



RJC AFRICA Ltd

TD Contact re Project  
to find as they have  
managed to find quarter  
location and answer  
CoT location  
0787 602 610

**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\$ 0.849M
- (b) Legal entity has been incorporated under certificate No. 69618 of 5<sup>th</sup> Feb 2009

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**

27<sup>th</sup> April 2009

**Ag.EXD**

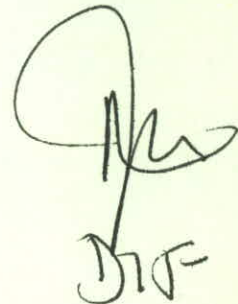
In response to the TIC letter of registration dated 27<sup>th</sup> April 2009

The project has submitted the required documents namely:-

- (a) Company Board Resolution
- (b) Reference letter/Financing from HSBC Local Bank LTD
- (c) Lease Agreements as evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 041648.... herein attached.

11/7/2011

  
**DIF**

MINUTE

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



**FEASIBILITY STUDY FOR THE ESTABLISHMENT  
OF RAW GOLD PROCESSING FACILITY  
IN DAR ES SALAAM**

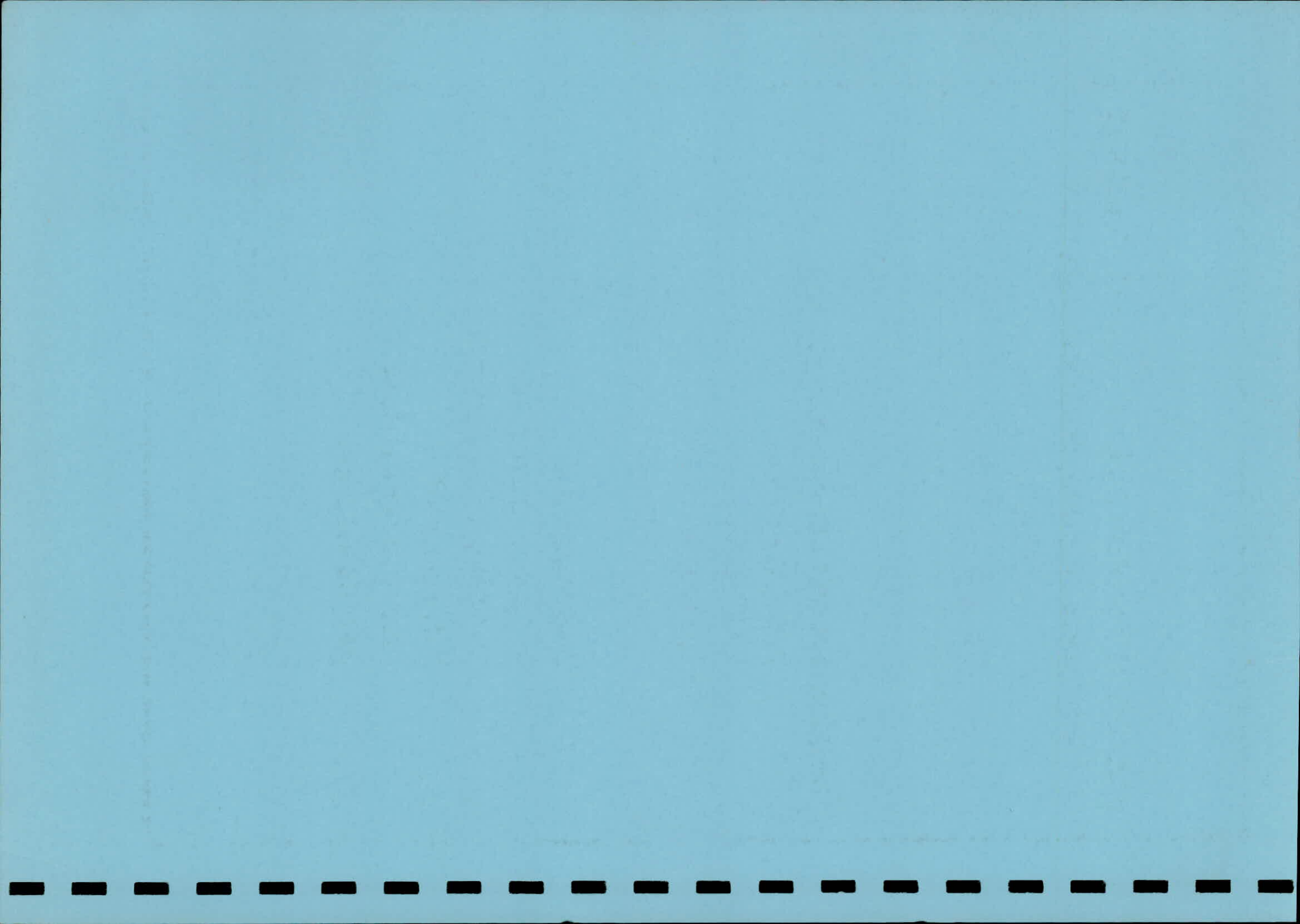
**PROMOTER: M/S RJC AFRICA LIMITED**

**P. O. BOX 21393  
DAR ES SALAAM  
TANZANIA**

**PREPARED BY:**

**B. T. & SONS LIMITED  
BUSINESS CONSULTANTS  
P.O. BOX 5509  
TEL: 0787 - 947684  
DAR ES SALAAM.**

**FEBRUARY, 2009**



**FEASIBILITY STUDY FOR THE ESTABLISHMENT  
OF RAW GOLD PROCESSING FACILITY  
IN DAR ES SALAAM**

**PROMOTER: M/S RJC AFRICA LIMITED**

**P. O. BOX 21393**

**DAR ES SALAAM**

**TANZANIA**

**PREPARED BY:**

**B. T. & SONS LIMITED**

**BUSINESS CONSULTANTS**

**P.O. BOX 5509**

**TEL: 0787 - 947684**

**DAR ES SALAAM.**

**FEBRUARY, 2009**

## TABLE OF CONTENTS:

CHAPTER	SUBJECT	PAGE
1.0	<b>EXECUTIVE SUMMARY</b>	1
1.1	SHARE HOLDING	2
1.2	ECONOMIC BENEFITS	3
1.3	PROFITABILITY	4
1.4	ECONOMIC RATE OF RETURN	4
1.5	FINANCING PATTERN	5
1.6	LOCATION	5
2.0	<b>PROJECT OBJECTIVE</b>	6
2.1	PROJECT INVESTMENT	6
3.0	<b>AVAILABILITY OF THE PRODUCT</b>	9
4.0	<b>THE MINING INDUSTRY</b>	10
5.0	<b>MARKET FOR THE FINISHED PRODUCTS</b>	11
6.0	<b>PROJECT OPERATING COSTS</b>	12
7.0	<b>IMPLEMENTATION SCHEDULE</b>	14
8.0	<b>REVENUE ESTIMATES</b>	15
9.0	<b>FINANCIAL ANALYSIS</b>	16
10.0	<b>CONCLUSION AND RECOMMENDATION</b>	17

## **1.0 EXECUTIVE SUMMARY:**

The project envisages the establishment of a gold processing facility in Dar es Salaam with an objective of buying raw gold, smelting assaying and generally semi refining into pure gold. This project is being promoted by M/s RJC AFRICA LTD a private limited liability company registered and incorporated in Tanzania. The main objectives for which this company is incorporated are:

- (a) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease or in exchange or other precious stones, and any interest therein, and to explore, mine work excise develop and turn to account prospecting and mining right and all necessary licences and any undertaking connected therewith. And to establish and operate a gemstone cutting and polishing facility, and gold processing facility and to deal in the export of precious and semi precious minerals diamonds gold and gemstone, either in raw from or cut and polished.
  
- (b) To establish and operate a website to connect businesses and result in business growth, job creation and greater international awareness of opportunities, products and services in Tanzania and also to carry on the business as advisers, managers, consultants to any individual, firm or business enterprise in the collection, investigation, analysis, and dissemination of information on any commercial, industry, management, financial or other aspect of business.

- (c) To carry on the businesses of landscaping, designers, flower arrangers and decorators, maintenance and generally to undertake decorating assignments and jobs for whomsoever and any other business related thereto.
- (d) To carry on the business of tourism in general and marine tourism; sports fishing, snorkeling, deep sea diving, sea game fishing, luxury boat charter, sailing/beach holidays and any other business related thereto.
- (e) To act as dealers in industrial machines and equipment, agricultural machinery implements, tools and equipment, refrigerators, air-conditioning plants, domestic and industrial equipment and machinery.

#### 1.1 SHAREHOLDING:

The shareholders with their respective shareholding structure are the following:

Name	Address	Description	Number of Shares Taken by each Subscriber
Business Wear Limited,	405 Premier Building Mahe, Seychelles	Subscriber	70
Abbas Habib Nasser	P. O. Box 21393, Dar es Salaam, TANZANIA	Subscriber	25
Igor Ivanovich Ovcharov	Kutuzovski ST 32/69 Moscow, RUSSIA	Subscriber	3
Mikhail Feodorovich Kornilov	Ordnarnaya ST 05/18 ST Petersburg 197136 RUSSIA	Subscriber	1
Yury Feodorovich Nikulin	Svetoi Bulevard, House No. 2/1 Moscow, RUSSIA	Subscriber	1

## 1.2 ECONOMIC BENEFITS:

The proposed project will have substantial economic values to the nation in the following ways:-

- (a) The project is local resource based and 100% export oriented, hence it is going to generate foreign exchange for the country.
- (b) From the socio-economic point of view the project will create employment to the residents living in the project's vicinity thus offering a significant stimulus to an area which is on the mining periphery. During the first year about 26 people are expected to be employed ranging from managerial, technical and semi-skilled staff.
- (c) The Government will earn substantial revenue in the form of corporate taxes. Commencing the sixth (6<sup>th</sup>) of its operations the project will generate taxes amounting to USD 755,000 annually.
- (d) Gold mining business being commercially a viable venture will have some multiplier effect on other economic activities being carried out by the people in the country.

### 1.3 PROFITABILITY:

The Internal Rate of Return on total investment when discounted over a period of ten years is well above 55%. This is arrived at by inspection method. Since the return exceeds the anticipated cost of capital of 19% it can be concluded that this project is both economically and financially a viable venture. Applying sensitivity analysis the project can withstand a decrease in sales volume up to 25% or ceteris paribus' an increase in variable costs (*cost of sales*) up to 25% and still remain a viable venture.

### 1.4 ECONOMIC RATE OF RETURN:

(a) **Value Added:**

The value added to the GNP works out at USD 4,073 million which 54.3%% when expressed in percentage to the annual sales turnover based on the fifth year of the operations.

The value added is calculated as follows:-

	<b>USD (000'S)</b>
(i) Profit before	3,891
(ii) Salaries and Wages	140
(iii) Economic Depreciation	<u>42</u>
<b>Total</b>	<b><u>4,073</u></b>
(iv) Annual Sales Revenue	<u>7,500</u>

(b) **National Significance:**

The export business of gold being commercially a viable venture will undoubtedly increase revenue in the country which will partly be utilized in improving the social and physical infrastructural services geared towards the efforts of protecting the environment.

**1.5 FINANCING PATTERN:**

The company proposes to finance this project through owners equity contribution of USD 400,000 by the majority shareholders *i.e.* M/s Business Wear Limited of Mahe Seychelles and the balance by a short term loan from commercial banks.

**1.6 LOCATION:**

The sponsors propose to establish the project in Dar es Salaam where it has its registered office. The local address is P. O. Box 21393 Dar es Salaam. The site of the gold processing Facility will be identified immediately all the necessary legal and logistical affairs are completed including the Certificate of Incentive from the Tanzania Investment Centre for which this report is part of an application prerequisite.

## **2.0 PROJECT OBJECTIVE:**

The project intends to establish a gold servicing facility based in the city of Dar es Salaam to include buying raw gold, smelting, assaying and generally semi refining into pure gold. The semi refined gold will be compacted into different size bars e.g. 250 gms; 500gms and 1 kilogram pieces, ready for export.

### **2.1 PROJECT INVESTMENT:**

M/s RJC AFRICA LIMITED plans to invest initially a total of US\$ 850,000.

Out of the total investment of US\$ 850,000 US\$ 90,000 will be earmarked for working capital requirements of at least 1 month. Subsequently the company's sales should take care of all her working capital needs. The breakdown of the proposed investment is as follows:-

#### **(i) Buildings:**

It is planned to begin operations initially in rented premises for more than one year thereafter the sponsors will acquire a suitable building in a secure vicinity which will house the company's operations. This is expected to cost some US\$ 100,000 only.

**(ii) Machinery and Equipment:**

A complete list of the necessary machinery and equipment for semi refining raw gold has already been identified. They include the following which are estimated to cost US\$ 532,394 landed cost Dar es Salaam. The machinery and equipment will be sourced from manufacturers in the Russian Federation.

**(iii) List of Machinery and Equipment for Gold Purification  
in US\$:**

1.0	Furnace – Electrical/Gas – 2 Nos	370,000
2.0	Balances – 1 No for Pulp Acid	
	1 No. for Raw Gold	60,000
	Up to 6 kgs capacity	60,000
3.0	Crucibles – 3 Nos graphite -	1,350
	- 1 No Fire clay	1,500
4.0	Crucible Tongs – 10 Nos	2,000
5.0	Stainless steel pots for cleaning raw gold – 5 Nos @ \$ 80	400
6.0	Hot Plates (Kerosene stove)-2 Nos	400
7.0	Cast Iron Moulds – 25 Nos	39,574
8.0	Ingot Moulds – 500 grams – 20 Nos	
	1Kg. – 10 Nos-	15,000
9.0	Beakers – 10 Nos @ \$ 250	2,500
10.0	Magnifying glass – 20 Nos	500
11.0	Forceps (tweezers) – 20 Nos	200
12.0	Hand Magnet – 20 Nos	400
13.1	Containers – plastic pails & basins – 10 Nos	25
14.0	Misc. Equipments	545
	<b>Total</b>	<b><u>532,394</u></b>

**(iv) Motor Vehicles:**

One (1) 4 wheel drive vehicle and two (2) saloons for the use by the management will be acquired. There is a replacement cost at the end of year 4 (for). Total Investment here will be US\$ 85,000.

**(v) Office Equipment and Furniture:**

Included inhere are computers, A/Cs. Security safes, normal office furniture and fixtures – Total investment is US\$ 30,000 only.

**(vi) Pre-Operational Expenses:**

Expenses covered under this investment item include travelling hotel accommodation for investors, company registration and related issues; consultancy and legal fees, recruitment, training and plant commissioning costs. This item is estimated to cost US\$ 12,500.

**(vii) Initial Working Capital - \$ 90,000**

Calculations as well as assumptions for working capital requirements are briefly as under:

- One half month cost of purchase of raw gold valued at US\$ 60,000 (US\$ 5 x 288,000)

12 x 2

-	Salaries & Wages – 1 months	\$	7,463
-	Insurance – 3 months	\$	6,962
-	Marketing – 2 months	\$	1,547
-	Utility – 1 month	\$	1,596
-	Administration – 1 month	\$	538
-	Advance towards Royalties	\$	<u>12,000</u>
	<b>Total</b>	\$	<b><u>90,106</u></b>

### 3.0 AVAILABILITY OF THE PRODUCT:

The availability of gold in mainland Tanzania is well spread in 9 regions of the existing 13 regions in the country. These are the following:-

i)	Ruvuma	-	1,033	kms from Dar es Salaam
ii)	Mtwara	-	600	kms from Dar es Salaam.
iii)	Singida	-	725	kms from Dar es Salaam.
iv)	Mbeya	-	893	kms from Dar es Salaam.
v)	Lindi	-	486	kms from Dar es Salaam.
vi)	Mwanza	-	1,199	kms from Dar es Salaam.
vii)	Shinyanga	-	1,036	kms from Dar es Salaam.
viii)	Mara	-	1,193	" "
ix)	Rukwa	-	893	" "

Based on the above factor it is strongly believed that the product will be obtained in abundance even under very adverse conditions.

#### **4.0 THE MINING INDUSTRY:**

The industry like any other in the country has suffered several setbacks during the past four decades mainly due to the following reasons:-

- Poor technology and unskilled intensive labour.
- Lack of proper modern machinery and equipment.
- Lack of production control, financial constraints and mismanagement.

The other factors which contributed to the negative influence in the development and growth of this prime industry is creative mind and enthusiasm. Coupled with these problems from 1985 Tanzania Government started undertaking various measures towards social and economic development geared towards the efforts of streamlining and improving its economy. It is therefore of the paramount importance that private companies such as RJC Africa Ltd be in a forefront to assist the Government in this noble challenge of implementing the strategies and targets to be achieved in respect of economic growth and poverty eradication. It is on the basis of this reason that the company has decided to embark on this programme. The firm contemplates further to contribute its views in the National Poverty Eradication Strategy (NPES) formulated by Government as an instrument for channeling national efforts towards broadly agreed objectives and as an integral part of the on going macroeconomic and structural reforms.

#### **4.1 THE PRODUCTS:**

The project's final products are semi-refined gold ingots and bars of various sizes as per market requirements. Proposed sizes are essentially rectangular shaped gold bars weighing from 250gms a piece: 500 gms: 1 kilograms and 2 kilogram pieces.

#### **5.0 MARKET FOR THE FINISHED PRODUCTS OF THE PROJECT:**

##### **5.1 Foreign Market:**

The predominant market for rectangular shaped bars is essentially Europe. North America and the Far East. The company proposes to sell more than 95% of her production to European markets through their Moscow based marketing Associates. The balance will be for local sales and Afro-Asian markets.

##### **5.2 Local Market:**

Since the local community is also endowed with jewelers and individual buyers, the company will set aside 5% of her production for the local market.

##### **5.3 Distribution:**

The company products will be distributed using all viable existing jewellery shops. Product advertisement in the local mass media might be resorted to if it will deem necessary depending entirely on market exigencies.

#### **5.4 Pricing:**

A competitive price structure taking into consideration prices of similar products (*both local and external dealers*) will be worked out as part of the overall marketing strategy. Initially for this study report a price of US\$ 50 per gram has been used in the projections while that of US\$ 30 per gram has been used as the purchasing price of raw gold. It is believed that this price structure will be adequately competitive to attract both local as well as external gold dealers to the company's products.

#### **6.0 PROJECT OPERATING COSTS:**

Prices of inputs are assumed to remain constant commencing the eighth year onwards. The prices of all goods and services will rise including those of outputs thus leaving the profit margin unchanged.

##### **(i) Raw Materials (*Raw gold*):**

In the initial period, year one raw gold worth the equivalent of US\$ 1,700,000 will be purchased for processing and refining. This value represents 312,000 grams of raw gold. This also represents only 65% of installed capacity of 480,000 grams per annum or 40000 grams per month. A loss of 15% in weight is incorporated resulting from the refining process. Production capacity increases steadily to 432,000 grams in year (four). From year four onwards production stabilizes at 90% capacity (432,000 grams) worth US\$ 2,160 per annum.

**(ii) Marketing Expenses:**

Finished products *i.e* gold ingots/bars require special packing for marketing inclusive of costs of shipping and sales promotion. This cost element has been assumed to be 0.5% of total sales value per annum.

**(iii) Salaries and Wages:**

Direct labour costs have been estimated according to the number of employees required to operate the plant and their remuneration include fringe benefits. The total cost of labour has been estimated at US\$ 89,560 in year one; US\$ 119,876 in year two; US\$ 127,244 in year three; US\$ 139,968 in year four and onwards.

**(iv) Utility:**

The assumption made here is that electricity will be required to run the furnaces and other refining machinery, while diesel/petrol will be utilized to run the three motor vehicles as well as water for the plant. A budget of US\$ 19,148 in year One: US\$ 20,105 in year two: US\$ 22,116 in year three and US\$ 24,328 in the fourth year till the end of the planned period of operations,

**(v) Administration:**

Under this cost title include things like office management expenses; telephone, fax, e-mail; postage, licences, accounting and audit fees, Directors sitting allowances, etc. A figure of US\$ 6,450 has been estimated for year one rising by 10% annually and stabilizing at US\$ 9,443 in the fourth year until the end of the projected period.

**(vi) Insurance:**

It is estimated at about 1.5% of the total value of annual sales, but this premium covers equally the entire capital investment outlay. A figure of US\$ 27,846 in year one – stabilizing at US\$ 38,556 in the fourth year and subsequently.

**(vii) Royalties:**

A budget of 5% on the total annual sales value has been incorporated as a major cost to the finished product. See Annex V. The exchequer will earn in year one US\$ 92,820 rising as sales grow to us 128,520 in year four and stabilizing at that level for the remainder of the period due to retaining a uniform sales price throughout.

**7.0 IMPLEMENTATION SCHEDULE:**

The project is planned to be implemented over a period of 18 months from the date of acquiring TIC approval. The company will acquire her own premises during the second year of operation.

Delivery of machinery and equipment will take up to three months from the date of establishing letters of credit for purchase of same while installation, trials and commissioning of the plant will take four months after clearing the equipment from the port.

