





TANZANIA CHINA INTERNATIONAL  
MINERAL RESOURCES LTD

# MINUTE SHEET

Dokezo  
No.

C-DIF

6.

Please refer f. 24

Can we know your position regarding the matter as stated in the mentioned f. 10.

Moreover, could we also request the progress report from the Investor to know the update status.

Eustoper

AS. DCA - 30/08/2019

# MINUTE SHEET

Dokezo

No.

70 Ag. DCA

M/S. Tanzania China Mineral Resources Ltd (Mchuchuma) project was granted the Strategic Investor Status by NISC in 2014. The validity of their Performance Contract expired in June, 2019. In the Performance Contract the investor requested the additional fiscal incentives as follows:-

1. Exemption of VAT for 10 years
2. Exemption of Corporate Tax for 15 years
3. Exemption of withholding tax on dividends.
4. Exemption of SDL
5. Exemption of royalty
6. Exemption of PAYE for foreign expatriate
7. Exemption of work permits fee
8. Exemption of stamp duty & Transfer of Assets.

Despite the fact that NISC granted these additional fiscal incentives to the investor, but the investor did not enjoy the incentives until the expiry of the Performance Contract. The basic reason is that the Investment Act, Sect. 20(8) does not have consequential amendments to Tax laws which mandate the Finance Minister to confer these exemptions. Therefore, the NISC directives are never implementable to date.

My advice to this scenario, is the enactment of the new law of incentive investment which will be a panacea to these challenges. Lastly but not the least, the current government is not in favour of this investor because for more than 5 years now, the investor has not done any tangible investments instead the investor is demanding Gov's/exemption before injecting any funds to the project.

I Submit,

  
29/8/2019

LAM.


3.0 Immigration (F7)  
 Plse Confirm  
 6/6/2013

  
 DIF-

4. C-DIF


Please refer f. 24.

Can you avail me with information on the matter so as to be well conversant with the claim.

  
 As. DCA - 19/07/2019.

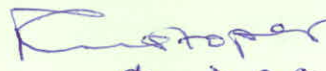
5. As. DCA

Please review performance contract for TCIMRL and follow-up with NDC to understand tax liability matter.

  
 C-DIF  
 22/07/2019

6. LAm

Please deal with f. 24 and advice provided in m.s above

  
 As. DCA - 23/07/2019

1.0

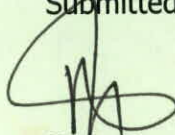
**Ag. EXD**

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1700.4 m.
- (b) Legal entity has been incorporated under certificate No. 85880 of 16/05/2011

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**

5<sup>th</sup> March, 2012

**Ag. EXD**

In response to the TIC letter of registration dated 5<sup>th</sup> March 2012

The project has submitted the required documents namely:-

- (a) Company Board Resolution
- (b) Reference letter/Financing from National Bank of Commerce LTD
- (c) Letter from ICI govt. head office

With the above submission EXD is requested to sign Certificate of Incentives No. 042183 herein attached.

5/4/2012



DIF



宏達集團

HONGDA GROUP

www.sinochem.com

# 宏则龙腾沧海 达则兼善天下

**A DROGAN FLYING OVER THE SEA, BRINGING BENEFITS TO THE PEOPLE**

## **A dragon flying up in the sky or leaping to a deep pool!**

In this age of globalization, Hongda Group has successfully expanded its development out of Sichuan and further out of China. Moreover, Hongda Group has integrated its advantages in talents, technology, and resources both at home and abroad in an effort to adapt itself to the inevitable trend of future development. Based upon China and looking forward to the entire world, Hongda Group is implementing its grandiose program over the five continents.

## **The best way to follow is to end in kindness that benefits the people!**

An outstanding enterprise should endeavor to benefit the society while developing itself. Hongda Group has shouldered quite some righteousness with its broad and iron shoulders by actively fulfilling its social responsibilities, participating in public undertakings, and advocating honesty, credibility and fairness through its practices. Only by positioning ourselves in a fertile land and thinking of the source when drinking water, can it be possible for us to achieve harmonious development among the society, the enterprise and the individual.

建百年宏达 立长青基业

Maintain Hongda for a hundred years  
Lay an ever-lasting foundation



lay an ever-lasting foundation  
Maintain Hongba for a hundred years

長壽萬年 萬古流芳





Trustworthy Responsibility Creative Dynamic

诚信 责任 创新 活力





# 宏達集團

## HONGDA GROUP

- The logo is mainly in round shape. It takes 'H' and 'D' --- the first letters of 'Hong Da' (Pinyin form of the name of the group) as the prototype of the logo from which, the symbol images like the 'Sun', the 'Sea', and the 'Swan goose' can be derived. The combination of the three symbol images is the best annotation about the enterprise concept of 'Grand Prospect, Infinite Pursuit' of Hong Da Group
- The logo indicate the ambitious development verve, the faith and resolution of keeping improving, and the spiritual outlook of Hong Da Group with the symbol images of the red sun rising from the sea level and the swan goose flying between the sea and the sky which are formed through the art transformation of the letters of 'H' and 'D'.
- The logo likes the globe as a whole which emphasizes the operation strategy of international development road; the swan geese in the logo which are flying out the limit of the globe in good order indicate the infinite development space of Hong Da Group in the diversified development road and the integration of the world resources.
- The logo takes the colors of red and blue as the main colors which are the perfect combination of 'vitality' and 'intelligence'. The logo as a whole is of plump and fluent shape. It seems calm but still full of change; it is practical but still full of passion. It represents the enterprising spirits of continuous self-transcendence and the clinging pursuit of 'being outstanding in the field and not forgetting to help others out' of Hong Da Group. It also indicates the faith of Hong Da personnel to make Hong Da Group 'the most competitive, respectful, and reliable consortium in China or even in the whole world.

Brief Introduction of the Group



Founded in July 1979, Sichuan Hongda Group has grown into a large-scale modern corporate group in the non-public sector involved mainly in polymetal mining development, polymetal metallurgical industry, mining, chemical industry, real estate development, financial investment, domestic and international trade, tourism development and hotel management after 30 years of arduous efforts. The Group has total assets of nearly RMB 50 billion, 20000 employees, nearly 50 member enterprises at home and broad, as well as two A-share listed holding companies, Hongda Joint Stock Co. (600331) and Jinlu Group (000510). The annual sales revenue of the Group amounts to about RMB 30 billion, and profit and tax of more than RMB 3 billion. In the following five years, it is expected that the Group will realize an industrial scale and capacity with annual sales revenue of RMB 100 billion.

- One of the 520 National Key Enterprises
- One of China Top 500 Groups
- One of China Top 500 Enterprises
- One of China Top 500 Manufacturing Enterprises
- China's Industrial Leading Enterprises
- One of China (Mainland) 100 Private Fortune-making Enterprises
- State Recognized Enterprise Technology Center
- Chinese Enterprise for New Independently Innovative Brand
- National Excellent Enterprise for Resource Conservancy in Non-ferrous Metal Industry
- National Excellent Enterprise in Non-ferrous Metal Industry
- National Outstanding Private Enterprises
- China Excellent Creditworthy Enterprise
- AAA Credit-rated Customer of Agricultural Bank of China
- National Contract-abiding and Trusted Enterprise
- Medalist of the Chinese Glorious Cause Prize
- One of Top 50 Philanthropy-Oriented Enterprises
- China's Excellent Corporate and Social Citizen
- National Advanced Enterprise in Providing Employment and Social Security
- National Advanced Enterprise in Cultural Construction
- National Excellent Enterprise in 30 Years of Reform and Opening Up
- First Prize of the 15<sup>th</sup> National Enterprise Management Innovation Result



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1. The 30<sup>th</sup> anniversary celebration of the founding of Hongda Group
2. The mobilization meeting for the second venture of the Hongda Group
3. Employee sports meeting
4. 16 nationalities in one family, national unity at a harmonious Hongda
5. Employee training
6. Hongda newspaper
7. Skills competition



*Sustainability / Competitiveness / Trust / Diversity*

# Century-old Development Path



***Infinite scientific development the century-old path is ahead of us.***

*In retrospect, we have a lot of reflections; looking into future, we are confident.*

*The 32 years of thorny development, Hongda embraces a new start point.*

*With the profound accumulation and good practice, Hongda will press ahead in a sounder and faster manner.*

*We have mapped out the blueprint: by 2015, we will realize the annual sales income of RMB 100 billion and annual profit of RMB 10 billion.*

*Hongda meets with new challenges after 32 years of brilliant development.*

*Hongda will continuously make more and more growth points, and devote to molding the enterprise into a sustainable, internationally competitive, trustworthy and respected enterprise group engaging in diversified businesses by continuously extending the growth Excellency period.*

*Infinite scientific development the century-old path is ahead of us.*

*The developing legend of Hongda is continuing, so the dream of realizing the evergreen brand name will come true.*

*Vigorous Hongda (with internationally competitive edges) higher, faster, newer, deeper and more robust Innovative Hongda (with high esteem) better, bigger, leaner, longer and more active Creditable Hongda (with high reliability) sound, harmonious, environmentally friendly and sustainable*

*The strong pass of the enemy is like a wall of iron, yet with firm strides we are conquering its summit. Sichuan Hongda Group is striding towards to its goal of building the Group into a modern consortium, which features ownership diversity, capital internationalization, mechanism marketization and management standardization.*

## LIU CANGLONG

EMBA and Senior Management Economist

Chairman of the Board of Directors of Hongda Group

A Deputy to the 10<sup>th</sup> & 11<sup>th</sup> Session of the National People's Congress of China

Vice-chairman of the All-China Federation of Industry and Commerce

Vice-director of the China-Africa Business Council

Vice-chairman of the Council of China Red Ribbon Foundation

An Outstanding Builder of Socialism with Chinese Characteristics

Star of Reform--One of 30 people influencing China's 30 years of reform

One of the 60 Chinese business elites growing together with the P.R.C

Birth of Homeland--one of 60 excellent philanthropist influencing  
China's public welfare

China Philanthropy Prize

China's Excellent Pioneering Entrepreneur

National Excellent Private Entrepreneur for Caring for Employees

A Medalist of China's National Brilliant Program Award

Excellent Contributor of China's National Brilliant Program

One of China's Top 10 Philanthropists

Special Contributor of China's Philanthropy Undertakings

One of China's Entrepreneur with Highest Sense of Social Responsibility

Award for Highest Sense of Social Responsibility in China

An Influential Figure in China's Non-ferrous Metal Industry

A Merituous Contributor to China's Own Independent Innovative Brand

One of 120 Economical Figures in China's 30 Years of Reform and  
Opening up

Excellent Figures of China's Brands in 30 Years

One of China's Top 10 Entrepreneur Enterprises

One of the Figures of China's Top 10 Social Workers

Influential Businessman in Chinese Merchants

China's Innovative Entrepreneur Prize

National Role Model of Earthquake Rescue and Relief



## ■ Ardent Care

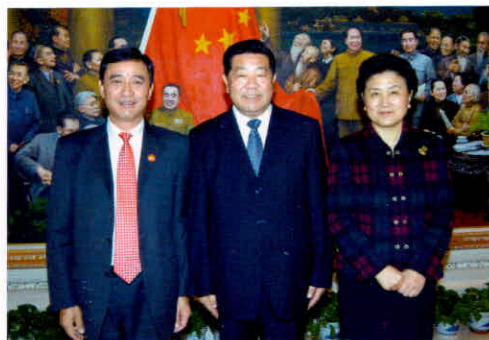
Over the past years, Hongda Group and its member enterprises have received cordial care from the authorities at all levels as well as tremendous support from all social sectors, all of which encourage the people of Hongda Group to advance continually.



In the early spring of 2000, H.E. Mr. Hu Jintao delivered a speech on the 'Three-Emphasis' at Hongda Golden Bridge Hotel in Shifang, which he expressed his ardent hope that Shifang should run in the forefront of the great western development program.



May 18, 2008, when Chinese President Hu Jintao was visiting Sichuan quake-hit areas Hongda Phosphorus Chemical Production Base, he was raising his arm and shouting - "I believe that no difficulty can daunt heroic Chinese people".



Mr. Jia Qinglin, member of the Standing Committee of the Political Bureau of the CPC and chairman of the Chinese People's Political Consultative Conference (CPPCC), and Ms. Liu Yandong, member of the Political Bureau of the Central Committee of the CPC and State Councilor, meeting with Mr. Liu Canglong.



May 19, 2008, Li Keqiang, the standing committee of CCCPC political bureau, vice premier of the State Council, deputy chief commander of the Earthquake Relief Headquarters of the State Council, was visiting Hongda Phosphorus Chemical Chuanxindian Base to inspect the situation of the disaster.

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1. Hongda Settlement Project at the cost of 8 million yuan donated by Hongda Group for homeless farmers and those having houses under poor conditions
2. The 10 million yuan donation for Yushu earthquake in Qinghai province
3. Hongda Group provided aids to AIDS Red Ribbon Children's Fund
4. Houses built by Hongda Group for the homeless employees after the earthquake---Hongda New Town
5. 100,000 tons of electricity zinc sewage treatment station
6. Hongda Group donating 15 million yuan for the 9-year compulsory education program in Lanping, Yunnan Province
7. A donation of 1.5 million yuan made by Hongda Group for the Hongda Talent-cultivating Scholarship
8. Hongda Middle School in Minzhu, Shifang built with donation from Hongda Group
9. The Minzhu-Jinhe Road built with donation from Hongda Group



The reason why Hongda Group can make miracles one after another is closely related with the corporate culture through Hongda's experiences of hardships and roughness. Thanks to this culture, Hongda Group has been able to realize the great change to become a large corporate group from a small workshop. To achieve the leap forward from being great to being excellent and to lasting forever, Hongda Group must take advanced culture as its soul, manage the enterprise with culture and prosper the enterprise with culture.



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1. Phoenix TV make an interview of Hongda 30 years of development success stories
2. Hongda Group Co-hold a conference of Annual China International Lead and Zinc
3. Chairman Liu Canglong attended Private Enterprise Development Forum
4. Chairman Liu Canglong award for outstanding employees
5. On the reconstruction pledging conference, the staff in unison shouting "give us a year, we will create Hongda a new world."
6. Hongda Group carried out a expanding training for junior staff
7. Hongda Art group hold Arts Festival





Mr. He Guoqiang, member of the Standing Committee of the Political Bureau of the CPC and secretary of the Disciplinary Inspection Committee of the Central Committee of the CPC, on an inspection tour of Hongda Group.



Mr. Zhou Yongkang, member of the Standing Committee of the Political Bureau of the CPC and secretary of the Central Politics and Law Committee, on an inspection tour of Hongda Group.



Mr. Du Qinglin, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC), minister of the Ministry of United Front Work and former secretary of the CPC Sichuan Provincial Committee, giving an award to Mr. Liu Canglong, chairman of Hongda Group.



Mr. Hui Liangyu, vice-premier of the State Council, meeting with Mr. Yang Qian, CEO of Hongda Group, who received an award on behalf of the group at the Great Hall of the People in Beijing.



June 3, 2008, Zhang Dejiang, Vice Premier of the State Council was giving instructions on disaster relief at the Hongda site.



Liu Qibao, secretary of Sichuan Provincial Committee of the CPC, director of the provincial people's congress was inspecting the post-disaster reconstruction at Hongda.

