

COPPER EXTRACTORS OF

MWANZA LTD

MINUTE SHEET

Dokezo
No.

1.0

EXD *Approved - EXD - 10/07/13* 

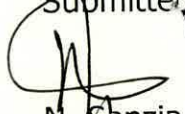
The approved project has fulfilled the investment requirements, which are: -

(a) Minimum finance investment threshold has been exceeded, the project expects to invest *US\$ 0.78m*.....

(b) Legal entity has been incorporated under certificate
No. *98315*..... of *04/05/2013*.....

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. Senzia

DIF

27th June, 2013

MINUTE SHEET

Dokezo
No.



TIC Evaluation Report

Name of the Company
Copper Extractors Of Mwanza Ltd.

Post Box	Igingilanyi Village, Mnangana	COI Number	98315	Contact	Mr. Abbas H. Nasser
Post Office	21393	COI Date	04/05/2013	Designation	Director
Region	Iringa	Application F. No	11049	Phone	0
Country	Tanzania	Status		Direct Phone	0
		Sector	Manufacturing	Cell Phone	0762 602610
		Sub Sector	Copper Processing	Fax	0
		File No	042476	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Igingilanyi Village, Mnangana	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0.5</td> <td>0</td> <td>0.28</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.5	0	0.28	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0.5	0		0.28	0									
Street	0												
District	Iringa Urban												
Region	Iringa												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Igor Aunapu	Russian	25	Plant	0.66
Abbas H. Nasser	Tanzanian	25	Vehicles	0.12
Peter Erokhin	Russian	50	Furniture & Fittings	0
			Pre-expenses	0
			Others	0
			Working Capital	0
			Total	0.78

Employment	15	Evaluated By	wf officer3
Capacity	one tonne copper per hour	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

Description

To establish and Operate a copper processing facility

Recommendations

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

Decision

B U S I N E S S P L A N

FOR

A COPPER PROCESSING FACILITY

PROMOTER:

COPPER EXTRACTORS OF MWANZA LIMITED
P.O. BOX 21393
DAR ES SALAAM

PREPARED BY:

RONDO CORRIDOR LIMITED
BUSINESS CONSULTANTS
P.O. BOX 6632
DARS ES SALAAM

MAY,2013

TABLE OF CONTENTS

		PAGE
1.0.	EXECUTIVE SUMMARY	1
	1.1. LOCATION	1
	1.2. SHAREHOLDING	1
	1.3. IMPLEMENTATION PROGRAMME	2
	1.4. FINANCING PATTERN	2
2.0.	BUSINESS OBJECTIVE	2
	2.1. PRODUCTION CAPACITY	3
	2.2. CAPITAL INVESTMENT COST	3
3.0	CAPITAL CHARGES	4
	3.1 MANPOWER REQUIREMENTS	4
	ORGANISATION CHART FOR COPPER PROCESSING PROJECT	45
	3.2 WORKING CAPITAL REQUIREMENTS	6
	3.3 DEVELOPMENT OF COPPER INDUSTRY IN TANZANIA	6
4.0	COPPER PROCESSING	8
	4.1 PRIMARY PRODUCTION OF COPPER	8
	4.2 SECONDARY COPPER PROCESSING	11
	4.3 POLLUTION OUTPUT AND PREVENTION IN COPPER PROCESSING	12
5.0	PROJECT OBJECTIVES	13
	5.1 THE PROJECT GOALS	14
6.0	THE MARKET	16
	6.1 MARKETING STRATEGY FOR THE COPPER COMPANY LIMITED	16
	6.2 CONCENTRATE AND COPPER MARKETING	16
7.0	MINING POLICY IN TANZANIA	17
	7.1 AVAILABILITY OF THE PRODUCT AVAILABILITY OF THE PRODUCT	19
8.0	RISK ANALYSIS	20
9.0	ENVIRONMENTAL FACTORS	21
	9.1 ASSUMPTION FOR OPERATING EXPENSES	21
10.0	REVENUE ESTIMATES	23
11.0	FINANCIAL ANALYSIS	24
	11.1 PROJECTED PROFIT AND LOSS STATEMENT	24
	11.2 PROJECTED CASH FLOW STATEMENT	24
	11.3 PROJECTED BALANCE SHEET	24
	11.4 INTERNAL RATE OF RETURN	26
12.0	BENEFITS AND JUSTIFICATION	27

1.0. EXECUTIVE SUMMARY

The Project envisages the establishment of a Copper Processing Facility in Iringa and Mpanda. The Company promoting this Project is **COPPER EXTRACTORS OF MWANZA LIMITED** a private Limited liability company registered and incorporated in Tanzania. The firm has been prompted to undertake this project in Tanzania as production of this product during the years 2006 and 2007 has been incoming increasing from 19,000,000 Tones 2006 to 21,065,000 Tonnes in 2007. This and the possibility of diversifying the business into other ventures offers an excellent opportunity for experienced Directors of the Company like **COPPER EXTRACTORS OF MWANZA LIMITED**.

