

ZHONG TIAN JOIN COPPER
DEVELOPMENT CO LTD

①

17m (P)

Please meet with Zonal Manager Mash
Manager - northern zone to visit the
Project

24/04/2012



DIF

②

As Exd

The project was ^{OK} visited as per instruction in
folio 9 by the zone officer - Kilimanjaro. The
Project was found to be ~~off~~ under construction
despite of several huddles as mentioned in
the report (F11). Based on their observation &
Recommendations, I hereby recommend the project
be considered for extension of one year as
requested

3/5/2012



DIF

3.

As Exd

Certificate of members has been prepared
as per IR and is hereby submitted for
your signature

4/5/2012



DIF

1.0

EXD

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

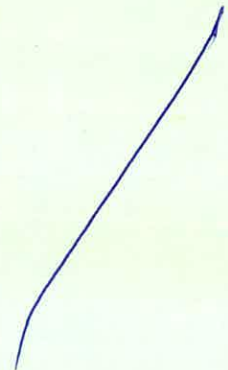
- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 3.0 m
- (b) Legal entity has been incorporated under certificate No. 68806 of 01/12/2008

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
11th March 2009



2.6

EXD

In response to the TIC letter of registration dated 11th March 2007

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Boqraibore Bank of China
- (c) lease Agreement so evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041653 herein attached.

20/03/09


DIF

10

To: ZM (N)

From (DIF)

Date 27th April 2012

**Re: Project Verification Visit (PVV) to Zhong Tan Join Copper
Development Ltd**

The company mentioned above has applied to extend TIC certificate. The certificate was issued on 19th March 2009 they have submitted progress report and application was sent to EXD approval. EXD has decided that we conduct PVV and share the report with him prior approval

The project was registered to establish processing facility for copper and is located at Chang'ombe, Vuchama Ndabwe Mwanga Kilimanjaro

The contact person is Mr. Fang Jun- 0785467481 or 0762 400796

ZM (N) is required to carry Project Verification Visit (PVV) and submit the status report to DIF



Nakuala Senzia

MINUTE

PAGE NO. _____



THE UNITED REPUBLIC OF TANZANIA

00218729

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

THIS CERTIFICATE REPLACE/
EXTENDS THE PREVIOUS ONE

AMENDMENT ON SECTIONS 10 & 11
HAVE BEEN EFFECTED

NO. 041653 ISSUED ON
19/03/2009

No: 041653

This is to certify that

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD

P.O. BOX 1972

of address

KILIMANJARO

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

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD

CHANG'OMBE, VUCHAMA NDAMBWE

Which is located at

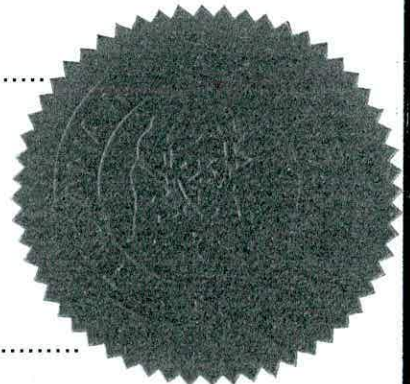
MWANGA - KILIMANJARO

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

.....
Ag .Executive Director

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

Dated 4TH. MAY. 2012.....



PROJECT FOR EXTENSION OF IMPLEMENTATION PERIOD

12

Name of the Project:

Zhong Tan Joint Copper Development Co. Ltd.

Project Description: Certificate No.: 041653

To establish processing facilities for copper

Approval Date:

11th March 2009

Implementation Period Expiry:

March 2009 – February 2012

Number of Previous Extensions:

Nil

Reasons for this Extension:

To accomplish the implementation of the project by exhausting all exempted approved deemed capital goods

Recommendations:

I recommend the project implementation period be extended for one year.

Decision:

Approved as per recommendations ; M2 and
Report ; F9.


Ag ExD
05/05/12

MINUTE SHEET

(Y/E) (U)

Dokezo
No.

TO : IFM
CC : DIF, EXD
FM : ZM (N)
DATE : 30th APRIL, 2012

**RE: PROJECT VISIT REPORT ON ZHONGTAN JOINT COPPER
DEVELOPMENT CO. LTD CONDUCTED ON 25th April, 2012**

As per our earlier communications, please find a/m report as per attachment.

We trust you will find the report in order.

We will appreciate to receive the extended CoI as requested by investor to avoid additional costs at port once the imported machineries arrives next week.

I submit

A handwritten signature in black ink, appearing to be "Clement William".

Clement William

ATTN IFM-RENOVATION

2/6

**PROJECT VISIT REPORT ON ZHONGTAN JOINT COPPER DEVELOPMENT CO.
LTD CONDUCTED ON 25th April, 2012**

Prepared by : **IFPO-N (George Mukono)**
Approved by : **ZM-N (Clement William)**
Date : **27/4/2012**

INTRODUCTION

On the 25th April, 2012, TIC Northern Zone Manager, Mr. Clement William and IFPO-N, Mr. George Mukono paid a visit to ZHONGTAN JOINT COPPER DEVELOPMENT CO. LTD, which is located in Mwanga District in Kilimanjaro following the instruction by DIF/Ag ExD that PVV should be conducted before approval of the application for extension of the Certificate of Incentives submitted by the company to TIC HQ.

OBJECTIVE

The objective of the visit was to ascertain the status of the implementation of the a/m project.

It should be noted that this is the second application for extension of certificate; therefore, it was instructed by the Ag EXD through DIF that TIC HQ be furnished with the latest status of the development of the project by making a PVV at the project site in Mwanga District, Kilimanjaro Region.

OBSERVATION

The site of the project under the current certificate of incentives is located in Mwanga District in Kilimanjaro Region. It was observed that construction of some buildings of the company such as office, laboratory, generator, stores for materials (explosives & detonators) and staff accommodation have been done. Also there are Generators for running the copper ore crushing, milling and extracting machines and mining light trucks.

3/6

It is also worthy noting that this is a huge investment by the company taking place in a tricky mountaineous location where the some infrastructure like roads, water and electricity are a real challenge but the investor is struggling to have them in place at their cost for the benefit of the project as well as the surrounding community. The investor deserves a commend for what they are doing so far, although still implementing their project.

CHALLENGES:

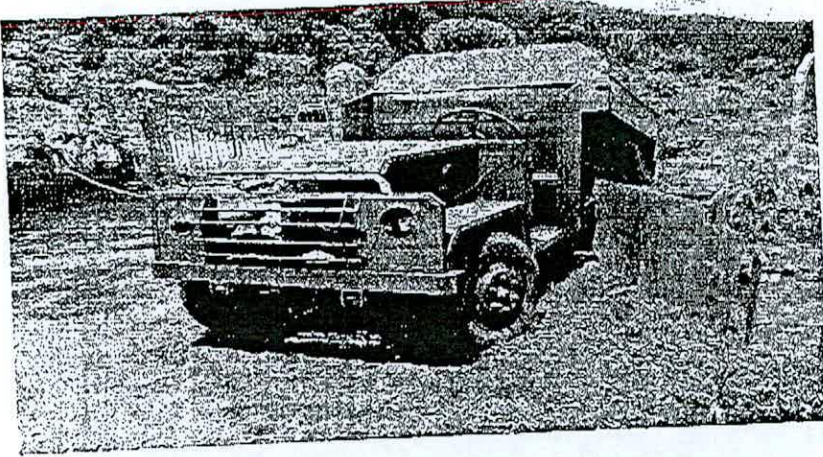
1. A conflict on the mining sites between their mining licence and other licence issues to other investor. This is being handled by the respective mining office in DAR and Arusha mining Zonal office.
2. Delays in getting connected to TANESCO Power line.
3. A conflict with a neighbouring villager who objected for the construction of the road for the project. The company is sorting out the issue with their neighbour.

According to the project manager at site, above mentioned challenges are being sorted out smoothly with respective parties and TIC promised our timely assistance where necessary once informed by the investor.

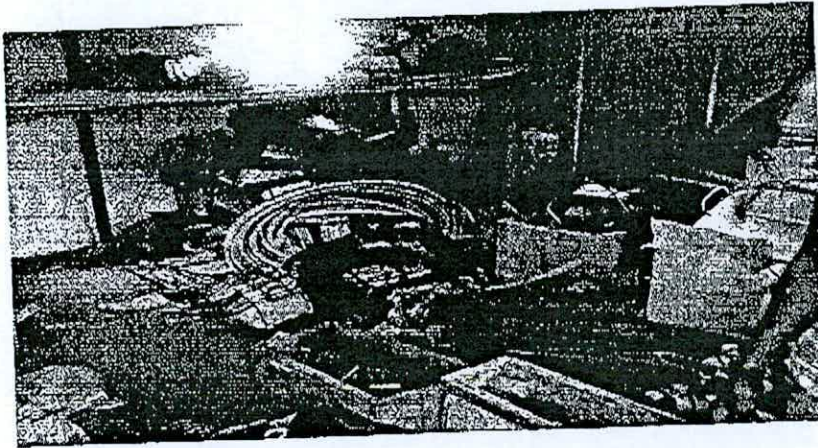
Notwithstanding the above, there are serious efforts by the investor to continue with implementation of the project and has actually ordered more imported machines arriving in the country early next month May 2012 to enable them finalize the project soon.

Some project site photos are as shown hereunder:

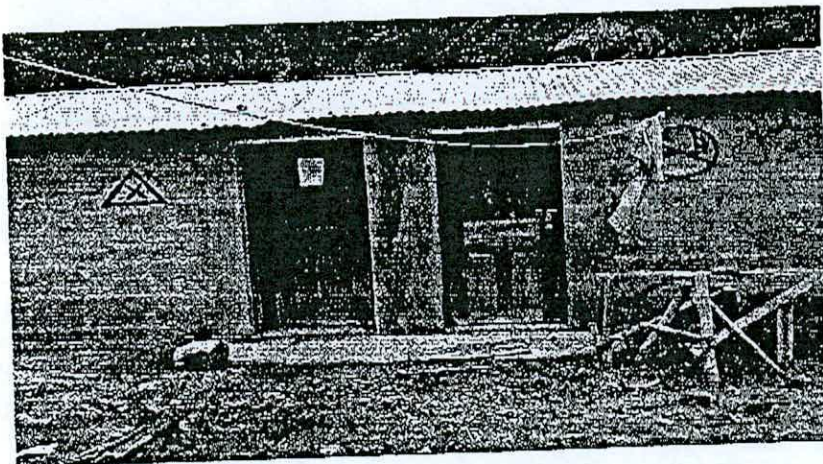
4/6



MINING LIGHT VEHICLE.

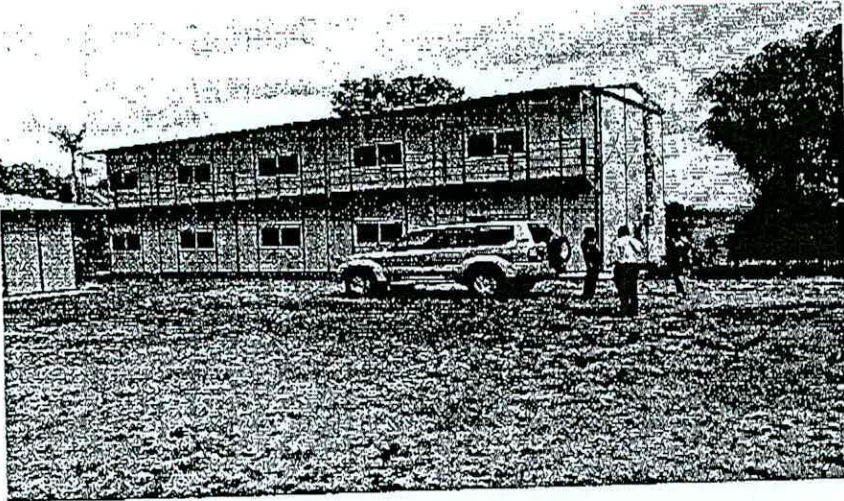


STORE FOR OTHER MINING MATERIALS/EQUIPMENTS.

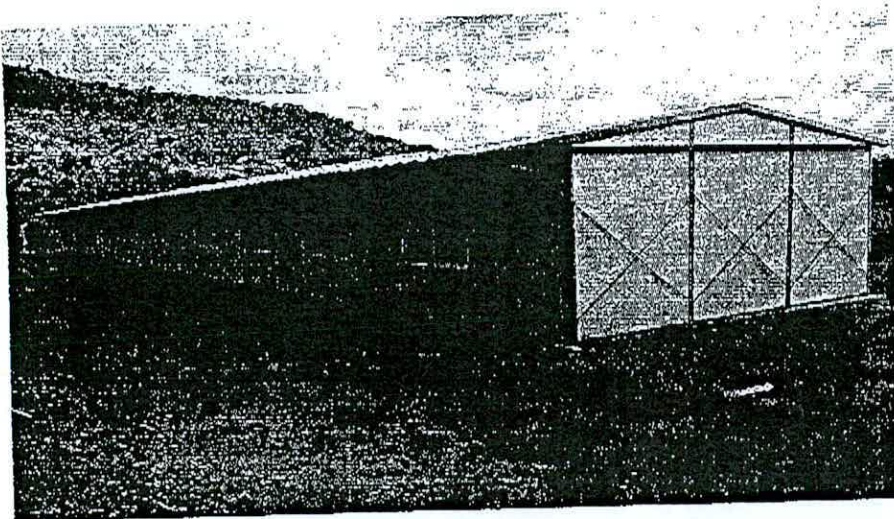


STORE FOR EXPLOSIVES AND MAGAZINES PRODUCTS.

(5/6)



BUILDING FOR OFFICES AND SENIOR STAFF ACCOMMODATION.



BUILDING FOR LABORATORY AND OTHER COPPER PROCESSES

RECOMMENDATION

Based on what was observed in the Project visit we have made in the area, we recommend that this Project be given approval for extension of the Certificate of Incentives at the earliest to enable them clear smoothly their imported deemed capital goods arriving in port shortly and proceed with implementation of their project.

6/6

We will appreciate your usual prompt assistance by issuing the renewed certificate top urgently to avoid cargo port storage charges, customs ware house rent as well as other charges.

I submit



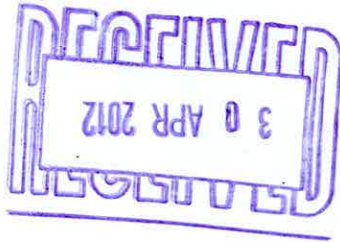
Clement William

Zhong Tang Joint Copper

Faxed

30/4/2012

12:00 pm



ATT: IFM/DIF

Fax no 022-2118253

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

EXCHEQUER RECEIPT

MEPOKEA KWA

received from

LEA YA SHILINGI (Kwa namba)

Sum of Shillings (Words)

KWA MALIKI YA

In respect of

KWA FEDHA TASLIKU/HUNDU

NAMBA By Cash/Check No.

SASIBI YA MPOKEAJI

Signature

ZHONG TANG JOINT COPPER

SEVEN HUNDRED AND FIFTY USD ONLY

CERTIFICATE OF INVESTMENT - EXTENSION

DIRECT INVESTMENT

Signature

CHEO-7
ZM-N 30/04/2012

USD				Cts.
			750	

Kituo - Station
TIC - MOSHI

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

Incorporated at..... this..... day of.....2008

Drawn by:

Justus N. Rusibamayila
(Subscriber)
P.O. Box 79047
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

No.

I HEREBY CERTIFY THAT

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

In this day incorporated under the Companies Act 2002

And that the Company is Limited

GIVEN under my hand at Dar es Salaam, the day of
Two Thousand and Eight

Registrar of Companies

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

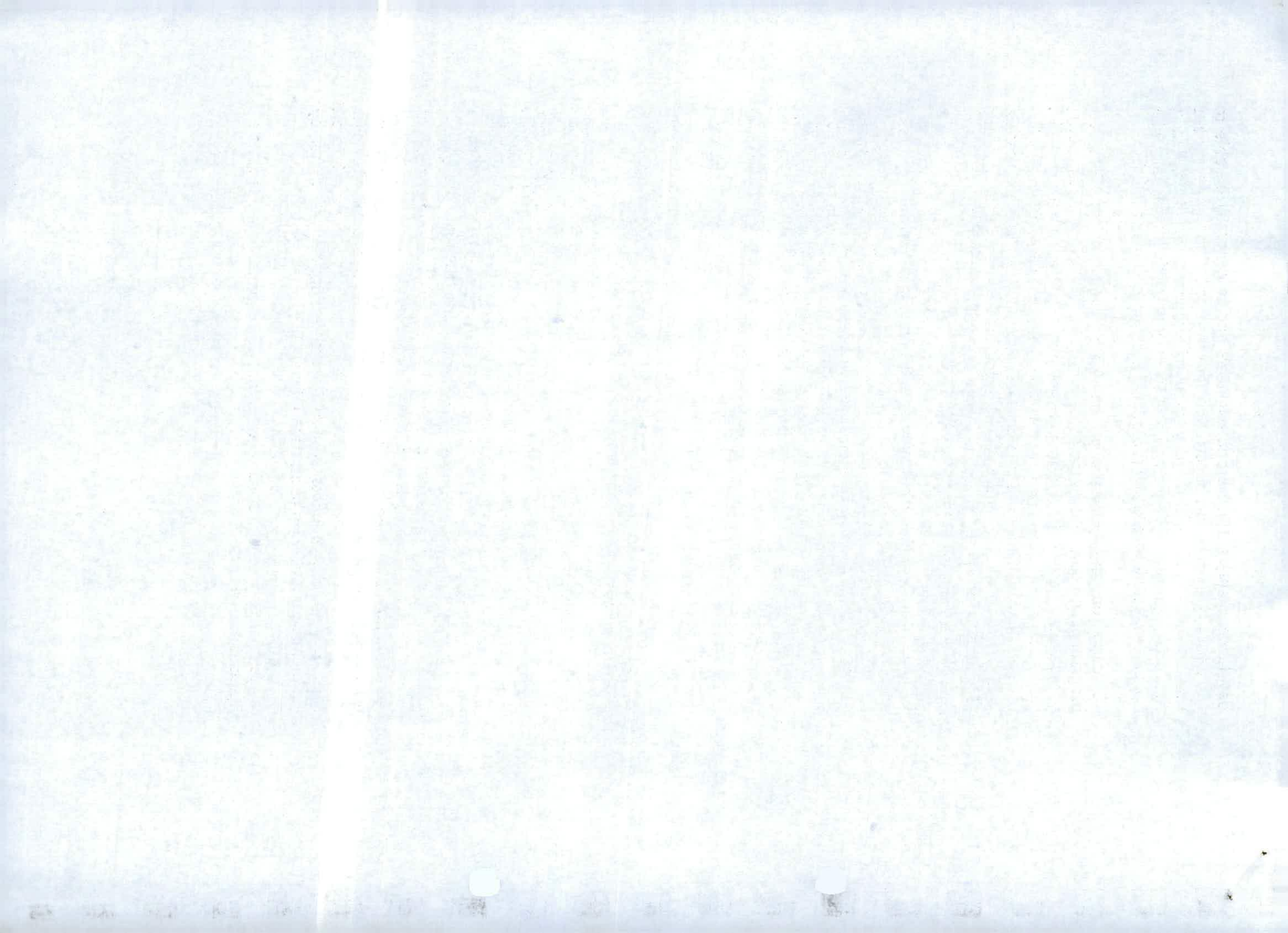
OF

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

1. The name of the company is "ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of miners, cooper mining and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
 - (b) To carry on the business of buying and selling of all types of minerals and gemstones including copper, diamonds found in the United Republic of Tanzania and to engage in exportation of rough, cut and polished minerals and gemstones including diamonds to different parts of the world and to open up lapidaries and to acquire mine workings and mining grounds in Tanzania.
 - (c) To carry on the business of import and export of all minerals and gemstones including diamonds and all other business connected or incidental thereto.
 - (d) To carry out exploration and conduct research for all types of minerals and gemstones including diamonds in Tanzania; to search for ores and minerals and to work the mines and mining rights under or upon the land and properties to be acquired by the company, and to crush, wash, smelt, reduce or otherwise treat and render marketable and sell and dispose of the produce of any mines, whether belonging to the company or not.
 - (e) To carry on the business of selling of all types of mining equipments as well as any other things connected or incidental to the mining business.
 - (f) To establish, run, manage and operate diamonds and gemstones cutting works in any part of the United Republic of Tanzania.
 - (g) To carry on the business of gemstone dealers, buyers, sellers, importers, exporters, cutters and setters of gemstones, precious and semi-precious stones, diamonds, emeralds, sapphires, rubies, agate, Tanzanite

Rhodalite, Garnets, Berly ony, topaz amethyst, opal, pearls, corals, alexandrite and dealers and buyers, sellers, smiths and handlers of gold, platinum, silver, copper, nickel, mercury, aluminium, brass and all metals and their allays as well as any other things connected with or incidental to the jewelry business.