Polymetal mining development



For the industry business of Hongda Group, the main business includes the exploration, dressing, washing, smelting, deep processing as well as integrated development and utilization of nonferrous metal mineral resources. The reserves of Lead Zinc, Vanadium and Titanium and Lindgrenite rank the first in the world. Hongda now enjoys the control of Yunnan Lanping Lead-Zinc Mine and Lead Zinc Mine in Kazakhstan, whose reserves rank the second and third in the world respectively, the extra-large-scale Bangpu Copper-Molybdenum Mine, the potential Duolong Copper Mine in Tibet, Vanadium Titano-Magnetite in Panzhihua (China) and vanadium-titanium mine in Tanzania.

Hongda Group has three Top Ones in the world in polymetallic mine development field:

- Yunnan Lanping Lead-Zinc Mine, Lead Zinc Mine in Kazakhstan;
- Liganga Vanadium Titano-Magnetite in Tanzania, Vanadium Titano in Panzhihua
- Copper-Molybdenum Mine in Tibet, Copper Mine in Kazakhstan



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1. Liganga Vanadium Titano-Magnetite in Tanzania
2. A corner of the Yunnan Lanping lead-zinc mine, which is ranked the No. 2 in the world and the No.1 in Asia in reserves.
3. The layout of the Panzhihua Vanadium and Titanium Project
4. The Panzhihua Vanadium and Titanium Mine
5. The layout of the Molybdenum - Copper Project
6. Tibet Bangpu mining area



Based on the investment in Africa and Central Asia, Hongda Group actively implements the internationalized development strategy and gives its advantages in product market, people, technology, capital and brand into play towards foreign markets. It extensively seeks strategic resources in many countries such as Tanzania, Kazakhstan, UK, Australia, The Philippines, Myanmar, Uzbekistan and Tajikistan, in order to realize the optimal arrangement of worldwide resources and lay a solid foundation for the goal of forging an evergreen brand in a century.



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1. Chairman Liu Canglong and president Yang Qian were meeting Tanzanian President Kikwete in 2008 Meeting of Asia Boao Forum
2. Chairman Liu Canglong, president Liu Jun were taking photo with prime minister of Tanzania Peter • Pinda
3. In 2006, Liu Canglong, Chairman of Hongda Group, met with HE. Dr. Ali Mohamed Shein, Vice President of Tanzania
4. Liu Canglong, Hongda Group Chairman of the Board presents gifts to the dullahlah, vice president of Tanzania
5. Mr. Liu Canglong, vice-director of China-Africa Business Council and chairman of Hongda Group, meeting with officials of the Ministry of Energy and Minerals, Tanzania.
6. Liu Canglong, Hongda Group Chairman of the Board and Mourinho Dakaya, Chairman of the NDC Board meet together
7. Tanzania Ambassador was visiting Hongda
8. President Liu Jun of Hongda Group was taking photos with NDC Delegation
9. The signing ceremony between Hongda Group and SK Group





As a member of United Nations Global Compact, Hongda Group actively implements the social responsibility management while pursuing economic benefits: it attaches great importance to environmental protection, devotes to public welfare and philanthropy and strives for a respected and trustworthy enterprise citizen.



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1. Bill Gates and Warren Buffett invited Liu Canglong and 50 Chinese philanthropists to join Bobby charity dinner
2. Chairman Liu Canglong exchanged charity experience with Buffet
3. Liu Canglong participated on UNGC Summit in Geneva
4. Hongda New Village for farmers built with 110 million yuan donated gratis by Hongda Group
5. The aerial map of the large-scale Hongda New Village





Hongda now has an annual capacity of 320,000 t/a electrolytic zinc and zinc alloy, ranking the 3<sup>rd</sup> in China's industry, and the brands have been listed on the London Metal Exchange and Shanghai Futures Exchange. It is planned to re-build the 100,000t/a electrolytic zinc and 100,000t/a zinc alloy.

The ongoing 400,000 t/a copper smelting project ranks the fourth in China's industry, and the 40,000 t/a molybdenum smelting project ranks the first in the world.

The 10 million t/a mining capacity of raw ores is formed in Phase 1 of Panzihua Vanadium and Titanium Project. In addition, Hongda also boasts the 100,000t/a capacity of high-grade Rutile titanium dioxide, 50,000 t/a high-grade titanium and titanium alloy, 10,000t/a capacity of vanadium pentoxide, 9100t/a capacity of chromium trioxidechromic anhydride and 1.078 million t/a capacity of vanadium-bearing casting.



- |   |  |
|---|--|
| 1 | 1. A corner of the factory of Yunnan Jinding Zinc Industry Co., Ltd. |
| 2 | 2. 100,000-tons workshop for preparing the feed                      |
| 3 | 3. Production line of the zinc ingot metals                          |
| 4 | 4. Sulfuric acid plant   |
| 5 | 5. Finished zinc ingot metal products                                |

## ■ Chemical Production



Hongda is capable of producing 400,000 tons of PVC annually and 20 million sq. m. of synthetic leather annually, ranking the 8<sup>th</sup> in the industry in China. It is now capable of producing 1.5 million tons of phosphate series products annually, and its fist products are all homegrown brands, ranking the 7<sup>th</sup> in the industry in the country.



1

1. Phosphorus chemical production base in Deyang

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2. The annual 100,000-ton output synthetic ammonia direct transfer system

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3. Decarburization plant

4. Sulfuric acid plant

5. Natural gas plant



The real estate development under Hongda Group takes development on scale as the mainstay based on the land reserve system, and has had an annual capacity to develop more than 1,000,000 square kilometers, and to develop over 10,000 mu of land reserve. Projects undertaken are scattered in Beihai, Beijing, Shanghai, Shenzhen, Qingdao, Kaifeng, Chengdu, Deyang, and Mianyang, for which a number of prizes and prix have been conferred and high appraisals have come from the clients and the public.



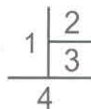
### International Trade

Hongda Group has set up five integrated trade companies in Hong Kong, Shanghai and Chengdu, and formed a team of professionals engaging in trading, logistics and settlement and documents as well as long-term and stable global customer groups, with annual trade volume exceeding RMB 10 billion.



### Capital and Finance

Hongda Group now invests in and controls one trust investment company and one securities company, holds equity in one joint-stock commercial bank and has an excellent team of professionals, providing services such as deposit, borrowing, entrusted wealth management and share transaction. The combination of industrial capital and financial capital is to secure Hongda's realization of internationalization of products, market, human resources and capital and enhance the core competitiveness and anti-risk capability.



1. Sichuan Trust Building
2. Hongda Joint Stock Co. listed at Shanghai Stock Exchange
3. The Business Hall of Hexing Securities
4. Grand Opening of Sichuan Trust



龙腾沧海

兼善天下

地址：成都市锦里东路2号宏达国际广场27楼 610041

Add: 27F Hongda International Plaza, No.2 East Jinli Rd., Chengdu China, 610041

电话/Tel: +86 28 8612 9918

传真/Fax: +86 28 8612 9928

Http://www.sinohongda.com

E-mail: hongda@sinohongda.com



*Private and Confidential*

January 19, 2010

China Africa International Mineral Resource Ltd.

**Letter of Interest**

Dear Sir/Madam,

We, the China-Africa Development Fund (the "CADFund"), are pleased to learn that you will participate in the bid concerning the **Mchuchuma Intergrated Coal Mine & Thermal Power Station Concession and Liganga Iron Ore Concession in Tanzania ( "Project")**. We are interested in the Project and intend to make an equity investment in the exploration and development of the Project if you win the aforesaid bid eventually and the project is in accord with the CADFund's investment criteria and conditions.

This letter is only an expression of interest and does not have any legal binding effect, or cause any burden, commitment or liabilities on CADFund.

This letter shall be governed by and interpreted in the laws of the People's Republic of China.

Yours faithfully,

Mr. ZHAO Jianping  
Chairman of the Board  
China-Africa Development Fund

January 19, 2010  
Sichuan Hongda Co., Ltd  
27F Hongda Int'l Plaza,  
No 2 East Jinli Rd Chengdu,  
Sichuan Province China

**Letter of Interest**

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Yours faithfully,

  
\_\_\_\_\_  
Mr. ZHAO Jianping  
Chairman of the Board  
China-Africa Development Fund

Executive Director,  
Tanzania Investment centre  
P. O. Box 938  
Dar es Salaam  
执行长官  
坦桑尼亚投资中心  
P. O. Box 938  
达雷斯萨达姆

Re: Bank Reference Letter for Sichuan Hongda (Group) Ltd.  
给四川宏达（集团）有限公司的银行征信信函

Dear sir/madam

Please accept the following letter as a reference that Sichuan Hongda (Group) Ltd has been a customer of Bank of China Shifang branch since 13th October 1998. Sichuan Hongda (Group) Ltd is a good customer of Bank of China with all accounts handled as agreed.

四川宏达（集团）有限公司自 1998 年 10 月 13 日起成为中国银行股份有限公司什邡支行的客户，所有账户状况良好，是一位好的客户。

Please contact us through the above mentioned contacts, if you have questions or need additional information.

如果你有问题或需要更多信息请通过以下联系方式联系我们

Regards,

Yours faithfully,  
您忠实的

Bank of China Shifang branch  
中国银行股份有限公司什邡支行

BRANCH MANAGER  
支行经理





National Bank of Commerce  
Conveniently Everywhere.

## National Bank of Commerce Limited

### Corporate Branch

P. O. Box 9062, Dar es Salaam, Tanzania  
Tel: +255 (0) 22 211 1970  
Fax: +255 (0) 22 211 0448  
Swift address: NLCBTZTX  
e-mail: city@nbctz.com  
www.nbctz.com

28<sup>th</sup> December 2011

Executive director,  
Tanzania Investment centre,  
P o box 938,  
Dar es salaam



Re: Bank Reference Letter for **National development Corporation (NDC)**

Dear sir/madam

Please accept the following letter as a reference that National Development Corporation has been a customer of National Bank of Commerce Limited since 14<sup>th</sup> February 2002. National development Corporation (NDC) is a good customer of NBC LTD with all accounts handled as agreed.

Please contact us through the above mentioned contacts, if you have questions or need additional information.

Regards,

Yours faithfully,  
NBC LIMITED.

**JACOUELINE SINDANO**  
**BRANCH MANAGER**

### National Bank of Commerce Limited Reg. No. 32700

**DIRECTORS:** Dr. M.J. ASSAD\* (Chairman), A. ST. V. DE LA RUE \*\*\*\* (Non-Executive), L.N.MAFURU\* (Managing-Executive), F. J. DU TOIT\*\* (Non-Executive), J. J. GROBLER\*\* (Non-Executive), E. B. J. LAURENTINO\*\*\* (Non-Executive), A. R. MPUNGWE\* (Non-Executive), S. C. MSANGI\* (Non Executive), A.P. VAN JAARSVELD\*\* (Executive), D. J. BRITS\*\* (Non-Executive), C. RUBAMBE\*(Company Secretary).

(\* TANZANIAN, \*\* SOUTH AFRICAN, \*\*\* BRAZILIAN, \*\*\*\* BRITISH).

THE COMPANIES ACT, 2002  
(CAP. 212 R.E. 2002)

---

COMPANY LIMITED BY SHARES

---

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

---

TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LIMITED

Incorporated this ..... day of September 2011

**Drawn By:**

K & M (Advocates),  
3<sup>rd</sup> Floor, Elite City Building, Opposite PPF House,  
Morogoro Road/Samora Avenue,  
P.O. Box 71394,

**DAR ES SALAAM**

Tel: +255 22 2133616/2133619

Fax: +255 22 2133615

Email: [kadvocates.com](mailto:kadvocates.com)

Website: [www.kadvocates.com](http://www.kadvocates.com)

TANZANIA  
Stamp: 2002  
18/32/15/11

Stamp: 2002  
18/32/15/11

THE COMPANIES ACT, 2002 (CAP 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD.  
(the "Company")

1. The name of the Company is Tanzania China International Mineral Resources LTD.
2. The registered office of the Company is situated on the mainland of the United Republic of Tanzania.
3. The purpose for which the Company is established is the transaction of any and all lawful business for which companies may be incorporated in Tanzania; and more particularly the company shall have powers:
  - (a) To obtain all powers and authorities necessary or desirable to carry out or extend any of these objects:
    - (i) coal or related projects, including without limitation, coal mining, extraction, selection and processing, coking, supply and sale of (or use in its own business) coal and related products, development of coal-based power generation facilities and supply and sale of (or use in its own business) power;
    - (ii) ore or related projects, including without limitation, mining, extraction, selection, processing and sale of (or use in its own business) iron ore, titanium, vanadium, limestone, dolomite and other ores, development of beneficiation plants and steel and

rolling mills and sale of (or use in its own business) the products of such plants or mills;

- (iii) infrastructure projects associated with the foregoing, being the construction of roads and power transmission lines connecting different projects; and
  - (iv) all other business and actions carried out and conducted by the Company in relation to the foregoing.
- (b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company
  - (c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
  - (d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Republic of Tanzania or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trademarks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
  - (e) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorized to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidizing or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and

deal with any shares, debentures, debenture stock or securities so received.

- (f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (g) To invest and deal with the monies of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and surety ships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (Including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (i) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (j) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (k) To apply for, promote, and obtain any license of authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the

company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (l) To enter into any arrangements with any government authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (m) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (n) To promote, control, manage, finance, subsidize, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (o) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (p) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares,

debentures, or securities of any company purchasing the same.

- (q) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (r) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or noncontributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (u) To distribute among the members of the Company in kind any property

of the Company of whatever nature.


- (v) To procure the Company to be registered or recognized in any part of the world.
  - (w) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
  - (x) To do all such other things as may be deemed incidental or conducive to the attainment of the company's objects or any of them.
4. The liability of each Member is limited to the shares such a Member has subscribed for.
  5. The Company's authorized share capital is Tanzanian Shillings Ten Million (Tshs. 10,000,000/=) divided into 10,000 shares of Tshs 1,000/= each.

We, the persons whose names and addresses are subscribed, desire to be formed into a Company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Name, address and Occupations of subscribers	Number of Shares taken by each subscriber	Amount in TShs.	Signature of subscribers
National Development Corporation Development House Ohio Street/Kivukoni Front P. O. Box 2669 DAR-ES-SALAAM Tanzania	2,000	2,000,000/=	 SIGNED and DELIVERED by <b>Gideon John Nasari</b> for and on behalf of National Development Corporation
Sichuan Hongda (Group) Company Limited 27F Hongda International Plaza, No.2 East Jinli Rd, Chengdu China 610041.	8,000	8,000,000/=	 SIGNED and DELIVERED by <b>Liu Jun</b> for and on behalf of Sichuan Hongda (Group) Company Limited


Dated the 15<sup>th</sup> day of September 2011

WITNESS to the signature of **Gideon John Nasari**:

Signature:   
Postal Address: P.O. Box 2669,  
DAR ES SALAAM  
Qualification: ADVOCATE



WITNESS to the signatures of **Liu Jun**:

Signature:   
Postal Address: P.O. Box 2669,  
DAR ES SALAAM  
Qualification: ADVOCATE





TANZANIA  
Stamp Duty Paid  
18532 15/01/11

THE COMPANIES ACT, 2002 (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD.

TANZANIA  
Stamp Duty Paid  
18532 15/01/11

TABLE A EXCLUDED

PRELIMINARY

TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act, 2002 (Cap. 212) shall not apply to the Company except in so far as the same are repeated or contained in these Articles.