1.1. LOCATION

The Head Office will be located on Plot No. 36, Coca-Cola Road, Mlalakuwa Mikochei B, Kinondoni Municipality, Dar es Salaam.

1.2. SHAREHOLDING

The Shareholding with their respective shareholding structure are the following:-

Name and Address of the Subscribers	Number of Shares taken by each Subscriber	Nationality
PETR EROKHIN RAKITINO VILLAGE, HOUSE 21 RUZA DISTRICT, MOSCOW REG.,RUSSIA	50	RUSSIA
ABBAS H. NASSER P.O. BOX 21393 DAR ES SALAAM-TANZANIA	25	TANZANIA
IGOR AUNAPU MOZHAIKOE SH., 39-255 121354 MOSCOW, RUSSIA	25	RUSSIA

1.3. IMPLEMENTATION PROGRAMME

The Project is to be implemented within a period of two years from the date of obtaining a Certificate of Incentives from Tanzania Investment Centre.

1.4. FINANCING PATTERN

Financing of this Project is through Bank loans either from local commercial banks or foreign financial institutions and the majority shareholder.

2.0. BUSINESS OBJECTIVE

The plan calls for the establishment of a Copper Processing Facility Project in Iringa and Mpanda. At a later date the firm may stretch its wings to other types of metals and spread the business in other regions.

Copper has ready world market especially in China at present is a leading Importer of this product. This demand is expected to be sustained for some years to come in keeping with China's rate of industrialization, which in turn determines demand for industrial materials.

Turning to the main subject of this plan is that the promoters will be undertaking the actual melting and processing of Copper in the country instead of exporting it in raw form to foreign countries for processing as it used to be before.

2.1. PRODUCTION CAPACITY

Production capacity of Copper is determined by machinery for producing Copper (Crushers) at a time. The machinery will start with a production capacity of 60% and later increase up to 90% at full operational capacity. Production is estimated at one tone of Copper per hour depending entirely on the bulk ore and producing one tone of Copper per hour.

2.2. CAPITAL INVESTMENT COST

The estimated capital investment cost of this project is USD 780,000 which is broken down as shown in the table below:-

Figures in USD (000's)

ITEM	PARTICULARS	NO.	UNIT COST	TOTAL COST
A.	MACHINERY AND EQUIPMENT			
	I. Crusher	1	235	235
	II. Generator Set Model GEH fitted with sound canopy.	1	43	43
	III. Copper extracting Machine	1	52	52
	IV. Water Pump	1	150	150
	V. Drilling Machine	1	180	180
B.	MOTOR VEHICLES			
	i. Wheel Drive	2	20	40
	ii. Mitsubishi Heavy Truck- 10Tones	1	40	40
	iii. Working Capital Requirements	-	60	60
	GRAND TOTAL	8	-	780

3.0. CAPITAL CHARGES

Economic Depreciation has been worked out on all Fixed Assets over their useful economic lifetime based on straight line method.

The assumptions adopted are that Machinery and Equipment depreciated at 12.5% while Motor Vehicles are depreciated at 25%.

Detailed calculated are shown in the Table below:-

Figures in USD (000's)

ITEM/YEAR	PARTICULARS	0	1	2	3-10
1.	Machinery and Equipment (12.5%)	660	85	83	83
2.	Motor Vehicles (25%)	60	15	15	15
3.	TOTAL DEPRECIATION	-	98	98	98
CUMMULATIVE DEPRECIATION		-	98	96	294

