PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE

FILE NUMBER TIC/ PP10/041658

FILE NUMBERS | ENDS | PART

FILE TITLE

CONFIDENTIAL

FILE NUMBER TIC/ PP10

041658

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M
DIF	F1		3/3/09											
ZABARA	F1		4/3/09											
DADF	M1		20/5/09											
BXD	M2		2/11/09											
DIF	F.4		11/4/12											
ADAM	F4		12/4/12											
ADIF	F		23/5/2012											

PERFALBION MINERALS LTD

FILE TITLE

PART

CONFIDENTIAL

FILE NUMBER PP/P/1041

TIC/

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M
DIF	F1		3/3/09								
DAF	F1		3/3/09								
DAF	M1		26/5/09								
EXD	M2		2/11/09								
DIF	F4		11/4/12								
ADAM	F4		12/4/12								
ASDIF	F		23/5/2012								
Kahuc	F2		23/5/12								
ASDIF	M3		24/5/12								
FAED	M4		25/5/12								
ASDIF	M5		25/5/12								
Kahuc	M5		28/5/12								
Kiao	F		11/6/12								
ASFXD	M6		13/6/12								

3 Ag DIF

The project was granted certificate of incentives in May 2009 with objective of Gold processing from waste minerals generated by artisanal miners; the certificate expired on 30th April 2012.

The project could not be implemented due to financial problems, now the project developer has managed to secure loan and is ready to implement the project as it was planned in the beginning. the investment cost will remain the same.

Based on the above background we recommend for re-issuance of certificate of Incentives.

I Submit for further guidance

IFO 24/5/2012

4.0 Ag EXD (M3FG)

The project could not take off due financial closure issues and has requested re-issuance as Loan has been secured. ZM(L) and I recommend that investor's request be granted

Ag DIF
25/05/2012

5.0 Ag DIF

I have approved as per your recommendation. above.

Ag EXD
25/05/12

1

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$ 0.721 m .....

(b) Legal entity has been incorporated under certificate No. ..... 69275 ..... of ..... 13/01/2009 .....

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

20th May 2009

2.

EXD

In response to the TIC letter of registration dated ..... 20th May 2009 .....

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from ..... Leonard & Firm & Co of UK .....

(c) ..... Lease Agreement as Evidence of land. .....

With the above submission EXD is requested to sign Certificate of Incentives No. ..... 04.1658 ..... herein attached.

2/11/09

DIF

MINUTE PAGE NO. _____

6.0 As DIF ✓ dt. 13/06/12
Certificate of Incubators has been ~~constructed~~
Prepared and is hereby Submitted for your signature
13/08/2012

DIF

COPY

Perfalbion Minerals Ltd
Feasibility Study / Business Plan

Joe Stegers
joseph.stegers@gmail.com

CONTENTS

1 Executive Summary

Perfalbion Minerals Ltd will be involved with the processing of minerals. It will purchase tailings from small scale miners in the north of Tanzania and use a leaching process to extract gold and other minerals from these tailings.

Two plants will be created for this purpose. The main processing plant will be situated in Mara region, in close proximity to existing tailing dumps created by artisanal and small scale miners. Tailings will be purchased and taken to the site of the plant using trucks. The second plant/office will be situated in the city of Mwanza in northern Tanzania.

The company will seek to be operational by July 2009. The target turnover for the first year is $616,000, growing to $1,970,000 for the second.

2 Company Overview

Perfalbion Minerals Ltd is a Tanzanian registered company. It will be mainly concerned with the extraction of minerals from run of mine material/tailings generated by the mining activity of artisanal miners in northern Tanzania. It will purchase tailings from artisanal miners on a willing seller willing buyer basis. The local miner's ability to extract gold from these tailings is severely limited using currently available methods. They are able to re-wash these piles in an attempt to extract more gold, but the amount that is extractible is very small. This means the tailings have very little intrinsic value to the miners.

Once the tailings have been purchased they will be placed on trucks and taken to the site of the leach plant where the gold will be extracted.

Figure 2a – Tailings piles generated by local miners

Following a study undertaken in the north of Tanzania, it has been decided that the most suitable place to commence operations will be in the district of Mara. This study involved taking samples from various areas, assessing their amenability to the leaching process proposed, and making estimations of the quantity of tailings present. The approximate level of production of these tailings per year has also been considered so the potential for long term operation of a plant of given size can be estimated. Further details of the areas investigated can be found in section 5b.

Only tailings that have been completely crushed by artisanal miners will be sought. Perfalbion Minerals will not be directly involved with crushing, grinding or any kind of comminution. This is to keep the operation simple and to keep costs low.

3 Business Environment and Background

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century and lasted until the First World War. During the British colonial era (1918-1961) mineral production and revenue were mainly from gold, diamonds, lead, mica, salt and tin. Gold was at a peak level in 1940 when it contributed to about 90% of the value of the mineral production. Following independence in 1961, many industrial sectors including the mining industry, were nationalised by Julius Nyerere's socialist government.

In 1986 Tanzania agreed to a structural adjustment programme designed by the World Bank. Internal and external trade was liberalised, and the government opened up for foreign investment in the country. The liberalisation of mining, accompanied by the legalisation of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

Now Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, Anglogold Ashanti Mining, Resolute Limited) are now involved in operations in the country.

However the sector most relevant to operations conducted by Perfalbion Minerals Ltd will be the small scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30-60, this leads to an estimate of 270000 people working on government sanctioned claims. There are also a large number of miners working on non-government sanctioned claims.

Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal miners. Perfalbion Minerals will seek to exploit this dichotomy. It will operate in a way that will add value to artisanal miners while not troubling the larger mining companies.

There are a small number of companies that are carrying out similar gold leaching operations in Tanzania. These companies have appeared in the last few years following the gold price rises of 2005 where such business models became feasible. There is one similar company based in Mwanza (Mineral Extraction Technologies Ltd). Their leaching operation is based near Geita approximately 100km south west of Mwanza with another proposed leaching plant 40km north of their current plant. There are also operations based in Ushirombo (Dynamic Mining) and Kahama, and a leaching plant being constructed in Igurubi (MMS Limited) near Nzega. (See figure 3a)

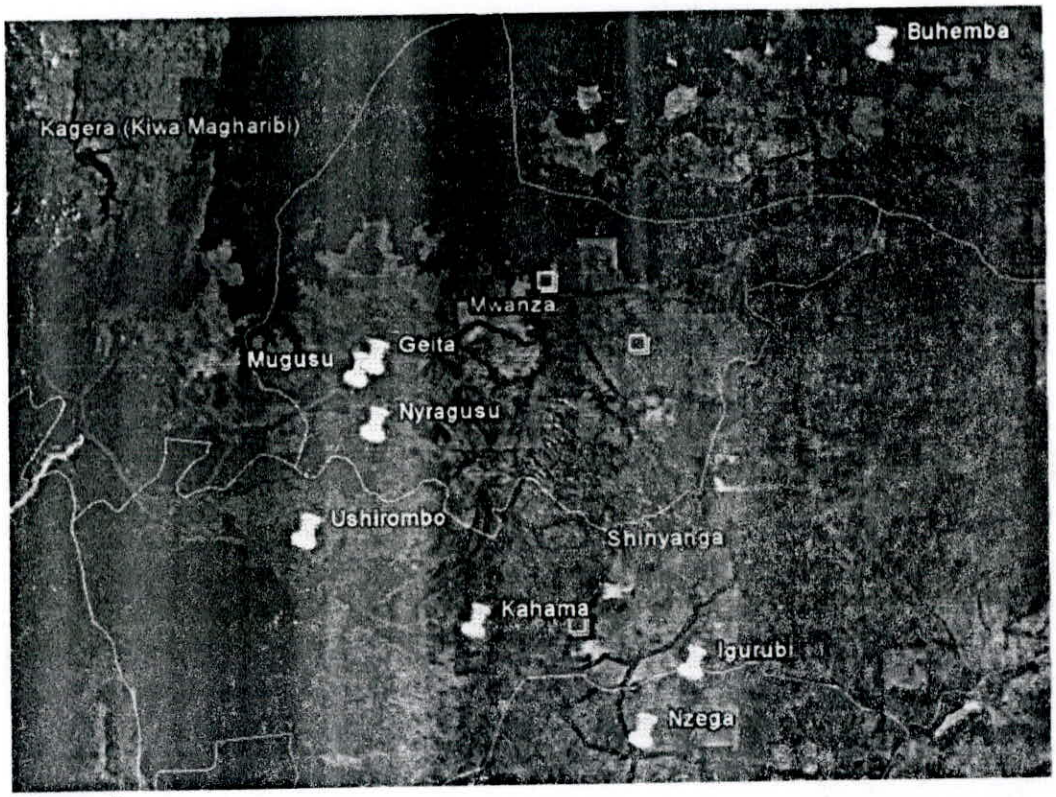


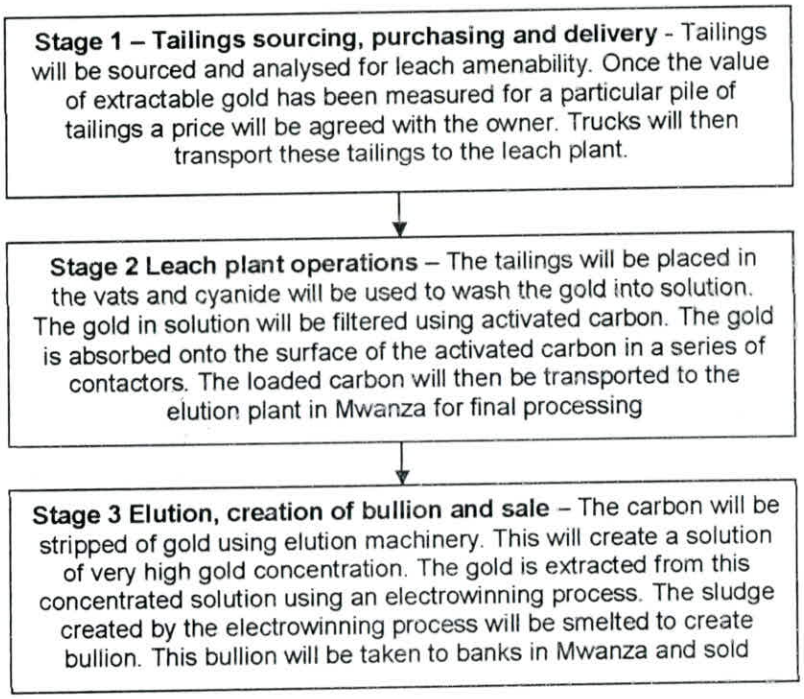
Figure 3a

The proposed location for Perfalbion Minerals leaching plant is in Tarini near Buhemba. Further details of the location can be found in Section 5.

The small scale gold leaching market in Tanzania is still clearly in its infancy. Most of the companies operating started as small scale mining operations that sought to employ leaching as a method of improving yield from the mined ore.

4 Operating Principals

The business will be broken down into three stages or "gold flows". The first stage will be that of the sourcing, purchasing and delivery of tailings to the leach plant. The second stage will be the leaching process that will take place at the leach plant. The third stage will be the elution of gold and creation of the bullion that will be sold to the banks.



4a Logistics and Tailings supply

The first stage in the process of creating the bullion will be the sourcing of the raw tailings to be processed. Scouting will be carried out and samples taken from piles in various areas around the leach site. These samples will be analysed to measure their leach amenability and their effective value to the company. Once this has been done, a price will be agreed with the owner of the pile and the trucks will be organised to collect the tailings and take them to the leach plant site.

During the start up phase, only one small truck will be required to fill the small number of tanks available. As the tailings in the immediate vicinity are exhausted and as there are more vats created for leaching, a larger transport capacity will be required to maintain the gold flow capacity. Once the plant is operating at full capacity, two 18T tipper trucks should be sufficient for supplying the plant with the required amount of tailings.

One important factor will be to build up and maintain an on-site tailings stock pile. This will ensure a steady and reliable flow of tailings to the vats. There will always be occasions when roads are made impassable by bad weather, or when trucks are being serviced or repaired. It would be wise to maintain a pile of at least 500T of tailings at the site. During the wet seasons it may be reasonable to increase this stock pile to 1000T.

The primary sites where tailings will be sought from are listed in Section 5b.

4b Static Leaching and the Cyanidation process

The Cyanidation Process

The solubility of gold in cyanide solutions was recognised as early as 1783 by Scheele (Sweden) but wasn't implemented for commercial purposes until 1888 in the USA. At this time a zinc cementation process was used to extract the gold from the gold bearing solution. At a later time, following significant advances in this method, this process was named the Merrill-Crowe process.

The absorption of gold from aqueous solutions onto activated carbon was first noted in the early 19th century. However, at this time the only known way of extracting the gold from the carbon was by combustion of the carbon and smelting of the resulting ash. This was costly and given the advances made in the zinc cementation process, was not used. It wasn't until the 1950s when the Zadra process was developed to strip gold from activated carbon that the use of activated carbon became widespread. However the low gold price during this era restricted developments. It wasn't until the gold price boom of the 1980s that saw the development of the two major processes that are used widely today. These are carbon-in-pulp (CIP) processing and heap leaching.

The CIP method is a relatively technical method used by all the large mines today. It involves creating an ore slurry and directly contacting the activated carbon with the gold containing slurry in an agitated environment. Although the amount of gold extracted is high, the equipment is expensive and complicated to maintain and operate.

Heap leaching is used to extract gold from large volumes of low grade ores. It is a very simple process with low costs of operation that allows large quantities of ore to be treated. It involves creating large drainage pads where ore can be piled. Cyanide solution is then sprayed onto the ore pile. This solution percolates through the ore pile dissolving the gold present. The solution is then collected at the base of the pad where carbon is used to adsorb the gold from solution. The main advantage is the extremely low cost of operation. No agitating, moving or separating equipment is required.

The method for gold extraction proposed by Perfalbion Minerals is much like a heap leaching operation but has a slightly different characteristic.

Static Vat Leaching

One method that has been used as an alternative to heap leaching is vat leaching. This is essentially the same process but instead of creating a heap that is sprayed with cyanide solution, vats are created to contain the crushed ore. The cost of creating the vats make it more expensive than heap leaching. When millions of tons of crushed ore needs to be processed, the size of the vats make them prohibitively expensive. When this amount of capital is being invested, CIP technology becomes the preferred option. This means there are very few vat leaching operations in existence today. The advantage of vat leaching is that it is now possible to entirely submerge the ore in cyanide solution. This has the effect of wetting the entire surface of the ore, improving mass transport and extraction efficiency.

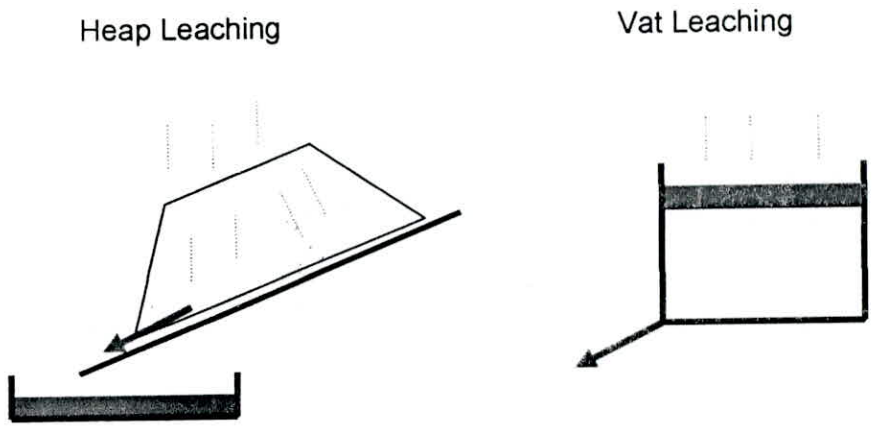


Figure 4a – Heap and Vat leaching

Vat leaching is the perfect process for extracting gold from tailings in rural Africa. There are several factors that make this so.

- The volume of tailings accessible to a leaching operation in rural Africa will typically be in the region of tens of thousands of tonnes of crushed ore. The size of the vats required to treat this amount of ore is still relatively modest so the required capital investment is not prohibitively high.
- The leaching process is extremely simple. The movement and management of crushed ore is also simplified by using vats so the process can be easily managed in remote locations where skilled workers are scarce.
- The amount of extractible gold in the tailings is relatively high. This means the extra benefits of entirely submerging the tailings (as seen by vat leaching as opposed to heap leaching) has a significant effect on gold production.

4c The Leach Plant Process

The leach plant schematics can be seen in section 4d. The tailings are brought to the plant in trucks and offloaded adjacent to the concrete vats. The concrete vats will have a capacity of approximately 20T. The Tailings are mixed with hydrated lime and placed into the vats. The hydrated lime optimises the conditions for gold extraction and reduces the loss of cyanide by hydrolysis. The tap at the bottom of the vat is closed and a cyanide solution of approximately 250ppm is run into the top of the tank at a slow rate so as to achieve a plug flow through the tank and avoid channelling. This improves gold extraction. Once the tailings have been soaked, the tap is opened and solution is allowed to percolate through the tailings dissolving the gold in its path. The solution flows through a filter at the base of the vat that keeps the tailings in the vat.

The gold bearing (pregnant) solution flows out of the tank and into the clarifier. This removes any unwanted solid particles in the clear solution. This solution is then pumped through a series of carbon columns or contactors. The carbon adsorbs the gold from the pregnant solution. Barren solution then flows out of the columns and into the barren tank. Water and cyanide are added here to maintain the balance in the closed system. Oxygen, a key reactant in the process is added in the barren tank by using a pump to aerate the solution. The barren solution containing the cyanide is then pumped into the newly filled vat and the solution cycle starts again.

After 3-5 days of solution flowing through the tailings the gold will have been extracted. The exhausted tailings in the tank are now washed with water and drained. The tank is then emptied and the tailings are moved to the tailings dump site.

Once the gold has been absorbed by the carbon, the carbon is removed and replaced with fresh carbon. The loaded carbon is then sent to the elution plant for extraction/stripping.

4d Leach Plant Schematics

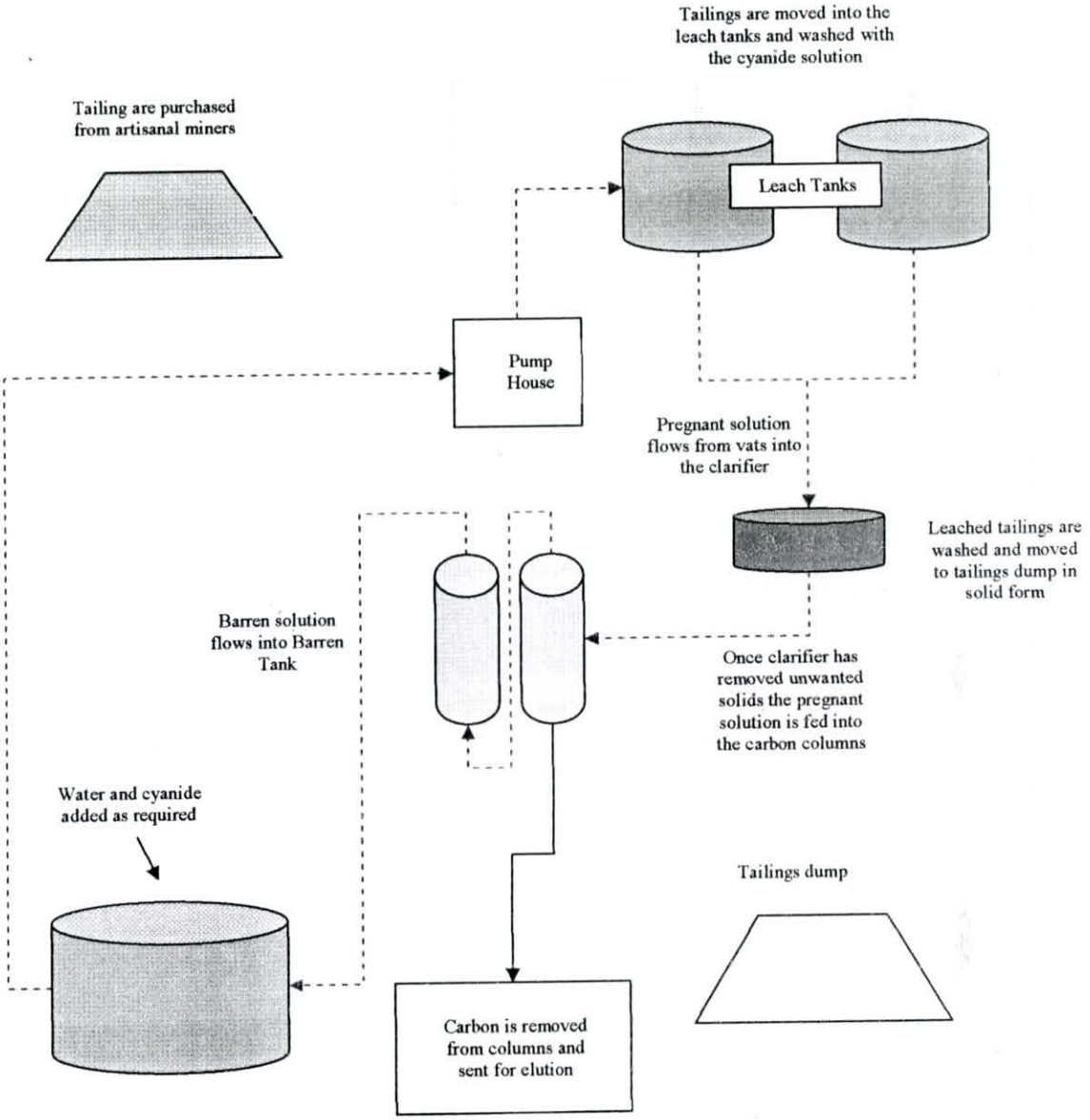


Figure 4b – Leach plant schematic

4e Elution, Extraction and Smelting

Once the loaded carbon has been transported from the leach plant to the elution plant the stripping of the gold can commence. This is done by taking the carbon and placing it in an elution vessel. Here the process of loading the gold onto the carbon is reversed and the gold is stripped. This is done by passing hot caustic solution past the carbon. Once the gold has entered the solution, it is pumped to an electrowinning cell. Here the gold is removed using electrolysis and it accumulates at the steel cathode. The now barren solution is then pumped to a heating tank where more cyanide and caustic

soda can be added to recharge the stripping solution. The solution is now fed back to the elution vessel for another stripping cycle.

Once all the gold has been stripped from the carbon, the carbon is removed and replaced with more loaded carbon. The stripped carbon is then acid washed and sent back to the leach plant for reloading.

The gold sludge is now removed from the electrowinning cell, placed into a kiln and smelted to create bullion.

4f Elution Plant Schematics

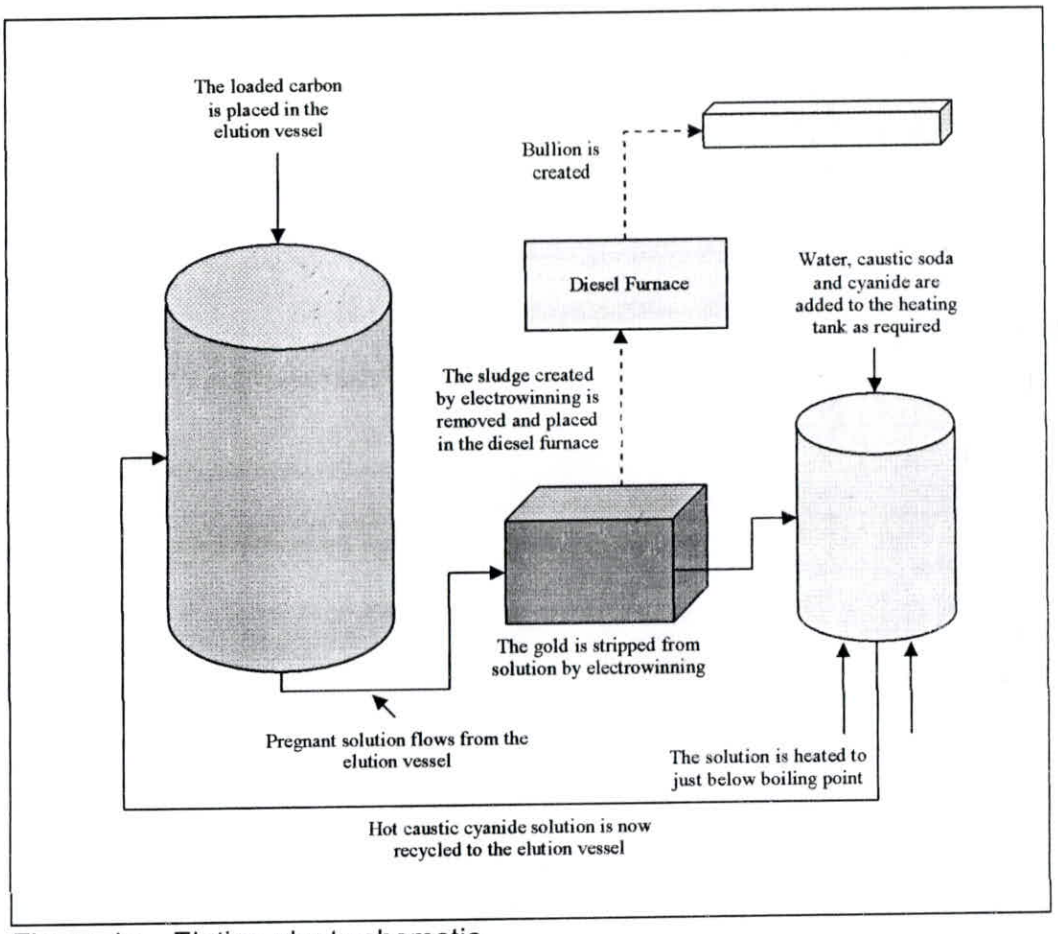


Figure 4c – Elution plant schematic

4g Sources of Consumables and Equipment

To keep costs to a minimum, equipment will be taken from local sources when possible.

4g.i Equipment

The following items will be required for operation

Equipment	Source
Elution plant	South Africa
Furnace	South Africa
Piping	Mwanza
Valves	Mwanza
Wheelbarrow + spades	Mwanza
Plastic tanks	Mwanza
Generator	Mwanza
Pumps	Mwanza
Trucks	Dar Es Salaam
Lab equipment	Mwanza

4g.ii Consumables

Consumable	Source	Amount / month @ full capacity
Concrete	Mwanza	-
Activated carbon	South Africa	100kg
Sodium Cyanide	South Africa	800kg
Hydrochloric acid	Mwanza	100kg
Nitric acid	Mwanza	20kg
Ferrous Sulphate	South Africa	-
Quicklime	Mwanza	1000kg
Bricks	Local	-
Diesel	Mwanza	1600 litres
Water	Local	300T

5 Proposed Location

The proposed location is near the village of Tarani in northern Tanzania. The site is approximately 8.4 hectares.

Perfalbion Minerals limited will be the holder of the mining licence for the site.

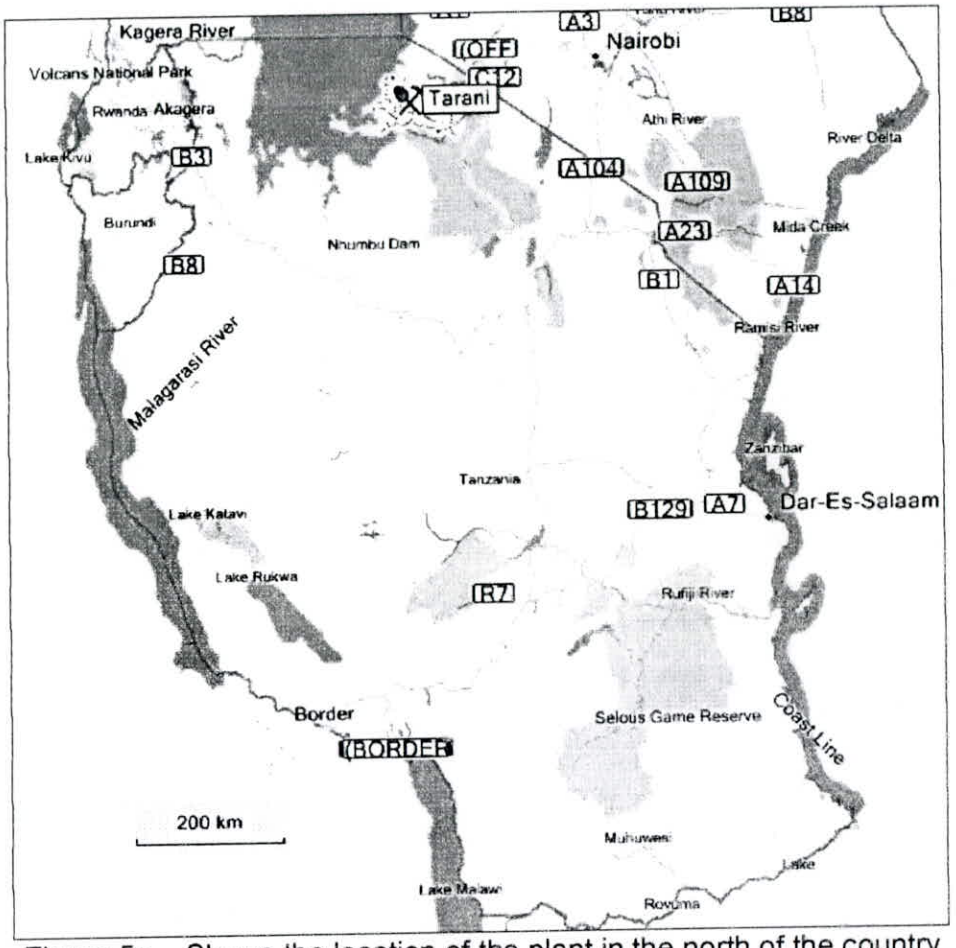


Figure 5a – Shows the location of the plant in the north of the country

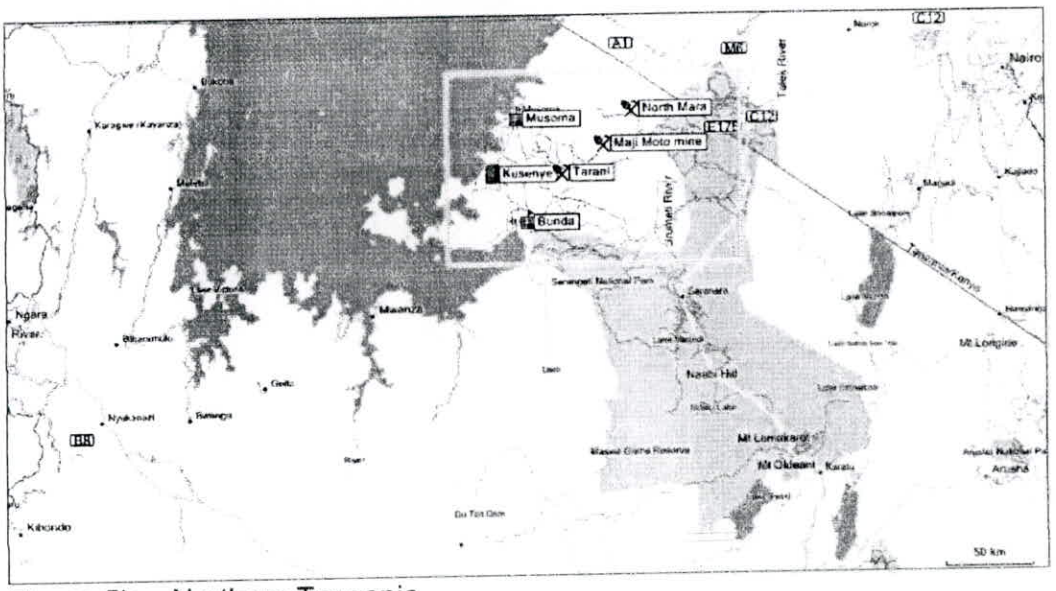


Figure 5b – Northern Tanzania

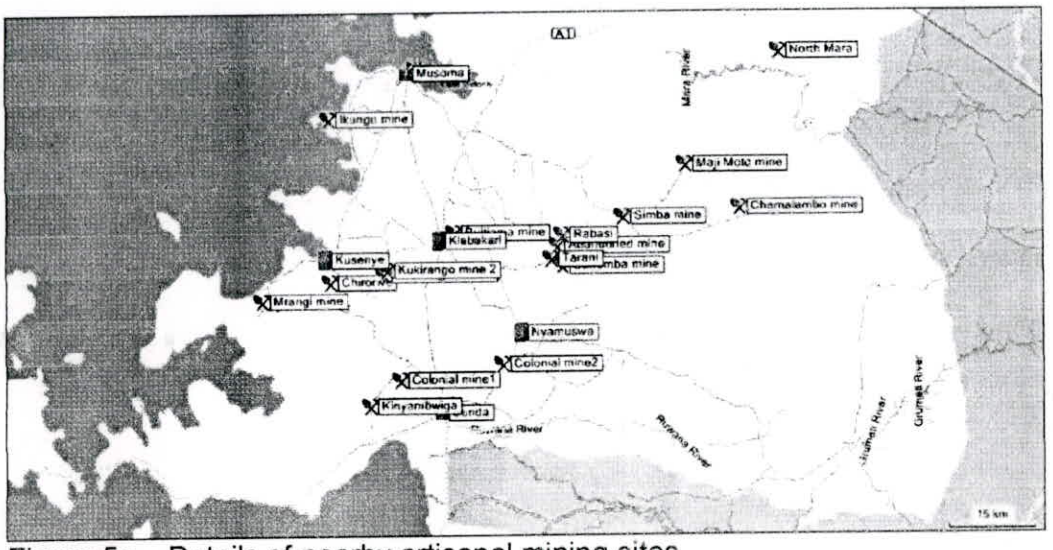


Figure 5c – Details of nearby artisanal mining sites

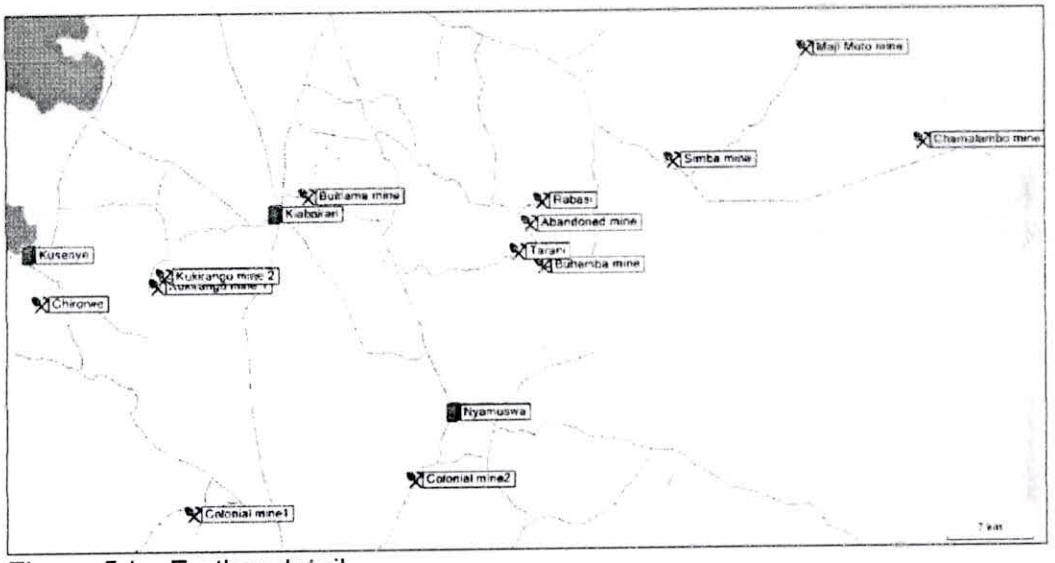


Figure 5d – Further detail

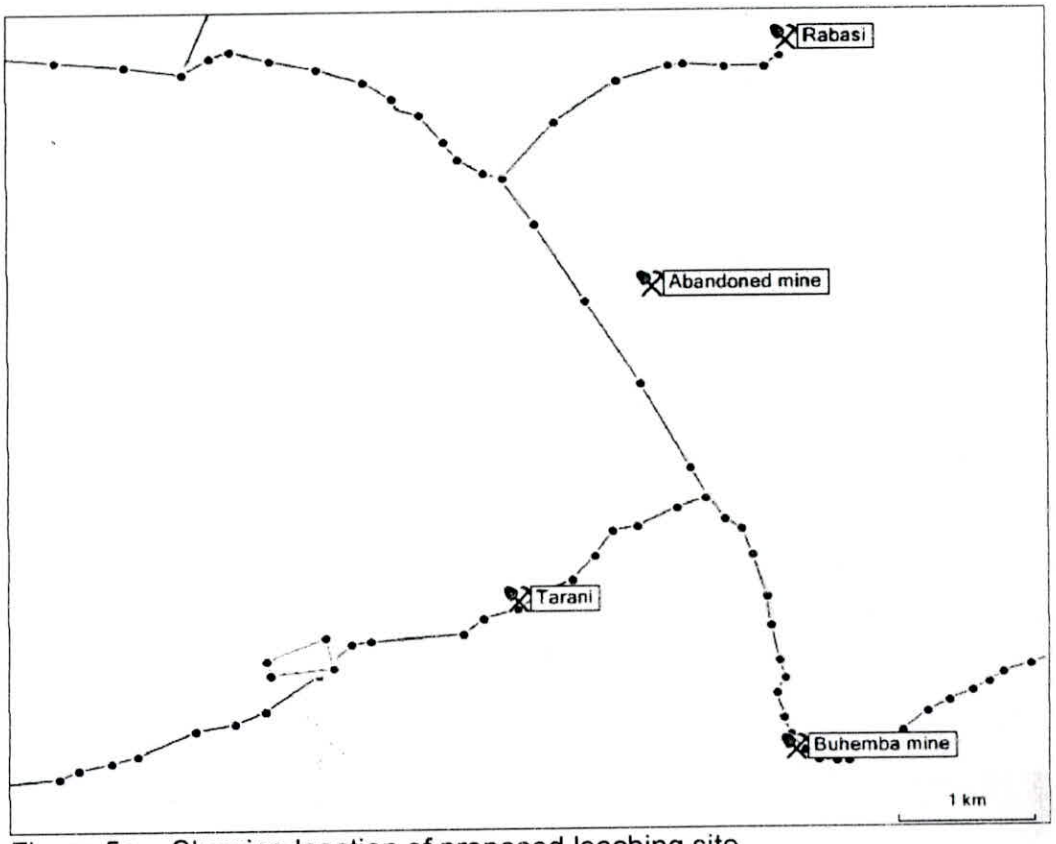


Figure 5e – Showing location of proposed leaching site

5a Site Plan

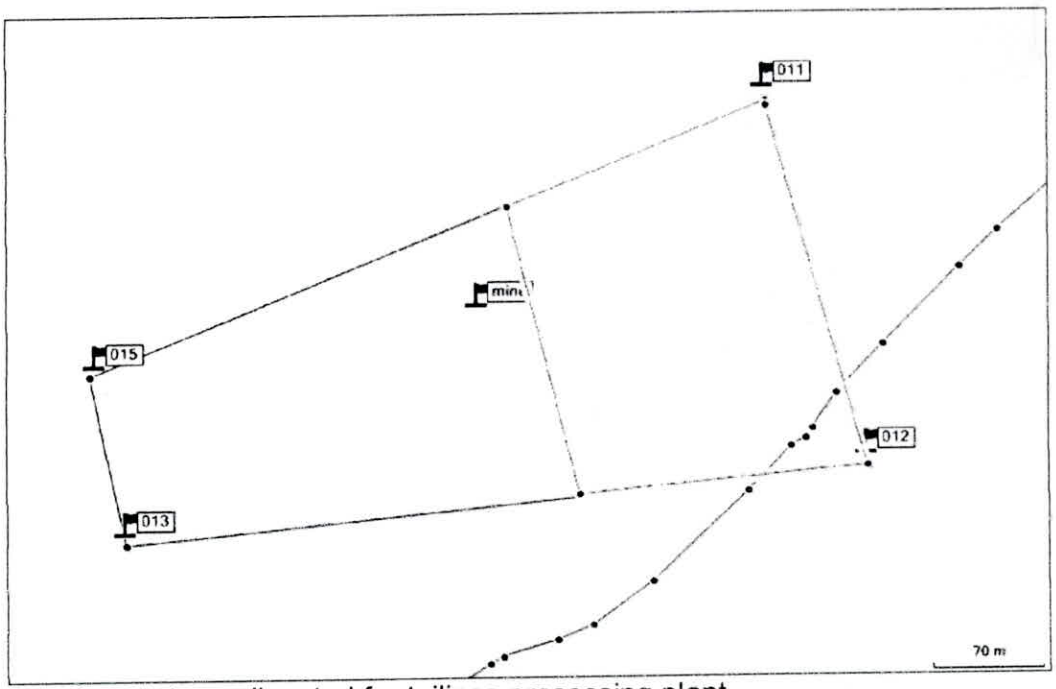


Figure 5f – Area allocated for tailings processing plant

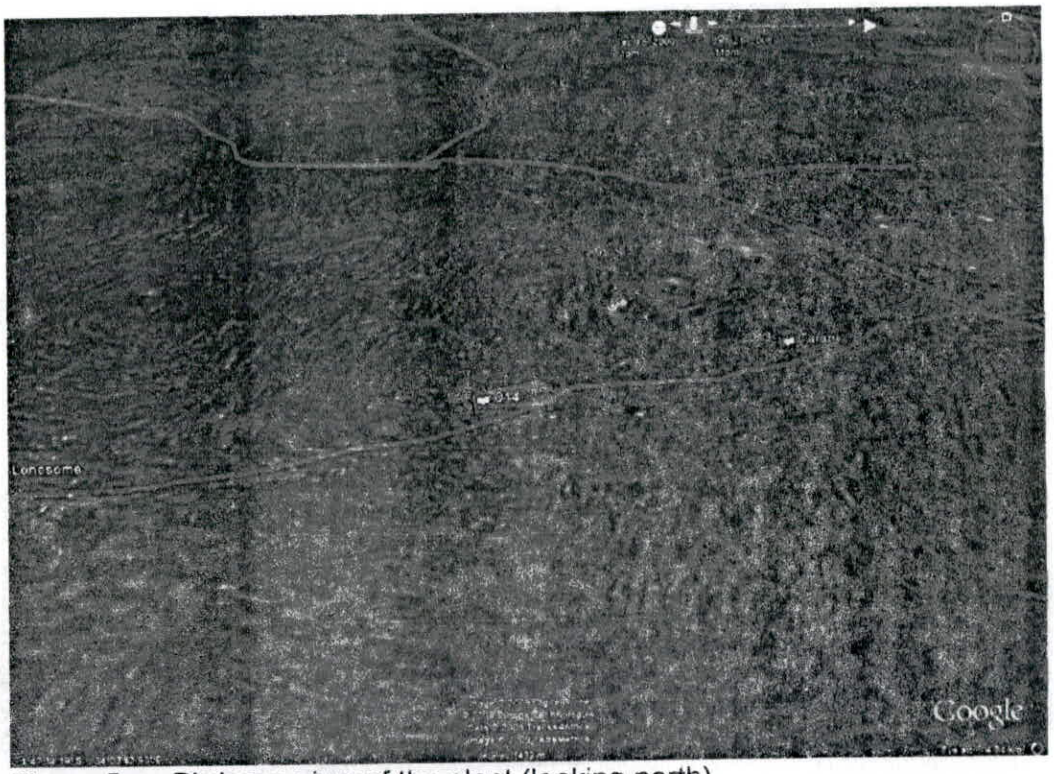


Figure 5g – Birdseye view of the plant (looking north)