- (h) To carry on the business as jewelers, gold and silver smiths, dealers in curiosities, articles of virtue, coins, medals, bullion and stones and as manufacturers of and dealers in gold and silver plate, plated articles, watches, clocks chronometers, and optical and scientific instruments of any description.
- (i) To purchase, take on lease or exchange, or acquire by license, concession, grant, or otherwise, any lands, mines, minerals and mining rights, buildings, easements, rights and privileges, machinery, plant which the company may from time to time think proper to be acquired for any of its purposes.
- (j) To purchase, lease exchange, hire, sell, mortgage or otherwise deal in any movable or immovable property in Tanzania or elsewhere for any estate or interest whatsoever and any rights, privileges or easements over or in respect of any property, and buildings, plants, machinery, equipments or whatsoever, to undertake or direct the management of the property buildings, land, mines quarries and estates (of any tenure or kind) of the Company or to join with others in doing so and to transact on commission or otherwise the general business of a land agent.
- (k) 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.
- (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, mining, 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 installing all communication towers. To carry on the business of erecting and assembling communication towers.
- (n) To carry on the business of installing and uninstalling all types of network and data communication equipments. To carry on the business of surveying, acquiring, building, designing network and communication sites.
- (o) To carry on the business and act as managers of investments and investment company, real estate agents, property managers,



developers, valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.

- (p) To carry on the business of computer, web design, computer programming, soft development, networks, sales of computers, consultancy, computer training, graphic, design, internet café, telecommunication equipment telephones, cellular phones, TV-transmission equipment etc transport automobiles, marine vessels, aircraft, drilling and mining technologies and equipment, and agricultural and diary equipment and all types of computer networks and related networks activities.
- (q) To engage and or otherwise carry on the business in general dealers of computer, hardware and softwares, to be importers and distributors of all kinds of computer hardware and softwares, to provide general computer services, to be commercial computer programmers and generally to be computer acquisition consultants, to design and offer computer training services, and to operate schools and training centers, to be suppliers and manufactures representatives of all kinds of computers and telecommunication systems, to be general importers, distributors, installers and servicers of all kinds of photocopiers, fax and telex machines, general telephone apparels and generally to be telecommunication experts and consultants, to carry on the business of repairs of computers, all kinds of computer systems, electronic items and all kinds of electrical instruments.
- (r) To carry on the business of general traders, merchants, manufacturers representatives and to buy, sell, hire, manufacture, barter, trade and deal in property, mechanical machine shop, spare parts and machinery of every description, goods and articles and merchandise of all kinds and to transact any and every description of agency, insurance agents, commission, distribution, marketing, commercial, industrial, manufacturing, merchantile, insurance and financial business.
- (s) To carry on the business of dealing in importing, exporting, marketing, manufacturing stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as insurance agents, commission agents, brokers and manufacturers, representatives in all fields. To be agent of foreign company and to establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (t) To provide consultancy services on business, economic, legal, tax and all financial matters.

- (u) To conduct auditing, tax assessment, preparation of financial accounting and other related works.
- (v) To provide educational services on business, economic, computer skills, accountancy, financial managements studies and all other courses.
- (w) To carry on the business of agents, consultants or representatives of foreign or local manufacturers, industries or other like organizations in any type of goods, products, commodities and services.
- (x) To carry on the business of financial and managerial consultants and to act as managers, advisors and consultants in the field of accountancy, auditing business management and in any other business which may be useful carried in conjunction therewith.
- (y) To carry on the business and act as managers of investments and investment company, real estate agents, property managers, developers, valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
- (z) To engage in investment scheme for construction, rehabilitation, erection, ownership and management of commercial buildings, export processing zones and special economic zones, to buy, sell, hire, manufacture, trade, and deal in property, goods, produce, articles, and merchandise of all kinds and transact any and every description as development agency, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business and carry on the business of traders, general merchants, general storekeepers, metals, commission agents, business consultants, market research consultants, business transfer agents, company promoters, underwriters, financiers and bill brokers, del-credere agents, barter traders, court brokers, auctioneers and generally to execute and undertake agencies of all kind or carry on the business of warehouse construction, landscaping, engineering, general civil works and deal in all kinds of scrap metal and precious metals.
- (aa) To carry on the business of collect debts on behalf of creditors from hardcore debtors and other costs accruing to it, and to provide serviced in tax evasion investigation in collaboration with relevant authorities, to collect all electricity bills, water bills, telephone bills, house rent payments and any payments accruing on behalf of any person, firm or companies, and to prove services of collection of tax, sales tax on behalf of any Government parastatals, corporation, companies, co-operatives, firm and individuals.
- (bb) To carry on the business as general distributors of all sorts and types of products and services to individuals, offices, industries, shops, schools,

factories, hospitals, army, military, ministries and all other government offices, universities and all other places where the services of a supplier are needed.

- (cc) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- (dd) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (ee) To carry on the business as exporters, traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in business of scrapers, agricultural machinery, implements, equipment and all kinds of industrial projects machinery.
- (ff) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (gg) To carry on the business of establishing and running shops, shopping malls, provision stores, supermarkets, department stores, groceries food and shops of all kinds and description and generally to deal with such activities.
- (hh) To carry on the business as general food processors, packers, to be general suppliers of foods stuffs and agricultural crops, grain millers, food mixers, general exporters of fresh fruits, vegetables and flowers, to act as agents of buying and selling all kinds of food stuffs, agricultural equipments of every description, and generally to deal in any other business connected therewith.
- (ii) To engage in and carry out the business of proprietors and managers of food outlet, hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house

and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.

- (jj) To purchase or acquire freehold, leasehold or other immovable property and movable property generally and also rights, privileges and easements over or in respect of any property movable or immovable, and to pay for the same in cash or in any other manner agreed upon, and to take over and assume liabilities for payments of all moneys owing whatsoever under and by virtue of any mortgages, charges or other existing and charged upon any and all such property as may be purchased at any time by the Company from any Government, person, firm or company and to do all things and execute such documents and deeds as may be necessary to that end.
- (kk) To advance money to any person or persons or corporations, either with or without interest upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money to shareholders in the company, and others, upon the security of or for the purpose of enabling the person borrowing the same to effect or purchase, or enlarge or repair any house of building or to purchase the free simple or any term or terms of years of any property in Tanzania, or elsewhere upon such terms, and conditions as the Company may think fit.
- (ll) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (mm) To carry on the business of spare parts for different types of machines and instruments including motor vehicles, cars, trucks, lorries or other vehicles, agricultural implements, mining implements and any other machinery, tool maker, metal workers, boil makers and any other kind of machine whatsoever.
- (nn) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to

individuals, private and public institutions and to industrial and business concerns.

- (oo) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (pp) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (qq) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (rr) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (ss) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (tt) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (uu) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (vv) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (ww) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (xx) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (yy) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or

any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.

- (zz) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (aaa) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (bbb) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (ccc) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (ddd) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (eee) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (fff) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 3,750,000,000/= divided into 10,000 shares of Shillings 375,000/= each.

The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or

special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association 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 we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
ZHEJIANG SANFANG GROUP CO. LTD JINQUN ROAD, FU YANG ZHE JIANG CHINA	9,000	 
VISION GEOSOURCES COMPANY LTD P. O. BOX 79047 DAR ES SALAAM	1,000	 

Dated at... 17th this... 12th day of... December 2008

Witness to the above signatures:

Name : Beatrice E. Mpotwa

Signature : [Signature]

Postal Address : P.O. Box 22216

Qualification : Advocate



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

ZHONG TAN JOINT COPPER DEVELOPMENT CO. 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 the date at which these regulations become binding on the company, shall have the meaning so defined.

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

The regulations of Companies Act shall not apply to the company, save 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 regulation the former shall prevail, and in addition to substitution shall be the regulations of the company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:-
- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
 - (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be treated as a single member.
 - (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
 - (d) The Company shall not have power to issue share warrants to bearer.

TRANSFER OF SHARES

3. The Directors may in their direction and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
 - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every who may desire to sell or transfer any such shares and every personal representatives 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 a 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 the expiration of such days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

The regulation of 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) Two 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 majority of the Directors and of the members of the company holding three - fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6. DIRECTORS

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than four in number.
 - (b) The following persons shall be the first Directors of the company:-
 - 1. FANG YONG LIANG
 - 2. JUSTUS N. RUSIBAMAYILA
 - 3. FANG JUN
7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be three
9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

BORROWING POWERS

The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.

- 11. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or

any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

VOTE OF MEMBERS

12. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the shares of which he is holder.
13. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the Company have been paid.

DISQUALIFICATION OF DIRECTORS

14. The office of a Director shall be vacated if the Director;
 - (a) becomes bankrupt; or
 - (b) is found to be a lunatic or becomes of unsound mind; or
 - (c) resigns his office by notice in writing to the Company;
 - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other Directors.

S E A L

15. The Directors shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two Directors or a Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

ALTERNATE DIRECTORS

16. Any director shall have power to nominate any person to act or attend as alternate Director during his absence or during his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to the other Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
17. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be three Directors personally present.

SECRETARY

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

WINDING UP

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

ALTERNATION OR ADDITION

20. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special Resolution.

INDEMNITY

21. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application in which relief is granted to him by the Court.

ARBITRATION

22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relation existing between the parties by reasons of these Articles or the Act, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three 3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within (Cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
ZHEJIANG SANFANG GROUP CO. LTD JINQUN ROAD, FU YANG ZHE JIANG CHINA	9,000	
VISION GEOSOURCES COMPANY LTD P. O. BOX 79047 DAR ES SALAAM	1,000	

Dated at... *DM* this *15* day of *DECEMBER* 200*7*

Witness to the above signatures:

Name : *Beatus E. Mponzi*
 Signature : *Beatus*
 Postal Address : *P.O. Box 22216 Dar Es Salaam*
 Qualification : *Advocate*



TANZANIA



Certificate of Incorporation

Section 15

No 68806

I HEREBY CERTIFY THAT

ZHONG TAN JOINT COPPER DEVELOPMENT**CO. 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 1ST day of **DECEMBER****TWO THOUSAND AND EIGHTS**

A handwritten signature in black ink, appearing to be 'J. K. M. S.', written over a dotted line.

Asst. Registrar of Companies

5609

07719



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

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 FANG YONG LIANG
(director/directors/agent of M/S ZHONG TAN JOINT COPPER DEVT
CO, LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE
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 CHANGUBE, MWANGA
- MOSHI IN KILIMANJARO

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 CHANGUBE, MWANGA

4. The Principal Officers of the Company are
1. FANG YONG LIANG, 2. FANG JUN
3. JUSTUS N. RUSIBAMAYILA

5. Auditors of the Company are

6. The authorized share capital of the Company is Tshs./US\$ 3,750,000,000/-
DIVIDED INTO 10,000 SHARES OF TSHS.
375,000/- EACH.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 3,000,000/-
8. The month and day of the financial year end is 31ST DECEMBER

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

USD \$ 100 /- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, FANG YONG LIANG of Post Office Number Box 1972

MOSHI do solemnly and sincerely declare that I am a director/duly authorized agent of M/S ZHONG TAN JOINT COPPER DEVT CO. 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 23RD day of FEBRUARY 2009

X Fang Yong Liang
Applicant

Before me:



X [Signature]
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO., LTD

Certificate of Incorporation Number: 68806 **Status:** PRIVATE LTD CO.

Certificate of Incorporation Date: 01/12/2008

Post Box: 1972

Town: MOSHI

Sector: MANUFACTURING **Sub-Sector:** COPPER PROCESSING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
2,000,000	-	1000,000	-

Project Objectives: ESTABLISHING AND OPERATING A PROJECT FOR PROCESSING, SMELTING & PRODUCING HIGH QUALITY COPPER

Capacity: _____

Employment: Foreign: 5 Local: 250 Total: 255

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: _____
Street: CHANGUBE/MWANGA **District:** MWANGA **Region:** KILIMANJARO
 (Attach sketch map showing project location)

Shareholders	Nationality	%
1. ZHEJIANG SANFANG GROUP Co. LTD	CHINESE COMPANY	90%
2. VISION GEOSOURCES Co. LTD	TANZANIAN COMPANY	10%
		100%





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938

DAR ES SALAAM

Tel. 022 2116328

Fax. 022 2118253

e-mail: information@tic.co.tz

Website: www.tic.co.tz

(Please fill the form in duplicate)

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THE TANZANIA INVESTMENT ACT
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X 方 均
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Before me:



X Jambo Cuthbert Kambo
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Certificate of Incorporation Number: 68806 Status: PRIVATE LTD CO.

Certificate of Incorporation Date: 01/12/2008

Post Box: 1972

Town: MOSH

Sector: MANUFACTURING Sub-Sector: COPPER PROCESSING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>2,000,000</u>	<u>-</u>	<u>1000,000</u>	<u>-</u>

Project Objectives: ESTABLISHING AND OPERATING A
PROJECT FOR PROCESSING, SMELTING & PRODUCING
HIGH QUALITY COPPER

Capacity:

Employment: Foreign: 5 Local: 250 Total: 255

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.:

Street: CHANGUBE/~~MWANGA~~ District: MWANGA Region: KILIMANJARO
(Attach sketch map showing project location)

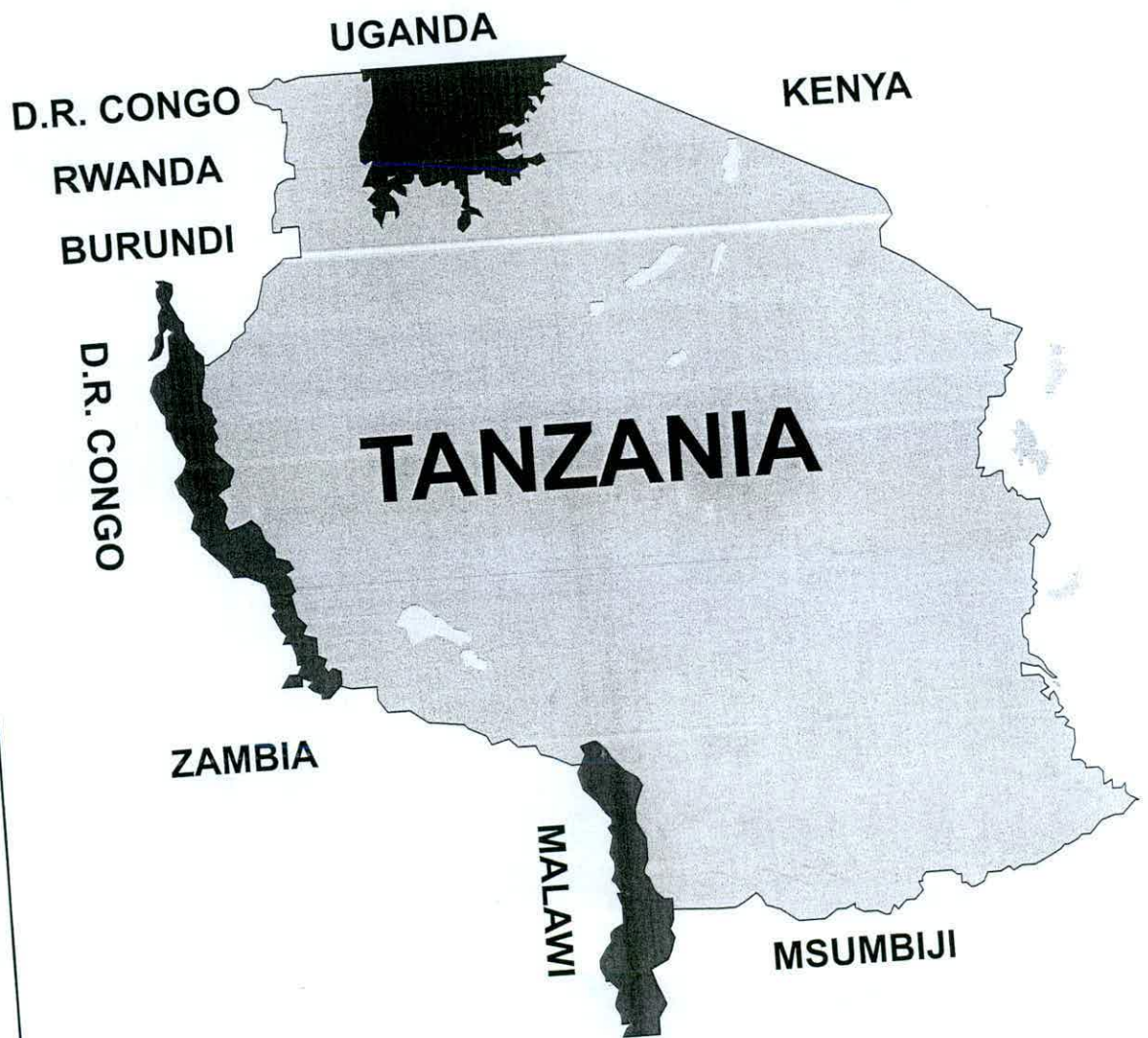
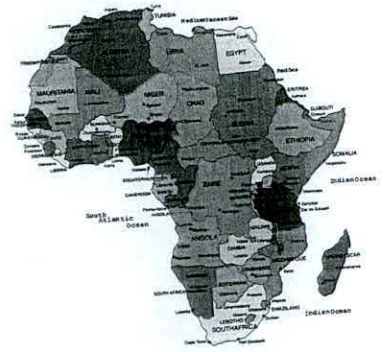
Shareholders	Nationality	%
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WANG XIONG WANG

1. ZHEJIANG SANFANG CHINESE 90%
GROUP Co. LTD COMPANY

2. VISION GEOSOURCES TANZANIAN 10%
Co. LTD COMPANY
100%







TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

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Declared at Dar es Salaam
The 23RD day of FEBRUARY 2009

x 方均
Applicant

Before me:



x Jub...
Commissioner for Oaths

APPLICATION SUMMARY

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Certificate of Incorporation Number: 68806 Status: PRIVATE LTD Co.