3.1. MANPOWER REQUIREMENTS

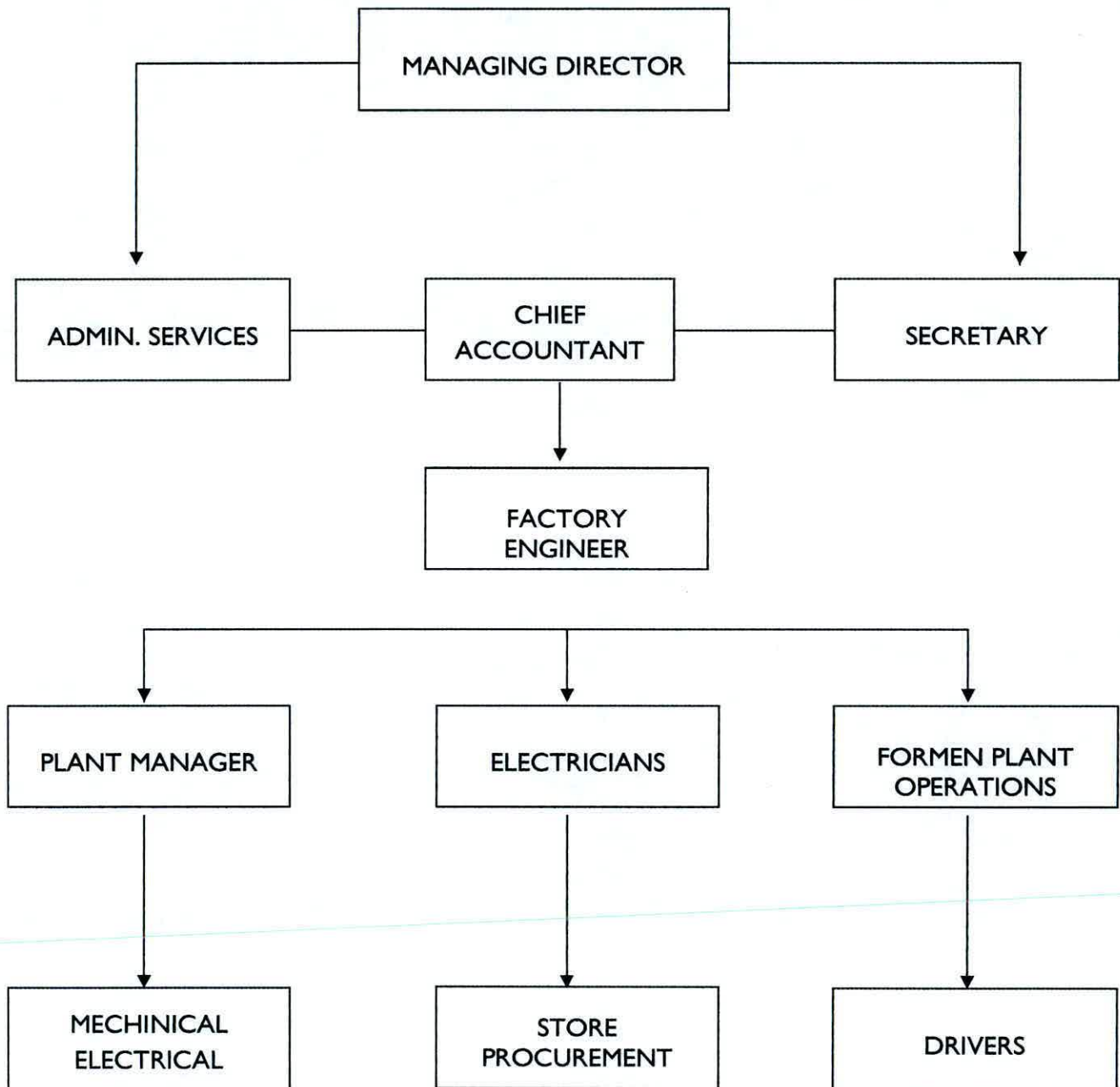
A Project of this size will require at total labour force of 15 people ranging from managerial to unskilled staff the break down and their remuneration is given below:-

Figures in USD (000's)

NO.	DESIGNATION	NO.	SALARY PER MONTH	SALARY PER ANNUM
1.	Managing Director	1	3,500	42,000
2.	Accountant	1	1,500	18,000
3.	Processing Manager	1	2,500	30,000
4.	Secretary/Computer Operators	1	300	3,600
5.	Electricians	1	500	12,000
6.	Mechanics	2	500	12,000
7.	Plant Operators	2	400	9,600
8.	Drivers	3	200	7,200
9.	Security Guards	2	100	2,400
ADD: 15% Contingency on social staff Welfare			-	20,520
SUB TOTAL		15	-	157,320

The Organization Chart is also provided herewith in the following page for easy reference 4

ORGANISATION CHART FOR COPPER PROCESSING PROJECT



NB: The Project will be managed by the Managing Director assisted by qualified and experienced personnel in processing of Copper. Most of these people have already been indentified.