INTERPRETATION

2. In these Articles, unless the subject or context otherwise requires:
  - 2.1. The words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof:

WORDS

MEANINGS

"Act"

means the Companies Act, Cap 212 of the laws of Tanzania or any statutory re-enactment or modification thereof for the time being in force.

"Articles" or

"Articles of Association"

means the "Articles of Association" of the Company and any reference to"

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	Articles" shall be referenced to that Article of the Articles of Association.
"the Auditors"	means the Auditors from time to time of the Company.
"Board"	means the Board of Directors of the Company or the Directors present at a duly convened meeting of Directors.
"Chairman"	means the chairman of the Board
"Company"	means Tanzania China International Mineral Resources Ltd.
"Directors"	means the Directors of the Company.
"Hongda"	means Sichuan Hongda (Group) Co. Limited, a company established under the laws of the Peoples' Republic of China with its registered office at 27F Hongda International Plaza, No.2 East Jinli Rd, Chengdu China 610041.
"Hongda Director"	has the meaning set forth under Article 28.
"Joint Venture Agreement"	means the Joint Venture Agreement entered into between NDC and Hongda.
"Member"	means a Shareholder or representatives of Shareholder present in a general or extraordinary meeting and members shall be construed accordingly.
"NDC"	means the National Development Corporation, a statutory corporation established under the laws of Tanzania.
"NDC Director"	has the meaning set forth under Article 28.

"Ordinary Resolution"	means a resolution that has been passed by members holding at least a majority of all issued and outstanding Shares.
"Office"	means the registered office for the time being of the Company.
"Register"	means the Register of Members of the Company.
"Seal"	means the Common Seal of the Company.
"Secretary"	means the Secretary of the Company and any other person appointed to perform the duties of the Secretary.
"Shares"	means equity shares of Tanzania Shillings One thousand (TShs. 1,000.00) each in the equity share capital of the Company.
"Shareholders"	means NDC and Hongda and any other person as defined in the Shareholders Agreement and "Shareholder" shall be construed accordingly.
"Shareholders' Agreement"	means the Subscription and Shareholders' Agreement to be entered into between NDC and Hongda.
"Special Resolution"	means a resolution that has been passed by members holding at least three-fourths of all issued and outstanding Shares.
"Tanzania"	means the United Republic of Tanzania.
"Territory"	means Mainland Tanzania.
"TShs"	means Tanzania Shillings being the legal currency of the Tanzania.

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"in Writing" means written or produced by any substitute for writing.

"USD" means United States Dollars being the legal currency of the United States of America.

- 2.2. Words importing the singular number only shall include the plural number and vice versa.
- 2.3. Words importing the masculine gender only shall include the feminine gender.
- 2.4. Words importing persons shall include corporations.
- 2.5. The expression "debenture" and "debentures holder" shall include debenture stock and debenture stockholder.
- 2.6. The expression "dividend" shall include bonus.
- 2.7. Reference to any provision of the Act shall be construed as a reference to such provision as modified by any statute for the time being in force.
- 2.8. Any words or expressions defined in the Act shall, except where the subject or context forbids bear the same meanings in these Articles.

#### PRIVATE COMPANY

3. The Company is a private company and accordingly:
  - (a) the right to transfer shares is restricted in manner hereinafter prescribed;
  - (b) the number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were while in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty;
  - (c) any invitation to the public to subscribe for any shares or debentures of the Company is prohibited;
  - (d) the Company shall not have power to issue share warrants to bearer. The directors may, in their absolute discretion and without assigning any

reason therefore, decline to register any transfer of any share, whether or not it is a fully paid share.

4. Any branch or kind of business which the Company is either expressly or by implication authorized to undertake may be undertaken by the Board at such time or times as the Board shall think fit, and further may be suffered by the Company to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.
5. The Office shall be at such place in the Territory as the Board shall from time to time appoint.

#### CAPITAL

6. The Company's authorized share capital is The Company's authorized share capital is Tanzanian Shillings Ten Million (i.e. Tshs. 10,000,000/=) divided into Ten Thousand (i.e. 10,000) shares of Tanzania Shillings One Thousand Shillings (i.e. Tshs. 1,000/= ) each.
7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return or capital or otherwise as the Company may from time to time by Ordinary Resolution determine.

#### ALLOTMENT OF SHARES

8. Subject to the provisions of the Shareholders Agreement in respect of issuance of new shares, the unissued shares for the time being of the Company shall be at the disposal of the Board which may allot, grant option over, or otherwise dispose of them to such persons, on such terms and conditions, and at such times as it may think fit, but so that no share shall be issued at a discount, except in accordance with the provisions of the Act.

#### SHARE CERTIFICATE

9. Every person whose name is entered as a Member in the Register shall be entitled without payment to receive as soon as practicable after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment for every certificate after the first or such less

sum as the Board shall from time to time determine. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereof.

10. If a share certificate be defaced, or worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge.

#### TRANSFER OF SHARES

11. No shares shall be transferred except in accordance with the provisions of the Shareholders Agreement.
12. Subject to the Shareholders Agreement, the Directors may decline to register the transfer of a share to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the Company has a lien.

#### ALTERATION OF CAPITAL

13.
  - (1) Subject to the Shareholders Agreement, the Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.
  - (2) Subject to the provisions of the Shareholders' Agreement, all new shares shall first be offered to the existing members of the Company in proportion, as nearly as possible, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered and a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time, or on the receipt of intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of such shares in such manner as they deem most appropriate for the Company.
14. The Company may by Ordinary Resolution:
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- (b) sub-divide its existing shares, or any of them, into share of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 65(l) (d) of the Act;
- (c) cancel any shares, which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

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

#### GENERAL MEETING

- 15. 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 notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that so long as the Company shall hold 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.

- 16. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 17. Subject to the Shareholders' Agreement, 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.

#### NOTICE OF GENERAL MEETINGS

- 18. Every general meeting shall be called by twenty-one days notice in Writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and the nature of any special business that is to be transacted, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under the Articles of the Company, entitled to receive such notices from the Company.

Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in these Articles, be deemed to have been duly called if it is 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 holding not less than 95 per cent in nominal value of the shares giving that right.
19. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

#### PROCEEDINGS AT GENERAL MEETING

20. 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. The quorum for the meeting shall be Shareholder holding a majority of the Shares, including NDC and Hongda.
21. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the next day, at the same time and place or to such other day at such other time and place as the Directors may determine by serving a 24 hours' notice, and if at the adjourned meeting a quorum is not present at the time appointed for the meeting, the member(s) present shall be a quorum.
22. The Chairman of the Board of Directors shall preside as chairman at every general meeting of the Company, or if the Chairman is unable to attend the general meeting in person, he may appoint a Director to act as chairman of meeting.
23. The Chairman of the Board of Directors 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 left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. 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.

24. At any general meeting a resolution shall be decided on a poll.
25. In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

#### VOTES OF MEMBERS

26. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

#### CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

27. Any corporation or company which is a member of the Company may by resolution of its Directors or other governing or managing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation or company which he represents as that corporation or company could exercise if it were an individual member of the Company.

#### DIRECTORS

28. The Shareholders shall have the right to appoint the Directors in accordance with the Shareholders Agreement and each Shareholder shall be entitled at any time to require the removal or substitution of any Director so appointed by it. Until otherwise determined by the Company in general meeting, the Directors shall not be less than seven. Unless otherwise agreed, NDC shall be entitled to appoint two (2) Directors (each a "NDC Director") and Hongda shall be entitled to appoint seven (7) Directors (each a "Hongda Director"). Hongda shall be entitled to nominate a Director to act as Chairman of the Board, who shall preside at any Director's meeting and general meeting at which he is present. The first Directors shall be appointed in Writing by the subscribers of the Memorandum of Association and until such appointment the first Directors shall be as named in the particulars delivered to the Registrar of Companies pursuant to the provisions of Section 14(2) (b) of the Act.

## POWERS AND DUTIES OF DIRECTORS

29. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these Articles required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act and to such Articles, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
30. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as primary or collateral security for any debt, liability or obligation of the Company or of any third party.

## PROCEEDINGS OF DIRECTORS

- 31.
- a) The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a casting vote.
  - (b) The Secretary of the Board, in consultation with the Chairman, as the case may be, at any time summon a meeting of the Directors.
32. Subject to the Shareholders' Agreement, every meeting shall be called by ten day notice in Writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and the nature of any business that is to be transacted, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the directors, to such persons as are, under the Articles of the Company, entitled to receive such notices from the Company.

Provided that a meeting of the directors shall, notwithstanding that it is called by shorter notice than that specified in these Articles, be deemed to have been duly called if it is so agreed by all the directors entitled to attend and vote thereat.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

33. Subject to and in accordance with the Shareholders Agreement, the quorum necessary for the transaction of the business of the Directors shall be five (5) Directors, including at least one (1) NDC Director and one (1) Hongda Director. If a quorum is not present at a Board meeting within thirty (30) minutes following the commencement time specified in the notice, the Chairman may require that the meeting be reconvened following 24 hours' notice to Directors. If at such reconvened meeting no quorum is present at the commencement time specified in the notice, the meeting shall be considered quorate provided that at least one Director is present, and the quorum specified herein shall not apply.
34. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulation that may be imposed on it by the Directors.
35. All acts done by any meeting of the Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### CHIEF EXECUTIVE

36. Hongda shall nominate the Chief Executive Officer and the Chief Financial Officer and NDC shall nominate one Deputy Chief Executive Officer and one Deputy Chief Financial Officer and the Board shall appoint to the office such executive officers.
37. The executive officers shall receive such remuneration as the Board may determine.
38. The Directors may entrust to and confer upon the executive officers any of the powers exercisable by them under such terms and conditions and with such

restrictions as they may think fit, and either collaterally with or to the exclusion of their own power and may from time to time revoke, withdraw, alter or vary all of any of such powers.

#### SECRETARY

39. 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.

#### THE SEAL

40. The seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. The Director may determine who shall be 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.

#### DIVIDENDS AND RESERVE

41. Subject to Section 180 of the Act and the Shareholders' Agreement, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

#### ACCOUNTS

42. Subject to the Act and in accordance with the Shareholders' Agreement, the Directors shall cause proper books of account of the Company to be prepared.

#### AUDIT

43. The Auditors shall be appointed by the Company and their duties regulated in accordance with Sections 170 to 179 of the Act.

#### WINDING UP

44. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any

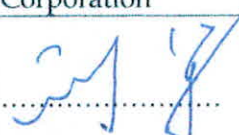
property to be divided as aforesaid and may determine how such division shall be carried out as between the members or difference classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### INDEMNITY

45. Subject to the provisions of the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 481 of the Act in which relief is granted to him by the Court from liability for negligence, default, breach of trust in relation on the affairs of the Company.

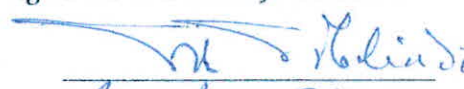
#### SUPREMACY

46. If any provisions of these Articles at any time conflict with any of the provisions of the Shareholders' Agreement, the provisions of the Shareholders' Agreement shall prevail and the Members shall whenever necessary exercise all voting and other rights and powers available to them to procure the amendment of these Articles to the extent necessary to permit the Company and its affairs to be carried out in accordance with the Shareholders' Agreement.

Name, address and Occupations of subscribers	Number of Shares taken by each subscriber	Amount in TShs.	Signature of subscribers
National Development Corporation Development House Ohio Street/Kivukoni Front P. O. Box 2669 DAR-ES-SALAAM Tanzania	2,000	2,000,000/=	 SIGNED and DELIVERED by <b>Gideon John Nasari</b> for and on behalf of National Development Corporation
Sichuan Hongda (Group) Company Limited 27F Hongda International Plaza, No.2 East Jinli Rd, Chengdu China, No. 610041.	8,000	8,000,000/=	 SIGNED and DELIVERED by <b>Liu Jun</b> for and on behalf of Sichuan Hongda (Group) Company Limited


Dated the 15<sup>th</sup> day of September, 2011

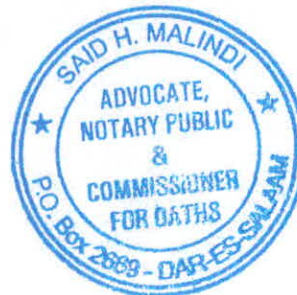
WITNESS to the signature of **Gideon John Nasari**:

Signature:   
 Postal Address: P.O. Box 2669,  
DAR ES SALAAM  
 Qualification: ADVOCATE



WITNESS to the signatures of **Liu Jun**

Signature:   
 Postal Address: P.O. Box 2669,  
DAR ES SALAAM  
 Qualification: ADVOCATE





7-114

C.I

TANZANIA



Certificate of Incorporation

Section 15

No 85880

I HEREBY CERTIFY THAT

**TANZANIA CHINA INTERNATIONAL MINERAL  
RESOURCES 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 **16TH** day of **SEPTEMBER**

**TWO THOUSAND AND ELEVEN.**

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

*Asst. Registrar of Companies*

CTIN.: 1533895

ISO 9001 : 2008 Certified



# 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

TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LIMITED  
.....

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

115-007-114  
.....

with effect from ..... 12-10-2011



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

Box 2663  
Rc-85886

KIV/8720/11

TFN. 226  
(Rev. 2/96)



JAMHURI YA MUUNGANO WA TANZANIA

## LESENI YA BIASHARA

**B** 01358720

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

\*Futa isiyotakiwa.

1. Ofisi iliyotolewa..... MANKOPA - ILMA
2. Nambari ya Ushuru wa mapato..... 115 - 007 - 114 LA
3. Leseni imetolewa kwa..... TANZANIA CHINA INTERNATIONAL  
kuendesha biashara ya..... LIXSON OFFICE  
katika Wilaya/Kanda\* ya..... ILMA Mtaa..... OTTO S / KIVUKWA FRONT
4. Ni ya Shina/Tayari\*..... NDC BURUNDI  
Ada Sh. .... Nambari ya Stakabadhi.....  
ya tarehe.....
5. Mpya inaendeleza\* muda wa leseni Na.....  
ya tarehe.....

(ii) Muda wa leseni hujitishia 30 Juni 20..... 2011

Tarehe..... 30/12/11..... M. R. B. Magila  
Sahihi na Muhtaji wa Mtoaji Leseni

GP. DSM



IDARA YA MAENDELEO YA ARDHI,  
MKOA WA IRINGA,  
S.L.P. 858,  
IRINGA:

Kumb. Na. IRF/15118/16/WL.....

Tarehe. 11 JUNI, 1999.

M/S NATIONAL DEVELOPMENT CORPORATION;

S.L.P. 2669

DAR ES SALAAM.

Certified True Copy of Original  
Document Sighted by Me  
2/12/2011

Milingi Elisha Mkuha  
Advocate, Notary Public &  
Commissioner for Oaths  
P. O. Box 7281  
Dar-es-Salaam.