Certificate of Incorporation Date: 01/12/2008

Post Box: 1972

Town: MASHI

Sector: MANUFACTURING Sub-Sector: COPPER PROCESSING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
2,000,000	-	1,000,000	-

Project Objectives: ESTABLISHING AND OPERATING A PROJECT FOR PROCESSING, SMELTING & PRODUCING HIGH QUALITY COPPER

Capacity:

Employment: Foreign: 5 Local: 250 Total: 255

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.:

Street: CHANGUBE/DIWANJA District: MWANGA Region: KILIMANJARO

(Attach sketch map showing project location)

Shareholders	Nationality	%
--------------	-------------	---

1. ZHANG XIONG WANG

1. ZHEJIANG SANFANG CHINESE 90%
GROUP Co. LTD COMPANY

2. VISION GEOSOURCES TANZANIAN 10%
Co. LTD COMPANY
100%

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

Land/Building	50,000
Plant / Machinery	2,550,000
Vehicles	200,000
Furniture & Fittings	-
Pre-expenses	100,000
Others	-
Working Capital	100,000
TOTAL	3,000,000

Contact Details:

Name: FANG YONG LIANG Title: M/DIRECTOR
Telephone: 0785-467281/0762 40796 Fax: _____
Email: alfred-nguma@yahoo.com

Payments to be made payable to:

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

**M/S ZHONG TAN JOINT COPPER
DEVELOPMENT CO. LIMITED
P.P.O. BOX 1972, MOSHI, KILIMANJARO A
TEL: 0762400796/0785467481**

**BOARD OF DIRECTORS MEETING HELD AT MANAGING
DIRECTOR'S OFFICE ON 18TH FEBRUARY, 2009 AT 10.30HRS**

BOARD RESOLUTION

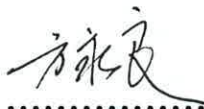
1. PRESENT

- Fang Yong Liang	M/Director – Chairman
- Dr. Alfred Nguma	Director - Secretary
- Fang Jun	Director - Member
- Justus N. Rusibamayila	Director - Member

2. RESOLUTION

- (a) It was resolved that a project should register with Tanzania Investment Centre (TIC) in establishing and operating a project for setting up Copper processing, smelting and production for export market.
- (b) The registration which will make the proposed project to qualify for Tax exemption on Capital/ Deemed Capital Goods.
- (c) To allocate funds for the intended Copper processing project.

3. The meeting was closed at 13.00 hrs



.....
**Fang Yong Liang
Chairman**



.....
**Dr. Alfred Nguma
Secretary**

CTIN.: 0480291



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD

.....

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

107-476-482

.....

with effect from

12/12/2008

.....

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

REQUIREMENTS OF THIS CERTIFICATE

1. The taxable person must show his TIN registration number in any return, statement, notice of appeal or other document used for the purpose of the Income Tax Act.
2. This Certificate should be displayed in a conspicuous position at the principal place of business.

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

PROSPECTING LICENCE NO. PL 5045/2008

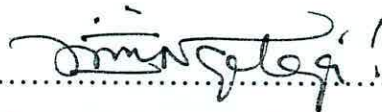
**GRANTED PURSUANT TO
SECTION 29 OF THE MINING ACT, 1998**

WHEREAS M/S **Vision Geosources Company Limited** of P.O. Box 79047, Dar es Salaam, Tanzania has fulfilled the conditions for grant of Prospecting Licence pursuant to Section 28 of the Mining Act, 1998;

I, William M. Ngeleja (MP), Minister for Energy and Minerals subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force, or which may come into force during the continuance of this Licence, or any renewal thereof and pursuant to the powers conferred upon me under Section 29 of the Mining Act, 1998 hereby grant to M/S **Vision Geosources Company Limited** (hereinafter called the Licensee) a licence of type **Prospecting License - All Minerals other than Building Materials and Gemstones**, at Changube, in Mwangi District, over an area described in Annex A (hereinafter called the Licence Area), conferring on the Licensee the right to carry on such prospecting operations and execute such other works as are necessary for that purpose.

This Licence, unless sooner cancelled, suspended or surrendered pursuant to the provisions of the Mining Act, 1998, shall be valid for a period of **thirty six (36)** months, effective from the date of grant.

Granted this 31st day of December 2008



.....
William M. Ngeleja (MP)
MINISTER FOR ENERGY AND MINERALS

INITIAL PERIOD

From Date	To Date	Prep. Fee and Rent	ERV Number	Date	Signature of CM
31/12/2008	30/12/2009	USD 200.00 Rent USD 1,803.80	31586509 34703024	23-4-2008 05-01-2009	<i>[Signature]</i> Minister for Energy and Minerals

FIRST RENEWAL

I HEREBY CONSENT TO THE FIRST RENEWAL OF PROSPECTING LICENCE NO. of M/S of P. O. Box for Licence Area described in Annex 'A' and conditions prescribed in Annex 'B' for a period of months effective from the day of year

.....
MINISTER FOR ENERGY AND MINERALS

From Date	To Date	Annual Rent	ERV Number	Date	Signature of CM

SECOND RENEWAL

I HEREBY CONSENT TO THE SECOND RENEWAL OF PROSPECTING LICENCE NO. of M/S of P.O. Box for Licence Area described in Annex 'A' and conditions prescribed in Annex 'B' for a period of months effective from the day of year

.....
MINISTER FOR ENERGY AND MINERALS

From Date	To Date	Annual Rent	ERV Number	Date	Signature of CM

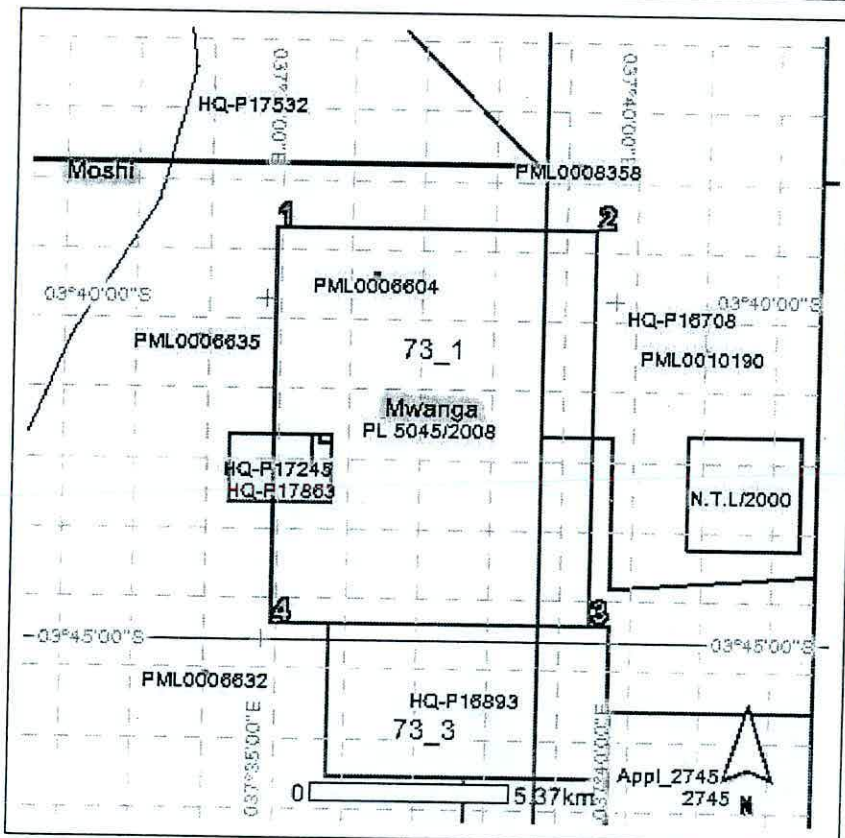
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ANNEX A

DESCRIPTION OF THE LICENCE AREA

Subject to Section 95 of the Mining Act, 1998 the Licence is at **Changube** area in **Mwanga** District, QDS 73/1 defined by lines of latitude and longitude having the following corner coordinates (Arc 1960):

Corner	Latitude	Longitude
1	-03 deg. 38 min. 58.20 sec.	37 deg. 35 min. 09.24 sec.
2	-03 deg. 38 min. 58.20 sec.	37 deg. 39 min. 43.20 sec.
3	-03 deg. 44 min. 45.60 sec.	37 deg. 39 min. 43.20 sec.
4	-03 deg. 44 min. 45.60 sec.	37 deg. 35 min. 09.24 sec.



Legend	
Licensed boundary	
License Number	PL 5045/2008
District	Mwanga
Direction	

An area of approximately 90.19 Square Kilometres.

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ANNEX B

EMPLOYMENT AND TRAINING

1. The Licensee shall employ Tanzanian personnel with appropriate qualifications to the maximum extent practicable consistent with efficient operations.
2. Subject to Clause 1, the Licensee shall not be restricted in employment, selection, assignment or discharge of its personnel provided, however, that the employment and discharge or disciplining of personnel shall be carried in accordance with the generally applicable laws and regulations of the United Republic of Tanzania.
3. Subject to Clause 1 and to the requirement of any law relating to immigration, the Licensee and its sub-contractor(s) may bring into Tanzania such expatriate personnel as in the Licensee's judgement, required to carry out mineral prospecting operations efficiently and successfully and the Government shall expeditiously provide the necessary work permits and other approvals required for the employment of such expatriate.

WM

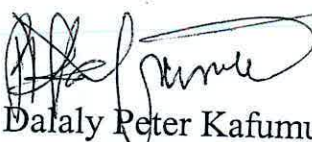
ACKNOWLEDGEMENT AND RECORDING IN THE CENTRAL REGISTER THE TRANSFER OF PROSPECTING LICENCE

I, The Commissioner for Minerals, pursuant to Section 105(1) of the Mining Act, 1998 hereby confirm recording in the Central Register the transfer of Prospecting Licence No. 5045/2008 from **VISION GEOSOURCES COMPANY LIMITED** to **ZHONG TAN JOINT COPPER DEVELOPMENT COMPANY LIMITED**.

The foregoing transfers has been duly recorded on terms and conditions contained in the above Prospecting Licence.

IN WITNESS WHEREOF this transfer has been duly recorded this

.....th5.....day of JANUARY.....2009


Dr. Dalaly Peter Kafumu
COMMISSIONER FOR MINERALS

M/S ZHONG TAN JOINT COPPER
DEVELOPMENT CO. LIMITED
P.O. BOX 1972, MOSHI, KILIMANJARO
TEL:0762400796/0785467481

①

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

23/02/2009



**RE: APPLICATION FOR THE CERTIFICATE OF
INCENTIVES-FOR ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES FOR COPPER
PROCESSING/ SMELTING FOR EXPORT MARKET**

We are applying for the Certificate of incentives for the establishing and operating a project for setting up facilities for Copper processing/ smelting for export market.

The Certificate of incentives will enable the proposed project to qualify for import Duty and VAT exemption on Capital/ Deemed Capital Goods.

Attached herewith please find the Incorporation Certificate, Memorandum and Articles of Association, Bank letter, feasibility study, Board Resolution etc.

We hope that our request will be approved

Yours Sincerely

方 均

Fang Jun
Managing Director



TIC Evaluation Report

Name of the Company
Zhong Tan Joint Copper Development Co. Ltd.

Post Box	Changube Mwanga	COI Number	68806	Contact	Mr. Fang Yong Liang
Post Office	1972	COI Date	01/12/2008	Designation	Managing Director
Region	Kilimanjaro	Application F. No	07719	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0785 - 467281/0762 400 796
		Sub Sector	Copper Processing	Fax	0
		File No	041653	E-Mail Address	alfred_ngumu@yahoo.com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	changube	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Changube	2		1	0
District	Mwanga				
Region	Kilimanjaro				

Shareholders Detail		
Name	Nationality	(%)
Vision Geosources Co. Ltd.	Tanzanian	10
Zhejiang SanFang Group Co. Ltd.	Chinese	90

Investment Breakdown (USD Million)	
Land/Building	0.05
Plant	2.55
Vehicles	0.2
Furniture & Fittings	0
Pre-expenses	0.1
Others	0
Working Capital	0.1
Total	3

Employment	255	Evaluated By	Sospeter Ndelema Dome
Capacity	xxxxx	Drawn By	Sarah Registry
Project Turn Over			

Description

To establish processing facilities for copper

Recommendations

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

Decision

Approved
Mwanga
A9 ExD
7-03-08

TICC/PP.10/041653/3

11th March 2009

Managing Director,
Zhong Tan Joint Copper Development Co. Ltd,
P.O. Box 1972,

MOSHI - KILIMANJARO

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF PROCESSING FACILITIES FOR COPPER**

We wish to acknowledge receipt of your project proposal to establish processing facilities for copper as presented in the TIC P.A. 1 Form No.07719 and Feasibility Study with a projected investment of USD. 0.3 m.

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 Incentive you will be required to submit the following:-

- Bank reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment.
- Certified document showing evidence of Land ownership for the location of project.

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 collection of your Certificate of Incentives. Please arrange to make payments at your earliest convenience.

..../2

TICC/PP.10/041653/3

11th March 2009

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

Yours sincerely,
Tanzania Investment Centre



B. D. Chonjo
Ag. EXECUTIVE DIRECTOR

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

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

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

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经 37 度 37 分 00 秒 c. 南纬 3 度 43 分 45 秒, 东经 37 度 37 分 00 秒 d. 南纬 3 度 43 分 45 秒, 东经 37 度 35 分 45 秒) 折合 30 万美元, 即 30 万股, 占注册资本的 10%, 占公司股份 10%

2. Part B as the legal guarantee of the PL5045-2008 covering 90.19 square Km shall allow Part A to exploit the minerals in 9.64 square Km located in MWANGA area in MOSHI KILIMANJARO region worth 0.3million shares, equivalent to 0.3million USD, as Company's 10%

Coordinates:

Corner	Latitude	Longitude
1	-03deg.41min.30sec.	37deg.35min.45sec.
2	-03deg.41min.30sec.	37deg.37min.00sec.
3	-03deg.43min.45sec.	37deg.37min.00sec.
4	-03deg.43min.45sec.	37deg.35min.45sec.

第九条 出资缴付方式:

Clause 9 Payment Terms of the capital:

1. 甲方在合同签订之日起 2 年内, 将按工程进度分期以设备及现金方式完成出资额
1. Part A will pay all the shares according to the progress of project by equipments and cash within 1 year after the signing of this contract

2. 乙方负责自本合同签订之日起一个月内将勘探许可证转入合作公司名下, 之后, 在 2 个月内为合作公司办妥开采许可证, 公司拥有 20 年的独占许可使用权

2. Part B will be responsible to transfer the Prospecting License to the Joint Venture Company within 1 month and to facilitate acquisition of the mining license within 2 months' time from the time prerequisite studies are given and the Company shall have exclusive right to exploit the mine for 20 years

第十条 收益分配与风险承担

Clause 10 Distribution of profit and risks

1. 双方商定乙方所持 10% 的股份, 其利益按产值的 3% 提取 (含公司应交纳的各种税费, 并提供税务部门认可的合法凭证供会计入账), 甲方所持 90% 股份, 其利益为除乙方所提产值的 3% 外, 全部属于甲方所有

1. Both parties agreed Part A with 90% shares shall take profit after 3% sales turn over paid to Part B is deducted, and Part B with its 10% shares shall take 3% of the sales turn over.

2. 投资各方按股权比例承担公司亏损或风险



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经 37 度 37 分 00 秒 c. 南纬 3 度 43 分 45 秒, 东经 37 度 37 分 00 秒 d. 南纬 3 度 43 分 45 秒, 东经 37 度 35 分 45 秒) 折合 30 万美元, 即 30 万股, 占注册资本的 10%, 占公司股份 10%

2. Part B as the legal guarantee of the PL5045-2008 covering 90.19 square Km shall allow Part A to exploit the minerals in 9.64 square Km located in MWANGA area in MOSHI KILIMANJARO region worth 0.3million shares, equivalent to 0.3million USD, as Company's 10%

Coordinates:

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1. Part A will pay all the shares according to the progress of project by equipments and cash within 1 year after the signing of this contract

2. 乙方负责自本合同签订之日起一个月内将勘探许可证转入合作公司名下, 之后, 在 2 个月内为合作公司办妥开采许可证, 公司拥有 20 年的独占许可使用权

2. Part B will be responsible to transfer the Prospecting License to the Joint Venture Company within 1 month and to facilitate acquisition of the mining license within 2 months' time from the time prerequisite studies are given and the Company shall have exclusive right to exploit the mine for 20 years

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1. Both parties agreed Part A with 90% shares shall take profit after 3% sales turn over paid to Part B is deducted, and Part B with its 10% shares shall take 3% of the sales turn over.

2. 投资各方按股权比例承担公司亏损或风险



中坦合作铜业发展有限公司合同

JOINT VENTURE AGREEMENT

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合作双方本着共同发展的原则，根据《坦桑尼亚投资法》的有关规定，经充分协商，一致决定合作成立中坦合作铜业发展有限公司（以下简称公司），特定立本合作合同。

The contract is hereby agreed by both Parties, subject to the laws of Tanzania to manage "Zhong Tan Joint Copper Development Co., Ltd" as a Joint Venture Company.