3.2. WORKING CAPITAL REQUIREMENTS

The working capital requirements have been projected based on the best judgment of the assumed current assets and liabilities for mining industry. For the purpose of these projections in the study it has been assumed that debtors will not exceed one months purchases. Trade creditors if any will also be only for a period of one month which is considered to be tenable.

The initial working capital requirement of USD 100,000 will be made available through bank overdraft, while subsequent years requirements have been assumed to be financed from internally generated funds. The initial working capital will be utilized in meeting salaries and wages, financing fuel and lubricants in the start up operations.

3.3. DEVELOPMENT OF COPPER INDUSTRY IN TANZANIA

Development of this industry in Tanzania has been very minimal during the last three decades mainly due to the following reasons:-

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

The other factors which contributed to the negative influence in the development and growth of this prime industry is creative mind and enthusiasm.

Coupled with these problems from 1985 Tanzania Government started undertaking various measures towards social and economic development geared towards the efforts of streamlining and improving its economy.

It is therefore of the paramount importance that private companies such as **COPPER EXTRACTORS OF MWANZA LIMITED** be in a forefront to assist the Government in this noble challenge of implementing the strategies and targets to be achieved in respect of economic growth and poverty eradication. It is on the basis of this reason that the company has decided to embark on this project. The firm further contemplates to contribute its views in the National Poverty Eradication Strategy (NPES) formulated by Government as an instrument for channeling national efforts towards broadly agreed objectives and as an integral part of the on going macroeconomic and structural reforms.

The country is now gearing up for extensive extraction of copper in the near future. The programme follows findings of massive deposits of copper in the Southern Regions of Tanzania Namtumbo District, Ruvuma Region an Rukwa Region has been cited as the location site of the deposits. The finding is certainly a curtain raiser to the economic transformation of not only Namtumbo and Ruvuma but the country at large.

Estimates of the deposits vary from a few million of pounds to 30 million tones.

4.0. COPPER PROCESSING

The Copper Processing Industry refines Copper from metal ore or scrap Copper. The leading consumers of Copper are wire mills and brass mills, which use the Coppertop produce Copper wire and Copper alloys, respectively. End uses of Copper include construction materials, electronic products and transportation equipment. Once refined, Copper can be used as a powder in automotive, aerospace, electrical and electronics equipments in anti-fouling compounds, various chemicals and in medical processes. Compounds of Copper include fungicides, wood preservatives, Copper plating, pigments, electronic applications and specialized chemicals.

Copper can be produced either as a primary product or as a co-product of gold, lead, zinc or silver. It is mined in both the Northern and Southern Hemisphere and primarily consumed in the Northern Hemisphere with the U.S. as a primary producer and consumer.

4.1. PRIMARY PRODUCTION OF COPPER

Copper is mined in open pits and below ground. The ore usually contains less than 1% Copper and is often associated with surfside minerals. The ore is ground concentrated, and slurred with water and chemical reagents. Air blown through the mixture attaches to the copper, causing it to float to the top of the slurry. The Copper is then removed with a skimmer. The tailings remain and are dewatered and disposed of in tailing ponds. The water is recovered and recycled.

One of two processing methods which are used to refine concentrated Copper are hydrometallurgy, or smelting, used in one with Copper sulfide and iron sulfide minerals. The concentrate is dried and fed into a furnace.

The minerals are partially oxidized and melted, resulting in segregated layers. The matte layer refers to the iron Copper sulfide mixture which sinks to the bottom. The slag, which refers to the remaining impurities, floats on top of the matte. The slag is discarded on site or sold as railroad ballast and sand blasting grit. Sulfur dioxide gases are also collected and made into sulfuric acid for use in hydrometallurgical leaching (discussed below) or sold off-site.

The matte is recovered and moved to the converter, a cylindrical vessel into which the Copper is poured. Air lime and silica are added to react with the metal oxide. Scrap Copper may also be added. Iron slag is removed and often recycled back into the furnace. Sulfur dioxide is captured and converted into sulfur acid. The converted Copper known as "**blister Copper**" is recovered.