## 8.0 REVENUE ESTIMATES:

### A. 1<sup>st</sup> year:

Based on production capacity revenue has been projected as follows:

50 tons x 1,000 grams=50,000 grams a year

50,00 grams x export price of USD 50 per gram=**USD 2,500,000 million p.a.**

### B. 2<sup>nd</sup> year

60 tons a month

6 tons x 1,000=60,000 grams a year

6,000 grams x export price of USD 50 per gram=**USD =3,000,000. per annum.**

### C. 3<sup>rd</sup> year:

70 tons a month.

70 tons x 1,000=70,000 grams a year.

70,000 grams x export price of USD 50 per gram = **USD 3,500,000= per annum.**

### D. 4<sup>th</sup> year

There will only be 80 tons available for export. 80 tonnes x 1,000= 80,000 grams a year x export price of USD 50 per gram= **USD 4,000,000= per annum.**

### E. 5<sup>th</sup> year

From this year onwards until the end of the projected period sales have been projected at USD 7,500,000 a year

#### Basis:

The assumption is that commencing this year there will be 150 tons available annually for export 150,000 grams x USD 50 =**USD 7.5 million.**

## **9.0 FINANCIAL ANALYSIS:**

### **9.1 PROJECTED PROFIT AND LOSS STATEMENT:**

This financial statement shows that the project will make a net profit after tax of USD 387,000 starting the first year and thereafter increasing up to USD 3.8 million in the fifth year. Revenue reserve would have accumulated up to USD 13.3 million towards the end of the tenth year.

### **9.2 PROJECTED CASHFLOW:**

The projected Cashflow Statement in (*Annex 2*) indicates that the project has a healthy cash net flows for the first six years. The netflows increase from USD 187,000 starting in year one, increasing up to USD 1.2 million towards the end of the eighth year. The cumulative cash-cash in hand would have accumulated up to USD 11.6 million towards the end of the tenth year.

### **9.3 PROJECTED BALANCE SHEET:**

The Balance Sheet in (*Annex 3*) shows favourable net assets condition of the business throughout the planned period of operations. The assets are well covered by all maturing obligations, and that net worth increases steadily from USD 387,000 in the first year to USD 13.3 million in towards the end of the tenth year.

#### **9.4 PAYBACK PERIOD:**

The original investment is USD 850,000. The analysis in *(Annex 4)* suggests payback period to be around the second year. This simply means that it will take two years for the project to recoup its initial investment cost of USD 850,000.

#### **10.0 CONCLUSION AND RECOMMENDATION:**

On the basis of the evaluation done so far it is confidently concluded that this project is technically, financially, and economically a viable venture. It has an acceptable Internal Rate of Return as far as the investor is concerned. As presented in this report the project is adequately satisfactory for its implementation and is highly recommended. We urge all the authorities involved in the approval and facilitation process to do so at the earliest date possible.

RJC AFRICA LIMITED.

ANNEX 1

PROJECTED PROFIT AND LOSS STATEMENT

USD: (000'S)

ITEM/YEAR	1	2	3	4	5	6	7	8	9	10
General Revenue	2,500	3,000	3,500	4,000	7,500	7,500	7,500	7,500	7,500	7,500
<b>Less: Operating Expenses:</b>										
1. Salaries and Wages	90	120	127	140	140	140	140	140	162	162
2. Product Purchases	1,700	1,900	2,185	2,800	3,000	4,300	4,300	5,000	5,000	5,000
3. Fuel Consumption	100	140	160	195	180	200	235	235	235	235
4. Administration	16	18	18	18	20	20	20	30	30	30
5. Insurance	28	30	34	39	39	39	39	39	39	39
6. Maintenance & Spare parts	0	47	0	55	0	55	0	60	60	60
7. Marketing costs	9	10	11	12	13	13	13	13	13	13
8. Utilities	19	20	22	24	24	24	24	24	24	24
9. Royalties	93	100	114	129	129	129	129	129	129	129
10. Transport & Travelling	18	18	18	22	22	25	25	30	30	30
11. Economic Depreciation	40	42	42	42	42	39	39	39	39	39
<b>TOTAL EXPENDITURE</b>	<b>2,113</b>	<b>2,445</b>	<b>2,731</b>	<b>3,476</b>	<b>3,609</b>	<b>4,984</b>	<b>4,964</b>	<b>5,739</b>	<b>5,761</b>	<b>5,761</b>
PROFIT BEFORE TAX	387	555	769	524	3,891	2,516	2,536	1,761	1,739	1,739
COMPANY TAX (30%)	0	0	0	0	0	755	761	528	522	522
PROFIT AFTER TAX	387	555	769	524	3,891	1,761	1,775	1,233	1,217	1,217
REVENUE RESERVE	387	942	1,711	2,235	6,126	7,887	9,662	10,895	12,112	13,329

## RJC AFRICA LIMITED.

## PROJECTED CASHFLOW STATEMENT

USD: (000'S)

ITEM/YEAR	0	1	2	3	4	5	6	7	8	9	10
<b>INFLOWS</b>											
Equity	400	-	-	-	-	-	-	-	-	-	-
Bank Loan	450	-	-	-	-	-	-	-	-	-	-
Profit after tax	-	387	555	769	524	3,891	1,761	1,775	1,233	1,217	1,217
Economic Depreciation	-	40	42	42	42	42	39	39	39	39	39
<b>TOTAL INFLOWS</b>	<b>850</b>	<b>427</b>	<b>597</b>	<b>811</b>	<b>566</b>	<b>3,933</b>	<b>1,800</b>	<b>1,814</b>	<b>1,272</b>	<b>1,256</b>	<b>1,256</b>
<b>OUTFLOWS:</b>											
Investment and Re-investments	850	-	-	-	-	1,190	-	-	-	-	-
Change in working capital	-	90	100	130	80	50	-	-	-	-	-
Loan repayment	-	150	150	150	-	-	-	-	-	-	-
<b>TOTAL OUTFLOWS</b>	<b>850</b>	<b>240</b>	<b>250</b>	<b>280</b>	<b>80</b>	<b>1,240</b>	<b>1,800</b>	<b>1,814</b>	<b>1,272</b>	<b>1,256</b>	<b>1,256</b>
<b>NET FLOWS</b>	<b>(850)</b>	<b>187</b>	<b>347</b>	<b>531</b>	<b>486</b>	<b>2,693</b>	<b>1,800</b>	<b>1,814</b>	<b>1,272</b>	<b>1,256</b>	<b>1,256</b>
<b>CUMULATIVE CASH</b>	<b>-</b>	<b>187</b>	<b>534</b>	<b>1,065</b>	<b>1,551</b>	<b>4,244</b>	<b>6,044</b>	<b>7,858</b>	<b>9,130</b>	<b>10,386</b>	<b>11,642</b>

**RJC AFRICA LIMITED.**  
**PROJECTED BALANCE SHEET**

**USD: (000'S)**

ITEM/YEAR	1	2	3	4	5	6	7	8	9	10
Fixed Assets at Cost	850	850	850	850	850	850	850	850	2,040	2,040
<u>Less:</u> Accumulated Depreciation	40	82	122	162	202	242	282	322	362	402
<b>NET FIXED ASSETS</b>	<b>890</b>	<b>932</b>	<b>972</b>	<b>1,012</b>	<b>1,052</b>	<b>1,092</b>	<b>1,132</b>	<b>1,172</b>	<b>2,402</b>	<b>2,442</b>
<b>Add: Current Assets</b>										
Cash in Hand/Bank	187	534	1,065	1,551	4,244	6,044	7,858	9,130	10,386	11,642
Debtors	88	38	157	180	1,013	1,467	1,471	1,332	615	615
Stock of finished goods	207	207	366	421	676	978	981	888	410	411
<u>Less: Current Liabilities:</u>										
Creditors	55	55	55	55	55	55	55	55	55	55
Taxation	-	-	-	-	-	755	761	528	522	522
<b>TOTAL ASSETS</b>	<b>1,237</b>	<b>1,492</b>	<b>2,261</b>	<b>2,785</b>	<b>6,526</b>	<b>8,287</b>	<b>10,062</b>	<b>11,295</b>	<b>12,512</b>	<b>13,729</b>
<b>FINANCED BY:</b>										
Equity	400	400	400	400	400	400	400	400	400	400
Bank Loan	450	150	150	150	0	0	0	0	0	0
Revenue Reserve	387	942	1,711	2,235	6,126	7,887	9,662	10,895	12,112	13,329
<b>TOTAL CAPITAL</b>	<b>1237</b>	<b>1492</b>	<b>2,261</b>	<b>2,785</b>	<b>6,526</b>	<b>8,287</b>	<b>10,062</b>	<b>11,295</b>	<b>12,512</b>	<b>13,729</b>

## RJC AFRICA LIMITED.

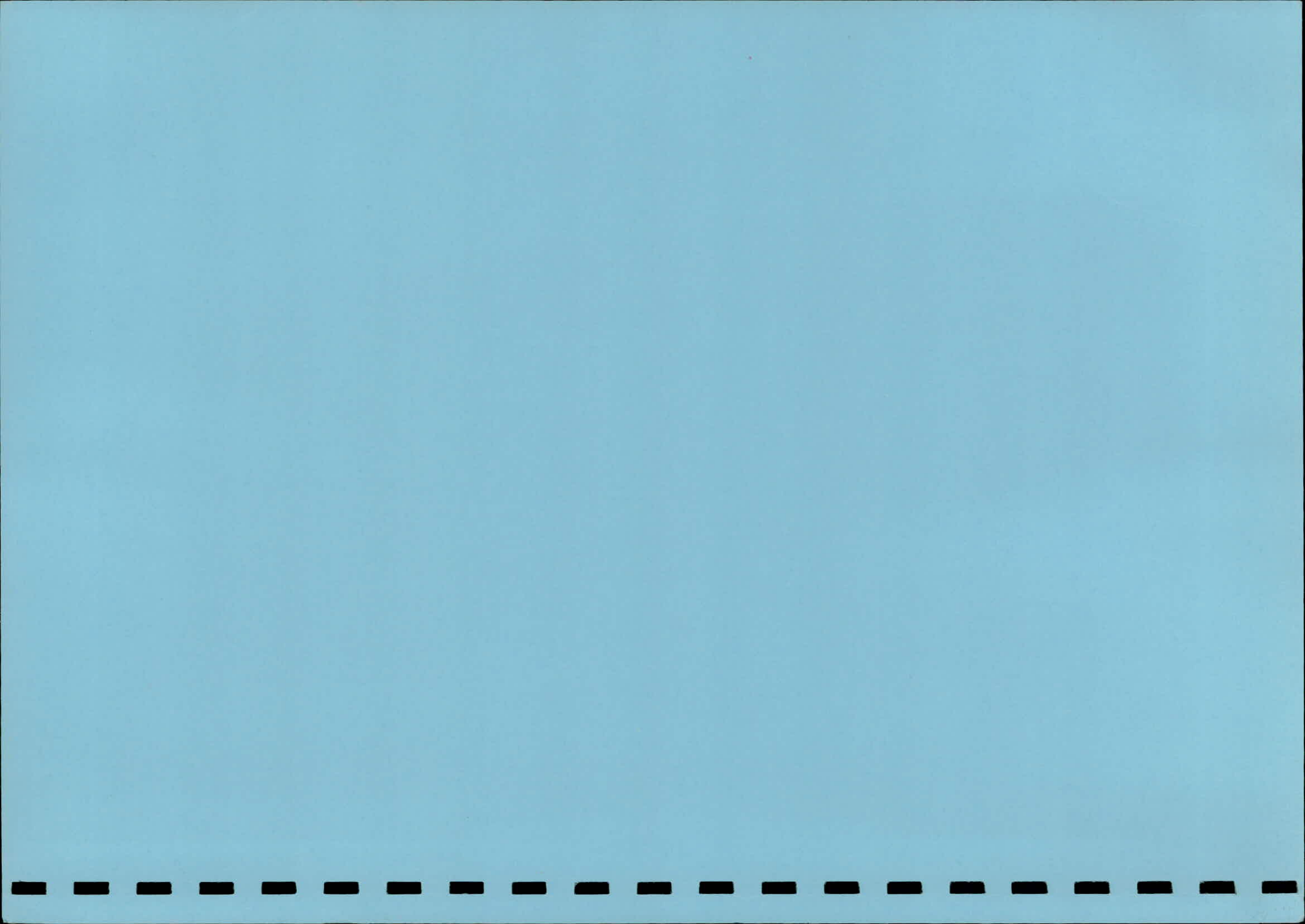
## PAYBACK PERIOD

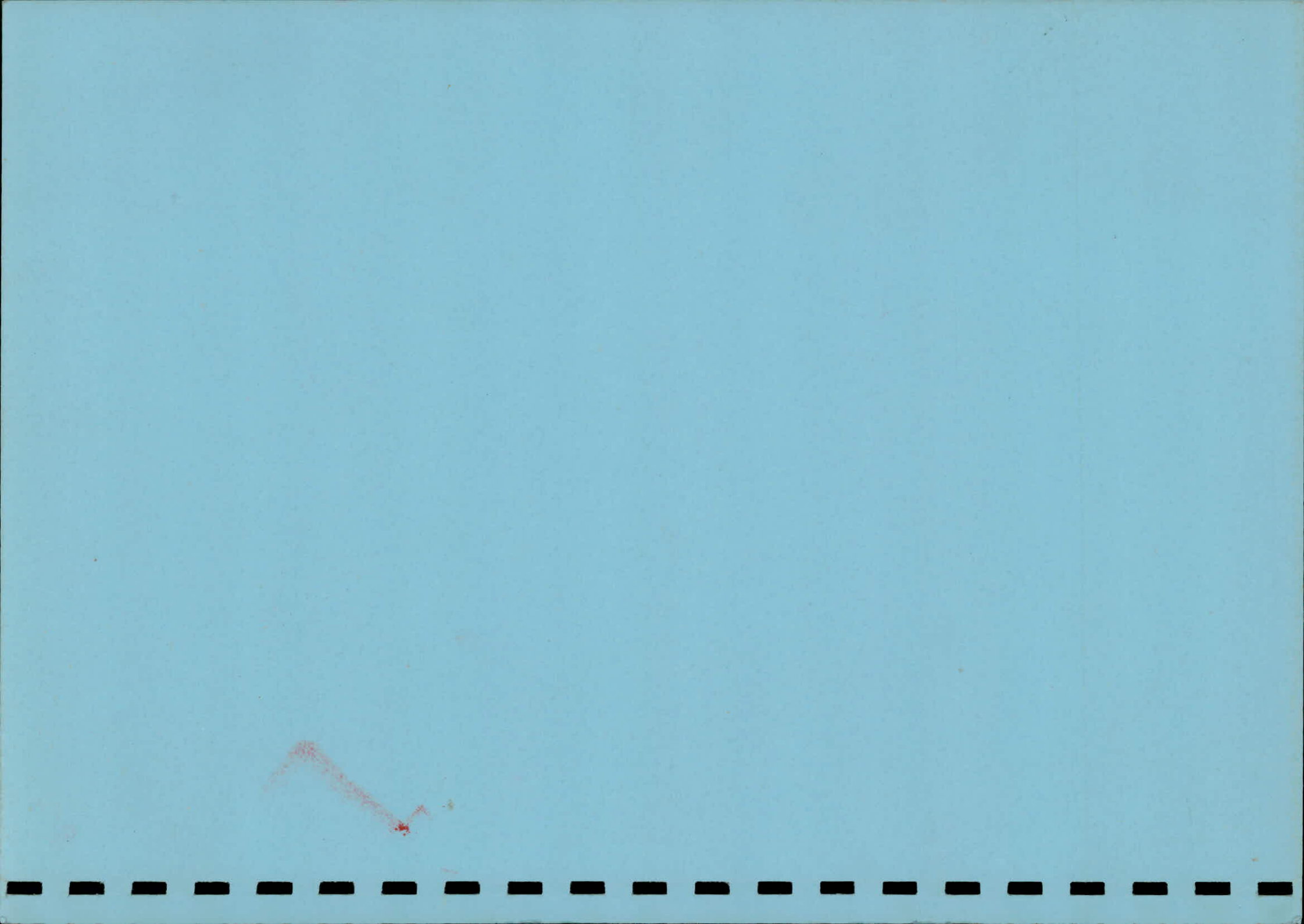
USD: (000'S)

YEAR	PROFIT AFTER TAX	ECONOMIC DEPRECIATION	TOTAL CASHFLOW	CUMULATIVE CASH FLOW
1	387	40	427	427
2	555	42	597	1,024
3.	769	42	811	1,835
4	524	42	566	2,401
5	3,891	42	3,933	6,334
6	1,761	39	1,800	8,134
7	1,775	39	1,814	9,948
8	1,233	39	1,272	11,220
9	1,217	39	1,256	12,476
10	1,217	39	1,256	13,732

## FOOTNOTE:

The original investment is **US\$ 850,000**. The analysis in the above table suggests payback period to be around the second year. This simply means that it will take two years for the project to recoup its initial investment cost of US\$ 850,000.





**LEASE AGREEMENT**

**BETWEEN**

**MARIAM MOHAMED**  
**(THE LESSOR)**

**OF**

**P.O. BOX 21393**  
**DAR ES SALAAM-TANZANIA**

**AND**

**RJC AFRICA LIMITED**  
**(THE LESSEE)**

**OF**

**P.O. BOX 21393**  
**DAR ES SALAAM-TANZANIA**

**FEBRUARY, 2009**

**MARIAM MOHAMED** of P.O. Box 21393, Dar es Salaam (hereinafter called the **Lessor** on the one party).

**RJC AFRICA LIMITED** of P.O. Box 21393, Dar es Salaam (hereinafter called the **Lessee**) and hereinafter represented by **ABBAS H. NASSER** Director of the Company.

**WHEREASE**

1. This Lessor is absolute and legal owner of **ALL THAT** property comprised in and known as Plot No. 158, Mpiji Magohe Road, Mbezi Luise, Kinondoni Municipality, Dar es Salaam being desirous to lease part of the premises/land to the Lessee for legal commercial purposes.

**AND WHEREASE**

2. The Lessee has expressed the desire to occupy party of the said premises and to pay the rent herein reserved and upon terms and conditions hereinafter appearing.

**NOW THIS AGREEMENT WITNESSES** as follow:-

1. (a) IN CONSIDERATION of the Lessee paying the Lessor the annual rent of Tshs. 2,400,000/= (Tshs. Two million four hundred thousand only). The Lessor hereby agrees to lease to the Lessee the said premises for a period of five (5) years effective 15<sup>th</sup> February, 2009 renewable after twelve months.
3. **THE LESSEE HEREBY COVENANTS WITH THE LESSOR** as follows:-
  - (a) To pay annual rent of Tshs. 2,400,000/= (Tshs. Two million four hundred thousand only). hereinafter reserved at the time and manner herein contained and prescribed.
  - (b) To keep the interior of the demised premises including all windows, fixtures, fittings and all additions thereto in tenantable condition throughout the term and to yield up the same in such condition at the termination of the tenancy.
  - (c) To permit the Lessor and his agents all reasonable times to enter upon and examine the condition of the demised premises.
  - (d) To pay relevant water, electricity and telephone bills throughout the tenancy period.
  - (e) No to be or permit to be used on the demised premises anything which will cause any annoyance or nuisance to the Lessor or the public or other tenants of adjoining premises.

- (f) Without the written consent of the Lessor not to assign or underlet or sublet or make any alternation or constructor or addition or part with the possession of the premises or any party thereof in favour of any other party save the Lessee member companies.
- (g) To insure all its property within the demises premises during the tenancy against risks.

3. **THE LESSOR HEREIN COVENANTS WITH THE LESSEE AS FOLLOWS:-**

- (a) To bear, pay and discharge all existing and future land rent and service charges, site rates and all statutory dues in respect or the demised premises during the tenancy period.
- (b) To keep the roofs, main wall and all other structures forming party of the said demised premises and the exterior of all such building and the main sanitary and drainage systems, thereof in good tenable condition.
- (c) To permit the Lessee on payment of the rent herein reserved, to perform and observe this agreement, covenants, conditions and provisions herein contained or implied, peaceably and quality to possess and enjoy and the demised premises throughout the tenancy period without any unreasonable interruption form or any the Lessor or his agents.
- (d) To insure the premises against all risks during the tenancy.

4. **PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED THAT:-**

- (a) If the rent hereby reserved or any part of parts thereof shall be in arrears for the space or twenty one days (21) next after any one of the days whereon the said ought to be paid as aforesaid (whether the same shall have been demanded formally or not) or if there shall have been any observance or non-performance of the same) herein before contained then and in any such case it shall be lawful for the Lessor to enter at any time into the same of the whole and the same to have again and repossess and enjoy in his former state.
- (b) This Lease Agreement may be terminated by either party giving to the other party three (3) months prior notice in writing to that effect.
- (c) Any notice under this Agreement shall sufficiently be served if sent by post at he above mentioned address of the parties of this Agreement.
- (d) The operations of this Agreement shall be governed by the laws of Tanzania. Any disputes or difference arising in the interpretation of this Agreement shall be settled amicably by negotiations between the parties.