SHAMBA NAMBA 537/1 KIJIZI CHA MUNDINDI

WILAYA YA LUDEWA

Maombi yako ya Hati ya kumiliki Ardhi kwa muda mrefu (baadaye katika barua hii itaitwa Haki) kwa Ardhi iliyotajwa hapo juu yamekubaliwa. Iwapo utalipa gharama na Ada kama zilivyoorodheshwa hapa chini na kuniletea taarifa ya ulipaji wa Ada hizi nitakutayarishia Hati ya kumiliki Ardhi hii. Hati hii itakuwa na masharti yafuatayo:-

- (i) Muda wa Hati ni miaka 99 kuanzia tarehe 01/04/1999.....  
Eneo la Ardhi hii ni 6621 Hectares.....
- (ii) Kodi ya Ardhi hii ni Shs. 3,681,206/= kila mwaka ambayo itabadilika kila baada ya miaka kumi.
- (iii) Matumizi ya Ardhi Uchimbaji wa Chuma (Special Industry).....  
Kifungu "N" Daraja (a) & (b).....  
kama ilivyoelezwa katika Sheria na Kamuni za Mipango Miji na Nchi ya mwaka 1960.
- (iv) Katika Ardhi hii yatajengwa majengo ya vifaa vya kudumu ambayo yatajengwa kwa kufuatana na masharti ya haki ya Ardhi.....
  - (a) Ramani za majengo zipelekwe katika Ofisi ya Mkurugenzi Mtendaji Wilaya ya Ludewa katika muda usiozidi miezi sita tangu tarehe ya kuanza haki ili zipate kibali. Ramani hizo zitaonyesha mahali pa kujengwa handaki la ukubwa kulingana na idadi ya watu watakaokuwa katika majengo hayo. Handaki litajengwa na kutunzwa wakati wote wa umilikaji wa Ardhi hii.
  - (b) Ujenzi uanze katika miezi sita ya kwanza baada ya Ramani za majengo kupitishwa.
  - (c) Ujenzi umalizike katika muda usiozidi miezi thelathini na sita tangu tarehe ya kuanza haki hii.
  - (v) Ardhi hii isigawanywe sehemu kwa madhumuni ya kupewa mtu mwingine au Haki hii isipewe mtu mwingine bila kupata kibali kwanza kwa maandishi kutoka kwa Kamishna wa Ardhi.
  - (vi) Mmiliki wa Ardhi hii itampasa kulipa Ada au gharama za ziada na kufidia gharama ya yote iwapo gharama hizo zitakuwa zimewishwa kulipwa na Serikali.
  - (vii) Mmiliki wa Ardhi hii itampasa kuhakikisha kwamba mipaka ya upimaji wa Ardhi hii haing'olewi kwa wakati wote wa umilikaji. Mawe yatakayoonekana yameng'olewa itapasa yarudishwe katika sehemu zake kwa gharama za mmiliki mwenyewe ambazo zitakadiriwa na Mkurugenzi wa Upimaji na Ramani.

2. Tafadhali unijulishe vifuatavyo:-

- (a) Jina lako kamili (kwa herufi kubwa). Ombi lolote la kutaka Hati itolewe kwa jina la mtu mwingine au watu ambao hawahusiki na toleo la Ardhi hii halitakubaliwa.
- (b) Anwani yako kamili ukimjulisha namba ya nyumba na jina la mtaa na anwani ya Posta (iwapo unayo)

3. Gharama zinazohitajika ili upate Hati ya Ardhi ni hizi zifuatazo:-

(i) Ada ya utayarishaji wa Hati (preparation Fees)	Shs.....	1,000.00
(ii) Ada ya Ramani za Hati (Deed Plans)	Shs.....	3,000.00
(iii) Ada ya Usajili (registration Fees)	Shs.....	460,150.00
(iv) Ada ya Upimaji (Survey Fees)	Shs.....	-
(v) Ushuru wa Serikali (Stamp Duty)	Shs.....	36,817.00
(vi) Kodi ya Ardhi kuanzia tarehe 01/04/1999.....mpaka.....30/06/1999.....	Shs.....	920,301.00

JUMLA

1,421,263.00

4. Ada zilizoorodheshwa hapo juu zilipwe kwa Afisa Maendeleo ya Ardhi Wilaya ya Ludewa, S.L.P. 19, LUDEWA

5. Ada zote zilizotajwa hapo juu zinapashwa kuwa zimelipwa katika muda usiozidi siku thelathini kuanzia tarehe ya barua hii. Uhalali wa toleo hili utaihsa kama siku thelathini zitapita bila kulipa Ada zote zilizotajwa hapo juu.

6. Haki ya Kumiliki Ardhi hii inaweza kutenguliwa kwa sababu nzuri kama vile kwa umilikaji kushindwa kufuata washarti yaliyo kwenye Haki hii.

7. Haki ya Kumiliki Ardhi hii inatolewa chini ya Sheria ya Ardhi (Sura 1113) na Kanuni zake.

*Semmani*  
(S.R. Mvuoni)

AFISA MAENDELEO YA ARDHI,

Kny:

MKOA WA IRINGA.

Nakala@ Afisa Maendeleo ya Ardhi  
Wilaya ya Ludewa,  
S.L.P. 19,  
LUDEWA:

Certified True Copy of Original  
Document Sighted by Me  
21/12/2011

Milingi Elisha Mkucha  
Advocate, Notary Public &  
Commissioner for Oaths  
P. O. Box 7281  
Dar - es - Salaam.

IDARA YA MAENDELEO YA ARDHI  
Mkoa wa IRINGA,  
S.L.P. 358,  
IRINGA:

Certified True Copy of Original Document Sighted by Me  
21/12/2011  
Mlingi Elisha Mkucha  
Advocate, Notary Public &  
Commissioner for Oaths  
P. O. Box 7281  
Dar es Salaam

Kumb. Na. IRF/15118/18/WL..... Tarehe. 11 JUNI, 1999

M/S National Development Corporation,  
S.L.P. 2669,  
DAR ES SALAAM



SHAMBA NAMBA 537 KIJIKI CHA MKOMA-NGOMBE

WILAYA YA LUDEWA

Maombi yako ya Hati ya kumiliki Ardhi kwa muda mrefu (baadaye katika barua hii itaitwa Haki) kwa Ardhi iliyotajwa hapo juu yamekubaliwa. Iwapo utalipa gharama na Ada kama zilivyoorodheshwa hapa hii na kuniletea taarifa ya ulipaji wa Ada hizi nitakutayarishia Hati ya Kumiliki Ardhi hii. Hati hii itakuwa na masharti yafuatayo:-

- (i) Muda wa Hati ni miaka 99.....kuanzia tarehe 01/04/1999.....  
Eneo la Ardhi hii ni 9683 Hectares.....
- (ii) Kodi ya Ardhi hii ni Shs. 5,383,645/=.....kila mwaka ambayo itabadilika kila baada ya miaka kumi.
- (iii) Matumizi ya Ardhi Uchimbaji Mkaa wa Mawe (Special Industry) Kifungu "N" Daraja (a) na (b).....  
kama ilivyoelezwa katika Sheria na Kanuni za Mipango Miji na N chi ya mwaka 1960.
- (iv) Katika Ardhi hii yatajengwa majengo ya vifaa vya kudumu ambayo yatajengwa kwa kufuatana na masharti ya haki za Ardhi
  - (a) Ramani za majengo zipelekwe katika Ofisi ya Mkurugenzi Mtendaji Wilaya ya Ludewa katika muda usiozidi miezi sita tangu tarehe ya kuanza haki ili zipate kibali. Ramani hizo zitaonyesha mahali pa kujengwa handaki la ukubwa kulingana na idadi ya watu watakaokuwa katika majengo hayo. Handaki litajengwa na kutunzwa wakati wote wa umilikaji wa Ardhi hii.
  - (b) Ujenzi uanze katika miezi sita ya kwanza baada ya Ramani za majengo kupitishwa.
  - (c) Ujenzi umalizike katika muda usiozidi miezi thelathini na sita tangu tarehe ya kuanza haki hii.
  - (v) Ardhi hii isigawanywe sehemu kwa madhumuni ya kupewa mtu mwingine au Haki hii isipewe mtu mwingine bila kupata kibali kwanza kwa maandishi kutoka kwa Kamishna wa Ardhi.
- (vi) Mmilikaji wa Ardhi hii itampasa kulipa Ada au gharama za shada na kufidia gharama yote iwapo gharama hizo zitakuwa zimekwisha kulipwa na Serikali.
- (vii) Mmilikaji wa Ardhi hii itampasa kuhakikisha kwamba mipaka ya upimaji wa Ardhi hii haing'olewi kwa wakati wote wa umilikaji. Mawe yatakayoonekana yameng'olewa itapasa yarudishwe katika sehemu zake kwa gharama za mmilikaji mwenyewe ambazo zitakadiriwa na Mkurugenzi wa Upimaji na Ramani.

2. Tafadhali unijulisha vifuatavyo:-

(a) Jina lako kamili (kwa herufi kubwa). (ombi lolote la kutaka hati itolewe kwe jina la mtu mwingine au watu ambao hawahusiki na toleo la Ardhi hii halitakubaliwa.

(b) Anwani yako kamili ukinijulisha namba ya nyumba na jina la mtaa na anwani ya Posta (iwapo unayo)

3. Gharema zilizohitajika ili upate Hati ya Ardhi ni hizi zifuatazo:-

(i) Ada ya utayarishaji wa Hati (preparation Fees) Shs.....	1,000.00
(ii) Ad ya Ramani za Hati (Reed Plans) Shs.....	3,000.00
(iii) Ad ya Usajili (registration Fees) Shs.....	672,756.00
(iv) Ad ya Upimaji (Survey Fees) Shs.....	.....
(v) Ishuru wa Serikali (Stamp Duty) Shs.....	53,536.00

(vi) Kodi ya Ardhi kuamkia tarehe

01/04/1999.....mpaka 31/06/1999

Shs 1,345,114.00

JUMLA

2,076,036.00

4. Ada ya Lisoorodhesawa hapo juu vilipwe kwa Afisa Maendeleo ya Ardhi wa Wilaya ya Ludewa S.L.P. 19, LILDEWA

5. Ada zote zilizotajwa hapo juu zinapashwa kuwa zimelipwa katika muda usiozidi siku thelathini kuanzia tarehe ya barua hii. Uhalali wa toleo hili utascha kama siku thelathini zitapita bila kulipa Ada zote zilizotajwa hapo juu.

6. Haki ya Familia Ardhi hii inawasa kutengulwa kwa sababu nzuri kama vil kwa milikaji kushidha kufuata masharti yaliyo kwenye Haki hii.

7. Haki ya Familia Ardhi hii inatolewa chini ya Sheria ya Ardhi (Sura 1143) na Kanuni zake.

*(Signature)*  
(S.H. MUNDI)

AFISA MAENDELEO YA ARDHI,

MKOA WA IRINGA.

Kny:

Nakala Eisa Maendeleo ya Ardhi,  
Wilaya ya Ludewa,  
S.L.P. 19,  
Lildewa.

Certified True Copy of Original Document Sighted by Me

21/12/2011

Mingji Elisha Mkuha  
Advocate, Notary for Oaths  
Commissioner for 1281  
P. O. Box 1281  
Dar-es-Salaam.



宏達集團  
HONGDA GROUP

Ref. No. CMD/RFP/4000/11/12/01

20<sup>th</sup> December, 2011

The Executive Director,  
Tanzania Investment Centre,  
Shaban Robert Street,  
P.O Box 938,  
**DAR ES SALAAM.**

Dear Sir,


**RE: TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LIMITED**

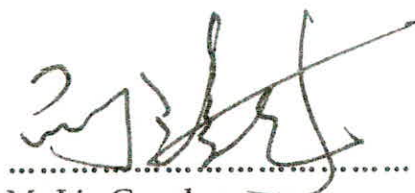
**- Intention to Register the JVC with TIC**

This is to inform you that the Government of the United Republic of Tanzania through National Development Corporation signed a Joint Venture Agreement (the "JVA") with Sichuan Hongda Group Co. Ltd. of China, in September 2011 for the purpose of developing and implementing the Mchuchuma Coal and Liganga Iron Ore projects located in Ludewa District, Iringa region. A joint venture company (the "JVC") named *Tanzania China International Mineral Resources Limited* has been established pursuant to the JVA.

We are writing to apply for the Certificate of Incentives from Tanzania Investment Centre ("TIC") in order to facilitate the implementation of the projects mentioned above by the JVC in accordance with the JVA. A meeting of the Board of Directors of the JVC is yet to be held, in which a resolution of the Board of Directors will be passed to apply for TIC Certificate of Incentives.

In the absence of the Board of Directors' resolution to register the JVC with TIC, we are hereby confirming our intention to do so and the Board resolution will be forwarded to you in due course.

  
.....  
Dr. Christant Mzindakaya  
Chairman of the Board  
National Development Corporation

  
.....  
Mr. Liu Canglong  
Chairman of the Board  
Sichuan Hongda Group Co. Ltd.

CASH FLOW STATEMENTS  
FOR  
LIGANGA IRON ORE PROJECT

Table 2-2 Summary of main technical and economic indicators

S/N	Indicator	Unit	Qty	Remarks
1	Products and output			
	Vanadium pentoxide	t/a	3540	
	Wire rod	10 <sup>4</sup> t/a	100	
2	Consumption of main raw & auxiliary materials			
	Pulverized coal	t/a	835000	
	Scrap	t/a	9800	
	Limestone	t/a	228000	
	Ferroalloy	t/a	19440	
	Power			
3	Annual power consumption	10 <sup>4</sup> k·Wh/a	150651	
4	Floor area of plant area	m <sup>2</sup>	1314672	
5	Manning	person	3930	
6	Main economic indicator			
6.1	Total investment	10 <sup>4</sup>	170218	
	Including: Construction investment	10 <sup>4</sup>	126406	
	Interest during construction period	10 <sup>4</sup>	32967	
	Working capital	10 <sup>4</sup>	10846	
6.2	Sales income	10 <sup>4</sup> /a	99000	The design capacity achievement year
6.3	Total cost	10 <sup>4</sup> /a	76245	The eighth year of the calculated period
6.4	Operation cost	10 <sup>4</sup> /a	57378	The eighth year of the calculated period
6.5	Value-added tax	10 <sup>4</sup> /a	10921	The eighth year of the calculated period
6.6	Sales tax and additional tax	10 <sup>4</sup> /a	985	The eighth year of the calculated period
6.7	Total profit	10 <sup>4</sup> /a	21770	The eighth year of the calculated period
6.8	Earnings before interests and taxes (EBIT)	10 <sup>4</sup> /a	33146	The eighth year of the calculated period

L-7

Add: 27F Hongda International Plaza., No.2 East Jinli RD., Chengdu., P.R. China(610041)  
 Tel: +86 28 86129918 Fax: +86 28 86129928  
 Web: www.sinohongda.com  
 E-mail: Hongda@sinohongda.com



S/N	Indicator	Unit	Qty	Remarks
6.9	Income tax	10 <sup>4</sup> /a	5443	The eighth year of the calculated period
6.10	Net profit	10 <sup>4</sup> /a	16328	The eighth year of the calculated period
6.11	Internal rate of return for all investments	%	18.02	After payment of tax
7.12	Payback period	a	9.02	After payment of tax
7.13	Rate of return on investment (ROI)	%	19.47	The eighth year of the calculated period
6.14	Rate of return on common stockholders' equity (ROE) for the Project	%	59.48	The eighth year of the calculated period

2-]