第一条 合作企业名称：中坦合作铜业发展有限公司

Clause 1: The name of the Joint Venture

Company shall be known as: Zhong Tan Joint Copper Development Co., Ltd (herein after the Company)

第二条 合作期限：自公司成立之日起 20 年，由于坦桑尼亚法律规定采矿证期限为 10 年，

双方同意后 10 年的采矿证由合作公司办理，合同条款不变

Clause 2 The period of cooperation: 20 years after the establishment of the Company, Since the Mining License is granted for 10 years, the last 10 year will be after Mining License renewal under the same terms.

第三条 公司地址：乞力马扎罗省，莫西市，邮箱 1972

Clause 3 The address of the Company: P.O.Box1972 MOSHI, KILIMANJARO

第四条 核算方式：独立经营、第四条 单独核算、自负盈亏

Clause 4: Business model: with independent management, independent accounting and assumption of sole responsibility for its profits or losses.

第五条 经营项目：铜矿的开采、加工，出口及其他矿产品的生产经营。

Clause 5 Business project: Exploiting, processing, exporting copper and other incidental minerals

第六条 经营范围与经营方式：铜矿及其它矿产品的开采、初加工、销售、出口

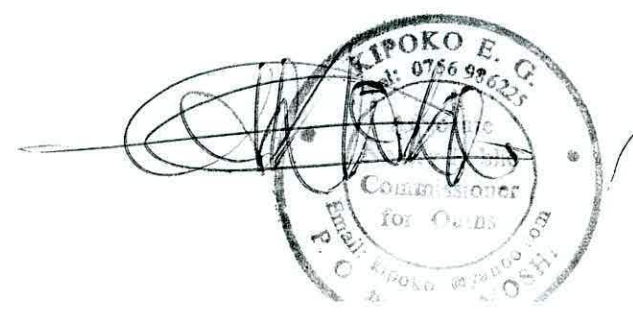
Clause 6: Business scope and line: Exploiting, crude processing, sales, exporting of copper and other minerals, as well as doing any other activity related to the mine

第七条 公司注册资本：公司注册资本为 300 万美元，项目投资额为 700 万美元。股份

总数为 300 万股，每股金额 1 美元，本公司注册资本实行分期出资

Clause 7 Registered Capital: 3 million USD, with total 3 million shares at 1USD for each share. The registered Capital will be paid by installments. Estimated total project investment

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shall be 7 million USD

第八条 股东名称、姓名、出资方式及出资额：

Clause 8 Name of the share holders and the terms of the capital contribution

一 1.甲方：中国浙江三方集团有限公司，方永良，性别：男

1. Part A: Fang Yongliang, male

身份证号码：330123195610205310

Number of ID: 330123195610205310

居住地址：中国，浙江省富阳市金秋大道 41 号

Adress: 41#, Jinqiu road ,Fuyang Zhejiang China

联系电话：13968185918

Telephone: 13968185918

通信地址：中国，浙江省富阳市金秋大道 41 号，邮编：311400

Communication address: 41#, Jinqiu road ,Fuyang Zhejiang China, 311400

2.甲方以生产设备及现金方式出资 270 万美元,即 270 万股，占注册资本的 90%,占公司股份 90%

2. Party A will contribute 2.7 million shares by cash and equipments, which will be 90% of the registered capital, 90% of the company equity capital

二 1.乙方：Vision Geosources 有限公司，总经理，Justus N. Rusibamayila

1. Party B Justus N. Rusibamayila, Managing Director, Vision Geosources Co; Ltd

护照号码：AB074960

Passport No: AB074960

地址：坦桑尼亚，达累斯萨拉姆，邮箱 79047

Address: P.O. Box 79047, Dar es salaam, Tanzania

联系电话：+255732105656，+255713332433

Mobile：+255713332433, +255784332433

Email: vision@geosources.co.tz

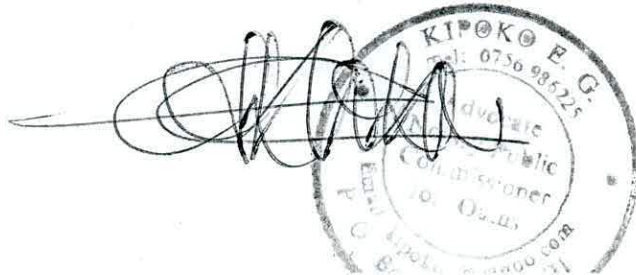
2.乙方所合法拥有的 MOSHI 乞力马扎罗地区 MWANGA 区的勘探许可证

(No.HQ-P16886 of 2008 NOW PL5045/2008), 其中面积为 9.64 平方公里 (坐

标为 a.南纬3度43分45秒, 东经37度35分45秒 b.南纬3度43分45秒, 东

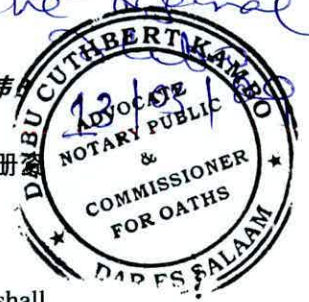


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本的 10%, 占公司股份 10%

2. Part B as the legal guarantee of the PL5045-2008 covering 90.19 square Km shall allow Part A to exploit the minerals in 9.64 square Km located in MWANGA area in MOSHI KILIMANJARO region worth 0.3million shares, equivalent to 0.3million USD, as Company's 10%

Coordinates:

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第九条 出资缴付方式:

Clause 9 Payment Terms of the capital:

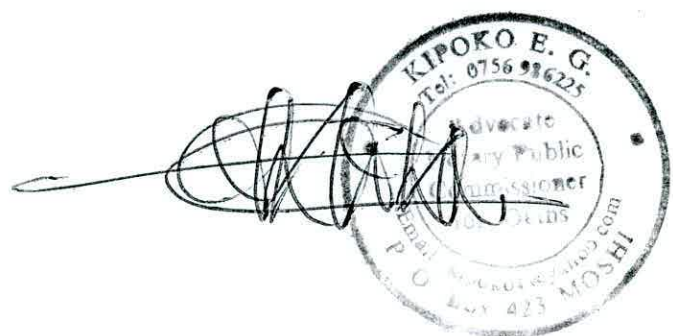
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2. 乙方负责自本合同签订之日起一个月内将勘探许可证转入合作公司名下, 之后, 在 2 个月内为合作公司办妥开采许可证, 公司拥有 20 年的独占许可使用权

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1. 双方商定乙方所持 10% 的股份按产值的 3% 提取 (含公司应交纳的各种税费, 并提供税务部门认可的合法凭证供会计入账)
 1. Both parties agreed Part B with its 10% shares shall take 3% of the sales turn over .
2. 投资各方按股权比例承担公司亏损或风险



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2. Part A and Part B shall bear the risks and all losses of the Company by the percentage of the shares held by each part.

第十一条 投资各方的权利和义务：

Clause 11 Rights and obligations of each part

甲方的权利与义务：

Rights and obligations of Part A

- (1) 提供设备及资金
- (1) Contribute the Equipment and cash
- (2) 负责公司日常生产经营管理
- (2) Administration and production
- (3) 负责提供公司生产所需的生产技术，矿山开采技术，选矿工艺，冶炼技术，
生产设备的设计、安装、调试，人员招收，人事管理，人员技术安全培训
- (3) Provides Production technology, exploration technology, processing, smelting, production design and plan, installation, setting of equipment, training of production and technical personnel, safety and machinery operational training
- (4) Labour Rights and Relations

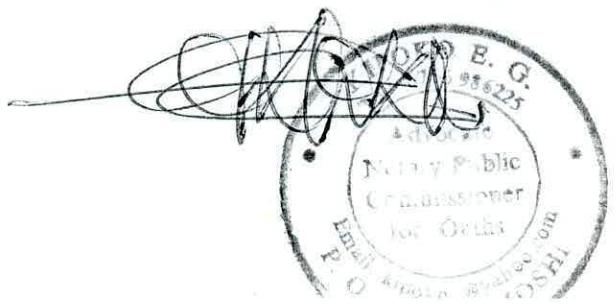
Shall be responsible for labour management and employment issues

乙方的权利与义务：

Rights and obligations of Part B

- (1) 负责以公司名义办妥所有的许可证手续、环保手续及公司生产经营所需
要的各种证照及手续
- (1) Facilitation in acquiring mining license, provision of all permits and approvals, environmental protection approval procedures and all licenses which are necessary for the management of the Company
- (2) 负责以公司名义办理进口设备和交通工具的免税手续。
- (2) Facilitate the tax exemption on imports of machinery, equipments, vehicles and other equipments which may be required for the smooth running of the Company
- (3) 负责协调与建立公司与当地政府、乡村关系，争取当地政府及村民对公司的
理解与支持，保证矿区生产的正常进行
- (3) To manage the coordination of the local government and village, and try to

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achieve understanding and supports form local government and villagers to ease the normal operation of the mining

(4) 有权了解合作公司的生产经营和最终销售情况,可派驻公司一名代表

(4) Shall have full access to mining, processing, marketing, and sales, information through their representative in management to monitor production and exports.

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第十二条 公司的组织机构 :

Clause 12 Organization of Company

1. 合作公司采用国际通用的股份有限责任公司形式 ,实行董事会领导下的经理负责制

1 The company shall be a limited liability company according to the international customs norms and will be managed under the leadership of the board.

2. 董事会由五名董事组成 , 其中甲方委派四名 , 乙方委派一名

2 The board will consist of 5 members, 4 from Part A and 1 from Part B

3. 由甲方出任公司法定代表人

3 The chairman of the Board shall be from Part A, and he will also be the legal representative of the Company

4. 公司的经营管理 :

4 The Management of the company:

公司的经营方针、重大决策 (包括生产计划、销售计划、重大人事任免等) 采取

董事会商议决定的原则

The Business policies, important decisions (include but not limited to production plan, sales plan, and nomination or dismissal of key persons etc) shall be decided after the discussion in the Board.

第十三条 特别约定 :

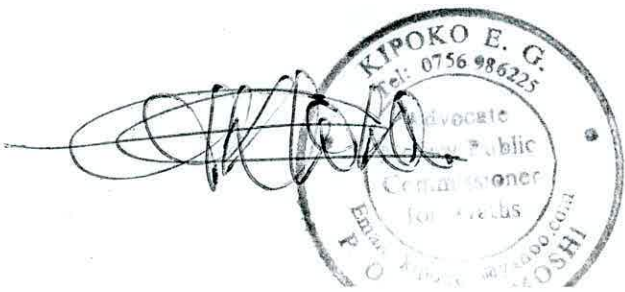
Clause 13 Special terms:

(1) 在本合同签署之日后 , 乙方将 90.19 平方公里的勘探许可证转移到合作公司名下 , 甲方支付乙方 30000 美元 (相关内容见勘探转移协议)

(1) Part A shall pay Part B a sum of 30000USD after transferring of the Prospecting License of the 90.19 square Km Area to the Joint Company, as per the Prospecting License Transferring Agreement, which forms part of this agreement.

(2) 为保障双方投资利益,双方同意:由于某一方的责任或主观原因,致使公司

SKR



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在合同期内无法正常生产经营,将承担责任,并向另一方支付违约金 500 万美元,并赔偿另一方由于停止生产所造成的一切经济损失

(2) Both parties promises that, in case of either party commits act which leads to closure of the business of the company, then the party committing that act shall bear the joint and several liabilities and pay to the innocent party 5 million USD as liquidated damages and compensation for all losses suffered by the innocent party.

第十四条 公司解散与清算方法

Clause 14 Dismissal and Liquidation of the Company

- (1) 股东会议决定解散
- (1) Dismissal shall be decided by the meeting of share holders
- (2) 本合同规定的合作期限届满
- (2) The expiry of the cooperation period stipulated by the contract
- (3) 根据第 14 项第 (1), 第 (2) 条规定解散的, 应当在 30 日内成立清算组,

清算组成员由股东委派产生,清算组负责清理公司财产,通知或者公告债权人;

处理与清算有关的公司未了结业务;清缴所欠税款;清理债权及债务;处理公

司清偿债务后的剩余财产;代表公司参与民事诉讼活动,因公司的资金和设备

为甲方投资,公司清偿债务后的剩余财产按所占股份分配,原矿山归乙方所有。

(3) According to item (1) and (2) of clause 14, the liquidation team shall be set up in 30 days. The team members shall be dispatched from share holders. The Liquidation team shall organize the liquidation of the assets of the company, inform or publication to the Creditors, deal with the unperformed business related to the Company, settle all taxes, liquidate all credits and debts, deal with the remaining assets after liquidation, and represents the Company for any civil auction and the earnings shall belong to Part A and Part B according to their share holding.

第十五条 争议及解决:

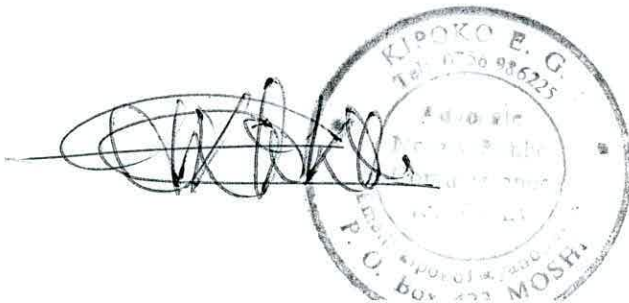
Clause 15 Disputes Settlement

合作公司在合作过程中遇有争议,双方应协商解决,如未能达成一致。双方约定

由合作公司所在地的法院裁决。如其中一方不服从裁决,可申请《国际法》仲裁

Disputes Settlement: Should any dispute arise out of the present Agreement between the Parties hereto it is decided that it shall be referred to arbitration

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by an arbitrator mutually agreed by the Parties under the laws of Tanzania and failing such an arbitration by the Court as provided for by the laws of Tanzania. Failing court arbitration shall be appealed to the international court of Law

Certified true copy of the original



第十六条 甲乙双方的工作联系应以书面形式并签收

Clause 16 NOTICES: All notices, requests, consents, demands, waivers or other communications shall be in writing in the English language and shall be sent by hand delivery or by prepaid first class registered air mail or prepaid telegram, telex, or telefax to the addresses set hereinabove.

第十七条 股份的转让

Clause 17 ASSIGNMENTS:

甲乙双方所持公司股份如转让第三方应征得对方同意，并保护对方利益

Subject to the rights of the Parties as aforementioned, no Party may transfer or assign the Agreement to any other person, firm or corporation without the prior written consent of the other Party hereto.

第十八条 本合同为中英文对照文本，其条款内容为中英文对照解释

Clause 18 the official text of the contract shall be in English and Chinese interpretation is for the benefit of Part A, with reference to both languages in interpretation.

第十九条 双方约定,以上条款未尽事宜,双方可签订补充条款,与本合同有同等效力

Clause 19 Both Parties hereby agree; shall need arise, any addition clause shall be subjected to mutual agreement, and thereafter have equal effect as the above included clauses.

第二十条 本合同自投资各方签字后生效，合同正本一式 8 份，甲方持 2 份，乙方持 2 份，合作公司存 2 份，坦桑尼亚投资中心一份，中国驻坦桑尼亚联合共和国经济商务代表处一份。

Clause 20 The Contract shall go in to effect after signing by each Part, and the contract is made in 8 copies , 2 for Part A , 2 for Part B, 2 for the Company, 1 for Tanzania Investment Centre and 1 for Chinese economic and Business centre in Tanzania.

本公司投资双方签署：

甲 方：方永良（签字）
身份证号：330123195610205310



乙 方 : Justus N. Rusibamayila (签字)

身份证号 :

签署日期 :

签署地点 :

*Certified true copy
of the original*



IN WITNESS WHEREOF the parties hereto have executed these presents on the day and in the year and in the manner hereinafter appearing:

SEALED with the COMMON SEAL of the
ZHEJIANG SANFANG GROUP COMPANY LIMITED and DELIVED at Moshi in the
presence of us this...21st day of November, 2008

Name

Signature

Postal Address

Qualification

Name

Signature

Postal Address

Qualification

SEALED with the COMMON SEAL of the Vision Geosources Co; Ltd
and DELIVED at Moshi in the presence of us this...21st day of November, 2008

Name *JUSTUS NSABIYUMVA RUSIBAMAYILA*

Signature *J. Rusibamayila*

Postal Address *PO BOX 79047 DARES SALAAM*

Qualification *MANAGING DIRECTOR*

Name *ELIKUNDA GEORGE KIROKO*

Signature *[Signature]*

Postal Address

Qualification

*423 MOSHI
ADVOCATE*



CREDIT CERTIFICATE

THIS IS CERTIFY THAT ZHEJIANG SANFANG GROUP COMPANY LIMITED HAS MAINTAINED BANK SETTLEMENT ACCOUNTS WITH OUR BANK. UP TO NOW BANKING EXPERIENCE HAS BEEN SATISFACTORY. THIS COMPANY IS AN AAA GRADE CREDIT CUSTOMER OF OUR BANK. THIS COMPANY HAS NOT ANY BAD CREDIT RECORD IN OUR BANK. THE TOTAL ASSETS OF THIS COMPANY IS RMB 366,330,000.00 AND THE OWNER'S EQUITY OF THIS COMPANY IS RMB 181,920,000.00 ACCORDING TO THE 2008 ANNUAL FINANCIAL STATEMENTS PROVIDED BY THIS COMPANY.

WITHOUT ANY MAIN BODY OF THE FOLLOWING.

Agricultural Bank of China, Fuyang Branch

Feb 06, 2009



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

30325238 1

TFN. 614 (R. 94)

NIMEPOKEA KWA
 Received from

ZHONG TAN JOINT COPPER DEV. LTD



KIASI
 Amount

Shs.					Cts.				
U	S	D	7	50					

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

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

CASH

KITUO - Station

SAHIBI YA MPOKEAJI - Receiving Officer's
 Signature.

[Signature]

CHEO - Title

ACC

TAREHE - Date

13 MAR 2009

DEV.

For Executive Director
 Tanzania Investment Centre

Govt. Press, Dsm.



4

中国农业银行富阳市支行
Agricultural Bank of China, Fuyang Branch

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WITHOUT THE MAIN BODY ON THE NEXT.

Adress: No80 Yinbin Road Fuyang City, Zhejiang Province, China.

Tel: 0086-0571-63136976

Agricultural Bank Of China, Fuyang Branch

March 16, 2008



A handwritten signature in black ink, appearing to be "L. Jin".

MKATABA WA KUKODISHA SHAMBA.