**IN WITNESS WHEREOF** the parties have dully executed these presents on the day and year first above written and in manner hereinafter appearing.

**Signed and Delivered by** )  
The Lessor **MARIAM MOHAMED** )  
The owner of premises Plot No. 158 )  
Mpiji Magohe Road, Mbezi Luise, )  
Kinondoni Municipality, Dar es Salaam )  
The latter being known to me )

*Mariam Mohamed*  
.....  
**MARIAM MOHAMED**

Personally/identified by )  
*ABBAS NASSER* )  
..... )  
This *5th* day of *February* 2009 )

Signature: ..... )  
Address: ..... )  
Qualification: ..... )



**Signed and Delivered by** )  
The Lessor **ABBAS H. NASSER** )  
For and on behalf of )  
**RJC AFRICA LIMITED** )



The latter being known to me )  
Personally / identified by )  
..... )  
This *5th* day of *February* 2009 )

Signature: ..... )  
Address: ..... )  
Qualification: ..... )



*Abbas H. Nasser*  
.....  
**ABBAS H. NASSER**

## **SUB LEASE AGREEMENT**

**BETWEEN: LESSOR OVERSEASES EDUCATION AGENCY**  
P.O. Box 21393  
Dar es Salaam

**AND: LESSEE: RJC AFRICA LIMITED**  
P.O. Box 21393  
DAR ES SALAAM

### **WHEREAS**

The Lessor is the absolute and legal tenant of the property, with the right to sub let, comprised in and know as Plot No. 36B, Mlalakuwa Road, Mikocheni, Dar es Salaam, being desirous to lease part of the demised premises to the Lessee to occupy for legal commercial purposes.

### **AND WHEREAS**

The Lessee has expressed the desire to rent part of the said premises and to pay the rent herein reserved and upon conditions hereinafter appearing.

**IN CONSIDERATION** of the Lessee paying the Lessor the annual rent of Tshs. 1,200,000/= (Tshs. One million two hundred thousand only) payable in advance, the Lessor hereby agrees. This Agreement will be for three years starting from the 15<sup>th</sup> February, 2009 and renewable after every twelve months.

### **THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS follows:-**

1. The Lessee agrees to pay Tshs. 1,200,000/= for rental up to 14<sup>th</sup> February, 2010 and future rent payments being twelve months rental in advance payable on the 15<sup>th</sup> February, of every year thereafter;
2. To keep the interior of the demises premises, including windows, fittings and additions thereto minimum tenantable condition throughout the term and to yield up the same in such condition at the termination of the tenancy;
3. To permit the Lessor and his agents at all reasonable times to enter upon and examine the condition of the demised premises.
4. To pay the relevant water, electricity and telephone bills throughout the tenancy period.

In Witness whereof this Agreement has been signed and effected as follows:-

On this 9<sup>th</sup> day of February, 2009.

By the Lessor, **MARYAM RASHID**  
for **OVERSEAS EDUCATION AGENCY** .....

Signature: .....  .....

**Witness:**

Name: .....

Signature: .....



By the Lessee. **ABBAS H. NASSER**  
for **RJC AFRICA LIMITED** .....

Signature: .....  .....



**Witness:**

Name: .....

Signature: .....



# RJC AFRICA LIMITED

LICENSED GOLD DEALERS - RAW GOLD PROCESSING FACILITY-

P.O. Box 21393  
Dar es Salaam  
Tanzania

Plot No. 36B  
Mikocheni  
Tel: +255-787-602610  
Fax: +255-22-2780921

---

Ref: RJC/TIC-01/09

Date: 16<sup>th</sup> February, 2009

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

RE: PROJECT PROPOSAL TO ESTABLISH AND OPERATE  
A GOLD PROCESSING FACILITY

This company was incorporated and registered by Registrar of Companies at BRELA on 5<sup>th</sup> February, 2009 and issued with a Certificate of Incorporation No. 69618 of the same date.

The main line of business of this company is the mineral sector. Initially we are to establish and operate a Gold Processing Facility in Dar es Salaam. We are also applying to the Commissioner for Minerals for Gold Dealers Licence which is for procurement of Raw Gold from small scale miners and other interested parties.

To this end we have prepared a Business Plan for the establishment of a Raw Gold Processing Facility in Dar es Salaam with a Capital Investment Cost of USD 850,000, which shall be financed by the main shareholder of the company M/s Business Wear Limited of Mahe, Seychelles and credit from Local or International banks.

We are therefore submitting the application form for the projects registration and eventual issuance of a Certificate of Incentives. Enclosed herewith are all relevant supporting documents.

Awaiting your response.

Sincerely yours,  
For RJC AFRICA LIMITED

  
A. H. NASSER  
DIRECTOR

TANZANIA



Certificate of Incorporation

Section 15

No 69618

I HEREBY CERTIFY THAT

**RJC AFRICA 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 5TH day of FEBRUARY  
**TWO THOUSAND AND NINE**

  
.....  
Assist. Registrar of Companies

# RJC AFRICA LIMITED

①

**LICENSED GOLD DEALERS - RAW GOLD PROCESSING FACILITY-**

P.O. Box 21393  
Dar es Salaam  
Tanzania

Plot No. 36B  
Mikocheni  
Tel: +255-787-602610  
Fax: +255-22-2780921

DIP

Ref: RJC/TIC-01/09

Date: 16<sup>th</sup> February, 2009

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



**RE: PROJECT PROPOSAL TO ESTABLISH AND OPERATE  
A GOLD PROCESSING FACILITY**

This company was incorporated and registered by Registrar of Companies at BRELA on 5<sup>th</sup> February, 2009 and issued with a Certificate of Incorporation No. 69618 of the same date.

The main line of business of this company is the mineral sector. Initially we are to establish and operate a Gold Processing Facility in Dar es Salaam. We are also applying to the Commissioner for Minerals for Gold Dealers Licence which is for procurement of Raw Gold from small scale miners and other interested parties.

To this end we have prepared a Business Plan for the establishment of a Raw Gold Processing Facility in Dar es Salaam with a Capital Investment Cost of USD 850,000, which shall be financed by the main shareholder of the company M/s Business Wear Limited of Mahe, Seychelles and credit from Local or International banks.

We are therefore submitting the application form for the projects registration and eventual issuance of a Certificate of Incentives. Enclosed herewith are all relevant supporting documents.

Awaiting your response.

Sincerely yours,  
For RJC AFRICA LIMITED

  
A. H. NASSER  
DIRECTOR

**RJC AFRICA LIMITED**

(CI – 69618)

**BOARD RESOLUTION**

The Board of Directors at its sitting on 7<sup>th</sup> February, 2009 had made the following Resolution:-

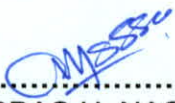
**2. Project Proposal**

**2.0.1 Tabled** That as the main objective of the company is in the Mineral Trade initially in procurement and refining of gold and to export the same, a project proposal for the establishment of a Gold Processing Feasibility with an capital investment cost not more than USD 900,000 be prepared for submission to Tanzania Investment Centre for registration and obtaining a Certificate of Incentives.

**2.0.2 Resolved** That a Project Proposal to establish and operate a Gold Processing Facility with a Capital Investment Cost of about USD 500,000 be prepared and submitted to Tanzania Investment Centre (TIC) of registration and obtaining a Certificate of Incentives. The Capital Investment Cost shall be financed by the majority shareholder and bank loans.

**2.0.3 Directed** That the management take appropriate action in relation to the Project Proposal as resolved.

  
.....  
IGOR OVCHAROV  
Director and  
Chairman of the Board

  
.....  
ABBAS H. NASSER  
Director

  
.....  
MIKHAIL KORNILOV  
Director

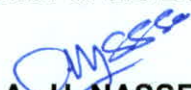
Date... 7.02.09 .....

Date... 7/02/09 .....

Date... 07.02.2009 .....

**THE FOREGOING IS A CORRECT AND TRUE EXTRACT OF THE BOARD  
RESOLUTION DATED 7<sup>TH</sup> FEBRUARY, 2009**

**By Order of the Board**

  
A. H. NASSER  
**SECRETARY TO THE BOARD**

CTIN.: 0473087



# 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**

RJC AFRICA LIMITED

.....

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

107-686-053

.....

with effect from

12-Feb-2009

.....

  
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We **ABBAS H.NASSER**  
(director/directors/agent of **RJC AFRICA LIMITED**  
(name of business enterprise) apply for registration of **CERTIFICATE OF INCENTIVES**  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at **PLOT NO: 36B MIKOCHENI, DAR ES SALAAM.**

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 **PLOT NO:36 B MIKOCHENI**

4. The Principal Officers of the Company are **(1) AB BAS H. NASSER**

**(2) IGOR OVCHAROV**

**(3) MIKHA IL KORNILOV.**

**(4) YURY NIKULIN.**

5. Auditors of the Company are **MANGESHO & COMPANY. DAR ES SALAAM**

6. The authorized share capital of the Company is Tshs./US\$ **XXX 100,000,000/=**

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs./US\$~~ **XXXXXXX** \$ **850,000.**

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

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

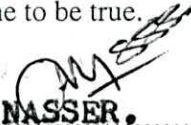
I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ **\$ 100.-ERV NO. 30325174** Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, **ABBAS H. NASSER** of Post Office Number **21393 DAR ES SALAAM.**

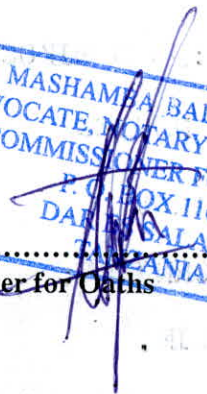
..... do solemnly and sincerely declare that I am a director/~~duy~~ authorized agent of **RJC AFRICA LIMITED**

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 **16** day of **FEBRUARY** 200**9**

  
**A.H. NASSER.**  
Applicant

Before me:

  
**ALEX MASHAMBA BALOMI LL.B (Hons.)**  
**ADVOCATE, NOTARY PUBLIC AND**  
**COMMISSIONER FOR OATHS**  
**P.O. BOX 11695**  
**DAR ES SALAAM.**  
**TANZANIA**  
Commissioner for Oaths

## APPLICATION SUMMARY

**Company Name:** RJC AFRICA LIMITED  
**Certificate of Incorporation Number:** 69618 **Status:** PRIVATE LIMITED LIABILITY COMPANY.  
**Certificate of Incorporation Date:** 5 FEBRUARY 2009  
**Post Box:** 21393  
**Town:** DAR ES SALAAM.  
**Sector:** MINERAL **Sub-Sector:** BACK - UP SERVICE.

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
\$ 400000	-	450000	-

**Project Objectives:** TO ESTABLISH AND OPERATE A GOLD PROCESSING/ RIFINERY/ SMELTING FACILITY.

**Capacity:** 480,000 grams per year.

**Employment:** Foreign: 2 Local: 24 Total: 26

**Implementation Period:** TWO YEARS.

**Project Location**

**Site/Plot/Block No.:** PLOT 185 MPIJI MAGOHE RD. MBEZI LOUIS.

**Street:** ..... **District:** KINONDONI **Region:** DAR ES SALAAM.  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>BUSINESS WEAR LTD</u>	<u>SEYCHELLES</u>	<u>70</u>
<u>ABBAS H. NASSER</u>	<u>TANZANIA</u>	<u>25</u>
<u>IGOR I. OVCHAROV</u>	<u>RUSSIAN</u>	<u>3</u>
<u>MIKHAIL F. KORNILOV</u>	<u>RUSSIAN</u>	<u>1</u>
<u>YURY F. NIKULIN</u>	<u>RUSSIAN</u>	<u>1</u>

**Investment Breakdown** **USS/Tshs.M**

Land/Building	.....	100000.	.....
Plant	.....	532394.	.....
Vehicles	.....	85000.	.....
Furniture & Fittings	.....	30000.	.....
Pre-expenses	.....	12500.	.....
Others	.....	.	.....
Working Capital	.....	90000.	.....
<b>TOTAL</b>	.....	<b>849894.-</b>	<b>850000 \$</b>

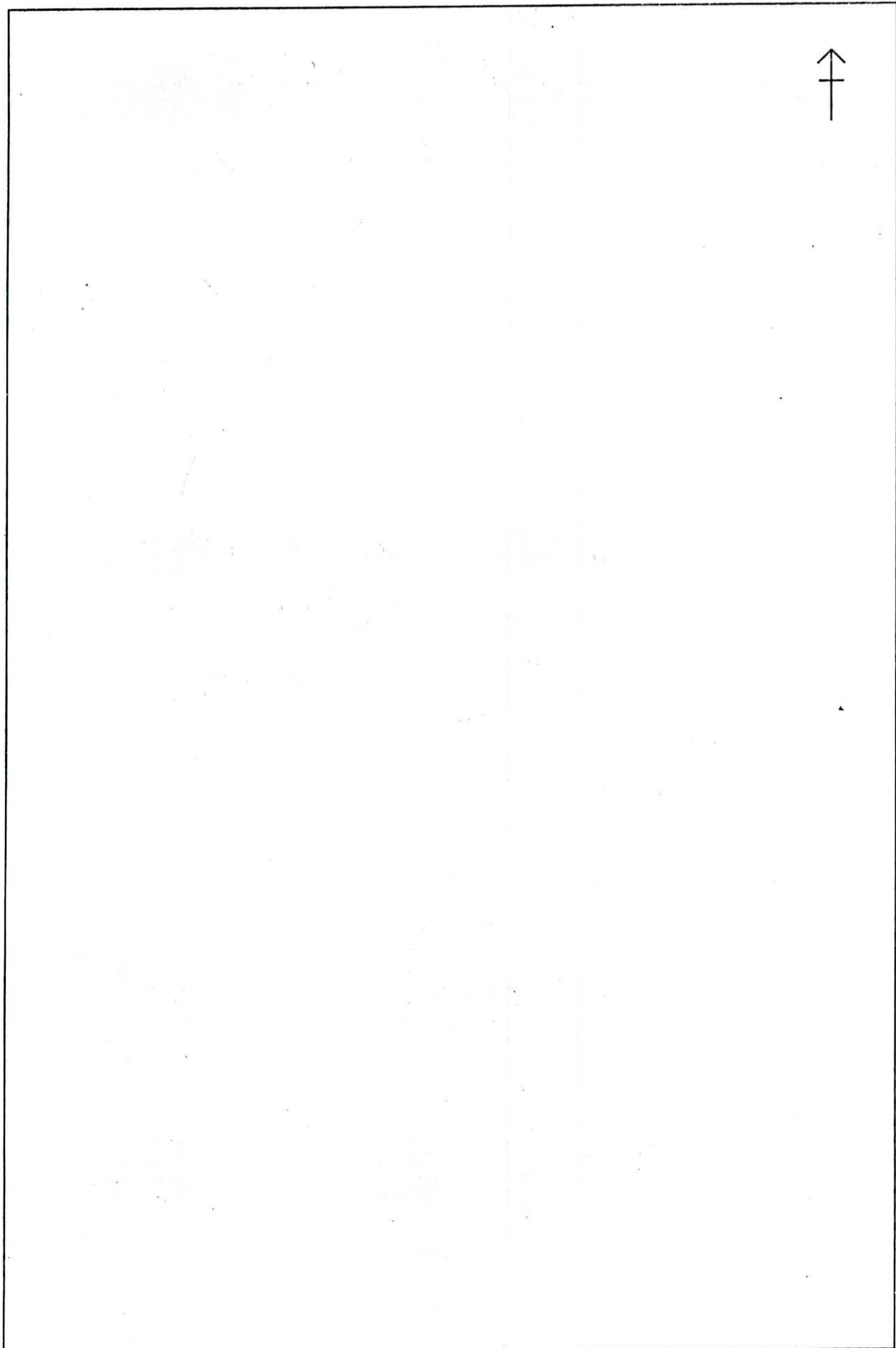
**Contact Details:**

Name: **ABBAS H. NASSER** Title: **DIRECTOR**  
 Telephone: **0787 602610** Fax: **+255-22-2780921**  
 Email: **ah.nasser@consultant.com**

**Payments to be made payable to:**

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

SKETCH MAP SHOWING PROJECT LOCATION







# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We **ABBAS H.NASSER**  
(director/directors/agent of **RJC AFRICA LIMITED**  
(name of business enterprise) apply for registration of **CERTIFICATE OF INCENTIVES**  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at .....  
**PLOT NO: 36B MIKOCHENI, DAR ES SALAAM.**

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 **PLOT NO:36 B MIKOCHENI**

4. The Principal Officers of the Company are **(1) AB BAS H. NASSER**

**(2) IGOR OVCHAROV**

**(3) MIKHAIL KORNILOV.**

**(4) YURY NIKULIN.**

5. Auditors of the Company are .....

**MANGESHO & COMPANY. DAR ES SALAAM**

6. The authorized share capital of the Company is Tshs./US\$ **XXX 100,000,000/=**

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs./US\$~~ **XXXXXXX \$ 850,000.**
8. The month and day of the financial year end is **31 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\$ **\$ 100.-ERV NO. 30325174** Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

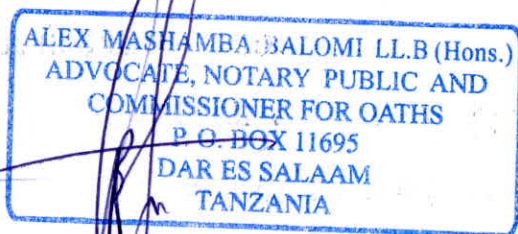
I, **ABBAS H. NASSER** of Post Office Number **21393 DAR ES SALAAM.**  
 ..... do solemnly and sincerely declare that I am a director/duly  
 authorized agent of **RJC AFRICA LIMITED**

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 **16** day of **FEBRUARY** 200**9**

**A.H. NASSER.**  
 Applicant

Before me:



Commissioner for Oaths

**APPLICATION SUMMARY**

Company Name: **RJC AFRICA LIMITED** ..... **PRIVATE**  
 Certificate of Incorporation Number: **69618** ..... Status: **LIMITED LIABILITY COMPANY.**  
 Certificate of Incorporation Date: **5 FEBRUARY 2009** .....

Post Box: **21393** .....

Town: **DAR ES SALAAM.** .....

Sector: **MINERAL** ..... Sub-Sector: **BACK - UP SERVICE.** .....

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
\$ 400000	-	450000	-

Project Objectives: **TO ESTABLISH AND OPERATE A GOLD PROCESSING/ RIFINERY/ SMELTING FACILITY.**

Capacity: **480,000 grams per year.**

Employment: Foreign: **2** ..... Local: **24** ..... Total: **26** .....