## Total investment use plan and financing for the project

Schedule 1

Thousand

Unit: US Dollar Ten Thousand

S/N	Item	total	1	2	3	4	5	6	7	8
	Production load rate (%)					40%	50%	50%	90%	100%
1	Total capital	170218	26141	27933	23342	35877	34875	16627	4338	1085
1.1	Construction investment	126406	25281	25281	18961	25281	25281	6320		
1.2	Interest during construction period	32967	860	2652	4381	6258	8509	10307		
1.3	Current capital	10846				4338	1085		4338	1085
2	Financing	170218	26141	27933	23342	35877	34875	16627	4338	1085
2.1	Capital fund	27450	5056	5056	3792	5924	5273	1264	868	217
	Including: Used as current capital	2169				868	217		868	217
2.2	Loan	142768	21085	22877	19550	29954	29602	15363	3471	868
2.2.1	Current fund loan	8676				3471	868		3471	868
2.2.2	Long-term loans	134091	21085	22877	19550	26483	28734	15363		

Add: 27F Hongda International Plaza, No.2 East Jinli RD., Chengdu, P.R.China(610041)

Tel: +86 28 86129918 Fax: +86 28 86129928

Web: www.sinohongda.com

E-mail: Hongda@sinohongda.com





Estimate for sales income, sales tax & extra charge and value-added tax

Schedule 3

Item	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
Production load (%)					40%	50%	50%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
1	2158724				38600	49500	48500	89100	98000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000
Sales income					1600	2000	2000	3600	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Vanadium pentoxide	85204				38000	47500	47500	85500	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000	95000
Wire rods	2023500				4369	5461	5461	9829	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921
Value-added tax	232826				394	492	492	886	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985
3	20974				218	273	273	491	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546
Urban maintenance and construction tax	11631				131	164	164	295	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328	328
3.1					44	56	56	100	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111
3.2	6979																											
Educational extra charge																												
3.3																												
Resource extra charge																												



L-7



### Estimate of Costs for Main Raw & Auxiliary Materials and Power

Schedule 4

S/N	Item	Unit	Rate (US dollar)	Annual consumption	Amount (10,000 yu)	Remarks
1	Raw & auxiliary materials				18185	
	Pulverized coal	t	39	835000	3257	
	Scrap	t	1235	9800	1210	
	Spheric agglomeration (sludge pellet)	t	400	22400	896	
	Iron ore	t	120	21600	259	
	Limestone	t	44	228000	1003	
	Ferroalloy	t	2200	19440	4277	
	Sodium Carbonate	t	655.00	7080	464	
	Ammonium sulfate	t	741.00	3540	262	
	Industrial sulphuric acid	t	353.00	3540	125	
	Calcium chloride dihydrate	t	795.00	1062	84	
	Industrial salt	t	530.00	2124	113	
	Auxiliary materials				6235	
2	Power				16572	
	Electric power	10 <sup>4</sup> kwh	1100	150651	16572	

Schedule 5

Unit: US Dollar Ten Thousand

S/N	Item	Production load (%)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	Procured raw materials		387341			7274	9053	9053	16367	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185	18185
2	Procured fuel and power		352976			1264	8286	8286	14914	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572	16572
3	Wages and welfare		66776			1568	1568	1568	2822	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135	3135
4	Maintenance cost		150154			2820	3525	3525	6345	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050	7050
5	Other cost		264912			4975	6218	6218	11193	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437	12437
6	Operation cost		1222149			22951	28689	28689	61640	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378	67378
7	Depreciation		133941			6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697	6697
8	Dimensional change					716				795	795	795	795	795	795	795	795	795	795	795	795	795	795	795	795	795	795	795
9	Amortization																											
10	Financial cost		106891			295	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369
	Including: Fixed asset loan interest		91182			11398			10638	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878	9878
	working capital loan interest		15709			295	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369	369
11	Total cost		1478801			23246	29058	29058	52968	59668	66368	73068	79768	86468	93168	99868	106568	113268	120068	126868	133668	140468	147268	154068	160868	167668	174468	181268

**Estimate of total cost**

Profit and profit distribution

Schedule 6

Unit: US Dollar Ten Thousand

S/N	Item	Total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17	18	19	20	21	22	23	24	25	26		
	Production load (%)					40%	50%	50%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
1	Operation income	2108704				39600	49500	49500	89100	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	
2	Sales tax and surcharge	20974				394	492	492	886	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	
3	Total cost	1479801				25246	29038	29038	71114	76243	75485	74726	73966	72206	72446	71896	70926	70167	69407	69407	68847	67987	67127	66367	65607	65607	65607	65607	65607	65607	
4	Subsidy revenue																														
5	Total profit	608829				15860	19950	19950	17100	21770	22530	23290	24050	24810	25569	26329	27089	27849	28609	28609	29369	30129	30888	31648	32408	32408	32408	32408	32408	32408	
6	Compensation for previous annual loss																														
7	Liabile income	608829				15860	19950	19950	17100	21770	22530	23290	24050	24810	25569	26329	27089	27849	28609	28609	29369	30129	30888	31648	32408	32408	32408	32408	32408	32408	
8	Income tax	3990				3990	4988	4988	4275	5483	5633	5922	6012	6202	6392	6582	6772	6962	7152	7152	7342	7532	7722	7912	8102	8102	8102	8102	8102	8102	
9	Net profit	456697				11970	14963	14963	12825	16287	16997	17467	18037	18607	19177	19747	20317	20887	21457	21457	22027	22596	23166	23736	24306	24306	24306	24306	24306	24306	24306
10	Profit available for distribution	456697				11970	14963	14963	12825	16287	16997	17467	18037	18607	19177	19747	20317	20887	21457	21457	22027	22596	23166	23736	24306	24306	24306	24306	24306	24306	
11	Withdrawal of statutory surplus reserve	45670				1197	1496	1496	1282	1633	1660	1747	1804	1861	1918	1975	2032	2089	2146	2146	2203	2260	2317	2374	2431	2431	2431	2431	2431	2431	
12	Profit available for owners distribution					10773	13466	13466	11542	14655	15208	15721	16234	16746	17259	17772	18285	18798	19311	19311	19824	20337	20850	21363	21875	21875	21875	21875	21875	21875	
	Profit distribution for investors																														
13	Retained earnings	411027				10773	13466	13466	11542	14695	15208	15721	16234	16746	17259	17772	18285	18798	19311	19311	19824	20337	20850	21363	21875	21875	21875	21875	21875	21875	
14	ERIT	715620				16255	20319	20319	29151	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146	33146
15	Earnings Before Interest, Tax, Depreciation and Amortization	849760				16255	20319	20319	33868	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	39843	

Unit: US  
 Dollar  
 Ten  
 Thousand

### Schedule for repayment of principal and payment of interest for loan

Schedule 7

S/N	Item	Interest rate	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	Loan 1	8.50%																					
1.2	Outstanding loan at the beginning of the period			21085	43961	63511	89994	118728	134091	125152	116212	107273	98334	89394	80455	71515	62576	53637	44697	35758	26818	17879	8939
1.1	Loan principal during the current period		20225	20225	15169	20225	20225	5056															
1.2	Loan interest during the current period		860	2652	4381	6258	8509	10307															
1.3	Repayment of principal and payment of interest during the current period								20337	19577	18817	18058	17298	16538	15778	15018	14258	13499	12739	11979	11219	10459	9699
	Including: Repayment of principal								8939	8939	8939	8939	8939	8939	8939	8939	8939	8939	8939	8939	8939	8939	8939
	Payment of interest								11398	10638	9878	9118	8358	7599	6839	6079	5319	4559	3799	3039	2280	1520	760
1.4	Outstanding loan at the end of the period		21085	43961	63511	89994	118728	134091	125152	116212	107273	98334	89394	80455	71515	62576	53637	44697	35758	26818	17879	8939	0
Calculated indicators	Interest coverage ratio (ICR)								2.42	2.91	3.12	3.36	3.64	3.98	4.37	4.86	5.47	6.26	7.31	8.78	10.99	14.68	22.14
	Debt-service coverage ratio (DSCR)								1.50	1.69	1.75	1.81	1.88	1.95	2.03	2.11	2.21	2.31	2.43	2.56	2.70	2.87	3.06

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2.7

**Cash flows statement for investment of the Project**

Unit: US Dollar Ten Thousand

Schedule 8	Item	Total	Year																										
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
	Production load (%)					40%	50%	50%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
1	Cash inflow	2,109,704				396,000	495,000	495,000	891,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000
1.1	Operation income	2,109,704				396,000	495,000	495,000	891,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000	990,000
1.2	Subsidy revenue																												
1.3	Recovered fixed assets margin																												
1.4	Recovered working capital																												
2	Cash outflow	1,380,375	25,281	18,961	5,286	5,514	3,502	5,685	9,547	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	
2.1	Construction investment	1,264,000	25,281	18,961	5,286	5,514	3,502	5,685	9,547	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	58,363	
2.2	Working capital	116,646																											
2.3	Business cost	1,222,149																											
2.4	Sales tax and extra charge	209,704				394	492	492	886	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985
2.5	Investment for operation maintenance																												
3	Net cash flow before income tax	746,224	-25,281	-18,961	-13,861	-6,017	1,399	3,226	36,533	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	40,638	
4	Accumulated net cash flow before income tax		-25,281	-66,602	-89,845	-117,956	-142,700	-117,956	-31,177	37,190	78,128	118,765	159,403	200,041	240,678	281,315	321,953	362,591	403,229	443,866	484,504	525,141	565,779	606,417	647,054	687,692	746,224		
5	Adjustment of income tax	1,795,5								4,964	5,000	5,080	5,200	5,296	5,386	5,476	5,566	5,656	5,746	5,836	5,926	6,016	6,106	6,196	6,286	6,376	6,466	6,556	
3	Net cash flow after income tax	567,269	-25,281	-18,961	-17,728	-11,127	8,619	2,945	31,267	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	32,551	
4	Accumulated net cash flow after income tax		25,281	66,602	89,845	117,956	142,700	117,956	31,177	3,175	31,755	64,106	96,458	128,809	161,160	193,511	225,862	258,214	290,565	322,916	355,267	387,618	419,970	452,321	484,672	517,023	549,374	581,725	

Calculated indicators:

Internal rate of return of the Project: 22.14%

After payment of income tax

18.02%

Net present value (Ic=12%) for the Project: 89,429 ten thousand

Recovery period of the Project (from construction period): 8.08 year

Before payment of income tax

22.14%

89,429 ten thousand

8.08 year



### Cash flows statement for financial plan

Unit: US Dollar Ten Thousand

Schedule 10

S/N	Item	total	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
	Production load (%)					40%	50%	50%	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
1	Net cash flow for operation activities	713349				12265	15331	15331	32299	35195	35005	34815	34625	34435	34245	34055	33865	33675	33485	33295	33105	32916	32726	32536	32536	32536	32536	32536
1.1	Cash inflow	2467184				46332	57915	57915	104247	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830	115830
1.1.1	Operation income	2108704				39600	49500	49500	89100	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000	99000
1.1.2	Substituted money on VAT	358480				6732	8415	8415	15147	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830	16830
1.1.3	Subsidy revenue																											
1.1.4	Other inflow					34067	42584	42584	71948	80635	80825	81015	81205	81395	81585	81775	81965	82155	82345	82535	82725	82915	83105	83295	83295	83295	83295	83295
1.2	Cash outflow	1753835				22951	28689	28689	51540	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378	57378
1.2.1	Business cost	1222149				2363	2954	2954	5318	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909	5909
1.2.2	Input VAT	125854				394	492	492	886	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985	985
1.2.3	Sales tax and surcharge	20974				4369	5461	5461	9829	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921	10921
1.2.4	VAT	232626				3990	4988	4988	9275	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443	10443
1.2.5	Income tax	152232																										
1.2.6	Other Outflow																											
2	Net cash flow for investment activities	-170218	-25281	-25281	-18961	-29619	-26366	-6320	-4338	-1085																		
2.1	Cash inflow																											
2.2	Cash outflow	170218	25281	25281	18961	29619	26366	6320	4338	1085																		
2.2.1	Construction investment	159372	25281	25281	18961	25281	25281	6320																				
2.2.2	Investment for operation maintenance					4338	1085		4338	1085																		
2.2.3	working capital	10846																										
2.2.4	Other outflow																											
3	Net cash flow for financing activities	-103731	25281	25281	18961	29324	25997	5952	-16663	-19230	-19555	-18795	-18035	-17275	-16516	-15756	-14996	-14236	-13476	-12716	-11956	-11197	-10437	-737	-737	-737	-737	-737
3.1	Cash inflow	137251	25281	25281	18961	29619	26366	6320	4338	1085																		
3.1.1	Investment of capital fund for the Project	27450	5056	5056	3792	5924	5273	1264	868	217																		
3.1.2	Construction investment borrowing	101125	20225	20225	15169	20225	20225	5056																				
3.1.3	working capital loan	8676				3471	868		3471	868																		
3.2	Cash outflow	240982				295	369	369	21001	20315	19555	18795	18035	17275	16516	15756	14996	14236	13476	12716	11956	11197	10437	737	737	737	737	
3.2.1	Payment for various interests	106891				295	369	369	12062	11375	10616	9856	9096	8336	7576	6816	6056	5297	4537	3777	3017	2257	1497	737	737	737	737	
3.2.2	Repayment of debt principal	134091				11970	14963	14963	11298	14880	15450	16020	16590	17160	17730	18300	18869	19439	20009	20579	21149	21719	22289	31798	31798	31798	31798	
4	Net cash flow	472367				11970	14963	14963	11298	14880	15450	16020	16590	17160	17730	18300	18869	19439	20009	20579	21149	21719	22289	31798	31798	31798	31798	
5	Accumulated surplus fund	4744289				11970	26933	41895	53193	68073	83523	99543	116133	133293	151023	169322	188192	207631	227644	248219	269368	291087	313376	345174	376972	408770	440568	



Tanzania China International Mineral Resources Ltd

Proposed Projects for Exploration and Development of Mchuchuma Integrated  
Coal Mine and Thermal Power Station Concession and Liganga Iron Ore  
Concession

Prepared by

Tanzania China International Mineral Resources Ltd

P. O Box 2669

Dar es Salaam

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## 1.0 Company Description

Tanzania China International Mineral Resources Ltd., a company newly incorporated in Tanzania whose registered office is at **NDC Development House, Ohio Street/Kivukoni Front , P.O. Box 2669 Dar es Salaam, Tanzania.**

Tanzania China International Mineral Resources Ltd have been incorporated and established as the Joint Venture Company("JVC") between National Development Corporation of Tanzania ("NDC") and Sichuan Hongda (Group) Company Ltd of China ("Hongda") under the Company Registration Ordinance (CAP 212) of the United Republic of Tanzania with a Certificate of Incorporation No:85880 dated 16th September 2011.

The company's authorized share capital is Tanzania Shillings Ten Million(i.e Tshs. 10,000,000/=) divided into Ten Thousand (i.e. 10,000) shares of Tanzania Shillings One Thousand Shillings (i.e. Tshs.1,000/=) each. [\(the article of association on page 12.\)](#)

In Tanzania China International Mineral Resources Ltd as the biggest shareholder, Hongda has 8,000 Shares of the JVC, representing 80% of the total issued and outstanding Shares of the JVC , and NDC has 2,000 Shares of the JVC, representing 20% of the total issued and outstanding Shares of the

JVC. (On Subscription and Shareholders' agreement page 1)

## 2.0 Business of the JVC

2.1 The exploration and development of the Mchuchuma coal mine and the extraction, supply and sale ( or use for the purposes of the Liganga Iron Ore Concession and Mchuchuma Integrated Coal Mine and Thermal Power Station Concession project) of coal;

2.2 . The construction and operation of the Plant and supply of power directly to the Project (including the Mchuchuma coal mine, the Liganga iron ore mine, the Smelter and to TANESCO or any other Offtaker subject to successful negotiation of Power Purchase Agreement.)