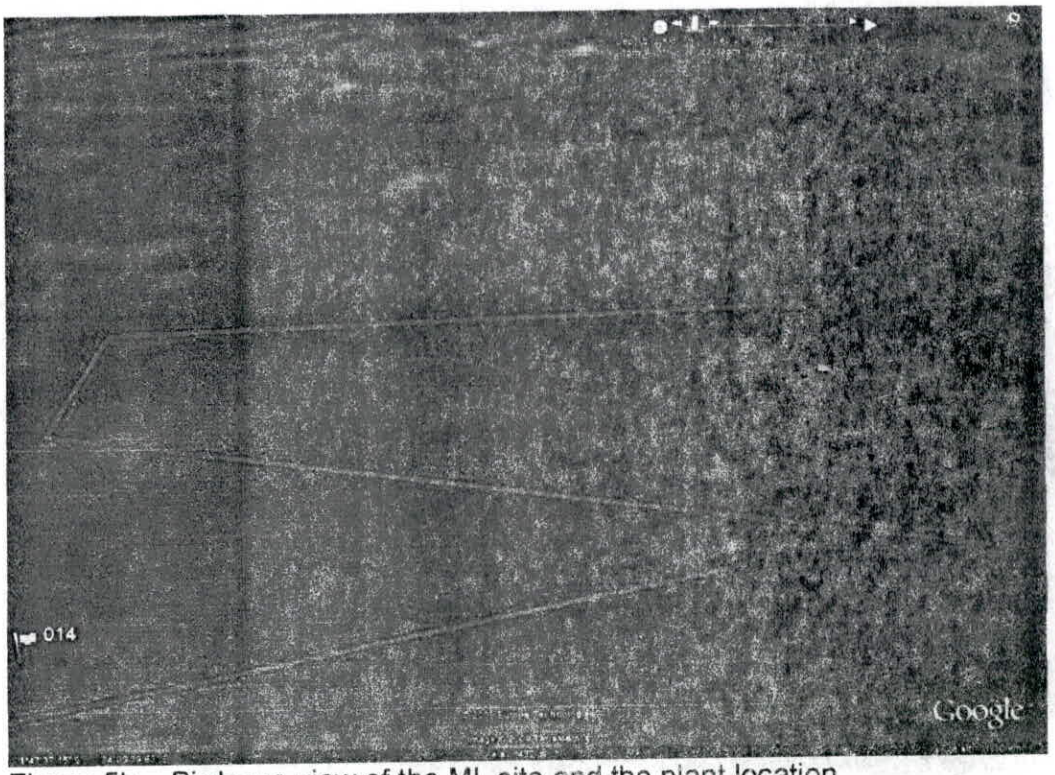


Figure 5h – Birdseye view of the ML site and the plant location

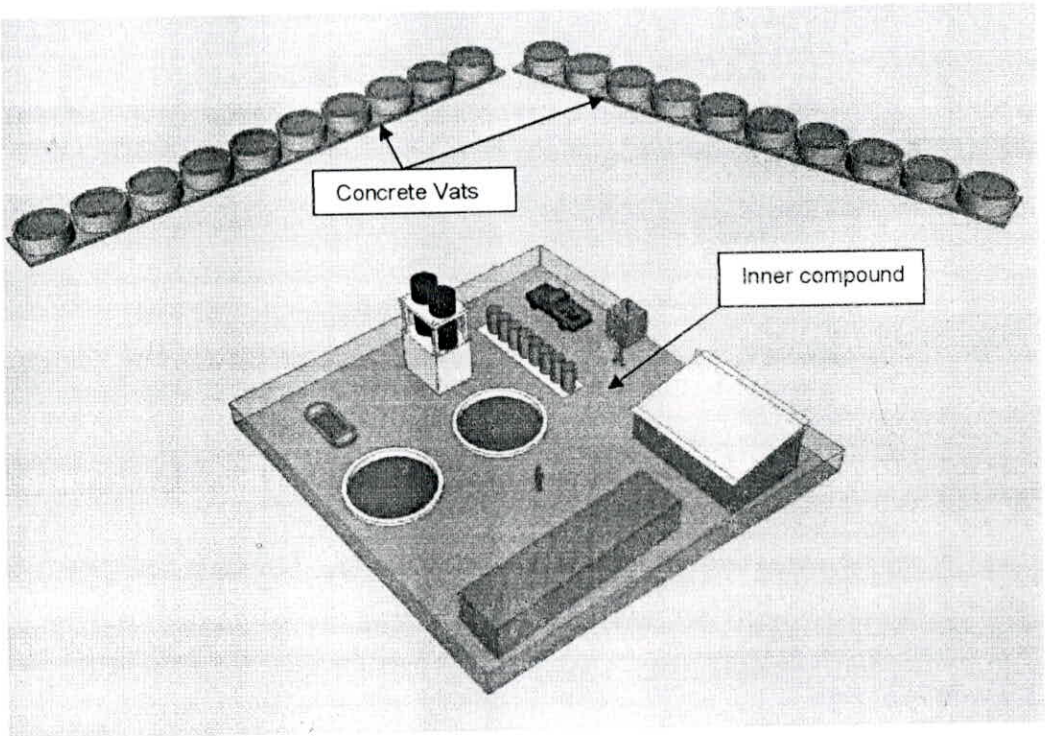


Figure 5i – Plant layout

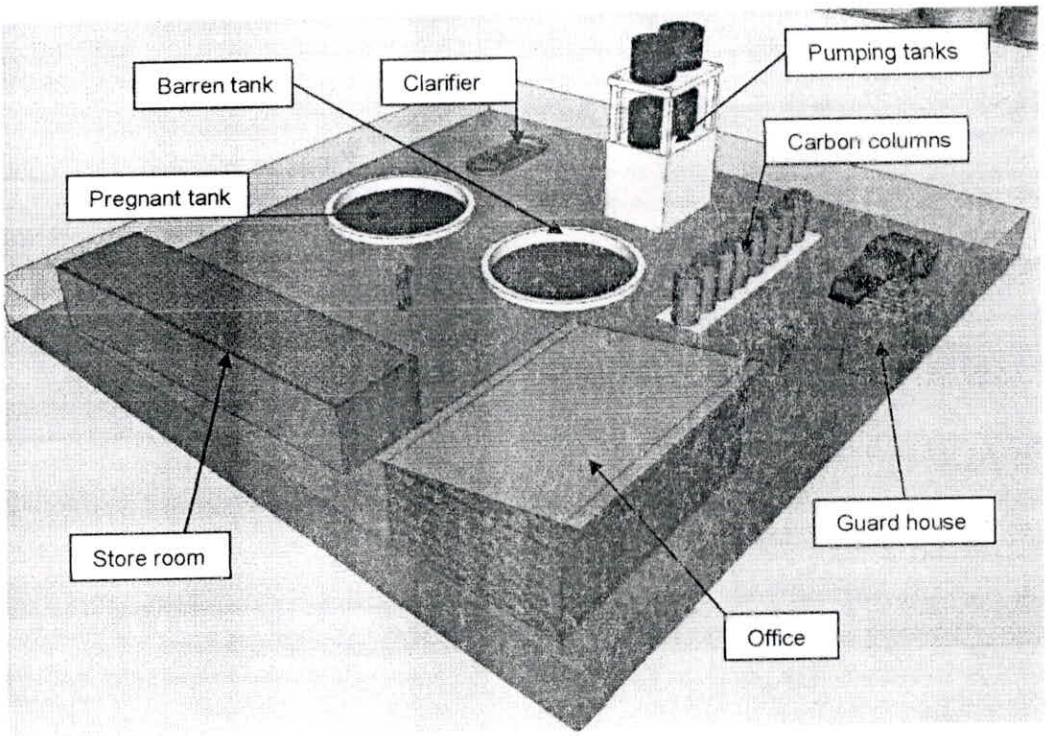


Figure 5j – Inner compound layout

5b Sources of Tailings and Reserves

The locations of the following mines can be seen in Figures 5c and 5d.

Buhemba

Distance from proposed location:	6	km
Estimated quantity of tailings:	15000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$1,000,000	

Tarani

Distance from proposed location:	0	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	1.9	g/T
Estimated value of extractable gold present (@$750/oz):	$100,000	

Rabasi

Distance from proposed location:	10	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Sirori Simba

Distance from proposed location:	30	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Butiama

Distance from proposed location:	25	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Kiabakari

Distance from proposed location:	32	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Kukirango

Distance from proposed location:	45	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	5	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Ikungu

Distance from proposed location:	70	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Maji Moto

Distance from proposed location:	50	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Chamalambo

Distance from proposed location:	60	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Totals

Confirmed Quantity of Tailings	27000	Tonnes
Estimated average grade of tailings	2.5	g/T
Confirmed Value @$750/oz	$1,830,000	

6 Environmental, Social and Local Economic Impacts

6a Environmental Impacts

Perfalbion Minerals operations will have a minimal impact on the environment of the area. One of the key environmental benefits of the operation will be the centralisation of tailings dumps. Often tailings are dumped in a disorderly fashion around certain rural areas. Perfalbion Minerals will collect these tailings and place them on a managed tailings dump site. This site can be monitored and steps can be made to ensure the safety of the surrounding area and the rehabilitation of the tailings dump.

A benefit of using vat leaching as a method of gold extraction is that the tailings can be washed and drained before moving to the dump site. This means that the tailings will be inert and relatively free of chemicals. One major problem for CIP extraction systems is that the waste tailings are unwashed and in a slurry form. This means tailings a dam must be created and an area has to be created that the tailings cannot leak from. There is no such problem for a vat leaching operation, as the tailings are in solid form so containment is relatively easy.

The last charge to the vats will be a fresh water wash. This will ensure that all salts, soluble material and cyanide are washed from the tailings, rendering the tailings chemically inert.

A good quantity of Ferro-Sulphate will be stored at site. Should any cyanide spillages occur, this can be used to neutralise the chemical safely.

6b Social and Local Economic Impacts

The social and local economic benefits from Perfalbion Minerals operations will be considerable. In the first year it is expected to contribute in the region of $500,000 to local economies. In the second year of operation this figure is expected to climb to in the region of $1,000,000.

In the region of 100 jobs will be created directly. The operations will significantly add value to current artisanal processes by providing demand for

a commodity that has little intrinsic value using current extraction processes. It is estimated that the increase in value of the commodity will add $500,000 to local economies annually. A high proportion of the investment will be spread widely to remote communities that are in desperate need of jobs and investment.

The village of Tarani will also see a number of benefits besides the creation of jobs. When boreholes are sunk on site to allow extraction of water for the process, boreholes will also be provided for the village, improving their access to fresh water. It will also be useful for the plant to be connected to mains electricity. Currently there is no mains electricity in Tarini but it may prove feasible and economical to create power lines from the nearby abandoned Buhemba mine.

The Tanzanian government has been striving to rationalise and organise the artisanal mining sector. Companies like Perfalbion Minerals can play a key role in such a process. Although the company will not get directly involved with the crushing of tailings or artisanal mining activities, it will be in the interests of the company to assist current miners with this process to ensure a good supply of tailings to the site. After two years the amount of gold processed by the plant will have much more to do with actual tailings production levels in the area rather than the stock piled quantities. For this reason if the company is forward thinking it will try and work with the artisanal miners and find ways of significantly increasing tailings production. This shared interest will play a key role in improving technologies and processes used by the artisanal sector.

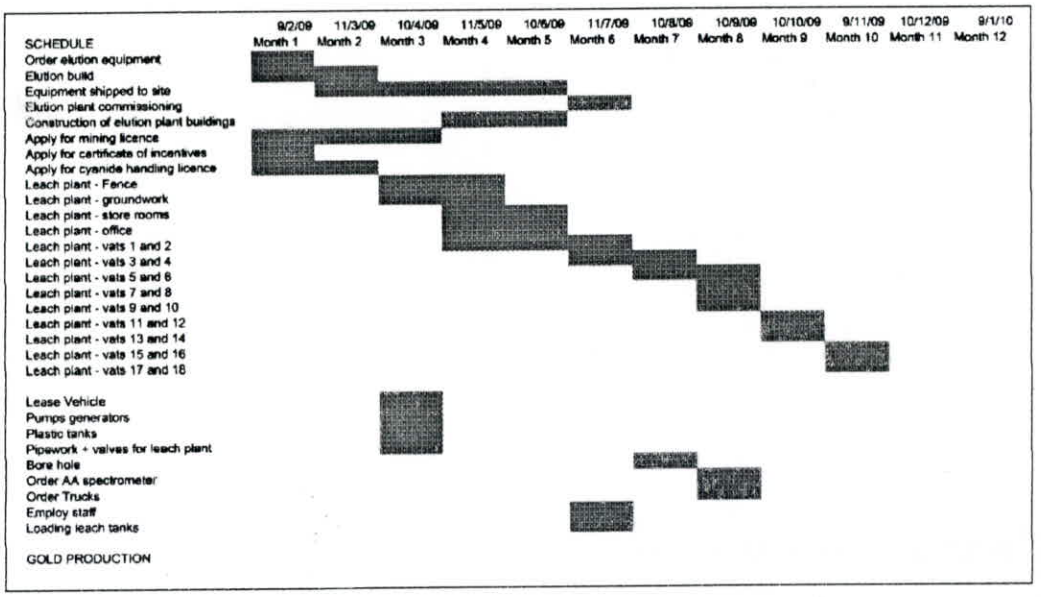
It is expected that the direct tax payable on gold created will be $18,000 in the first year and $45,000 in the second. (At a taxable rate of 3%).

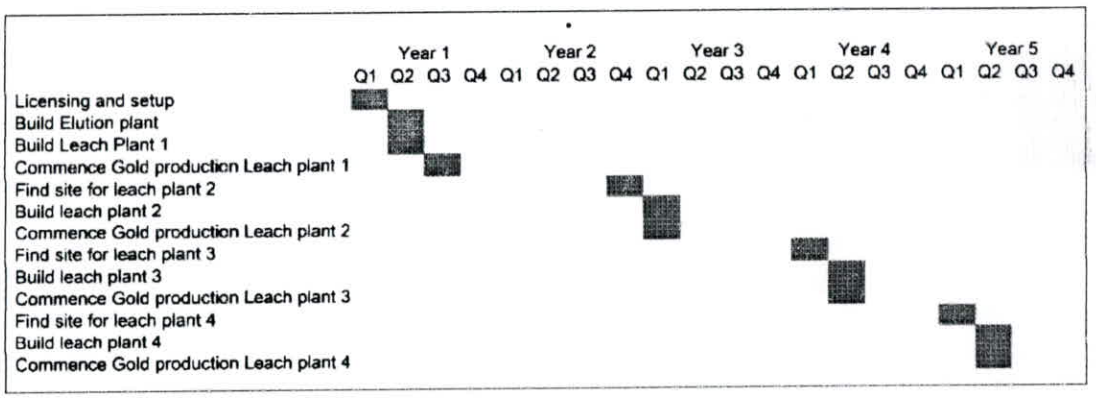
7 Management and Organisation

The company will be managed and run by Joseph Stegers. Joseph is an experienced engineer with a background in engineering consultancy. He has an honours degree in Mechanical Engineering from University College London.

8 Economic Aspects and Schedules

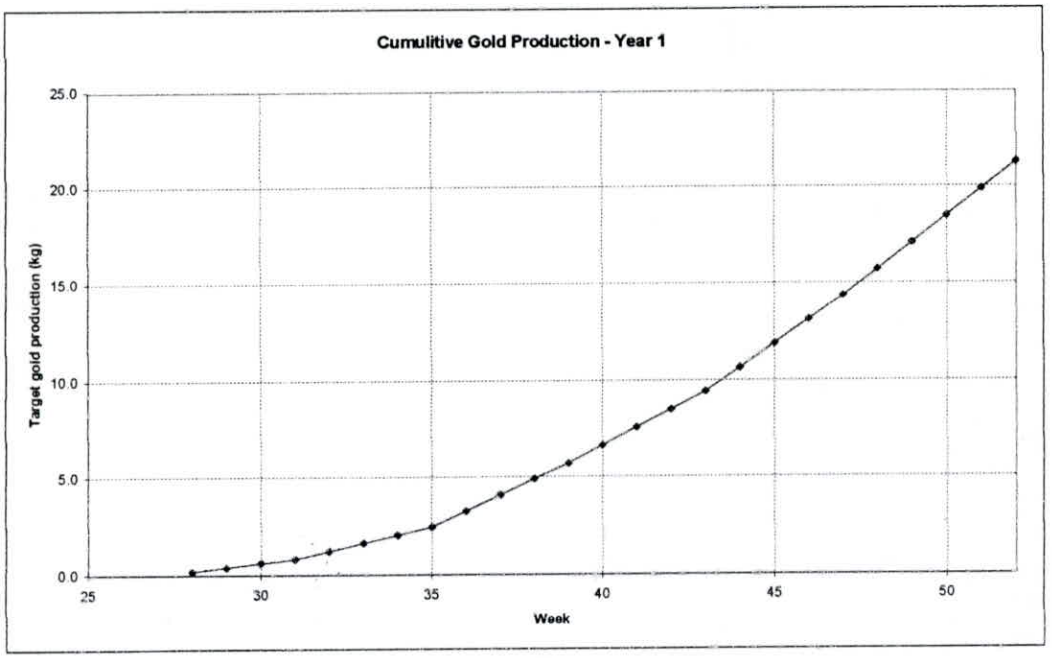
8a Implementation Schedules



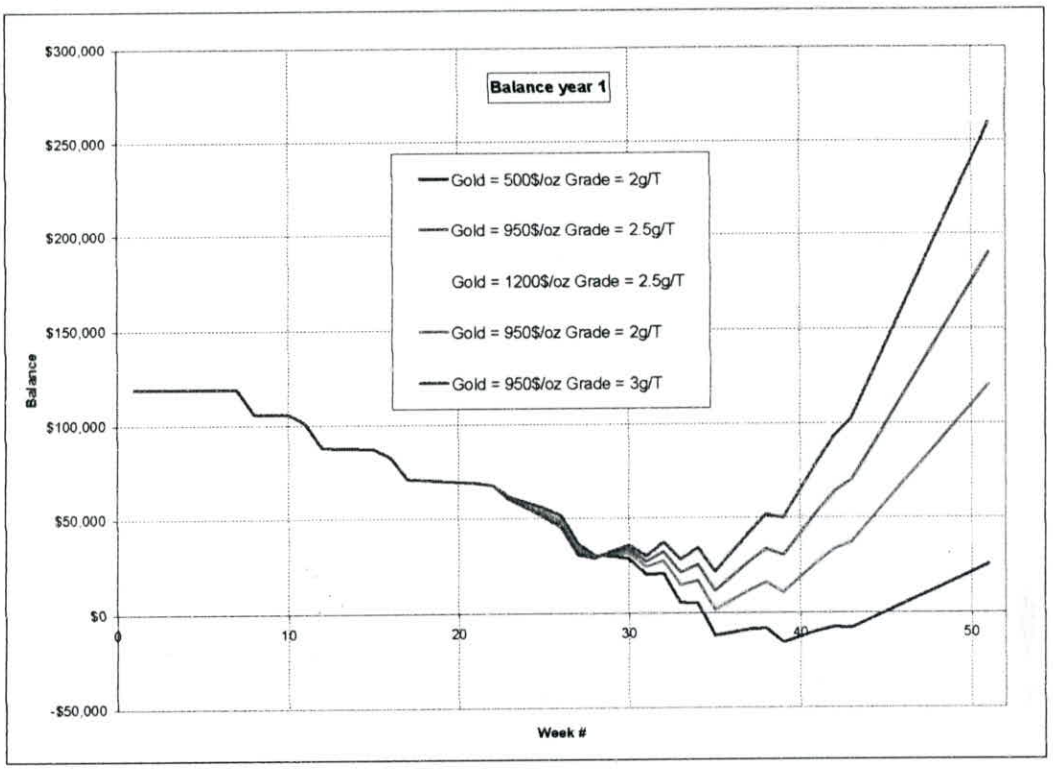


8b Target Production Rates

By month 10 the target gold production will be 6kg of gold per month



8c Predicted Cash Flow



8d Threats to Profitability and Running of the Company

8d.i Refractory Tailings

It will always be the case that there are some tailings that are more amenable to the leaching process than others. Ore bodies can have certain characteristics that make gold extraction difficult. This can be due to sulphides ores that consume reagents, carbonaceous ores that reabsorb the gold once it is liberated or telluride ores that dissolve poorly in cyanide solutions. Although such ores have been yet to be found following the initial study, if they are found, Perfalbion Minerals will not treat them as the preparation of such ores for leaching will be prohibitively expensive and complicated. All such refectory ores will be identified during sampling. In the case of sulphide ores it is usually possible to identify the crushed ore by its appearance and odour.

8d.ii Copper Rich Tailings

Another problem that similar operations have experienced has been high concentrations of copper in the tailings purchased. This copper has the effect

of displacing the gold in the extraction process, thereby reducing gold produced. All copper levels in the samples taken have been well below acceptable levels. Ores that are high in copper can still be treated, but it must be ensured that only a small proportion of the vats should contain such an ore to keep the copper concentrations below a certain threshold. The copper content of all the tailings will be measured during sampling.

8d.ii Gold Price

The price of gold can very volatile. With current gold prices the prediction is for a very profitable company but if the gold price recedes to the kind of levels seen 5 years ago, such operations will struggle to remain profitable.

8d.iii Political and Social Instability

The proposed location for the leach plant is in a location that has experienced civil unrest in the past. It is located in the north of the country near the Kenyan border where mines have experienced significant problems with security.

After independence Julius Nyerere's regime made an attempt to unify the country and reduce the negative aspects of tribalism in Tanzania. However, there has been worrying levels of civil unrest in nearby Kenya that has been attributed in some degree to tribalism. This has spilled over the border and Barrick has had significant trouble with their North Mara mine. The trouble is thought to be caused by the way the government enforced a very meagre compensation package to the local miners that were displaced during setup. The levels of civil unrest in the area where Perfalbion Minerals plans to set up its leaching operation are thought to be significantly less that in North Mara. Buhemba is south of the Mara river and its associated marsh lands. This is thought to act as a buffer from the destabilising affect of being close to the Kenyan border. See Figure 8a.

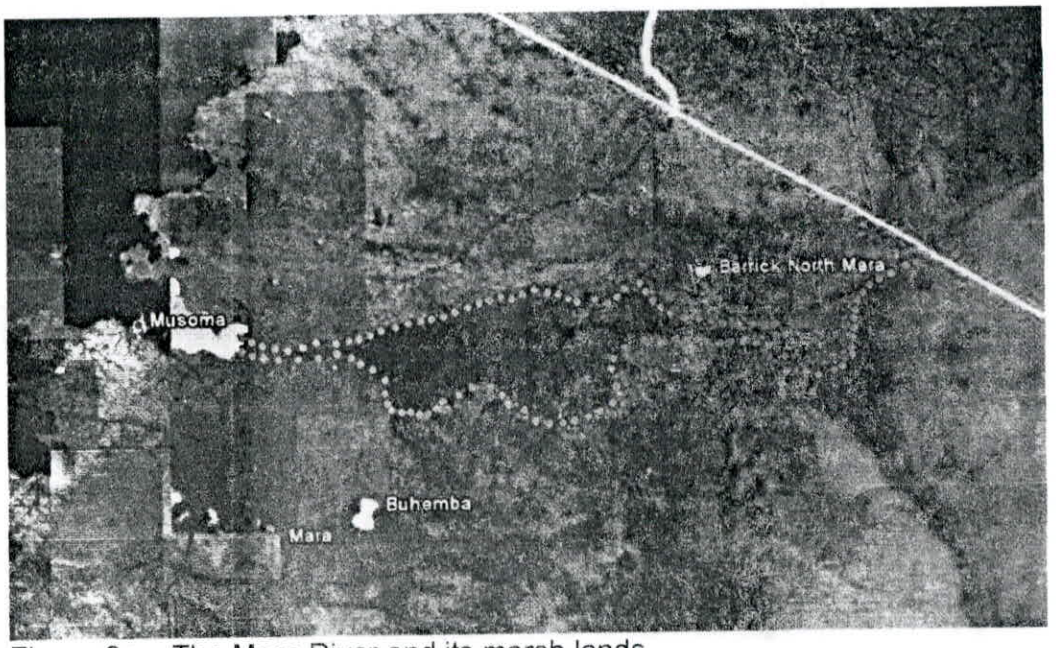


Figure 8a – The Mara River and its marsh lands

The tribes in Mara are notorious for their bellicose nature. However, it is hoped that as the plants presence in the area will significantly benefit the local miners and population and will not harm any local interests, the company will be popular and will experience little strife.

8d.iv Security

There are certain traits of Perfalbion Minerals that make security issues much less significant than with most other gold producing companies. Usually gold is found in remote places where security is difficult. However Perfalbion Minerals only produces accessible gold in its plant in the city of Mwanza where security is much more stringent. The gold solution produced in the field is of very low concentration and the gold is not readily extractible. It is also very difficult to extract gold from loaded carbon so there will be little risk of gold being stolen this way. The only real security threat for the leach plant will be theft of machinery (trucks, generators, pumps), consumables (quicklime, cement) and petty theft.

There will be two layers of security for the leach plant. There will be an outer perimeter that encompasses the entire plant and an inner secure compound where all valuable items will be stored. Both will have their own security.

A basic level of security will be maintained at the elution plant in Mwanza. On days when gold is being produced, extra security will be arranged. The gold produced will be taken to the bank immediately and sold. Perfalbion Minerals will not store gold or speculate on gold price.

8d.v Delays with Licensing

The regulatory authorities in Tanzania are well known for being difficult to deal with. There have been a number of issues with delays recently with the granting of mining licences. There is sentiment that the current situation is too favourable towards large foreign companies and the tax yield from these companies is too low. For this reason there has been talk of introducing a new minerals policy that may cause delays to licence applications.

There may also be a problem with licensing as a large proportion of the tailings that will be purchased are from so called illegal miners. These are miners that have failed to take out local licensing and are operating outside of current government guidelines.

8e Investor Profiles

Joseph Stegers BEng

Joseph was born in London (UK) in August 1980.

In 2003 Joseph graduated from University College London (Ranked 6th best university in the UK) with an honours degree in Mechanical Engineering. After this he went to work for Ove Arup and Partners (one of the top multinational engineering consultancies.) During the 4 years he worked here he worked on a number of high profile projects on a variety of structures including tunnels, bridges, high rise buildings and oil rig structures.

After leaving Ove Arup and Partners, Joseph was briefly involved with a small scale mining operation in Uganda. It was here that he learned about the process that Perfalbion Minerals plans to implement in Tanzania.

Theodore Stegers

Theodore was born in Liverpool (UK) in March 1953.

Theodore Stegers will be the principal investor in the project. Theodore is based in the UK (London). After various jobs and management positions, in 1987 Theodore became the owner/director of Recruitment Matter Ltd, a recruitment consultancy based in London. After many successful years, Theodore moved on and is now the owner/director of WeAdmire Ltd (UK). This company operates in the t-shirt publishing sector.

Appendix

Cash flow forecast – Year 1

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments	170000											
	Sales							26307	68398	78921	109437	180993	151529
	TOTAL INCOME	**170000**						**26307**	**68398**	**78921**	**109437**	**180993**	**151529**
	OUT												
CAPITAL EXPENDITURE	Elution Plant Equipment	45000											
	Smelting equipment / furnace	2000											
	Elution plant construction				6000								
	Elution plant and consumables shipping		4000						4000				
	AA machine									10000			
	Bore Holes			5000									
	Plastic tanks for leach plant				4300								
	Other buildings leach site			8000									
	Fencing and groundworks			5000									
	Concrete vats for leach site				3000		3000	3000	6000	6000	6000		
	Pregnant and Barren tanks							10000					
	Generators				23	92	92	92	115	92	92	115	92
	Pumps				46	185	185	185	231	185	185	231	185
	Vehicle lease				231	923	923	823	1154	923	923	1154	923
	Pipework				571		571	571	1143	571	571		
	Valves				143		143	143	286	143	143		
	Earth moving equipment				143		143	143	286	143	143		
	Cyanide handling licence	700											
	ML application	1000											
	EIA payments	1000											
	TIC application fees	850											
REVENUE COSTS	Activated Carbon		3400						3400				
	Cyanide		5100						8500				
	Ferro Sulphate		255										
	Hydrochloric acid		200										
	Nitric Acid		200										
	Quick lime				1500			5500					
	PML site payments												
	Lease payments for elution site							3000	7500	6000	6000	7500	6000
	Security Costs - leach site						277	277	346	277	277	346	277
	Security costs - elution site			12	58	46	46	46	58	46	46	58	46
	Electricity costs						92	92	115	92	92	115	92
	Water costs						46	46	58	46	46	58	46
	Fuel - Leach site			200	1000	800	800	800	1000	800	800	1000	800
	Fuel - Elution							300	500	400	400	500	400
	Fuel - Transport						150	200	250	200	200	250	200
	Salary						2769	4385	7615	8308	12000	20769	16615
	NSSF						277	438	762	831	1200	2077	1662
	Sub contractors						421	983	1965	2246	3145	5054	4043
	Director drawings												
	Flights + hotels												
	Sampling												
	Tailings costs						6314	14732	29464	33673	47142	75764	60612
	Bank charges							789	2052	2368	3283	5430	4546
	Tax on sale of gold							789	2052	2368	3283	5430	4546
	TOTAL OUTGOINGS	**50550**	**13155**	**18212**	**17015**	**2046**	**16250**	**47435**	**76851**	**75712**	**85972**	**125851**	**101085**
	CASH FLOW	**119450**	**-13155**	**-18212**	**-17015**	**-2046**	**-16250**	**-21128**	**-10453**	**3210**	**23466**	**55142**	**50444**
	BALANCE	**119450**	**106295**	**88083**	**71069**	**69022**	**52773**	**31645**	**21192**	**24402**	**47867**	**103009**	**153453**

Cash flow forecast – Year 2

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments												
	Sales	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156
	TOTAL INCOME	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**
	OUT												
CAPITAL EXPENDITURE	Elution plant and consumables shipping	8000						8000					
	Generators	115	115	115	115	115	115	115	115	115	115	115	115
	Pumps	231	231	231	231	231	231	231	231	231	231	231	231
	Vehicle lease	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154
	Extra Vehicles			60000									
REVENUE COSTS	Activated Carbon	17000						17000					
	Cyanide	30000						30000					
	Hydrochlonc acid	400						400					
	Nitric Acid	400						400					
	Quick lime	10000						10000					
	Lease payments for elution site	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
	Security Costs - leach site	346	346	346	346	346	346	346	346	346	346	346	346
	Security costs - elution site	58	58	58	58	58	58	58	58	58	58	58	58
	Electricity costs	115	115	115	115	115	115	115	115	115	115	115	115
	Water costs	58	58	58	58	58	58	58	58	58	58	58	58
	Fuel - Leach site	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Fuel - Elution	500	500	500	500	500	500	500	500	500	500	500	500
	Fuel - Transport	250	250	250	250	250	250	250	250	250	250	250	250
	Salary	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
	NSSF	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
	Sub contractors	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054
	Director drawings	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Flights + hotels												
	Sampling	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Tailings costs	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662
	Bank charges	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	Tax on sale of gold	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	TOTAL OUTGOINGS	**173493**	**107693**	**167693**	**107693**	**107693**	**107693**	**173493**	**107693**	**107693**	**107693**	**107693**	**107693**
	CASH FLOW	**-9336**	**56464**	**-3536**	**56464**	**56464**	**56464**	**-8336**	**56464**	**56464**	**56464**	**56464**	**56464**
	BALANCE	**-8336**	**47127**	**43591**	**100054**	**156518**	**212981**	**203645**	**260109**	**316572**	**373036**	**429499**	**485963**

Cash Flow forecast – Fiver Year Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Turnover	$690,000	$1,969,874	$2,856,318	$4,727,699	$6,697,573	$16,941,464
Costs	$706,000	$1,483,911	$2,542,911	$4,323,605	$5,045,299	$14,101,727
Profit	-$16,000	$485,963	$313,406	$404,093	$1,652,274	$2,839,737

TICC/PP.10/041658/7 **11/07/2012**

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

Dear Sir,

RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL GOODS – CERTIFICATE OF INCENTIVES No: 041658

M/S Perfalbion Minerals Limited is a TIC registered company with certificate of incentives **No. 041658** which is valid up to **April 2015**

The company has been registered with objectives of establishing a project for processing of gold from waste minerals generated by artisanal miners.

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

THE UNITED REPUBLIC OF TANZANIA

00218873

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041658

This is to certify that

PERFALBION MINERALS LIMITED

of address P.O. BOX 630

MWANZA

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

PERFALBION MINERALS LIMITED

Which is located at PLOT NO. 128 C ILEMELA

MWANZA

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 12TH JUNE 2012

GP.DSM

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 (%)
	Joseph Stegers	British	95
	Theodore Stegers	British	5

2. Proposed Activities : To establish a project for processing of gold from waste minerals generated by artisanal miners

3. Sector: Manufacturing Subsector Mineral Processing

4. Investment cost: .Foreign USD 0.571m. .Local USD 0.2m. Total USD 0.771m.

5. Project Financing:
Equity USD 0.571m. Loans USD 0.2m. Total USD 0.771m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0.571m.	USD 0.2m.	USD 0.771m.

8. Technology Agreement None

9. Date of TIC Registration: 30th May 2012

10. Implementation period May 2012 - April 2015

11. Operative date May 2015

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 199

(i) Applicable Import Duty And VAT as per Customs Tariff Act,1976 & VAT Act,199

(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

TICC/PP.10/041658/7 30th May, 2012

Managing Director
Perfalbion Minerals Ltd
P.O Box 630
MWANZA

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

We wish to acknowledge receipt of your letter dated 14th May 2012 requesting the Centre to re-issue your certificate of incentives on the ground that:-

1. Your project could not start due to financial problems
2. You have been able to secure funds to implement the project

Following our letter of approval dated 20th May 2009, the centre would like to inform you that, your request for the re-issuance of certificate of incentives has been granted and date of approval will be now read from the date of this letter.

We wish you all the best on your implementation of your project.

Yours sincerely
TANZANIA INVESTMENT CENTRE

B.D. Chonjo
For: EXECUTIVE DIRECTOR

MINUTE SHEET

041658

6

Dokezo No.

TO: DIF
FROM: ZONAL MANAGER - LAKE
DATE: MAY 17 2012

RE: APPLICATION FOR RE-ISSUANCE OF CERTIFICATE:
M/S PERFALBION MINERALS LIMITED - TIC CERIFICATE NO: 041658

The above-mentioned investors were granted TIC Certificate in May 2009 for purposes of facilitating processing of gold from waste minerals generated by artisanal miners. The Certificate expired on 30th April 2012.

As the issuance date would suggest, the project started during the recent Global Financial Crisis period. The investors report that the project could not take off as the initial prospective financiers withdrew, and it was not until December 2011 that they finally completed negotiations and signed an agreement with other financiers for financing the project.

In essence, the project never took off from the ground until now. They have submitted an application requesting re-issuance of the certificate on the project.

On the basis of the above background we consider their request genuine and recommend that we re-issue the certificate now that they are ready to proceed with the project.

Please note that their Business Plan was pegged in United States Dollar, and therefore the project plans and costs remains basically the same.

I submit

Fanuel Yona Lukwaro
ZONAL MANAGER - LAKE

TANZANIA INVESTMENT CENTRE
23 MAY 2012

Attachments:

1. Original TIC Certificate of Incentives No: 041658
2. ERV No: ..... being Certificate Fee

MINUTE SHEET

Dokezo No.

PERFALBION
MINERALS

14/5/2012

Dear Tanzanian Investment Director,

Re: Reissue of the Certificate of Incentives NO: 041658

Perfalbion Minerals Ltd, was registered with the Tanzanian Investment Centre on 28th May 2009 and was granted a Certificate of Incentives on 2nd November 2009.

Unfortunately, due to the worldwide economic downturn some of the investors pulled out as the recession hit their current business activities extremely hard. After an extended period of negotiations with the potential investors, an agreement was unable to be reached between the management of the company and the prospective investors. Unfortunately, negotiations finally broke down in November of 2010. During this period of inactivity, the management sought to find new investors to fund the project. Investors were once again identified, and negotiations over their participations were completed in December of 2011. The shareholders agreement was signed in February 2012.

Our Certificate of Incentives expires in May 2012, therefore I kindly request that you please reissue the certificate of incentives for another 3 years in light of the above.

I have enclosed cheque number 829639 for the amount of $750 to reissue the COI.

Yours Sincerely,

Joseph Stegers

Managing Director

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

TFN: 614 (Rev. 8.94)

STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

1

37896610

Shs. ~~USD~~	Cts.
7,750	

NIMEPOKEA KWA
Received from PERFALBION MINERAL LTD

KIASI *Amount*

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words) SEVEN THOUSAND SEVEN HUNDRED AND FIFTY

NA SENTI *And Cents* DOLLARS ONLY

KWA MALIPO YA
In respect of CERTIFICATE OF INCENTIVES - ~~TAX~~

KWA FEDHA TASLIMU/HUNDI
NAMBA *By Cash/Cheque No.* 82963

KITUO — *Station* TIC - MZA

SAHIHI YA MPOKEAJI — *Receiving Officer's Signature*

CHEO — *Title* IFD

TAREHE — *Date* 17/05/2012

NPC-KUTA

TICC/PP.10/041658/5 **03/05/2012**

The Managing Director,
M/S Perfalbion Minerals Limited,
P.O. Box 630,
MWANZA

Dear Sir,

RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO. 041658

We are writing in response to your letter of 13th March, 2012 regarding above captioned subject.

Please be informed that the centre cannot process your request for tax remissions on Capital/ Deemed Capital a goods as your certificate of incentives has expired since April, 2012.

You are kindly advised to renew the certificate of incentives for further processing of tax exemption.

Please be guided accordingly

Yours sincerely
TANZANIA INVESTMENT CENTRE

N.A. Senzia
FOR: EXECUTIVE DIRECTOR

(4)

PERFALBION
MINERALS

Commissioner of Customs & Excise
Tanzanian Revenue Centre,
P.O.Box 9053,
DAR ES SALAAM

ADAM
Certificate has Expired
Npon his
D/T 12/4/2012

23/3/2012

TANZANIA INVESTMENT CENTRE
11 APR 2012
TANZANIA

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: 041658

We are TIC approved project with certificate of incentives no; 041658
Which is valid up to November 2012.

The company has been registered with objectives of processing gold.

Attached herewith please find a list of Capital / Deemed capital goods for Duty/ Vat exemption approved.

Yours sincerely,

Perfalbion Minerals Ltd.
Mwanza

Managing Director

PERFALBION MINERALS

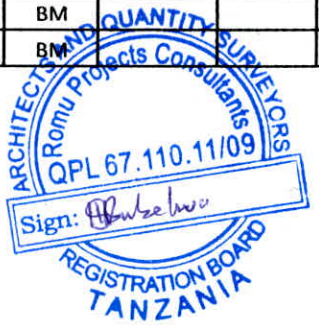
MATERIAL PRICE

Plant and Machinery	P&M
Equipment	E
Building Materials	BM
Vehicle	V
Furniture	F

	ITEM DESCRIPTION	QTY	UNIT	GROUP	PRICE	TIN	EXEMP REF	EXEMP DATE
1	20' CONTAINER	3	item	P&M				
2	3" PVC PIPING	120	m	P&M				
3	3" 90 DEGREE ELBOWS	20	item	P&M				
4	3" 45 DEGREE ELBOWS	10	item	P&M				
5	3" PVC TEE	3	item	P&M				
6	3" VALVES (MAIN/GATE VALVE)	12	item	P&M				
7	2" PVC PIPING	200	m	P&M				
8	2" RUBBER HOSING	6	m	P&M				
9	2" HOSE CLAMPS	40	item	P&M				
10	2" BALL VALVES (PLASTIC)	40	item	P&M				
11	2" GATE VALVES (PLASTIC)	4	item	P&M				
12	2" CAM+GROOVE COUPLES (PLASTIC)	30	item	P&M				
13	2" 90 DEGREE ELBOWS (PLASTIC)	30	item	P&M				
14	2" TEES (PLASTIC)	10	item	P&M				
15	1" PVC PIPING	50	m	P&M				
16	1" PVC PIPING - ROLLED	300	m	P&M				
17	1" CLEAR PLASTIC HOSING	6	m	P&M				
18	1" 90 DEGREE ELBOWS (PLASTIC)	20	item	P&M				
19	1" TEE (PLASTIC)	8	item	P&M				
20	1" GATE VALVES (PLASTIC)	8	item	P&M				
21	1" BALL VALVES (PLASTIC)	20	item	P&M				
22	PVC TANK 2m DIA X 2m H 5000L	3	item	P&M				
23	200L INK DRUMS	15	item	P&M				
24	CONCRETE DRAIN CHANNEL 21m X 0.5	21	m	P&M				
25	25cm CMP DRAIN PIPE	15	m	P&M				
26	GRAVEL	10	T	BM				
27	DIESEL STORAGE TANK 1000L	1	item	P&M				
28	FOOTERS	10	m3	BM				
29	SAND BAGS	500	item	BM				
30	ELECTRICAL WIRING	150	m	P&M				
31	ELECTRICAL WIRING CONDUIT	150	m	P&M				
32	ELECTRICAL SOCKETS	20	item	P&M				
33	ELECTRICAL JUNCTION BOXES	10	item	P&M				
34	BOREHOLE - ON SITE	2	item	P&M				
35	2" FLOWMETER	3	item	E				
36	GENSET 18KVA	3	item	P&M				
37	GENSET 50KVA	1	item	P&M				
38	CENTRIFUGAL BOOSTER PUMPS	6	item	E				

ARCHITECTS AND QUANTITY SURVEYORS
Romu Projects Consultants
QPL 67.110.11/09
Sign:
REGISTRATION BOARD
TANZANIA

39	BOREHOLE PUMP	2	item	E				
40	AIR COMPRESSOR 1.8KVA	2	item	E				
41	HAND PUMP FOR DIESEL TANK	2	item	E				
42	CONCRETE SEALANT FOR VATS	400	kg	BM				
43	FERRO SULPHATE	500	kg					
44	QUICKLIME	5	T	BM				
45	SODIUM CYANIDE	6	T					
46	ACTIVATED CARBON	2	T					
47	SCREENS AND FILTERS	30	item	P&M				
48	PUMP CONTROL SWITCHES	4	item	E				
49	COMPANY CAR (COROLLA FIELDER)	1	item	V				
50	COMPANY CAR (PICKUP)	2	item	V				
51	Overalls for employees	16	item	E				
52	Boots	40	item	E				
53	Gloves	10	item	E				
54	Goggles	40	item	E				
55	Respirators	10	item	E				
56	Spades	40	item	E				
57	Picks	10	item	E				
58	Wheelbarrows	15	item	E				
59	Raincoat	40	item	E				
60	ELUTION COLUMN AND SPARES	2	item	P&M				
61	FURNACE, KILN AND EXTRACTOR	1	item	P&M				
62	UPS FOR OFFICE	1	item	E				
63	PH METER	1	item	E				
64	DISSOLVED OXYGEN METER	1	item	E				
65	DIGITAL SCALES	3	item	E				
66	VOLTAGE STABILISERS 3000W	8	item	P&M				
67	CAUSTIC SODA	500	kg					
68	HYDROCHLORIC ACID	500	kg					
69	BORAX SILICA AND OTHER SMELTING	50	kg					
70	LABORITORY EQUIPMENT TEST TUBES	100	item	E				
71	LABORITORY EQUIPMENT TEST BEAKERS	10	item	E				
72	LABORITORY EQUIPMENT TEST BURETTES	5	item	E				
73	SAFE FOR DOCUMENT STORAGE	2	item	F				
74	SAFE FOR VALUBLE ITEMS	2	item	F				
75	DESK FOR OFFICE	3	item	F				
76	CHAIR FOR OFFICE	6	item	F				
77	LAPTOP	2	item	E				
78	ATOMIC ABSORPTION SPECTROMETER	1	item	E				
79	CHAIN-LINKED FENCE W/ BARBED WIRE	160	m	BM				
80	CHAIN-LINKED GATE	10	m	BM				
81	CONCRETE TANK 4m DIAMETER 1.5m H	16	item	BM				
82	RE-ENFORCED BAR	16800	kg	BM				
83	FORMWORK	57	m2	BM				
84	CONCRETE BARREN TANK 4m X 6m X 2m	1	item	BM				
85	RE-ENFORCED BAR	2360	kg	BM				



86	FORMWORK	92	m2	BM				
87	CONCRETE PREGNANT TANK 5m X 5m X 2m	1	item	BM				
88	RE-ENFORCED BAR	2382	kg	BM				
89	FORMWORK	92	m2	BM				
90	CONCRETE CLARIFIER TANK 2m X 1.5m X 0.5m	1	item	BM				
91	RE-ENFORCED BAR	294	kg	BM				
92	FORMWORK	12.5	m2	BM				
93	BRICK GUARD HOUSE 2.5m X 2.5m X 2.5m	1	item	BM				
94	RE-ENFORCED BAR	59	kg	BM				
95	ROOFING 2 X 1m CORRUGATED SHEETS (25)	45	m2	BM				
96	COMPRESSOR HOUSE 3m X 3m X 3m	1	item	BM				
97	RE-ENFORCED BAR	71	kg	BM				
98	OFFICE 6m X 4m X 2.5m H	1	item	BM				
99	RE-ENFORCED BAR	118	kg	BM				
100	WOOD FRAME OUTHOUSE 2m X 1.5m X 2.5m	1	item	BM				
101	DOORS- WOODEN FRAMES	3	item	BM				
102	WINDOWS BASIC ALUMINIUM 1.5m x 1.5m	6	item	BM				
103	TIPPER TRUCK 6 X 4 14m3	2	item	V				

4/11/2009

№ 00215976

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041658

This is to certify that

PERFALRION MINERALS LIMITED

of address P.O. BOX 638

MWANZA

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

PERFALRION MINERALS LIMITED

Which is located at PLOT NO. 128C, ILEMELA, MWANZA

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

Executive Director

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

Dated 2nd NOVEMBER 2009

EP.CSM

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

Shareholders	Nationality	Shareholding (%)
Joseph Stegers	British	95
Theodore Stegers	British	5

2. Proposed Activities: To establish a project for processing of gold from waste mineral generated by artisanal miners

3. Sector: Manufacturing Subsector Mineral Processing

4. Investment cost: Foreign US$ 0.571m. Local US$ 0.2m. Total US$ 0.771m.

5. Project Financing: Equity US$ 0.571m. Loans US$ 0.2m. Total US$ 0.771m.

6. Source, terms and conditions of loan.....

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	US$ 0.571m.	US$ 0.2m.	US$ 0.771m.