Implementation Period: **TWO YEARS.**

**Project Location**

Site/Plot/Block No.: **PLOT 185 MPIJI MAGOHE RD. MBEZI LOUIS.**

Street: ..... District: **KINONDONI** ..... Region: **DAR ES SALAAM.**

(Attach sketch map showing project location)

Shareholders	Nationality	%
<b>BUSINESS WEAR LTD</b>	<b>SEYCHELLES</b>	<b>70</b>
<b>ABBAS. H. NASSER</b>	<b>TANZANIA</b>	<b>25</b>
<b>IGOR. I. OVCHAROV</b>	<b>RUSSIAN</b>	<b>3</b>
<b>MIKHAIL F. KORNILOV</b>	<b>RUSSIAN</b>	<b>1</b>
<b>YURY F. MIKULIN</b>	<b>RUSSIAN</b>	<b>1</b>

Investment Breakdown <sup>XXXXX</sup> USS/Tshs.M

Land/Building ..... 100000.  
Plant ..... 532394.  
Vehicles ..... 85000.  
Furniture & Fittings ..... 30000.  
Pre-expenses ..... 12500.  
Others ..... -  
Working Capital ..... 90000.  
TOTAL ..... 849894.- 850000 \$

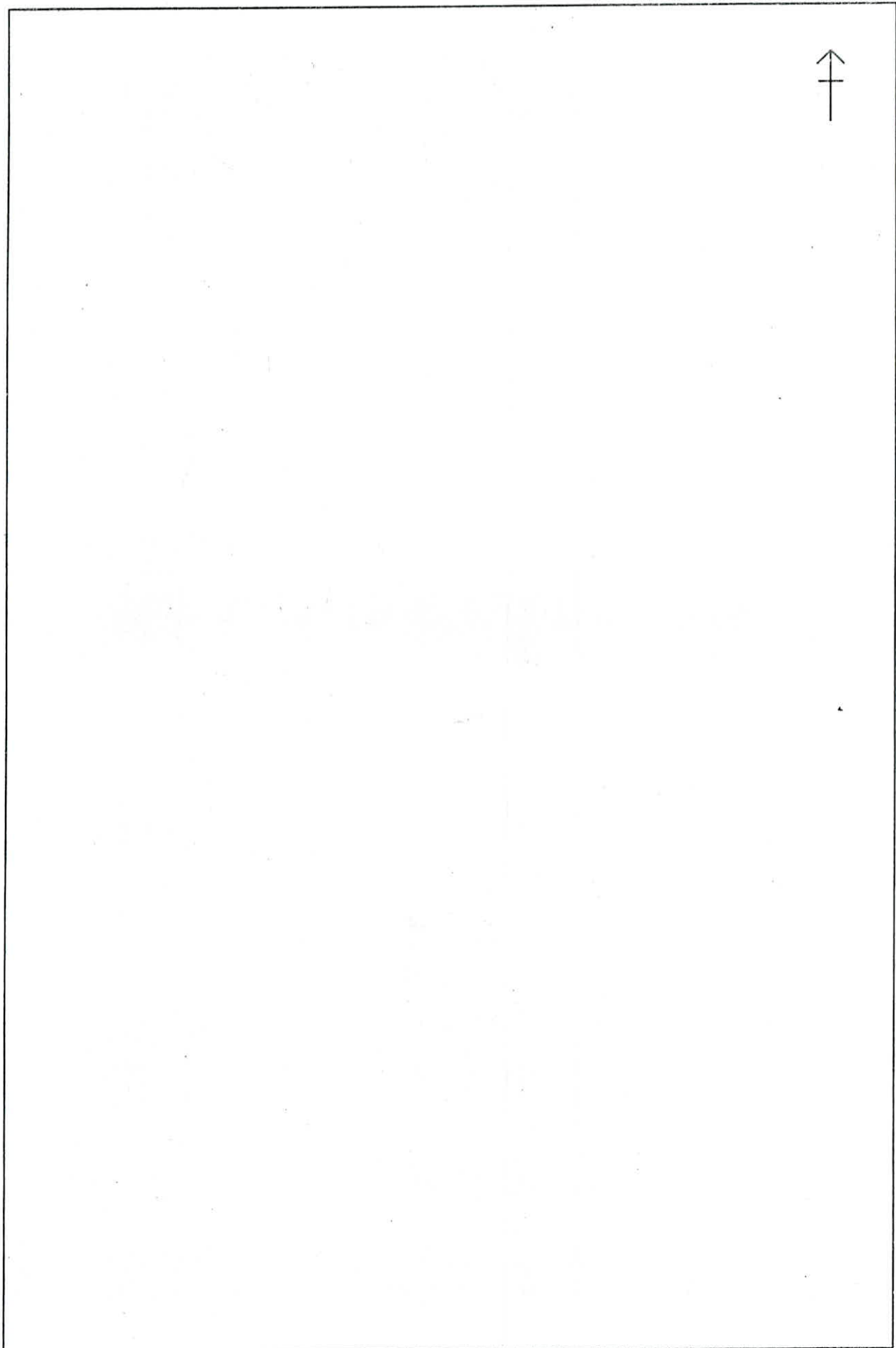
Contact Details:

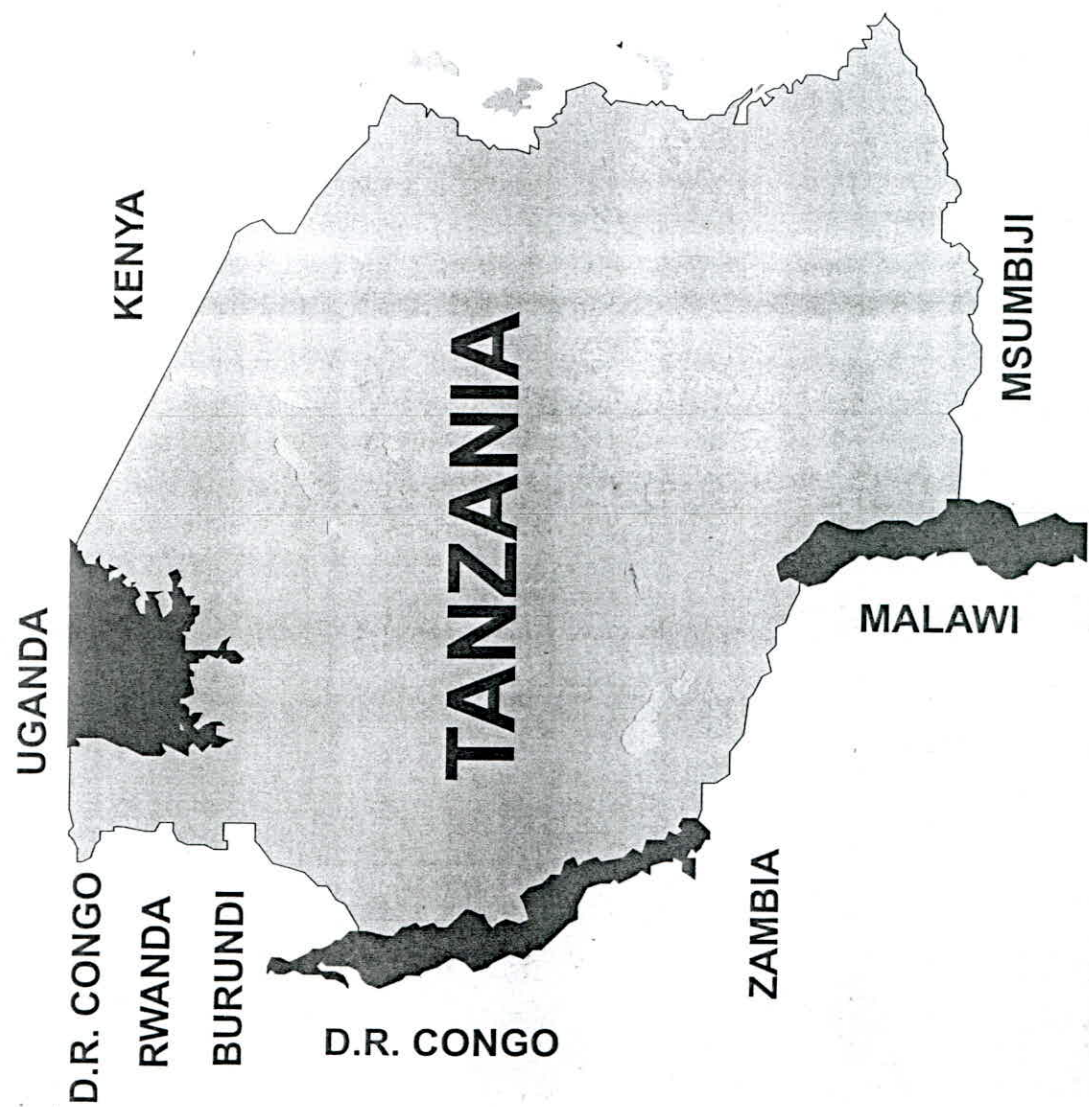
Name: **ABEAS H. NASSER** Title: **DIRECTOR**  
Telephone: **0787 602610** Fax: **+255-22-2780921**  
Email: **ah.nasser@consultant.com**

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





UGANDA

D.R. CONGO

RWANDA

BURUNDI

KENYA

D.R. CONGO

TANZANIA

ZAMBIA

MALAWI

MSUMBIJI



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We **ABBAS H.NASSER**  
(director/directors/agent of **RJC AFRICA LIMITED**  
(name of business enterprise) apply for registration of **CERTIFICATE OF INCENTIVES**  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at **PLOT NO: 36B MIKOCHENI, DAR ES SALAAM.**

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 **PLOT NO:36 B MIKOCHENI**

4. The Principal Officers of the Company are **(1) AB BAS H. NASSER**

**(2) IGOR OVCHAROV**

**(3) MIKHAIL KORNILOV.**

**(4) YURY NIKULIN.**

5. Auditors of the Company are **MANGESHO & COMPANY. DAR ES SALAAM**

6. The authorized share capital of the Company is Tshs./US\$ **XXX 100,000,000/-**

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs. 850,000~~ **XXXXXXX \$ 850,000.**

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

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

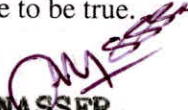
I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ **\$ 100.-ERV NO. 30325174** Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, **ABBAS H. NASSER** of Post Office Number **21393 DAR ES SALAAM.**


do solemnly and sincerely declare that I am a director/~~du~~ authorized agent of **RJC AFRICA LIMITED**

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 **16** day of **FEBRUARY** 200**9**

  
**A.H. NASSER,**  
Applicant

Before me:

  
**ALEX MASHAMBA SALUME LL.B (Hons.)**  
**ADVOCATE NOTARY PUBLIC AND**  
**COMMISSIONER FOR OATHS**  
**P.O. BOX 11695**  
**DAR ES SALAAM**  
**TANZANIA**  
Commissioner for Oaths

## APPLICATION SUMMARY

**Company Name:** RJC AFRICA LIMITED  
**Certificate of Incorporation Number:** 69618 **Status:** PRIVATE LIMITED LIABILITY COMPANY.  
**Certificate of Incorporation Date:** 5 FEBRUARY 2009  
**Post Box:** 21393  
**Town:** DAR ES SALAAM.  
**Sector:** MINERAL **Sub-Sector:** BACK - UP SERVICE.

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
\$ 400000	-	450000	-

**Project Objectives:** TO ESTABLISH AND OPERATE A GOLD PROCESSING/ RIFINERY/ SMELTING FACILITY.

**Capacity:** 480,000 grams per year.

**Employment:** Foreign: 2 Local: 24 Total: 26

**Implementation Period:** TWO YEARS.

### Project Location

**Site/Plot/Block No.:** PLOT 185 MPIJI MAGOHE RD. MBEZI LOUIS.

**Street:** ..... **District:** KINONDONI **Region:** DAR ES SALAAM.

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>BUSINESS WEAR LTD</u>	<u>SEYCHELLES</u>	<u>70</u>
<u>ABBAS H. NASSER</u>	<u>TANZANIA</u>	<u>25</u>
<u>IGOR I. OVCHAROV</u>	<u>RUSSIAN</u>	<u>3</u>
<u>MIKHAIL F. KORNILOV</u>	<u>RUSSIAN</u>	<u>1</u>
<u>YURY F. NIKULIN</u>	<u>RUSSIAN</u>	<u>1</u>

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

Land/Building	.....	<b>100000.</b>	.....
Plant	.....	<b>532394.</b>	.....
Vehicles	.....	<b>85000.</b>	.....
Furniture & Fittings	.....	<b>30000.</b>	.....
Pre-expenses	.....	<b>12500.</b>	.....
Others	.....	<b>-</b>	.....
Working Capital	.....	<b>90000.</b>	.....
<b>TOTAL</b>	.....	<b>849894.-</b>	<b>850000 \$</b>

**Contact Details:**

Name: **ABBAS H. NASSER** ..... Title: **DIRECTOR** .....

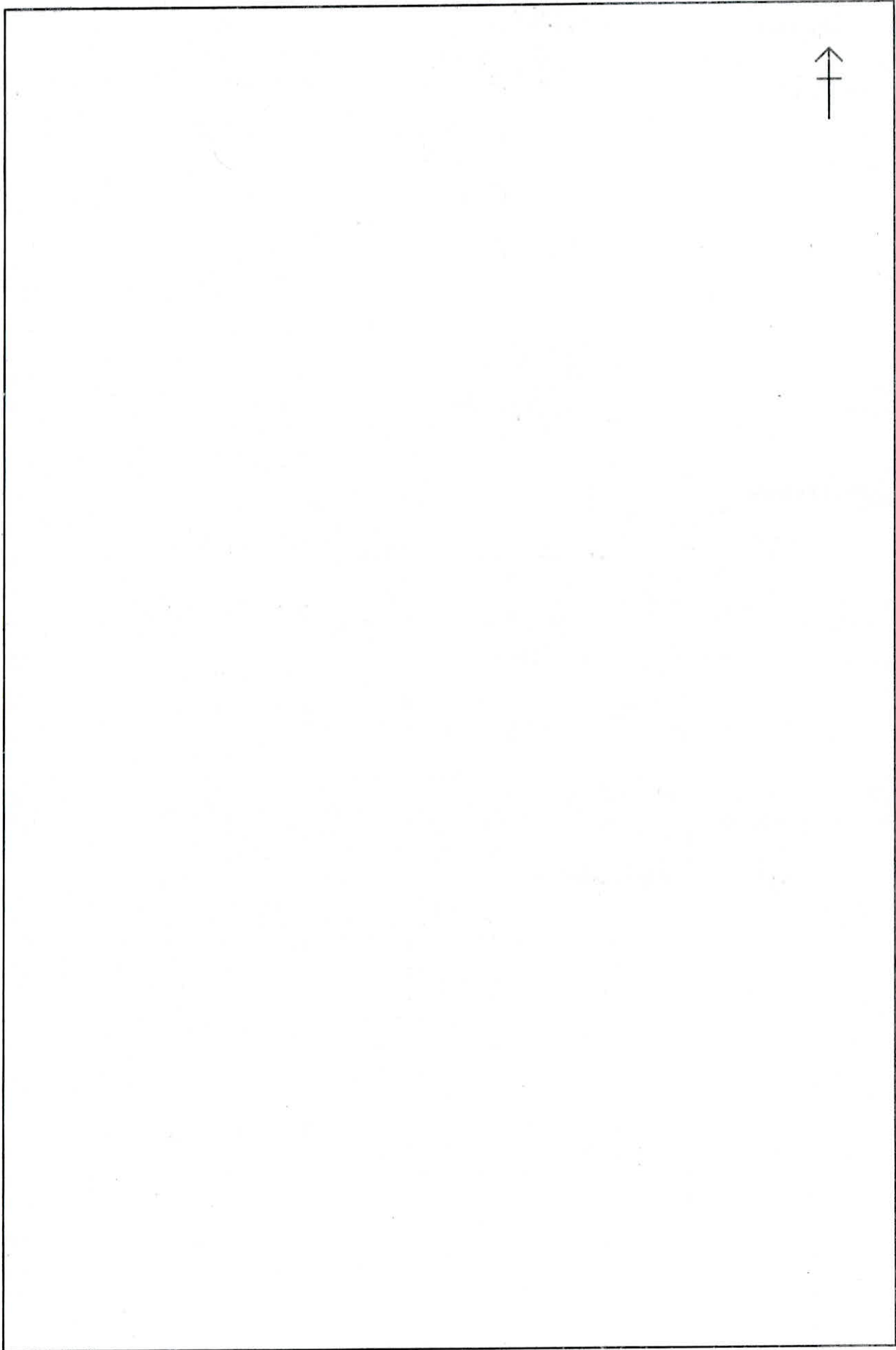
Telephone: **0787 602610** ..... Fax: **+255-22-2780921** .....

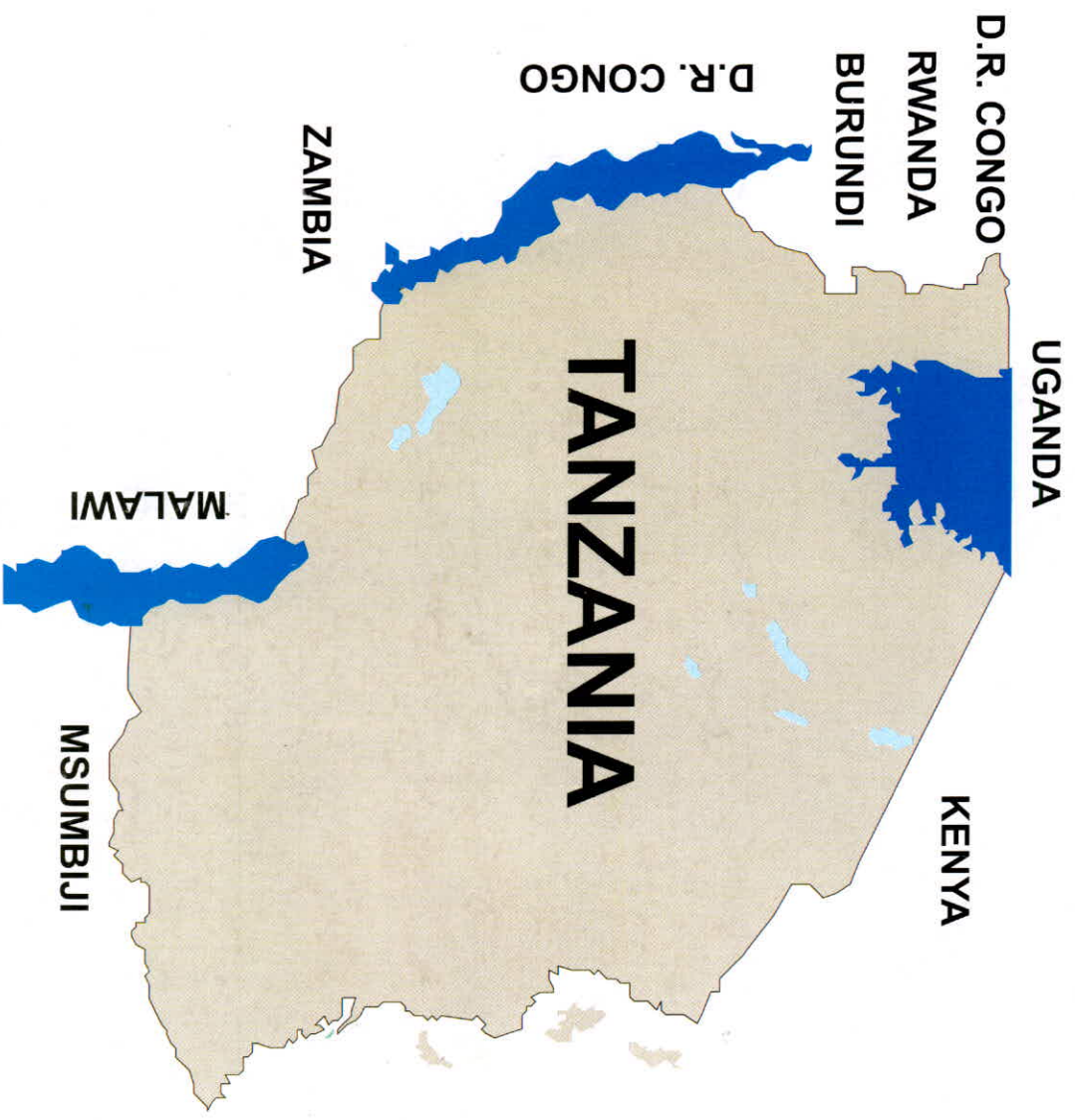
Email: **ah.nasser@consultant.com** .....

**Payments to be made payable to:**

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

SKETCH MAP SHOWING PROJECT LOCATION





UGANDA

KENYA

D.R. CONGO

RWANDA

BURUNDI

D.R. CONGO

ZAMBIA

MALAWI

MSUMBIJI

TANZANIA

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

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF**

**RJC AFRICA LIMITED**

*Drawn by:*  
ABBAS HABIB NASSER  
(SUBSCRIBER)  
P.O. Box 21393  
DAR ES SALAAM  
TANZANIA

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

NO.

.....

I HEREBY CERTIFY THAT

-----

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

GIVE under my hand at Dar es Salaam, this.....day

of.....Two thousand and .....



TANZANIA  
Stamp  
Stamp Duty Paid on Original  
4/26/09  
Stamp Duty Office

TANZANIA  
Stamp  
Stamp Duty Paid on Original  
4/26/09  
Stamp Duty Office

**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**RJC AFRICA LIMITED**

1. The name of the Company is **RJC AFRICA LIMITED**.
2. The registered office of the Company will be situated in Tanzania.
3. The objectives for which the Company is incorporated are:
  1. To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease or in exchange or otherwise acquire concessions, agents easements, options, claims, properties, estates 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 prospecting and mining right and all necessary licences and any undertaking connected therewith. And to establish and operate a gemstone cutting and polishing facility, and gold processing facility and to deal in the export of precious and semi precious minerals—diamonds gold and gemstone, either in raw form or cut and polished.
  2. To establish and operate a website to connect businesses and result in business growth, job creation and greater international awareness of opportunities, products and services in Tanzania and also to carry on the business as advisers, managers, consultants to any individual, firm, or business enterprise in the collection, investigation, analysis, and dissemination of information on any commercial, industry, management, financial, or other aspect of business.
  3. To carry on the businesses of landscaping, designers, flower arrangers and decorators, maintenance and generally to undertake decorating assignments and jobs for whomsoever and any other business related hereto.
  4. To carry on the business of Tourism in general and marine tourism: sports fishing, snorkeling, deep sea diving, sea game fishing, luxury boat charter, sailing/beechn holidays and any other business related thereto.
  5. To act as dealers in industrial machines and equipment, agricultural Machinery implements, tools and equipment, refrigerators, air-conditioning plants, domestic and industrial equipment and machinery.