2.3 . The exploration and development of the Liganga Iron ore mine and the extraction from the Land, selection, processing and sale ( or use for the purpose of the project ) of iron ore, titanium and vanadium ores, Limestone and dolomite;

2.4 . The construction and operation of the Smelter and the sale of the products produced by the Smelter;

2.5 . Infrastructure projects associated with the foregoing, being the construction of roads and power transmission lines connecting the

Mchuchuma coal mine and Liganga iron ore mine; and

2.6 . All other business and actions carried out and conducted by the JVC in relation to the business.

### 3.0 Capital Investment Cost

Total estimated investment of the project is about USD 3 billion and it is planned to construct a pithead coal- fired power station with an installed ilding capacity of 4\*150 Megawatts and to develop a steelworks with production of 1 million t/a of steel. After the two projects are completed , the annual sales revenue will reach about USD 1.2 billion.( on the bidding book page2)

### 4.0 Financing Plan

In consideration for issue of the Hongda shares, Hongda's contribution is up to US\$600 million of equity to the Tanzania China International Mineral Resources Ltd, to be disbursed and applied in accordance with the progress of the implementation of the projects.

Procure additional financing for Tanzania China International Mineral Resources Ltd, including debt financing of up to an aggregate of US\$2.4 billion, to be secured by the assets of the JVC and guaranteed by Hongda. ( on the Joint Venture Agreement 2.9) .

### 5.0 Annual use plan of total fund ( on the bidding book page30)

The construction period of the Projects is six years, and 20% is proposed in the fund use plan for the first year, 20% for the second year, and 15% for the third year, 20% for the fourth year, 15% for the fifth year and 10% for the

sixth year. Working capital is invested year by year according to the design capacity achievement plan.

## 6.0 Project Implementation

6.1 . Completing a detailed examination of the resource deposits of each of the Mchuchuma coal mine and the Liganga iron mine within 36 months of Completion;

6.2 Completing the development and construction of the Mchuchuma coal mine and the Liganga iron ore mine;

6.3 Completing the construction of the Smelter with an aggregate designed capacity of 1 million tones, in two phases, with the first phase of 500,000 tones to be completed within 36 months after Completion and the second phase of 500,000 tones to be completed within 72 months after Completion;

6.4 Completing the construction of the Plant with a total installed capacity of 600,000 kilowatts, in four phases, with the first , second, third and fourth power generation sets of 150,000 kilowatts each commencing operation within 34 months, 36 months, 58 months and 72 months after Completion, respectively.

## 7.0 Sichuan Hongda's Obligations

7.1 Hongda Group will assist the JVC to acquire the world's leading technology in the separation of vanadium and titanium from vanadium-titanium magnetite iron ore; [\(on the JVCC2.9\)](#)

7.2 Impart to the JVC its experience and technology in developing large-scale mining projects; [\(on the JVCC2.9\)](#)

7.3 Assist the JVC to provide professional and skill training to Tanzanian local employees (including hosting training programs in China for employees in key positions), at the expense of the JVC, and create job opportunities in Tanzania during the implementation of the Projects. [\(on the JVCC2.9\)](#)

## 8.0 Production and Manning

8.1 Production scale and product scheme [\(on the bidding book page 2 and 31\)](#)The production scale upon completion of the Projects are up to annual steel output of 1 million t/a and annual vanadium pent oxide output of 3540t/a.

8.2 Estimate of wages and welfares [\(on the bidding book page 2 and 31\)](#)

The Projects requires manning of 3930 persons, including 50 managers and technicians, whose wages and welfares are calculated as USD45,000 person/year, and those for others are calculated as USD 7,500 person/year. Annual wages and welfares are USD 31.35 million.

## 9.0 Environmental Covenants [\(on the JVCC 8\)](#)

Tanzania is basically a primitive eco-region. Mining and deep processing of products inevitably bring a certain impacts to the geology, water and soil, vegetation and atmosphere. However , through applying the world's advanced production process to mine, power plant and steel works and considering

comprehensive utilization of various resources, Hongda Group can recycle waste water and residue, waste gas is discharged up to the discharge standard, thus, the impact of the project on the overall environment of Tanzania shall be minimized accordingly. (on the bidding book page 3).

Tanzania China International Mineral Resources Ltd. shall comply with all applicable Environmental Law when undertaking its obligations, and shall ensure that no Hazardous Substance is released or emitted into the environment from or within the Land as a result of, either directly or indirectly, carrying out its obligations which will lead to a material liability under the applicable Environmental Law.

#### 10.0 Technical characteristic

The most advanced supercritical technology in the world at present is applied to the power generation project so as to save resource and protect environment.

As to the steel works project, current advanced abbreviated smelting technology adopting direct reduction in the world is used to reduce the process steps, which keeps step with the international trend for environmental protection, energy-saving and emission reduction and cyclic economy while guaranteeing the product quality. Rare and precious metals such as Ti and V are reserved in Liganga iron ore mine. In the process of mining and steel-making, we make use of mature technology for effective recovery and

establish deep-processing project in moderate scale in due time as per industrialization conditions and market demands to optimize resources utilization and to maximize the added value.

## 11.0 Conclusion

Tanzania China International Mineral Resources Ltd have been incorporated and established as the Joint Venture Company between National Development Corporation of Tanzania ("NDC") and Sichuan Hongda (Group) Company Ltd of China ("Hongda") which has had the international advanced and mature process technology, scientific and modern operating management to undertake the construction and production operation in an environment-friendly, safe and efficient manner while keeping a foothold in domestic market of Tanzania and radiating the international market, thus, the investment projects shall play a driving role for speeding up the development of Tanzania's national economy, improvement of people's living condition and further deepening the traditional friendship between China and Tanzania.

**This projects** has highlighted on the social, economic and financial dimensions of the envisaged project. The project is technically feasible, financially and economically viable also environmentally friendly. A fast implementation of the project is highly recommended and called for to avoid cost overruns and the ability to realize the benefits outlined above; this is especially at this juncture

when the Government is strongly encouraging both local and foreign investments.

## 12.0 Recommendations

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect. It is further recommended that TIC Certificate of Incentives be granted to enable smooth implementation of the project.



# **TANZANIA INVESTMENT CENTRE**

## **REGISTRATION FORM**

**FOR**

## **CERTIFICATE OF INCENTIVES**

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

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

**(Please fill the form in duplicate)**

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We Tanzania China International Mineral Resources Ltd  
(director/directors/agent of Tanzania China International Resources Ltd  
(name of business enterprise) apply for registration of Certificate of Incentives  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at NOC Development House  
Ohio Street / Kivukoni Front P.O. Box 2669, Dar es Salaam, Tanzania

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
  - (ii) Certificate of Incorporation/Registration
  - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
  - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at NEC Development House, Ohio Street
4. The Principal Officers of the Company are Mr. Liu Jun ; Mr. Mziolakya  
Mr. Gordon John Masari
5. Auditors of the Company are To be appointed
6. The authorized share capital of the Company is Tshs./US\$ Tshs. 10,000,000/= divided into  
10,000 shares of Tshs. 1,000/= each

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ USD 1.7 BILLION

8. The month and day of the financial year end is (Jan-Dec)

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

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

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

I, ..... of Post Office Number .....

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

authorized agent of Tanzania China International Mineral Resources Ltd

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

Declared at Dar es Salaam }  
..... }

The 23rd day of Feb 2012 }

x Indey Hassan  
Applicant

Before me:

[Signature]  
.....  


**Commissioner for Oaths**

**APPLICATION SUMMARY**

Company Name: Tanzania China International Mineral Resources Ltd

Certificate of Incorporation Number: 85880 Status: New

Certificate of Incorporation Date: 16 September 2011

Post Box: 5314

Town: Dares Salaam

Sector: Manufacturing / Iron & Steel Sub-Sector: Iron and Steel manufacturing

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>USD 275 million</u>	<u>0</u>	<u>USD 1,428 million</u>	<u>0</u>

Project Objectives: Liganga Iron Ore Concession — (iron smelting/Processing)

Capacity: 1 million/pre year Steel and Iron

Employment: Foreign: 650 Local: 3280 Total: 3930

Implementation Period: 26 years

**Project Location**

Site/Plot/Block No.: 537 and 537/1

Street: ..... District: Ludewa Region: Njombe  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>Sichuan Hongda Group</u>	<u>China</u>	<u>80</u>
<u>National Development Corporation</u>	<u>Tanzania</u>	<u>20</u>
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

Land/Building ..... *1000*

Plant (Iron & Steel) = ..... **1015.90**

Vehicles ..... *100*

Furniture & Fittings ..... *715.5*

Pre-expenses (Iron ore mine) = ..... **248.16**

Others ..... **327.91**

Working Capital ..... **108.42**

**TOTAL** ..... **1,700.39**

**Contact Details:**

Name: ... **Mrs. Sun Qian** .....

Title: **Company Secretary** .....

Telephone: ... **0784432101** .....

Fax: .....

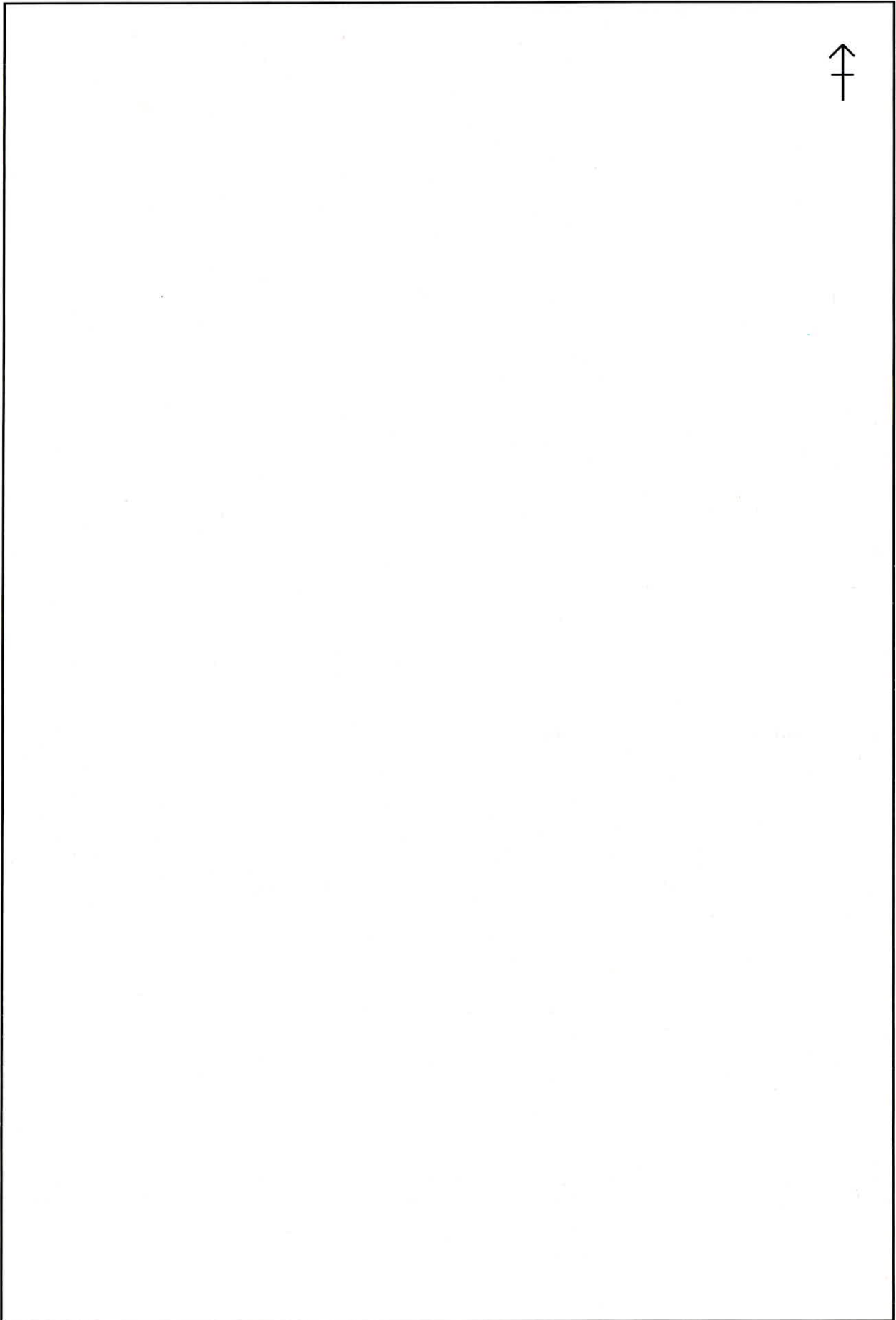
Email: ... **Sophia\_sun827@yahoo.cn** .....

**Sophia\_sun827@foxmail.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**







# NATIONAL DEVELOPMENT CORPORATION

Development House, Kivukoni Front/Ohio Street, P. O. Box 2669, Dar es Salaam, TANZANIA

Phone: (+255 - 22) 2111460-4, 2111489-95, Fax: (+255 - 22) 2113618, E-mail: ndc@cats-net.com Web <http://www.ndctz.com>

Ref. No. CMD/RFP/400/12/01

23<sup>rd</sup> February 2012

The Executive Director  
Tanzania Investment Centre  
Shaban Robert Street  
P.O. Box 938  
**DAR ES SALAAM.**

Dear Sir,

**RE: LIGANGA IRON AND STEEL PROJECT**  
**- Application for TIC Certificate of Incentive**

This has reference to the meeting held between yourself and officials from National Development Corporation (NDC) and Sichuan Hongda Group (SHG) on 19<sup>th</sup> December 2011 in your good office, in respect of application for TIC Certificate of Incentives. The NDC and SHG signed a Joint Venture Agreement (JVA) in September 2011 to establish a Joint Venture Company in the name of Tanzania China International Mineral Resource Limited (TCMRL).

We are pleased to inform that the application (attached) for Mchuchuma Coal to Electricity Project is duly filled including all attachments. In the absence of Board of Directors resolution, we have attached a letter informing you the intention of TCMRL to register with TIC, signed by both Chairmen. We have also attached letters from our bankers, as per your instruction.

In this connection, we request your good office to issue the TCMRL with the TIC Certificate of Incentives in order to facilitate various transactions during implementation of the project.

We look forward to hearing from you.

Yours Sincerely,  
**NATIONAL DEVELOPMENT CORPORATION**

  
**GIDEON J. NASARI**  
**MANAGING DIRECTOR**



*Official correspondence should be addressed to the Managing Director*



Tanzania China International Mineral Resources Ltd

坦中国际矿产资源有限公司

Development House, Kivukoni Front/Ohio Street, P.O.Box 5314, Dar es Salaam, Tanzania



②⑦

DATE: 30 May, 2013

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

DIR

**RE: REFUND OF PAYMENT FOR WORK PERMIT APPLICATION IN  
RESPECT OF ZHAO YUANJUN**

This has reference to the letter form your good office dated 8<sup>th</sup> January, 2013 with Ref. No. TICC/PP.10/EQ/042183/7 regarding work permit application in respect of Zhao Yuanjun.

Actually after submission of the foresaid application to Labor Commissioner on 24<sup>th</sup> December, 2012, we paid 2255 U. S. Dollars to your good office on 4<sup>th</sup> January, 2013 for quick transaction.