8. Technology Agreement: None

9. Date of TIC Registration: 20th May 2009

10. Implementation period: May 2009 - April 2012

11. Operative date: May 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 and VAT Act, 1997

(ii) Applicable with-holding Tax: As per Income Tax Act, 2004 (as amended)

(iii) Eligibility of Capital Allowances: As per Income Tax Act, 2004 (as amended)

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

14. Conditions attached to this Certificate of Incentives

(i) Date of Commencement of investment has to be notified to the Centre.

(ii) Certificate not to be transferred, assigned or amended

(iii) Failure to commence implementation within two years invalidates Certificate

(iv) Failure to operate investment must be notified to the Centre

(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate

Finished goods are not allowed under this certificate

Signed ..... Executive Director

CTIN.: 0592705

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

PERFALBION MINERALS LIMITED

.....

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

108-067-535

.....

with effect from 18-May-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

THE UNITED REPUBLIC OF TANZANIA

MINING LICENCE NO. ML 387/2010

GRANTED PURSUANT TO

SECTION 48 OF THE MINING ACT, 1998

WHEREAS pursuant to Section 47 of the Mining Act, 1998 M/S **PERFALBION MINERALS LIMITED** of **P.O. Box 473, MWANZA, TANZANIA** has applied for a **Mining Licence** in respect of the area described in Clause I herein, hereinafter referred to as the Mining Licence Area

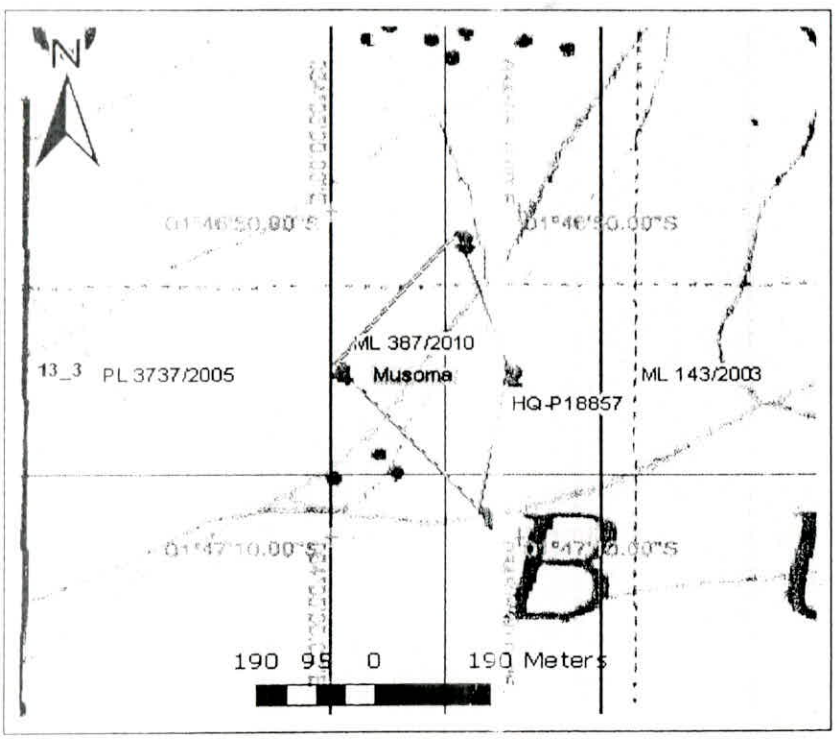
NOW THEREFORE, I , William M. Ngeleja (MP), Minister for Energy and Minerals, subject to the provisions of the Mining Act, 1998 and of the regulations thereunder now in force, or which may come into force during the continuance of this licence, and pursuant to the powers conferred upon me under Section 48 of the Mining Act, 1998 hereby grant M/S **PERFALBION MINERALS LIMITED** (hereinafter called the "Licensee") **Mining Licence,** conferring on the licensee the exclusive right to search for, mine, dig, mill, process, refine, transport, use and or market **All Minerals other than Building Materials and Gemstones** or other minerals found to occur in association with that mineral, in and vertically under the Mining Licence Area and execute such other works as are necessary for that purpose.

CLAUSE 1

CLAUSE 1
DESCRIPTION OF THE MINING LICENCE AREA

The Mining Licence Area is at **Buhemba** area in **Musoma** District, **QDS 13/3** defined by lines of latitude and longitude having the following corner coordinates:

Corner	Latitude (S)	Longitude (E)
1	- 01 deg. 47 min. 08.16 sec.	34 deg. 05 min. 07.74 sec.
2	- 01 deg. 46 min. 59.40 sec.	34 deg. 05 min. 09.24 sec.
3	- 01 deg. 46 min. 51.30 sec.	34 deg. 05 min. 06.60 sec.
4	- 01 deg. 46 min. 59.28 sec.	34 deg. 05 min. 00.18 sec.



Legend	
Licensed boundary	
License Number	ML 387/2010
District	Musoma
Direction	N

An area of approximately **0.07** Square Kilometres

CLAUSE 2
CONDITION OF GRANT

2.1 This Mining Licence is granted subject to the provisions of the Mining Act, 1998 and the regulations thereunder and the conditions set out or referred to herein.

CLAUSE 3
TENURE

3.1 This Mining Licence, unless sooner terminated, cancelled or surrendered, shall remain in force for a period of **ten (10) years** from the date of grant.

CLAUSE 4
METHOD OF OPERATIONS

4.1 During the term of this Mining Licence, the Licensee shall carry out the programme of mining operations in accordance with the approved Mining Plan and as may be amended from time to time and fulfil obligations hereunder and shall have full responsibility and assume the risks thereof.

4.2 The Licensee shall take all reasonable steps necessary to secure the safety, health and welfare of persons engaged in the operations in or about the Mining Licence Area, and ensure safety of properties in accordance with the governing laws of Tanzania.

CLAUSE 5
ENVIRONMENTAL MANAGEMENT

5.1 During the term of this Mining Licence, the Licensee shall be responsible for protection and management of the environment within the Mining Licence Area in accordance with the approved Environmental Management Plan and as may be amended from time to time.

CLAUSE 6
COMMENCEMENT OF MINE DEVELOPMENT AND PRODUCTION

6.1 The Licensee shall commence development work within three (3) months from the date of grant of the Mining Licence, or such further period as may be agreed by the Minister, on the basis of plans, general design for the mine and related facilities and ancillary operations consistent with the approved Mining Plan.

6.2 The Licensee shall commence regular production from the Mining Licence Area within a period of eighteen (18) months from the date of grant or within such further period as may be agreed by the Minister.

6.2 The Licensee shall commence regular production from the Mining Licence Area within a period of eighteen (18) months from the date of grant or within such further period as may be agreed by the Minister.

CLAUSE 7
EMPLOYMENT AND TRAINING

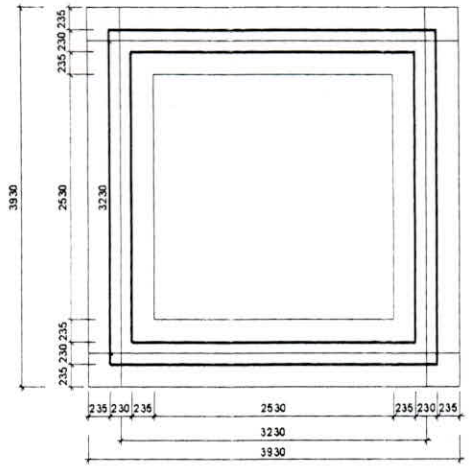
7.1 The Licensee and their contractors shall employ and train Tanzania citizens with appropriate qualifications to the maximum extent practicable and consistent with efficient mining operations. In this connection the Licensee shall carry out an effective scheme of employment and training for Tanzanian employees at all levels of operations and management in accordance with the approved Employment and Training Programme and as may be amended from time to time and approved by the Minister.

7.2 Subject to Clause 7.1 and to the requirements of any law relating to immigration, the Licensee and his contractor(s) may bring into Tanzania such expatriate employees whose expertise is not locally available at such material time and as in the Licensee's or its contractor's judgement are required to carry out mining operations efficiently and successfully.

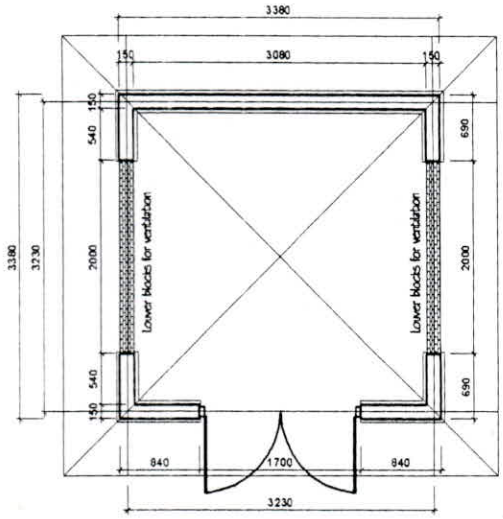
7.3 Subject to Clause 7.2, the Licensee and his contractor(s) shall not be restricted in employment, selection, assignment or discharge of his employees provided that the employment and the terms and conditions of such employment are non - discriminatory.

Granted this 6th day of January 2010

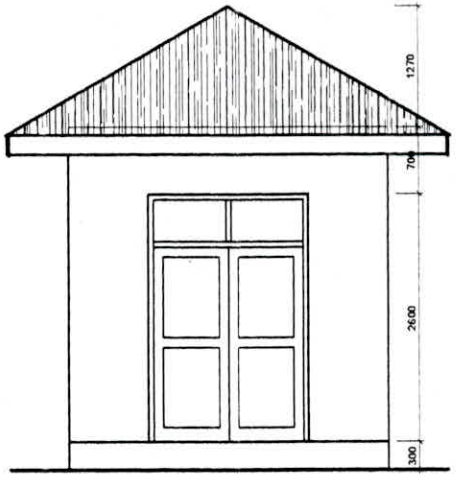
William M. Ngeleja (MP)
MINISTER FOR ENERGY AND MINERALS



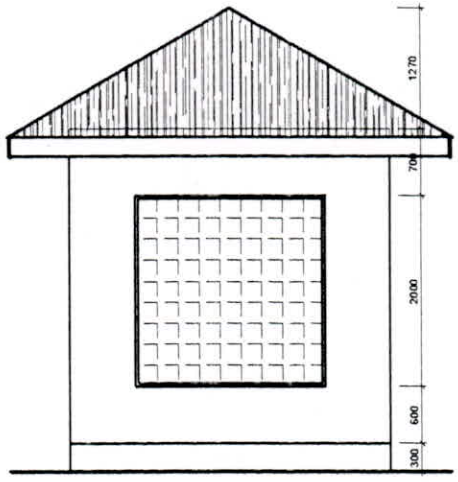
Compressor House
Foundation Layout



Compressor House
Ground Floor Plan



Compressor House
Front Elevation



Compressor House
General Elevation

NOTES

All levels to be verified on site.
Any discrepancies to be refered to the architect for clarification.
The drawing is to be read in conjunction with the relevant architectural and structural drawings.
All sanitary fittings & iron mongery to be of European standard (from china)
Written dimensions are to be verified on site.
Do not scale from drawing.
All ground floor slabs to be raised 300mm above grade.
All windows are louver blocks to approved design by client.
All external doors to be solid timber casement doors, with hard wood timber lining & finished with 50x12mm thick timber architraves.
Floor finishes: Ceramic Tiles 300 X 300 imported from China to be used in the office,toilet&guard house.
: Teracotta floor finish to be used in compressor room.
: Porcelain tiles 150 X 300 wall finish to be used in toilet room.
Ceiling finish: Suspended gypsum ceiling.
Roof material: To be of IT5.

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

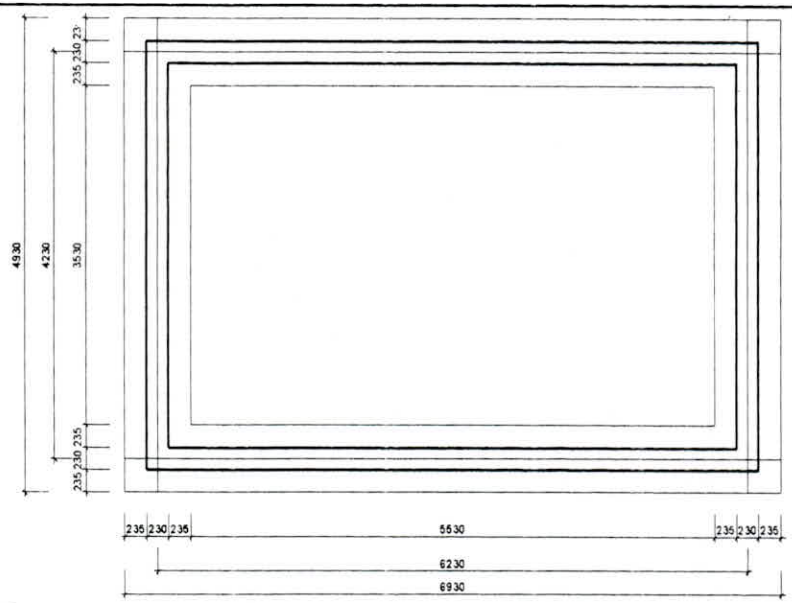
ARCHITECTS

PROJECT

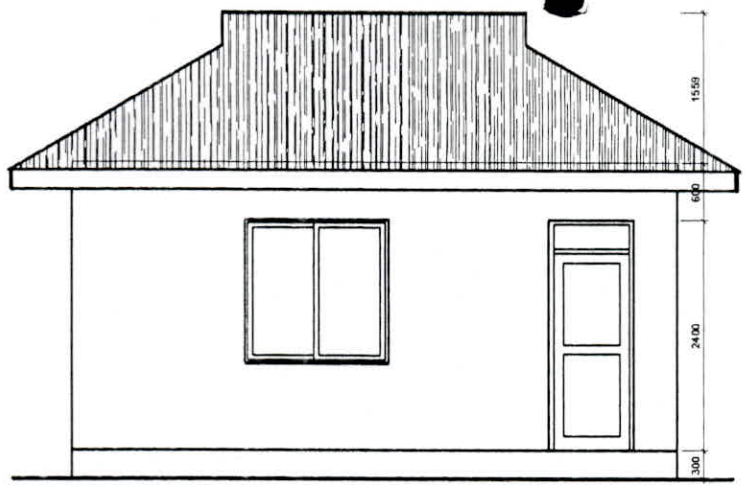
COMPRESSOR HOUSE

DRAWING TITLE

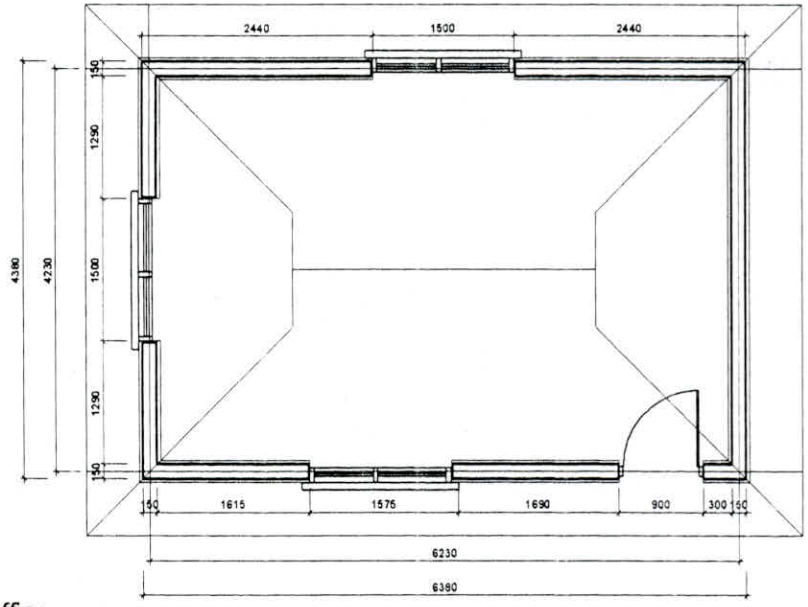
DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	
DRAWING NO: ARC01	



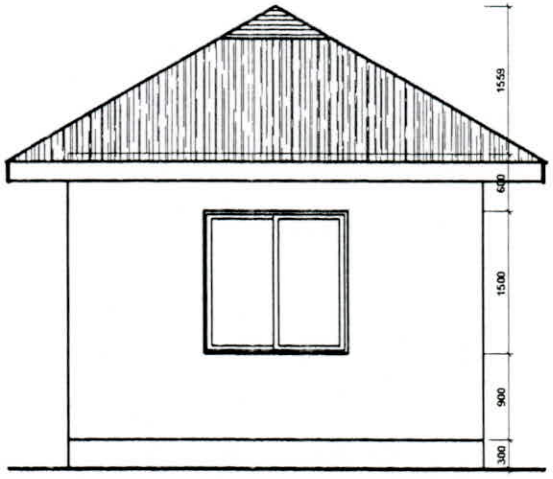
Office
Foundation Layout



Office
Front Elevation



Office
Ground Floor Plan



Compressor House
Left Elevation

NOTES

All levels to be verified on site.
Any discrepancies to be refered to the architect for clarification.
The drawing is to be read in conjunction with the relevant architectural and structural drawings.
All sanitary fittings & iron mongery to be of European standard (from china)
Written dimensions are to be verified on site.
Do not scale from drawing.
All ground floor slabs to be raised 300mm above grade.
All windows are Aluminium framed glass.
All external doors to be solid timber casement doors, with hard wood timber lining & finished with 50x12mm thick timber architraves.
Floor finishes: Ceramic Tiles 300 X 300 imported from China to be used in the office,toilet&guard house.
: Terracotta floor finish to be used in compressor room.
: Porcelain tiles 150 X 300 wall finish to be used in toilet room.
Ceiling finish; Suspended gypsum ceiling.
Roof material; To be of IT5.

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

ARCHITECTS

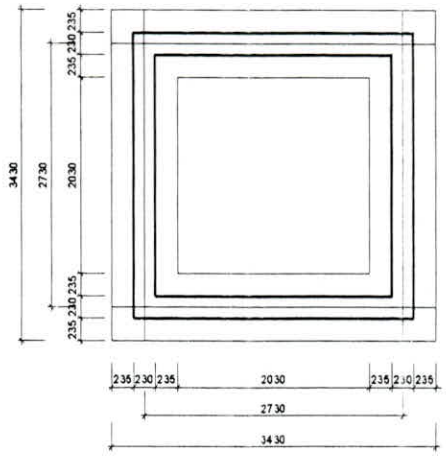
PROJECT

OFFICE BUILDING

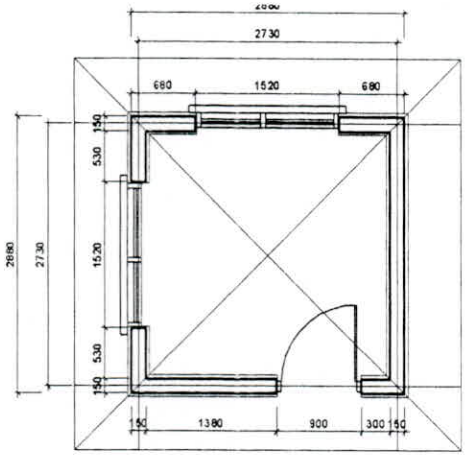
DRAWING TITLE

DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

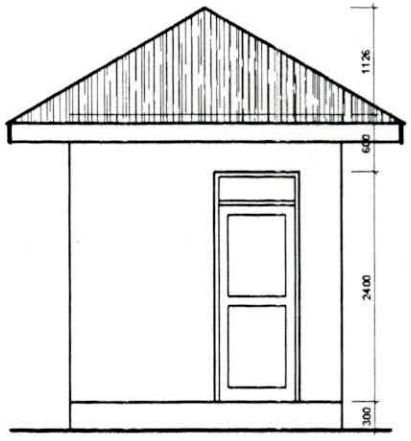
DRAWING NO: ARC02



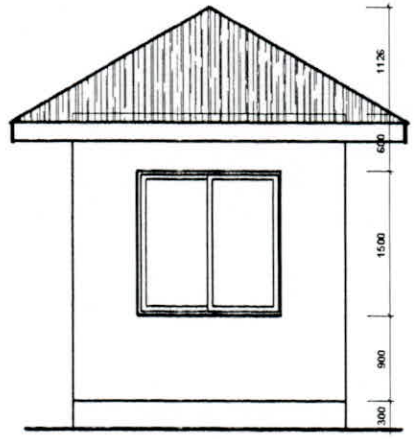
Guard House
Foundation Layout



Guard House
Ground Floor Plan



Guard House
Front Elevation



Guard House
Rear Elevation

NOTES

All levels to be verified on site.
Any discrepancies to be refered to the architect for clarification.
The drawing is to be read in conjunction with the relevant architectural and structural drawings.
All sanitary fittings & iron mongery to be of European standard (from china)
Written dimensions are to be verified on site.
Do not scale from drawing.
All ground floor slabs to be raised 300mm above grade.
All windows are Aluminium framed glass.
All external doors to be solid timber casement doors, with hard wood timber lining & finished with 50x12mm thick timber architraves.
Floor finishes: Ceramic Tiles 300 X 300 imported from China to be used in the office,toilet&guard house.
: Teracotta floor finish to be used in compressor room.
: Porcelain tiles 150 X 300 wall finish to be used in toilet room.
Ceiling finish; Suspended gypsum ceiling.
Roof material; To be of IT5.

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

ARCHITECTS

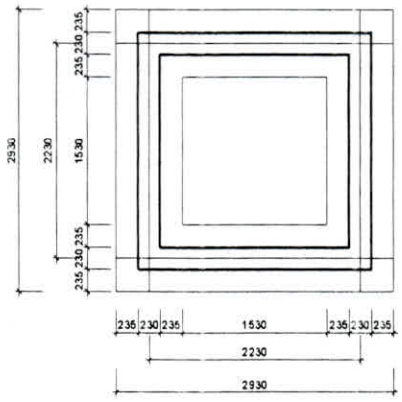
PROJECT

BRICK GUARD HOUSE

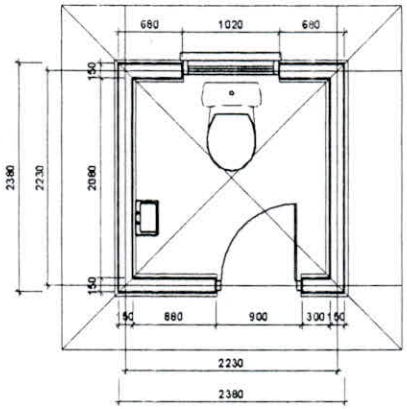
DRAWING TITLE

DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

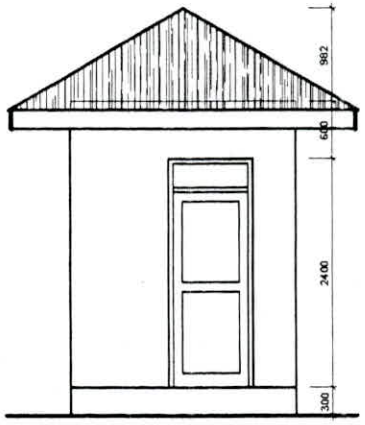
DRAWING NO: ARC03



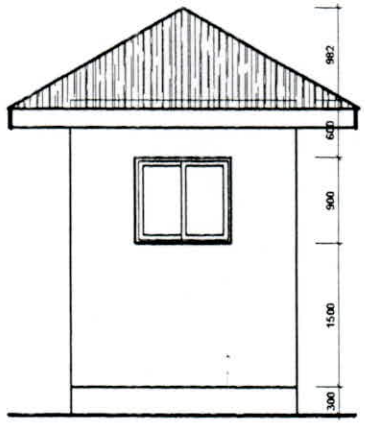
Toilet
Foundation Layout



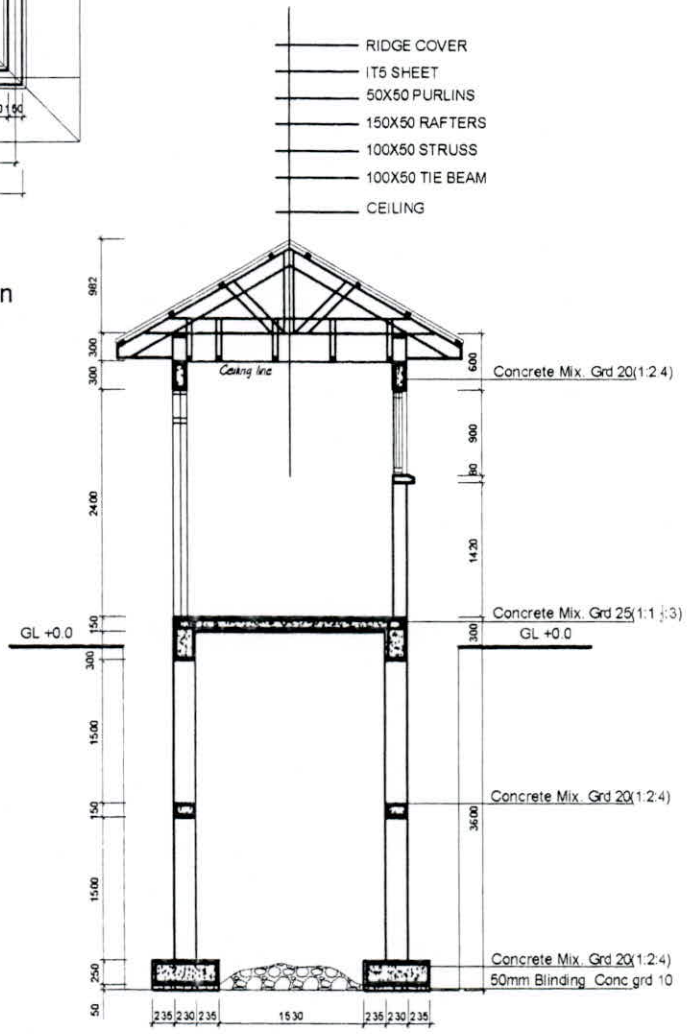
Toilet
Ground Floor Plan



Toilet
Front Elevation



Toilet
Rear Elevation



NOTES

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Any discrepancies to be refered to the architect for clarification
The drawing is to be read in conjunction with the relevant architectural and structural drawings
All sanitary fittings & iron mongery to be of European standard (from china)
Written dimensions are to be verified on site
Do not scale from drawing
All ground floor slabs to be raised 300mm above grade
All windows are Aluminium framed glass
All external doors to be solid timber casement doors, with hard wood timber lining & finished with 50x12mm thick timber architraves
Floor finishes: Ceramic Tiles 300 X 300 imported from China to be used in the office,toilet&guard house
: Teracotta floor finish to be used in compressor room
: Porcelain tiles 150 X 300 wall finish to be used in toilet room
Ceiling finish; Suspended gypsum ceiling
Roof material; To be of IT5.

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

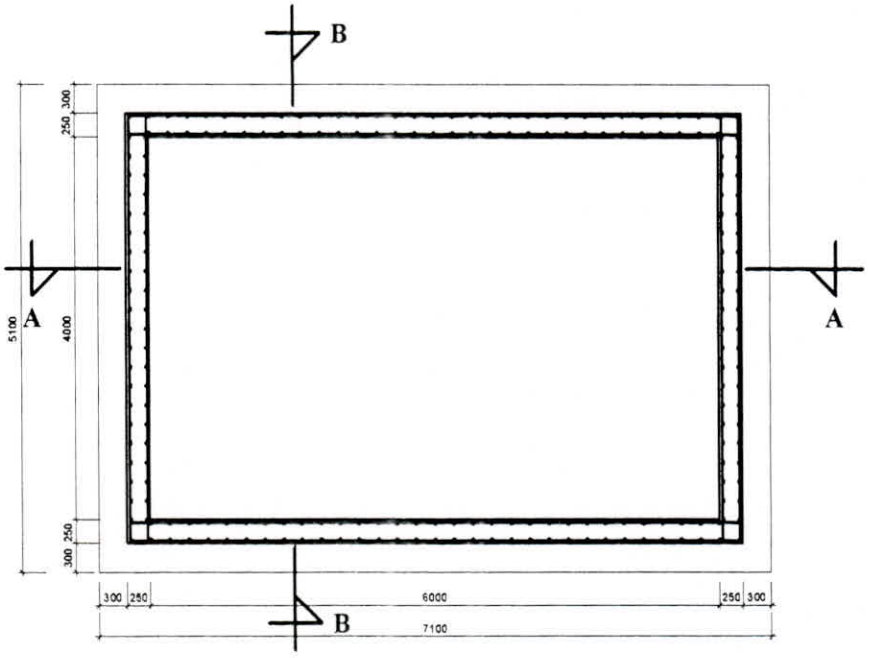
ARCHITECTS

PROJECT

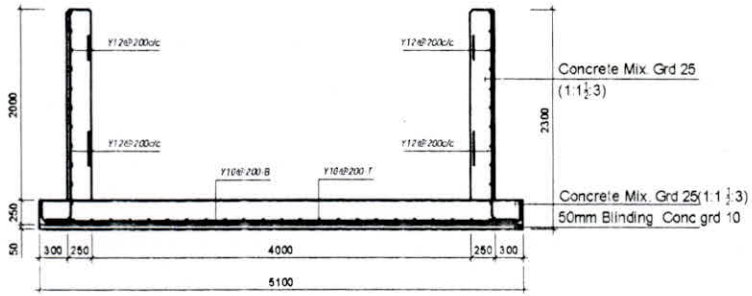
TOILET

DRAWING TITLE

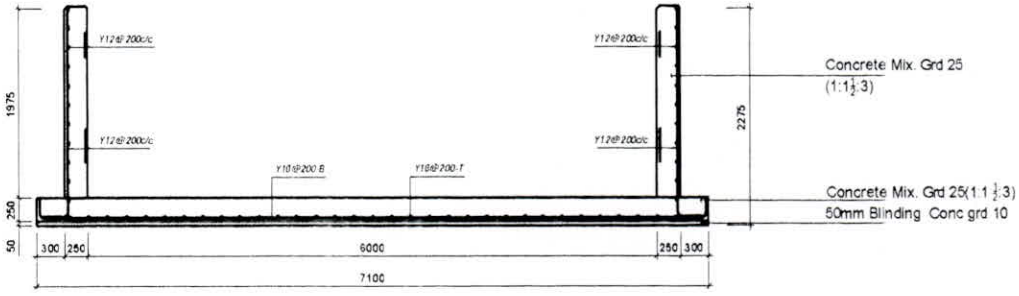
DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	
DRAWING NO: ARC04	



Concrete Barren Tank
Plan
Inside Dimension
4.0m X 6.0m X 2.0m High - 1 no
Volum - 48m³



Concrete Barren Tank
Section B-B



Concrete Barren Tank
Section A-A

NOTES

1. ALL DIMENSIONS ARE IN MM UNLESS OTHERWISE STATED
2. STRUCTURAL DRAWINGS TO BE READ IN CONJUCTION WITH THE RESPECTIVE ARCHITECTURAL DRAWINGS
3. CONCRETE WORK
   i) RC WALLS, FOOTINGS AND COLUMNS: GRADE 25 OF 1:1½:3 NOMINAL MIX VOLUMETRICALLY
   ii) BEAMS,SLABS & STAIRS: GRADE 20 OF 1:2:4 NOMINAL MIX VOLUMETRICALLY
   iii)PLAIN: GRADE 15 OF 1:3:6 NOMINAL MIX VOLUME TRICALLY
   iV) BLINDING: PLAIN GRADE 10 OF 1:4:8 NOMINAL MIX VOLUME TRICALLY
4. MINIMUM COVER TO REINFIRCEMENTS
   i)FOUNDATION 50mm
   ii)COLUMN 30mm
   iii)BEAMS 25mm
   iv)STAIRS 25mm
   v) SLABS 25mm
5. REINFORCEMENTS SHOULD HAVE MINIMUM YIELD STRENGTH
   i)MILD STEEL ROUND BARS: Fy =250N/mm²
   ii)HIGH TANSILE TYPE 2 Fy=410N/mm²
6. UNDERGROUND SOIL CONDITION: SAND WITH ASSUMED BEARING CAPACITY OF 150kN/m². TO BE ASCENTAINED ON SITE
7. FOR ANY STRUCTURAL DESCRIPANCY CONSULT THE ENGINEER RECONCILIATION
8. ALL LEVEL SHOULD BE TAKEN ON SITE ACCORDING TO EXIST GROUND LEVEL

DATE	REVISIONS	INDI

CLIENT

PERFALBION MINERALS

ARCHITECTS

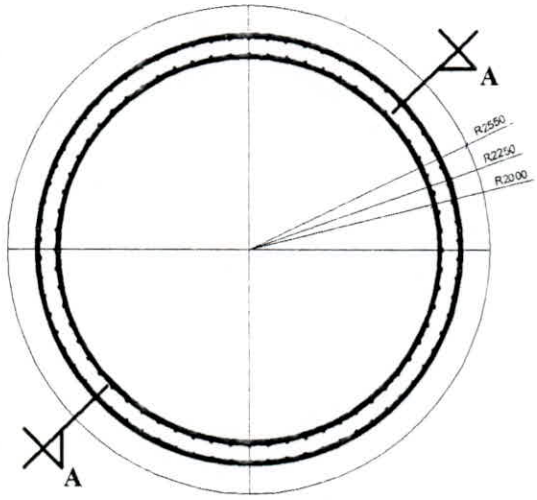
PROJECT

RC CONCRETE BARREN TANK

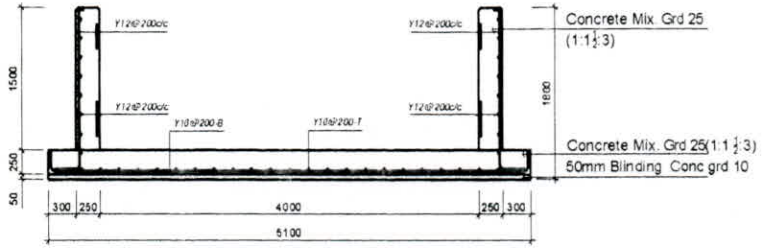
DRAWING TITLE

DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

DRAWING NO: STR05



Concrete Round Tank
Plan
Inside Dimension
4.0m Ø X 1.5m High - 4 nos
Volume



Concrete Round Tank
Section C-C

NOTES

1. ALL DIMENSIONS ARE IN MM UNLESS OTHERWISE STATED
2. STRUCTURAL DRAWINGS TO BE READ IN CONJUCTION WITH THE RESPECTIVE ARCHITECTURAL DRAWINGS
3. CONCRETE WORK
   i) RC WALLS, FOOTINGS AND COLUMNS: GRADE 25 OF 1:1½:3 NOMINAL MIX VOLUMETRICALLY
   ii) BEAMS,SLABS & STAIRS: GRADE 20 OF 1:2:4 NOMINAL MIX VOLUMETRICALLY
   iii)PLAIN: GRADE 15 OF 1:3:6 NOMINAL MIX VOLUME TRICALLY
   iV) BLINDING: PLAIN GRADE 10 OF 1:4:8 NOMINAL MIX VOLUME TRICALLY
4. MINIMUM COVER TO REINFIRCEMENTS
   i)FOUNDATION 50mm
   ii)COLUMN 30mm
   iii)BEAMS 25mm
   iv)STAIRS 25mm
   v) SLABS 25mm
5. REINFORCEMENTS SHOULD HAVE MINIMUM YIELD STRENGTH:
   i)MILD STEEL ROUND BARS: Fy =250N/mm²
   ii)HIGH TANSILE TYPE 2 Fy=410N/mm²
6. UNDERGROUND SOIL CONDITION: SAND WITH ASSUMED BEARING CAPACITY OF 150kN/m². TO BE ASCENTAINED ON SITE
7. FOR ANY STRUCTURAL DESCRIPANCY CONSULT THE ENGINEER RECONCILIATION
8. ALL LEVEL SHOULD BE TAKEN ON SITE ACCORDING TO EXIST GROUND LEVEL

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

ARCHITECTS

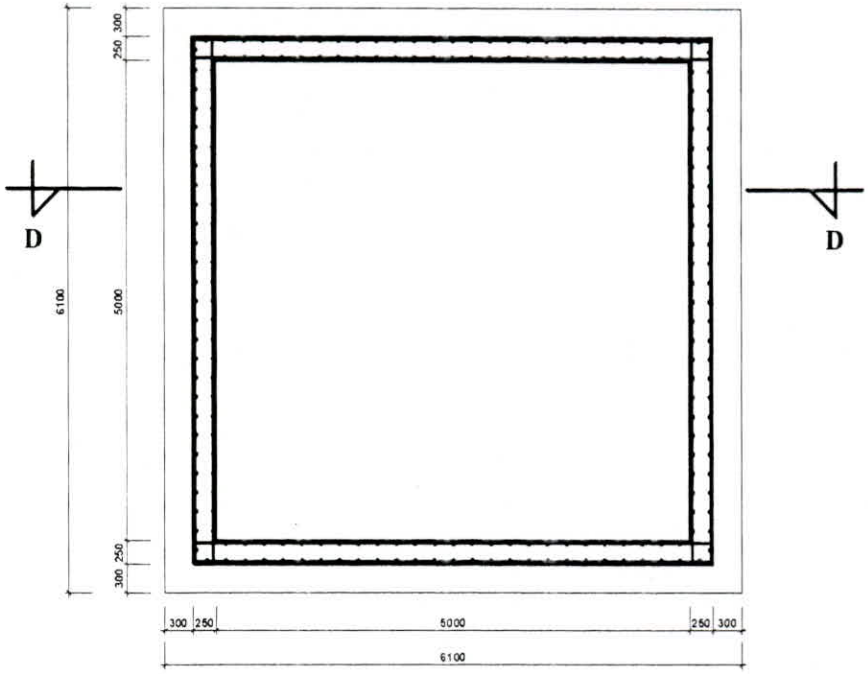
PROJECT

RC CONCRETE ROUND TANK

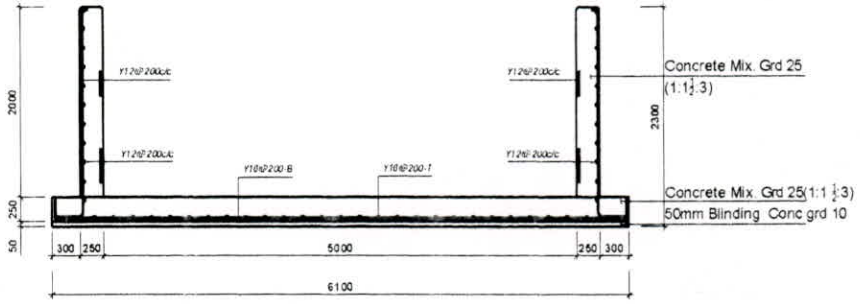
DRAWING TITLE

DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

DRAWING NO: STR06



Concrete Pregnant Tank
Plan
Inside Dimension
5.0m X 5.0m X 2.0m High - 1 no
Volume - 50.0m³