**ALEX MASHAMBA BALOMI LL.B (Hons.)**  
**ADVOCATE, NOTARY PUBLIC AND**  
**COMMISSIONER FOR OATHS**  
Certified True Copy of the Original  
Signature: \_\_\_\_\_  
Date: 26/3/09

6. To carry on the business of real estate agency, property developers, and managers.
7. To establish and carry on the business of, builders, contractors, engineers, renovators, or any branch or subsidiary business carried on in connection there with.
8. To operate office and secretarial bureaus including provision of temporary or permanent office space, secretarial services as typing, printing, photocopying, binding, translating, design lay – out, type-setting, etc.
9. To improve, develop, manage, grant rights or privileges in respect of, or otherwise deal with all or any part of the property and rights of this Company.
10. To carry on the business of transporters, clearing and forwarding, travel, tourist agents, freight forwarding insurance, express delivery logistics, car rentals.
11. To carry on the business of auctioneers, court brokers, conveyancing and re-possession agents, surveyors and valuers of land, buildings real estate, and other assets.
12. To acquire by purchase, lease, exchange, hire or otherwise any estates, lands, buildings, tenements, here detements, or any rights or privileges therein, and to sell, let on lease or hire, dispose of or grant rights over any property of the Company in such manner as the Company may determine.
13. To erect and construct, by the Company or otherwise, houses, buildings or works of every description on any land of the Company or upon any other lands or hereditaments, and to pull down, rebuild, enlarge, alter and improve existing houses, buildings, or works thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens, and pleasure grounds and other conveniences, and generally to deal with and improve the property of the Company.
14. To sell, exchange, let, develop, dispose of , or otherwise deal with, the undertaking, or all or any part of the property of this Company, upon such terms and in such manner as the Company may determine.
15. ,To arrange for, secure and participate in the investigation, formulation and carrying out of projects for the development of commerce, industry, and other activities.
16. To establish and carry on the business of motor vehicle reconditioning workshop, fabrication of motor vehicle parts, manufacture of spare part, industrial machinery spares, mining machinery spares, aircraft spares, heavy duty equipment, reclaiming and reconditioning any type of spare parts.






17. To establish, operate and carry on the business of workshop, garages and store house and other buildings for the housing or repairs of such vehicles, the storage of fuel and other oils and substances, required for the working of the said vehicles.
18. To import and export and sell motor vehicles of all makes. And for that purpose acquire, or lease bonded warehouses. To repair and maintain all such vehicles, and to purchase or otherwise acquire, construct, sell, hire, or let saloon cars, buses, tractors engines, motors, machinery and other chattels and things used for any of the above purpose.
19. To transact, on commission or otherwise, the general business of a land agent, and to purchase and sell, for any persons, freehold or other house property, buildings or lands, or any interest, rights and privileges, or share therein.
20. To carry on the business of general traders importer, exporter.
21. To establish and provide facilities for the financing estate, tenements, buildings and other properties for the Company or for other. And engage in banking, mortgage – insurance, and re- insurance.
22. To act as agents, brokers and trustees for person or Company or to undertake and perform contracts, and to act in any of the businesses of the Company through, or by means of agents, brokers, sub- contractors or others.
23. To establish or promote, or join in the establishment or promotion of any other liabilities of the Company or the promotion of which shall be calculated to advance its interests.
24. To draw, make, accept, endorse, negotiate, discount, buy, sell, and deal in bills of exchange, debentures, promissory notes, and other negotiable or transferable instruments.
25. To carry on the business of brokers, debt collectors, and factors.
26. To carry on the business of and providers of telecommunication network installations and operators of cellular telephone services and any or all other related work.
27. To invest and deal with moneys of the Company upon such securities and in such manner as the Directors may determine.
28. To buy, underwrite, invest in, subscribe for, acquire and hold shares, stock, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company or body, corporate or otherwise.

29. To support and to subscribe to any associations, charitable or public institutions, societies, clubs, funds, trusts which may be for the benefit of the Company, its employees or ex-employees.
30. To procure the registration of the Company in any other country or state.
31. To pay all the costs and expenses incurred in the formation and incorporation of the Company and the preparation and completion of all preliminary agreements incidental to the intended formation of the Company.
32. To remunerate any person or company rendering service to the Company by payment in cash or partly in cash or partly in cash and partly in fully paid shares of the Company.
33. To distribute amongst the members in specie any property, and in particular any shares, debentures or securities of other companies belonging to the Company.
34. To do all or any of the above things in any part of the world either as principals, agents, trustees, contractors, or otherwise, and either wise, and either companies belonging to the Company.
35. To do all such other things as are incidental or conducive to the attainment of the above objects or any one of them.

AND it is hereby declared that, in the interpretation of the clause, the powers conferred on the Company by any paragraph shall not be restricted by reference to any other paragraph, or to the name of the Company, or by the juxtaposition of two or more objects and that, in the event of any ambiguity, this clause and every paragraph hereof shall be construed in such a way as to widen, and not to restrict, the powers of the company.

36. The liability of the members is limited.
  4. The nominal share capital of the company is Tshs. 100,000,000/= divided into 100 shares valued at Tshs 1,000,000/= each with power for the company to increase the said capital into several or otherwise and to attach thereto respectively preferential quantified or special right, privileges and conditions.

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

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature
BUSINESS WEAR LIMITED 405 PRIMER BUILDING MAHE, SEYCHELLES (SUBSCRIBER)	70	
ABBAS HABIB NASSER P.O. Box 21393 DAR ES SALAAM (SUBSCRIBER)	25	
IGOR IVANOVICH OVCHAROV KUTUZOVSKI ST-32/69 MOSCOW RUSSIA (SUBSCRIBER)	3	
MIKHAIL FEODOROVICH KORNILOV ORDINARNAYA ST. 05/18 ST. PETERSBURG 197136 RUSSIA (SUBSCRIBER)	1	
YURY FEODOROVICH NIKULIN SVETOI BULEVARD HOUSE NO. 2/1 MOSCOW RUSSIA (SUBSCRIBER)	1	

DATED at Dar es Salaam this ..... day of February 2009.....

WITNESS TO THE ABOVE SIGNATURE:

Signature: -----

Postal Address: -----

Qualification: -----

ALEX MASHAMBA BALOMI LL.B (Hons.)  
ADVOCATE, NOTARY PUBLIC AND  
COMMISSIONER FOR OATHS  
P.O. BOX 11495  
DAR ES SALAAM  
TANZANIA

TANZANIA  
 5000/-  
 4/2/09  
 3446843  
 No. 3446843  
 Special Duty Office

2500/-  
 4/2/09  
 3446843  
 Special Duty Office

**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**RJC AFRICA LIMITED**

**INTERPRETATION**

1. In these articles, unless the context otherwise requires, expressions defined in the Companies Act or any statutory modification thereof in force at the date at which these articles become binding on the company shall have the meaning so defined and the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second thereof, namely:

Words	Meanings
The Company	RJC AFRICA LIMITED
The Act	The Companies Act 2002
The Articles	The Articles of Association as now framed or as may from time to time be altered in the manner required by law.
The Office	The registered office for the time being of the Company.
The Seal	The Common seal of the company
The Board	The Board of Directors of the company or the Directors present at a duly convened meeting of Directors at which a quorum is present.
The Directors	The Board
Member	Member of the company
Month	Calendar Month
The register	The register of members of the Company
In writing	Written or produced by any substitute for writing, or partly written and partly so produced

Word importing the singular number only shall include the plural number and vice versa, and Words importing the masculine gender only shall include the feminine gender and Words importing persons shall include corporations. The expression "debenture" and debenture holder" shall include debenture stock and debenture stockholder:

The expression "secretary" shall include a temporary or assistance secretary and any person appointed by the Directors to perform the duties of the secretary. The expression "dividend" shall include bonus: Reference herein to any provision of the ordinance shall be construed as a reference to such provision as modified by any statute for the time being in force.

2. Subject to the last preceding Article, any words or expressions defined in the ordinance shall if not inconsistent with the subject or context, bear the same meaning in these Articles.
3. The company is a private company and accordingly:-
  - (a) The right to transfer shares is restricted in the manner hereinafter prescribed.
  - (b) The number 's of the company (exclusive of persons who are in the employment of the Company and of the persons who having been formerly in the employment of the Company were while in such employment and have continued after the determination of such employment to be Members of the Company) is limited to fifty. PROVIDED THAT where two or more person hold one or more shares jointly for the purposes of this regulation shall be treated as a single member:
  - (c) The Company shall not have power to issue share warrants to bearer;
  - (d) Any invitation to the public to subscribe any shares or debentures of the company is prohibited.

#### **SHARE CAPITAL**

4. The nominal share capital of the company shall be Tshs 100,000,000/= and is divided into hundred shares valued at Tshs 1,000,000/= each.
5. without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with such preferred deferred or other special rights or such preferred, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.

### **PREFERENCE SHARES**

6. Subject to the provision of section 47 of the Act any preference shares, may, with the sanction of an ordinary resolution, be issued on the terms that they are or at the option of the Company are liable to be redeemed on such terms and in such manner as the company before the issue of the shares may special resolution determine.

### **MODIFICATION OF RIGHTS**

7. If at any time the share capital is divided into different classes of shares the rights attached to class (unless otherwise provided by the terms of issue to the shares of that class) may whether or not the Company is being up, be varied with the consent in writing of the holder of three fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate General Meetings of the holders of the class. The provision of these Articles relating to General Meetings shall apply, but so that the necessary to quorum shall be two persons least holding or representing by proxy three quarters of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be quorum and that any holder of shares of the class present and in person or by proxy may demand a poll and on a poll shall have one vote for each share of the class of which the is the holder.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, not be deemed to be varied by the creating or issue of further shares ranking 'pari passu.'

### **ALLOTMENT OF SHARES**

9. Subject to the provisions of these Articles relating to new shares, the shares shall be at the disposal of the Directors and they may (subject to the provisions of the statutes) allot, grant, option over or otherwise dispose of them to such persons, on such terms and conditions, and at such time as they think fit but so that no shares shall be issued at a discount, in accordance with the provision of the statutes:-
10. The company may exercise the power of paying commissions conferred by Sections 56 of the Act. Subject to the provisions of the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
11. Except as required by law, no person shall be recognized by the Company as holding any shares upon any trust, and the Company shall not be bound by or be compelled in any to recognize (even when having notice thereof) any equitable contingent, future or partial interest in any shares or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share accept an absolute right to the entirety thereof in the registered holder.

## SHARES CERTIFICATE

12. Every person whose name is entered as a Member in Register of Members shall be entitled, without payment to receive within two months after allotment or lodgment of transfer ( or within such other period as the conditions of issue shall provide) one certificate for all his shares or serial certificates each for one or more of his shares, upon payment of Shs. 5/= for every certificate after the first or such less sum as the Board shall be under the seal and shall specify the shares to which it relates of a share or shares held jointly by several person the Company shall not be bound to issue more then one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
13. If a share certificate be defaced, lost or destroyed, it may be renewed and on such terms (if any) as to evidence and indemnity and the payment reasonably incurred by the company in the investigating evidence as the directors may determine but otherwise free of charge .and (in the case of defacement or wearing out )on delivery of the old certificate.
14. No part of the funds of the Company shall be employed in the subscription or purchase of in loans upon the security of the Company 's or those of its holding companies (if any the company shall not give, weather directly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with any purchase or subscription by any person of shares in the company or in its holding companies nor make, or guarantee or provide any security for a loan to any Director of the company or of its holding companies but nothing in this Article shall prohibit transactions authorized by section 46 of the Act.

## LIEN

15. The company shall have a first and paramount lien on every share (not being a fully paid shares) for all moneys (whether presently payable or not ) called or payable at a fixed time in respect of that shares, and the company shall also have a first and paramount lien on all shares ( other then fully paid share) standing registered in the name of a single person for all moneys presently payable by him or his estate to the company, but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien (if any) on a share shall extend to all dividends payable thereon.
16. The Company may sell, in such manner as the Directors think fit any shares on which the which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled there to by reason of his death or bankruptcy.

17. To give effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
18. The proceeds of sale shall be received the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid as existed entitled to the share at the date of the sale.

#### **CALLS ON SHARES**

19. The Directors may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than month from the date fixed for payment of the last preceding call and each member shall (subject to receiving at least fourteen days notice specifying the time or times and place of payment) pay to the company, at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine
20. A call shall be deemed to have made at the time when the resolution of the Directors authorizing the call was passed and may be required to be paid by installments.
21. The joint holders shall be jointly and severally to pay all calls in respect thereof.
22. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest, on the sum from the date appointed for payment thereof to the time of actual payment at such rate not exceed eight per centum (8) per annum, as the Directors may determine, but the Directors shall be liberty to waive payment of interest wholly or in part.
23. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of nonpayment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. The Director may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
25. The Directors may, they think fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced, (until the same would for such advance become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) six per centum (6) per annum, as may be agreed upon between the Directors and the member paying such sum in advance.
26. No Member shall be entitled to receive any dividend or be present or vote on any question, either person or by proxy, at any General Meeting, upon, or to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares held by him, whether alone or jointly with any other person.

#### **TRANSFER OF SHARES**

27. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Member in respect thereof.
28. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by instrument in any usual or common form, or any other form which the Directors may.
29.
  1. A share may be transferred by a member or other person entitled transfer to any member selected by the transferor: but save as aforesaid, and save as provided by sub-articles (8) and hereof, no share shall be transferred to a person who is not a member so long as any member is willing to purchase the same at the fair value (as determined pursuant to sub-articles (2) and (6) hereof).
  2. Except where the transfer is made pursuant to sub-articles (8) or (9) hereof, the person proposing to transfer any share (hereinafter called "a proposing transferor") shall give notice in writing (hereinafter called "transfer notice") to the Company that he desires to transfer the same. Such notice shall specify the sum he fixes as the fair value, and shall constitute the Company his agent for the sale of the share to any Member of the Company (or person selected as aforesaid) willing to purchase the share (hereinafter called the "purchasing member") at the price so fixed, or at the option of the purchasing member, at the fair value to be fixed by the Auditors in accordance with sub-articles (4) hereof. A transfer notice may include several share. A transfer notice shall not be revocable except with the sanction of the Board. The transfer notice shall constitute an offer for the sale of the number of shares specified therein and the said offer shall be open for acceptance in toto by the purchasing member or members and not in respect of only some of the shares stated in the transfer notice.

3. The Directors shall forthwith give notice to all the other members of the Company of the number of the shares to be sold and the fair value fixed by the proposing transferor and invite each of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any, and if so, what maximum number of the said shares.
4. Subject to sub- articles (2) of this Articles, at the expiration of the said thirty days the Directors shall allocate the said shares to or amount the member or members who shall have expressed his their willingness to purchase as aforesaid, and (if more than one ) so far as may be necessary pro – rate according to the number of shares already held by them respectively PROVIDED THAT no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.
5. If the company shall, within the space of thirty days after being served with a transfer notice find a purchasing member and shall give notice thereof to the proposing transferor, he shall be bound, upon payment of the fair value as fixed in accordance with sub-articles (2) and (6) hereof, to transfer the to the purchasing member.
  - a. In case any difference arises between the proposing transferor and the purchasing member as to the fair value of a share, the Auditor for time being of the company shall on the application of ether party, certify in writing the sum which, in his opinion, is the fair value, and such sum shall be deemed to be the fair value and in so certifying the Auditor shall be considered to be acting an expert and as an arbitrator: and accordingly the Arbitration ordinance shall not apply.
  - b. If in any case the proposing transferor, after having become bound as aforesaid, makes a default in transferring the share the company may receive the purchase money, and the proposing transferor shall be deemed to have appointed any one Director or the Secretary as his agent to execute a transfer of the share to the purchasing member, and upon the execution of such transfer the company shall hold purchase money in the Company for the purchase money shall be a good discharge to the purchasing member and after his name has been entered in the register in purported exercise aforesaid power the validity of the proceedings shall not be questioned by any person.
  - c. If the Company shall not, within the space of thirty days after being served with the transfer notice, find a purchasing member and give notice in the manner aforesaid, the proposing transferor shall at the said thirty day able at liberty subject to sub- article (10) hereof, to sell and transfer the share ( or where there are more shares than one of these not placed) to any person whether he is a member of the company or not.

- d. Any share may be transferred by member to any child or other, issue, son-in law-, daughter – in – law, father, brother sister, nephew, niece, wife or husband of such member, and any share of a deceased member may be transferred by his executors or administrators to any child, or other issue, son – in - law, father, mother, brother, sister, nephew, niece, widow or widower of such deceased member ( to which such deceased member may have specifically bequeathed the same) and shares standing in the name of a deceased member or his executors or administrators ( if specifically bequeathed to any of the said relations) may be transferred to the trustees of his will, or may be transferred upon any charge of trustees to the trustees for the time being of such will, and the restrictions in sub- article (1) hereof shall not apply to any to transfer authorised by this sub- article.
- e. The Directors may refuse to register any transfer of a share.
  - (a) where the Company has a lien on the share: or
  - (b) where the share intended to be transferred is not a fully paid share and the Board is of the opinion that it is undesirable in respect of such share to admit the proposed transferee to membership.
- 30. The Directors may also decline to re cognize any instrument of transfer unless it is accompanied by certificate of the shares to which it relates, and other evidence as the Directors may reasonably require to show the right or the transferor to make the transfer and the instrument of transfer is in respect of only one class of shares.
- 31. If the Directors refuse to register a transfer they shall, within ninety days after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- 32. The registration of transfers may be suspended at such times and for such period (not exceeding a total of thirty days in any year) as Directors may from time to time determine.

#### **TRANSMISSION OF SHARE**

- 33. In case of death of a Member the survivor or survivors where the deceased was a sole holder, shall be the only person (s) recognized by the Company as having any title to his interest in the shares : but nothing herein contained shall release the estate of a deceased joint holder any liability in respect of any share had been jointly held by him with other person.

34. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors, and subject as herein before provide, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case have the right to decline or suspend registration as it would have had in the case of a transfer of the share by the Member before his death or bankruptcy, as the case may be.
35. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that Member.
36. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: provided that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **FORFEITURE OF SHARES**

37. If a Member fails to pay any calls or installment or a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of call or installment as is unpaid together with any interest which may have accrued.
38. The notice shall name a further date (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the even or non-pay at or before the time appointed the shares in respect of which the call a made will be liable to be forfeited.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at time there after, before the payment required by the notice has been made, be forfeited by a resolution of the Director to that effect.
40. A forfeited share may be sold or otherwise disposed of on such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be canceled on such terms as the Directors think fit.
41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay to the company all money which, at the date of forfeiture, were payable by him to the company in respect of the shares, but his liability shall cease if and when the company shall have received payment in full all such moneys in respect of the share.
42. A statutory declaration in writing that the declaration is a Director or the secretary of company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts there in stated as against all persons claiming to be entitled to the share. The company may receive the consideration ( if any ) given for the share on any sale or disposition there of, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and he shall there upon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
43. The provisions of these Articles as to forfeiture shall apply in the case of non - payment of any sum which, by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of call duly made and notified.

#### **CONVERSION OF SHARES INTO STOCK**

44. The company may by ordinary Resolution convert any paid – up shares into stock, and reconvert any stock into paid up shares of any denomination.
45. The holders of any stock may transfer the same or any part thereof in the same manner and subject to the same regulations, as to conversion have been transferred, or as near there to as circumstances admit: and the Director may from time to time fix the minimum amount of stock transferable, provided that such minimum amount shall not exceed the nominal amount of the shares from which the stock arose.

46. The holder of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages regarding dividends, voting at meetings of the company and other matter as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the asset on winding up ) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
47. Such of the Articles of the Company as are applicable to paid up shares shall apply to stock and the words share and "shareholder" therein shall include "stock" and "stockholder".

#### **ALTERATION OF CAPITAL**

48. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
49. The Company may by Ordinary Resolution , before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holder of any class of shares, in proportion as nearly as may be to be the number of shares held by them respectively, or make any other provisions as the issue of the new shares; but, in default of any such determination, or so far as the same shall not extend the new shares may be dealt with as if they formed part of the shares in the nominal capital.
50. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the nominal capital, and shall be subject to the provisions herein contained with reference to payment of calls and installments, transfer and transmission, forfeiture, lien , surrender, and otherwise. Unless otherwise provided in accordance with these Articles the new shares shall be ordinary.
51. The Company may from time by ordinary Resolution:
- a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares or
  - b) sub- divide its existing shares or any them, into shares of smaller amounts than is fixed the memorandum of Association subject, nevertheless, to the provisions of section 51(1) (d) of the ordinance; or
  - c) sub- divide its existing shares or any them, into shares of smaller amounts than is fixed in the Memorandum of Association subject, nevertheless, to the provisions of section 65(1)(d) of the Act or
  - d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed be taken by any person.

52. The Company may Special Resolution reduce its shares capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

#### **GENERAL MEETINGS**

53. The Company shall each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that the Company holds its Annual General Meeting within eighteen months of incorporation it need not hold it in the year of its incorporation or in the following year. The Annual General shall be held at time and place as the Directors shall appoint.

54. All General Meeting other than Annual General Meetings shall be called Extraordinary General Meetings.

55. The Directors may, whenever they think fit, convene an extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provide by section 134 of the Act. If at any time there are not within Tanzania sufficient directors capable of acting to form a quorum any director company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that meetings may be convened by the directors.

#### **NOTICES OF GENERAL MEETINGS**

56. An Annual General Meeting and a Meeting called for the passing of a special Resolution shall be called by twenty one days notice in writing at the least and a meeting of the company other than an Annual General Meeting for passing of a Special Resolution shall be called by fourteen days notice in writing at the least. The Notice shall be exclusive of the date on which it is served or deemed.