As this application was not recommended for issuance of work permit by Labor Commissioner, we wish to get the foregoing payment refunded to our following account:

Tanzania China International Mineral Resources Ltd., P. O. Box 5314, Dar es Salaam, Tanzania. Account No: 0240 0266 15701; Swift Code: SBICTZTX; Beneficiary Bank: Stanbic Bank Tanzania Limited, P. O. Box 72647, Dar es Salaam, Tanzania.

Thank you for your usual support.

Yours sincerely,

Tanzania China International Mineral Resources Ltd.

Huang Daxiong  
Chief Executive Officer

  
C. C. Director of Immigration Service



Enclosure: RECEIPT

Unclaimed refund beyond three years will be forfeited



### TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC009831

No.004319

Received from : TANZANIA CHINA INTER MINERAL RESOURCES

Address : P.O. BOX 938 DAR ES SALAAM

Received the sum of (In words): SIX THOUSAND SEVEN HUNDRED SIXTY FIVE AND (200) SEVENTY ONLY

Being payment in respect of : W/ PERMIT'S FEES J BIAO, GUANYUN & YUANJUN

Amount : USD 6,765.00

Cash / Cheque No: 00004319

Date : 04-Jan-2013

Bliss *[Signature]* Receiving Officer

*For Executive Director  
Tanzania Investment Centre*

Unclaimed refund beyond three years will be forfeited



### TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC009830

No.004318

Received from : TANZANIA CHINA INTER MINERAL RESOURCES

Address : P.O. BOX 938 DAR ES SALAAM

Received the sum of (In words): TWO THOUSAND TWO HUNDRED FIFTY FIVE AND (50) SEVEN ONLY

*For Executive Director  
Tanzania Investment Centre*

TICC/PP.10/EQ/042183/7

8<sup>th</sup> January, 2013

General Manager,  
Tanzania China International Mineral Resources Ltd,  
P.O.Box 5314,  
**DAR ES SALAAM**

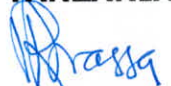
**REF: WORK PERMIT APPLICATION IN RESPECT OF ZHAO YUANJUN FOR  
TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD**

Reference is made to your letter dated 24<sup>th</sup> December, 2012 regarding the subject above.

We wish to inform you that the said application was not recommended for issuance of work permit by Labour Commissioner. You are therefore advised to employ Local Expert with requisite qualifications, skills and experiences for the post under reference.

Please be guided accordingly,

Yours Sincerely,  
**TANZANIA INVESTMENT CENTRE**

  
R. Arbogast

**FOR: EXECUTIVE DIRECTOR**

**C.C.** Director of Immigration Service,  
Immigration Department,  
P.O. Box 512,  
**Dar es Salaam.**

**Enclosure:** Letter from Labour Commissioner

042183

**THE UNITED REPUBLIC OF TANZANIA**

**MINISTRY OF LABOUR, EMPLOYMENT AND YOUTH DEVELOPMENT**

6

Telegrams : "KAZI USTAWI"  
Telephone : 2110876/7  
Fax: 2112054  
E Mail: [kazi@africaonline.co.tz](mailto:kazi@africaonline.co.tz)



P. O. BOX 1422,  
DAR ES SALAAM.

In reply please quote: EQ/1623/12

24/12/2012

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



Ag DIF  
f.y.i  
pl.  
31/12/2012

**REF: WORK PERMIT APPLICATION IN RESPECT OF ZHAO  
YUANJUN IN THE CAPACITY OF SOLID MINERAL DRILLER FOR  
TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD**

Kindly refer to the above captioned matter.

Be informed that application for the above mentioned applicant is not recommended for reason lack of prerequisite experience and knowledge to impart knowledge to the locals.

I strongly advice the employer be advised accordingly.

Thanking you in advance for your continued cooperation.

Mercy G. Jilala

For; **LABOUR COMMISSIONER**

**C.C.** Director of Immigration Service,  
Immigration Department,  
P.O. Box 512,  
**Dar es Salaam.**



(Final)  
FILE NO: 042183

# TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

4

RECEIPT REC006683

No. 001397

Received from : TANZANIA CHINA INTERNATIONAL MINERAL RE

Address P.O BOX 5314 DSM

Received the sum of (In words): ONE THOUSAND FIVE HUNDRED AND ZERO CENTS ONLY



Being payment in respect of : CERTIFICATE OF INCENTIVE

Amount : USD 1,500.00

Cash / Cheque No: 000095

Date : 29-Mar-2012

BUisso

Receiving Officer

3

TICC/PP.10/042183/3

5<sup>th</sup> March, 2012

Managing Director,  
Tanzania China International Mineral Resources Ltd.,  
P.O. Box 5314,  
**LUDEWA**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF A FACILITY FOR IRON AND STEEL PROCESSING**

We wish to acknowledge receipt of your project proposal To establish a facility for iron and steel processing as presented in the TIC P.A. 1 Form No. 09728 and Feasibility Study with a projected investment of USD 1700.4m.

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

- Company Board Resolution.

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

.../2

TICC/PP.10/042183/3

5<sup>th</sup> March, 2012

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

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

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**

  
B.D. Chonjo

**For: EXECUTIVE DIRECTOR**

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

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

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



## TIC Evaluation Report

**Name of the Company**  
**Tanzania China International Mineral Resources Ltd.**

Post Box	Plot No. 537 & 537/1	COI Number	85880	Contact	Mrs Sun Qran
Post Office	5314	COI Date	16/09/2011	Designation	Company Secretary
Region	Ludewa	Application F. No	09728	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0784 432 101
		Sub Sector	iron and Steel	Fax	0
		File No	042183	E-Mail Address	Sophia_Sun827@Yahoo.Cn Or Sophia_Sun827@Foxmail.Co m

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 537 & 537/1	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>272.4</td> <td>0</td> <td>1428</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	272.4	0	1428	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
272.4	0		1428	0								
Street	Ludewa											
District	Njombe											
Region	Iringa											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
National Development Corporation	Tanzanian	20	0	1016
Sichuan Hongda (Group) Co. Ltd.	Chinese	80	Vehicles	0
			Furniture & Fittings	0
			Pre-expenses	248
			Others	328
			Working Capital	108.4
			Total	1700.4

Employment	3930	Evaluated By	wf officer2
Capacity	1m. pa steel and iron and 600 mw power station	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

**Description**

To establish a facility for iron and steel processing

**Recommendations**

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

**Decision**

*Approved*  
  
 Ag ExD  
 27/02/12



Tanzania China International Mineral Resources Ltd

坦 中国际矿产资源有限公司

Development House, Kivukoni Front/Ohio Street, P.O.Box 5314, Dar es Salaam,Tanzania



宏達集團  
HONGDA GROUP

016

DATE: 30<sup>th</sup> September, 2013

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



*M mgambi*  
*P/20 done*  
*A DIT*  
*10/10/13*

**RE: REFUND OF PAYMENT FOR WORK PERMIT APPLICATION IN RESPECT OF ZHAO YUANJUN AND LIU GUANGMAO**

This has reference to the two letters from your good office about the rejection of work permit applications for Mr.Zhao Yuanjun and Mr.Liu Guangmao. One letter dated 8<sup>th</sup> January, 2013 with Ref. No. TICC/PP.10/EQ/042183/7 and the other dated 16<sup>th</sup> July ,2013 with Ref. No. EQ/576/2012.

After submission of the foresaid applications to Labor Commissioner on 24<sup>th</sup> December, 2012 and 10<sup>th</sup> April, 2012 respectively, we have paid 2255 U. S. Dollars on 4<sup>th</sup> January,2013 and 1705 U.S. Dollars on 17<sup>th</sup> May 2012 to your good office for Mr.Zhao Yuanjun and Mr.Liu Guangmao respectively for quick transaction.

The application of Mr.Zhao Yuanjun was not recommended for issuance of work permit by Labor Commissioner. And the application of Mr.Liu Guangmao was refused by Labor Commissioner and we appealed but is still rejected. Therefore, we wish to get the foregoing payment refunded to our following account:

Tanzania China International Mineral Resources Ltd., P. O. Box 5314, Dar es Salaam, Tanzania. Account No: 0240 0266 15701; Swift Code: SBICTZTX; Beneficiary Bank: Stanbic Bank Tanzania Limited, P. O. Box 72647, Dar es Salaam, Tanzania.

Enclosed are the receipts and refused letters.  
Quick solution and great support will be appreciated.

Yours sincerely,

**Tanzania China International Mineral Resources Ltd.**

**Huang Daxiong**

**Chief Executive Officer**  
C. C. Director of Immigration Service

TICC/PP.10/EQ/042183/7

8<sup>th</sup> January, 2013

General Manager,  
Tanzania China International Mineral Resources Ltd,  
P.O.Box 5314,  
**DAR ES SALAAM**

**REF: WORK PERMIT APPLICATION IN RESPECT OF ZHAO YUANJUN FOR  
TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD**

Reference is made to your letter dated 24<sup>th</sup> December, 2012 regarding the subject above.

We wish to inform you that the said application was not recommended for issuance of work permit by Labour Commissioner. You are therefore advised to employ Local Expert with requisite qualifications, skills and experiences for the post under reference.

Please be guided accordingly,

Yours Sincerely,  
**TANZANIA INVESTMENT CENTRE**

  
R. Arbogast  
**FOR: EXECUTIVE DIRECTOR**

**C.C.** Director of Immigration Service,  
Immigration Department,  
P.O. Box 512,  
**Dar es Salaam.**

**Enclosure:** Letter from Labour Commissioner

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

Telegrams : "KAZI AJIRA"

Telephone : 2110876/7

Fax: 2112054

E Mail: ps@kazi. go.tz.

In reply please quote:

Ref. No. EQ/576/2012



P. O. BOX 1422,  
DAR ES SALAAM.

16/07/2013

Managing Director,  
Tanzania China International  
Mineral Resources,  
P.O.BOX 5314,  
Dar es salaam

**RE: APPEAL AGAINST NON RECOMMENDATION FOR ISSUANCE  
OF A WORK PERMIT TO MR. LIU GUANGMAO**

Please refer to the above subject,

Having gone through your grounds of appeal and reasons adduced by the Labour Commissioner for not recommending issuance of work permit, I am of the considered view that there are valid and sufficient reasons to reject the appeal hence I hereby confirm the Labour Commissioner's decision not to grant a work permit.

A handwritten signature in blue ink, appearing to read 'Gaudentia M. Kabaka'.

Gaudentia .M. Kabaka (MP)  
**Minister for Labour and Employment**

**Copy to:** Labour Commissioner,  
P.O.BOX 9014  
Dar es salaam

Principal Commissioner for Immigration,  
P.O.BOX 512  
Dar es salaam

Executive Director,  
Tanzania Investment Centre,  
P.O.BOX 938,  
Dar es salaam



# TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

**RECEIPT** SEC007156

No.001873

Received from : TANZANIA CHINA INTERNATIONAL MINERAL RE

Address P.O. BOX 5314 DSM

Received the sum of (In words): SIX THOUSAND EIGHT HUNDRED TWENTY AND ZERO CENTS

*For Executive Director  
Tanzania Investment Centre*

Being payment in respect of : W/PERMITS:QIHONG,TAIBIN,GUANGMAO,F,JINLI

Amount : USD 6,820.00

Cash / Cheque No: D/deposit 175

Date : 17-May-2012

BUisso pp [Signature] ba  
Receiving Officer



Aug 11

53900

Installation returned beyond three years will be free of cost



### TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC009831

No.004319

Received from : TANZANIA CHINA INTER. MINERAL RESOURCES

Address : P.O. BOX 938 DAR ES SALAAM

Received the sum of (In words): SIXTYTHREE THOUSAND SEVEN HUNDRED SIXTY FIVE AND SEVEN CENTS ONLY

Being payment in respect of : W/ PERMIT FEES J. BIAO, GUANYUN & YUANJUN

Amount : USD 6,765.00

Cash / Cheque No: MMB/24/11/16/12

Receiving Officer: [Signature] ba

Date :

*For Executive Director  
Tanzania Investment Centre*

Installation returned beyond three years will be free of cost



### TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC009830

No.004318

Received from : TANZANIA CHINA INTER. MINERAL RESOURCES

Address : P.O. BOX 938 DAR ES SALAAM

Received the sum of (In words): TWO THOUSAND TWO HUNDRED FIFTY FIVE AND SEVEN CENTS ONLY

Being payment in respect of : W/ PERMIT FEES FOR ZHANG FENG

Amount : USD 2,255.00

Cash / Cheque No: MMB/24/11/16/13

Receiving Officer: [Signature] ba

Date :

*For Executive Director  
Tanzania Investment Centre*



Aug 11

539810

scale strategic projects. The Bill will therefore, address the issues of additional investment incentives for large scale strategic projects including special incentives for Liganga and Mchuchuma projects.

I wish to reaffirm the commitment of the Government to the implementation of Liganga and Mchuchuma projects and that we shall do all we can to fast-track the passing of the Bill by the Parliament in the shortest possible time.

I look forward to successful implementation of the Liganga and Mchuchuma projects.



Dr. Mary M. Nagu (MP),

**MINISTER OF STATE, PRIME MINISTER'S OFFICE  
(INVESTMENT AND EMPOWERMENT)**

- Copy:**
1. Hon. Mizengo P. Pinda (MP.),  
Prime Minister of the United Republic of Tanzania,  
**Dar es Salaam.**
  2. Hon. Saada Mkuya (MP.),  
Minister for Finance,  
**Dar es Salaam.**
  3. Hon. Abdallah Kigoda (MP.),  
Minister for Industry and Trade,  
**Dar es Salaam.**
  4. Hon. Justice Frederick Werema,  
Attorney General,  
**Dar es Salaam.**
  - ✓5. Ms. Juliet Kairuki,  
Executive Director,  
Tanzania Investment Center,  
**Dar es Salaam.**



四川宏達集團

SICHUAN HONGDA GROUP

② 22 Ag DCA  
Add: 27F Hongda International Plaza., NO. 2  
East Jinli Rd., Chengdu China, 610041  
Tel: +86-28-86129918 Fax: +86-28-86129928  
Website: www.sinohongda.com

REF:  
HDG-TT-2014-09-01

DATE:  
20-09-2014

Hon. Dr. Mary Nagu (MP)  
Minister of State in Prime Minister's Office,  
Economic Empowerment  
P.O. BOX 3021  
DAR ES SALAAM

Hon. Mwigulu Nchemba (MP)  
Deputy Minister of Finance  
P.O. BOX 9111  
DAR ES SALAAM

Hon. Fredrick Werema (MP)  
The Attorney-General,  
Attorney General Chambers,  
P.O. BOX 9050  
DAR ES SALAAM



**Re: Award of Incentives for the Implementation of Liganga-Mchuchuma**

**Mega Projects**

Above captioned subject matter relates to the outcome of the NISC session held in Dodoma in June 2014.

We would like to start by thanking the esteemed Government body (NISC) for understanding our applications and amicably resolving that

- a) Liganga-Mchuchuma mega projects are not a project just like any other projects being implemented in Tanzania, based on the size of capital outlay (USD 3 billion), remoteness of its location, being far from enabling infrastructure, but also given their impact to the national economy. These

aspects and others were recognized as contributing to the challenges underlying implementation of the mega projects.