- MWENYE SHAMBA:** Abasi Athumani Msemu,
S.L.P. 62.....,
Mwanga.
- MKODISHAJI:** Zhongtan Joint Copper
Development Company Ltd,
S.L.P. 1972,
Moshi.
- UTAMBULISHO:** Shamba lenye ukubwa wa nusu heka,
Lililopo Kijiji cha Chang'ombe Kata ya
Vuchama Ndambwe, Wilaya ya
Mwanga, Mkoa wa Kilimanjaro.
- MALIPO:** Tshs. 1,600,000/= (shilingi milioni
moja na laki sita tu) ambazo zitalipwa
kwa makubaliano yaliyoainishwa
katika mkataba huu.
- UTARATIBU WA MALIPO:** Malipo yatalipwa kwa awamu kila
mwaka yani Tshs. 160,000/= (shilingi
Laki Moja Kila Mwaka kwa miaka
kumi).

**MKATABA HUU UNASHUHUDIA MAKUBALIANO YAFUATAYO:**

1. Kwamba **Mwenye ardhi** kwa hiari yake mwenyewe bila ya kushawishiwa na mtu yeyote na akiwa na akili timamu, amekubali kuikodishia kampuni ya **Zhongtan Joint Copper Development Company Ltd (Mkodishaji)** shamba lake lililotajwa hapo juu kwa malipo na utaratibu ulioainishwa katika mkataba huu, na **Mkodishaji** amekubali kulikodisha shamba hilo kwa kiasi hicho cha fedha baada ya kulikagua na kuridhika nalo kama lilivyo;
2. Kwamba kwa kusaini mkataba huu **Mwenye ardhi** anakiri kuwa ameshapokea malipo yote ya awamu ya kwanza kwa ajili ya mwaka 2009-2010, jumla ya **Tshs. 160,000/= (shilingi laki moja na sitini elfu)** kutoka kwa **Mkodishaji**;



3. Kwamba **Mwenye ardhi** amemhakikishia **Mkodishaji** kuwa shamba hilo ni mali yake halali, hajaliwa kwa mtu mwingine yeyote, hajaliweka rehani, halina tatizo lolote na wala halijafungwa kwa namna yoyote ile;
4. Kwamba **Mwenye ardhi** amemkabidhi **Mkodishaji** shamba hilo mbele ya mashahidi wote waliosaini mkataba huu na kuanzia sasa ni shamba hilo litakuwa chini ya usimamizi wa **Mkodishaji**;
5. Kwamba **Mwenye ardhi** amemkodishia **Mkodishaji** shamba hilo kwa ajili ya matumizi ya **Zhongtan Joint Copper Development Company Ltd (Mkodishaji)**, ambapo **Mkodishaji** anatarajia kujenga nyumba za muda, stoo na kujenga kiwanda cha kutayarisha na kusafishia shaba, kwa kipindi cha miaka kumi;
6. Kwamba endapo litazuka tatizo lolote kuhusu uhalali wa umiliki au ukodishaji wa shamba hili, **Mwenye ardhi na Mkodishaji** watautatua kwa ushirikiano;

Wote tumekubaliana na Mkataba huu na tumejifunga kwa kuweka sahihi zetu leo tarehe 14 / 03 / 2009 mbele ya mashahidi.

1. **Abasi Athumani Msemu**
(Mwenye ardhi)

Abasi Athumani Msemu

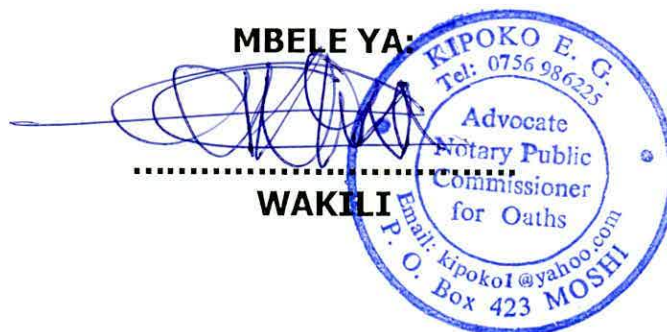
**Zhongtan Joint Copper
Development Company Ltd**
(Mkodishaji)

方均
(Mkurugenzi)

2. **Ridhiwani Rashidi**
(Shaidi wa Mwenye ardhi)

R-K

MBELE YA:



WAKILI



中坦联合铜矿开发有限公司

ZHONG TAN JOINT COPPER DEVELOPMENT CO.,LTD.

PROGRESS REPORT

1. Zhongtan Joint copper Development Co Ltd is planning to carry out copper mining and processing at Chang'ombe – Mwanga Kilimanjaro September this year. We shall start with a small scale production with gradual expansion following extensive prospecting.

The company has been exploring the area for about one year. The result were not as expected. The core recovered was of low percentages but we believe as we go deeper we shall reach the vein.

So far we have a temporally house with water well with road construction, electric installation leveling of the ground under way.

2. Project Financial Expenditure to date:-

	Foreign	Local	Total
Land and Buildings			
Plant and machinery			
Vehicles / Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
GRAND TOTAL			3,000,000 USD

3. Project Financing

The project is being though a loan from bank in China.

4. Future Plans

Our plan is to expand gradually to a large scale production.



中坦联合铜矿开发有限公司

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中坦联合铜矿开发有限公司

ZHONG TAN JOINT COPPER DEVELOPMENT CO.,LTD.

6

Commissioner for Customs and Excise,
Tanzania Revenue Authority,
P.O.Box 9053,
Dar es salaam.

30/04/2010

UFS: Executive Director,
Tanzania Investment Centre,
P.O.Box 938,
Dar es salaam.



Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 041653**

We are a TIC registered company with certificate of incentives NO.041653 which is valid up to February, 2012.

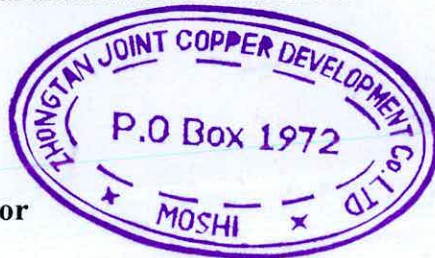
The company has been registered with objectives of establishing processing facilities for copper.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT exemption approval and a letter from NEMC.

方均

Fang Jun

Managing Director





NATIONAL ENVIRONMENT MANAGEMENT COUNCIL (NEMC)

BARAZA LA TAIFA LA HIFADHI NA USIMAMIZI WA MAZINGIRA

Telegrams: MAZINGIRA DAR ES SALAAM
E-Mail address: nemc@simbanet.net
nemc@nemctz.org
Phone: 255 (022) 2134603
Direct Line: 255 (022) 2127817
0741 - 608930
Fax: 255 (022) 2134603

Tancot house (3rd-Floor) Sokoine Drive,
P.O. Box 63154,
DAR ES SALAAM,
TANZANIA

In reply please quote

Ref: NEMC/366/1/VOL. VI/ 79

Date: 28/04/2010

Managing Director
Zhong Tan Joint Copper Develop. Co.Ltd
P.O.Box 1972
Moshi.

RE: ENVIRONMENTAL IMPACT ASSESSMENT (EIA) CERTIFICATE APPLICATION

The above subject refers.

We acknowledge receipt of your letter of 23rd April 2010, attached with a list of imported mining machines and equipment which are due to arrive in Tanzania and would require to be cleared from the port.

The Council confirms to have received the EIA certificate application for the proposed copper mining and processing project at Changube, Mwanga District in Kilimanjaro Region from Zhong Tan Joint Copper Development Company Limited. The Council has also received the Environmental Impact Statement (EIS) for the project which is now under review. The review process will lead to submission of recommendations to the Minister for final decision-making.

In this regard, the Council has no objection for M/S Zhong Tan Joint Copper Develop. Co.Ltd to be assisted by other authorities in matters related to the preparations for the project.

Yours Sincerely,

I.A. Mchallo
For Director General



No. 00215437

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041653

No:

This is to certify that

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD

of address
P.O. BOX 1972

KILIMANJARO

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

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD

Which is located at
CHANG'OMBE, VUCHAMA NDAMBWE

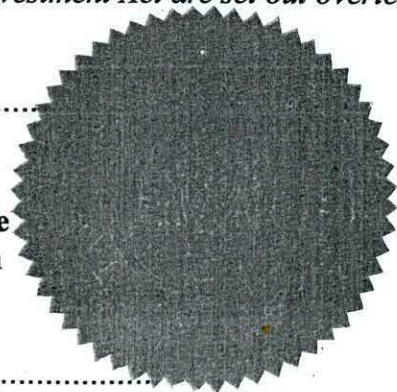
MWANGA - KILIMANJARO

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
19TH MARCH 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
Zhejiang Sanfang Group Co., Ltd..... Chinese..... 90
Vision Geosources Company Ltd..... Tanzanian..... 10
2. Proposed Activities :..... To establish processing facilities for copper
3. Sector:..... Manufacturing..... Subsector..... Copper processor
4. Investment cost: Foreign USD 3.0m. Local - Total USD 3.0m.
5. Project Financing: Equity USD 2.0m. Loans USD 1.0m. Total USD 3.0m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:
Capital items: Foreign USD 3.0m. Local - Total USD 3.0m.
8. Technology Agreement..... None
9. Date of TIC Registration:..... 11th March 2009
10. Implementation period..... March 2009 - February 2012
11. Operative date..... February 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

Signed 
Executive Director

CTIN.: 0480291



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

ZHONG TAN JOINT COPPER DEVELOPMENT CO. LTD
.....

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

107-476-482
.....

with effect from 12/12/2008
.....

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

LIST OF MACHINERY, EQUIPMENTS AND CUBES

ITEM NO.	Equipment and installation materials	UNIT	VALUE (USD)
1	400 KVA transformer and installation	one set	90000
2	200 KVA transformer and generator set	one set	75000
3	large breaker	one set	9000
4	Small breaker	one set	6000
5	250x400 conveyer belt	two strip	8000
6	vibrator	one set	2000
7	150x350 ball mill	two	116000
8	Grader	two	30000
9	5A Floatation machine	25	90000
10	Grinding balls	10 ton	21000
11	Pipeline and installation	200 miter	15000
12	Wire and distribution	3 set	6000
13	Water pump	4 set	8000
14	Mixer	3 set	8000
15	Foton plat form scale	one set	15000
16	Chemical examination instrument	one set	8000
17	24 type pneumatic driller and chassis	5 set	8000
18	3 cube air compressor and motor	3 set	21000
19	Wind pipe and waterpipe	3000 miter	21000
20	Two-wheel truck and mining truck	20	15000
21	6-8 Kilogram I steel	20 tpm	15000
22	Wire and distribution	10 ton	21000
23	Spare parts and repair parts		20000
24	Grader	two set	4000
25	0.5-1 Cube meter excavator	one set	180000
26	loader	4 set	240000
27	Dump truck (Tipple)	4 set	240000
28	pickups	2 set	100000
29	off - road vehicle	2 set	120000
30	Minibus	1	30000
31	Hoisting machine	3 set	30000
32	Air - blower	3 set	30000
33	Drilling machine (small)	one set	50000
34	Lighting installation	one set	30000

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM

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 06/34/09

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36	Breaking workshop	one	45000
37	Orestorehouse	one	15000
38	Breaked ore storehouse	one	15000
39	Dehydration workshop	one	20000
40	Temporary house	500 squaremeter	150000
41	Fuel (Diesel) tank (1)	Ton 80	64000
42	Package bags	500,000 ^{10,000} pieces	40000
43	Cement	ton 100	8000
44	Explosives	ton 80	48000
45	Fuse	As per explosive	48000
46	Primer	As per explosive	48000
47	XY - 4 heavy Duty Drilling & fittings (per list)	1 set	
48	Auxiliary tools (per list)	1 lot	
49	Office and house equipments (per list)	Per list	

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM

[Handwritten Signature]
 P. O. Box 5000
 06/07/09

(2)

XY - 4 HEAVY DUTY DRILLING MACHINE AND FITTINGS

		UNITS	VALUE (USD)
1	XY-4 drilling machine	1	120000
2	Boring tower	1	78000
3	Slurry pump Bw-200	1	2000
4	S75D salvager	1	200
5	S75S double - pipe set	1	600
6	S75T hand lifting unit	1	150
7	S75J holding unit	1	280
8	SJ-1 winch	1	1200
9	Ø5.1 x1000M steel cable	1	31
10	S75 - G pipe pincers	2	40
11	S75-F inside callipers	1	60
12	S751G-4 connect	2	120
13	SA71 boring bar	159	1100
14	Ø75 bit	20	2000
15	Ø75 reaming unit	15	670
16	20M high pressure rubber pipe	1	310
17	Rubber sealing washer	2	330
18	Fractional slice	2	145
19	Ø 65 raise unit	1	420
20	Ø 65 washer	1	30
21	Ø 65 locking connector	22	450
22	Ø 65 spanner	1	30
23	Ø91 three -leave bit	5	180
24	Ø 73189 free -pincers	2	40
25	Ø 75 steel -roll bit	2	25
26	Ø 65 two-clip joint	1	20
27	Ø 73 core barrel	1	15
28	Ø 751 cp65 core barrel head	2	46
29	Elastic washer	1 set	70
30	Frictions slice unit	2	1120
31	Stir fork	2	20
32	Gear pump	1	100
33	Below clip tiles	3	20
34	Small curve gear	1	100
35	Ø 75 alloy bit	5	60
36	Ø 50 Ø 71 change diameter join	4	120
37	Ø 75 clip spring seat	10	50
38	Ø 75 clip spring	10	40

Handwritten notes: R (5292) 14/11/09

Handwritten signature and date: 06/04/09

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM

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39	Left and right brake		
40	clip tiles	4	240
41	large curve gear	9	80
42	Ø 75 taper gear	1	120
43	Ø 75 inside pipe	2	70
44	high speed tap	6	60
45	Ø114x3.2 zinc-plating pipe	1	200
		36 meter	210

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM

Approved
 FOR COL
 P. O. Box 9353
 06/24/09

4

AUXILIARY TOOLS LIST

		UNITS	VALUE (USD)
1	Vernier calliper	1	10
2	Steel cable cp10.16)	320 meter	1600
3	Plummet	1	160
4	Level gauge	1	10
5	Safety belt	5	30
6	Protecting cap	15	45
7	delineate rule	1	120
8	chain block	1	110
9	Casing pipe pincers	4	60
10	Sleeve spanner	1 set	30
11	Monkey wrench	1 set	20
12	Pincer pliers	2	5
13	Set square	1	4
14	Roller	10	60
15	Power drill	1	40
16	Power driven hammer	85	5800
17	Riveter	1	12
18	Oil gun	1	7
19	Wheel cutting machine	1	40
20	Polishing machine	1	50
21	Scissors	1	10
22	Plummet	1	2
23	Carpenters ink marker	1	2
24	Steel rule	2	4
25	Light hammer	1	20
26	Rope made of hemp	5 roll	10
27	Paper knife	2	10
28	Ladder	2	70
29	Water pump	1	140
30	Motor wire	400 meter	3000
31	Jack	2	20
32	Electric welder	1	260
33	Emergency light	6	160
34	Grinder	1	50
35	Pinch bar	4	12
36	hacksaw	1	4
37	Altimeter	1	120
38	Protecting wire	3 roll	110
39	Deepwater pump	6	2400
40	High pressure pipe	1300 meter	1300
41	three - wagg pipe	50	50

R. 5293/14/11/09

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM


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 06/11/09

5

OFFICE FURNITURE AND SUPPLIES

		Units	Value (USD)
1	Fax machine	1	250
2	Telephone set	1	15
3	Laser scanner	1	260
4	printer	1	230
5	desk	3	210
6	folding chair	10	100
7	Filing cabinet	1	100
8	file holder	50	120
9	paper and pen		100
10	office water filter	10	10
11	Socket and jack board	15	35
12	Plug	20	10
13	Multimeter	1	12
14	Tester	2	4
15	Chemical examination equipment	1	1700
16	Wire	4	140
17	Television set	3	900
18	washing machine	3	900
19	Computer	2	2000
20	Air-conditions	10	3000

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 P. O. Box 2000
 26/04/09

6

49.