#### **PROCEEDINGS AT GENERAL MEETINGS**

57. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of Declaring a dividend the consideration of the accounts balance sheets and the reports of the Directors and Auditors, the election of Directors in place of those retiring and the appointment of and the fixing of the remuneration of the Auditors.
58. No business shall be transacted any General Meeting unless a quorum of members is present, at the meeting unless a quorum of members is present at the time when the meeting proceeds to business.

59. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened up on the requisition of a member, shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time, and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
60. The Chairman (if any and present at meeting) of the Board of Directors shall preside as Chairman at every General Meeting of the company.
61. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for seven days or more, notice of the original meeting shall be given as in the case of the original member. Save as aforesaid, it shall not be necessary to give notice of an adjournment or the business to be transacted at adjourned meeting.
62. At a General a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the show of hands) demanded.
- (a) by the Chairman of the Meeting ; or
- (b) by any member or member present in person or proxy.
- Unless a poll be so demanded a declaration by the Chairman of the Meeting that that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
63. Except as provided in a poll demanded on the election of a Chairman or a question of adjournment shall be taken in such manners as the chairman directs, and the result of the meeting at which the poll was demanded.
64. A poll demanded on the election a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs but not later than ten days from the date the poll is demanded, and any business other than upon which a poll has demanded may be proceeded with pending the taking of the poll.

65. Subject to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the members or duly authorised representatives concerned.

#### **VOTES OF MEMBERS**

66. Subject to any rights or restrictions of the time being attached to any class or classes of shares, every member present in person or by proxy shall on a show of hands have one vote and on a poll have one for each shares of which the holder.
67. In the case of joint holders the vote of the senior who tenders a vote, whether in person or but proxy, shall be accepted to the exclusions of the votes of other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of member.
68. A member of unsound mind, or in respect of whom an order has been made by any court having justification in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian appointed by that court, and any such committee or other legal guardian may vote by proxy.
69. No member shall be entitled to vote at general meeting unless all calls or Other sums presently payable by him in respect of shares in the company have been paid.
70. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
71. On a poll votes may be given either personally or by proxy.
72. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised in writing. A proxy need not be a member of the company.

73. The instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or notarially certified copy of that power authority shall be deposited at the registered office of the company (or at such other place as is specified for that purpose in the notice convening the meetings) not less than 48 hours before the time for holding. The meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in case of a poll taken subsequently to the date of a meeting or adjourned meeting not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of its execution.

74. The instrument appointing a proxy shall be in the following form or such other form as the Board may approve.  
I / WE.....  
of.....  
being a member/members of the named company, hereby  
appoint.....  
of.....  
or failing him.....  
of .....  
as my / our proxy to vote for me / us  
on my / our behalf at the ordinary or  
extraordinary, as the case may be  
general meeting of the company,  
to be held on the..... day of .....  
and at any adjournment thereof.  
Signed this ..... day of .....

75. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit-  
I / WE.....  
of.....  
being a member / members of the named company, hereby  
appoint.....  
of.....  
or failing him.....  
of .....  
as my / our proxy to vote for me / us  
on my / our behalf at the ordinary or  
extraordinary, as the case may be  
general meeting of the company, to be held on the..... day of .....  
.....and at any adjournment thereof.  
Signed this ..... day of .....

76. The instrument appointing a proxy shall be deemed to confer authority to demand or join demanding a poll.
77. A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the share in respect of which the instrument of proxy is given, provided that no transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **CORPORATION ACTING BY REPRESENTATIVES AT MEETINGS**

78. Any corporation [whether a company within the meaning of the Act not) which is a member of the Company may by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representative at any meeting of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. Its representative duly authorized under this Article will deem corporation, which is a Member of the Company, to be present in person.

#### **DIRECTORS**

79. (a) The numbers of directors and the names of the first directors shall be determined in writing by the subscribers of the Memorandum of Association or majority of them and until such determination, the signatories to the Memorandum of Association shall be the first directors.. Unless otherwise determined by ordinary resolution the number of directors shall not be subject to any maximum but shall be not less than two.
- (b) The shareholding qualification for directors may be fixed by the company in the general meeting, and unless and until so fixed no qualification shall be required.
80. The remuneration of Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day. The Director and any alternate Director may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meeting of the directors or any committee of the Directors or General Meetings of the company: or in connection with the business of the company.
81. Any Director who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors of the Company are outside the scope of the ordinary duties of a Director, may be paid such remuneration by way of salary, percentage of profit or otherwise as the Directors may determine.

82. A Director shall not require qualification but shall never the less be entitle to attend and speak at any General Meeting of the Company.
83. A Director of the company may be or become a director or other officer of, otherwise interested in any company promoted by the company or in which the company may be interested as a share holder or otherwise, and no such Director shall be accountable to the company for any remuneration or other benefits received by him as a Director of office of or from his interest in, such other company unless the company otherwise Direct.

#### **POWER AND DUTIES OF DIRECTORS**

84. The business of the company shall be managed by the Directors, who may pay all expenses incurred in promoting the registering of the Company and may exercise all such power of the company as are not by the Act or by these articles required to be exercised by the company in General meeting subject nevertheless to any of these Articles, to provisions of the ordinance, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in General Meeting; but no regulation made by the company in General Meeting shall invalidate any prior act of the Directors which would have been if that regulation had not been made.
85. The Director may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorneys or attorney of the company for such purpose and with such power, authorities and direction not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any the power, authorities and Discretion vested in him.
86. The Directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the company or any third party; provided that the amount for the time being remaining un discharged of money borrowed or secured by the Directors as aforesaid (a part from temporary loans obtained from the company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the company in general meeting, for the time being issued, but never the less no lender or other person dealing with the company shall be concerned to see or inquire whether this limit is observed.

No debt incurred or security given in excess of such limit shall be invalid or in effectual except in the case of express notice to the lender or the recipient of the security given at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

87. The company may exercise the powers conferred upon the company by section 124 and 127 of the Act with regard to the keeping of a branch register and the Directors may (subject to the provisions of these sections) make and vary such regulations as they may think fit respecting the keeping of such register.

88. A Director who is in any way, whether directly or indirectly, Interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the Directors in accordance with section 209 of the Act

Subject to the provisions of the Act, and provided that he has disclosed the nature and extent of any material interest of his, a director notwithstanding his office

(a) May be a party to or otherwise interested in, any transaction or arrangement with the company or in which the company is interested,

(b) May be a director or other office of or employed by, or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the company or in which the company may be interested.

(c) Shall not, by reason of his office be accountable to the company for any benefit which he derives from any such office or employment remuneration or other benefits received by him as director or officer of or from his interest in, such other company unless the company otherwise directs.

Provided that nothing herein contained shall authorize a director or his firm to act as auditor to the company

89. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.

## MINUTES

90. The directors shall cause minutes to be made in the book provided for the purpose;
- (a) of all appointment of officers made by the directors;
  - (b) of the names of the directors at all meeting of the directors and of any committee of the directors;
  - (c) of all resolutions and proceedings at meetings of the company, and of the directors and of committee of directors; but it shall not be necessary for the directors to sign their names in the minute book
91. The directors on behalf of the company may pay gratuity or pension or allowance on retirement to any director who had held any other salaried office or place of profit with the company or to his widow or dependants and may make contributions to any fund any pay premiums for the purchase or provision of any such gratuity pension or allowance.

## DISQUALIFICATION OF DIRECTORS

92. The office of Director shall be vacated if the Director :
- (a) ceases to be a director by virtue of section 142 of the Act.
  - (b) becomes bankrupt or make any arrangement or composition with his creditors generally; or
  - (c) becomes prohibited from being a director by reason of any order made under sections 213 or 269(4) of the Act.
  - (d) Becomes of unsound mind; or
  - (e) Is dismissed or removed from office by his appointor
  - (f) Resigns his office by notice in writing to the company; or
  - (g) Shall for more than six months have been absent without permission of directors from meetings of the directors held during that period and the directors resolve that his office be vacated.
93. Subject to Articles 81 and hereof the Directors shall have power at time from to appoint any person to be Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the number of Directors shall not at any time exceed the maximum prescribed by these Articles. Any Director so appointed shall hold office until the next following Annual General Meeting, but shall then be eligible for reappointment by his appointing share holder (s).

At any time and from time to time company may by ordinary resolution appoint any person to be a Director ( but so that the maximum number of Directors, is not exceeded) and determine the period for which such person is to hold office.

94. The company may from time to time by ordinary resolution increase or reduce the number of Directors, and may also determine in what manner the increased or reduced number is to go out of office.

#### **SPECIAL DIRECTOR FOR DEBENTURE HOLDERS**

95. 1. Subject as hereinafter provided the Directors may grant, for such period and upon such terms as they think fit, to holders of any debentures, debenture stock or other obligations of the company or the trustees of any trust deed securing the same, the right from time to time to appoint any person special directors but so that no more than two special directors shall be in office at any one time; to determine the period for which any person so appointed will hold office and to remove any special Director from his office.
2. Any right so granted shall lapse, and any special Director appointed pursuant hereto shall automatically vacate his office upon the debenture stock or other obligations, in respect of which the right was granted, being redeemed paid or satisfied or otherwise discharged.
3. A special Director shall in all other respects be subject to the terms and conditions existing with reference to the other director, and shall be entitled to receive notice of all meeting of the Directors, and to attend, speak and vote at such meetings.
4. Every appointment, determination or removal made pursuant to a right granted under this regulation shall be made by notice in writing signed by or on behalf of the person entitled to make the same; every such notice shall be delivered or sent to the secretary or to the registered office of the Company, and shall take effect from the time of receipt.
96. The company may by ordinary resolution, of which special notice has been given in accordance with section 144 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the company and such Director. Such removal shall be without prejudice to any claim such Director may for damages for breach of any contract of service between him and the company.

#### **PROCEEDING OF DIRECTORS**

97. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meeting, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The chairman shall not have a second or casting vote.
98. The quorum necessary for the transaction of the business of the directors may be fixed by the Directors unless so fixed shall be two.

99. The Directors may elect from among themselves a Chairman of their meetings and determine the period for which he is to hold office.
100. Meeting of Directors at which a quorum is present shall be competent to exercise all powers and descriptions for the time being exercisable by the Directors.
101. All acts done by any meeting of the Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if such person had been duly appointed and was qualified to be a Director.
102. A resolution in writing, signed by all the Directors for the time being entitled to receive notices of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

#### **MANAGING DIRECTOR**

103. The Directors may from time to time appoint one of their body or any other person not a Director to the office of Managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall not, whilst holding that office, be subject to retirement at the annual General Meeting, but his appointment shall be automatically determined if he ceases from time to time to be a Director.
104. A Managing Director shall receive remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.
105. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of powers.

#### **ALTERNATE DIRECTORS**

106. Any Director may at any time appoint another Director or other person to be an alternate Director of the company in his place and may at any time remove from office alternate Director so appointed by him. An alternate Director shall not be entitled as such to receive any remuneration from the company, but he shall be entitled to perform in the place of his appointor such of the functions of his appointor as the Director of the company as his appointor shall by instrument of appointment prescribe. The same person may be appointed as an alternate Director by any number of Directors.

107. An alternate Director appointed for the purpose of attending and voting at meetings of Directors shall be entitled to receive notices of all such meeting and to attend and be counted in the quorum and vote at any such meeting at which his appointor is not present. A alternate Director shall be entitled to vote in respect of each appointor in whose place he is entitled to vote and (if himself a Director) may exercise such vote or vote in addition to his own vote at a meeting: provided always that nothing in this Article shall enable more than one vote to be cast at any meeting of the Director on behalf of the same appointor.

108. All appointments and removals of alternate Directors shall be made by notice in writing, signed by or behalf of the Director making the appointment and shall take effect from the time of receipt by the company.

#### **SECRETARY**

109. The secretary shall be appointed by the Director for such term, at such remuneration and upon such conditions as they may think fit ; and any secretary so appointed may be removed by them.

110. No person shall be appointed or hold office as secretary who is;

(a) the sole Director of he company

(b) a corporation the sole Director of which is the sole Director of the company; or

(c) the sole Director of a corporation which is the sole Director of the company.

111. A provision of the Act or these Articles requiring or authorizing a thing to go done by or to a Director and the Secretary shall not be satisfied by its being done by or the same person acting both as Director and as, or in place of, the secretary.

#### **THE SEAL**

112. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or a committee of the Directors authored by the Director in that behalf and every instrument to which the seal shall be affixed shall be signed by two Directors or some other persons authorised by the Directors for the purpose.

#### **DIVIDENDS AND RESERVE**

113. Subject to section 180 of the Act the company in General Meeting by ordinary resolution may declare dividends but no dividend shall exceed the amount recommended by the directors.

114. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the company.
115. No dividend shall be paid otherwise than out of profits.
116. The Director may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for any purpose to which the profits of the company, may be properly appointed and pending such application may at the like discretion, either be employed in the business of the company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profit which they think prudent to divide.
117. Subject to the rights of persons, (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any dividend is paid; but if any shares issued on terms providing that it shall rank for dividend as from a particular date such share shall rank dividend accordingly.
118. The Director may deduct from any dividend payable to any member all sums of money (if any) presently payable to the company on account of calls or otherwise in relation to the shares to the company.
119. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of special asset and particular of paid up shares, debentures or debenture stock of and other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific asset or part thereof and may determine that cash shall be made to any members upon the footing of the value so fixed in order to adjust the rights of the parties, and may vest any such specific assets in trustees as seem expedient to the Directors.

120. Any dividend, interest or warrant may be sent through the post directly to the registered address of the holder or in the case of joint holders to the registered address of joint holders or to the registered address of one the joint holders who is first named in the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipt for any dividends, bonuses or other money payable in respect of the shares held by them as joint holders.

122. No dividend shall bear interest against the company.

#### **ACCOUNTS**

123. The Directors shall cause proper books of account to be kept with respect to:-

- (a) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;
- (c) All sales and purchases of goods by the company; and
- (d) The assets and liabilities of the company .

Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

124. The Directors shall from time determine whether and to what extend and at what times and place under what conditions or regulations the accounts and books of the company or any of them shall be open to inspection of members not being Directors and member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the Directors or by the company in General Meeting.

125. The Directors shall from time to time, in accordance with sections 153,155 and 159 of the Act, cause to be prepared and to be laid before the company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as referred to in those sections.
126. In accordance with section 163 of the Act, the copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in General Meeting, together with a copy of the Auditor's report, shall not less than twenty one days before the date of the meeting be sent to every member of and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

#### **CAPITALIZATION OF PROFITS**

127. The company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or the credit of the profit and loss account or otherwise for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the towards paying any amounts for the time being up paid on any shares held by such members respectively or paying up in full unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid or partly in the one way and partly in the other, and the Directors shall give effect to such resolution: provided that a share premium Account and a capital Redemption Reserve Fund, may for the purposes of unissued shares to be issued to members of the company as fully paid bonus shares.
128. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect hereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for their case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all the members entitled thereto into an agreement with company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the company on their behalf, by the application resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

## AUDIT

129. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.

## NOTICES

130. A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or ( if he has no registered address within Tanzania) to the address, if any, within Tanzania supplied by him to the company for the giving of notice to him. Where a notice is sent by post , service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 72 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
131. A notice may be given by the company to the joint holders of a shares by giving the notice to the joint holder first named in the Register of Members in respect of the share.
132. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, supplied to the company.
133. Notice of every General Meeting shall be in any manner herein before authorised to:
- (a) every member except those members who ( having no registered address within Tanzania ) have supplied to the company an address within Tanzania for the giving of notices to them;
  - (b) every person upon whom ownership of a share devolves by reason of his being a legal personal representative or trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
  - (c) the Auditor for the time of the company.

No other person shall be entitled to receive notices of General Meetings.






### **WINDING – UP**

134. If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

135. Every Director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 481 of the Act, in which relief is granted or in connection with any application under section 481 of the Act in which relief is granted to him by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may to or be incurred by the company in the execution of the duties of his office or in relation thereto.

If and whenever any dispute or difference shall arise between the company and any of the member or their representative touching upon the construction or meaning 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 hereunder or rising out of the relations existing between the parties by reason of these Articles or the Act, such difference shall (unless a sole arbitrator be agreed upon) forthwith be referred to the decision of two arbitrators one to be appointed by each part in difference or to an umpire to be appointed by the arbitrators before entering into consideration of matters referred to them and every such reference shall be conducted in accordance or any other existing statutory modification or reenactment thereof.

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature
BUSINESS WEAR LIMITED 405 PRIMER BUILDING MAHE, SEYCHELLES (SUBSCRIBER)	70	
ABBAS HABIB NASSER P.O. Box 21393 DAR ES SALAAM (SUBSCRIBER)	25	
IGOR IVANOVICH OVCHAROV KUTUZOVSKI ST 32/69 MOSCOW RUSSIA (SUBSCRIBER)	3	
MIKHAIL FEODOROVICH KORNILOV ORDINARNAYA ST. 05/18 ST. PETERSBURG 197136 RUSSIA (SUBSCRIBER)	1	
YURY FEODOROVICH NIKULIN SVETOI BULEVARD HOUSE NO. 2/1 MOSCOW RUSSIA (SUBSCRIBER)	1	

DATED at Dar es Salaam this 4th day of February 2007

WITNESS TO THE ABOVE SIGNATURE:

Signature: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Qualification: \_\_\_\_\_

ALEX MASHAMBA BALOMI LL.B (Hons.)  
ADVOCATE, NOTARY PUBLIC AND  
COMMISSIONER FOR OATHS  
P.O. BOX 11695  
DAR ES SALAAM  
TANZANIA

2



Independence Avenue  
P.O. Box 168  
Victoria  
Mahe, Seychelles  
Tel: +248-6728412  
Fax: +248-6728419

E-mail: [hsbcmahbranch@hsbc.sey](mailto:hsbcmahbranch@hsbc.sey)

Ref: 281/3

18<sup>th</sup> February, 2009

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

**Re: Investment Project of Business Wear Limited**

Please be informed that M/s Business Wear Limited of 405 Premier Building, Mahe, Seychelles is a client of this bank.

We understand they have registered a company in Tanzania by the name of RJC AFRICA LIMITED whereby they have subscribed 70% of the shareholdings, their objective being to invest in a Raw Gold Processing Facility in Dar es Salaam with a Capital Investment Cost of US\$ 850,000 and export the finished product of refined gold.

We hereby confirm that our client has the necessary resources to finance and invest in the envisaged project. This bank may also pre-finance the project of our client.

Please be guided accordingly.

Sincerely yours,



Mathew Anderson  
Manager - Corporate Banking

**FEASIBILITY STUDY FOR THE ESTABLISHMENT  
OF RAW GOLD PROCESSING FACILITY  
IN DAR ES SALAAM**

**PROMOTER: M/S RJC AFRICA LIMITED**

**P. O. BOX 21393**

**DAR ES SALAAM**

**TANZANIA**

**PREPARED BY:**

**B. T. & SONS LIMITED**

**BUSINESS CONSULTANTS**

**P.O. BOX 5509**

**TEL: 0787 - 947684**

**DAR ES SALAAM.**

**FEBRUARY, 2009**

## TABLE OF CONTENTS:

CHAPTER	SUBJECT	PAGE
1.0	<b>EXECUTIVE SUMMARY</b>	1
1.1	SHARE HOLDING	2
1.2	ECONOMIC BENEFITS	3
1.3	PROFITABILITY	4
1.4	ECONOMIC RATE OF RETURN	4
1.5	FINANCING PATTERN	5
1.6	LOCATION	5
2.0	<b>PROJECT OBJECTIVE</b>	6
2.1	PROJECT INVESTMENT	6
3.0	<b>AVAILABILITY OF THE PRODUCT</b>	9
4.0	<b>THE MINING INDUSTRY</b>	10
5.0	<b>MARKET FOR THE FINISHED PRODUCTS</b>	11
6.0	<b>PROJECT OPERATING COSTS</b>	12
7.0	<b>IMPLEMENTATION SCHEDULE</b>	14
8.0	<b>REVENUE ESTIMATES</b>	15
9.0	<b>FINANCIAL ANALYSIS</b>	16
10.0	<b>CONCLUSION AND RECOMMENDATION</b>	17

## 1.0 EXECUTIVE SUMMARY:

The project envisages the establishment of a gold processing facility in Dar es Salaam with an objective of buying raw gold, smelting assaying and generally semi refining into pure gold. This project is being promoted by M/s RJC AFRICA LTD a private limited liability company registered and incorporated in Tanzania. The main objectives for which this company is incorporated are:

- (a) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease or in exchange or other precious stones, and any interest therein, and to explore, mine work excise develop and turn to account prospecting and mining right and all necessary licences and any undertaking connected therewith. And to establish and operate a gemstone cutting and polishing facility, and gold processing facility and to deal in the export of precious and semi precious minerals diamonds gold and gemstone, either in raw from or cut and polished.
- (b) To establish and operate a website to connect businesses and result in business growth, job creation and greater international awareness of opportunities, products and services in Tanzania and also to carry on the business as advisers, managers, consultants to any individual, firm or business enterprise in the collection, investigation, analysis, and dissemination of information on any commercial, industry, management, financial or other aspect of business.