Concrete Pregnant Tank
General Section D-D

NOTES

1. ALL DIMENSIONS ARE IN MM UNLESS OTHERWISE STATED
2. STRUCTURAL DRAWINGS TO BE READ IN CONJUCTION WITH THE RESPECTIVE ARCHITECTURAL DRAWINGS
3. CONCRETE WORK
   i) RC WALLS, FOOTINGS AND COLUMNS: GRADE 25 OF 1:1½:3 NOMINAL MIX VOLUMETRICALLY
   ii) BEAMS,SLABS & STAIRS: GRADE 20 OF 1:2:4 NOMINAL MIX VOLUMETRICALLY
   iii)PLAIN: GRADE 15 OF 1:3:6 NOMINAL MIX VOLUME TRICALLY
   iV) BLINDING: PLAIN GRADE 10 OF 1:4:8 NOMINAL MIX VOLUME TRICALLY
4. MINIMUM COVER TO REINFIRCEMENTS
   i)FOUNDATION 50mm
   ii)COLUMN 30mm
   iii)BEAMS 25mm
   iv)STAIRS 25mm
   v) SLABS 25mm
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   i)MILD STEEL ROUND BARS: Fy =250N/mm²
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7. FOR ANY STRUCTURAL DESCRIPANCY CONSULT THE ENGINEER RECONCILIATION
8. ALL LEVEL SHOULD BE TAKEN ON SITE ACCORDING TO EXIST GROUND LEVEL

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

ARCHITECTS

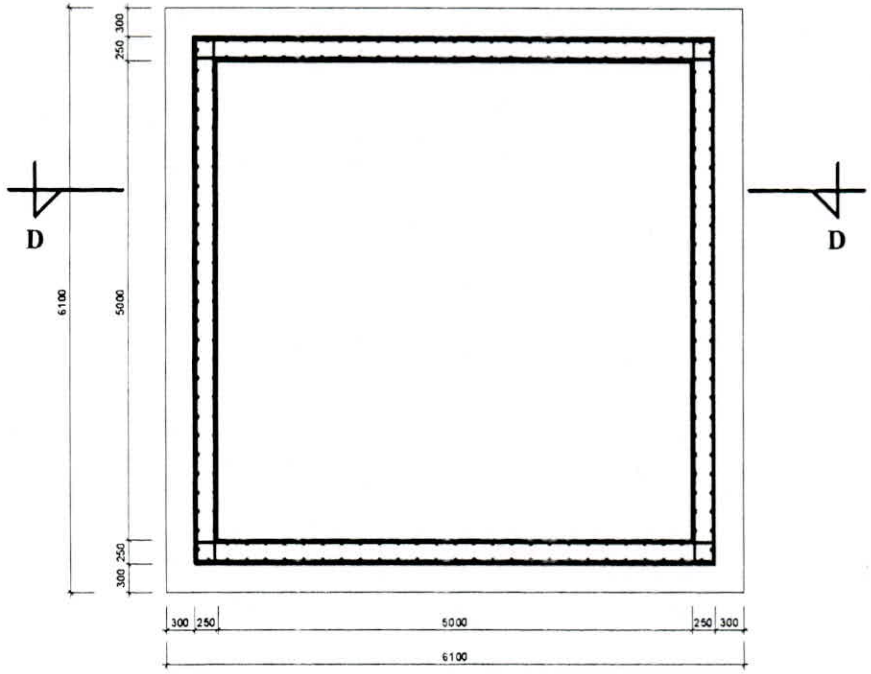
PROJECT

RC CONCRETE PREGNAT TANK

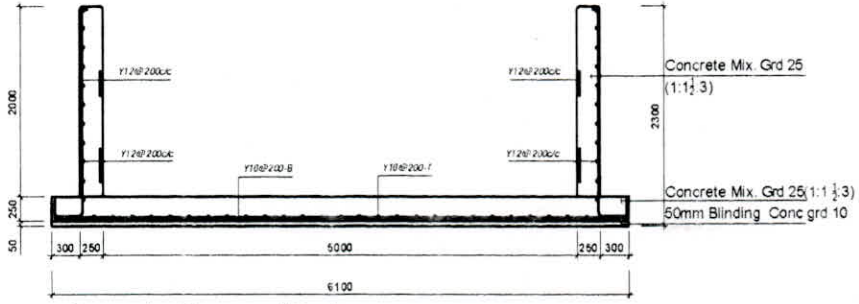
DRAWING TITLE

DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

DRAWING NO: STR07



Concrete Pregnant Tank
Plan
Inside Dimension
5.0m X 5.0m X 2.0m High - 1 no
Volume - 50.0m³



Concrete Pregnant Tank
General Section D-D

NOTES

1. ALL DIMENSIONS ARE IN MM UNLESS OTHERWISE STATED
2. STRUCTURAL DRAWINGS TO BE READ IN CONJUCTION WITH THE RESPECTIVE ARCHITECTURAL DRAWINGS
3. CONCRETE WORK
   i) RC WALLS, FOOTINGS AND COLUMNS: GRADE 25 OF 1:1½:3 NOMINAL MIX VOLUMETRICALLY
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8. ALL LEVEL SHOULD BE TAKEN ON SITE ACCORDING TO EXIST GROUND LEVEL

DATE	REVISIONS	IND

CLIENT

PERFALBION MINERALS

ARCHITECTS

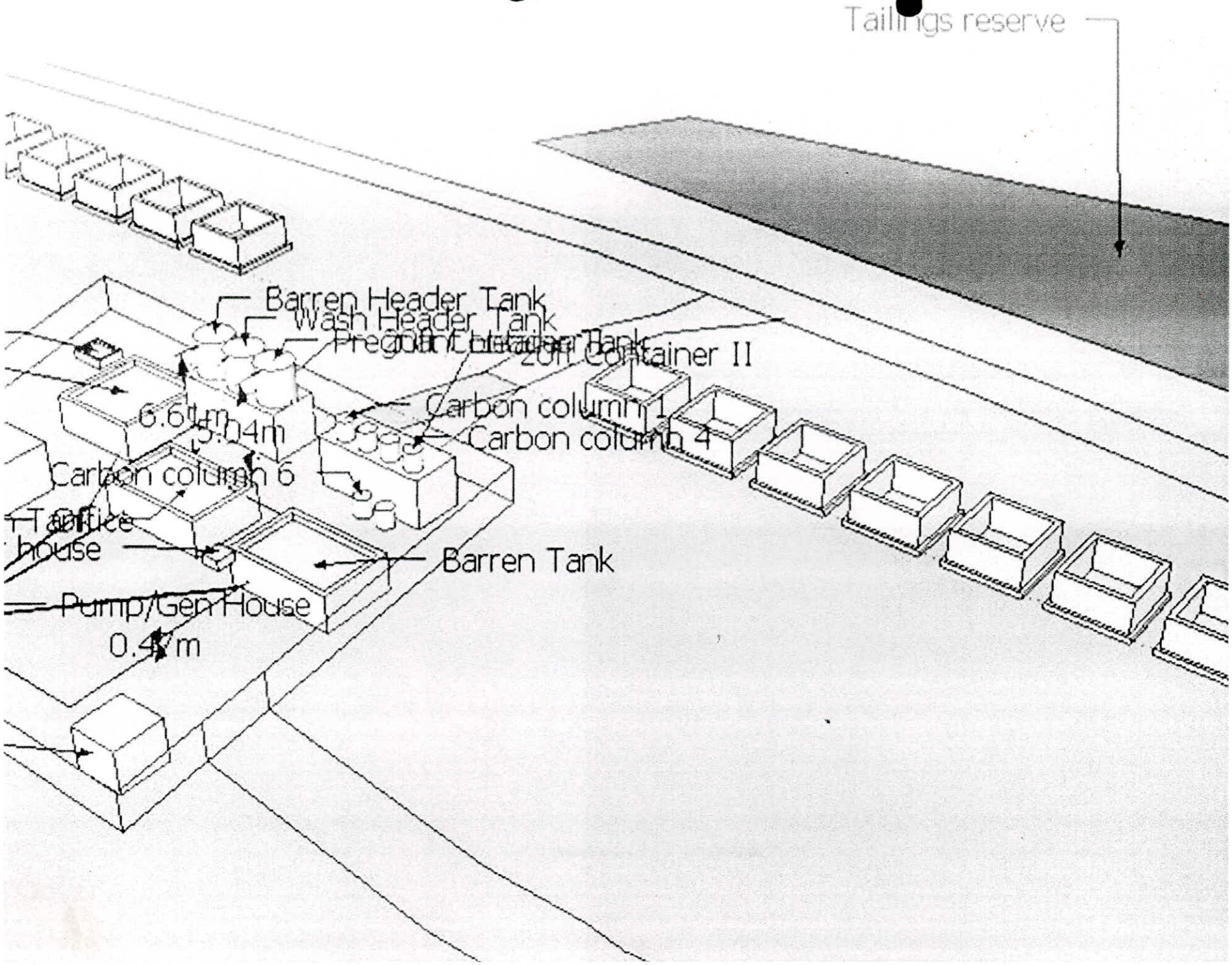
PROJECT

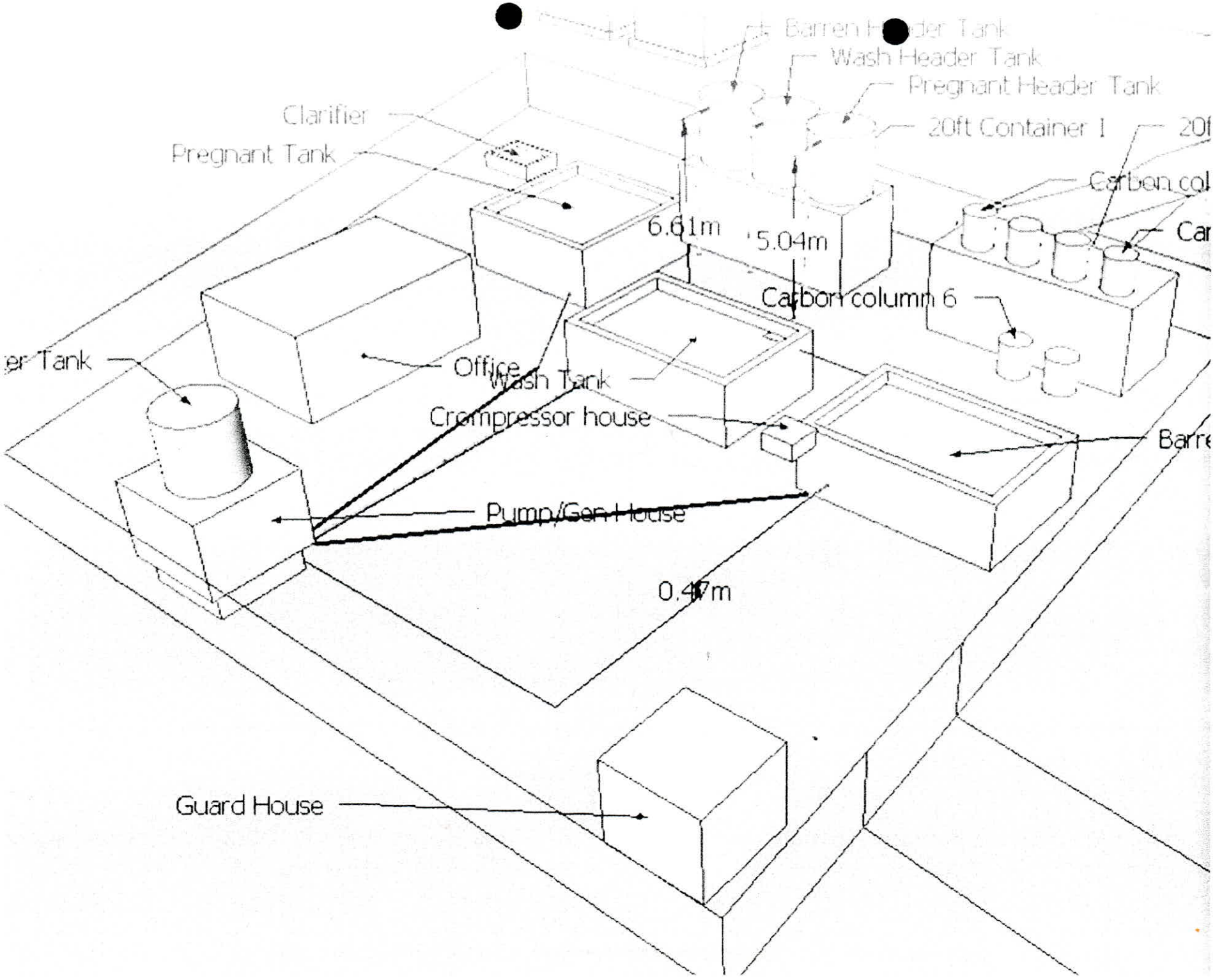
RC CONCRETE PREGNAT TANK

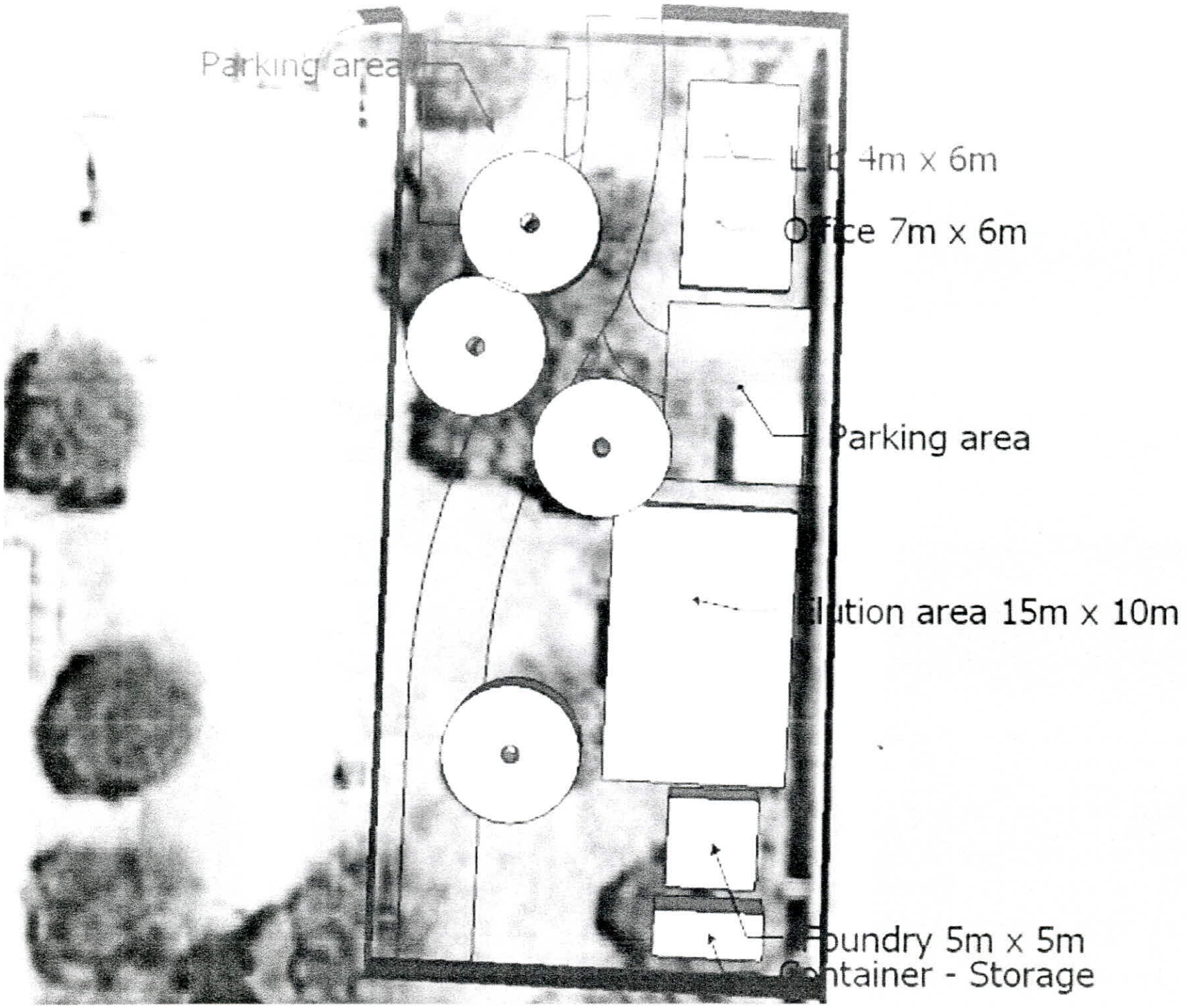
DRAWING TITLE

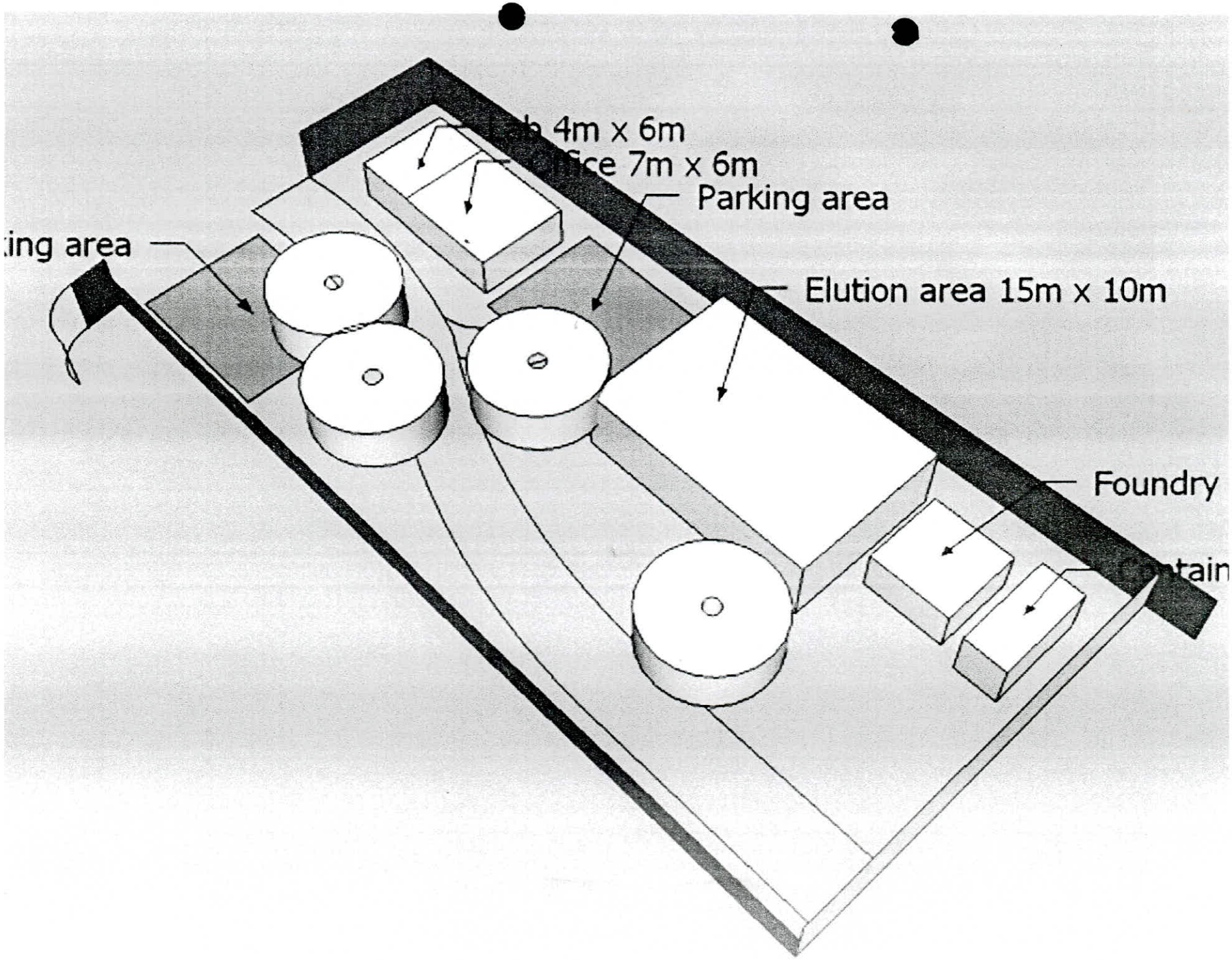
DESIGNED BY	
DRAWN BY	
CHECKED BY	
SCALE	
DATE	

DRAWING NO: STR07


Tailings reserve
Barren Header Tank
Wash Header Tank
20ft Container II
Carbon column 1
Carbon column 4
6.6m
5.04m
Carbon column 6
Office
house
Barren Tank
Pump/Gen House
0.4m


Barren Header Tank
Wash Header Tank
Pregnant Header Tank
Clarifier
20ft Container 1
Pregnant Tank
Carbon col
6.61m
5.04m
Carbon column 6
Office
Wash Tank
Crompressor house
Pump/Gen House
0.47m
Guard House


Parking area
4m x 6m
Office 7m x 6m
Parking area
tion area 15m x 10m
oundry 5m x 5m
ntainer - Storage


4m x 6m
ice 7m x 6m
Parking area
ing area
Elution area 15m x 10m
Foundry
tain

№ 00215976

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041658

This is to certify that

PERFALBION MINERALS LIMITED

of address P.O. BOX 638

MWANZA

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

PERFALBION MINERALS LIMITED

Which is located at PLOT NO. 128C, ILEMELA, MWANZA

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

Executive Director

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

Dated 2nd NOVEMBER 2009

GP.DSM

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 (%)
	Joseph Stegers	British	95
	Theodore Stegers	British	5

2. Proposed Activities : To establish a project for processing of gold from waste mineral generated by artisanal miners

3. Sector: Manufacturing Subsector Mineral Processing

4. Investment cost: Foreign US$ 0.571m. Local US$ 0.2m. Total US$ 0.771m.

5. Project Financing: Equity US$ 0.571m. Loans US$ 0.2m. Total US$ 0.771m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	US$ 0.571m.	US$ 0.2m.	US$ 0.771m.

8. Technology Agreement None

9. Date of TIC Registration: 20th May 2009

10. Implementation period May 2009 - April 2012

11. Operative date May 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 and 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

[redacted]itional conditions attached to Certificate

[redacted]ished goods are not allowed under this certificate

Signed .....
Executive Director

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

TFN. 614 (Rev. 8.94)

STAKABADHI YA SERIKALI 37887713 1
EXCHEQUER RECEIPT

NIMEPOKEA KWA *Received from* PERFALBION MINERALS LTD

KIASI *Amount*

Shs.								Cts.	
USD		7	5	0					

JUMLA YA SHILINGI (Kwa maneno) *The sum of Shillings (Words)* US DOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI *And Cents*

KWA MALIPO YA *In respect of* CERTIFICATE OF INCORPORATE

KWA FEDHA TASLIMU/HUNDI NAMBA *By Cash/Cheque No.* CASH

SAHIHI YA MPOKEAJI *Receiving Officer's Signature*

CHEO *Title* ACC

TAREHE *Date* 29-10-09

KITUO *Station* DSM

NPC-KIUTA

(3)

TICC/PP.10/041658/3 20 May 2009

Managing Director,
Perfalbion Minerals Ltd,
P.O. Box 638,
MWANZA

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF A PROJECT FOR PROCESSING OF GOLD WASTE MATERIAL GENERATED BY ARTISANAL MINERS

We wish to acknowledge receipt of your project proposal to process gold waste material as presented in the TIC P.A. 1 Form No. 07742 and Feasibility Study with a projected investment of USD 0.771 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:

- Bank Reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment Act, 1997.

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 annexture 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.10/041658/3 20 May 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

TIC Evaluation Report 2

Name of the Company

Perfalbion Minerals Ltd.

Post Box	Ilemela, Plot No. 128C	COI Number	69275	Contact	Mr. Joseph Stegers
Post Office	638	COI Date	13/01/2009	Designation	Director
Region	Mwanza	Application F. No	07742	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0762 844 746
		Sub Sector	Minerals Processing	Fax	0
		File No	041658	E-Mail Address	Joseph.Stegers@Gmail.Com

Project Location	
Plot/Block	Plot No. 128 C
Street	Ilemela
District	Ilemela
egion	Mwanza

Investment Finance Plan in Millions USD

Foreign Equity	Local Equity	Foreign Loan	Local Loan
0.571	0	0	0.2

Shareholders Detail		
Name	Nationality	(%)
Theodore Stegers	British	5
Joseph Stegers	British	95

Investment Breakdown (USD Million)	
Land/Building	0.186
Plant	0.3
Vehicles	0.2
Furniture & Fittings	0.015
Pre-expenses	0.03
Others	0.015
Working Capital	0.025
Total	0.771

Employment	302	Evaluated By	,Zakaria kingu
Capacity	150 kg/gold pa	Drawn By	Shokko Registry
Project Turn Over			

Description

To establish a project for processing of gold from waste material generated by artisanal miners

ecomendations

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

Decision Approved
Kiwanga
Ag/ED
15/05/09

Profit & Loss Account - Perfalbion Minerals Ltd					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	$690,000	$1,969,874	$2,856,318	$4,727,699	$6,697,573
Cost of Sales	$317,400	$906,142	$1,313,906	$2,174,741	$3,080,884
Gross Profit	**$372,600**	**$1,063,732**	**$1,542,412**	**$2,552,957**	**$3,616,689**
Operating expenses					
Administrive Costs	$39,550	$66,870	$115,321	$115,321	$115,321
Motor Vehicle Costs	$24,231	$85,000	$96,000	$139,200	$201,840
Salaries and wages	$97,565	$118,626	$213,526	$213,526	$309,613
Depreciation	$38,640	$83,076	$112,346	$165,336	$239,007
Utility Costs	$15,527	$22,514	$32,645	$47,336	$68,637
Plant Equipment	$128,800	$186,760	$270,802	$392,663	$569,361
Plant Consumables	$28,055	$98,000	$142,100	$206,045	$298,765
Total Expenses	**$372,367**	**$660,845**	**$982,740**	**$1,279,427**	**$1,802,544**
Profit before Tax	**$233**	**$402,887**	**$559,671**	**$1,273,531**	**$1,814,146**
Tax (@30%)	$70	$120,866	$167,901	$382,059	$544,244
Profit after Tax	**$163**	**$282,021**	**$391,770**	**$891,471**	**$1,269,902**

Balance Sheet - Pefalbion Minerals Ltd					
	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets					
Long term Assets	$128,800	$276,920	$630,798	$1,135,807	$1,870,504
Depreciation	$38,640	$83,076	$112,346	$165,336	$239,007
Total Long Term Assets	**$90,160**	**$359,996**	**$743,144**	**$1,301,142**	**$2,109,510**
Current Assets					
Cash	$38,873	$524,836	$1,196,853	$2,635,719	$4,688,871
Total Assets	**$129,033**	**$884,832**	**$1,939,996**	**$3,936,861**	**$6,798,381**
Current Liabilities	$2,500	$4,500	$4,500	$6,000	$6,000
Long term Liabilities	$180,000	$200,000	$1,000	$3,000	$3,500
Net Assets	**-$53,467**	**$680,332**	**$1,934,496**	**$3,927,861**	**$6,788,881**
Capital and Reserves					
Owners Contribution	$180,000	$200,000	$0	$0	$0
Retained Earnings	-$233,467	$480,332	$1,934,496	$3,927,861	$6,788,881
Total Capital	-$53,467	$680,332	$1,934,496	$3,927,861	$6,788,881

Cashflow Statement - Pefalbion Minerals Ltd					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow	$690,000	$1,969,874	$2,856,318	$4,727,699	$6,697,573
Expenditures	$651,127	$1,483,911	$2,184,301	$3,288,832	$4,644,421
Balance Carried	$38,873	$485,963	$672,017	$1,438,866	$2,053,152
Balance	$38,873	$524,836	$1,196,853	$2,635,719	$4,688,871

Joseph Stegers
Chairman
Perfalbion Minerals Ltd
PO Box 638
Mwanza
Tanzania

(1)

12 February 2009

Executive Director
Tanzania Investment Centre
PO Box 938
Dar Es Salaam
Tanzania

Dear Executive Director,

Please find enclosed my application for the Tanzanian Investment Centre Certificate of Incentives.

Please find attached to this letter the following documents:

- 3 copies of the Business Plan for Perfalbion Minerals Ltd
  - This contains all information about planned activity, brief investor profiles and project implementation schedules
- 1 copy of the Memorandum and Articles of Association for Perfalbion Minerals Ltd
- 1 certified copy of the Certificate of Incorporation for Perfalbion Minerals Ltd
- 1 reference note from our accountant in London with regards to having sufficient capital to implement the project
  - There is also a note attached as to efficacy of this reference
- 1 copy of the land lease that Perfalbion Minerals has taken out as an area to implement the project.
- 3 completed copies of the TIC application forms.

We hope that these documents will be sufficient for your body to grant Perfalbion Minerals with the Certificate of Incentives and we look forward to your facilitation in the future.

Yours Sincerely,

Joseph Stegers
Chairman of Perfalbion Minerals Ltd

.....

Form PA 1 Serial No. 5637 TIC N 07742

TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We JOSEPH STEGERS AND THEODORE STEGERS

(diretor/directors/agent of .... PERFALBION MINERAL LTD

(name of business enterprise) apply for registration of PERFALBION MINERAL LTD

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 128C, ILEMELA MWANZA

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 128C, ILEMELA, MWANZA

4. The Principal Officers of the Company are ..... JOSEPH STEGERS AND THEODORE STEGERS

5. Auditors of the Company are .....
TO BE CONFIRMED

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

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs~~./US$ ..... 771,000 .....

8. The month and day of the financial year end is ..... 1 APRIL .....

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$ ..... 100.00 ..... Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ... JOSEPH STEGERS ..... of Post Office Number ..... PO BOX 638 .....

..... do solemnly and sincerely declare that I am a director/duly authorized agent of ..... PERTALBION MINERALS LTD .....

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

Declared at ~~Dar es Salaam~~ MWANZA }
The 26 day of February 2009 }

.....
Applicant

Before me:

ATTORNEY - GENERAL'S CHAMBERS
Date 26.02.2009
MWANZA

.....
Commissioner for Oaths

Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: PERFALBION MINERALS LTD

Certificate of Incorporation Number: 69275 Status: NEW

Certificate of Incorporation Date: 13TH JANUARY 2009

Post Box: 638

Town: MWANZA

Sector: MANUFACTURING **Sub-Sector:** MINERALS PROCESSING

Investment Financing Plan in ~~Million~~ US$/~~Tshs~~.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
$571,000			$200,000

Project Objectives: TO PRODUCE GOLD FROM WASTE MATERIAL GENERATED BY ARTISANAL MINERS

Capacity: 150 kg / GOLD PER YEAR

Employment: Foreign: 2 Local: 300 Total: 302

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 128C

Street: ILEMELA District: ILEMELA Region: MWANZA

(Attach sketch map showing project location)

Shareholders	Nationality	%
JOSEPH STEGERS	BRITISH	95
THEODORE STEGERS	BRITISH	5

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

Land/Building	186,000
Plant	300,000
Vehicles	200,000
Furniture & Fittings	15,000
Pre-expenses	30,000
Others	15,000
Working Capital	25,000
TOTAL	771,000

Contact Details:

Name: JOSEPH STEGERS Title: DIRECTOR

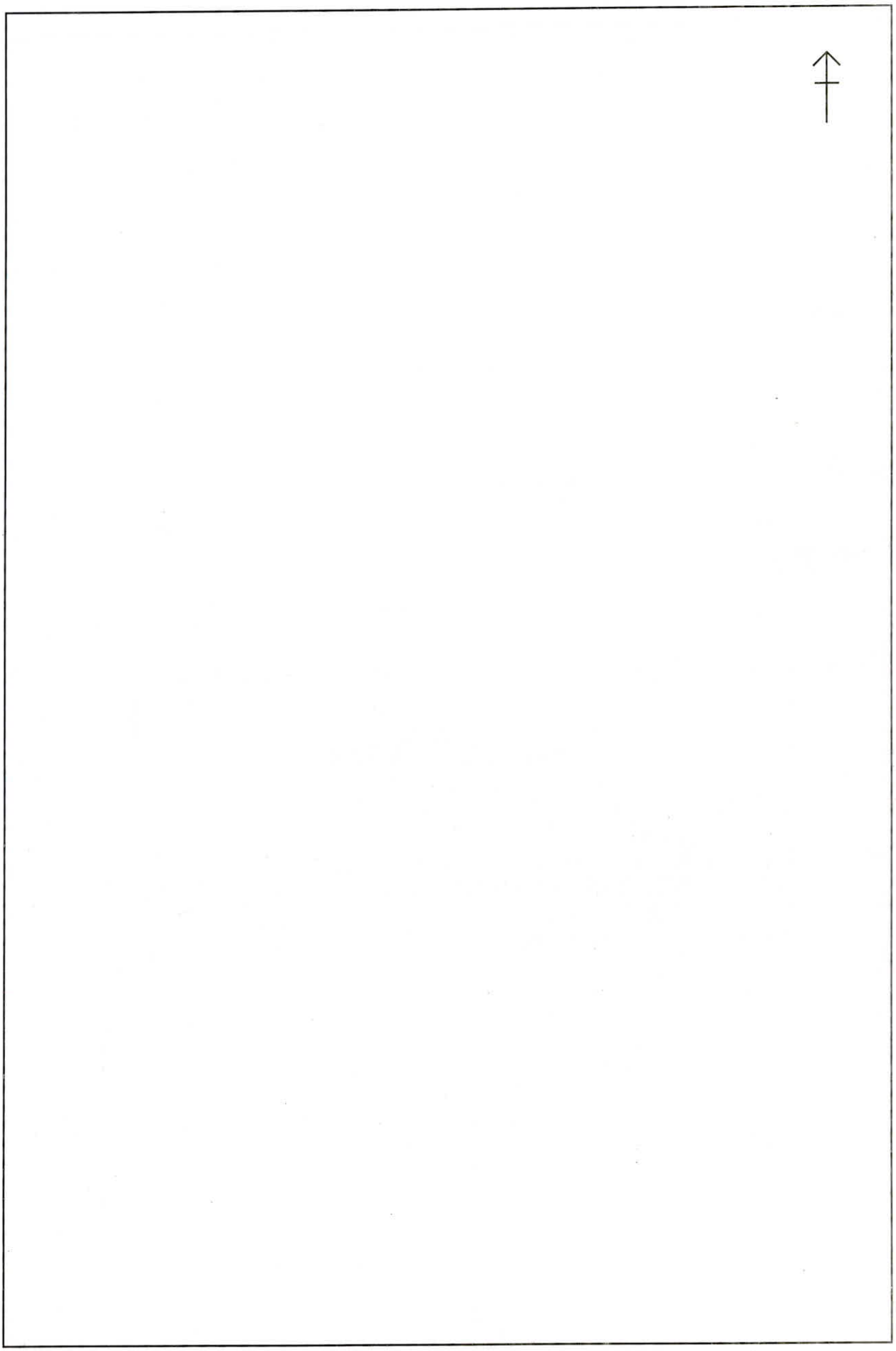
Telephone: +255762844746 Fax: .....

Email: JOSEPH.STEGERS@GMAIL.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

Form PA 1 Serial No. 5632 TIC N 07742

TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We ...JOSEPH STEGERS AND THEODORE STEGERS...

(diretor/directors/agent of ...REFALBION MINERAL LTD...

(name of business enterprise) apply for registration of REFALBION MINERAL LTD

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at ..PLOT 128C, ILEMELA MWANZA.....

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

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.....

5. Auditors of the Company are .....TO BE CONFIRMED.....

6. The authorized share capital of the Company is Tshs. ~~US$~~ .....100,000,000.....

.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs.~~/US$ ..... 771,000 .....

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Declared at ~~Dar es Salaam~~ MWANZA }
The 26 day of February } 2009

.....
Applicant

Before me:

ATTORNEY-GENERAL'S CHAMBERS
Date 26.02.2009
MWANZA

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Commissioner for Oaths

Attach only where applicable, otherwise indicate "N/A"

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Company Name: PERFALBION MINERALS LTD

Certificate of Incorporation Number: 69275 Status: NEW

Certificate of Incorporation Date: 13TH JANUARY 2009

Post Box: 638

Town: MWANZA

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Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Project Objectives: TO PRODUCE GOLD FROM WASTE MATERIAL GENERATED BY ARTISANAL MINERS

Capacity: 150 kg / GOLD PER YEAR

Employment: Foreign: 2 Local: 300 Total: 302

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 128C

Street: ILEMELA District: ILEMELA Region: MWANZA

(Attach sketch map showing project location)

Shareholders	Nationality	%
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Investment Breakdown **US$/~~Tshs.M~~**

Land/Building	186,000
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TOTAL	771,000

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Telephone: +255762844746 Fax: .....

Email: JOSEPH.STEGERS@GMAIL.COM

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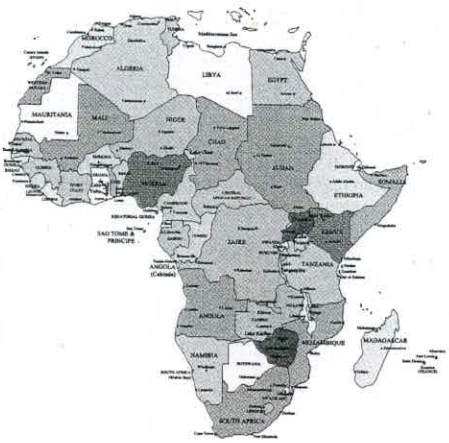
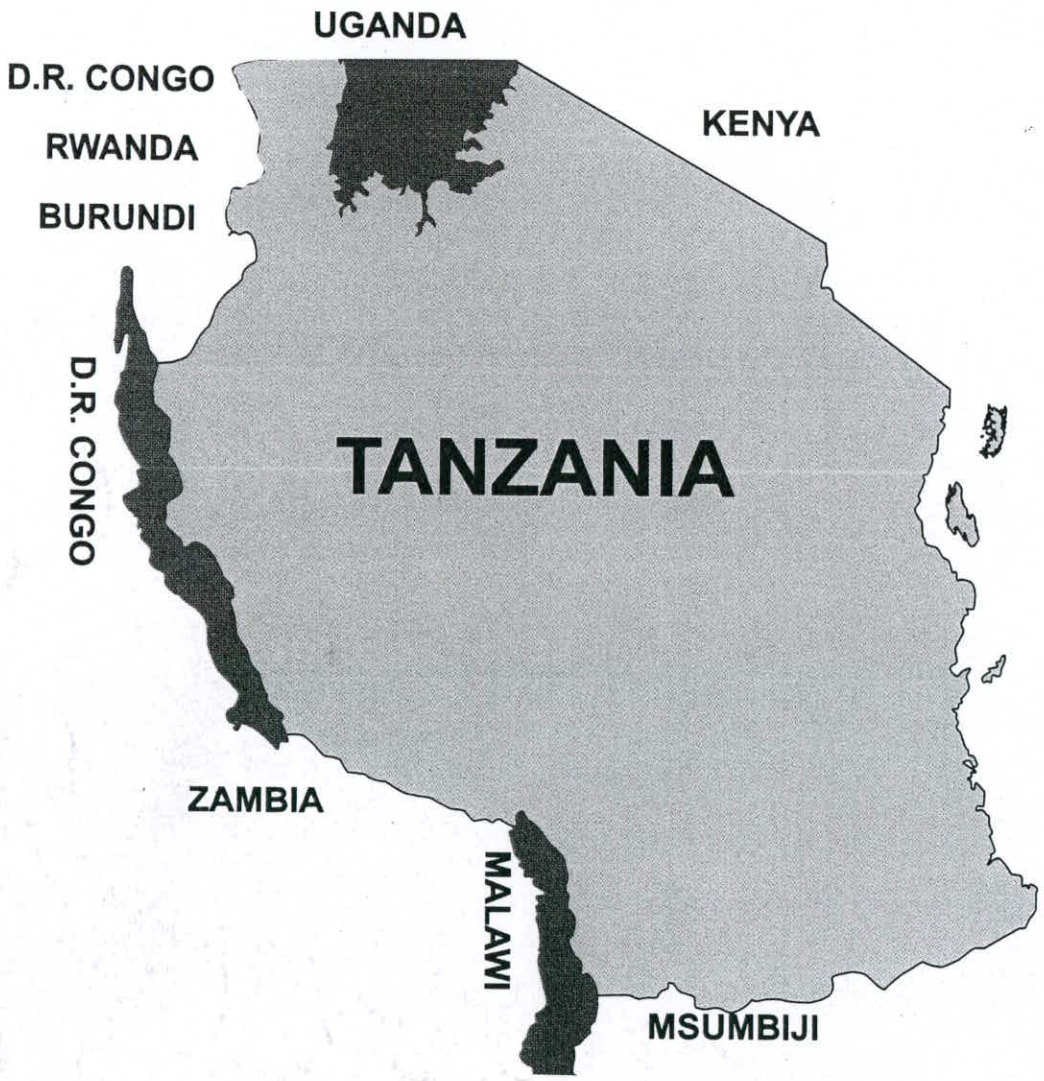
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: **SCBLTZTX**
ACCOUNT NO.: **8702006002000**

SKETCH MAP SHOWING PROJECT LOCATION

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Declared at ~~Dar es Salaam~~ MWANZA }

The 26 day of February } 2009

..... **Applicant**

Before me:

ATTORNEY-GENERAL'S CHAMBERS
Date 26.02.2009
MWANZA

..... **Commissioner for Oaths**

Attach only where applicable, otherwise indicate "N/A"

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Name: JOSEPH STEGERS Title: DIRECTOR

Telephone: +255762844746 Fax: .....

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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

Certificate of Incorporation

Section 15

No **69275**

I HEREBY CERTIFY THAT

PERFALBION MINERALS 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 **13TH** day of **JANUARY**

TWO THOUSAND AND NINE

Asst. Registrar of Companies

/SK

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

Memorandum

and

Articles of Association

of

PERFALBION MINERALS LIMITED

Incorporated this ***day of*** ***2008***

Drawn by:
Joseph Theodore Stegers
(Subscriber)
C/o P.O. Box 638
Mwanza
Tanzania

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incorporation

No:

I HEREBY CERTIFY THAT

PERFALBION MINERALS 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 ..... day of ..... two thousand and eight.

Registrar of Companies

TANZANIA
Stamp Duty Sh. 5000/=
PAID ON ORIGINAL
Receipt No. 3469700. 9/11/09
Stamp Duty Officer

THE COMPANIES ACT

(ACT NO. 12 OF 2002)

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

PERFALBION MINERALS LIMITED

2,500/= 9/11/09 3469700

1. The name of the Company is **PERFALBION MINERALS LIMITED**

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

3. The objects for which the company is formed are:

   (a) To carry on business of mineral extraction activities using mining waste materials generated by artisanal miners

   (b) To carry on the business of mineral prospecting, explorations, and extraction; purchase or otherwise acquire, explore, develop and work claims or mines, drill and sink shafts or wells and raise, pump, dig and quarry for gold, diamonds, gemstones, coal, silver, tin, mineral ores and precious stones, earth and other substances, extraction of non-renewable resources including oil, petroleum and gas; and generally to carry on business of mining and dealers in minerals of whatever description.