HOUSE EQUIPMENT - LIST

Refrigerator	1	400
freezer	1	300
bowl, spoon, plate, chopsticks	80	40
Electromagnetic stove	2	100
Electric rice cooker	2	120
frying pan	2	8
Chopping board and kitchen Knife	4	20
seasoning		0
Cooking utensils	1 set	15
kettle	2	30
thermos	5	15
Glass	20	10
Tea	5	150
Meat Chopper	1	15
Washing basin	20	60
Disinfector	1	400
Bed	10	180

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P. O. Box 2100
DAR ES SALAAM

7

Equipment list

Item	Item group	Quantity	
Tractor	Machine	10	
1K Windlass	Machine	2	
Air compressor	Machine	1	
Metal Cutter	Machine	1	
YT 24 pneumatic chisel	Equipment	8	
Axial flow fan	Machine	2	
Axial flow fan	Machine	1	
Electric welding machine	Machine	1	
Grinder	Machine	2	
Drill pipe 1.2m	Accessory	40	
Drill pipe 2m	Accessory	120	
Drill pipe 3m	Accessory	50	
Drill pipe 4m	Accessory	30	
Drill bit	Equipment	1000	

Grinding disc	Equipment	100	
Electrode	Equipment	2	
Galvanized tube	Accessory	16	
Galvanized tube	Accessory	4	
2.0 cm Galvanized tube	Accessory	2	
1.3 cm Galvanized tube	Accessory	2	
1.5 inch Galvanized tube	Accessory	2	
2.5 inch Plastic pipe	Accessory	450 m	
1.3 cm Plastic pipe	Accessory	600m	
1 cm Plastic pipe	Accessory	19.8kg	
2.5inch □□			
External pipeline	Accessory	30	
2.5inch □□			
Internal pipeline	Accessory	10	
2.5 inch Pipe reducer	Accessory	5	
2.1 inch Pipe reducer	Accessory	5	
1.0 inch Pipe reducer	Accessory	5	
2.5 inch Elbow	Accessory	10	

2.5inch45° Elbow	Accessory	3	
2.5 inch Sluice valve	Equipment	6	
2 cm Sluice valve	Equipment	10	
2cm*15 External pipeline	Accessory	10	
2.0 inch T-Cock	Accessory	4	
1.3 cm External pipeline	Accessory	5	
2.5 inch High pressure hoses	Accessory	10	
2 cm High pressure hoses	Accessory	10	
Adjustable spanner	Accessory	2	
12 - 24 Adjustable spanner	Accessory	2	
Ring Spanner	Accessory	2	
Open spanner	Equipment	2	
Vice	Equipment	4	
Pipe Wrench	Equipment	2	
Crowbar	Equipment	10	

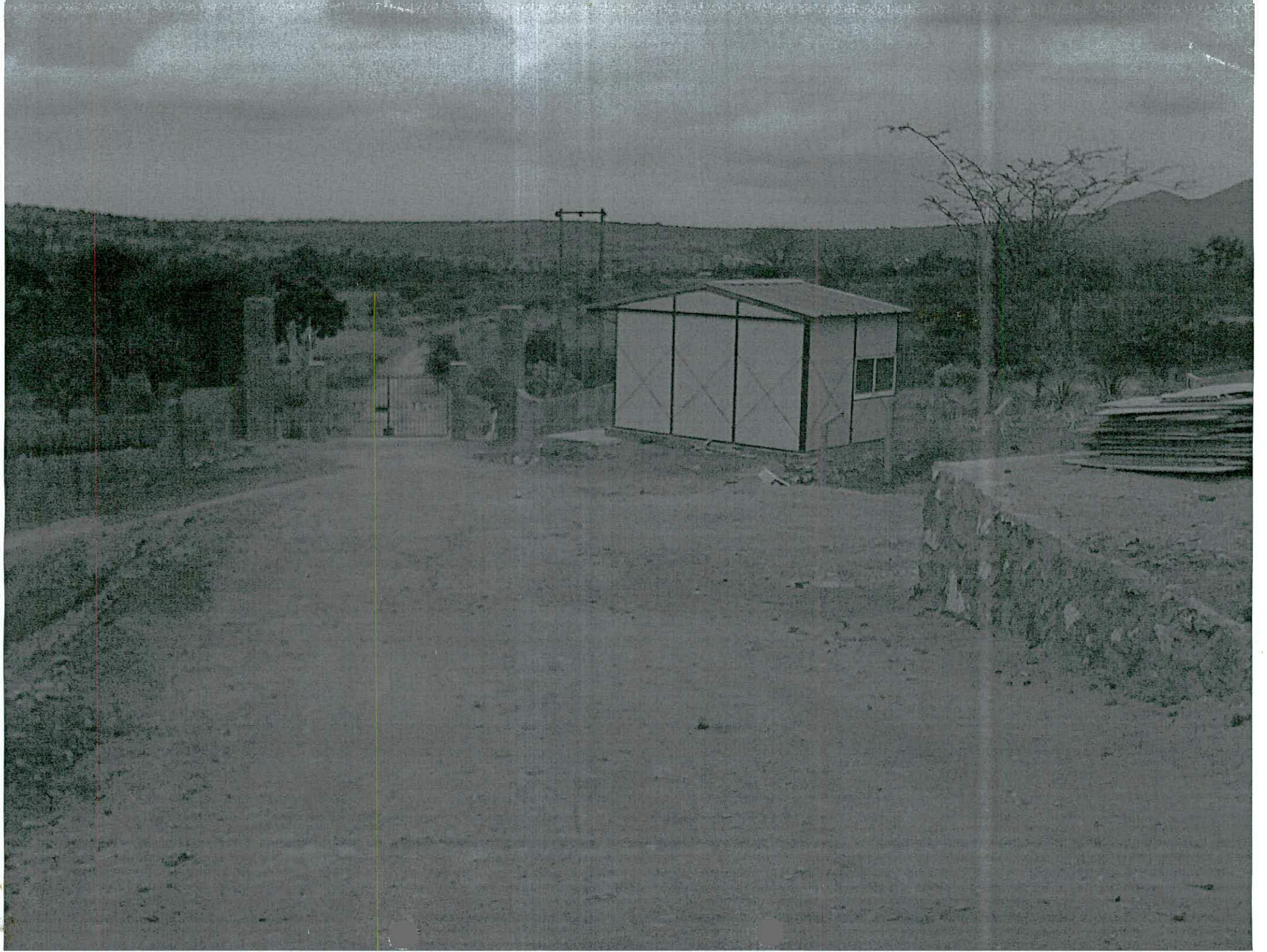
Bench vice	Equipment	1	
Clamp	Equipment	1	
Safety helmet	Equipment	100	
Miner's lamp	Equipment	30	
Flashlight	Equipment	10	
Rubber gloves small size	Equipment	500	
Rubber gloves large size	Equipment	100	
Raincoat	Equipment	10	
Rain boots	Equipment	50	
Rubber shoes	Equipment	10	
Working clothes	Equipment	100	
Flexible wire rope	Equipment	1	
Chuck	Equipment	50	
Crusher	Machine	1	
75kw Electric generator	Machine	1	

air drill fittings	Accessory	1	
Cummins engine parts	Accessory	1	
Compressor oil		2	
Air compresso	Machine	1	

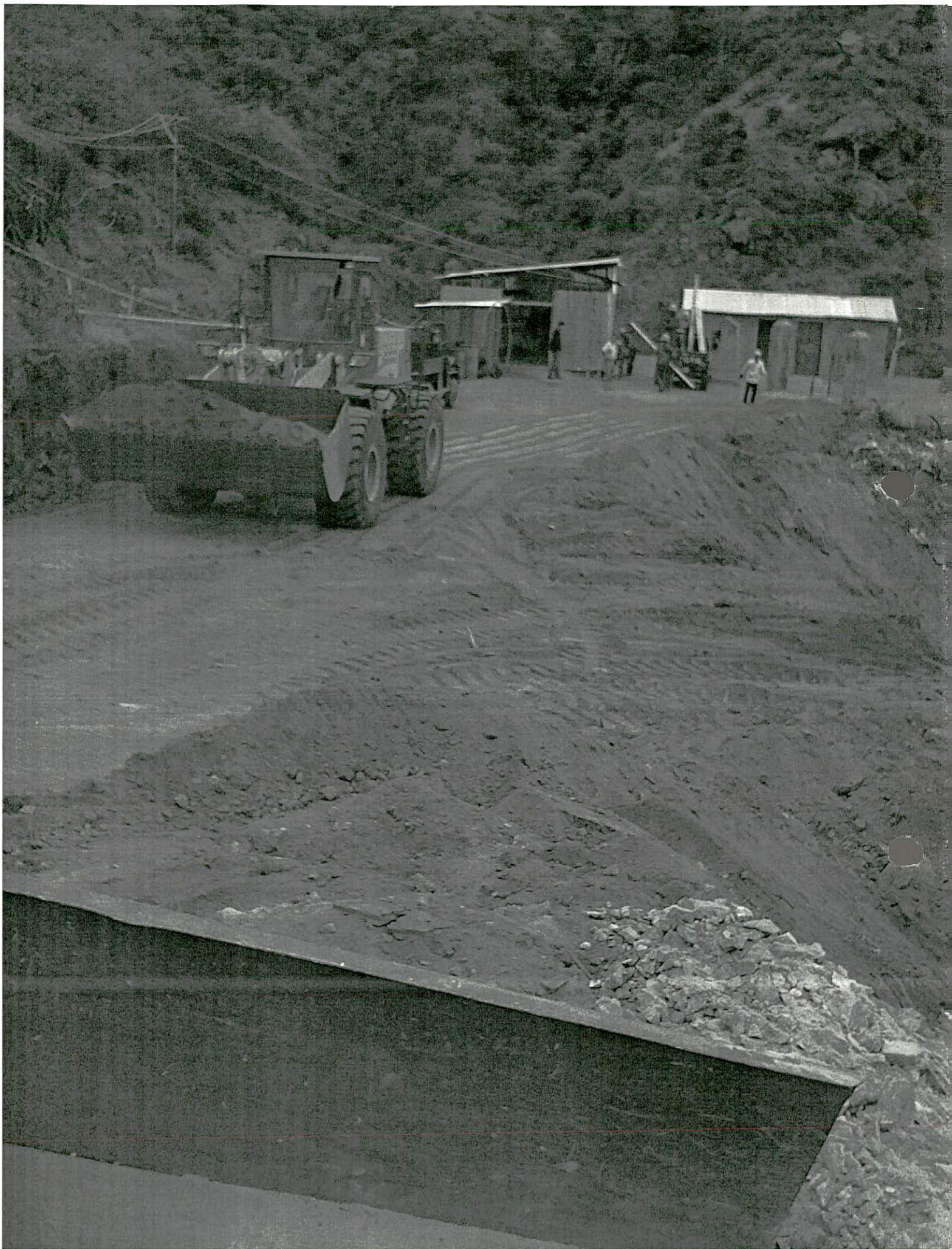
mine-selecting equipment				
Item	Item group	Quantity		
crusher	Machine	1		
crusher	Machine	1		
feeder chute	Equipment	1		
swaying feeder	Equipment	1		
ball mill	Machine	2		
floatation cells	Equipment	28		
mixer hopper	Equipment	2		
single helical submerged grader	Machine	2		

Wheel Loader	Machine	2		
Excuvator	Machine	1		
Trolley	Machine	20		
Single cabin pick up	Vehicle	2		

mine-selecting equipment				
Items	Item group	Quantity		
Crusher	Machine	1		
Crusher	Machine	1		
Feeder chute	Equipment	1		
swaying feeder	Equipment	1		
ball mill	Machine	1		
floatation cells	Equipment	16		
mixer hopper	Equipment	2		
single helical submerged grader	Equipment	1		











7

TICC/PP.10/041653/7

06/05/2010

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

Dear Sir,

**RE: DUTY/ VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL GOODS
– CERTIFICATE OF INCENTIVES NO. 041653 OF 19TH MARCH,
2009**

M/S Zhong Tan Joint Copper Development Co. Limited is a TIC registered Company with Certificate of Incentives **No. 041653** which is valid up to **February, 2012.**

The Company has been registered with objectives of establishing processing facilities for copper.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty/ VAT Exemption approval.

Yours Sincerely,

TANZANIA INVESTMENT CENTRE



N. A. Senzia

FOR: EXECUTIVE DIRECTOR

LIST OF MACHINERY, EQUIPMENTS AND CUBES

ITEM NO.	Equipment and installation materials	UNIT	VALUE (USD)
1	400 KVA transformer and installation	one set	90000
2	200 KVA transformer and generator set	one set	75000
3	large breaker	one set	9000
4	Small breaker	one set	6000
5	250x400 conveyer belt	two strip	8000
6	vibrator	one set	2000
7	150x350 ball mill	two	116000
8	Grader	two	30000
9	5A Floatation machine	25	90000
10	Grinding balls	10 ton	21000
11	Pipeline and installation	200 miter	15000
12	Wire and distribution	3 set	6000
13	Water pump	4 set	8000
14	Mixer	3 set	8000
15	Foton plat form scale	one set	15000
16	Chemical examination instrument	one set	8000
17	24 type pneumatic driller and chassis	5 set	8000
18	3 cube air compressor and motor	3 set	21000
19	Wind pipe and waterpipe	3000 miter	21000
20	Two-wheel truck and mining truck	20	15000
21	6-8 Kilogram I steel	20 tpm	15000
22	Wire and distribution	10 ton	21000
23	Spare parts and repair parts		20000
24	Grader	two set	4000
25	0.5-1 Cube meter excavator	one set	180000
26	loader	4 set	240000
27	Dump truck (Tipple)	4 set	240000
28	pickups	2 set	100000
29	off - road vehicle	2 set	120000
30	Minibus	1	30000
31	Hoisting machine	3 set	30000
32	Air - blower	3 set	30000
33	Drilling machine (small) 5孔	one set	50000
34	Lighting installation 照明设备	one set	30000

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06/24/09

Commissioner for Minerals
Ministry of Energy and Minerals
P. O. Box 2000
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36	Breaking workshop 粉碎车间设备	one	45000
37	Orestorehouse	one	15000
38	Breaked ore storehouse	one	15000
39	Dehydration workshop	one	20000
40	Temporary house 临时房	500 squaremeter	150000
41	Fuel (Diesel) tank 1 柴油	Ton 80	64000
42	Package bags 包装袋	500,000 10,000 pieces	40000
43	Cement	ton 100	8000
44	Explosives	ton 80	48000
45	Fuse	As per explosive	48000
46	Primer	As per explosive	48000
47	XY - 4 heavy Duty Drilling & fittings (per list) XY-4 重型钻机及装备	1 set	
48	Auxiliary tools (per list) 配件工具	1 lot	
49	Office and house equipments (per list)	Per list	

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 Ministry of Energy and Minerals
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[Signature]
 P. O. Box 1000
 06/04/09

2

XY - 4 HEAVY DUTY DRILLING MACHINE AND FITTINGS

		UNITS	VALUE (USD)
1	XY-4 drilling machine	1	120000
2	Boring tower	1	78000
3	Slurry pump Bw-200	1	2000
4	S75D salvager	1	200
5	S75S double - pipe set	1	600
6	S75T hand lifting unit	1	150
7	S75J holding unit	1	280
8	SJ-1 winch	1	1200
9	Ø5.1 x1000M steel cable	1	31
10	S75 - G pipe pincers	2	40
11	S75-F inside callipers	1	60
12	S751G-4 connect	2	120
13	SA71 boring bar	159	1100
14	Ø75 bit	20	2000
15	Ø75 reaming unit	15	670
16	20M high pressure rubber pipe	1	310
17	Rubber sealing washer	2	330
18	Fractional slice	2	145
19	Ø 65 raise unit	1	420
20	Ø 65 washer	1	30
21	Ø 65 locking connector	22	450
22	Ø 65 spanner	1	30
23	Ø91 three -leave bit	5	180
24	Ø 73189 free -pincers	2	40
25	Ø 75 steel -roll bit	2	25
26	Ø 65 two-clip joint	1	20
27	Ø 73 core barrel	1	15
28	Ø 751 cp65 core barrel head	2	46
29	Elastic washer	1 set	70
30	Frictions slice unit	2	1120
31	Stir fork	2	20
32	Gear pump	1	100
33	Below clip tiles	3	20
34	Small curve gear	1	100
35	Ø 75 alloy bit	5	60
36	Ø/50 Ø 71 change diameter join	4	120
37	Ø 75 clip spring seat	10	50
38	Ø 75 clip spring	10	40

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Ministry of Energy and Minerals
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 P. J. ... 2009

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39	Left and right brake		4	240
40	clip tiles 工字钢底砖		9	80
41	large curve gear 大型 弧型齿轮		1	120
42	Ø 75 taper gear Ø75 齿轮		2	70
43	Ø 75 inside pipe Ø75 圆管轴		6	60
44	high speed tap 高速螺丝		1	200
45	Ø114x3.2 zinc-plating pipe Ø114x3.2 钢管	36 meter		210

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 9000
 DAR ES SALAAM

Approved
 FOR CSR
 P. O. Box 9000 06/24/09

4

AUXILIARY TOOLS LIST

		UNITS	VALUE (USD)
1	Vernier calliper	1	10
2	Steel cable cp10.16)	320 meter	1600
3	Plummet	1	160
4	Level gauge	1	10
5	Safety belt	5	30
6	Protecting cap	15	45
7	delineate rule	1	120
8	chain block	1	110
9	Casing pipe pincers	4	60
10	Sleeve spanner	1 set	30
11	Monkey wrench	1 set	20
12	Pincer pliers	2	5
13	Set square	1	4
14	Roller	10	60
15	Power drill	1	40
16	Power driven hammer	85	5800
17	Riveter	1	12
18	Oil gun	1	7
19	Wheel cutting machine	1	40
20	Polishing machine	1	50
21	Scissors	1	10
22	Plummet	1	2
23	Carpenters ink marker	1	2
24	Steel rule	2	4
25	Light hammer	1	20
26	Rope made of hemp	5 roll	10
27	Paper knife	2	10
28	Ladder	2	70
29	Water pump	1	140
30	Motor wire	400 meter	3000
31	Jack	2	20
32	Electric welder	1	260
33	Emergency light	6	160
34	Grinder	1	50
35	Pinch bar	4	12
36	hacksaw	1	4
37	Altimeter	1	120
38	Protecting wire	3 roll	110
39	Deepwater pump	6	2400
40	High pressure pipe	1300-meter	1300
41	three - wagg pipe	50	50

R. 5293/14/11/09

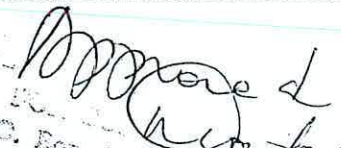
Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM

Approved
06/11/09
 P. O. Box 1000 06/11/09

OFFICE FURNITURE AND SUPPLIES

		Units	Value (USD)
1	Fax machine	1	250
2	Telephone set	1	15
3	Laser scanner	1	260
4	printer	1	230
5	desk	3	210
6	folding chair	10	100
7	Filing cabinet	1	100
8	file holder	50	120
9	paper and pen		100
10	office water filter	10	10
11	Socket and jack board	15	35
12	Plug	20	10
13	Multimeter	1	12
14	Tester	2	4
15	Chemical examination equipment	1	1700
16	Wire	4	140
17	Television set	3	900
18	washing machine	3	900
19	Computer	2	2000
20	Air-conditions	10	3000

Commissioner for Minerals
 Ministry of Energy and Minerals
 P. O. Box 2000
 DAR ES SALAAM


 P. O. Box 2000
 06/06/09

6

Equipment list

Item	Item group	Quantity
Tractor for Agriculture 拖拉机	Machine	10
1K Windlass (Machine	2
Air compressor 空压机	Machine	1
Metal Cutter 切割机	Machine	1
YT 24 pneumatic chisel	Equipment	8
Axial flow fan	Machine	2
Axial flow fan	Machine	1
Electric welding machine 电焊机	Machine	1
Grinder 打磨机	Machine	2
Drill pipe 1.2m	Accessory	40
Drill pipe 2m	Accessory	120
Drill pipe 3m	Accessory	50
Drill pipe 4m	Accessory	30
Drill bit	Equipment	1000

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Bench vice	Equipment	1	
Clamp	Equipment	1	
Safety helmet x	Equipment	100	
Miner's lamp x	Equipment	30	
Flashlight x	Equipment	10	
Rubber gloves small size x	Equipment	500	
Rubber gloves large size x	Equipment	100	
Raincoat x	Equipment	10	
Rain boots x	Equipment	50	
Rubber shoes x	Equipment	10	
Working clothes x	Equipment	100	
Flexible wire rope	Equipment	1	
Chuck	Equipment	50	
Crusher	Machine	1	
75kw Electric generator 75kw 400v	Machine	1	

APPROVED
 Date
 DARRIS-SALAMANCA

air drill fittings	Accessory	1	
Cummins engine parts	Accessory	1	
Compressor oil		2	
Air compresso	Machine	1	



Wheel Loader	Machine	2		
Excuvator	Machine	1		
Trolley	Machine	20		
Single cabin pick up	Vehicle	2		

APPROVED
Director
2010
DARUS-SALAM

mine-selecting equipment				
Items	Item group	Quantity		
Crusher	Machine	1		
Crusher	Machine	1		
Feeder chute	Equipment	1		
swaying feeder	Equipment	1		
ball mill	Machine	1		
floatation cells	Equipment	16		
mixer hopper	Equipment	2		
single-helical submerged grader	Equipment	1		

APPROVED
Date

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED
P.O. BOX 1972 KILIMANJARO
TEL: +255 762 400796

PROGRESS REPORT FOR PERIOD ENDING MARCH, 2012

1. **PLANNED ACTIVITIES FOR THE PERIOD WERE:-**

- Establishing processing facilities for Copper.
- Importation of Processing Plant and related facilities.

