industry, the disappearance of several fish species, the eutrophication of the water body, and the dumping of untreated effluents by several industries. Traditional lifestyles of lakeshore communities have been disrupted and it is feared that together with the degradation of the lake they could disappear.

This sad story goes back to the first decades of the 20th century, when the British colonialists started to exploit Lake Victoria's watershed, and continued after the political independence of the country in 1963. During colonial times the surrounding forests were cut down, and the swamps that were part of this complex hydrologic system drained. Cash crops, such as tea, coffee and sugar, were planted instead. Over the years they have grown in size and number. Since these crops are based on Green Revolution agriculture, a significant portion of the chemicals used are washed into rivers during the rainy season, and end up in the lake, causing eutrophication and providing nutrients for algae bloom, which completely alters the dynamics of the whole water body.

The exaggerated growth of the economic activities in the lake and its surrounding area has overcome the carrying capacity of the ecosystem. Not only the surrounding lands but also the water body in itself is subject to overexploitation. With the introduction of modern fishing

methods, overfishing has become a problem and catch sizes have dropped. A survey of the lake carried out in 1980 revealed a total reverse in biomass composition. As a consequence the populations of smaller fish, which traditionally have been the source of livelihood for nearby communities, have been decimated by larger predators and overfishing.

Polluting industries – from textile and leather-tanning to paper mills and breweries – located near the lake, constitute another cause for the present situation. A recent study shows that industrial plants located in the Tanzanian territory produce daily two million litres of untreated sewage and industrial waste that flow into the lake.

To add to the problem, last June a new and extremely polluting activity began in the region: gold mining. The companies involved are Ashanti Goldfields of Ghana and AngloGold of South Africa. Tanzanian President Benjamin Mkapa himself, who inaugurated the Geita Gold Mine, the biggest one in East Africa, located 20 kilometres away from the southern shore of Lake Victoria, even pledged more incentives for investments in the sector.

Environmentalists from Tanzania and Uganda have clearly expressed their opposition to gold mining, and warned that there is a high risk that sodium cyanide, a strong poison used to extract gold from ore, might leak into the lake through the rivers and cause an additional negative effect to the already affected water system. Concerned voices from the academic sector in both countries have also harshly criticized the Tanzanian government for supporting a project that would jeopardize the environment of the lake and the lives of communities living around it. I has been underscored that mining in the region will also bring negative consequences for the region and the country's economy, since the European Union is about to ban all fish imports from East Africa because of the presence of toxic elements in the fishes' bodies. (WRM Bulletin N° 39, October 2000).

### **Tanzania: Biodiversity loss linked to IMF-promoted commercial agriculture and mining**

A country with profuse forests – open hardwood woodlands being the dominant type though there are also closed forests and mangroves –, Tanzania has 33.5 million hectares of forest cover richly endowed with biodiversity, which account for one-third of the total land area.

However, this biodiversity is being threatened by several direct and underlying processes which have implied the clearing of forest land at a rate of 400,000 hectares per year during the past two decades. One of those damaging processes relates to forest conversion to commercial agriculture and mining, which in turn have to do with export-oriented policies widely applied at the national and global levels.

During the last years, the government of Tanzania has given high priority to the development of agricultural production aimed at export markets. Caught in the ups and downs of market prices established by powerful economic groups, the falling price of Tanzania's main exports, plus the growing cost of imported products, led the country to suffer the trite fate of other Southern countries. In 1986, Tanzania signed a structural adjustment agreement with the International Monetary Fund (IMF) and continued signing IMF loan agreements for the following 15 years, thus increasing its burdensome debt. In the late 1990's, annual debt servicing

averaged US\$ 438 million – amounting to 37% of total export revenues.

The IMF loans associated Structural Adjustment Programme (SAP) requires the implementation of a number of policies such as support to large-scale export-oriented agriculture – e.g. the elimination of a tax on agricultural exports – and mining for gemstones and other precious minerals by domestic and foreign companies.

Between 1980 and 1993, 25% of the nation's forests were lost. Logging, deforestation and mining have been some of the major causes, but almost half of forest loss was due to cultivation of export crops. In the district of Simanjiro, for instance, over 50,000 hectares of land were cleared to give way to the production of beans. Eighty large-scale commercial farms, ranging from 90 to 13,000 hectares, produce those crops, mainly exported to The Netherlands, and have resulted in the displacement of the local Maasai inhabitants.

Meanwhile, agriculture for domestic consumption remains low and the predominant productive model has implied the displacement of thousands of local inhabitants, land-tenure problems, more poverty.

Also, as mining companies have acquired large concessions, local pastoralists and farmers have lost access to land and water rights, and forests have been plundered to supply fuel related to the mines. In this way, forests are lost as both resources for local peoples' livelihoods and as habitat for wildlife.

Almost 10 years have passed since the Convention on Biological Diversity was launched. In these 10 years, SAPs have continued imposing their policies in Tanzania, reinforcing the world labour division: commodities produced by impoverished and biodiversity-rich Southern countries to feed money-rich consumerist Northern markets. Everybody knows – at least at the decision-making level – which are the causes of biodiversity loss. The IMF and the World Bank know. The Tanzanian government knows. Transnational corporations know. The governments of consumer countries know. However, destructive trends have not only not diminished but, on the contrary, have increased.

This scenario clearly shows that Southern countries like Tanzania, which rank on the weakest side of the "international order," are pushed to follow policies imposed by multilateral institutions and their leading Northern countries. Those policies are inherently unsustainable since they imply at all levels the destruction or degradation of the countries' biodiversity. Political will within Southern country governments to conserve biodiversity is thus a necessary yet insufficient prerequisite for biodiversity conservation, because many of the underlying causes lie outside the country's borders. That is precisely one of the main issues that need to be addressed by the Convention on Biological Diversity. Will delegates have the necessary political courage to address it at the upcoming April meeting in The Hague? (WRM Bulletin N° 56, March 2002).