   (c) To engage in mineral buying and processing including gold, diamonds, gemstone and minerals of all other kinds and descriptions; and carry on business as buyers, cutters, sorters, polishers, sellers and exporters of all types of precious metals and mineral products including gold, diamonds, tanzanite, nickel, platinum, silver, zinc, bauxite, coal, tin, copper, iron, lead, limestone, magnesite, phosphates, rock salt, tin, uranium, oil shale and minerals of all other kinds and descriptions; and to establish and acquire, own and operate training centers and facilities for conducting mineral prospecting, explorations, extraction and processing technology in general

   (d) To purchase, take on lease, option or licence, exchange or otherwise acquire in any part of the world, prospecting rights and contracts, leases, options, minerals properties, grants, concessions, charters, privileges, licences or authorities of and over mines, land and mineral or other properties either absolutely or conditionally

   (e) To engage in the business of stone quarrying for production of stone aggregates for the construction and building industry; and to

carry on business as manufacturers of construction and building materials using locally available raw materials and high technology to produce various products including but not limited to concrete articles of the likes of concrete culverts for road construction, electric poles, roofing tiles, floor tiles, paving blocks, vibrated blocks; fabrication of all types and sizes of steel and aluminium structures including door/window grills, steel and aluminium door/window frames and interior high-tech designs; galvanizing of all types of steel and iron, manufacturers of locks and keys, furniture makers and manufacturers, importers, exporters and distributors of construction and building materials of all types and descriptions.

(f) To carry on business as manufacturers, importers, wholesale and retail dealers of all types of plastic pipes and fittings, plastic products of all kinds and descriptions, electrical products and electrical accessories used in electrical installations including but not limited to cables, switches, lights, pvc boxes, covers, conduit pipes and trunkings

(g) To carry on business as manufacturers, importers, exporters, wholesalers and retail dealers of all types of steel, iron, aluminium, copper, including all types of iron bars, screws, guttering, wire nails, expanded metals, wire drawings, barbed wire, weld mesh, pipes and fittings, tubular pipes, welding rods, household utensils and general containers, and all kinds of metallurgical products.

(h) To carry on business as property developers and managers, civil engineering contractors, building agency, mining support services, as well as to build and own commercial centres, apartments, hotels, lodgings, leisure and entertainment centres, showrooms, warehousing facilities, and to develop and manage buildings and civil works structures of all kinds and descriptions as a company and or enter into joint venture partnership or any arrangement for sharing profits in carrying on such business.

(i) To carry on the business of manufacturers, principals or manufacturers' representatives, importers, exporters, buyers and sellers of industrial and agricultural machineries and spares, automobile spares, engines, iron bars, steel ware, hardboards, road construction materials and other related products and building materials; and engage in the manufacturing, assembling, repairing and distribution of electrical appliances and electronic products of all kinds and descriptions.

(j) To carry on business of glassware, crockery, cutlery, ready made garments, ironmongery, machinery turners, spare parts of every description and all other household fittings and requirements and articles and commodities of personal and household use and consumption, provision of optical, photographic and other

instruments, apparatus, and generally in all manufactured goods of all types and merchandise of all types and descriptions.

(k) To carry on business as motor garage proprietors, motor car and motor cycle manufacturers and dealers, motor car agents and motor engines, metal and alloys makers, painters and decorators of all kinds.

(l) To carry on business as transporters, road haulage specialists, container operators, freight chatterers and general cargo dealers as well as conducting the business of clearing and forwarding agents, distributors, sales agents and dealers in heavy trucks, buses, lorries, tractors, caterpillars, cranes and all sorts of transportation equipment and appliances.

(m) To carry on the business of tour operators, tourist agents, car hire, reservationists, photographic safaris, camping, hunting safaris, travel agents, flight charter contractors, road and marine transporters, self and chauffer-driven cabs

(n) To carry on the business of electricity generation and production of electric power by solar energy and other energy sources to facilitate information communication technology (ICT) in rural centres and enhance the use of ICT by rural and urban communities.

(o) To carry on business of electronic engineering, communication engineering, communication equipment including satellite communication, wireless loop, internet services and any other form of communication, navigation equipment engineering and data processing engineering and to offer to any person, firm or entity for consulting services relating to these business for fee.

(p) To carry on the business of production and distribution of audiovisual materials, television and radio programmes; fiction, documentary and information films, videos and cinemas and engage in training, support and consultancy services to the film and television industry as a whole; and to manage and promote the business of media including but not limited to radio and television broadcasting, professional advertisement
and act as advertisement and publicity agents of all kinds and descriptions.

(q) To carry on business of music recording, audio plays, recording of live events, and audio engineering facilities

(r) To carry on business as owner and manager of radio stations and television networks and programmes thereto related in the United Republic of Tanzania and elsewhere.

(s) To carry on the business of computer networks, sales of computers, consultancy, computer training, graphic, design, internet café,

computer programming, photocopying (sales and repairs, faxing, note counting machines, stationeries, websites, telecommunication equipment, telephones, cellular phones, TV transmission equipment, and all types of computer networks and related activities

(t) To carry on the business of manufacturers, designers, repairers, importers and exporters, buyers, sellers, hirers, renters, agents and representatives for manufacturers of computer hardware and software units and systems of all types and descriptions

(u) To establish, acquire, own and operate training centres and facilities for conducting computer and related training activities for remuneration, such activities including but not limited to the designing and conducting of general and customer-tailored courses in computer systems installations, computer software operations, operations, installations and operation of network systems of all types and descriptions

(v) To carry on the business of fishing and marketing of all sea and lake products in international and local markets, fish merchants, fishing operations in the sea and fresh water and to process, buy and export all types of fish, shrimps, lobster, processed, dried, smoked and salted fish, canned fish, fresh fish, sea shells and sea products and generally all types of marine products.

(w) To carry on the business of processing and bottling of pure drinking water; manufacturing aerated and mineral waters, cordials, syrups, beverages, ice and ice creams, juices and to establish in Tanzania and in any part of East Africa shops, refreshment rooms, depots and distribution network for the sale of the said products either in wholesale or retail.

(x) To establish and carry on the business of motor vehicle and motor cycles assembling and reconditioning workshop and for that purpose import motor vehicles and motor cycles in completely knocked down form (CKD), fabrication of motor vehicle parts, manufacture of spare parts, industrial machinery spares, heavy duty equipment, reclaiming and reconditioning of any type of spare part.

(y) To carry on business as importers and exporters as sales agents and dealers in all kinds, makes and descriptions of motor vehicles including but not limited to saloon cars, four wheel drive vehicles, pick ups, heavy duty trucks, buses, lorries, tractors, caterpillars, cranes and all sorts of transportation equipment, transporters, road haulage specialists, container operators, freight chatterers and general cargo dealers as well as conducting the business of clearing and forwarding agents, and for that purpose acquire or lease bonded warehouses.

(n) To carry on all or any of the businesses of general engineering, contractors, civil engineers, site formation, plant layout advisers, contractors and consultants, either electrical, civil, mechanical, metallurgical, structural chemical, aeronautical, marine, or otherwise.

(p) To carry on the business of electro-platters, gold and silver plates, cutlery, bronzes, articles of virtue, objects of art and such other articles and goods as the company may consider capable of being conveniently dealt with in relation to its business and to manufacture and to establish factories for manufacturing goods for the above.

(z) To carry on the business of importation, assembling, installation, marketing, training, repairing, supervising and managing payphones of all kinds and descriptions and establish support centres in particular.

(aa) To carry on the business of importation, assembling, installations, repairing, distribute and supply equipment for routing of telephone calls to the cheapest network, otherwise known as Least Cost Routing, and supervise, manage and market the least cost telephone routing business as well as providing on the job training and establishing training centres for the same.

(bb) To carry on business as importers, dealers, sellers, distributors and suppliers of telephones, cellular phones office equipment and similar electronic products; and parts for telephone, cellular phone, office equipment and similar electronic products, and to carry out repairs and services for such products.

(cc) To carry on the business of or art printers, colour printers, copper plate printers, lithographic printers, offset printers, photographers, artists, designers, and draughtsman and as roll-form and automatic printers, cheque printers, trade printers and of printers generally and graphics and silk screen of all types of newspaper, magazine, periodical and journal proprietors, press agents, news agents, journalists, literacy, dramatic and music critics.

(dd) To carry on the business of bulk petroleum products stores, suppliers of petroleum and oil products; to build, own and operate petrol stations, motor vehicles service stations and garages as well as to own land, oil wells, refineries, mines, mining and drilling rights and concessions, minerals, ores and attendant rights.

(ee) To manufacture, build, buy, sell and deal in goods, wares, tools and merchandise of every nature, kind and description whatsoever.

(ff) To develop the resources and turn to account the lands, buildings and rights for the time being of the company in such manner as the

company may think fit and may divide the land of the company into smallholdings.

(gg) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.

(hh) To acquire and undertake the whole, or any part of the business property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of the company.

(ii) To apply for, purchase or otherwise acquire, any patents brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to an invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop, grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.

(jj) To enter into partnership or into any arrangement for sharing profits, union or interests, co-operation, joint venture, reciprocal concession or otherwise, with any person or company carrying on or engage in any business or transaction which this company is authorised to carry on or engaged in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company.

(kk) To guarantee the repayment of money by and the contracts of, or otherwise assist, any person, firm or company, and to take or otherwise acquire shares and securities of any such company and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.

(ll) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company, or any business capable of being conducted so as directly or indirectly to benefit this company.

(mm) To enter into any arrangements with any Governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such Government or authority, any rights, privileges and concessions which the company may think it is desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

(nn) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit this company.

(oo) To invest the money of the company not immediately required in such manner as may from time to time be determined.

(pp) To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the company, or contracts by any persons, firms or companies.

(qq) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the by mortgaging Company property or issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.

(rr) To amalgamate with any other company having objects altogether or in part similar to those of the company.

(ss) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing and placing of any of the shares in the company's capital or any debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business.

(tt) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.

(uu) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company.

(vv) To obtain any provisions order, Ordinance or Act of Parliament for enabling the company to carry on any of its objects into effect or for effecting any modification of the company's constitution, or for any proceedings or applications which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or directly, to prejudice the company's interest.

(ww) To distribute any of the property of the company among the members in specie.

(xx) Pursue as a matter of priority investments that are geared to exporting or the generation of foreign currency along with investments that have activities within Tanzania, and pursue

establishing an investment presence in East African Countries and other African countries as a basis for global growth with Tanzania being the home base of the company.

(yy) To do all or any of the above things in any part of the world and as principals, managing agents, agents, contractors, trustees, or otherwise, and by or through trustees, managing agents, or otherwise, and either alone or in conjunction with others.

(zz) To do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that "company" in this clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and wherever formed, incorporated, domiciled or resident.

"Person" shall include any company as well as any other legal or natural person,

"Securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation,

"And" and "or" shall mean "and/or" where the context so permits,

"Other" and "otherwise" shall not be construed *ejusdem generis* where a wider construction is possible.

The objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraph defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.

5. The share capital of the company is Tshs 100,000,000/= (Shillings One Hundred Million Only) divided into 1,000 (One Thousand) shares of Tshs 100,000/= (One Hundred Thousand) each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

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

S/No:	Name, Postal Address and Occupation of Subscribers	Number of Shares Taken by Each Subscriber	Signature and Seal/Rubber Stamp of Subscribers
1.	Joseph Theodore Stegers C/o Tanzania Investment Centre Fortes Building, Kenyatta Road P.O. Box 638 Mwanza TANZANIA	950	Jos L
2.	Theodore John Patrick Stegers 13-15 Great Eastern St. London, EC2A 3EJ	50	T Stegers

Dated this 2nd. day of DECEMBER, 2008.

WITNESS to the above Signatures:

Name DORA KOMBA

Signature D Komba

STATE ATTORNEY MWANZA

Postal Address: P.O. Box 331 MWANZA

Qualification: STATE ATTORNEY

THE COMPANIES ACT

(ACT NO: 12 OF 2002)

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION TO A COMPANY PRECEDING

MEMORANDUM OF ASSOCIATION

OF

PERFALBION MINERALS LIMITED

INTERPRETATION

1. In these Articles:

   "The Act" means the Companies act

   "Articles" means these Articles of Association of the company

   "Clear days" in relation to the period of a notice means that a period excluding the day when the notice is given or deemed to be given and the day for which is given or which it is to take effect.

   "The Seal" shall mean the Common Seal of the Company

   "Secretary" shall mean any person appointed to perform the duties of Secretary of the Company.

   Expressions referring to writing, unless the contrary intention appears, be construed as including references to printing, lithography, photograph, and other modes of representing or reproducing words in a visible form.

   Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as the Act or any statutory modification thereof in force at the date at which these articles become binding on the company.

MEMBERS

2. The number of members with which the company proposes to be registered is two but the directors may from time to time register an increased number of members.

3. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership and shall be members of the company

GENERAL MEETINGS

4. The Company shall in 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 notice 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 so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the directors shall appoint.

5. All general meetings other than annual general meetings shall be called extraordinary general meetings.

6. 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 provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

7. Every general meeting shall be called by twenty-one clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of that business:

   Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it so agreed:-

   a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

   b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representation not less than ninety - five percent of the total voting rights at that meeting of all the members.

8. Subject to the provisions of the articles, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omission to give notice of a meeting to, or the non receipt to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

9. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all 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 in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

10. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation, shall be a quorum.

11. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting 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.

12. The Chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present hall elect one of their number to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.

13. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be a chairman of the meeting.

14. 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 meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

15. At any general meeting 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 result of the show of hands demand:-

    a) by the chairman; or

b) by at least two (2) members present in person or by proxy; or

c) by any member or members present in person or by proxy and representing not less than one - tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman 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 the effect in the book containing the minutes of 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, before the poll is taken, be withdrawn

16. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.

17. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

18. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.

19. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

VOTE OF MEMBERS

20. Every member shall have one vote against each share held.

21. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.

22. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.

23. On a poll votes may be given either personally or by proxy.

24. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under sea) or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.

25. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the per son named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

26. An instrument appointing a proxy shall be in the following form or a form as near hereto as circumstances admit:-

"..... Limited
I/We ..... of ....., being a member/ members
of the above - named company, hereby appoint .....
, of
or failing him ..... of ....., as my/our proxy to vote for
me/us on my/or behalf at the {annual or extraordinary, as the case maybe} general meeting of the
company to be held on the .....day of .....20....., and at any adjournment thereof.

Signed this ..... day of, ...20 ....."

27. 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:-

".....Limited.

I/We .....of ..... being a member/members of the above named company, hereby appoint of ..... of ..... or failing him ..... of ....., as my/our proxy to vote for me/us on my/our behalf at the {annual or extraordinary, as the case may be}general meeting of the company to be held on the .....day of.....20....., and at any adjournment thereof.

Signed this .....day of.....20.....
This form is to be used* in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.
*Strike out which ever is not desire"

28. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

29. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duty authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

30. Any corporation which is a member of the company may be resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company, and the person so authorized 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.

DIRECTORS

31. The Number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a 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.

32. The following persons shall be first Directors to the company:-

    1. Joseph Theodore Stegers
    2. Theodore John Patrick Stegers

33. The remuneration of the 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 directors shall also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

BORROWING POWERS

34. The director may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking and property, 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.

POWERS AND DUTIES OF DIRECTORS

35. Subject to the provisions of the Act, the memorandum and the articles and to any directors given by special resolution, the directors, who may exercise all the powers of the company, shall manage the business of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

36. The directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.

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

38. The directors shall cause minutes to be made in books provided for the purpose:-

    a. of all appointments of officers made by the directors;
    b. of the names of the directors present at each meeting of the directors and of any committees of the directors;
    c. of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

DISQUALIFICATION OF DIRECTORS

39. The office of director shall be vacated if the directors:-

    a. Without the consent of the company in general meeting holds any other office of profit under the company; or
    b. Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
    c. Cases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
    d. Becomes of unsound mind; or
    e. Resigns his office by notice in writing to the company; or
    f. Is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by the Act.

A director shall not vote in respect of any contract in which he is interested or any matter arising thereat, and if he does so vote shall not be counted.

40. The company may be ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.

41. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re - election.

42. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.

43. The company may be ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.

44. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.

45. The quorum necessary for the transaction of the business of the directions may be fixed by the directors, and unless so fixed shall be two.

46. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.

47. The directors may appoint one of their numbers to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meting of directors at which he is present. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for

holding the same, the directors present may choose one of their number to be chairman of the meeting.

48. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

49. All act done by a meeting of the directors or of a committee of directors or by a 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 that any of them were disqualified from holding office, or hand vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.

50. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or {as the case may be} a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

SECRETARY

51. The Secretary shall be appointed by the directors 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.

52. A provisions of the Act or these articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

THE SEAL

53. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

54. 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 to which the receipt and expenditure takes place;
    b. all sales and purchase of goods by the company; and

c. the assets and liabilities of the company.

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

55. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

56. No number shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statue or authorized by the directories or by ordinary resolution of the company.

57. The directors shall from time to time in accordance with sections 153,155 and 150 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 are referred to in those sections.

58. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors 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 debentures.

AUDIT

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

60. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepared envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy - two hours after the letter containing the same was posted. A member whose registered address is not within the United Republic of Tanzania and who gives to the company an address within the United Republic of Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

S/No:	Name, Postal Address and Occupation of Subscribers	Number of Shares Taken by Each Subscriber	Signature and Seal/Rubber Stamp of Subscribers
1.	Joseph Theodore Stegers C/o Tanzania Investment Centre Fortes Building, Kenyatta Road P.O. Box 638 Mwanza TANZANIA	950	Joe
2.	Theodore John Patrick Stegers 13-15 Great Eastern St. London, EC2A 3EJ	50	T Stegers

Dated this 2nd. day of DECEMBER, 2008.

WITNESS to the above Signatures:

Name DORA KOMBA

Signature D Komba STATE ATTORNEY MWANZA

Postal Address: P.O. Box 331 MWANZA

Qualification: STATE ATTORNEY

Perfalbion Minerals Ltd
PO Box 638
Mwanza
Tanzania

12 February 2009

Executive Director
Tanzania Investment Centre
PO Box 938
Dar Es Salaam
Tanzania

Dear Executive Director,

We, the directors of Perfalbion Minerals Ltd do hereby declare our desire to register our project with the Tanzanian Investment Centre. We look forward to your assistance and to doing business in your country.

Yours Sincerely,

Joseph Stegers
Chairman of Perfalbion Minerals Ltd

.....

Theodore Stegers
Executive Director of Perfalbion Minerals Ltd

.....

REFERENCE OF
ADEQUATE CAPITAL

Joseph Stegers
Chairman
Perfalbion Minerals Ltd
PO Box 638
Mwanza
Tanzania

12 February 2009

Executive Director
Tanzania Investment Centre
PO Box 938
Dar Es Salaam
Tanzania

Dear Executive Director,

It was expressed to me that your centre wished to see a general reference from the bankers of the principal investors. In the UK the banks will not give out character or general references. The only reference the bank will be able to offer will be for a specified amount of money. They will also only offer references to other banks or financial institutions. If you want to raise a query for a specific amount, your bankers must contact the bankers of the principal investor.

It is for this reason that a general reference was sought from the principal investor's accountant. This accountant is of chartered status and the bank of the investor actually used this reference in setting up the account.

I hope this is clear and that the given reference will be suitable for your requirements.

Yours Sincerely,

Joseph Stegers
Chairman of Perfalbion Minerals Ltd

.....

LEONARD FINN & CO
Chartered Accountants

Our Ref: LF/AR9183/W2336

18 February 2009

Executive Director
Tanzanian Investment Centre
Shaaban Robert Street
P O Box 938
Dar es Salaam
TANZANIA

Dear Sir

I have been asked for a general reference on Theo Stegers, father of Joseph Stegers and a shareholder of Perfalbion Minerals Ltd.

I act for Theo Stegers and various companies with which he is associated in the United Kingdom.

As far as I am aware, he is of good character and would not enter into any commitment he feels he could not fulfil.

I have no hesitation in recommending him to you.

In accordance with normal commercial practice, although this letter is written in good faith, I accept no financial responsibility for the opinion expressed herewith.

Yours faithfully

Leonard Finn
Leonard Finn & Co

MEMBER FIRM ICAEW

Brentmead House, Britannia Road, London N12 9RU Tel: 020-8446 6767 Fax: 020-8446 6864
Email: leonard.finn@lfinnandco.com

L. Finn F.C.A. • D. M. Finn A.C.A.

NET LEASE OF BUSINESS PREMISES: Comprehensive lease of premises for business use

LEASE AGREEMENT

This lease agreement was entered into on 23rd February 2009, between **Songoro Marine Transport Ltd. Boatyard** (SMT- Boatyard), a limited liability company incorporated in November 1993 under the Company's Ordinance Cap. 212 and registered under the laws of the United Republic of Tanzania, having its principal place of business at Ilemela, Mwanza, Tanzania, referred to as "lessor," and **Perfalbion Minerals Ltd**, a company registered under the laws of the United Republic of Tanzania, having its principal place of business at Mwanza, Tanzania, referred to as "lessee."

SECTION ONE

DESCRIPTION OF PREMISES

Lessor leases to lessee the premises located at Plot 128C, Ilemela, Mwanza, Tanzania, and described more particularly as follows:

1. Covered warehouse area
2. Fenced open yard space with two entrance gates
3. Office space in main Songoro Marine Transport office block

SECTION TWO

TERM

The term of this lease agreement is 36 months, beginning on the 1st of March 2009, and terminating on the 1st of April 2012. The lease can be extended by mutual consent.

SECTION THREE

RENT

A. The total rent under this lease agreement is USD 1500-00 (excluding taxes) per month payable in advance for the whole period of six months.

B. Lessee shall pay lessor the above-specified amount on the signature date of this agreement.

SECTION FOUR

USE OF PREMISES

The demised premises are to be used for the purposes of warehousing space and reticulation works. Lessee shall restrict its use to such purposes, and shall not use or permit the use of the demised premises for any other purpose without the prior, express, and written consent of lessor, which permission shall not be unreasonably withheld.

SECTION FIVE

RESTRICTIONS ON USE

Lessee shall insure the demised premises for theft, fire and natural disasters at their own cost and in accordance with the current prevailing rates for the kind of business they are engaged in.

SECTION SIX

WASTE, NUISANCE, OR UNLAWFUL ACTIVITY

Lessee shall not allow any waste or nuisance on the demised premises, or use or allow the demised premises to be used for any unlawful purpose.

SECTION SEVEN

UTILITIES

The Lessor shall arrange and pay for the following utilities:

1. Sewer & toilet facilities
2. Electricity
3. Water
4. Security (2 guards:- one during daytime and one during the night. These guards will be in addition to the current SMT – Boatyard guards)

Lessee shall arrange and pay and pay for the following utilities:

1. Telephone service.
2. Internet & fax facilities
3. Electric Fencing
4. Standby generator

SECTION EIGHT

REPAIRS AND MAINTENANCE

Lessee shall maintain the demised premises and keep them in good repair at its expense.

SECTION NINE

DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES

A. Lessor represents that the demised premises are in fit condition for use by lessee. Acceptance of the demised premises by lessee shall be construed as recognition that the demised premises are in a good state of repair and in sanitary condition.

B. Lessee shall surrender the demised premises at the end of the lease term, or any renewal of such term, in the same condition as when lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms. Before delivery, lessee shall remove all business signs placed on the demised premises by lessee and restore the portion of the demised premises on which they were placed in the same condition as when received.

SECTION TEN

ENTRY ON PREMISES BY LESSOR

A. Lessor reserves the right to enter on the demised premises at reasonable times to inspect them, perform required maintenance and repairs, and lessee shall permit lessor to do so.

B. Lessor may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to lessee for disturbance of quiet enjoyment of the demised premises, or loss of occupation of the demised premises.

SECTION ELEVEN

SIGNS, AWNINGS, AND MARQUEES INSTALLED BY LESSEE

A. Lessee shall not construct or place signs, awnings, marquees, or other structures projecting from the exterior of the demised premises without the prior, express, and written consent of lessor, which permission shall not unreasonably withheld.

SECTION TWELVE

NONLIABILITY OF LESSOR FOR DAMAGES

Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the demised premises by lessee, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the demised premises during the term of this lease agreement or any extension of such term. Lessee shall indemnify lessor from any and all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature.

SECTION THIRTEEN

LIABILITY INSURANCE

Lessee shall procure and maintain in force at its expense during the term of this lease agreement and any extension of such term, public liability insurance with insurers and through brokers approved by lessor.

SECTION FOURTEEN

ASSIGNMENT, SUBLEASE, OR LICENSE

A. Lessee shall not assign or sublease the demised premises, or any right or privilege connected with the demised premises, or allow any other person except agents and employees of lessee to occupy the demised premises or any part of the demised premises without first obtaining the written consent of lessor. A consent by lessor shall not be a consent to a subsequent assignment, sublease, or occupation by other persons.

B. An unauthorized assignment, sublease, or license to occupy by lessee shall be void and shall terminate this lease agreement at the option of lessor.

C. The interest of lessee in this lease agreement is not assignable by operation of law without the written consent of lessor.

SECTION FIFTEEN

BREACH

In the event of any breach of contract and the terms and conditions as stipulated in this agreement and annexes, the breaching party shall be notified by the other party in writing of the breach immediately. The breaching party shall respond within 14 days after receipt of written notice to correct the conditions specified in the notice. If the corrections cannot be made within the 14 day period, the breaching party shall have a reasonable time to correct the default.

SECTION SIXTEEN

OPTION TO RENEW

Lessor grants to lessee an option to renew this lease agreement. The period and rate to be mutually agreed at the time of extension, with all other terms and conditions of the renewal lease to be the same as those in this lease agreement. To exercise this option to renew, lessee must give lessor written notice of intention to do so at least 2 calendar months before this lease agreement expires.

SECTION SEVENTEEN

WAIVERS

Waiver by lessor of any breach of any covenant or duty of lessee under this lease is not a waiver of a breach of any other covenant or duty of lessee, or of any subsequent breach of the same covenant or duty.

SECTION EIGHTEEN

GOVERNING LAW

It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the United Republic of Tanzania

SECTION NINETEEN

ENTIRE AGREEMENT

This lease agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this lease agreement shall not be binding upon either party except to the extent incorporated in this lease agreement.

SECTION TWENTY

MODIFICATION OF AGREEMENT

Any modification of this lease agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing, signed by each party or an authorized representative of each party, and shall form part of this agreement as an additional addendum.

SECTION TWENTY-ONE

NOTICES

A. All notices, demands, or other writings that this lease agreement requires to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and dispatched by registered mail, and addressed as follows:

To lessor:
SMT –Boatyard
PO BOX 473
ILEMELA, MWANZA

To lessee:
Perfalbion Minerals Ltd.
PO BOX 638
MWANZA

B. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

SECTION TWENTY-TWO

BINDING EFFECT

This lease agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties.

SECTION TWENTY-THREE

PARAGRAPH HEADINGS

The titles to the paragraphs of this lease agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this lease agreement.

In witness, each party to this lease agreement has caused it to be executed at *14:00* on the date indicated below.

SEALED With the common seal of

SEALED With the common seal of
The said PERFALBION
MINERALS LTD and
DELIVERED in my presence this
23rd day February 2009

NAME: JOSEPH STEGGERS

SIGNATURE: [signature]

POSTAL ADDRESS: PO BOX 638
MWANZA, TANZANIA

QUALIFICATION: DIRECTOR,
PERFALBION MINERALS
LTD

Perfalbion Minerals Ltd.
Mwanza

SEALED With the common seal of
The said SONGORO MARINE
TRANSPORT LTD. BOATYARD and
DELIVERED in my presence this
23rd day February 2009

NAME: SAIEH SONGORO

SIGNATURE: [signature]

POSTAL ADDRESS: PO BOX 473
MWANZA, TANZANIA

QUALIFICATION: ----------

SONGORO MARINE TRANSPORT LTD.
P. O. BOX 473
TEL: 028-2-5-61-961/0741-233607
MWANZA.

WITNESSED BY
SETH MUTEMWA
STATE ATTORNEY
P. O. BOX 331
MWANZA

I hereby certify this to be a true copy of the original.
State Attorney
Mwanza
Date 26.02.2009

ATTORNEY-GENERAL'S
Date 26.02.
MWAN

ORIGINAL

Perfalbion Minerals Ltd
Feasibility Study / Business Plan

Joe Stegers
joseph.stegers@gmail.com

CONTENTS

1 Executive Summary

Perfalbion Minerals Ltd will be involved with the processing of minerals. It will purchase tailings from small scale miners in the north of Tanzania and use a leaching process to extract gold and other minerals from these tailings.

Two plants will be created for this purpose. The main processing plant will be situated in Mara region, in close proximity to existing tailing dumps created by artisanal and small scale miners. Tailings will be purchased and taken to the site of the plant using trucks. The second plant/office will be situated in the city of Mwanza in northern Tanzania.

The company will seek to be operational by July 2009. The target turnover for the first year is $616,000, growing to $1,970,000 for the second.

2 Company Overview

Perfalbion Minerals Ltd is a Tanzanian registered company. It will be mainly concerned with the extraction of minerals from run of mine material/tailings generated by the mining activity of artisanal miners in northern Tanzania. It will purchase tailings from artisanal miners on a willing seller willing buyer basis. The local miner's ability to extract gold from these tailings is severely limited using currently available methods. They are able to re-wash these piles in an attempt to extract more gold, but the amount that is extractible is very small. This means the tailings have very little intrinsic value to the miners.

Once the tailings have been purchased they will be placed on trucks and taken to the site of the leach plant where the gold will be extracted.

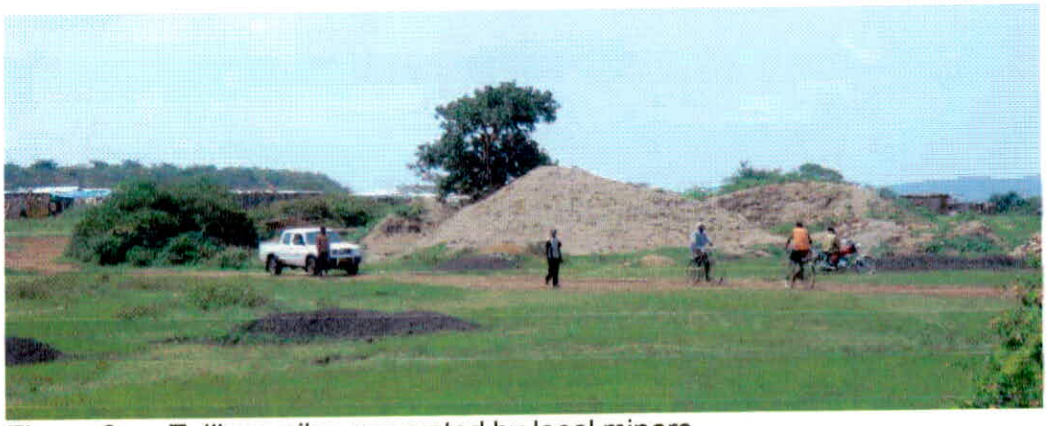


Figure 2a – Tailings piles generated by local miners

Following a study undertaken in the north of Tanzania, it has been decided that the most suitable place to commence operations will be in the district of Mara. This study involved taking samples from various areas, assessing their amenability to the leaching process proposed, and making estimations of the quantity of tailings present. The approximate level of production of these tailings per year has also been considered so the potential for long term operation of a plant of given size can be estimated. Further details of the areas investigated can be found in section 5b.

Only tailings that have been completely crushed by artisanal miners will be sought. Perfalbion Minerals will not be directly involved with crushing, grinding or any kind of comminution. This is to keep the operation simple and to keep costs low.

3 Business Environment and Background

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century and lasted until the First World War. During the British colonial era (1918-1961) mineral production and revenue were mainly from gold, diamonds, lead, mica, salt and tin. Gold was at a peak level in 1940 when it contributed to about 90% of the value of the mineral production. Following independence in 1961, many industrial sectors including the mining industry, were nationalised by Julius Nyerere's socialist government.

In 1986 Tanzania agreed to a structural adjustment programme designed by the World Bank. Internal and external trade was liberalised, and the government opened up for foreign investment in the country. The liberalisation of mining, accompanied by the legalisation of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

Now Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, Anglogold Ashanti Mining, Resolute Limited) are now involved in operations in the country.

However the sector most relevant to operations conducted by Perfalbion Minerals Ltd will be the small scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30-60, this leads to an estimate of 270000 people working on government sanctioned claims. There are also a large number of miners working on non-government sanctioned claims.

Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal miners. Perfalbion Minerals will seek to exploit this dichotomy. It will operate in a way that will add value to artisanal miners while not troubling the larger mining companies.

There are a small number of companies that are carrying out similar gold leaching operations in Tanzania. These companies have appeared in the last few years following the gold price rises of 2005 where such business models became feasible. There is one similar company based in Mwanza (Mineral Extraction Technologies Ltd). Their leaching operation is based near Geita approximately 100km south west of Mwanza with another proposed leaching plant 40km north of their current plant. There are also operations based in Ushirombo (Dynamic Mining) and Kahama, and a leaching plant being constructed in Igurubi (MMS Limited) near Nzega. (See figure 3a)

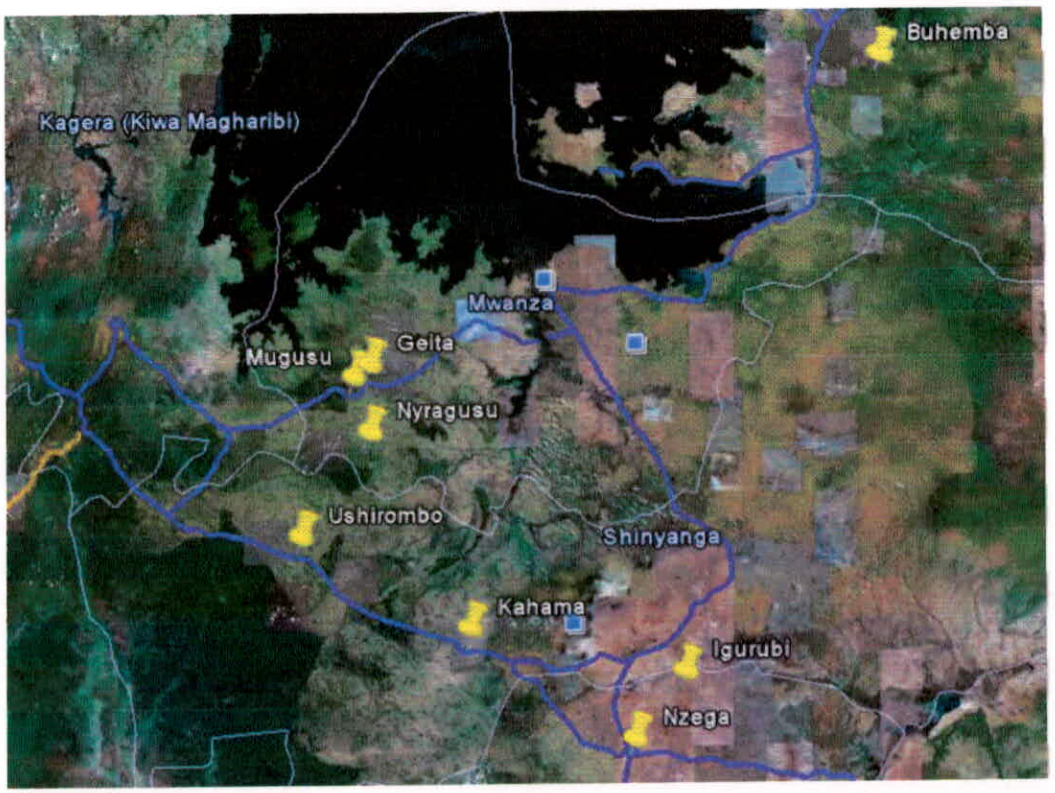


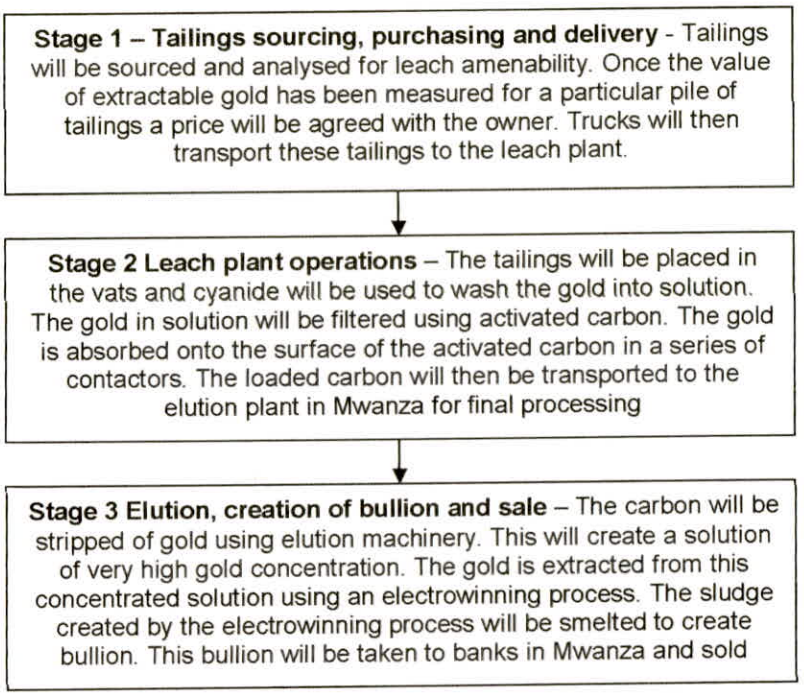
Figure 3a

The proposed location for Perfalbion Minerals leaching plant is in Tarini near Buhemba. Further details of the location can be found in Section 5.

The small scale gold leaching market in Tanzania is still clearly in its infancy. Most of the companies operating started as small scale mining operations that sought to employ leaching as a method of improving yield from the mined ore.

4 Operating Principals

The business will be broken down into three stages or "gold flows". The first stage will be that of the sourcing, purchasing and delivery of tailings to the leach plant. The second stage will be the leaching process that will take place at the leach plant. The third stage will be the elution of gold and creation of the bullion that will be sold to the banks.



4a Logistics and Tailings supply

The first stage in the process of creating the bullion will be the sourcing of the raw tailings to be processed. Scouting will be carried out and samples taken from piles in various areas around the leach site. These samples will be analysed to measure their leach amenability and their effective value to the company. Once this has been done, a price will be agreed with the owner of the pile and the trucks will be organised to collect the tailings and take them to the leach plant site.

During the start up phase, only one small truck will be required to fill the small number of tanks available. As the tailings in the immediate vicinity are exhausted and as there are more vats created for leaching, a larger transport capacity will be required to maintain the gold flow capacity. Once the plant is operating at full capacity, two 18T tipper trucks should be sufficient for supplying the plant with the required amount of tailings.

One important factor will be to build up and maintain an on-site tailings stock pile. This will ensure a steady and reliable flow of tailings to the vats. There will always be occasions when roads are made impassable by bad weather, or when trucks are being serviced or repaired. It would be wise to maintain a pile of at least 500T of tailings at the site. During the wet seasons it may be reasonable to increase this stock pile to 1000T.

The primary sites where tailings will be sought from are listed in Section 5b.

4b Static Leaching and the Cyanidation process

The Cyanidation Process

The solubility of gold in cyanide solutions was recognised as early as 1783 by Scheele (Sweden) but wasn't implemented for commercial purposes until 1888 in the USA. At this time a zinc cementation process was used to extract the gold from the gold bearing solution. At a later time, following significant advances in this method, this process was named the Merrill-Crowe process.

The absorption of gold from aqueous solutions onto activated carbon was first noted in the early 19th century. However, at this time the only known way of extracting the gold from the carbon was by combustion of the carbon and smelting of the resulting ash. This was costly and given the advances made in the zinc cementation process, was not used. It wasn't until the 1950s when the Zadra process was developed to strip gold from activated carbon that the use of activated carbon became widespread. However the low gold price during this era restricted developments. It wasn't until the gold price boom of the 1980s that saw the development of the two major processes that are used widely today. These are carbon-in-pulp (CIP) processing and heap leaching.

The CIP method is a relatively technical method used by all the large mines today. It involves creating an ore slurry and directly contacting the activated carbon with the gold containing slurry in an agitated environment. Although the amount of gold extracted is high, the equipment is expensive and complicated to maintain and operate.

Heap leaching is used to extract gold from large volumes of low grade ores. It is a very simple process with low costs of operation that allows large quantities of ore to be treated. It involves creating large drainage pads where ore can be piled. Cyanide solution is then sprayed onto the ore pile. This solution percolates through the ore pile dissolving the gold present. The solution is then collected at the base of the pad where carbon is used to adsorb the gold from solution. The main advantage is the extremely low cost of operation. No agitating, moving or separating equipment is required.

The method for gold extraction proposed by Perfalbion Minerals is much like a heap leaching operation but has a slightly different characteristic.

Static Vat Leaching

One method that has been used as an alternative to heap leaching is vat leaching. This is essentially the same process but instead of creating a heap that is sprayed with cyanide solution, vats are created to contain the crushed ore. The cost of creating the vats make it more expensive than heap leaching. When millions of tons of crushed ore needs to be processed, the size of the vats make them prohibitively expensive. When this amount of capital is being invested, CIP technology becomes the preferred option. This means there are very few vat leaching operations in existence today. The advantage of vat leaching is that it is now possible to entirely submerge the ore in cyanide solution. This has the effect of wetting the entire surface of the ore, improving mass transport and extraction efficiency.

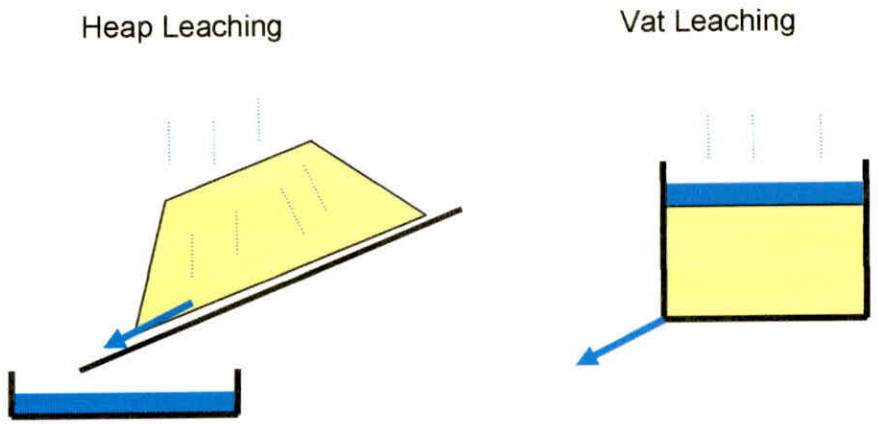


Figure 4a – Heap and Vat leaching

Vat leaching is the perfect process for extracting gold from tailings in rural Africa. There are several factors that make this so.

- The volume of tailings accessible to a leaching operation in rural Africa will typically be in the region of tens of thousands of tonnes of crushed ore. The size of the vats required to treat this amount of ore is still relatively modest so the required capital investment is not prohibitively high.
- The leaching process is extremely simple. The movement and management of crushed ore is also simplified by using vats so the process can be easily managed in remote locations where skilled workers are scarce.
- The amount of extractible gold in the tailings is relatively high. This means the extra benefits of entirely submerging the tailings (as seen by vat leaching as opposed to heap leaching) has a significant effect on gold production.