The Copper Processing Plant proposed project when is complete will mainly process Copper for export

2. **ACHIVEMENTS MADE ON THE PROJECTS IMPLEMENTATION TO DATE:-**

- Establishment of the Proposed Processing Plant,
- The Construction of the infrastructure and factory foundation,
- The Company has recently successes to get the Mining License,
- The Company was allowed Tax exemption i.e Import Duty and VAT exemption on Capital/ deemed Capital Goods by Commissioner for Customs & Excise.

方均

3. PROJECTS FINANCIAL EXPENDITURE TO DATE:

(Fig. in USD \$)

Land/building	50,000
Plant/ Machinery	2,000,000
Vehicles	60,000
Furniture & Fittings	-
Pre expenses	50,000
Others	-
Working Capital	50,000
Total	2,210,000

4. PROJECT FINANCING

The proposed Copper Processing Project is financed by shareholders funds (Foreign equity) and foreign loan. The following are the shareholders with their shareholding structure percentage are:-

1.	Zhejiang Sanfang Group Co. Ltd	Chinese	90%
2.	Vision Geosources Company Ltd	Tanzanian	10%
	Total		100%

方均

5. PROBLEMS AND SOLUTIONS

FAILURE TO IMPLEMENT THE PROJECT IN TIME:

We have tried to plan and implement the proposed Copper Processing project; however we are behind the time due to delay of issuance of Mining License. We now have the Mining License the Processing will soon start.

We are now begging your good office to speed up extension of implementation period on the Certificate of incentives.

6. PROSPECT/FUTURE PLANS

- To expand the facilities for Copper Processing and Increase the Export capacity.

7. RECOMMENDATIONS AND COMMENTS:

The Copper Processing project is in its development/ Constructing of infrastructure, factory and imported some machinery; Soon the Manufacturing process will commence as we have been awarded Mining License. Therefore we request the renewal of Certificate of Incentives so as complete the Copper Processing Project as planned.

方 均

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M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED
P.O. BOX 1972 KILIMANJARO
TEL: +255 762 400796

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



05th April, 2012

Dear Sir,

RE: APPLICATION FOR THE EXTENSION OF THE CERTIFICATE OF INCENTIVES NO: 041653 OF 19TH March, 2009

Please refer to the Captioned Subject,
We are applying for the renewal of the Certificate of incentives No: 041653 which its implementation period expired on 29th February, 2012.

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED requests for the renewal of implementation period on certificate of incentives in order to complete the project as planned.

The renewal will enable the Company to keep on enjoying tax exemption as per approved list No: TRA/CE/C/P.20/08 of 28th May, 2010 from Commissioner of Customs & Excise.

Attached herewith please find a progress report.

Thanking for your cooperation
Yours sincerely


Fang Jun
Managing Director



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PROJECT FOR EXTENSION OF IMPLEMENTATION PERIOD

Name of the Project:

Zhong Tan Joint Copper Development Co. Ltd.

Project Description: Certificate No.: 041653

To establish processing facilities for copper

Approval Date:

11th March 2009

Implementation Period Expiry:

March 2009 – February 2012

Number of Previous Extensions:

Nil

Reasons for this Extension:

To accomplish the implementation of the project by exhausting all exempted approved deemed capital goods

Recommendations:

I recommend the project implementation period be extended for one year.

Decision: Approved subject to PRV

Bhawanja

Ag CEO

19/11/2012

**FEASIBILITY STUDY FOR THE
IMPLEMENTATION PROGRAMME**

OF

**M/S ZHONG TAN JOINT COPPER
DEVELOPMENT CO. LIMITED**

IN

**ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES
FOR PROCESSING/ SMELTING COPPER
FOR EXPORT MARKET**

**PREPARED BY
M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED
P. O. BOX 1972
MOSHI, KILIMANJARO
TEL: 0785-467481/ 0762-400796**

M/S ZHONG TAN JOINT COPPER DEV'T CO. LIMITED
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**M/S ZHONG TAN JOINT COPPER DEVELOPMENT
CO.LIMITED**
**INVESTMENT PROPOSAL FOR THE ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES FOR PROCESSING & SMELTING
COPPER FOR EXPORT MARKET**

1. INTRODUCTION

This feasibility study has been prepared by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** for the company's implementation programme in establishing and operating a project for setting up facilities for processing & smelting Copper in Changube, Mwanga- Moshi/ Kilimanjaro.

The business plan has been prepared to give an analysis of the financial, technical and other resources required for the implementation programme and also assess its economic viability and commercial viability for presentation to the company's promoters (shareholders) in order to allocate funds and machinery as well as equipment to supplement the equity contribution.

2. COMPANY'S BACKGROUND

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a private owned limited company which was registered/ incorporated in Tanzania by Registrar of companies under company's ordinance **CAP 212**, on 1st day of **December,2008** with Certificate of Incorporation **No. 68806**.

The company was incorporated with prime objectives of carrying on business of providing production technology, exploration technology, processing, smelting, production design and plan, installation, setting of equipment, training of production and technical personnel, safety and machinery operational training.

The company determines to process & smelt high quality Copper as well as to increase production capacity. The company expects to dominate the export market due to the quality of the Copper produced.

The main purpose of the investment proposal is to establish and operate facilities for processing & smelting copper to produce high quality Copper intended for export market. The quality of company's Copper will guarantee customer's satisfaction in this intended programme.

There is a very big external market for the high quality Copper to be produced by the company which has influenced the management of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** to invest in smelting/ processing Copper. The proposed Copper smelting & processing project will import machinery from **china** and install new, modern and sophisticated processing & smelting machinery and use of new **Chinese technology**.

Hence, in its implementation the proposed Copper processing/ smelting project is estimated to cost **USD \$ 3,000,000**. The estimated capital investment cost will be on new and modern machinery, workshop equipment, utility vehicles and other expenses.

3. **MARKET POTENTIAL**

The recent market survey undertaken by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** has realized that there is high demand for high quality copper which will be made suitable for the factories which manufacture wire, electrical appliances, ornaments, boilers, transformer, alloy, copper pipes, coins etc. However the company will produce its copper mainly for export.

There is an extensive external market potential for the Company's Copper produced under this implementation programme as the market is growing day by day. In this implementation programme, the intended smelting/ processing project will produce high quality copper.

There are number of factors which will make the proposed project to dominate the market like producing high quality copper and its goodwill. There are few copper processing & smelting companies which cannot compete with the company's Copper.

The intended Copper smelting/ processing project expects to export the high quality Copper produced by the company to the China, Japan, United Kingdom, Singapore, Taiwan, Korea, United States of America, Germany etc . Hence the project will result foreign earnings.

4. **THE COMPANY'S OBJECTIVES**

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for carrying on business of processing/ smelting high quality Copper. The mission of project is basically aimed at production and

marketing the high quality Copper mainly for foreign market in order to achieve the following objectives:-

- To foster the growth of Copper processing industry in Tanzania.
- To reduce dependence on external sources for importation of produced/ processed Copper.
- To promote local markets for locally processed Copper.
- To promote export market for locally produced Copper.
- To promote brand and quality of locally Copper manufactured.
- To promote growth and expansion of Foreign Direct Investment (FDI).
- The company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- Skill development (human resources development) through on job training and use of modern Chinese machinery and application of new technology (Chinese Technology).
- Income generation, alleviation of poverty and improve their social welfare
- The company contributes to the government revenue through taxes and other levies.

5. FUTURE PLAN/PROSPECTS

- High production performance.
- To increasing export market to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- To purchase/ import new plant & machinery and workshop equipment with introduction of new Chinese technology.
- To increase the volume of production capacity

6. SHAREHOLDERS (PROMOTERS)

The following sponsors are promoting the proposed project **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**. These are Directors and shareholders of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** with their shareholders position.

No	Name of Shareholders	No. of Shares	Nationality	% shareholding structure
1.	Zhejiang Sanfang Group Co. Ltd	9,000	Corporate Entity- Chinese	90 %
2.	Vision Geosources Company Ltd	1,000	Corporate Entity- Tanzanian	10 %
	TOTAL	100		100%

The share capital of the company is **Tshs. 3,750,000,000/=** divided into **10,000** shares of **Tshs. 375,000/=** each.

The Company shall have the power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company..

7. LOCATION

The Copper processing & smelting project will be carried out at Changube, in Mwanga District/ Kilimanjaro. The Postal Address: P. O. Box 1972 Moshi/ Kilimanjaro- Tanzania,

8. IMPLEMENTATION SCHEDULE

8.1 FEBRUARY - 2009

- Preparing feasibility study for the implementation programme in setting up facilities for processing/ smelting of Copper.
- Registration with **Tanzania Investment Centre (TIC)** in implementation programme for the proposed project i.e. application for the Certificate of Incentives.

8.2 MARCH - 2009

- Application for Tax exemption on capital/deemed capital goods after being awarded certificate of incentives.
- Ordering/Importing new machinery, workshop equipment, tools, generators, utility vehicles etc.
- Clearing the goods from the customs control (at the Port and Airport)

8.3 APRIL - 2009

- Installing the processing & smelting plant and machinery.
- Recruiting new staffs and training them on new technology skills (on how to operate new Copper producing plant and machinery).

8.4 MAY – 2009

- Fully commencement of production of Copper.

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	50,000
Plant/Machinery	USD \$	2,550,000
Vehicles	USD \$	200,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	100,000
TOTAL CAPITAL	USD \$	3,000,000

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for processing & smelting high quality copper. The proposed copper processing & smelting project has firmed up finances for the expansion programme by its own foreign funds (equity):-

Own foreign fund (equity)	USD \$ 2,500,000
Foreign Loan	USD \$ 500,000
TOTAL	<u>USD \$ 3,000,000</u>

11. SUBMISSION

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED wishes to submit its plan and application to the **Tanzania Investment Centre (TIC)** its proposal for registration and award of Certificate of Incentives in the proposed programme of investing in COPPER manufacturing project. This will enable the project to qualify for Duty and VAT Exemption on Capital/ Deemed Capital Goods.

12. LIST OF MACHINERY & EQUIPMENT

- COPPER SMELTING PLANT,
- Furnace,
- 400 KVA Transformer,
- 200 KVA Transformer,
- Large Breaker,
- Small Breaker,
- 250 X 400 conveyor belt- two strip,
- Vibrator,
- 150 X 350 Ball Mill,
- Graders,
- 5A Floatation Machine,
- Grinding balls,
- Pipeline,
- Wire,
- Water pump,
- Mixer,
- Foton Platform scale,
- Chemical examination instrument,
- 24 type pneumatic driller and chassis,

- 3 cube air compressor and motor,
- Wind pipe and water pipe,
- Two wheel truck and mining truck,
- Dump truck (tipper)
- 0.5 l cube meter Excavator,
- Loader,
- Notchback,
- Hoisting machine,
- Air- blower,
- Drilling Machine,
- Water dealwithing equipment,
- Breaking workshop,
- Ore storehouse,
- Breaked Ore Storehouse,
- Dehydration workshop,
- Auxiliary tools etc

13. PLANT LAYOUT

EXPLOITATION

|

CLEANING/ TREATING

|

PROCESSING – SMELTING – SHAPING/ CUTTING/ POLISHING

14. ECONOMIC GROWTH

The unlimited resources which Tanzania endeavored and positive economic growth which had been registered in Tanzania have attracted more Foreign Direct Investments in different sectors from agricultural, industrial and mining. The Copper processing project covers from exploiting, processing exporting Copper and other incidental minerals. The high quality copper which will be made suitable for the factories which manufacture wire, electrical appliances, ornaments, boilers, transformer, alloy, copper pipes, coins etc. However the company will produce its copper mainly for export.

15. COMPETITION/MARKET

Though there is few Copper processing companies in Tanzania, still the supply is not enough compared to the level of demand.

However, the company expects to dominate the business as its Copper is mainly for export market. The factors for dominating the business are product's quality.

The other factors which the company is proud of in dominating the markets are goodwill and promptness in responding the orders.

16. PROMOTION/ ADVERTISEMENT

Promotion/ advertisement, is one of the marketing strategies and aids to trade. The company will advertise its products in the newspapers, street banners and later on in the televisions.

17. BUSINESS STRATEGY

Management of the company has developed and implemented some strategies in order to increase productivity, meet the growing demand and dominate the entire market. These business strategies are technology/ product quality, Advertisement/ promotion, employing qualified and experienced personnel, on job training, business discipline etc

18. ENVIRONMENTAL ISSUE

All the project's operations- especially in exploitation, smelting and production will be carried out in environmental friendly matter; the wastes will be recycled. It will have good sewerage and drainage system.

19. PROJECT MANAGEMENT

The overall management of the **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** is vested in the Board of directors. Mr. Fang Yong Liang is the Managing Director of the company; he is well versed in copper exploitation, smelting and processing. The other Directors are: Mr. Justus N. Rusibamayila and Fang Jun.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

The proposed project being a producer of high quality Copper which is mainly for export market, in its implementation programme will usher in the country Chinese Technology in Copper producing (Transfer of knowledge/technology). The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology. In addition to that the country can reduce its dependence on importation of Copper produced abroad.

The programme will cause more people to be employed about 50 local people and raise their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on job training and in long run will improve the technical competence in producing of high quality Copper.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed project done so far indicates that this programme will be profitable both economically and financially viable venture.

The management being experienced businessmen possess ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the proposed programme so as to enjoy tax exemption on capital/deemed capital goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of **USD \$ 570,000** this operating year. The profit amount is expected to steadily rise to **USD \$ 650,000** in year two, **USD \$ 700,000** in year three and **USD \$ 780,000** in year four.

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavourable conditions that might negatively affect the operations of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**

- 23.1 Effect of cost increase on profitability (on the basis of year II Copper income in **USD \$ '000'**)

Income	Costs	Increase	Profit before depreciation
1,600.0	950.0	%	650.0
1,600.0	997.5	5%	602.5
1,600.0	1,045.0	10%	555.0

- 23.2 Effect of Copper income decrease/drop on profitability (on the basis of year II costs in **USD \$ '000'**)

Income	Income Decrease	Cost	Profit before depreciation
1600.0	%	950.0	650.0
1,520.0	5%	950.0	570.0
1,440.0	10%	950.0	490.0

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED INCOME STATEMENT

Income	Years			
	I	II	III	IV
Copper Income	1,500.0	1,600.0	1,700.0	1,800.0
Total Income	1,500.0	1,600.0	1,700.0	1,800.0
Plant/ machinery	500.0	500.0	500.0	500.0
Utilities	250.0	260.0	300.0	300.0
Salaries and wages	50.0	50.0	60.0	70.0
Transportation/fuel	30.0	40.0	40.0	50.0
Administrative expenses	100.0	100.0	100.0	100.0
Total Expenditure	930.0	950.0	1,000.0	1,020.0
Net Profit (pre tax and depreciation)	570.0	650.0	700.0	780.0

Appendix II

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	570.0	650.0	700.0	780.0	800.0	3,500.0
	570.0	650.0	700.0	780.0	800.0	3,500.0
Cash outflow						
Interest payments	50.0	40.0	30.0	20.0	10.0	150.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0	500.0
Taxes	50.0	70.0	90.0	110.0	130.0	450.0
	200.0	210.0	220.0	230.0	240.0	1,100.0
Surplus cash generated (before wear & tear)	370.0	440.0	480.0	550.0	560.0	2,400.0

Appendix III

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. In USD \$ '000')

Repayments				
Year	Principle	Interest	Total	amount
0				500.0
I	100.0	50.0	150.0	400.0
II	100.0	40.0	140.0	300.0
III	100.0	30.0	130.0	200.0
IV	100.0	20.0	120.0	100.0
V	100.0	10.0	110.0	0.0

Appendix 1V

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	370.0	440.0	480.0	550.0	560.0
2.	Long term Loan	150.0	140.0	130.0	120.0	110.0
3.	Associated Cos/ Directors	150.0	150.0	150.0	150.0	150.0
4.	Current Liabilities	300.0	350.0	400.0	450.0	550.0
		970.0	1080.0	1,160.0	1,270.0	1,370.0
	Application of funds					
1.	Fixed Assets	470.0	580.0	660.0	770.0	870.0
2.	Current Assets	500.0	500.0	500.0	500.0	500.0
		970.0	1,080.0	1,160.0	1,270.0	1,370.0

**FEASIBILITY STUDY FOR THE
IMPLEMENTATION PROGRAMME**

OF

**M/S ZHONG TAN JOINT COPPER
DEVELOPMENT CO. LIMITED**

IN

**ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES
FOR PROCESSING/ SMELTING COPPER
FOR EXPORT MARKET**

**PREPARED BY
M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED
P. O. BOX 1972
MOSHI, KILIMANJARO
TEL: 0785-467481/ 0762-400796**

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M/S ZHONG TAN JOINT COPPER DEV'T CO. LIMITED
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**M/S ZHONG TAN JOINT COPPER DEVELOPMENT
CO.LIMITED**
**INVESTMENT PROPOSAL FOR THE ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES FOR PROCESSING & SMELTING
COPPER FOR EXPORT MARKET**

1. INTRODUCTION

This feasibility study has been prepared by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** for the company's implementation programme in establishing and operating a project for setting up facilities for processing & smelting Copper in Changube, Mwanga- Moshi/ Kilimanjaro.

The business plan has been prepared to give an analysis of the financial, technical and other resources required for the implementation programme and also assess its economic viability and commercial viability for presentation to the company's promoters (shareholders) in order to allocate funds and machinery as well as equipment to supplement the equity contribution.

2. COMPANY'S BACKGROUND

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a private owned limited company which was registered/ incorporated in Tanzania by Registrar of companies under company's ordinance **CAP 212**, on 1st day of **December, 2008** with Certificate of Incorporation No. **68806**.

The company was incorporated with prime objectives of carrying on business of providing production technology, exploration technology, processing, smelting, production design and plan, installation, setting of equipment, training of production and technical personnel, safety and machinery operational training.

The company determines to process & smelt high quality Copper as well as to increase production capacity. The company expects to dominate the export market due to the quality of the Copper produced.