- (c) To carry on the businesses of landscaping, designers, flower arrangers and decorators, maintenance and generally to undertake decorating assignments and jobs for whomsoever and any other business related thereto.
- (d) To carry on the business of tourism in general and marine tourism; sports fishing, snorkeling, deep sea diving, sea game fishing, luxury boat charter, sailing/beach holidays and any other business related thereto.
- (e) To act as dealers in industrial machines and equipment, agricultural machinery implements, tools and equipment, refrigerators, air-conditioning plants, domestic and industrial equipment and machinery.

### 1.1 SHAREHOLDING:

The shareholders with their respective shareholding structure are the following:

Name	Address	Description	Number of Shares Taken by each Subscriber
Business Wear Limited,	405 Premier Building Mahe, Seychelles	Subscriber	70
Abbas Habib Nasser	P. O. Box 21393, Dar es Salaam, TANZANIA	Subscriber	25
Igor Ivanovich Ovcharov	Kutuzovski ST 32/69 Moscow, RUSSIA	Subscriber	3
Mikhail Feodorovich Kornilov	Ordnamaya ST 05/18 ST Petersburg 197136 RUSSIA	Subscriber	1
Yury Feodorovich Nikulin	Svetoi Bulevard, House No. 2/1 Moscow, RUSSIA	Subscriber	1

## 1.2 ECONOMIC BENEFITS:

The proposed project will have substantial economic values to the nation in the following ways:-

- (a) The project is local resource based and 100% export oriented, hence it is going to generate foreign exchange for the country.
- (b) From the socio-economic point of view the project will create employment to the residents living in the project's vicinity thus offering a significant stimulus to an area which is on the mining periphery. During the first year about 26 people are expected to be employed ranging from managerial, technical and semi-skilled staff.
- (c) The Government will earn substantial revenue in the form of corporate taxes. Commencing the sixth (6<sup>th</sup>) of its operations the project will generate taxes amounting to USD 755,000 annually.
- (d) Gold mining business being commercially a viable venture will have some multiplier effect on other economic activities being carried out by the people in the country.

### 1.3 PROFITABILITY:

The Internal Rate of Return on total investment when discounted over a period of ten years is well above 55%. This is arrived at by inspection method. Since the return exceeds the anticipated cost of capital of 19% it can be concluded that this project is both economically and financially a viable venture. Applying sensitivity analysis the project can withstand a decrease in sales volume up to 25% or ceteris paribus' an increase in variable costs (*cost of sales*) up to 25% and still remain a viable venture.

### 1.4 ECONOMIC RATE OF RETURN:

(a) **Value Added:**

The value added to the GNP works out at USD 4,073 million which 54.3%% when expressed in percentage to the annual sales turnover based on the fifth year of the operations.

The value added is calculated as follows:-

	<b>USD (000'S)</b>
(i) Profit before	3,891
(ii) Salaries and Wages	140
(iii) Economic Depreciation	<u>42</u>
<b>Total</b>	<b><u>4,073</u></b>
(iv) Annual Sales Revenue	<u>7,500</u>

(b) **National Significance:**

The export business of gold being commercially a viable venture will undoubtedly increase revenue in the country which will partly be utilized in improving the social and physical infrastructural services geared towards the efforts of protecting the environment.

**1.5 FINANCING PATTERN:**

The company proposes to finance this project through owners equity contribution of USD 400,000 by the majority shareholders *i.e.* M/s Business Wear Limited of Mahe Seychelles and the balance by a short term loan from commercial banks.

**1.6 LOCATION:**

The sponsors propose to establish the project in Dar es Salaam where it has its registered office. The local address is P. O. Box 21393 Dar es Salaam. The site of the gold processing Facility will be identified immediately all the necessary legal and logistical affairs are completed including the Certificate of Incentive from the Tanzania Investment Centre for which this report is part of an application prerequisite.

## **2.0 PROJECT OBJECTIVE:**

The project intends to establish a gold servicing facility based in the city of Dar es Salaam to include buying raw gold, smelting, assaying and generally semi refining into pure gold. The semi refined gold will be compacted into different size bars e.g. 250 gms; 500gms and 1 kilogram pieces, ready for export.

## **2.1 PROJECT INVESTMENT:**

M/s RJC AFRICA LIMITED plans to invest initially a total of US\$ 850,000.

Out of the total investment of US\$ 850,000 US\$ 90,000 will be earmarked for working capital requirements of at least 1 month. Subsequently the company's sales should take care of all her working capital needs. The breakdown of the proposed investment is as follows:-

### **(i) Buildings:**

It is planned to begin operations initially in rented premises for more than one year thereafter the sponsors will acquire a suitable building in a secure vicinity which will house the company's operations. This is expected to cost some US\$ 100,000 only.

**(ii) Machinery and Equipment:**

A complete list of the necessary machinery and equipment for semi refining raw gold has already been identified. They include the following which are estimated to cost US\$ 532,394 landed cost Dar es Salaam. The machinery and equipment will be sourced from manufacturers in the Russian Federation.

**(iii) List of Machinery and Equipment for Gold Purification in US\$:**

1.0	Furnace – Electrical/Gas – 2 Nos	370,000
2.0	Balances – 1 No for Pulp Acid	
	1 No. for Raw Gold	60,000
	Up to 6 kgs capacity	60,000
3.0	Crucibles – 3 Nos graphite -	1,350
	- 1 No Fire clay	1,500
4.0	Crucible Tongs – 10 Nos	2,000
5.0	Stainless steel pots for cleaning raw gold – 5 Nos @ \$ 80	400
6.0	Hot Plates (Kerosene stove)-2 Nos	400
7.0	Cast Iron Moulds – 25 Nos	39,574
8.0	Ingot Moulds – 500 grams – 20 Nos	
	1Kg. – 10 Nos-	15,000
9.0	Beakers – 10 Nos @ \$ 250	2,500
10.0	Magnifying glass – 20 Nos	500
11.0	Forceps (tweezers) – 20 Nos	200
12.0	Hand Magnet – 20 Nos	400
13.1	Containers – plastic pails & basins – 10 Nos	25
14.0	Misc. Equipments	545
	<b>Total</b>	<b><u>532,394</u></b>

**(iv) Motor Vehicles:**

One (1) 4 wheel drive vehicle and two (2) saloons for the use by the management will be acquired. There is a replacement cost at the end of year 4 (for). Total Investment here will be US\$ 85,000.

**(v) Office Equipment and Furniture:**

Included inhere are computers, A/Cs. Security safes, normal office furniture and fixtures – Total investment is US\$ 30,000 only.

**(vi) Pre-Operational Expenses:**

Expenses covered under this investment item include travelling hotel accommodation for investors, company registration and related issues; consultancy and legal fees, recruitment, training and plant commissioning costs. This item is estimated to cost US\$ 12,500.

**(vii) Initial Working Capital - \$ 90,000**

Calculations as well as assumptions for working capital requirements are briefly as under:

- One half month cost of purchase of raw gold valued at US\$ 60,000 (US\$ 5 x 288,000)

12 x 2

-	Salaries & Wages – 1 months	\$	7,463
-	Insurance – 3 months	\$	6,962
-	Marketing – 2 months	\$	1,547
-	Utility – 1 month	\$	1,596
-	Administration – 1 month	\$	538
-	Advance towards Royalties	\$	<u>12,000</u>
	<b>Total</b>	\$	<b><u>90,106</u></b>

### 3.0 AVAILABILITY OF THE PRODUCT:

The availability of gold in mainland Tanzania is well spread in 9 regions of the existing 13 regions in the country. These are the following:-

i)	Ruvuma	-	1,033	kms from Dar es Salaam
ii)	Mtwara	-	600	kms from Dar es Salaam.
iii)	Singida	-	725	kms from Dar es Salaam.
iv)	Mbeya	-	893	kms from Dar es Salaam.
v)	Lindi	-	486	kms from Dar es Salaam.
vi)	Mwanza	-	1,199	kms from Dar es Salaam.
vii)	Shinyanga	-	1,036	kms from Dar es Salaam.
vii)	Mara	-	1,193	" "
ix)	Rukwa	-	893	" "

Based on the above factor it is strongly believed that the product will be obtained in abundance even under very adverse conditions.

#### **4.0 THE MINING INDUSTRY:**

The industry like any other in the country has suffered several setbacks during the past four decades mainly due to the following reasons:-

- Poor technology and unskilled intensive labour.
- Lack of proper modern machinery and equipment.
- Lack of production control, financial constraints and mismanagement.

The other factors which contributed to the negative influence in the development and growth of this prime industry is creative mind and enthusiasm. Coupled with these problems from 1985 Tanzania Government started undertaking various measures towards social and economic development geared towards the efforts of streamlining and improving its economy. It is therefore of the paramount importance that private companies such as RJC Africa Ltd be in a forefront to assist the Government in this noble challenge of implementing the strategies and targets to be achieved in respect of economic growth and poverty eradication. It is on the basis of this reason that the company has decided to embark on this programme. The firm contemplates further to contribute its views in the National Poverty Eradication Strategy (NPES) formulated by Government as an instrument for channeling national efforts towards broadly agreed objectives and as an integral part of the on going macroeconomic and structural reforms.

#### **4.1 THE PRODUCTS:**

The project's final products are semi-refined gold ingots and bars of various sizes as per market requirements. Proposed sizes are essentially rectangular shaped gold bars weighing from 250gms a piece: 500 gms: 1 kilograms and 2 kilogram pieces.

#### **5.0 MARKET FOR THE FINISHED PRODUCTS OF THE PROJECT:**

##### **5.1 Foreign Market:**

The predominant market for rectangular shaped bars is essentially Europe. North America and the Far East. The company proposes to sell more than 95% of her production to European markets through their Moscow based marketing Associates. The balance will be for local sales and Afro-Asian markets.

##### **5.2 Local Market:**

Since the local community is also endowed with jewelers and individual buyers, the company will set aside 5% of her production for the local market.

##### **5.3 Distribution:**

The company products will be distributed using all viable existing jewellery shops. Product advertisement in the local mass media might be resorted to if it will deem necessary depending entirely on market exigencies.

#### **5.4 Pricing:**

A competitive price structure taking into consideration prices of similar products (*both local and external dealers*) will be worked out as part of the overall marketing strategy. Initially for this study report a price of US\$ 50 per gram has been used in the projections while that of US\$ 30 per gram has been used as the purchasing price of raw gold. It is believed that this price structure will be adequately competitive to attract both local as well as external gold dealers to the company's products.

#### **6.0 PROJECT OPERATING COSTS:**

Prices of inputs are assumed to remain constant commencing the eighth year onwards. The prices of all goods and services will rise including those of outputs thus leaving the profit margin unchanged.

##### **(i) Raw Materials (*Raw gold:***

In the initial period, year one raw gold worth the equivalent of US\$ 1,700,000 will be purchased for processing and refining. This value represents 312,000 grams of raw gold. This also represents only 65% of installed capacity of 480,000 grams per annum or 40000 grams per month. A loss of 15% in weight is incorporated resulting from the refining process. Production capacity increases steadily to 432,000 grams in year (four). From year four onwards production stabilizes at 90% capacity (432,000 grams) worth US\$ 2,160 per annum.

**(ii) Marketing Expenses:**

Finished products *i.e* gold ingots/bars require special packing for marketing inclusive of costs of shipping and sales promotion. This cost element has been assumed to be 0.5% of total sales value per annum.

**(iii) Salaries and Wages:**

Direct labour costs have been estimated according to the number of employees required to operate the plant and their remuneration include fringe benefits. The total cost of labour has been estimated at US\$ 89,560 in year one; US\$ 119,876 in year two; US\$ 127,244 in year three; US\$ 139,968 in year four and onwards.

**(iv) Utility:**

The assumption made here is that electricity will be required to run the furnaces and other refining machinery, while diesel/petrol will be utilized to run the three motor vehicles as well as water for the plant. A budget of US\$ 19,148 in year One: US\$ 20,105 in year two: US\$ 22,116 in year three and US\$ 24,328 in the fourth year till the end of the planned period of operations,

**(v) Administration:**

Under this cost title include things like office management expenses; telephone, fax, e-mail; postage, licences, accounting and audit fees, Directors sitting allowances, etc. A figure of US\$ 6,450 has been estimated for year one rising by 10% annually and stabilizing at US\$ 9,443 in the fourth year until the end of the projected period.

**(vi) Insurance:**

It is estimated at about 1.5% of the total value of annual sales, but this premium covers equally the entire capital investment outlay. A figure of US\$ 27,846 in year one – stabilizing at US\$ 38,556 in the fourth year and subsequently.

**(vii) Royalties:**

A budget of 5% on the total annual sales value has been incorporated as a major cost to the finished product. See Annex V. The exchequer will earn in year one US\$ 92,820 rising as sales grow to us 128,520 in year four and stabilizing at that level for the remainder of the period due to retaining a uniform sales price throughout.

**7.0 IMPLEMENTATION SCHEDULE:**

The project is planned to be implemented over a period of 18 months from the date of acquiring TIC approval. The company will acquire her own premises during the second year of operation.

Delivery of machinery and equipment will take up to three months from the date of establishing letters of credit for purchase of same while installation, trials and commissioning of the plant will take four months after clearing the equipment from the port.

## 8.0 REVENUE ESTIMATES:

### A. 1<sup>st</sup> year:

Based on production capacity revenue has been projected as follows:

50 tons x 1,000 grams=50,000 grams a year

50,00 grams x export price of USD 50 per gram=**USD 2,500,000 million p.a.**

### B. 2<sup>nd</sup> year

60 tons a month

6 tons x 1,000=60,000 grams a year

6,000 grams x export price of USD 50 per gram=**USD =3,000,000. per annum.**

### C. 3<sup>rd</sup> year:

70 tons a month.

70 tons x 1,000=70,000 grams a year.

70,000 grams x export price of USD 50 per gram = **USD 3,500,000= per annum.**

### D. 4<sup>th</sup> year

There will only be 80 tons available for export. 80 tonnes x 1,000= 80,000 grams a year x export price of USD 50 per gram= **USD 4,000,000= per annum.**

### E. 5<sup>th</sup> year

From this year onwards until the end of the projected period sales have been projected at USD 7,500,000 a year

#### Basis:

The assumption is that commencing this year there will be 150 tons available annually for export 150,000 grams x USD 50 =**USD 7.5 million.**

## **9.0 FINANCIAL ANALYSIS:**

### **9.1 PROJECTED PROFIT AND LOSS STATEMENT:**

This financial statement shows that the project will make a net profit after tax of USD 387,000 starting the first year and thereafter increasing up to USD 3.8 million in the fifth year. Revenue reserve would have accumulated up to USD 13.3 million towards the end of the tenth year.

### **9.2 PROJECTED CASHFLOW:**

The projected Cashflow Statement in (*Annex 2*) indicates that the project has a healthy cash net flows for the first six years. The netflows increase from USD 187,000 starting in year one, increasing up to USD 1.2 million towards the end of the eighth year. The cumulative cash-cash in hand would have accumulated up to USD 11.6 million towards the end of the tenth year.

### **9.3 PROJECTED BALANCE SHEET:**

The Balance Sheet in (*Annex 3*) shows favourable net assets condition of the business throughout the planned period of operations. The assets are well covered by all maturing obligations, and that net worth increases steadily from USD 387,000 in the first year to USD 13.3 million in towards the end of the tenth year.

#### **9.4 PAYBACK PERIOD:**

The original investment is USD 850,000. The analysis in *(Annex 4)* suggests payback period to be around the second year. This simply means that it will take two years for the project to recoup its initial investment cost of USD 850,000.

#### **10.0 CONCLUSION AND RECOMMENDATION:**

On the basis of the evaluation done so far it is confidently concluded that this project is technically, financially, and economically a viable venture. It has an acceptable Internal Rate of Return as far as the investor is concerned. As presented in this report the project is adequately satisfactory for its implementation and is highly recommended. We urge all the authorities involved in the approval and facilitation process to do so at the earliest date possible.

## PROJECTED PROFIT AND LOSS STATEMENT

USD: (000'S)

ITEM/YEAR	1	2	3	4	5	6	7	8	9	10
General Revenue	2,500	3,000	3,500	4,000	7,500	7,500	7,500	7,500	7,500	7,500
<b>Less: Operating Expenses:</b>										
1. Salaries and Wages	90	120	127	140	140	140	140	140	162	162
2. Product Purchases	1,700	1,900	2,185	2,800	3,000	4,300	4,300	5,000	5,000	5,000
3. Fuel Consumption	100	140	160	195	180	200	235	235	235	235
4. Administration	16	18	18	18	20	20	20	30	30	30
5. Insurance	28	30	34	39	39	39	39	39	39	39
6. Maintenance & Spare parts	0	47	0	55	0	55	0	60	60	60
7. Marketing costs	9	10	11	12	13	13	13	13	13	13
8. Utilities	19	20	22	24	24	24	24	24	24	24
9. Royalties	93	100	114	129	129	129	129	129	129	129
10. Transport & Travelling	18	18	18	22	22	25	25	30	30	30
11. Economic Depreciation	40	42	42	42	42	39	39	39	39	39
<b>TOTAL EXPENDITURE</b>	<b>2,113</b>	<b>2,445</b>	<b>2,731</b>	<b>3,476</b>	<b>3,609</b>	<b>4,984</b>	<b>4,964</b>	<b>5,739</b>	<b>5,761</b>	<b>5,761</b>
PROFIT BEFORE TAX	387	555	769	524	3,891	2,516	2,536	1,761	1,739	1,739
COMPANY TAX (30%)	0	0	0	0	0	755	761	528	522	522
PROFIT AFTER TAX	387	555	769	524	3,891	1,761	1,775	1,233	1,217	1,217
REVENUE RESERVE	387	942	1,711	2,235	6,126	7,887	9,662	10,895	12,112	13,329

## RJC AFRICA LIMITED.

## PROJECTED BALANCE SHEET

USD: (000'S)

ITEM/YEAR	1	2	3	4	5	6	7	8	9	10
Fixed Assets at Cost	850	850	850	850	850	850	850	850	2,040	2,040
<b>Less:</b> Accumulated Depreciation	40	82	122	162	202	242	282	322	362	402
<b>NET FIXED ASSETS</b>	<b>890</b>	<b>932</b>	<b>972</b>	<b>1,012</b>	<b>1,052</b>	<b>1,092</b>	<b>1,132</b>	<b>1,172</b>	<b>2,402</b>	<b>2,442</b>
<b>Add: Current Assets</b>										
Cash in Hand/Bank	187	534	1,065	1,551	4,244	6,044	7,858	9,130	10,386	11,642
Debtors	88	38	157	180	1,013	1,467	1,471	1,332	615	615
Stock of finished goods	207	207	366	421	676	978	981	888	410	411
<b>Less: Current Liabilities:</b>										
Creditors	55	55	55	55	55	55	55	55	55	55
Taxation	-	-	-	-	-	755	761	528	522	522
<b>TOTAL ASSETS</b>	<b>1,237</b>	<b>1,492</b>	<b>2,261</b>	<b>2,785</b>	<b>6,526</b>	<b>8,287</b>	<b>10,062</b>	<b>11,295</b>	<b>12,512</b>	<b>13,729</b>
<b>FINANCED BY:</b>										
Equity	400	400	400	400	400	400	400	400	400	400
Bank Loan	450	150	150	150	0	0	0	0	0	0
Revenue Reserve	387	942	1,711	2,235	6,126	7,887	9,662	10,895	12,112	13,329
<b>TOTAL CAPITAL</b>	<b>1237</b>	<b>1492</b>	<b>2,261</b>	<b>2,785</b>	<b>6,526</b>	<b>8,287</b>	<b>10,062</b>	<b>11,295</b>	<b>12,512</b>	<b>13,729</b>

## RJC AFRICA LIMITED.

## PAYBACK PERIOD

USD: (000'S)

YEAR	PROFIT AFTER TAX	ECONOMIC DEPRECIATION	TOTAL CASHFLOW	CUMULATIVE CASH FLOW
1	387	40	427	427
2	555	42	597	1,024
3	769	42	811	1,835
4	524	42	566	2,401
5	3,891	42	3,933	6,334
6	1,761	39	1,800	8,134
7	1,775	39	1,814	9,948
8	1,233	39	1,272	11,220
9	1,217	39	1,256	12,476
10	1,217	39	1,256	13,732

## FOOTNOTE:

The original investment is **US\$ 850,000**. The analysis in the above table suggests payback period to be around the second year. This simply means that it will take two years for the project to recoup its initial investment cost of US\$ 850,000.

COI

TANZANIA

041648



Certificate of Incorporation

Section 15



No 69618

I HEREBY CERTIFY THAT

**RJC AFRICA 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 5TH day of FEBRUARY

**TWO THOUSAND AND NINE**

ALEX MASHAMBA BALOMI LL.B (Hons.)  
ADVOCATE, NOTARY PUBLIC AND  
COMMISSIONER FOR OATHS  
Certified True Copy of the Original  
Signature: \_\_\_\_\_  
Date: 26/2/09

Assist. Registrar of Companies



Name of the Company  
Rjc Africa Ltd.