4c The Leach Plant Process

The leach plant schematics can be seen in section 4d. The tailings are brought to the plant in trucks and offloaded adjacent to the concrete vats. The concrete vats will have a capacity of approximately 20T. The Tailings are mixed with hydrated lime and placed into the vats. The hydrated lime optimises the conditions for gold extraction and reduces the loss of cyanide by hydrolysis. The tap at the bottom of the vat is closed and a cyanide solution of approximately 250ppm is run into the top of the tank at a slow rate so as to achieve a plug flow through the tank and avoid channelling. This improves gold extraction. Once the tailings have been soaked, the tap is opened and solution is allowed to percolate through the tailings dissolving the gold in its path. The solution flows through a filter at the base of the vat that keeps the tailings in the vat.

The gold bearing (pregnant) solution flows out of the tank and into the clarifier. This removes any unwanted solid particles in the clear solution. This solution is then pumped through a series of carbon columns or contactors. The carbon adsorbs the gold from the pregnant solution. Barren solution then flows out of the columns and into the barren tank. Water and cyanide are added here to maintain the balance in the closed system. Oxygen, a key reactant in the process is added in the barren tank by using a pump to aerate the solution. The barren solution containing the cyanide is then pumped into the newly filled vat and the solution cycle starts again.

After 3-5 days of solution flowing through the tailings the gold will have been extracted. The exhausted tailings in the tank are now washed with water and drained. The tank is then emptied and the tailings are moved to the tailings dump site.

Once the gold has been absorbed by the carbon, the carbon is removed and replaced with fresh carbon. The loaded carbon is then sent to the elution plant for extraction/stripping.

4d Leach Plant Schematics

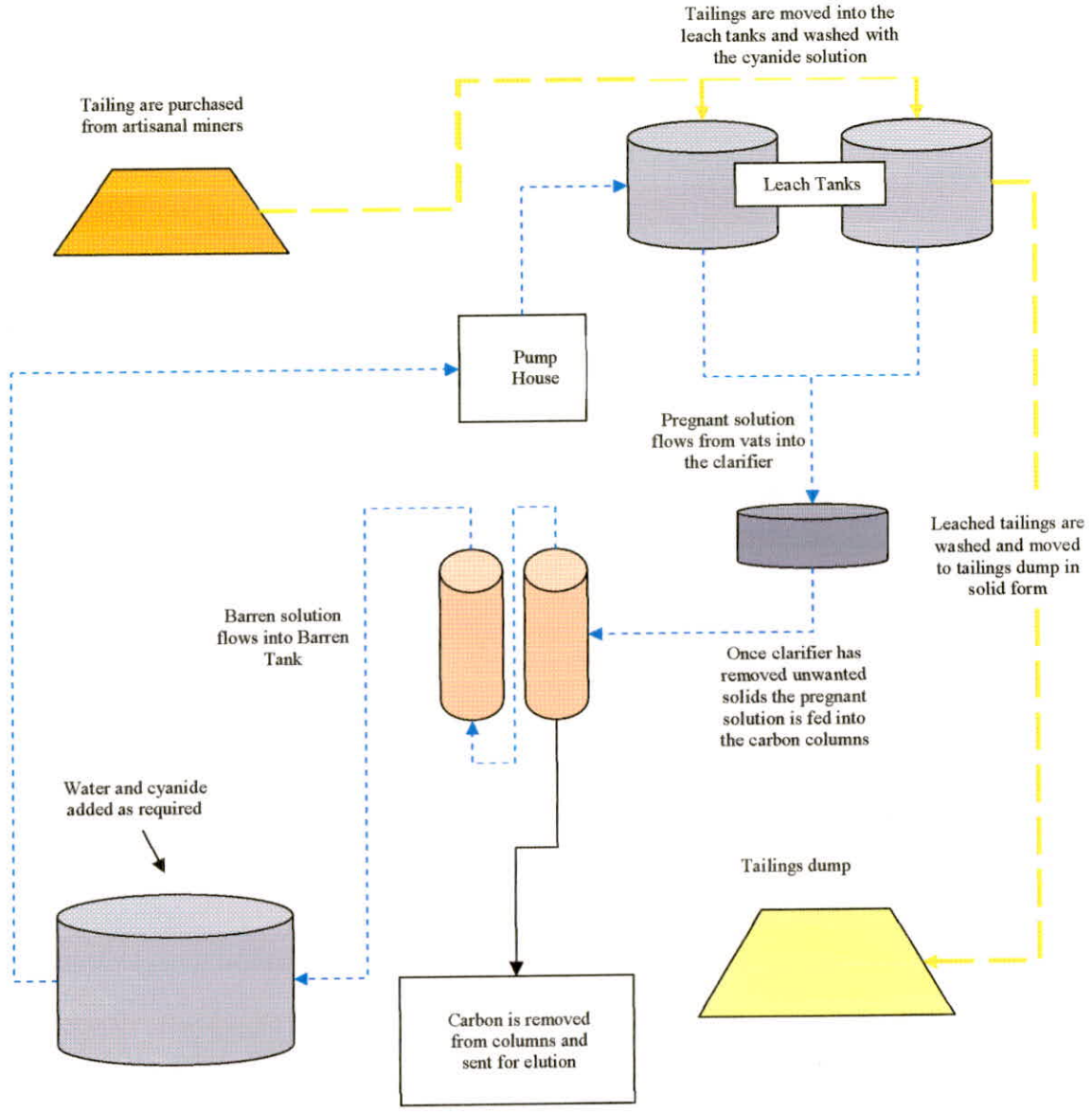


Figure 4b – Leach plant schematic

4e Elution, Extraction and Smelting

Once the loaded carbon has been transported from the leach plant to the elution plant the stripping of the gold can commence. This is done by taking the carbon and placing it in an elution vessel. Here the process of loading the gold onto the carbon is reversed and the gold is stripped. This is done by passing hot caustic solution past the carbon. Once the gold has entered the solution, it is pumped to an electrowinning cell. Here the gold is removed using electrolysis and it accumulates at the steel cathode. The now barren solution is then pumped to a heating tank where more cyanide and caustic

soda can be added to recharge the stripping solution. The solution is now fed back to the elution vessel for another stripping cycle.

Once all the gold has been stripped from the carbon, the carbon is removed and replaced with more loaded carbon. The stripped carbon is then acid washed and sent back to the leach plant for reloading.

The gold sludge is now removed from the electrowinning cell, placed into a kiln and smelted to create bullion.

4f Elution Plant Schematics

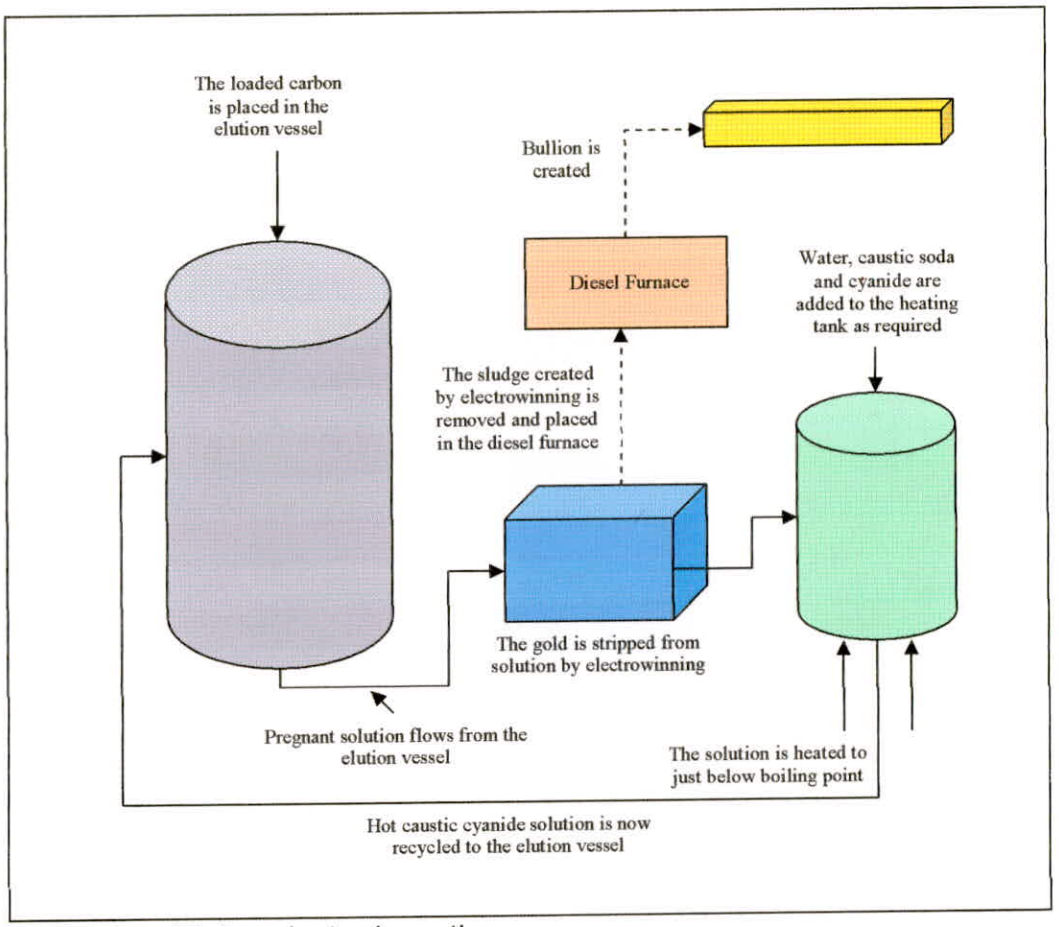


Figure 4c – Elution plant schematic

4g Sources of Consumables and Equipment

To keep costs to a minimum, equipment will be taken from local sources when possible.

4g.i Equipment

The following items will be required for operation

Equipment	Source
Elution plant	South Africa
Furnace	South Africa
Piping	Mwanza
Valves	Mwanza
Wheelbarrow + spades	Mwanza
Plastic tanks	Mwanza
Generator	Mwanza
Pumps	Mwanza
Trucks	Dar Es Salaam
Lab equipment	Mwanza

4g.ii Consumables

Consumable	Source	Amount / month @ full capacity
Concrete	Mwanza	-
Activated carbon	South Africa	100kg
Sodium Cyanide	South Africa	800kg
Hydrochloric acid	Mwanza	100kg
Nitric acid	Mwanza	20kg
Ferrous Sulphate	South Africa	-
Quicklime	Mwanza	1000kg
Bricks	Local	-
Diesel	Mwanza	1600 litres
Water	Local	300T

5 Proposed Location

The proposed location is near the village of Tarani in northern Tanzania. The site is approximately 8.4 hectares.

Perfalbion Minerals limited will be the holder of the mining licence for the site.

Figure 5a – Shows the location of the plant in the north of the country

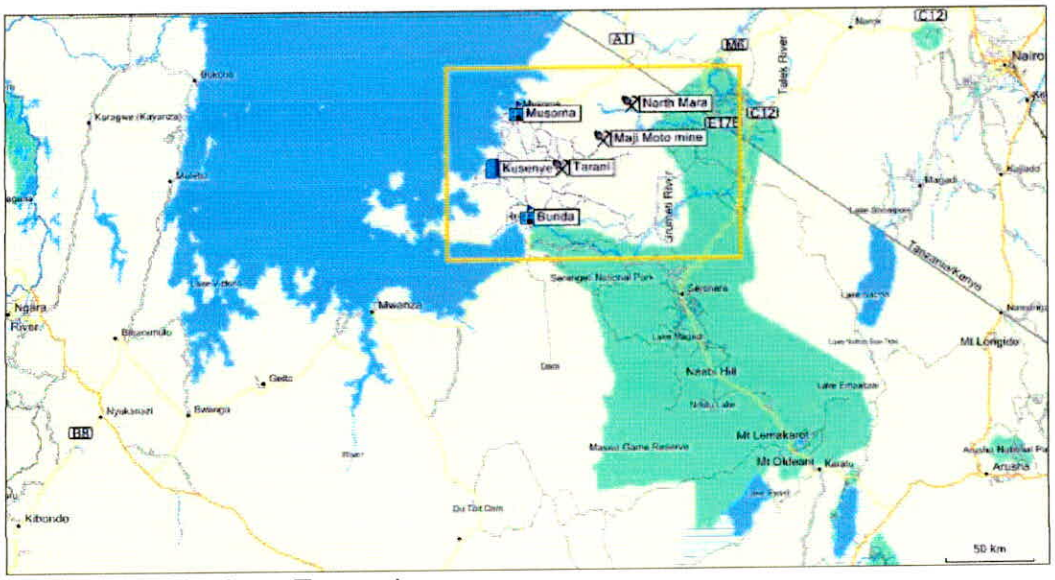


Figure 5b – Northern Tanzania

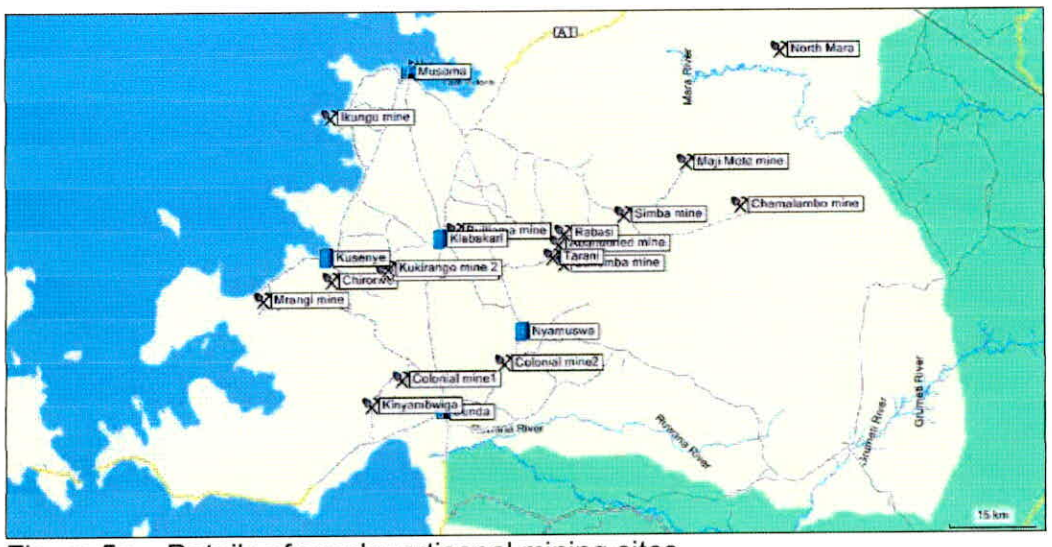


Figure 5c – Details of nearby artisanal mining sites

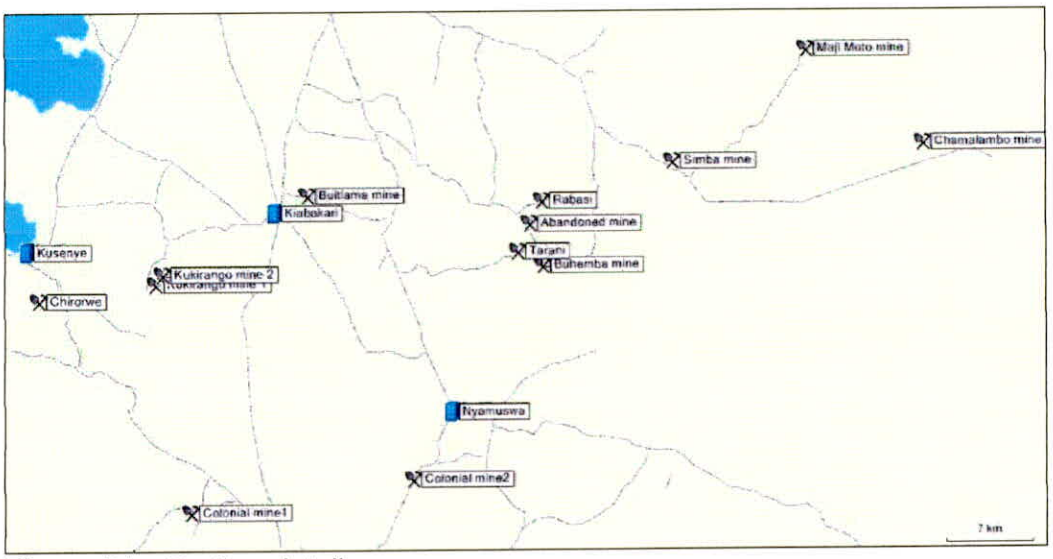


Figure 5d – Further detail

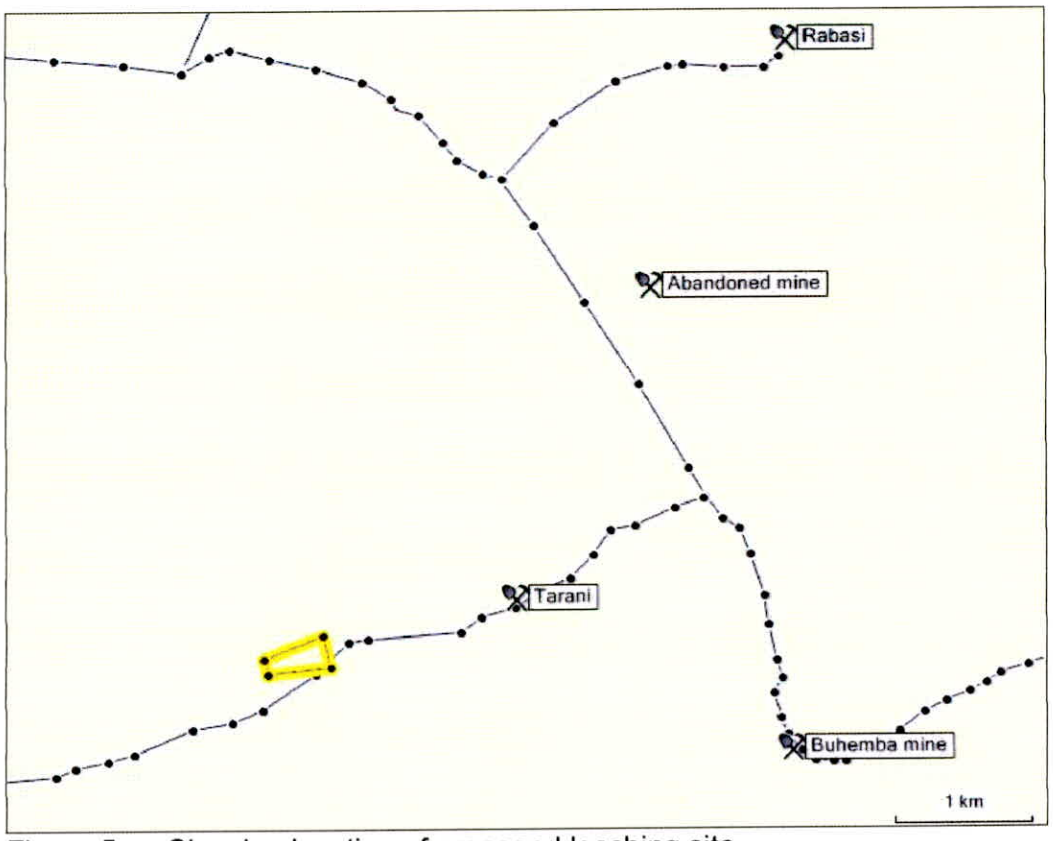


Figure 5e – Showing location of proposed leaching site

5a Site Plan

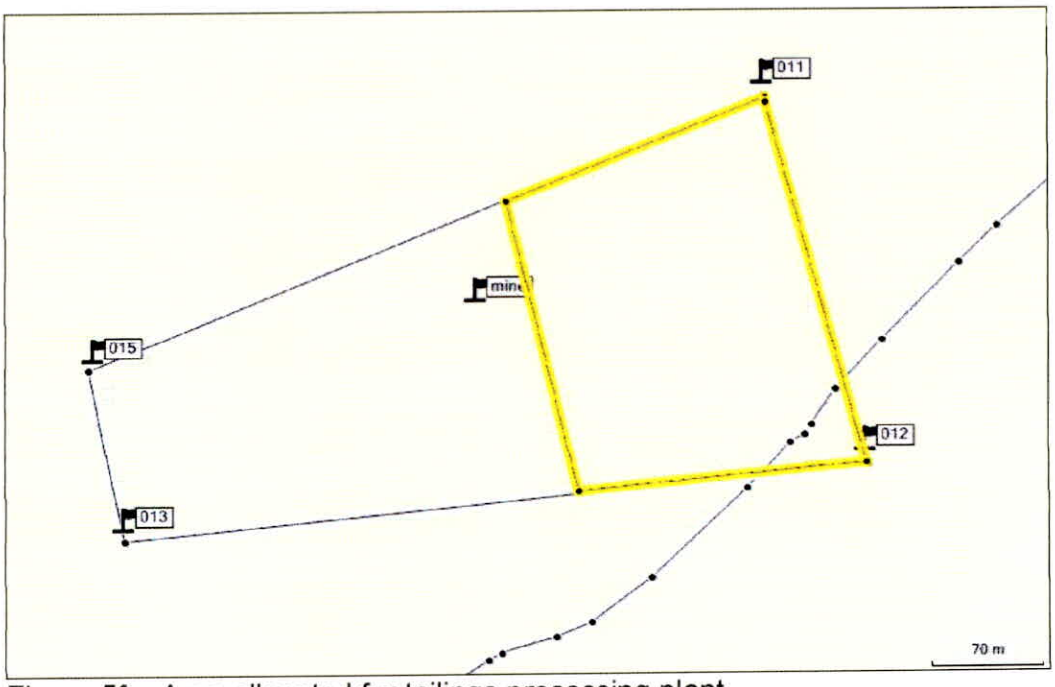


Figure 5f – Area allocated for tailings processing plant

Figure 5g – Birdseye view of the plant (looking north)

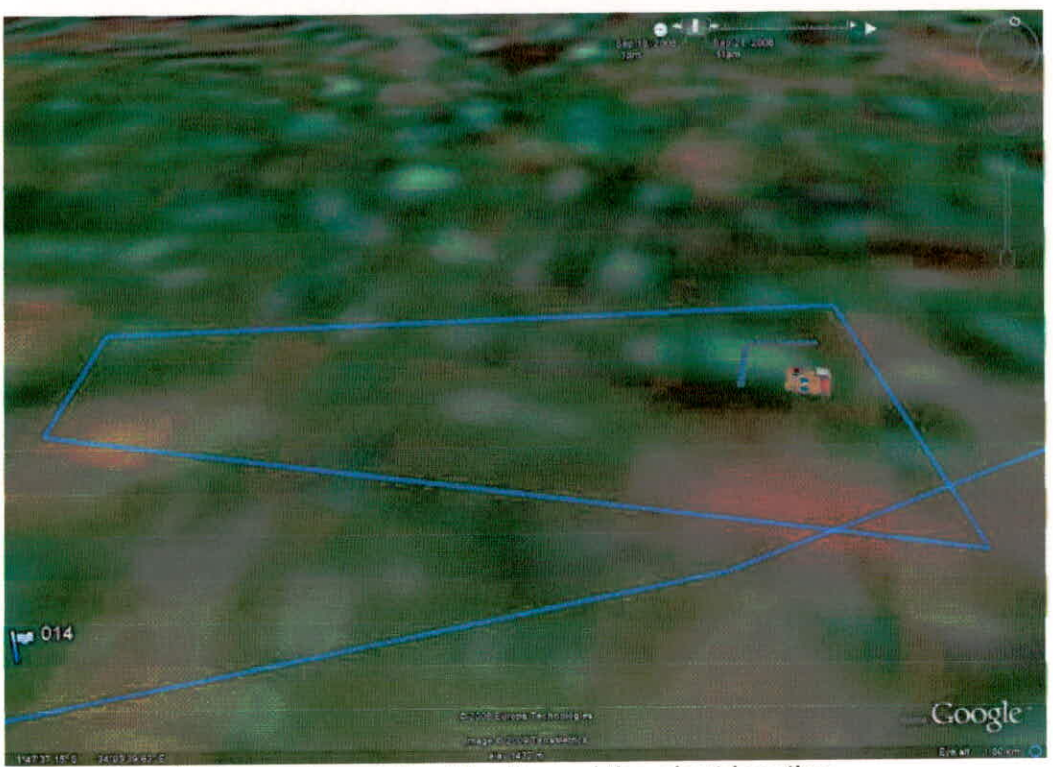


Figure 5h – Birdseye view of the ML site and the plant location

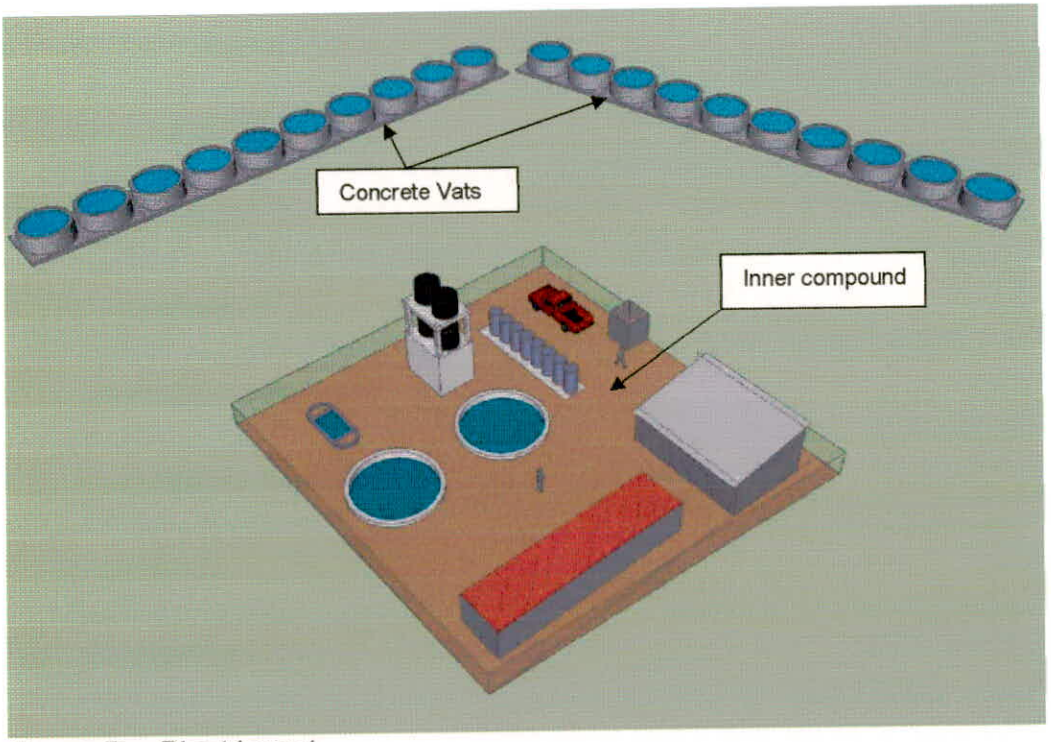


Figure 5i – Plant layout

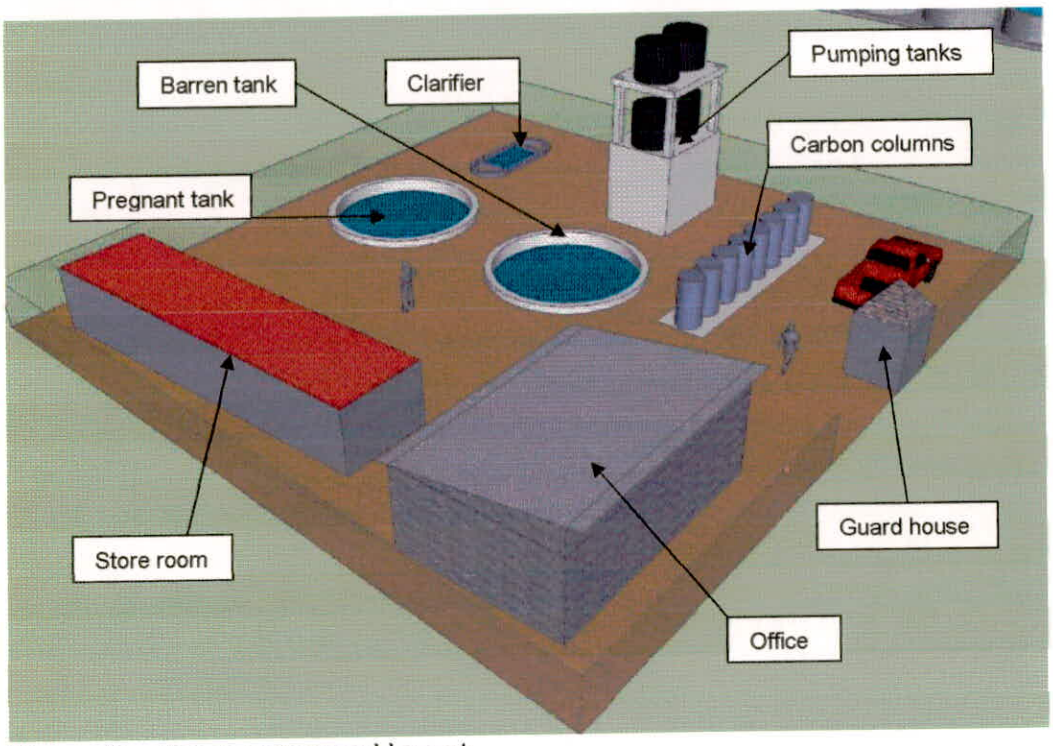


Figure 5j – Inner compound layout

5b Sources of Tailings and Reserves

The locations of the following mines can be seen in Figures 5c and 5d.

Buhemba

Distance from proposed location:	6	km
Estimated quantity of tailings:	15000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$1,000,000	

Tarani

Distance from proposed location:	0	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	1.9	g/T
Estimated value of extractable gold present (@$750/oz):	$100,000	

Rabasi

Distance from proposed location:	10	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Sirori Simba

Distance from proposed location:	30	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Butiama

Distance from proposed location:	25	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Kiabakari

Distance from proposed location:	32	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Kukirango

Distance from proposed location:	45	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	5	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Ikungu

Distance from proposed location:	70	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Maji Moto

Distance from proposed location:	50	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Chamalambo

Distance from proposed location:	60	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Totals

Confirmed Quantity of Tailings	27000	Tonnes
Estimated average grade of tailings	2.5	g/T
Confirmed Value @$750/oz	$1,830,000	

6 Environmental, Social and Local Economic Impacts

6a Environmental Impacts

Perfalbion Minerals operations will have a minimal impact on the environment of the area. One of the key environmental benefits of the operation will be the centralisation of tailings dumps. Often tailings are dumped in a disorderly fashion around certain rural areas. Perfalbion Minerals will collect these tailings and place them on a managed tailings dump site. This site can be monitored and steps can be made to ensure the safety of the surrounding area and the rehabilitation of the tailings dump.

A benefit of using vat leaching as a method of gold extraction is that the tailings can be washed and drained before moving to the dump site. This means that the tailings will be inert and relatively free of chemicals. One major problem for CIP extraction systems is that the waste tailings are unwashed and in a slurry form. This means tailings a dam must be created and an area has to be created that the tailings cannot leak from. There is no such problem for a vat leaching operation, as the tailings are in solid form so containment is relatively easy.

The last charge to the vats will be a fresh water wash. This will ensure that all salts, soluble material and cyanide are washed from the tailings, rendering the tailings chemically inert.

A good quantity of Ferro-Sulphate will be stored at site. Should any cyanide spillages occur, this can be used to neutralise the chemical safely.

6b Social and Local Economic Impacts

The social and local economic benefits from Perfalbion Minerals operations will be considerable. In the first year it is expected to contribute in the region of $500,000 to local economies. In the second year of operation this figure is expected to climb to in the region of $1,000,000.

In the region of 100 jobs will be created directly. The operations will significantly add value to current artisanal processes by providing demand for

a commodity that has little intrinsic value using current extraction processes. It is estimated that the increase in value of the commodity will add $500,000 to local economies annually. A high proportion of the investment will be spread widely to remote communities that are in desperate need of jobs and investment.

The village of Tarani will also see a number of benefits besides the creation of jobs. When boreholes are sunk on site to allow extraction of water for the process, boreholes will also be provided for the village, improving their access to fresh water. It will also be useful for the plant to be connected to mains electricity. Currently there is no mains electricity in Tarini but it may prove feasible and economical to create power lines from the nearby abandoned Buhemba mine.

The Tanzanian government has been striving to rationalise and organise the artisanal mining sector. Companies like Perfalbion Minerals can play a key role in such a process. Although the company will not get directly involved with the crushing of tailings or artisanal mining activities, it will be in the interests of the company to assist current miners with this process to ensure a good supply of tailings to the site. After two years the amount of gold processed by the plant will have much more to do with actual tailings production levels in the area rather than the stock piled quantities. For this reason if the company is forward thinking it will try and work with the artisanal miners and find ways of significantly increasing tailings production. This shared interest will play a key role in improving technologies and processes used by the artisanal sector.

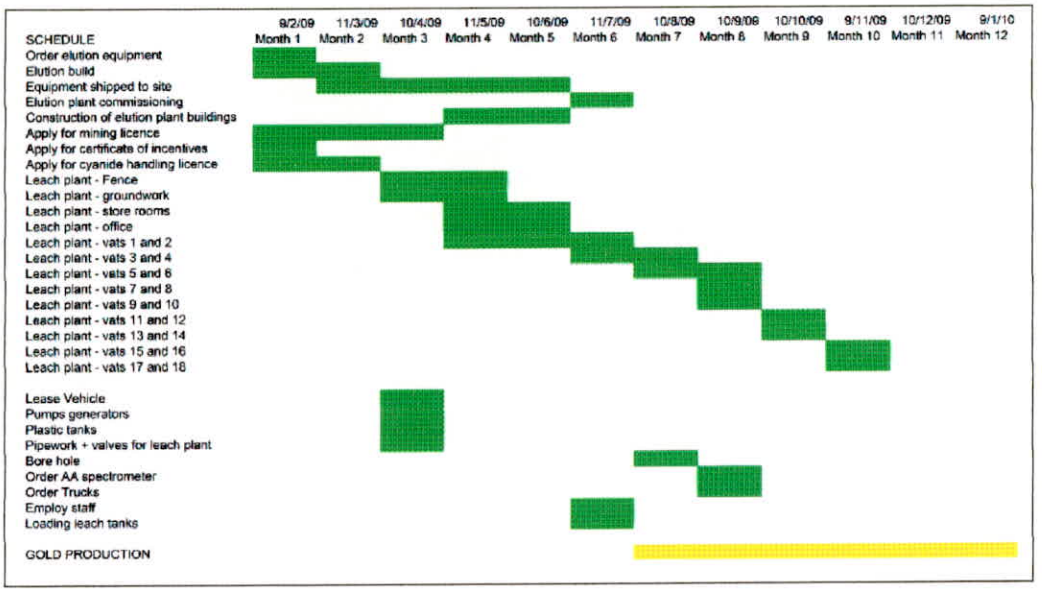
It is expected that the direct tax payable on gold created will be $18,000 in the first year and $45,000 in the second. (At a taxable rate of 3%).

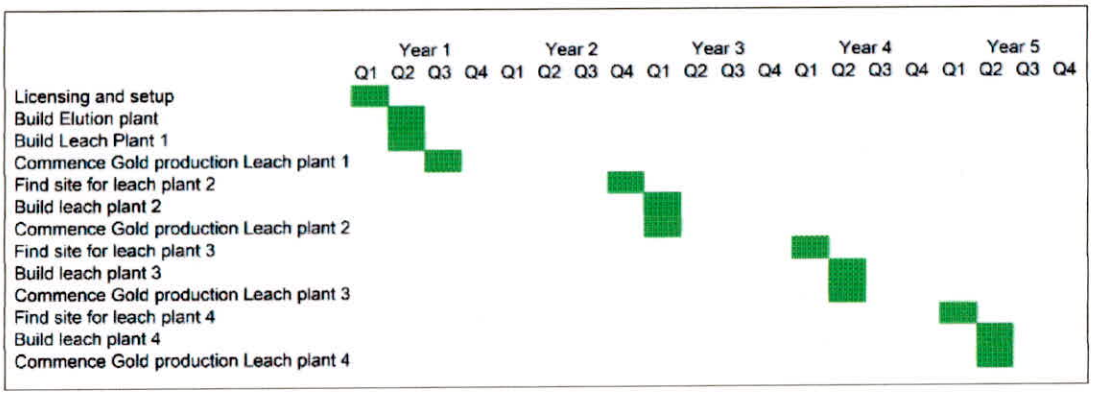
7 Management and Organisation

The company will be managed and run by Joseph Stegers. Joseph is an experienced engineer with a background in engineering consultancy. He has an honours degree in Mechanical Engineering from University College London.

8 Economic Aspects and Schedules

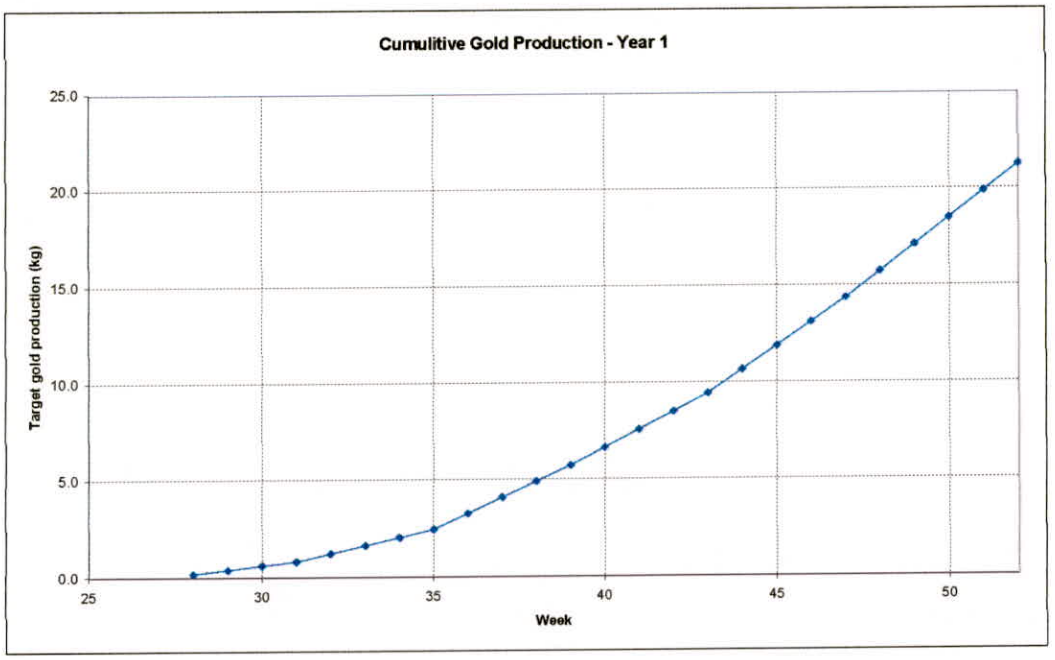
8a Implementation Schedules



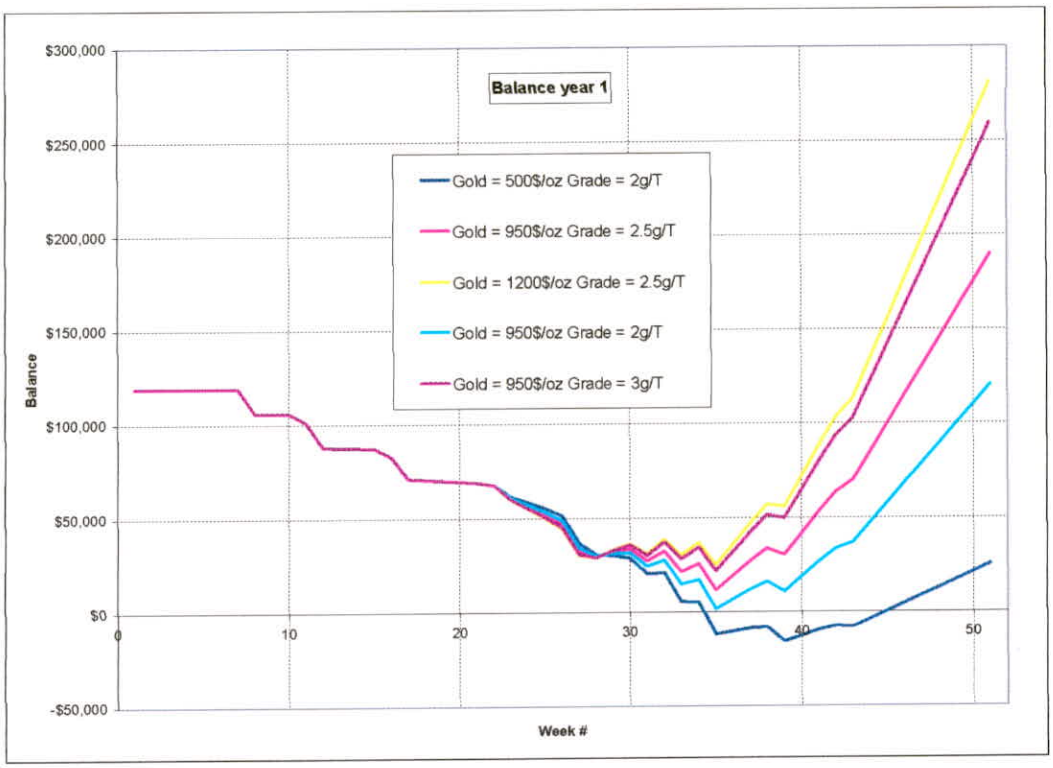


8b Target Production Rates

By month 10 the target gold production will be 6kg of gold per month



8c Predicted Cash Flow



8d Threats to Profitability and Running of the Company

8d.i Refractory Tailings

It will always be the case that there are some tailings that are more amenable to the leaching process than others. Ore bodies can have certain characteristics that make gold extraction difficult. This can be due to sulphides ores that consume reagents, carbonaceous ores that reabsorb the gold once it is liberated or telluride ores that dissolve poorly in cyanide solutions. Although such ores have been yet to be found following the initial study, if they are found, Perfalbion Minerals will not treat them as the preparation of such ores for leaching will be prohibitively expensive and complicated. All such refectory ores will be identified during sampling. In the case of sulphide ores it is usually possible to identify the crushed ore by its appearance and odour.

8d.ii Copper Rich Tailings

Another problem that similar operations have experienced has been high concentrations of copper in the tailings purchased. This copper has the effect

of displacing the gold in the extraction process, thereby reducing gold produced. All copper levels in the samples taken have been well below acceptable levels. Ores that are high in copper can still be treated, but it must be ensured that only a small proportion of the vats should contain such an ore to keep the copper concentrations below a certain threshold. The copper content of all the tailings will be measured during sampling.

8d.ii Gold Price

The price of gold can very volatile. With current gold prices the prediction is for a very profitable company but if the gold price recedes to the kind of levels seen 5 years ago, such operations will struggle to remain profitable.

8d.iii Political and Social Instability

The proposed location for the leach plant is in a location that has experienced civil unrest in the past. It is located in the north of the country near the Kenyan border where mines have experienced significant problems with security.