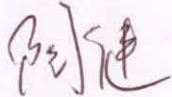
- b) In view of (a) above the NISC therefore directed that, following absence of competent legislation enabling the granting of all incentives as requested by the investors, a legislation has to be enacted around all the requests, that after drafting can be sent to the Parliament for its approval in its next session slated for November 2014, such that once approved it can also apply for future mega projects of a similar nature and size.
- c) The NISC also directed Ministry of Finance to write to the investor a letter of comfort expressing the steps being taken by the Government of Tanzania as stated in (b) above.
- d) The investor were also directed by the NISC to sign an Implementation Agreement with TIC regarding the seven incentives already granted by the NISC, before 1<sup>st</sup> July 2014, and we are pleased to inform your esteemed office that this item was implemented as directed.

Honorable Ministers and the Attorney General, other than requesting for these incentives, we understand the need to prepare in advance to deliver the project results as per expectation of the Government of Tanzania. To start pursuing the aforesaid, we need to present to our financiers in China all conditionalities surrounding implementation of the project, in particular the remaining incentives yet to be granted. We have taken the contents of the letter of comfort delivered to us by the Ministry of Finance at their face value, and we have presented it to our financiers to continue with the processing of funds to procure and start next step of the projects in time.

We did this to avoid delay that may have been caused by the dead time between June and November 2014. It is important, however, to restate our case that all the incentives on the remaining list are vital and that if they shall not be granted, our financiers are most likely to have an afterthought and put on hold for undefined time the release of funds to Tanzania China International Mineral Resources Ltd, till such a time that the incentive regime is rectified.

While thanking the NISC again for the continued support to enable us realize the projects, we request for your indulgence to permit a government official (say a lawyer from NDC) to be part of the team that will be drafting the requisite legislation to smoothen the exercise. In the meantime we have also enclosed a list of pending incentive items.

Yours sincerely,  
Sichuan Hongda Group

Tao Jian   
Chief Representative in Tanzania

cc. Ms Juliet Kairuki  
Executive Director  
Tanzania Investment Centre,  
P. O. Box 938  
DAR ES SALAAM

cc. M.E. Mkucha  
Acting Managing Director  
National Development Corporation,  
P. O. Box 2669,  
DAR ES SALAAM

Attachment:

Should be granted incentives.

1. Production VAT Moratorium for 10 years or exemption 10years.
2. Corporate Tax: Exemption for 15 years from start of Production
3. Exemption of Withholding Tax on Dividends
4. Exemption on Skills & Development Levy (SDL) .
5. Exemption of royalty and payment in lieu of royalty.
6. Exemption of PAYE for Foreign Expatriate Staff
7. Exemption on work permits fee for expatriate managers, technicians, skillful workers and contractors of projects.
8. Exemption of Stamp Duty on Lease & Transfer of Assets



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The Original  
Signature  
Date 10/3/2014

THE UNITED REPUBLIC OF TANZANIA

00218648

For: Executive Director  
Tanzania Investment Centre

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: .....042183.....

## This is to certify that

.....  
TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD  
.....

of address .....  
P.O. BOX 5314

DAR ES SALAAM

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

TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD

PLOT NO. 537 & 537/1 LUDEWA

Which is located at .....

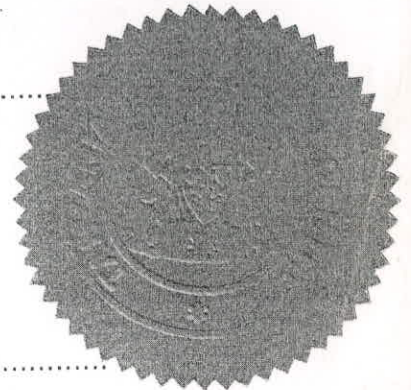
NJOMBE - IRINGA

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

.....  
Ag. Executive Director

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

Dated ..... 4TH APRIL 2012 .....



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 (%) |
|----------------------------------|-------------|------------------|
| National Development Corporation | Tanzanian   | 20               |
| Sichuan Hongda Group             | Chinese     | 80               |
2. Proposed Activities : To develop a project for thermal power generation
3. Sector: Energy Subsector Coal Power Generation
4. Investment cost: Foreign USD 1200m., Local - Total USD 1200m
5. Project Financing: Equity USD 300m., Loans USD 900m., Total USD 1200m.
6. Source, terms and conditions of loan
7. Assets to be invested:
- | Capital items: | Foreign    | Local | Total     |
|----------------|------------|-------|-----------|
|                | USD 1200m. | -     | USD 1200m |
8. Technology Agreement None
9. Date of TIC Registration: 8th March 2012
10. Implementation period March 2012 - February 2015
11. Operative date March 2015
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
  - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
  - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
  - (ii) Certificate not to be transferred, assigned or amended
  - (iii) Failure to commence implementation within two years invalidates Certificate
  - (iv) Failure to operate investment must be notified to the Centre
  - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- None

Signed   
Executive Director



(5)

THE UNITED REPUBLIC OF TANZANIA

00218648

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: ..... 042183 .....

## This is to certify that

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TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LTD  
.....

of address ..... P.O. BOX 5314 .....

DAR ES SALAAM

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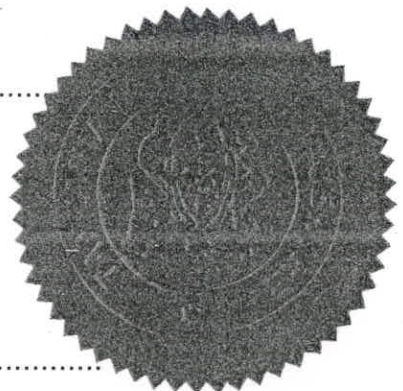
NJOMBE - IRINGA

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

.....

Ag. Executive Director

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



Dated ..... 4TH APRIL 2012 .....

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 (%) |
|----------------------------------|-------------|------------------|
| National Development Corporation | Tanzanian   | 20               |
| Sichuan Hongda (Group) Co. Ltd.  | Chinese     | 80               |
2. Proposed Activities: **To establish a facility for Iron and Steel Processing**
3. Sector: **Manufacturing** Subsector: **Iron and Steel**
4. Investment cost: Foreign **USD 1700.4m.** Local **USD -** Total **USD 1700.4m.**
5. Project Financing: Equity **USD 272.4m.** Loans **USD 1428m.** Total **USD 1700.4m.**
6. Source, terms and conditions of loan:
7. Assets to be invested:
- | Capital items: | Foreign             | Local    | Total               |
|----------------|---------------------|----------|---------------------|
|                | <b>USD 1700.4m.</b> | <b>-</b> | <b>USD 1700.4m.</b> |
8. Technology Agreement: **None**
9. Date of TIC Registration: **5th March 2012**
10. Implementation period: **March 2012 - February 2015**
11. Operative date: **March 2015**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
  - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
  - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
  - (ii) Certificate not to be transferred, assigned or amended
  - (iii) Failure to commence implementation within two years invalidates Certificate
  - (iv) Failure to operate investment must be notified to the Centre
  - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- Finished goods are not allowed under this Certificate**

Signed   
Ag. Executive Director

**CONFIDENTIAL**

Aj OCA -  
22 28

**THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE**

Telegraphic address:  
"WAZIRIMKUU"  
Telephone No. 2111251,  
Telefax: 2111251,  
E-Mail: ps@pmo.go.tz  
In reply please quote:



P. O. Box 3021,  
2 Magogoni Street,

**11410 DAR ES SALAAM.**

**Ref. No. 2/CEA.210/349/01**

10 OCT 2014

2 October, 2014

Chief Executive Officer,  
Tanzania China International Mineral Resources Ltd,  
P. O. Box 5314,  
**DAR ES SALAAM.**

**RE: ADDITIONAL INVESTMENT INCENTIVES FOR LIGANGA AND  
MCHUCHUMA PROJECTS**

Reference is made to your letter dated 22 September 2014 with Ref. TCIMRL-A-2014-09-01, in respect of letter of comfort to TCIMRL.

Following the National Investment Steering Committee (NISC) meeting held on 26<sup>th</sup> June 2014, it was resolved that large projects of strategic importance to the National economy shall be eligible for additional investment incentives as a way of supporting effective implementation of such projects. The Government further resolved to consider special incentive package for specific large scale strategic investments in the 2014/2015 Budget. To this effect, the Government has initiated the process of preparing a Bill to provide for special fiscal incentives for projects of strategic importance. The objective is to provide for legally guaranteed and predictable investment incentives for the developers and financiers of such projects. The Bill is expected to be tabled before the next Parliamentary session in November.

I wish to further inform you that the Government considers the Liganga and Mchuchuma projects to be one of the most strategic projects, and therefore eligible for such additional investment incentives. You may further recall that, 8 out of the 16 incentives applied for by TCIMRL have already been granted by NISC due to their compliance with the laws currently in force. The remaining 8 incentives were not granted by NISC for lack of a legal framework that supports the issuance of such incentives; which prompted the Government to initiate the process for enactment of specific legislation providing for special incentives to large

**CONFIDENTIAL**



Tanzania China International Mineral Resources Ltd

坦中国际矿产资源有限公司

Development House, Kivukoni Front/Ohio Street, P.O.Box 5314, Dar es Salaam, Tanzania



宏達集團  
HONGDA GROUP

Tuesday, July 16, 2019 <sup>(24)</sup>

Commissioner, Large Taxpayers Department  
Tanzania Revenue Authority,  
P.O Box 9462  
DAR ES SALAAM



AgDCA  
Follow-up on  
this matter as  
the incentives stated  
are from the Strategic  
Investors States.  
EXD  
18/7/2019

**RE: OUTSTANDING TAX LIABILITY**

Reference is hereby made to your Reminder Demand Notice with reference TRA/LTD/111-007-114, dated 3<sup>rd</sup> July, 2019.

We note that this matter is raised up afresh by new officers in your office because of misunderstanding. As you know, we have already made numerous correspondences with your office before and in the recent past and copies of the same were sent to the Ministry of Finance, TIC and even to the President office. Our letter to your offices dated May 6<sup>th</sup>, 2019 stated clearly our position which requested your office to call for a meeting for discussion. In the meeting held in your office on 21<sup>st</sup> May 2019, it became clear that something went wrong with the entire process used to come up with the purported tax liability. Just as a reminder TCIMRL as investors, were issued with Certificates of Incentive including exception on withholding tax. Thereafter, we were informed several communications took place among Ministry of Finance, TIC, TRA and some other related departments for this matter.

To make this issue clear, avoid similar misunderstanding and help this project to move on smoothly, we would like to receive official communication from your good office that this issue is finally resolved. Attached please find copy of recent Tax Clearance Certificate.

Thank you for your support and understanding.

Yours Sincerely,

**TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LIMITED**

Dawei Wang

**Chief Executive Officer**

Cc Hon. Dr. Philip Mpango (MP)  
Minister of Finance and Planning  
Treasury Square,  
P. O. Box 1385,  
40468 **DODOMA**

Principal Secretary  
Ministry of Finance & Planning  
P. O. Box 9111  
**DAR ES SALAAM**

Executive Director,  
Tanzania Investment Centre, ✓  
Shaaban Robert Street,  
P. O. Box 938,  
**DAR ES SALAAM**



TANZANIA REVENUE AUTHORITY

ISO: 9001:2015 CERTIFIED

TAX CLEARANCE CERTIFICATE

(Issued Under Regulation 103 of Tax Administration (General) Regulations, 2016)

Licensing Authority; TIN: 137-801-647
MINISTRY OF MINERALS
KILIMANI
P. O. Box 422
DODOMA

Tax Certificate Number:
401-0038-5964

Issuing Office: Large Taxpayers Dept
Telephone: 022-2130158
Date of Issue: 31 May 2019
Expiry Date: 31 December 2019

Table with 2 columns: Field Name, Value. Includes Taxpayer Name (TANZANIA CHINA INTERNATIONAL MINERAL RESOURCES LIMITED), Trading Name, Taxpayer Identification Number (115-007-114), VAT Registration Number, Company Registration Number (1533895).

Business Premises located at: Plot Number 45/46; Block Number -; Street AD

This is to certify that the above registered Taxpayer has complied with the tax laws and has been granted Tax Clearance Certificate with respect to the following business(es):

- 1. Mining of hard coal
2. Casting of iron and steel
3. Mining of iron ores
4. Manufacture of basic iron and steel
5. Electric power generation, transmission and distribution
6.
7.

This certificate should be tendered in its original form and it is valid only if it is embossed with the Official Seal.

Signature of Abdul Y. Mapembe
ABDUL Y. MAPEMBE



COMMISSIONER FOR DOMESTIC REVENUE

31 May 2019

Disclaimer: This Tax Clearance Certificate shall not preclude the Commissioner General from demanding and recovering taxes established after issuance of this Certificate.

This Certificate is issued free of charge

SIRI

25

JAMHURI YA MUUNGANO WA TANZANIA  
OFISI YA MWANASHERIA MKUU WA SERIKALI

Simu Na: +255 -26-2961941  
Nukushi: +255 -26-2961942  
Barua Pepe: [dag@agctz.go.tz](mailto:dag@agctz.go.tz)  
Tovuti: <http://www.agctz.go.tz>



Mji wa Serikali Mtumba,  
Mtaa wa Mwanasheria,  
S.L.P. 630,  
DODOMA.

Unapojibu tafadhali taja:

Kumb. Na. CCD.14/187/01/35

13 Januari, 2022

**Mkurugenzi Mtendaji,**  
Kituo cha Uwekezaji Tanzania (TIC),  
Mtaa wa Shaban Robert,  
S.L.P 938,  
**DAR ES SALAAM.**

**Yah: TAARIFA ZA KAMPUNI YA TANZANIA CHINA INTERNATIONAL MINERAL  
RESOURCES LIMITED (TCIMRL) KUHUSU UENDELEZAJI WA MRADI WA  
MCHUCHUMA NA LIGANGA**

Tafadhali husika na somo tajwa hapo juu.

Serikali ya Jamhuri ya Muungano wa Tanzania imekuwa kwenye Majadiliano na Kampuni ya Sichuan Hongda Group inayomiliki 80% ya hisa za Kampuni ya Tanzania China International Mineral Resources Limited (TCIMRL) inayochimba madini ya chuma na makaa ya mawe huko Liganga na Mchuchuma.

Ofisi ya Mwanasheria Mkuu wa Serikali inaomba kupatiwa taarifa zinazohusu uzingatiaji wa Sheria, Kanuni na Miongozo inayosimamia uwekezaji pamoja na utekelezaji wa Mkataba wa Utendaji (Performance Agreement) wa TCIMRL wa tarehe 30 Juni 2014 kama ulivyorekebishwa kwa nyongeza ya Mkataba iliyosainiwa tarehe 25 Septemba 2015. Taarifa hizo ni pamoja na hali ya uendelezaji wa mradi kwa mujibu wa masharti ya Mkataba wa Utendaji na Sheria ya Uwekezaji, taarifa za kiasi kilichowekezwa mpaka sasa, ajira na utoaji mafunzo wa Watanzania (Succession plan) na uwasilishaji wa taarifa za utekelezaji kwa mujibu wa sheria.

Taarifa hizo zitaaidia Ofisi yetu kushauri Serikali ipasavyo kuhusu majadiliano hayo yanayoendelea kati ya Serikali na Wawekezaji hao. Tutashukuru kupatiwa taarifa hizo mapema iwezekanavyo ili tuweze kuishauri Mamlaka kwa haraka.

SIRI

SIRI

Ninakushukuru kwa ushirikiano wako.

  
Dkt. Evaristo E. Longopa  
NAIBU MWANASHERIA MKUU WA SERIKALI

SIRI