69618/A

Post Box	Mikocheni, Plot No. 36B	COI Number	9999121	Contact	Mr. Abbas H. Nasser
Post Office	21393	COI Date	25/02/2009	Designation	Director
Region	Dar Es Salaam	Application F. No	07770	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0787 602 610
		Sub Sector	Mineral processing	Fax	022 2780921
		File No	041648	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot Plot No. 185 Mbezi Louis	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Mpiji Magohe				
District	Kinondoni				
Region	Dar es Salaam				
		0.399	0	0.45	0

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Yury Feodorovich Nikulin	Russian	1	Plant	0.532
Mikhail Feodovich Kornilov	Russian	1	Vehicles	0.085
Igor Ivanovich Ovcharov	Russian	3	Furniture & Fittings	0.03
Abbas Habib Nasser	Tanzanian	25	Pre-expenses	0.012
Business Wear Ltd.	Seychelles	70	Others	0
			Working Capital	0.09
			Total	0.849

Employment	26	Evaluated By	Sospeter Ndelema Dome
Capacity	480,000 grams pa	Drawn By	Shokko Registry
Project Turn Over			

Description  
To establish facilities for gold processing

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

Decision

Approved *[Signature]* 22/4

3

TICC/PP.10/041648/3

27 April 2009

Managing Director,  
RJC Africa Limited,  
P.O. Box 21393,  
**DAR ES SALAAM**

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

We wish to acknowledge receipt of your project proposal to establish facilities for gold processing as presented in the TIC P.A. 1 Form No. 07770 and Feasibility Study with a projected investment of USD 0.849 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 Incentives you will be required to submit the following:

- Company Board Resolution.

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

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


.../2

TICC/PP.10/041648/3

27 April 2009

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

Yours sincerely,  
**Tanzania Investment Centre**

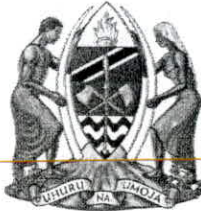
  
**B. D. Chonjo**  
For: Executive Director

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

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

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





00217812

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041648

No: .....

## This is to certify that

RJC AFRICA LIMITED

of address .....  
P.O. BOX 21393

DAR ES SALAAM

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

RJC AFRICA LIMITED

Which is located at .....  
PLOT NO. 158 MPIJI MAGOHE ROAD MBEZI LUISE

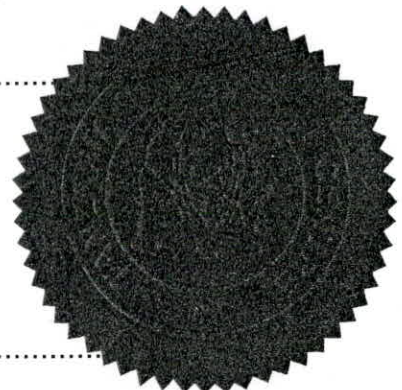
KINONDONI - DAR ES SALAAM

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 .....  
6TH JULY 2011





5

Mariam Mohamed,  
P.O. Box 21393,  
**Dar es Salaam.**  
Tel: 0787-602610



**Date:** 25<sup>th</sup> August, 2011

The Managing Director,  
RJC Africa Limited,  
**Dar es Salaam.**

**RE: TERMINATION OF LEASE AGREEMENT**

Reference is made to the Lease Agreement dated 15<sup>th</sup> February, 2009 signed with your Company for the lease of the part of premises/land at Plot No. 158, Mpji Magohe Road, Mbezi Louis Konondoni Municipality, Dar es Salaam for a period of 5 years thereon.

As from the date of the Contract no progress has been made to activate the same, nor have you complied with the contents therein. I am therefore compelled to terminate the contract with immediate effect, irrespective of the Clause 4(b).

Please be so informed.

Sincerely yours,

  
**Mariam Mohamed**



→ **Cc:** The Executive Director,  
Tanzania Investment Centre,  
**Dar es Salaam**

**- For information and action.**



# Overseas Education Agency

P.O. Box 21393, Dar es Salaam. Tel: +255-22-2780921/ +255-787-600-700  
Fax: +255-22-2780921 E-mail: information@bol.co.tz

Ref: OEA/G-01/11

Date: 29<sup>th</sup> August, 2011

The Managing Director,  
RJC Africa Limited,  
Dar es Salaam.

**RE: TERMINATION OF SUB LEASE AGREEMENT**

Reference is made to the Sub Lease Agreement dated 4<sup>th</sup> February, 2009 signed with your Company for Sub Leasing part of the premises/office at Plot No. 36B, Mlalakuwa Road, Mikocheni B, Dar es Salaam for a period of three years and renewable after every twelve months thereafter.

The Sub Lease Agreement to date has not be renewed after expiring the first twelve months on 4<sup>th</sup> February, 2010 and no progress has been made to active the Sub Lease Agreement. And you have not complied with the contents contained therein. We are therefore obliged to terminate the Sub Lease Agreement with immediate effect.

Please be so informed.

Sincerely yours,  
**Overseas Education Agency**

  
Maryam Rashid  
**MANAGING PARTNER**

Cc: The Regional Manager,  
Kinondoni Tax Region-Mwenge,  
Tanzania Revenue Authority,  
**Dar es Salaam** - **For information and action**

" → The Executive Director,  
Tanzania Investment Centre,  
**Dar es Salaam** - **For information and action**

" The Director General,  
SEAMIC,  
P.O. Box 9673,  
**Dar es Salaam** - **For information and action**

" The Zonal Mine Office,  
Eastern Zone,  
Ministry of Mineral and Energy,  
P.O. Box 3060,  
**Dar es Salaam** - **DL 1921/2009 Refers**



# RJC AFRICA LIMITED

P.O. Box 21393, Dar es Salaam

## Duty and VAT Exemptions on Deemed Capital Goods. Certificate of Incentives No. 041648

No.	ITEM NAME	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
1.	Concentrator ITOMAK-CN-0.5	2			107-686-053		
2.	Concentrator ITOMAK-KN-0.1	4			107-686-053		
3.	Concentrator ITOMAK-KGM-30	2			107-686-053		
4.	Motor Crusher	4			107-686-053		
5.	Vibrating Screen GI-0.6	4			107-686-053		
6.	Dry Magnetic Separator <<SMS-20M>>	4			107-686-053		
7.	Magnetic Liquid Separator <<SFML-PM-3>>	4			107-686-053		
8.	Nissan NP 300 Hard Body	3			107-686-053		
9.	Generator 5 KVA	5			107-686-053		
10.	Water Pumps	5			107-686-053		
11.	Excavators	5			107-686-053		



TIC  
**RJC AFRICA LIMITED**

P.Q.Box 21393  
Dar Es SaLaam  
Tanzania  
e-mail: [igor18.59@mail.ru](mailto:igor18.59@mail.ru)

Plot No 158  
Kinondoni  
Tel: +255-713753248  
Fax: +255-718488577



Commissioner of Customs & Excise  
Tanzania Revenue Centre  
P.O. Box 9053,  
DAR ES SALLAM

Date 22.12.2011



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

Dear Sir,

RE: DUTY & VAT EXEMPTION ON CAPITAL / DEEMED CAPITAL GOODS FOR  
CERTIFICATE OF INCENTIVES NO; 041648

We are Tic approved project with certificate of incentives No; 041648  
Which is valid up to April 2012.

The Company has been registered with objectives of establish facilities for gold processing.

Attached herewith please a list of Capital / Deemed Capital Goods for Duty / Vat exemption  
approved.

Your sincerely

Igor Ovcharov  
Managing Director



Certified True Copy  
of The Original  
Signature *[Signature]*  
Date 12/7/2011



00217812

THE UNITED REPUBLIC OF TANZANIA

For: Executive Director  
Tanzania Investment Centre

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041648

No: .....

## This is to certify that

RJC AFRICA LIMITED

of address .....  
P.O. BOX 21393

DAR ES SALAAM

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

RJC AFRICA LIMITED

Which is located at .....  
PLOT NO. 158 MPIJI MAGOHE ROAD MBEZI LUISE

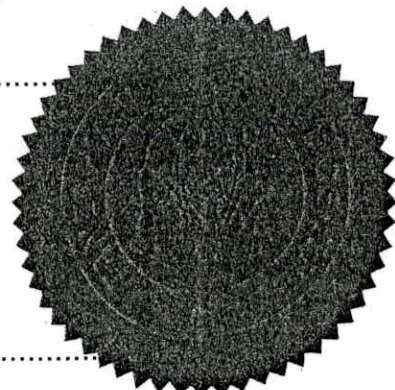
KINONDONI - DAR ES SALAAM

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 .....  
6TH JULY 2011



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

1. Shareholders
 

	Nationality	Shareholding (%)
Business Wear Ltd	Seychelles	70
Yury Feodorovich Nikulin	Russian	1
Mikhail Feodorovich Kornilov	Russian	1
Igor Ivanovich Ovcharov	Russian	3
Abbas Habib Nasser	Tanzanian	25
2. Proposed Activities :
 

To establish facilities for gold processing

Mineral Processing
3. Sector: Manufacturing Subsector
4. Investment cost:
 

	Foreign USD 0.849m.	Local -		Total USD 0.849m.
--	---------------------	---------	--	-------------------
5. Project Financing:
 

	Equity USD 0.399m.	Loans USD 0.45m.		Total USD 0.849m.
--	--------------------	------------------	--	-------------------
6. Source, terms and conditions of loan
7. Assets to be invested:
 

	Foreign 0.849m.	Local -		Total USD 0.849m.
	None			
8. Technology Agreement
9. Date of TIC Registration: 27th April 2009
10. Implementation period April 2009 - March 2012
11. Operative date April 2012
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
  - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
  - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
  - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
  - (i) Date of Commencement of investment has to be notified to the Centre.
  - (ii) Certificate not to be transferred, assigned or amended
  - (iii) Failure to commence implementation within two years invalidates Certificate
  - (iv) Failure to operate investment must be notified to the Centre
  - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
 

Finished goods are not allowed under this Certificate

Signed \_\_\_\_\_  
Ag. Executive Director

CTIN.: 0473087



# 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**

RJC AFRICA LIMITED

.....

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

107-686-053

.....

with effect from 12-Feb-2009

.....

  
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

041648

# NASSER KONSULT

- General Consultancy Services -

P.O. Box 21393 Tel: +255-22-2128458. Fax: +255-22-2128235  
Cell: +255-713-602610 +255-787-602610  
E-mail: ahnasser@consultant.com

8

CONFIDENTIAL

Noted Jm 31/1/2012

Ref: NK/G-01/11

Date: 19<sup>th</sup> January, 2012

→ The Executive Director,  
Tanzania Investment Centre,  
**Dar es Salaam.**



The Principal Commissioner of Immigration Services,  
Ministry of Home Affairs,  
**Dar es Salaam.**

Re: IGOR OVCHAROV  
DIRECTOR – RJC AFRICA LIMITED

Please be informed that the abovementioned Company was incorporated and registered by Registrar of Companies at BRELA on 5<sup>th</sup> February, 2009 and issued with a Certificate of Incorporation No. 69618 of the same date.

The main objective of the Company is in the Mineral Refinery Sector i.e. to establish and operate a Gold Processing/Refinery Facility. The Management had prepared a Business Plan/Project Proposal with a Capital Investment Cost of US\$ 850,000, which was submitted to Tanzania Investment Centre for registration and subsequent issuance of a Certificate of Incentives.

The Tanzania Investment Centre after approving the project issued a Certificate of Incentives No. 041648 dated 6<sup>th</sup> July, 2011 with an Implementation period from April, 2009 to March, 2012 and April, 2012 being the operating date. Please take note that the project to establish the Facility for Gold Processing/Refinery was to be done at a leased premises/land on Plot No. 158, Mpiji Magohe Road, Mbezi Louise, Kinondoni Municipality, Dar es Salaam. The project has yet to take-off.



The Companies Shareholders as follows:-

1. Business Wear Ltd	Seychelles	70%
2. Yury F. Nikulin	Russian	1%
3. Igor Ovcharov	Russian	3%
4. Mikhail Kornilov	Russian	1%
5. Abbas H. Nasser	Tanzania	25%

The majority shareholder with 70% of the shareholders is an off shares Company incorporated in the Seychelles and owned by Igor Ovcharov who holds 1% in RJC AFRICA Limited. As such Igor Ovcharov maintains 71% of the shareholding and therefore indirectly is the majority shareholder. Since obtaining all relevant Company documents TIC, TRA Lease Agreement among others the Company began to start being operational. However for the entire year 2010 the Company was at standstill, the majority shareholder being in his home country organizing finances for the projects implementation.

It is only in the middle of 2011 that, things began to move. But not in implementing the envisaged project, but rather to achieve other gold business. The Company had therefore imported concentrator (Separator) ITOMAK KN-01 with a capacity of processing 1 tonne of gold ore/tails per hour. This machine separates gold ore/tails by extracting gold from the ore. This is not gold refinery as envisaged in the project proposal. The Company entered into a Lease Agreement with M/s SEAMIC (Southern and Eastern Africa Mineral Centre) at Kawe and the concentrator machines was installed in one of the SEAMIC lab. Apparently SEAMIC had lots of gold tails left over for other clients processing. A sample demonstration was made with positive results. The idea was also to have other gold miners clientele.

But it should be noted this is not in conformity with the Company Business Plan. And it seems that the TIC project approval has been deviated.

The Company also did apply and obtain a Dealers License No. DL/1921/2009 on 27<sup>th</sup> August, 2009 issued by the Commissioner for Minerals with validity period of 12 months from the date of issue. This has not been renewed.

The above is an introductory presentation prior to the main subject of this letter, which is focused on the above named conduct and attitude.

To date the Director has been in the country and it seem is working full time for this Company but is on a tourist visa. He has been advised to obtain a proper legal status by applying a Residence Permit Class A, but has so far not heeded the call. He is residing at Kigamboni having leased a house from one Fatima Rajab Hadadi, who works with Stanbic Bank.

The undersigned having worked with this man since the Company incorporated has come to understand his behavior and mental attitude. While obtain various documents as the Ministry of Minerals, was be astonished with his attitude towards the Ministerial Officials. He would make remarks (in Russian) which had racial intonations.

At one time last year we had meeting with Mr. Kagasheki who owns gold mines in Morogoro and we wanted to conclude joint venture deals. But the attitude of this man left much to be desired. I think even Mr. Kagasheki made an observation on this mans racial attitude. The deal was not concluded.

He thinks he knows everything and is on top. He is disgusting shouts on everyone he talks to and has no respect what so ever. He could be equated to the 19<sup>th</sup> century notorious Ku Klux clan in the United States.

With this attitude I decided to quit the Company by resigning and transferring my shares. By August, 2011 I had enough of this tolerance and submitted my resignation letter. I had also canceled a Consultancy Agreement with the Company. Relevant office: BRELA TIC were informed of this move in. However the shares that I hold are yet to be officially transferred.

Following my resignation as Sub Lease Agreement for office use by the Company was also terminated forthwith due to its non implementation (non payment of the Annual Rent). Another Lease Agreement for land at Mpiji Magohe Raod, Mbezi Louis where the Gold Refinery Facility was to be setup was also canceled due to non implementation of the Lease Articles.


As such the project (TIC Certificate) has no lease or premises for the Company's Project Implementation.

A very interest episode occurred in middle December, 2011. This man with an friend of his Yury Nikulin also a Director of RJC travel to Mwanza in the Company of another Russian Igor Tregubov (a Businessman based in Zanzibar 0777-030-555) who took them there to survey and negotiate gold deals and Minerals Rights in the Mwanza Region. This trip, I am told went very sour. The fore most was the racist attitude of this man. He called the local miners "NIGGAS" in such a tone that his two friends were very much disturbed by his attitude. One can not put this in writing to demonstrate what actually happened. But when the issue was narrated to me I wash shocked but, I knew of this before hand.

What I am to present here it to show to you and everyone else how this one man can tarnish the entire image of Russian and other Investors. So here with have an Investor with a racist attitude in our country. Such action has to be taken. I personally have enough of him hence I decided to quit the Company. The relevant authorities (Immigration, TIC) should take note of this, making investigations and make necessary conclusions thereafter. The concern parties are ready to confirm what is contained herein. Any further information/clarifications will be provided by the undersigned. This information is being provided without any prejudice.

Please do the needful.

Sincerely yours,

  
**AH. Nasser**

7

**TICC/PP.10/041648/7**

**30/12/2011**

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

Dear Sir,

**RE: DUTY AND VAT REMISSIONS ON CAPITAL/ DEEMED  
CAPITAL GOODS – CERTIFICATE OF INCENTIVES NO:  
041648**

**M/S RJC Africa Limited** is a TIC registered company with certificate of incentives **No. 041648** which is valid up to **March 2012**

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

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

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**



## TANZANIA REVENUE AUTHORITY

**TRA/CE/C/P20/08/1894**

**20.01.2012**

The Managing Director,  
RJC limited,  
P.O. Box 21393,  
Dar es Salaam,

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-  
CERTIFICATE OF INCENTIVES NO. 041648 OF 06.07.2011.**

We acknowledge receipt of your letter and letter TICC/PP.10/041648/7 of 30/12/2011 from Tanzania Investment Center regarding the captioned subject.

We hereby approve and submit single-page list of capital goods for facilitation of your project with Certificate of Incentives mentioned mentioned.

The approved goods will be subject to 0% import duty and VAT relief under the 3<sup>rd</sup> Schedule to the VAT Act, Cap 148. You will however be requested to complete VAT forms 224 and submit the same to Commissioner for Customs and Excise for approval before clearance through customs.

Sincerely yours,

A handwritten signature in red ink, appearing to read 'Said Athumani', is written over a horizontal line.

Said Athumani

**For: COMMISSIONER FOR CUSTOMS AND EXCISE**

RS/

c.c. Manager - Customs Service centre,

✓ c.c. Executive Director,  
Tanzania Investment Centre,  
Dar es Salaam.

**ISO 9001:2008 Certified**

**CUSTOMS & EXCISE DEPARTMENT**

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

# RJC AFRICA LIMITED

P.O. Box 21393, Dar es Salaam

## Duty and VAT Exemptions on Deemed Capital Goods. Certificate of Incentives No. 041648

No.	ITEM NAME	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
1.	Concentrator ITOMAK-CN-0.5	2			107-686-053		
2.	Concentrator ITOMAK-KN-0.1	4			107-686-053		
3.	Concentrator ITOMAK-KGM-30	2			107-686-053		
4.	Motor Crusher	4			107-686-053		
5.	Vibrating Screen GI-0.6	4			107-686-053		
6.	Dry Magnetic Separator <<SMS-20M>>	4			107-686-053		
7.	Magnetic Liquid Separator <<SFML-PM-3>>	4			107-686-053		
<del>8.</del>	<del>Nissan NP 300 Hard Body</del>	<del>3</del>			<del>107-686-053</del>		
9.	Generator 5 KVA	5			107-686-053		
10.	Water Pumps	5			107-686-053		
11.	Excavators	5			107-686-053		



*SKR*  
*Approved*





## TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/08/1894

20.01.2012

The Managing Director,  
RJC limited,  
P.O. Box 21393,  
Dar es Salaam,

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-  
CERTIFICATE OF INCENTIVES NO. 041648 OF 06.07.2011.**

We acknowledge receipt of your letter and letter TICC/PP.10/041648/7 of 30/12/2011 from Tanzania Investment Center regarding the captioned subject.

We hereby approve and submit single-page list of capital goods for facilitation of your project with Certificate of Incentives mentioned mentioned.

The approved goods will be subject to 0% import duty and VAT relief under the 3<sup>rd</sup> Schedule to the VAT Act, Cap 148. You will however be requested to complete VAT forms 224 and submit the same to Commissioner for Customs and Excise for approval before clearance through customs.

Sincerely yours,

Said Athumani

**For: COMMISSIONER FOR CUSTOMS AND EXCISE**

RS/

✓ c.c. Manager - Customs Service centre,

c.c. Executive Director,  
Tanzania Investment Centre,  
Dar es Salaam.

**ISO 9001:2008 Certified**

**CUSTOMS & EXCISE DEPARTMENT**

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

# RJC AFRICA LIMITED

P.O. Box 21393, Dar es Salaam

## Duty and VAT Exemptions on Deemed Capital Goods. Certificate of Incentives No. 041648

No.	ITEM NAME	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
1.	Concentrator ITOMAK-CN-0.5	2			107-686-053		
2.	Concentrator ITOMAK-KN-0.1	4			107-686-053		
3.	Concentrator ITOMAK-KGM-30	2			107-686-053		
4.	Motor Crusher	4			107-686-053		
5.	Vibrating Screen GI-0.6	4			107-686-053		
6.	Dry Magnetic Separator <<SMS-20M>>	4			107-686-053		
7.	Magnetic Liquid Separator <<SFML-PM-3>>	4			107-686-053		
<del>8.</del>	<del>Nissan NP 300 Hard Body</del>	<del>3</del>			<del>107-686-053</del>		
9.	Generator 5 KVA	5			107-686-053		
10.	Water Pumps	5			107-686-053		
11.	Excavators	5			107-686-053		