After independence Julius Nyerere's regime made an attempt to unify the country and reduce the negative aspects of tribalism in Tanzania. However, there has been worrying levels of civil unrest in nearby Kenya that has been attributed in some degree to tribalism. This has spilled over the border and Barrick has had significant trouble with their North Mara mine. The trouble is thought to be caused by the way the government enforced a very meagre compensation package to the local miners that were displaced during setup. The levels of civil unrest in the area where Perfalbion Minerals plans to set up its leaching operation are thought to be significantly less that in North Mara. Buhemba is south of the Mara river and its associated marsh lands. This is thought to act as a buffer from the destabilising affect of being close to the Kenyan border. See Figure 8a.

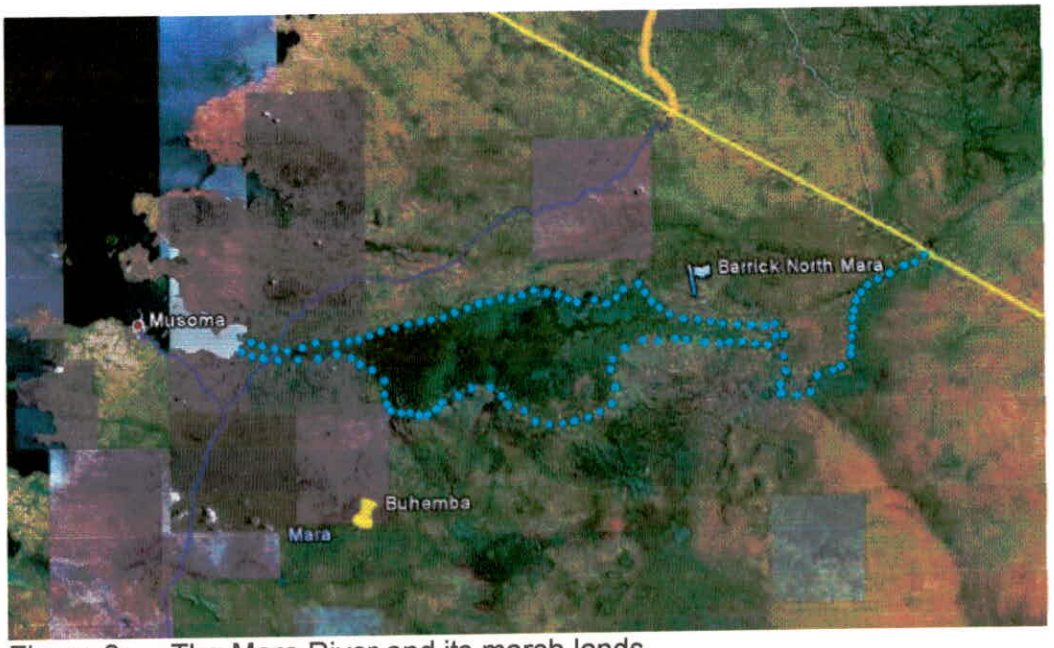


Figure 8a – The Mara River and its marsh lands

The tribes in Mara are notorious for their bellicose nature. However, it is hoped that as the plants presence in the area will significantly benefit the local miners and population and will not harm any local interests, the company will be popular and will experience little strife.

8d.iv Security

There are certain traits of Perfalbion Minerals that make security issues much less significant than with most other gold producing companies. Usually gold is found in remote places where security is difficult. However Perfalbion Minerals only produces accessible gold in its plant in the city of Mwanza where security is much more stringent. The gold solution produced in the field is of very low concentration and the gold is not readily extractible. It is also very difficult to extract gold from loaded carbon so there will be little risk of gold being stolen this way. The only real security threat for the leach plant will be theft of machinery (trucks, generators, pumps), consumables (quicklime, cement) and petty theft.

There will be two layers of security for the leach plant. There will be an outer perimeter that encompasses the entire plant and an inner secure compound where all valuable items will be stored. Both will have their own security.

A basic level of security will be maintained at the elution plant in Mwanza. On days when gold is being produced, extra security will be arranged. The gold produced will be taken to the bank immediately and sold. Perfalbion Minerals will not store gold or speculate on gold price.

8d.v Delays with Licensing

The regulatory authorities in Tanzania are well known for being difficult to deal with. There have been a number of issues with delays recently with the granting of mining licences. There is sentiment that the current situation is too favourable towards large foreign companies and the tax yield from these companies is too low. For this reason there has been talk of introducing a new minerals policy that may cause delays to licence applications.

There may also be a problem with licensing as a large proportion of the tailings that will be purchased are from so called illegal miners. These are miners that have failed to take out local licensing and are operating outside of current government guidelines.

8e Investor Profiles

Joseph Stegers BEng

Joseph was born in London (UK) in August 1980.

In 2003 Joseph graduated from University College London (Ranked 6th best university in the UK) with an honours degree in Mechanical Engineering. After this he went to work for Ove Arup and Partners (one of the top multinational engineering consultancies.) During the 4 years he worked here he worked on a number of high profile projects on a variety of structures including tunnels, bridges, high rise buildings and oil rig structures.

After leaving Ove Arup and Partners, Joseph was briefly involved with a small scale mining operation in Uganda. It was here that he learned about the process that Perfalbion Minerals plans to implement in Tanzania.

Theodore Stegers

Theodore was born in Liverpool (UK) in March 1953.

Theodore Stegers will be the principal investor in the project. Theodore is based in the UK (London). After various jobs and management positions, in 1987 Theodore became the owner/director of Recruitment Matter Ltd, a recruitment consultancy based in London. After many successful years, Theodore moved on and is now the owner/director of WeAdmire Ltd (UK). This company operates in the t-shirt publishing sector.

8f Financial Estimates Summary

First Year

First year gold production – 21 kg
First year turnover (@$850/oz) – $616,000
First year gross cash loss – $17,000 (after repayment of initial investment and net of 3% gold sales tax)

Capital expenditure – Foreign - $47,000
Capital expenditure – Local - $61,700
Revenue Costs – Foreign - $36,700
Revenue Costs – Local - $494,600
Costs Tanzanian Fees - $3550

Job created directly - 100

Second Year

Second year gold production – 66kg
Second year turnover (@$850/oz) – $1,970,000
Second year gross cash profit – $486,000 (net of 3% gold sales tax)

Appendix

Cash flow forecast – Year 1

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments	170000											
	Sales							26307	68398	78921	109437	180993	151529
	TOTAL INCOME	**170000**						**26307**	**68398**	**78921**	**109437**	**180993**	**151529**
	OUT												
CAPITAL EXPENDITURE	Elution Plant Equipment	45000											
	Smelting equpment / furnace	2000											
	Elution plant construction				6000								
	Elution plant and consumables shipping		4000						4000				
	AA machine									10000			
	Bore Holes			5000									
	Plastic tanks for leach plant				4300								
	Other buildings leach site			8000									
	Fencing and groundworks			5000									
	Concrete vats for leach site				3000		3000	3000	6000	6000	6000		
	Pregnant and Barren tanks							10000					
	Generators				23	92	92	92	115	92	92	115	92
	Pumps				46	185	185	185	231	185	185	231	185
	Vehicle lease				231	923	923	923	1154	923	923	1154	923
	Pipework				571		571	571	1143	571	571		
	Valves				143		143	143	286	143	143		
	Earth moving equipment				143		143	143	286	143	143		
	Cyanide handling licence	700											
	ML application	1000											
	EIA payments	1000											
	TIC application fees	850											
REVENUE COSTS	Activated Carbon		3400						3400				
	Cyanide		5100						8500				
	Ferro Sulphate		255										
	Hydrochloric acid		200										
	Nitric Acid		200										
	Quick lime				1500			5500					
	PML site payments												
	Lease payments for elution site							3000	7500	6000	6000	7500	6000
	Security Costs - leach site						277	277	346	277	277	346	277
	Security costs - elution site			12	58	46	46	46	58	46	46	58	46
	Electricity costs						92	92	115	92	92	115	92
	Water costs						46	46	58	46	46	58	46
	Fuel - Leach site			200	1000	800	800	800	1000	800	800	1000	800
	Fuel - Elution							300	500	400	400	500	400
	Fuel - Transport						150	200	250	200	200	250	200
	Salary						2769	4385	7615	8308	12000	20769	16615
	NSSF						277	438	762	831	1200	2077	1662
	Sub contractors						421	983	1965	2246	3145	5054	4043
	Director drawings												
	Flights + hotels												
	Sampling												
	Tailings costs						6314	14732	29464	33673	47142	75764	60612
	Bank charges							789	2052	2368	3283	5430	4546
	Tax on sale of gold							789	2052	2368	3283	5430	4546
	TOTAL OUTGOINGS	**50550**	**13155**	**18212**	**17015**	**2046**	**16250**	**47435**	**78851**	**75712**	**85972**	**125851**	**101085**
	CASH FLOW	**119450**	**-13155**	**-18212**	**-17015**	**-2046**	**-16250**	**-21128**	**-10453**	**3210**	**23466**	**55142**	**50444**
	BALANCE	**119450**	**106295**	**88083**	**71069**	**69022**	**52773**	**31645**	**21192**	**24402**	**47867**	**103009**	**153453**

Cash flow forecast – Year 2

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments												
	Sales	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156
	TOTAL INCOME	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**
	OUT												
CAPITAL EXPENDITURE	Elution plant and consumables shipping	8000						8000					
	Generators	115	115	115	115	115	115	115	115	115	115	115	115
	Pumps	231	231	231	231	231	231	231	231	231	231	231	231
	Vehicle lease	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154
	Extra Vehicles			60000									
REVENUE COSTS	Activated Carbon	17000						17000					
	Cyanide	30000						30000					
	Hydrochloric acid	400						400					
	Nitric Acid	400						400					
	Quick lime	10000						10000					
	Lease payments for elution site	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
	Security Costs - leach site	346	346	346	346	346	346	346	346	346	346	346	346
	Security costs - elution site	58	58	58	58	58	58	58	58	58	58	58	58
	Electricity costs	115	115	115	115	115	115	115	115	115	115	115	115
	Water costs	58	58	58	58	58	58	58	58	58	58	58	58
	Fuel - Leach site	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Fuel - Elution	500	500	500	500	500	500	500	500	500	500	500	500
	Fuel - Transport	250	250	250	250	250	250	250	250	250	250	250	250
	Salary	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
	NSSF	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
	Sub contractors	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054
	Director drawings	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Flights + hotels												
	Sampling	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Tailings costs	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662
	Bank charges	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	Tax on sale of gold	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	TOTAL OUTGOINGS	**173493**	**107693**	**167693**	**107693**	**107693**	**107693**	**173493**	**107693**	**107693**	**107693**	**107693**	**107693**
	CASH FLOW	**-9336**	**56464**	**-3536**	**56464**	**56464**	**56464**	**-9336**	**56464**	**56464**	**56464**	**56464**	**56464**
	BALANCE	**-9336**	**47127**	**43591**	**100054**	**156518**	**212981**	**203645**	**260109**	**316572**	**373036**	**429499**	**485963**

Cash Flow forecast – Fiver Year Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Turnover	$690,000	$1,969,874	$2,856,318	$4,727,699	$6,697,573	$16,941,464
Costs	$706,000	$1,483,911	$2,542,911	$4,323,605	$5,045,299	$14,101,727
Profit	-$16,000	$485,963	$313,406	$404,093	$1,652,274	$2,839,737

COPY

Perfalbion Minerals Ltd
Feasibility Study / Business Plan

Joe Stegers
joseph.stegers@gmail.com

CONTENTS

1 Executive Summary

Perfalbion Minerals Ltd will be involved with the processing of minerals. It will purchase tailings from small scale miners in the north of Tanzania and use a leaching process to extract gold and other minerals from these tailings.

Two plants will be created for this purpose. The main processing plant will be situated in Mara region, in close proximity to existing tailing dumps created by artisanal and small scale miners. Tailings will be purchased and taken to the site of the plant using trucks. The second plant/office will be situated in the city of Mwanza in northern Tanzania.

The company will seek to be operational by July 2009. The target turnover for the first year is $616,000, growing to $1,970,000 for the second.

2 Company Overview

Perfalbion Minerals Ltd is a Tanzanian registered company. It will be mainly concerned with the extraction of minerals from run of mine material/tailings generated by the mining activity of artisanal miners in northern Tanzania. It will purchase tailings from artisanal miners on a willing seller willing buyer basis. The local miner's ability to extract gold from these tailings is severely limited using currently available methods. They are able to re-wash these piles in an attempt to extract more gold, but the amount that is extractible is very small. This means the tailings have very little intrinsic value to the miners.

Once the tailings have been purchased they will be placed on trucks and taken to the site of the leach plant where the gold will be extracted.

Figure 2a – Tailings piles generated by local miners

Following a study undertaken in the north of Tanzania, it has been decided that the most suitable place to commence operations will be in the district of Mara. This study involved taking samples from various areas, assessing their amenability to the leaching process proposed, and making estimations of the quantity of tailings present. The approximate level of production of these tailings per year has also been considered so the potential for long term operation of a plant of given size can be estimated. Further details of the areas investigated can be found in section 5b.

Only tailings that have been completely crushed by artisanal miners will be sought. Perfalbion Minerals will not be directly involved with crushing, grinding or any kind of comminution. This is to keep the operation simple and to keep costs low.

3 Business Environment and Background

Tanzania has a unique geological environment that hosts a variety of economic minerals. The most famous deposit is the Lake Victoria Greenstone belt in the central and north-central part of the country. Gold discovery and exploitation by German colonialists started towards the end of the 19th century and lasted until the First World War. During the British colonial era (1918-1961) mineral production and revenue were mainly from gold, diamonds, lead, mica, salt and tin. Gold was at a peak level in 1940 when it contributed to about 90% of the value of the mineral production. Following independence in 1961, many industrial sectors including the mining industry, were nationalised by Julius Nyerere's socialist government.

In 1986 Tanzania agreed to a structural adjustment programme designed by the World Bank. Internal and external trade was liberalised, and the government opened up for foreign investment in the country. The liberalisation of mining, accompanied by the legalisation of the buying and selling of gold and gemstones through banks and designated dealers, had immediate effects.

Now Tanzania has become one of the fastest-emerging gold producers in Africa, and is the continent's third-largest gold-producing country after South Africa and Ghana. A number of large international mining companies (Barrick Gold Corporation, Anglogold Ashanti Mining, Resolute Limited) are now involved in operations in the country.

However the sector most relevant to operations conducted by Perfalbion Minerals Ltd will be the small scale and artisanal sectors. Estimates for the number of artisanal miners operating in the country are usually taken to be around 500,000 people. There are approximately 6000 small scale claim holders for gold in Tanzania. Assuming the number of people employed on each site is between 30-60, this leads to an estimate of 270000 people working on government sanctioned claims. There are also a large number of miners working on non-government sanctioned claims.

Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal miners. Perfalbion Minerals will seek to exploit this dichotomy. It will operate in a way that will add value to artisanal miners while not troubling the larger mining companies.

There are a small number of companies that are carrying out similar gold leaching operations in Tanzania. These companies have appeared in the last few years following the gold price rises of 2005 where such business models became feasible. There is one similar company based in Mwanza (Mineral Extraction Technologies Ltd). Their leaching operation is based near Geita approximately 100km south west of Mwanza with another proposed leaching plant 40km north of their current plant. There are also operations based in Ushirombo (Dynamic Mining) and Kahama, and a leaching plant being constructed in Igurubi (MMS Limited) near Nzega. (See figure 3a)

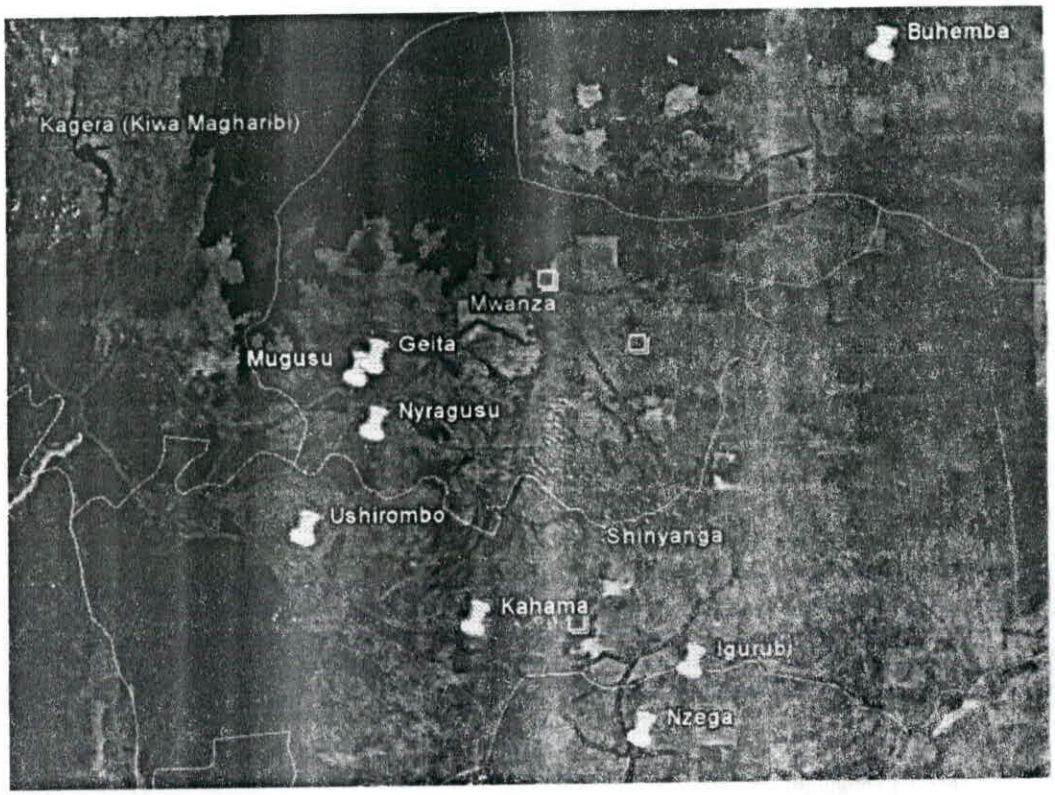


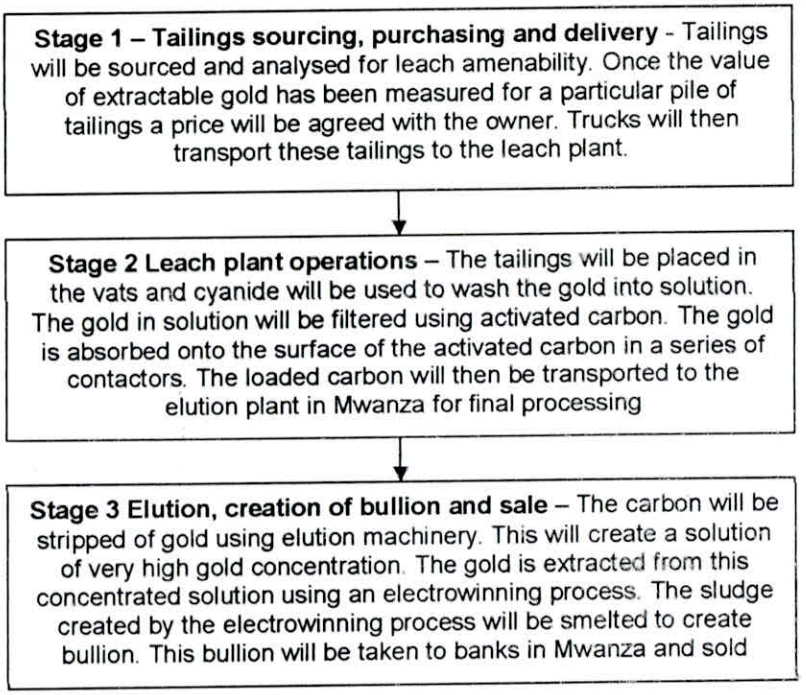
Figure 3a

The proposed location for Perfalbion Minerals leaching plant is in Tarini near Buhemba. Further details of the location can be found in Section 5.

The small scale gold leaching market in Tanzania is still clearly in its infancy. Most of the companies operating started as small scale mining operations that sought to employ leaching as a method of improving yield from the mined ore.

4 Operating Principals

The business will be broken down into three stages or "gold flows". The first stage will be that of the sourcing, purchasing and delivery of tailings to the leach plant. The second stage will be the leaching process that will take place at the leach plant. The third stage will be the elution of gold and creation of the bullion that will be sold to the banks.



4a Logistics and Tailings supply

The first stage in the process of creating the bullion will be the sourcing of the raw tailings to be processed. Scouting will be carried out and samples taken from piles in various areas around the leach site. These samples will be analysed to measure their leach amenability and their effective value to the company. Once this has been done, a price will be agreed with the owner of the pile and the trucks will be organised to collect the tailings and take them to the leach plant site.

During the start up phase, only one small truck will be required to fill the small number of tanks available. As the tailings in the immediate vicinity are exhausted and as there are more vats created for leaching, a larger transport capacity will be required to maintain the gold flow capacity. Once the plant is operating at full capacity, two 18T tipper trucks should be sufficient for supplying the plant with the required amount of tailings.

One important factor will be to build up and maintain an on-site tailings stock pile. This will ensure a steady and reliable flow of tailings to the vats. There will always be occasions when roads are made impassable by bad weather, or when trucks are being serviced or repaired. It would be wise to maintain a pile of at least 500T of tailings at the site. During the wet seasons it may be reasonable to increase this stock pile to 1000T.

The primary sites where tailings will be sought from are listed in Section 5b.

4b Static Leaching and the Cyanidation process

The Cyanidation Process

The solubility of gold in cyanide solutions was recognised as early as 1783 by Scheele (Sweden) but wasn't implemented for commercial purposes until 1888 in the USA. At this time a zinc cementation process was used to extract the gold from the gold bearing solution. At a later time, following significant advances in this method, this process was named the Merrill-Crowe process.

The absorption of gold from aqueous solutions onto activated carbon was first noted in the early 19th century. However, at this time the only known way of extracting the gold from the carbon was by combustion of the carbon and smelting of the resulting ash. This was costly and given the advances made in the zinc cementation process, was not used. It wasn't until the 1950s when the Zadra process was developed to strip gold from activated carbon that the use of activated carbon became widespread. However the low gold price during this era restricted developments. It wasn't until the gold price boom of the 1980s that saw the development of the two major processes that are used widely today. These are carbon-in-pulp (CIP) processing and heap leaching.

The CIP method is a relatively technical method used by all the large mines today. It involves creating an ore slurry and directly contacting the activated carbon with the gold containing slurry in an agitated environment. Although the amount of gold extracted is high, the equipment is expensive and complicated to maintain and operate.

Heap leaching is used to extract gold from large volumes of low grade ores. It is a very simple process with low costs of operation that allows large quantities of ore to be treated. It involves creating large drainage pads where ore can be piled. Cyanide solution is then sprayed onto the ore pile. This solution percolates through the ore pile dissolving the gold present. The solution is then collected at the base of the pad where carbon is used to adsorb the gold from solution. The main advantage is the extremely low cost of operation. No agitating, moving or separating equipment is required.

The method for gold extraction proposed by Perfalbion Minerals is much like a heap leaching operation but has a slightly different characteristic.

Static Vat Leaching

One method that has been used as an alternative to heap leaching is vat leaching. This is essentially the same process but instead of creating a heap that is sprayed with cyanide solution, vats are created to contain the crushed ore. The cost of creating the vats make it more expensive than heap leaching. When millions of tons of crushed ore needs to be processed, the size of the vats make them prohibitively expensive. When this amount of capital is being invested, CIP technology becomes the preferred option. This means there are very few vat leaching operations in existence today. The advantage of vat leaching is that it is now possible to entirely submerge the ore in cyanide solution. This has the effect of wetting the entire surface of the ore, improving mass transport and extraction efficiency.

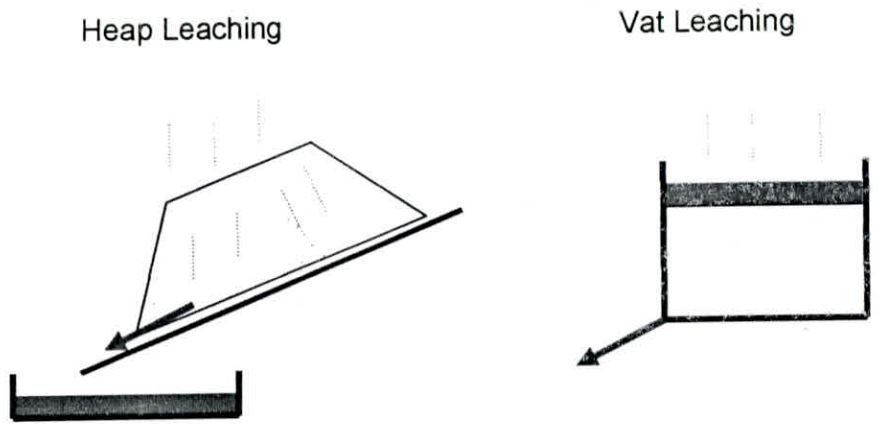


Figure 4a – Heap and Vat leaching

Vat leaching is the perfect process for extracting gold from tailings in rural Africa. There are several factors that make this so.

- The volume of tailings accessible to a leaching operation in rural Africa will typically be in the region of tens of thousands of tonnes of crushed ore. The size of the vats required to treat this amount of ore is still relatively modest so the required capital investment is not prohibitively high.
- The leaching process is extremely simple. The movement and management of crushed ore is also simplified by using vats so the process can be easily managed in remote locations where skilled workers are scarce.
- The amount of extractible gold in the tailings is relatively high. This means the extra benefits of entirely submerging the tailings (as seen by vat leaching as opposed to heap leaching) has a significant effect on gold production.

4c The Leach Plant Process

The leach plant schematics can be seen in section 4d. The tailings are brought to the plant in trucks and offloaded adjacent to the concrete vats. The concrete vats will have a capacity of approximately 20T. The Tailings are mixed with hydrated lime and placed into the vats. The hydrated lime optimises the conditions for gold extraction and reduces the loss of cyanide by hydrolysis. The tap at the bottom of the vat is closed and a cyanide solution of approximately 250ppm is run into the top of the tank at a slow rate so as to achieve a plug flow through the tank and avoid channelling. This improves gold extraction. Once the tailings have been soaked, the tap is opened and solution is allowed to percolate through the tailings dissolving the gold in its path. The solution flows through a filter at the base of the vat that keeps the tailings in the vat.

The gold bearing (pregnant) solution flows out of the tank and into the clarifier. This removes any unwanted solid particles in the clear solution. This solution is then pumped through a series of carbon columns or contactors. The carbon adsorbs the gold from the pregnant solution. Barren solution then flows out of the columns and into the barren tank. Water and cyanide are added here to maintain the balance in the closed system. Oxygen, a key reactant in the process is added in the barren tank by using a pump to aerate the solution. The barren solution containing the cyanide is then pumped into the newly filled vat and the solution cycle starts again.

After 3-5 days of solution flowing through the tailings the gold will have been extracted. The exhausted tailings in the tank are now washed with water and drained. The tank is then emptied and the tailings are moved to the tailings dump site.

Once the gold has been absorbed by the carbon, the carbon is removed and replaced with fresh carbon. The loaded carbon is then sent to the elution plant for extraction/stripping.

4d Leach Plant Schematics

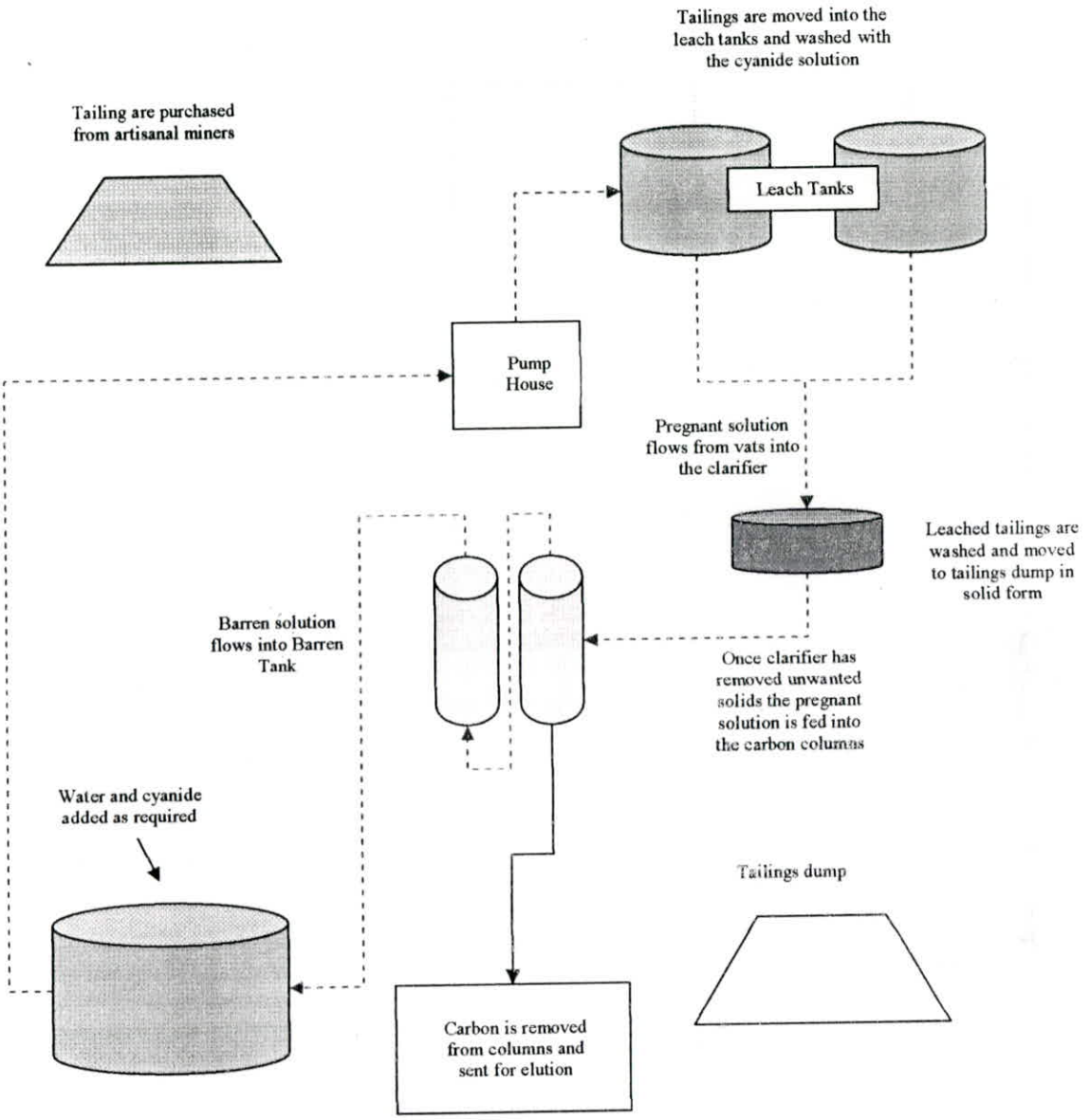


Figure 4b – Leach plant schematic

4e Elution, Extraction and Smelting

Once the loaded carbon has been transported from the leach plant to the elution plant the stripping of the gold can commence. This is done by taking the carbon and placing it in an elution vessel. Here the process of loading the gold onto the carbon is reversed and the gold is stripped. This is done by passing hot caustic solution past the carbon. Once the gold has entered the solution, it is pumped to an electrowinning cell. Here the gold is removed using electrolysis and it accumulates at the steel cathode. The now barren solution is then pumped to a heating tank where more cyanide and caustic

soda can be added to recharge the stripping solution. The solution is now fed back to the elution vessel for another stripping cycle.

Once all the gold has been stripped from the carbon, the carbon is removed and replaced with more loaded carbon. The stripped carbon is then acid washed and sent back to the leach plant for reloading.

The gold sludge is now removed from the electrowinning cell, placed into a kiln and smelted to create bullion.

4f Elution Plant Schematics

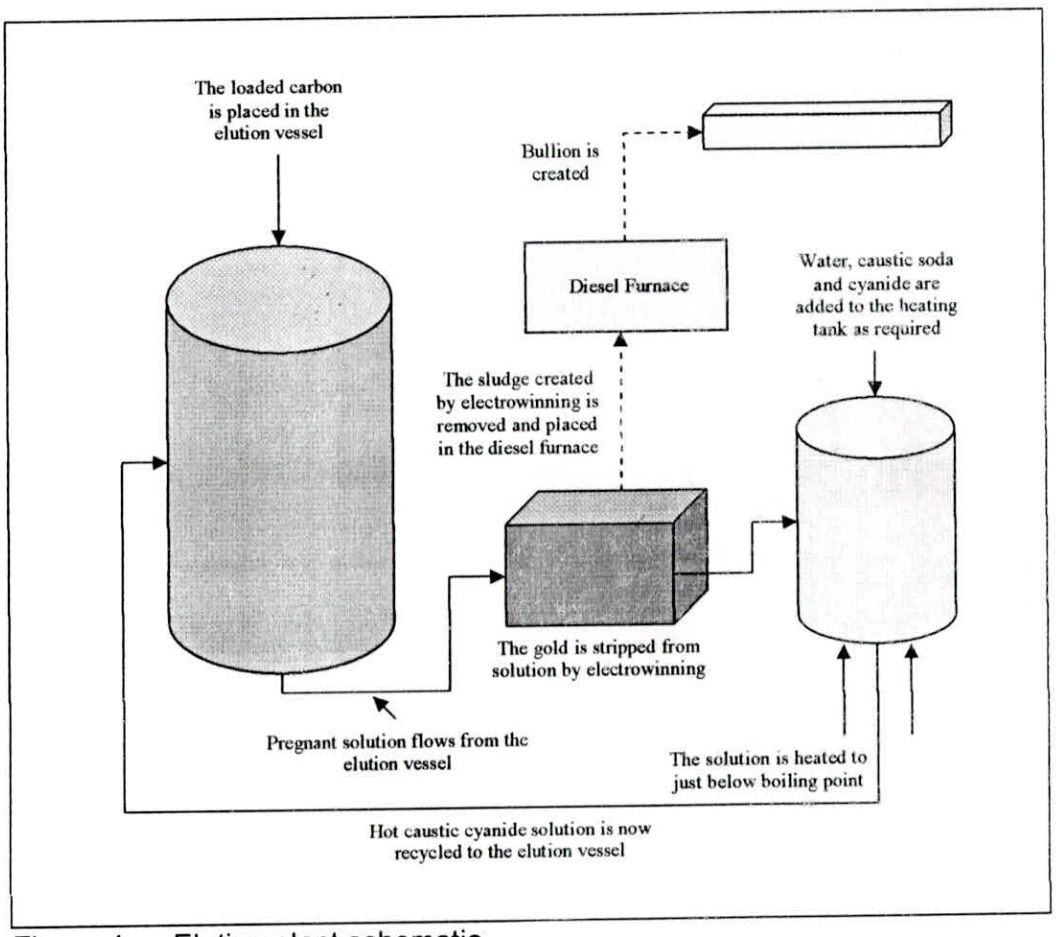


Figure 4c – Elution plant schematic

4g Sources of Consumables and Equipment

To keep costs to a minimum, equipment will be taken from local sources when possible.

4g.i Equipment

The following items will be required for operation

Equipment	Source
Elution plant	South Africa
Furnace	South Africa
Piping	Mwanza
Valves	Mwanza
Wheelbarrow + spades	Mwanza
Plastic tanks	Mwanza
Generator	Mwanza
Pumps	Mwanza
Trucks	Dar Es Salaam
Lab equipment	Mwanza

4g.ii Consumables

Consumable	Source	Amount / month @ full capacity
Concrete	Mwanza	-
Activated carbon	South Africa	100kg
Sodium Cyanide	South Africa	800kg
Hydrochloric acid	Mwanza	100kg
Nitric acid	Mwanza	20kg
Ferrous Sulphate	South Africa	-
Quicklime	Mwanza	1000kg
Bricks	Local	-
Diesel	Mwanza	1600 litres
Water	Local	300T

5 Proposed Location

The proposed location is near the village of Tarani in northern Tanzania. The site is approximately 8.4 hectares.

Perfalbion Minerals limited will be the holder of the mining licence for the site.