The main purpose of the investment proposal is to establish and operate facilities for processing & smelting copper to produce high quality Copper intended for export market. The quality of company's Copper will guarantee customer's satisfaction in this intended programme.

There is a very big external market for the high quality Copper to be produced by the company which has influenced the management of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** to invest in smelting/ processing Copper. The proposed Copper smelting & processing project will import machinery from **china** and install new, modern and sophisticated processing & smelting machinery and use of new **Chinese technology**.

Hence, in its implementation the proposed Copper processing/ smelting project is estimated to cost **USD \$ 3,000,000**. The estimated capital investment cost will be on new and modern machinery, workshop equipment, utility vehicles and other expenses.

3. **MARKET POTENTIAL**

The recent market survey undertaken by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** has realized that there is high demand for high quality copper which will be made suitable for the factories which manufacture wire, electrical appliances, ornaments, boilers, transformer, alloy, copper pipes, coins etc. However the company will produce its copper mainly for export.

There is an extensive external market potential for the Company's Copper produced under this implementation programme as the market is growing day by day. In this implementation programme, the intended smelting/ processing project will produce high quality copper.

There are number of factors which will make the proposed project to dominate the market like producing high quality copper and its goodwill. There are few copper processing & smelting companies which cannot compete with the company's Copper.

The intended Copper smelting/ processing project expects to export the high quality Copper produced by the company to the China, Japan, United Kingdom, Singapore, Taiwan, Korea, United States of America, Germany etc . Hence the project will result foreign earnings.

4. **THE COMPANY'S OBJECTIVES**

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for carrying on business of processing/ smelting high quality Copper. The mission of project is basically aimed at production and

marketing the high quality Copper mainly for foreign market in order to achieve the following objectives:-

- To foster the growth of Copper processing industry in Tanzania.
- To reduce dependence on external sources for importation of produced/ processed Copper.
- To promote local markets for locally processed Copper.
- To promote export market for locally produced Copper.
- To promote brand and quality of locally Copper manufactured.
- To promote growth and expansion of Foreign Direct Investment (FDI).
- The company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- Skill development (human resources development) through on job training and use of modern Chinese machinery and application of new technology (Chinese Technology).
- Income generation, alleviation of poverty and improve their social welfare
- The company contributes to the government revenue through taxes and other levies.

5. FUTURE PLAN/PROSPECTS

- High production performance.
- To increasing export market to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- To purchase/ import new plant & machinery and workshop equipment with introduction of new Chinese technology.
- To increase the volume of production capacity

6. SHAREHOLDERS (PROMOTERS)

The following sponsors are promoting the proposed project **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**. These are Directors and shareholders of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** with their shareholders position.

No	Name of Shareholders	No. of Shares	Nationality	% shareholding structure
1.	Zhejiang Sanfang Group Co. Ltd	9,000	Corporate Entity- Chinese	90 %
2.	Vision Geosources Company Ltd	1,000	Corporate Entity- Tanzanian	10 %
	TOTAL	100		100%

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8. IMPLEMENTATION SCHEDULE

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- Registration with **Tanzania Investment Centre (TIC)** in implementation programme for the proposed project i.e. application for the Certificate of Incentives.

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9. CAPITAL INVESTMENT COST

Land/Building	USD \$	50,000
Plant/Machinery	USD \$	2,550,000
Vehicles	USD \$	200,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	100,000
TOTAL CAPITAL	USD \$	<u>3,000,000</u>

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M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for processing & smelting high quality copper. The proposed copper processing & smelting project has firmed up finances for the expansion programme by its own foreign funds (equity):-

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M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED wishes to submit its plan and application to the **Tanzania Investment Centre (TIC)** its proposal for registration and award of Certificate of Incentives in the proposed programme of investing in COPPER manufacturing project. This will enable the project to qualify for Duty and VAT Exemption on Capital/ Deemed Capital Goods.

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To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavourable conditions that might negatively affect the operations of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**

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Income	Income Decrease	Cost	Profit before depreciation
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Appendix I

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED INCOME STATEMENT

Income	Years			
	I	II	III	IV
Copper Income	1,500.0	1,600.0	1,700.0	1,800.0
Total Income	1,500.0	1,600.0	1,700.0	1,800.0
Plant/ machinery	500.0	500.0	500.0	500.0
Utilities	250.0	260.0	300.0	300.0
Salaries and wages	50.0	50.0	60.0	70.0
Transportation/fuel	30.0	40.0	40.0	50.0
Administrative expenses	100.0	100.0	100.0	100.0
Total Expenditure	930.0	950.0	1,000.0	1,020.0
Net Profit (pre tax and depreciation)	570.0	650.0	700.0	780.0

Appendix II

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	570.0	650.0	700.0	780.0	800.0	3,500.0
	570.0	650.0	700.0	780.0	800.0	3,500.0
Cash outflow						
Interest payments	50.0	40.0	30.0	20.0	10.0	150.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0	500.0
Taxes	50.0	70.0	90.0	110.0	130.0	450.0
	200.0	210.0	220.0	230.0	240.0	1,100.0
Surplus cash generated (before wear & tear)	370.0	440.0	480.0	550.0	560.0	2,400.0

Appendix III

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. In USD \$ '000')

Repayments				
Year	Principle	Interest	Total	amount
0				500.0
I	100.0	50.0	150.0	400.0
II	100.0	40.0	140.0	300.0
III	100.0	30.0	130.0	200.0
IV	100.0	20.0	120.0	100.0
V	100.0	10.0	110.0	0.0

Appendix 1V

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	370.0	440.0	480.0	550.0	560.0
2.	Long term Loan	150.0	140.0	130.0	120.0	110.0
3.	Associated Cos/ Directors	150.0	150.0	150.0	150.0	150.0
4.	Current Liabilities	300.0	350.0	400.0	450.0	550.0
		970.0	1080.0	1,160.0	1,270.0	1,370.0
	Application of funds					
1.	Fixed Assets	470.0	580.0	660.0	770.0	870.0
2.	Current Assets	500.0	500.0	500.0	500.0	500.0
		970.0	1,080.0	1,160.0	1,270.0	1,370.0

**FEASIBILITY STUDY FOR THE
IMPLEMENTATION PROGRAMME**

OF

**M/S ZHONG TAN JOINT COPPER
DEVELOPMENT CO. LIMITED**

IN

**ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES
FOR PROCESSING/ SMELTING COPPER
FOR EXPORT MARKET**

**PREPARED BY
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M/S ZHONG TAN JOINT COPPER DEV'T CO. LIMITED

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**M/S ZHONG TAN JOINT COPPER DEVELOPMENT
CO.LIMITED**
**INVESTMENT PROPOSAL FOR THE ESTABLISHING AND OPERATING A
PROJECT FOR SETTING UP FACILITIES FOR PROCESSING & SMELTING
COPPER FOR EXPORT MARKET**

1. INTRODUCTION

This feasibility study has been prepared by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** for the company's implementation programme in establishing and operating a project for setting up facilities for processing & smelting Copper in Changube, Mwanga- Moshi/ Kilimanjaro.

The business plan has been prepared to give an analysis of the financial, technical and other resources required for the implementation programme and also assess its economic viability and commercial viability for presentation to the company's promoters (shareholders) in order to allocate funds and machinery as well as equipment to supplement the equity contribution.

2. COMPANY'S BACKGROUND

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a private owned limited company which was registered/ incorporated in Tanzania by Registrar of companies under company's ordinance **CAP 212**, on 1st day of **December,2008** with Certificate of Incorporation No. **68806**.

The company was incorporated with prime objectives of carrying on business of providing production technology, exploration technology, processing, smelting, production design and plan, installation, setting of equipment, training of production and technical personnel, safety and machinery operational training.

The company determines to process & smelt high quality Copper as well as to increase production capacity. The company expects to dominate the export market due to the quality of the Copper produced.

The main purpose of the investment proposal is to establish and operate facilities for processing & smelting copper to produce high quality Copper intended for export market. The quality of company's Copper will guarantee customer's satisfaction in this intended programme.

There is a very big external market for the high quality Copper to be produced by the company which has influenced the management of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** to invest in smelting/ processing Copper. The proposed Copper smelting & processing project will import machinery from **china** and install new, modern and sophisticated processing & smelting machinery and use of new **Chinese technology**.

Hence, in its implementation the proposed Copper processing/ smelting project is estimated to cost **USD \$ 3,000,000**. The estimated capital investment cost will be on new and modern machinery, workshop equipment, utility vehicles and other expenses.

3. **MARKET POTENTIAL**

The recent market survey undertaken by **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** has realized that there is high demand for high quality copper which will be made suitable for the factories which manufacture wire, electrical appliances, ornaments, boilers, transformer, alloy, copper pipes, coins etc. However the company will produce its copper mainly for export.

There is an extensive external market potential for the Company's Copper produced under this implementation programme as the market is growing day by day. In this implementation programme, the intended smelting/ processing project will produce high quality copper.

There are number of factors which will make the proposed project to dominate the market like producing high quality copper and its goodwill. There are few copper processing & smelting companies which cannot compete with the company's Copper.

The intended Copper smelting/ processing project expects to export the high quality Copper produced by the company to the China, Japan, United Kingdom, Singapore, Taiwan, Korea, United States of America, Germany etc. Hence the project will result foreign earnings.

4. **THE COMPANY'S OBJECTIVES**

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for carrying on business of processing/ smelting high quality Copper. The mission of project is basically aimed at production and

marketing the high quality Copper mainly for foreign market in order to achieve the following objectives:-

- To foster the growth of Copper processing industry in Tanzania.
- To reduce dependence on external sources for importation of produced/ processed Copper.
- To promote local markets for locally processed Copper.
- To promote export market for locally produced Copper.
- To promote brand and quality of locally Copper manufactured.
- To promote growth and expansion of Foreign Direct Investment (FDI).
- The company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- Skill development (human resources development) through on job training and use of modern Chinese machinery and application of new technology (Chinese Technology).
- Income generation, alleviation of poverty and improve their social welfare
- The company contributes to the government revenue through taxes and other levies.

5. FUTURE PLAN/PROSPECTS

- High production performance.
- To increasing export market to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- To purchase/ import new plant & machinery and workshop equipment with introduction of new Chinese technology.
- To increase the volume of production capacity

6. SHAREHOLDERS (PROMOTERS)

The following sponsors are promoting the proposed project **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**. These are Directors and shareholders of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** with their shareholders position.

No	Name of Shareholders	No. of Shares	Nationality	% shareholding structure
1.	Zhejiang Sanfang Group Co. Ltd	9,000	Corporate Entity- Chinese	90 %
2.	Vision Geosources Company Ltd	1,000	Corporate Entity- Tanzanian	10 %
	TOTAL	100		100%

The share capital of the company is **Tshs. 3,750,000,000/=** divided into **10,000** shares of **Tshs. 375,000/=** each.

The Company shall have the power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company..

7. LOCATION

The Copper processing & smelting project will be carried out at Changube, in Mwanga District/ Kilimanjaro. The Postal Address: P. O. Box 1972 Moshi/ Kilimanjaro- Tanzania,

8. IMPLEMENTATION SCHEDULE

8.1 FEBRUARY - 2009

- Preparing feasibility study for the implementation programme in setting up facilities for processing/ smelting of Copper.
- Registration with **Tanzania Investment Centre (TIC)** in implementation programme for the proposed project i.e. application for the Certificate of Incentives.

8.2 MARCH - 2009

- Application for Tax exemption on capital/deemed capital goods after being awarded certificate of incentives.
- Ordering/Importing new machinery, workshop equipment, tools, generators, utility vehicles etc.
- Clearing the goods from the customs control (at the Port and Airport)

8.3 APRIL - 2009

- Installing the processing & smelting plant and machinery.
- Recruiting new staffs and training them on new technology skills (on how to operate new Copper producing plant and machinery).

8.4 MAY – 2009

- Fully commencement of production of Copper.

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	50,000
Plant/Machinery	USD \$	2,550,000
Vehicles	USD \$	200,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	100,000
TOTAL CAPITAL	USD \$	3,000,000

10. **FINANCIAL PLAN (SOURCE OF FUNDS)**

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED is a project for processing & smelting high quality copper. The proposed copper processing & smelting project has firmed up finances for the expansion programme by its own foreign funds (equity):-

Own foreign fund (equity)	USD \$ 2,500,000
Foreign Loan	USD \$ 500,000
TOTAL	<u>USD \$ 3,000,000</u>

11. **SUBMISSION**

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED wishes to submit its plan and application to the **Tanzania Investment Centre (TIC)** its proposal for registration and award of Certificate of Incentives in the proposed programme of investing in COPPER manufacturing project. This will enable the project to qualify for Duty and VAT Exemption on Capital/ Deemed Capital Goods.

12. **LIST OF MACHINERY & EQUIPMENT**

- COPPER SMELTING PLANT,
- Furnace,
- 400 KVA Transformer,
- 200 KVA Transformer,
- Large Breaker,
- Small Breaker,
- 250 X 400 conveyor belt- two strip,
- Vibrator,
- 150 X 350 Ball Mill,
- Graders,
- 5A Floatation Machine,
- Grinding balls,
- Pipeline,
- Wire,
- Water pump,
- Mixer,
- Foton Platform scale,
- Chemical examination instrument,
- 24 type pneumatic driller and chassis,

- 3 cube air compressor and motor,
- Wind pipe and water pipe,
- Two wheel truck and mining truck,
- Dump truck (tipper)
- 0.5 l cube meter Excavator,
- Loader,
- Notchback,
- Hoisting machine,
- Air- blower,
- Drilling Machine,
- Water dealwithing equipment,
- Breaking workshop,
- Ore storehouse,
- Breaked Ore Storehouse,
- Dehydration workshop,
- Auxiliary tools etc

13. PLANT LAYOUT

EXPLOITATION

|

CLEANING/ TREATING

|

PROCESSING – SMELTING – SHAPING/ CUTTING/ POLISHING

14. ECONOMIC GROWTH

The unlimited resources which Tanzania endeavored and positive economic growth which had been registered in Tanzania have attracted more Foreign Direct Investments in different sectors from agricultural, industrial and mining. The Copper processing project covers from exploiting, processing exporting Copper and other incidental minerals. The high quality copper which will be made suitable for the factories which manufacture wire, electrical appliances, ornaments, boilers, transformer, alloy, copper pipes, coins etc. However the company will produce its copper mainly for export.

15. COMPETITION/MARKET

Though there is few Copper processing companies in Tanzania, still the supply is not enough compared to the level of demand.

However, the company expects to dominate the business as its Copper is mainly for export market. The factors for dominating the business are product's quality.

The other factors which the company is proud of in dominating the markets are goodwill and promptness in responding the orders.

16. PROMOTION/ ADVERTISEMENT

Promotion/ advertisement, is one of the marketing strategies and aids to trade. The company will advertise its products in the newspapers, street banners and later on in the televisions.

17. BUSINESS STRATEGY

Management of the company has developed and implemented some strategies in order to increase productivity, meet the growing demand and dominate the entire market. These business strategies are technology/ product quality, Advertisement/ promotion, employing qualified and experienced personnel, on job training, business discipline etc

18. ENVIRONMENTAL ISSUE

All the project's operations- especially in exploitation, smelting and production will be carried out in environmental friendly matter; the wastes will be recycled. It will have good sewerage and drainage system.

19. PROJECT MANAGEMENT

The overall management of the **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED** is vested in the Board of directors. Mr. Fang Yong Liang is the Managing Director of the company; he is well versed in copper exploitation, smelting and processing. The other Directors are: Mr. Justus N. Rusibamayila and Fang Jun.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

The proposed project being a producer of high quality Copper which is mainly for export market, in its implementation programme will usher in the country Chinese Technology in Copper producing (Transfer of knowledge/technology). The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology. In addition to that the country can reduce its dependence on importation of Copper produced abroad.

The programme will cause more people to be employed about 50 local people and raise their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on job training and in long run will improve the technical competence in producing of high quality Copper.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed project done so far indicates that this programme will be profitable both economically and financially viable venture.

The management being experienced businessmen possess ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the proposed programme so as to enjoy tax exemption on capital/deemed capital goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of **USD \$ 570,000** this operating year. The profit amount is expected to steadily rise to **USD \$ 650,000** in year two, **USD \$ 700,000** in year three and **USD \$ 780,000** in year four.

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavourable conditions that might negatively affect the operations of **M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED**

23.1 Effect of cost increase on profitability (on the basis of year II Copper income in **USD \$ '000'**)

Income	Costs	Increase	Profit before depreciation
1,600.0	950.0	%	650.0
1,600.0	997.5	5%	602.5
1,600.0	1,045.0	10%	555.0

23.2 Effect of Copper income decrease/drop on profitability (on the basis of year II costs in **USD \$ '000'**)

Income	Income Decrease	Cost	Profit before depreciation
1600.0	%	950.0	650.0
1,520.0	5%	950.0	570.0
1,440.0	10%	950.0	490.0

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED INCOME STATEMENT

Income	Years			
	I	II	III	IV
Copper Income	1,500.0	1,600.0	1,700.0	1,800.0
Total Income	1,500.0	1,600.0	1,700.0	1,800.0
Plant/ machinery	500.0	500.0	500.0	500.0
Utilities	250.0	260.0	300.0	300.0
Salaries and wages	50.0	50.0	60.0	70.0
Transportation/fuel	30.0	40.0	40.0	50.0
Administrative expenses	100.0	100.0	100.0	100.0
Total Expenditure	930.0	950.0	1,000.0	1,020.0
Net Profit (pre tax and depreciation)	570.0	650.0	700.0	780.0

Appendix II

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	570.0	650.0	700.0	780.0	800.0	3,500.0
	570.0	650.0	700.0	780.0	800.0	3,500.0
Cash outflow						
Interest payments	50.0	40.0	30.0	20.0	10.0	150.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0	500.0
Taxes	50.0	70.0	90.0	110.0	130.0	450.0
	200.0	210.0	220.0	230.0	240.0	1,100.0
Surplus cash generated (before wear & tear)	370.0	440.0	480.0	550.0	560.0	2,400.0

Appendix III

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. In USD \$ '000')

Repayments				
Year	Principle	Interest	Total	amount
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V	100.0	10.0	110.0	0.0

Appendix 1V

M/S ZHONG TAN JOINT COPPER DEVELOPMENT CO. LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	370.0	440.0	480.0	550.0	560.0
2.	Long term Loan	150.0	140.0	130.0	120.0	110.0
3.	Associated Cos/ Directors	150.0	150.0	150.0	150.0	150.0
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2.	Current Assets	500.0	500.0	500.0	500.0	500.0
		970.0	1,080.0	1,160.0	1,270.0	1,370.0