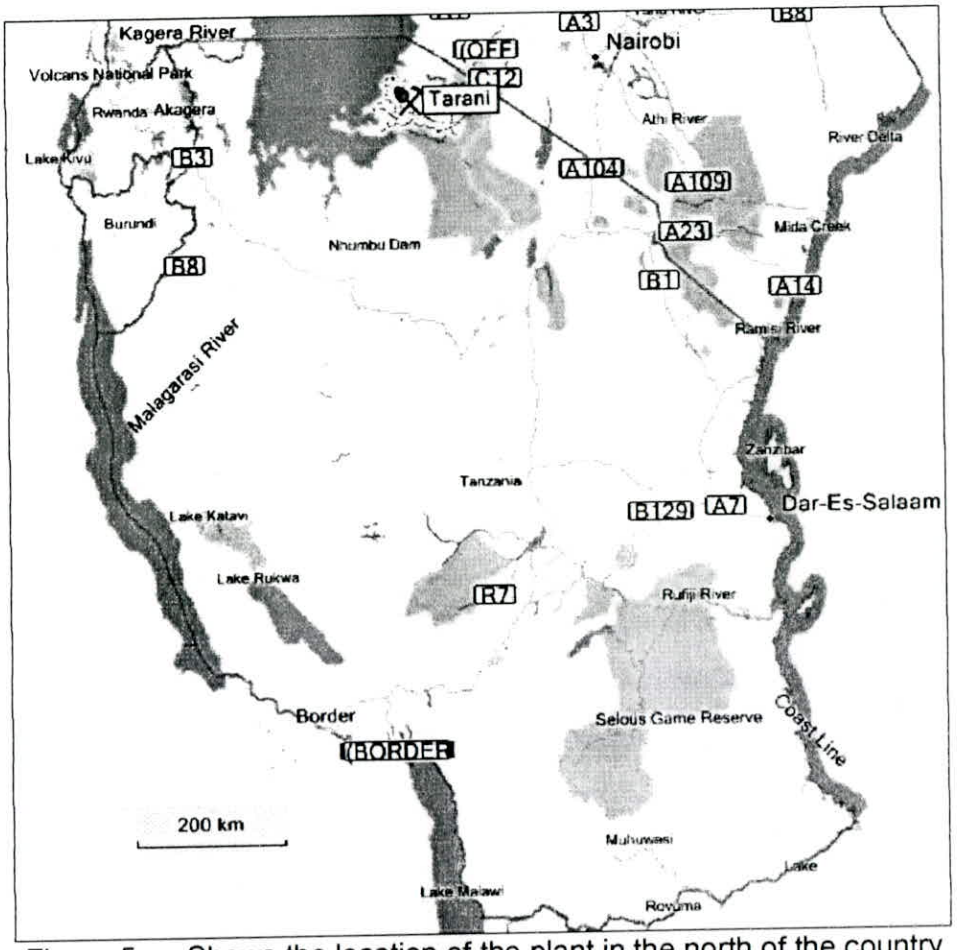


Figure 5a – Shows the location of the plant in the north of the country

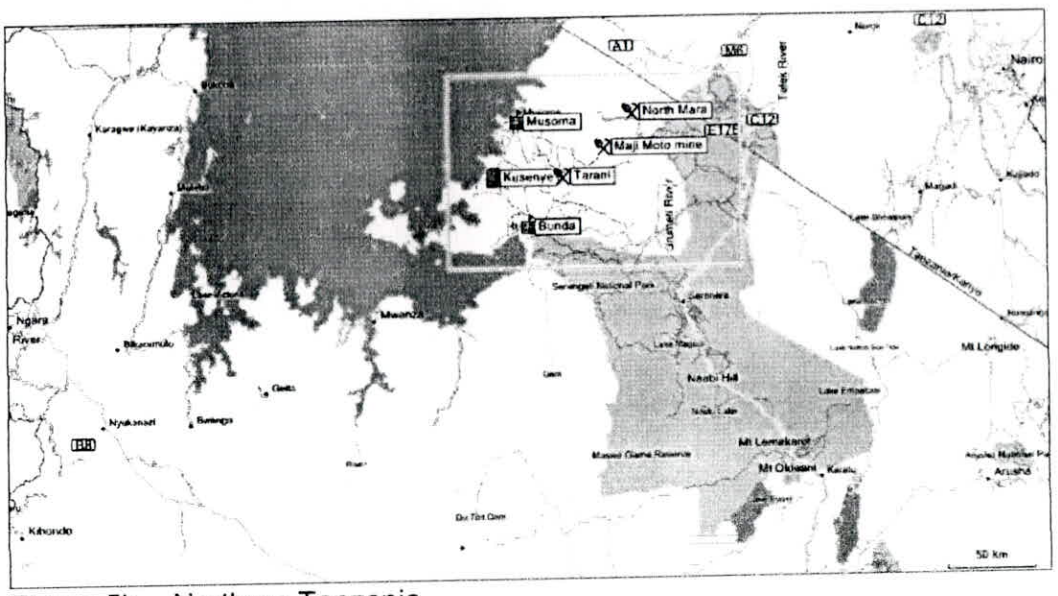


Figure 5b – Northern Tanzania

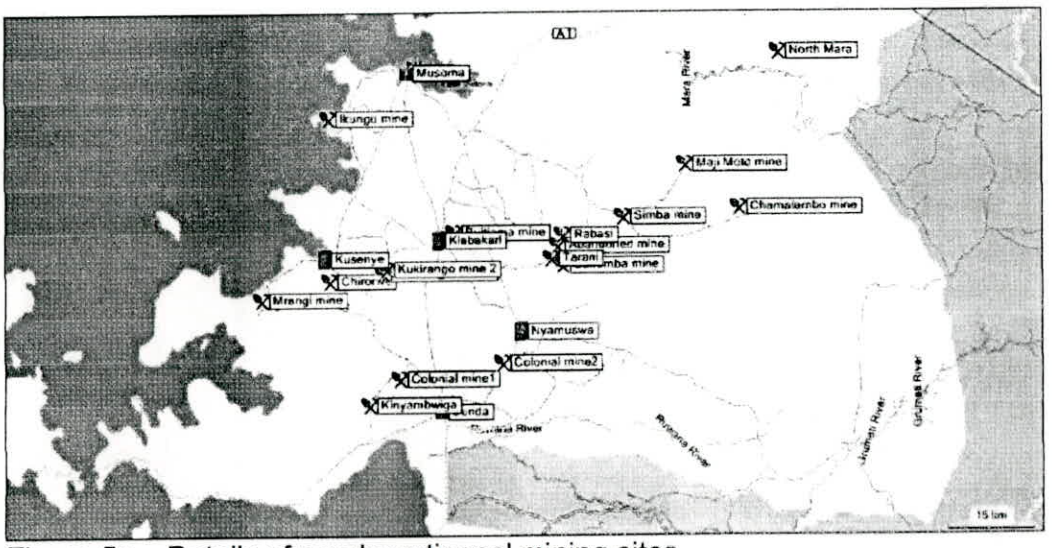


Figure 5c – Details of nearby artisanal mining sites

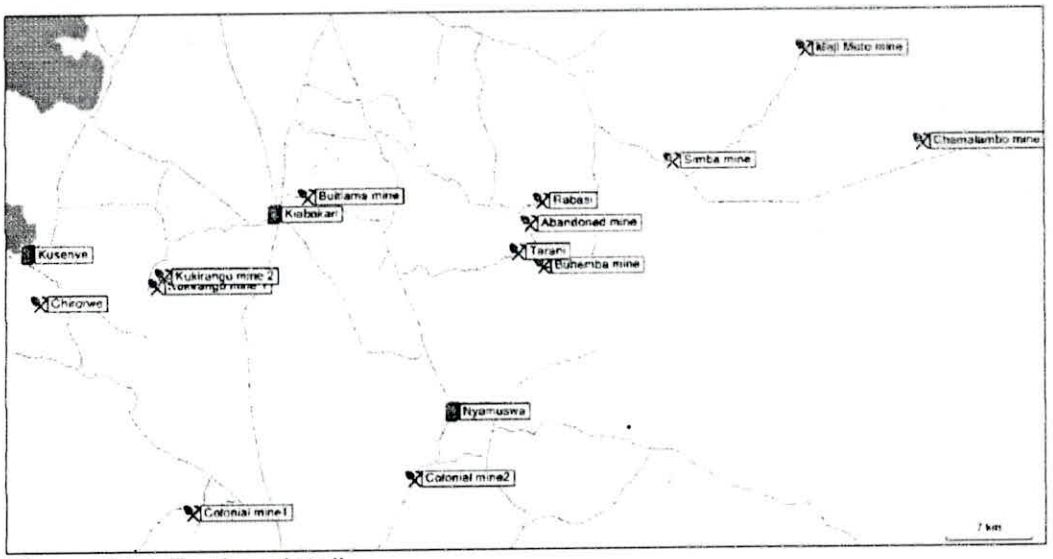


Figure 5d – Further detail

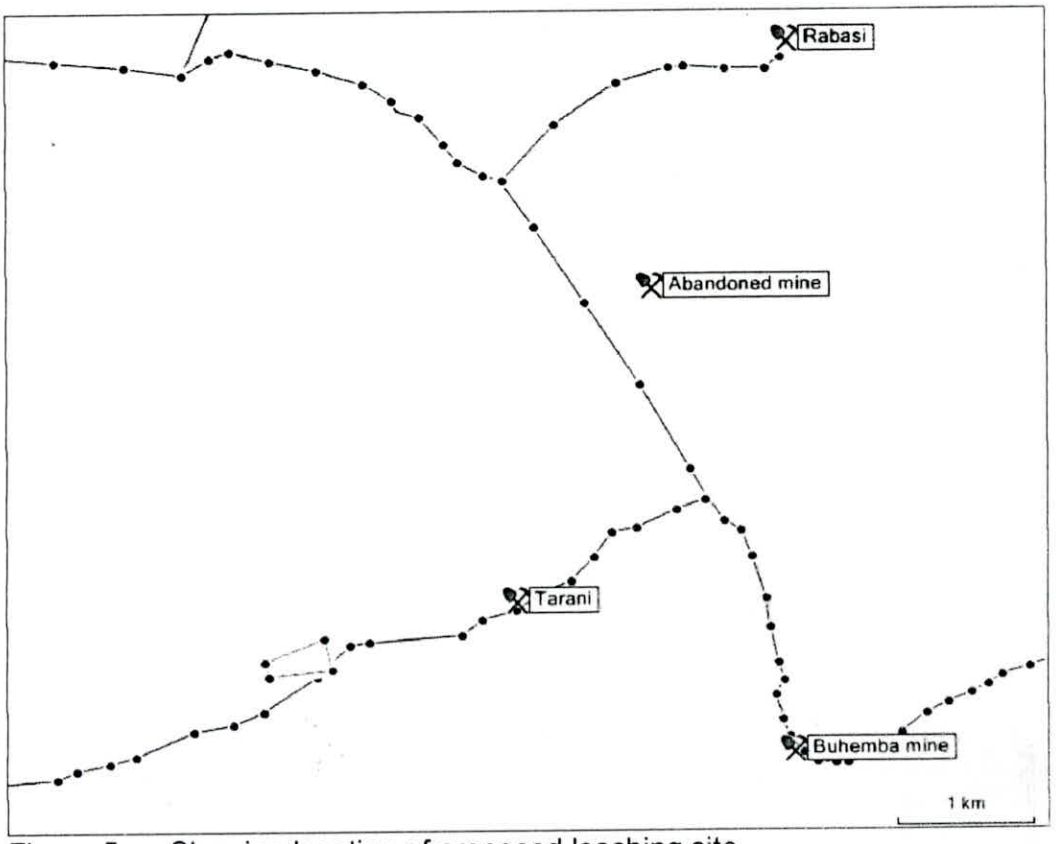


Figure 5e – Showing location of proposed leaching site

5a Site Plan

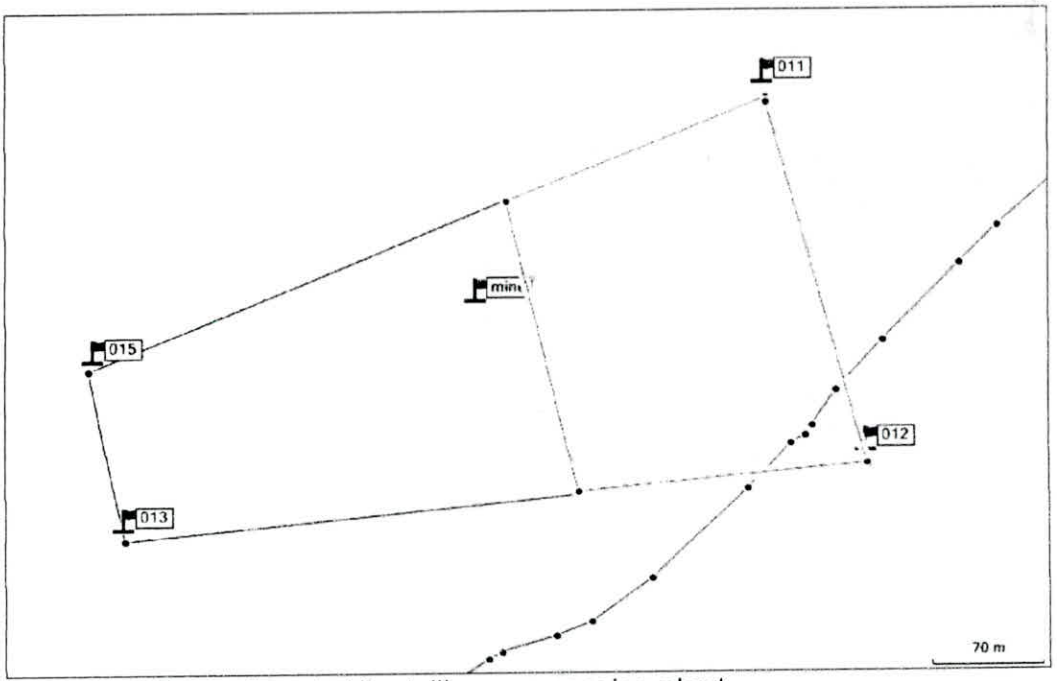


Figure 5f – Area allocated for tailings processing plant

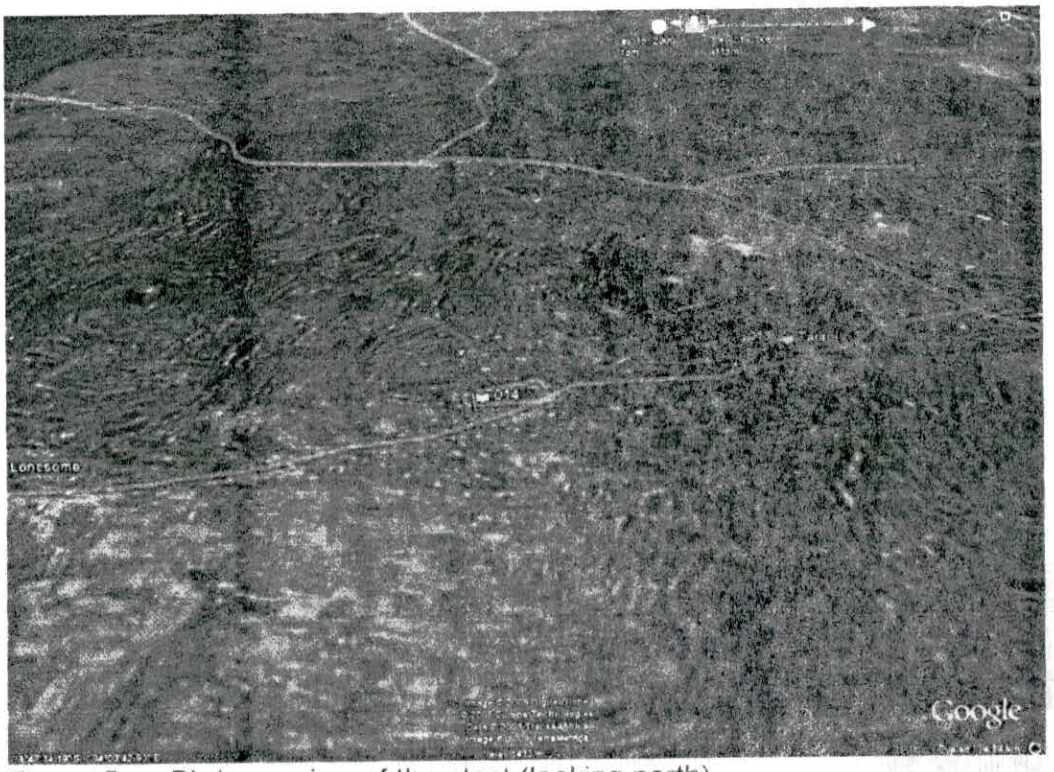


Figure 5g – Birdseye view of the plant (looking north)

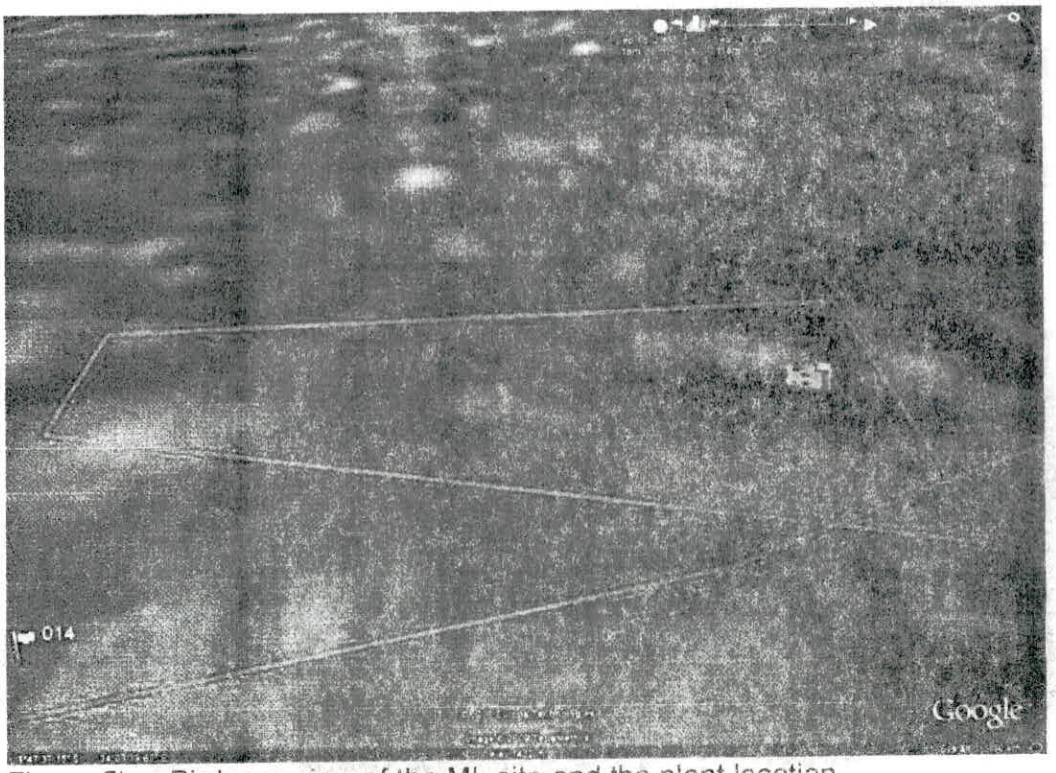


Figure 5h – Birdseye view of the ML site and the plant location

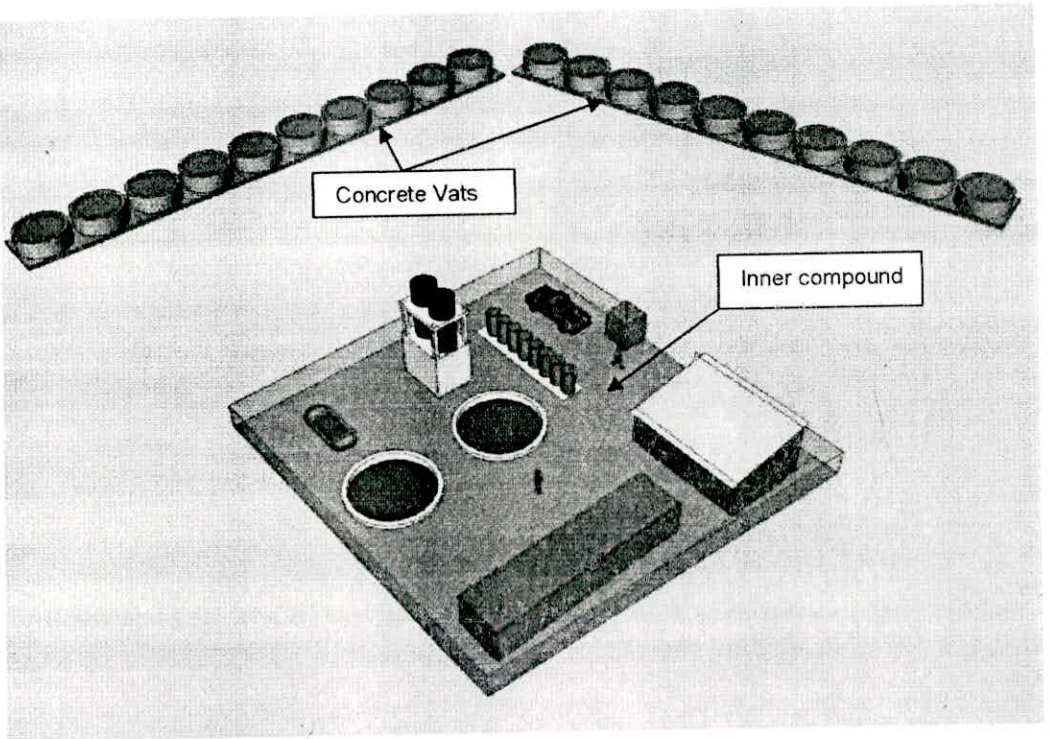


Figure 5i – Plant layout

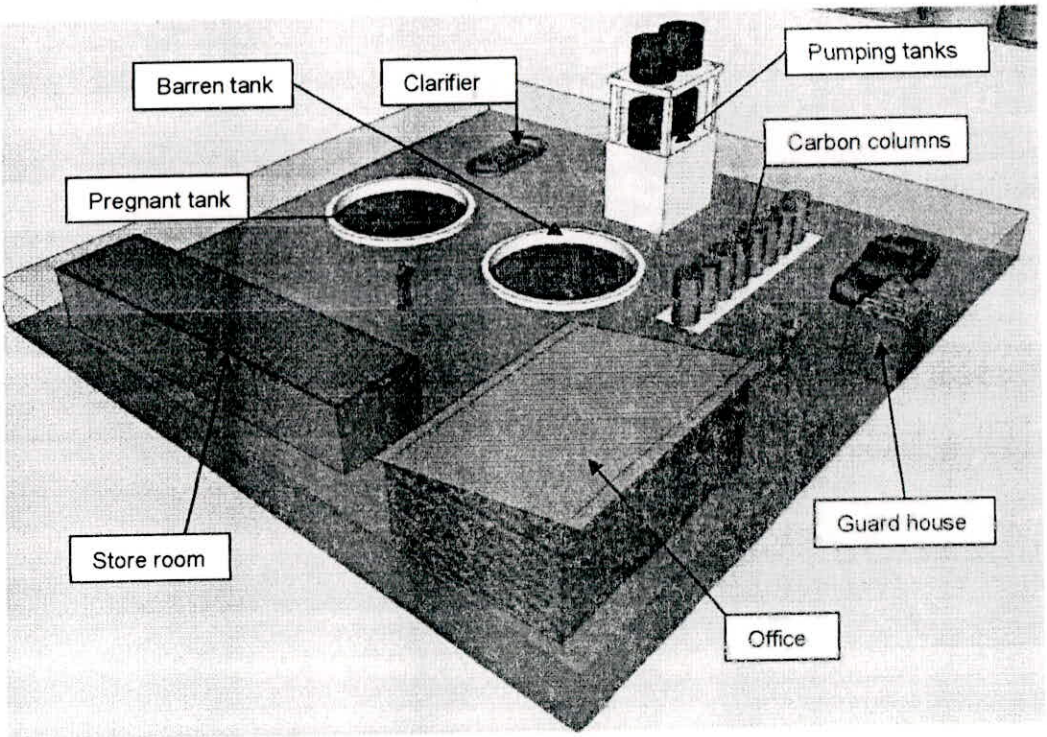


Figure 5j – Inner compound layout

5b Sources of Tailings and Reserves

The locations of the following mines can be seen in Figures 5c and 5d.

Buhemba

Distance from proposed location:	6	km
Estimated quantity of tailings:	15000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$1,000,000	

Tarani

Distance from proposed location:	0	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	1.9	g/T
Estimated value of extractable gold present (@$750/oz):	$100,000	

Rabasi

Distance from proposed location:	10	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Sirori Simba

Distance from proposed location:	30	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Butiama

Distance from proposed location:	25	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	6	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Kiabakari

Distance from proposed location:	32	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Kukirango

Distance from proposed location:	45	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	5	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Ikungu

Distance from proposed location:	70	km
Estimated quantity of tailings:	3000	Tonnes
Samples taken	17	
Approximate measured grade of tailings:	2.5	g/T
Estimated value of extractable gold present (@$750/oz):	$200,000	

Maji Moto

Distance from proposed location:	50	km
Estimated quantity of tailings:	1000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$50,000	

Chamalambo

Distance from proposed location:	60	km
Estimated quantity of tailings:	2000	Tonnes
Samples taken	0	
Assumed grade of tailings:	2	g/T
Estimated value of extractable gold present (@$750/oz):	$110,000	

Totals

Confirmed Quantity of Tailings	27000	Tonnes
Estimated average grade of tailings	2.5	g/T
Confirmed Value @$750/oz	$1,830,000	

6 Environmental, Social and Local Economic Impacts

6a Environmental Impacts

Perfalbion Minerals operations will have a minimal impact on the environment of the area. One of the key environmental benefits of the operation will be the centralisation of tailings dumps. Often tailings are dumped in a disorderly fashion around certain rural areas. Perfalbion Minerals will collect these tailings and place them on a managed tailings dump site. This site can be monitored and steps can be made to ensure the safety of the surrounding area and the rehabilitation of the tailings dump.

A benefit of using vat leaching as a method of gold extraction is that the tailings can be washed and drained before moving to the dump site. This means that the tailings will be inert and relatively free of chemicals. One major problem for CIP extraction systems is that the waste tailings are unwashed and in a slurry form. This means tailings a dam must be created and an area has to be created that the tailings cannot leak from. There is no such problem for a vat leaching operation, as the tailings are in solid form so containment is relatively easy.

The last charge to the vats will be a fresh water wash. This will ensure that all salts, soluble material and cyanide are washed from the tailings, rendering the tailings chemically inert.

A good quantity of Ferro-Sulphate will be stored at site. Should any cyanide spillages occur, this can be used to neutralise the chemical safely.

6b Social and Local Economic Impacts

The social and local economic benefits from Perfalbion Minerals operations will be considerable. In the first year it is expected to contribute in the region of $500,000 to local economies. In the second year of operation this figure is expected to climb to in the region of $1,000,000.

In the region of 100 jobs will be created directly. The operations will significantly add value to current artisanal processes by providing demand for

a commodity that has little intrinsic value using current extraction processes. It is estimated that the increase in value of the commodity will add $500,000 to local economies annually. A high proportion of the investment will be spread widely to remote communities that are in desperate need of jobs and investment.

The village of Tarani will also see a number of benefits besides the creation of jobs. When boreholes are sunk on site to allow extraction of water for the process, boreholes will also be provided for the village, improving their access to fresh water. It will also be useful for the plant to be connected to mains electricity. Currently there is no mains electricity in Tarini but it may prove feasible and economical to create power lines from the nearby abandoned Buhemba mine.

The Tanzanian government has been striving to rationalise and organise the artisanal mining sector. Companies like Perfalbion Minerals can play a key role in such a process. Although the company will not get directly involved with the crushing of tailings or artisanal mining activities, it will be in the interests of the company to assist current miners with this process to ensure a good supply of tailings to the site. After two years the amount of gold processed by the plant will have much more to do with actual tailings production levels in the area rather than the stock piled quantities. For this reason if the company is forward thinking it will try and work with the artisanal miners and find ways of significantly increasing tailings production. This shared interest will play a key role in improving technologies and processes used by the artisanal sector.

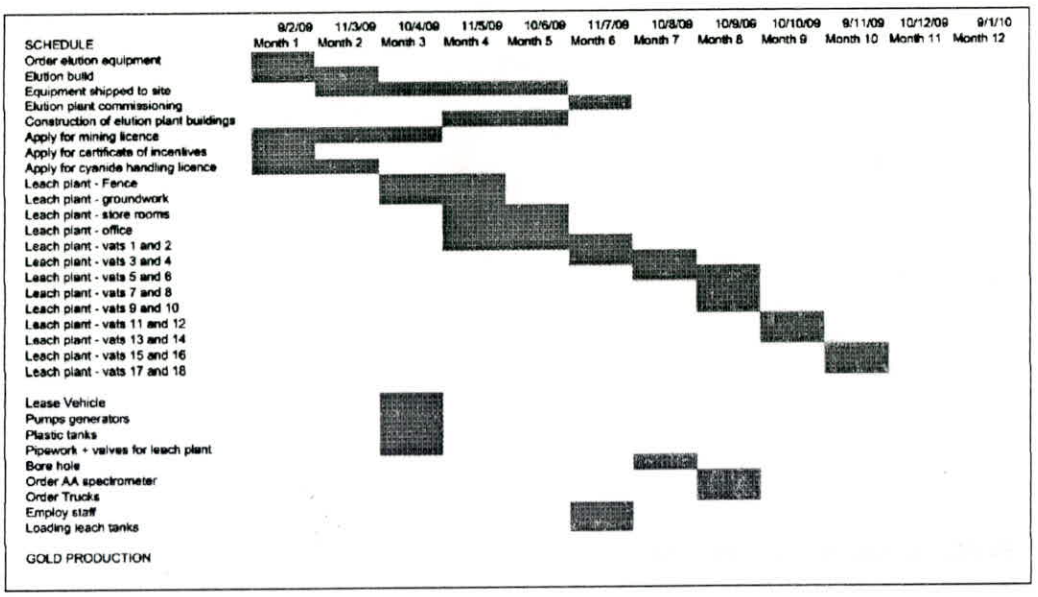
It is expected that the direct tax payable on gold created will be $18,000 in the first year and $45,000 in the second. (At a taxable rate of 3%).

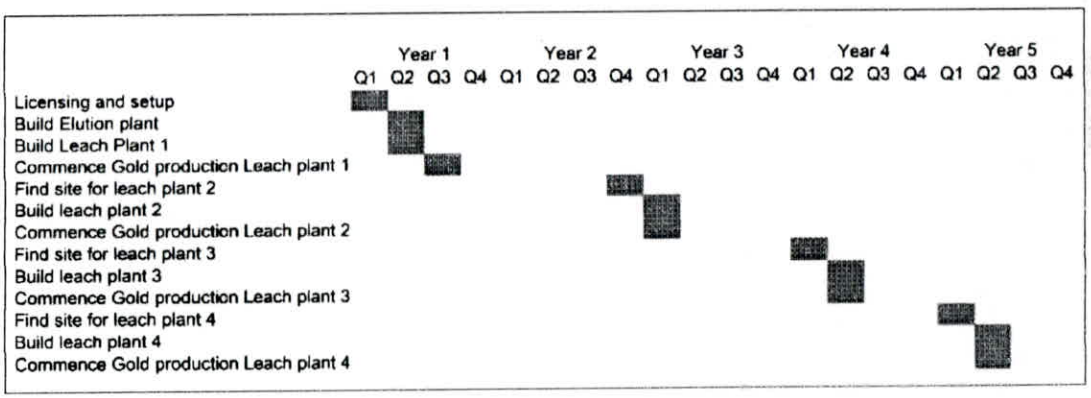
7 Management and Organisation

The company will be managed and run by Joseph Stegers. Joseph is an experienced engineer with a background in engineering consultancy. He has an honours degree in Mechanical Engineering from University College London.

8 Economic Aspects and Schedules

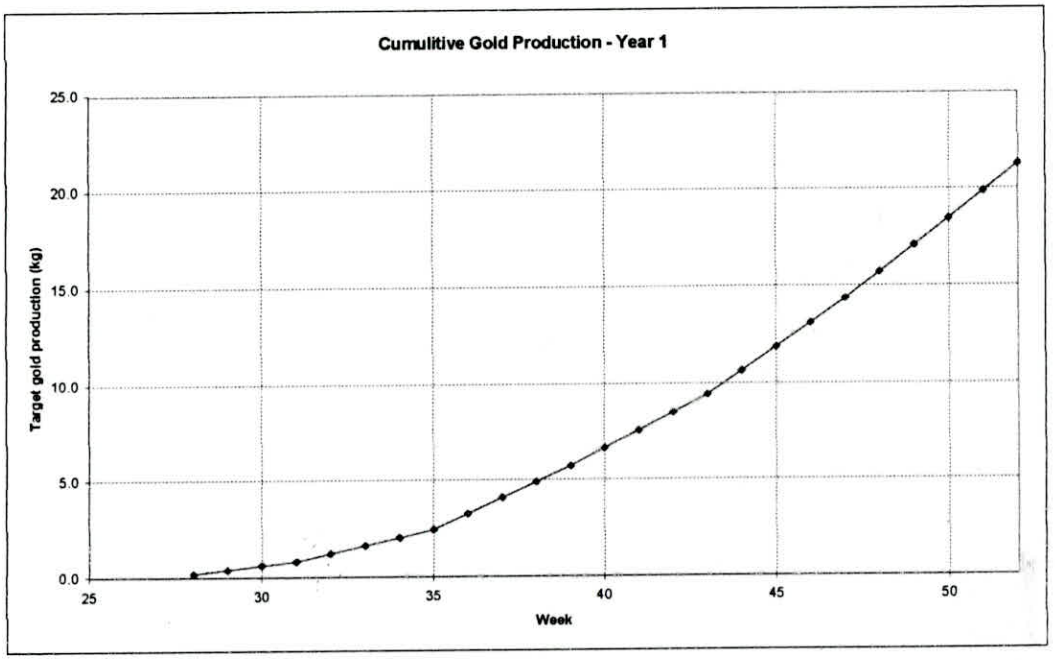
8a Implementation Schedules



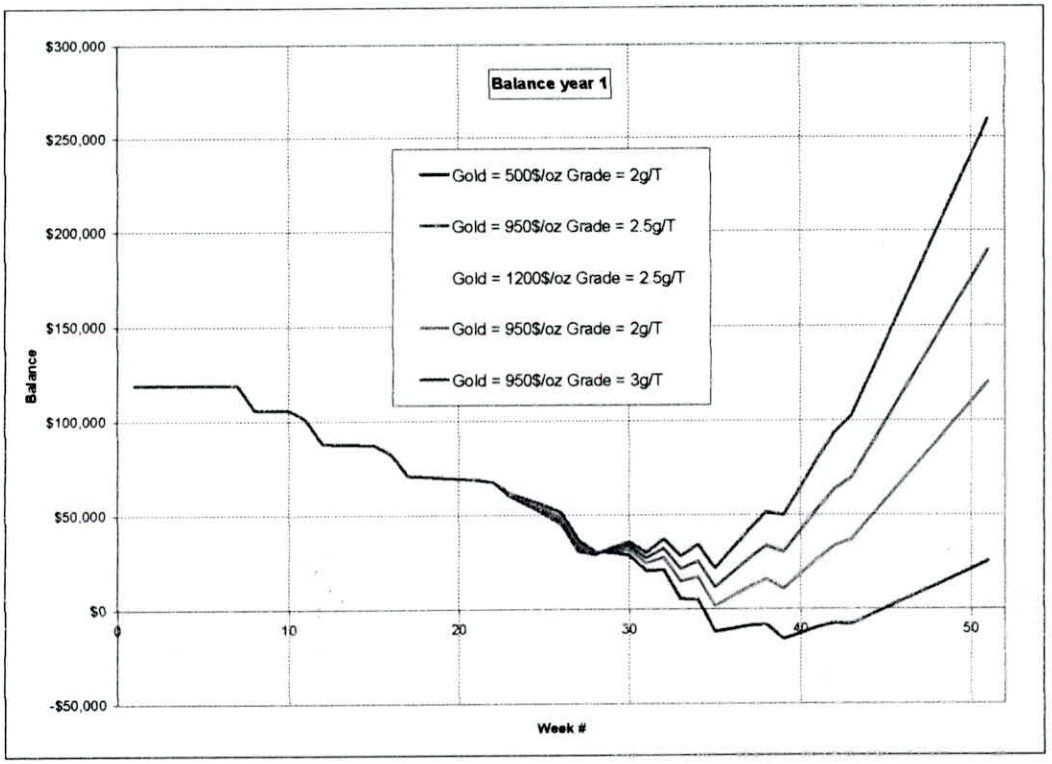


8b Target Production Rates

By month 10 the target gold production will be 6kg of gold per month



8c Predicted Cash Flow



8d Threats to Profitability and Running of the Company

8d.i Refractory Tailings

It will always be the case that there are some tailings that are more amenable to the leaching process than others. Ore bodies can have certain characteristics that make gold extraction difficult. This can be due to sulphides ores that consume reagents, carbonaceous ores that reabsorb the gold once it is liberated or telluride ores that dissolve poorly in cyanide solutions. Although such ores have been yet to be found following the initial study, if they are found, Perfalbion Minerals will not treat them as the preparation of such ores for leaching will be prohibitively expensive and complicated. All such refectory ores will be identified during sampling. In the case of sulphide ores it is usually possible to identify the crushed ore by its appearance and odour.

8d.ii Copper Rich Tailings

Another problem that similar operations have experienced has been high concentrations of copper in the tailings purchased. This copper has the effect

of displacing the gold in the extraction process, thereby reducing gold produced. All copper levels in the samples taken have been well below acceptable levels. Ores that are high in copper can still be treated, but it must be ensured that only a small proportion of the vats should contain such an ore to keep the copper concentrations below a certain threshold. The copper content of all the tailings will be measured during sampling.

8d.ii Gold Price

The price of gold can very volatile. With current gold prices the prediction is for a very profitable company but if the gold price recedes to the kind of levels seen 5 years ago, such operations will struggle to remain profitable.

8d.iii Political and Social Instability

The proposed location for the leach plant is in a location that has experienced civil unrest in the past. It is located in the north of the country near the Kenyan border where mines have experienced significant problems with security.

After independence Julius Nyerere's regime made an attempt to unify the country and reduce the negative aspects of tribalism in Tanzania. However, there has been worrying levels of civil unrest in nearby Kenya that has been attributed in some degree to tribalism. This has spilled over the border and Barrick has had significant trouble with their North Mara mine. The trouble is thought to be caused by the way the government enforced a very meagre compensation package to the local miners that were displaced during setup. The levels of civil unrest in the area where Perfalbion Minerals plans to set up its leaching operation are thought to be significantly less that in North Mara. Buhemba is south of the Mara river and its associated marsh lands. This is thought to act as a buffer from the destabilising affect of being close to the Kenyan border. See Figure 8a.

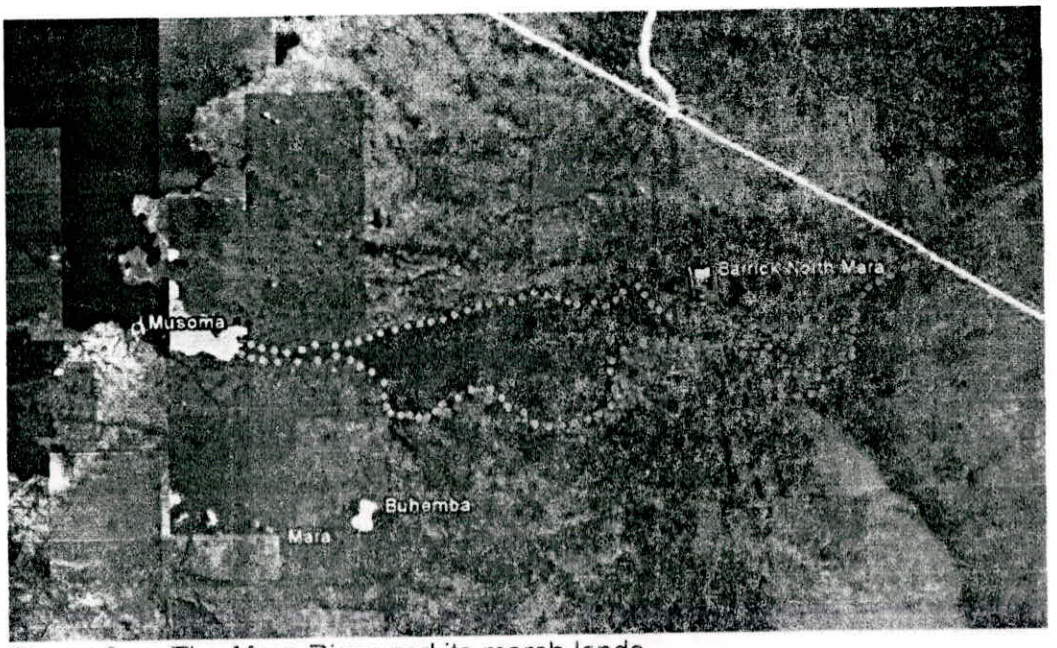


Figure 8a – The Mara River and its marsh lands

The tribes in Mara are notorious for their bellicose nature. However, it is hoped that as the plants presence in the area will significantly benefit the local miners and population and will not harm any local interests, the company will be popular and will experience little strife.

8d.iv Security

There are certain traits of Perfalbion Minerals that make security issues much less significant than with most other gold producing companies. Usually gold is found in remote places where security is difficult. However Perfalbion Minerals only produces accessible gold in its plant in the city of Mwanza where security is much more stringent. The gold solution produced in the field is of very low concentration and the gold is not readily extractible. It is also very difficult to extract gold from loaded carbon so there will be little risk of gold being stolen this way. The only real security threat for the leach plant will be theft of machinery (trucks, generators, pumps), consumables (quicklime, cement) and petty theft.

There will be two layers of security for the leach plant. There will be an outer perimeter that encompasses the entire plant and an inner secure compound where all valuable items will be stored. Both will have their own security.

A basic level of security will be maintained at the elution plant in Mwanza. On days when gold is being produced, extra security will be arranged. The gold produced will be taken to the bank immediately and sold. Perfalbion Minerals will not store gold or speculate on gold price.

8d.v Delays with Licensing

The regulatory authorities in Tanzania are well known for being difficult to deal with. There have been a number of issues with delays recently with the granting of mining licences. There is sentiment that the current situation is too favourable towards large foreign companies and the tax yield from these companies is too low. For this reason there has been talk of introducing a new minerals policy that may cause delays to licence applications.

There may also be a problem with licensing as a large proportion of the tailings that will be purchased are from so called illegal miners. These are miners that have failed to take out local licensing and are operating outside of current government guidelines.

8e Investor Profiles

Joseph Stegers BEng

Joseph was born in London (UK) in August 1980.

In 2003 Joseph graduated from University College London (Ranked 6th best university in the UK) with an honours degree in Mechanical Engineering. After this he went to work for Ove Arup and Partners (one of the top multinational engineering consultancies.) During the 4 years he worked here he worked on a number of high profile projects on a variety of structures including tunnels, bridges, high rise buildings and oil rig structures.

After leaving Ove Arup and Partners, Joseph was briefly involved with a small scale mining operation in Uganda. It was here that he learned about the process that Perfalbion Minerals plans to implement in Tanzania.

Theodore Stegers

Theodore was born in Liverpool (UK) in March 1953.

Theodore Stegers will be the principal investor in the project. Theodore is based in the UK (London). After various jobs and management positions, in 1987 Theodore became the owner/director of Recruitment Matter Ltd, a recruitment consultancy based in London. After many successful years, Theodore moved on and is now the owner/director of WeAdmire Ltd (UK). This company operates in the t-shirt publishing sector.

8f Financial Estimates Summary

First Year

First year gold production – 21 kg
First year turnover (@$850/oz) – $616,000
First year gross cash loss – $17,000 (after repayment of initial investment and net of 3% gold sales tax)

Capital expenditure – Foreign - $47,000
Capital expenditure – Local - $61,700
Revenue Costs – Foreign - $36,700
Revenue Costs – Local - $494,600
Costs Tanzanian Fees - $3550

Job created directly - 100

Second Year

Second year gold production – 66kg
Second year turnover (@$850/oz) – $1,970,000
Second year gross cash profit – $486,000 (net of 3% gold sales tax)

8f Financial Estimates Summary

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Appendix

Cash flow forecast – Year 1

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments	170000											
	Sales							26307	68398	78921	109437	180993	151529
	TOTAL INCOME	**170000**						**26307**	**68398**	**78921**	**109437**	**180993**	**151529**
	OUT												
CAPITAL EXPENDITURE	Elution Plant Equipment	45000											
	Smelting equipment / furnace	2000											
	Elution plant construction				6000								
	Elution plant and consumables shipping		4000						4000				
	AA machine									10000			
	Bore Holes			5000									
	Plastic tanks for leach plant				4300								
	Other buildings leach site			8000									
	Fencing and groundworks			5000									
	Concrete vats for leach site				3000		3000	3000	6000	6000	6000		
	Pregnant and Barren tanks							10000					
	Generators				23	92	92	92	115	92	92	115	92
	Pumps				46	185	185	185	231	185	185	231	185
	Vehicle lease				231	923	923	923	1154	923	923	1154	923
	Pipework				571		571	571	1143	571	571		
	Valves				143		143	143	286	143	143		
	Earth moving equipment				143		143	143	286	143	143		
	Cyanide handling licence	700											
	ML application	1000											
	EIA payments	1000											
	TIC application fees	850											
REVENUE COSTS	Activated Carbon		3400						3400				
	Cyanide		5100						8500				
	Ferro Sulphate		255										
	Hydrochloric acid		200										
	Nitric Acid		200										
	Quick lime				1500			5500					
	PML site payments												
	Lease payments for elution site							3000	7500	6000	6000	7500	6000
	Security Costs - leach site						277	277	346	277	277	346	277
	Security costs - elution site			12	58	46	46	46	58	46	46	58	46
	Electricity costs						92	92	115	92	92	115	92
	Water costs						46	46	58	46	46	58	46
	Fuel - Leach site			200	1000	800	800	800	1000	800	800	1000	800
	Fuel - Elution							300	500	400	400	500	400
	Fuel - Transport						150	200	250	200	200	250	200
	Salary						2769	4385	7615	8308	12000	20769	16615
	NSSF						277	438	762	831	1200	2077	1662
	Sub contractors						421	983	1965	2246	3145	5054	4043
	Director drawings												
	Flights + hotels												
	Sampling												
	Tailings costs						6314	14732	29464	33673	47142	75764	60612
	Bank charges							789	2052	2368	3283	5430	4546
	Tax on sale of gold							789	2052	2368	3283	5430	4546
	TOTAL OUTGOINGS	**50550**	**13155**	**18212**	**17015**	**2046**	**16250**	**47435**	**78851**	**75712**	**85972**	**126851**	**101085**
	CASH FLOW	**119450**	**-13155**	**-18212**	**-17015**	**-2046**	**-16250**	**-21128**	**-10453**	**3210**	**23466**	**55142**	**50444**
	BALANCE	**119450**	**106295**	**88083**	**71069**	**69022**	**52773**	**31646**	**21192**	**24402**	**47867**	**103009**	**153453**

Cash flow forecast – Year 2

	US Dollars	9/2/09 Month 1	11/3/09 Month 2	10/4/09 Month 3	11/5/09 Month 4	10/6/09 Month 5	11/7/09 Month 6	10/8/09 Month 7	10/9/09 Month 8	10/10/09 Month 9	9/11/09 Month 10	10/12/09 Month 11	9/1/10 Month 12
	CASHFLOW - IN												
	Investments												
	Sales	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156	164156
	TOTAL INCOME	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**	**164156**
	OUT												
CAPITAL EXPENDITURE	Elution plant and consumables shipping	8000						8000					
	Generators	115	115	115	115	115	115	115	115	115	115	115	115
	Pumps	231	231	231	231	231	231	231	231	231	231	231	231
	Vehicle lease	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154	1154
	Extra Vehicles			60000									
REVENUE COSTS	Activated Carbon	17000						17000					
	Cyanide	30000						30000					
	Hydrochloric acid	400						400					
	Nitric Acid	400						400					
	Quick lime	10000						10000					
	Lease payments for elution site	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
	Security Costs - leach site	346	346	346	346	346	346	346	346	346	346	346	346
	Security costs - elution site	58	58	58	58	58	58	58	58	58	58	58	58
	Electricity costs	115	115	115	115	115	115	115	115	115	115	115	115
	Water costs	58	58	58	58	58	58	58	58	58	58	58	58
	Fuel - Leach site	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Fuel - Elution	500	500	500	500	500	500	500	500	500	500	500	500
	Fuel - Transport	250	250	250	250	250	250	250	250	250	250	250	250
	Salary	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000
	NSSF	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800
	Sub contractors	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054	5054
	Director drawings	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Flights + hotels												
	Sampling	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
	Tailings costs	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662	65662
	Bank charges	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	Tax on sale of gold	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925	4925
	TOTAL OUTGOINGS	**173493**	**107693**	**167693**	**107693**	**107693**	**107693**	**173493**	**107693**	**107693**	**107693**	**107693**	**107693**
	CASH FLOW	**-9336**	**56464**	**-3536**	**56464**	**56464**	**56464**	**-9336**	**56464**	**56464**	**56464**	**56464**	**56464**
	BALANCE	**-9336**	**47127**	**43591**	**100054**	**156518**	**212981**	**203645**	**260109**	**316572**	**373036**	**429499**	**485963**

Cash Flow forecast – Fiver Year Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Turnover	$690,000	$1,969,874	$2,856,318	$4,727,699	$6,697,573	$16,941,464
Costs	$706,000	$1,483,911	$2,542,911	$4,323,605	$5,045,299	$14,101,727
Profit	-$16,000	$485,963	$313,406	$404,093	$1,652,274	$2,839,737