The blister Copper then undergoes "**fire refining**" Air and natural gas are blown through the Copper to remove any remaining sulfur and oxygen.

The copper is cast into copper anodes and placed in an electrolytic cell.

Once charged, the pure copper collects on the cathode and is removed as 99% pure. The copper can be sold to wire-rod mills or further processed into rods. Anode slime refers to impurities that sink to the bottom of the electrolytic cell.

The second method for refining copper is called the hydrometallurgical process. This process begins with oxidized copper ores or oxidized copper wastes. The oxidized material is leached with sulfuric acid from the smelting process. The sulfuric acid is percolated through piles of oxidized metal and collected with acid resistant liners.

Further refining may be performed using one of two processes. In cementation, the acidic solution of copper is deposited on to scrap iron in an oxidation-reduction reaction. After sufficient amounts of copper have been plated, the copper is further refined using the hydrometallurgical process. However, this process is rarely used.

Solvent extraction is more commonly used to refine copper. An organic solvent in which copper is soluble is introduced. As copper is more soluble in the organic layer than the aqueous, it enters an organic-copper solution and is separated. Sulfuric acid is added to strip the copper from the organic solvent into an electrolytic solution.

In the electrolytic process, called electro winning, the copper plates out onto the cathode. The cathodes are sold as -is or made into rods on site or made into starting sheets for other electrolytic cells.

All remaining organics and acids are reused. Further, sulfur is fixed throughout the process to meet Clean Air Act Standards. If the sulfur content of the gas is over 4%, the sulfur compounds are made into sulfuric acid for use in the process or for sale to fertilizer manufacturers. Slurries with less than 4% sulfur are classified as RCRA hazardous wastes because of sulfur, cadmium, lead and other metals.

4.2. SECONDARY COPPER PROCESSING

Secondary copper processing involves two steps: Metal pretreatment and smelting. Pretreatment includes cleaning and concentrating the copper. Concentrating is done manually or mechanically and includes sorting, stripping, shredding and magnetic separation.

The metal can be further refined using hydrometallurgical methods – including sweating, insulation burning, or drying- or hydrometallurgical methods – including flotation and leaching. The concentrated metal is then smelted. Generally, copper is fire refined, similar to primary copper smelting operations although the exact procedure depends on the quality of copper scrap.

4.3. POLLUTION OUTPUT AND PREVENTION IN COPPER PROCESSING

Primary and secondary copper processing produce similar pollutants with similar pollution prevention opportunities. Air emissions include particulates and sulfur dioxide. Particulate air emissions usually include iron and copper oxides, but many contain other metal oxides, sulfates or sulfuric acid. Particulates are usually captured using emissions control equipment. Depending on the composition of the emissions some recovery of heavy metals may be possible.

5.0. PROJECT OBJECTIVES

The project objectives include the following:-

- (i) To establish a Copper Processing Facility.
- (ii) Increase capital for smooth running of this project.
- (iii) To offer high quality products resulting from this project by utilizing advises provided by project experts and by using modern machinery.
- (iv) To assist the Government towards its programmes related to Poverty Reduction Strategies.

5.1. THE PROJECT GOALS

The project goals include the following:-

- To contribute towards Economic Recovery Programme Strategies.
- To promote and expand the export business of copper aimed at alleviation of poverty prevailing in the societies in our country.
- To supply modern tools and technology to the less privileged small miners group.

In addition, secondary copper processing produces air emissions from the removal of excess oils and cutting fluids. The air emissions are usually captured using bughouses. After-burners may also be used to fully combust products.

Sulfur dioxide is usually captured using single stage electrostatic precipitation. Once captured, the sulfur dioxide is converted into sulfuric acid and sold or reused in process.

Liquid wastes from copper processing plant include large quantities of water.

Most of the water can be reused with minimal refinement. The leaching process creates some sulfuric acid liquid waste. The sulfuric acid is almost always directly reused. Electrolytic refining procedures also produce some liquid waste. This waste is usually sent to waste water treatment facilities and discharged.

6.0. THE MARKET

Export of copper does exist at large in China and United States of America. The company has already identified reliable customers both at company and personal level.

6.1. MARKETING STRATEGY FOR COPPER EXTRACTORS OF MWANZA LIMITED

The company has not been deeply involved in copper export business in the past per se. It is now starting to strengthen its activities by establishment this programme so conceived.

In order to promote its product and image the firm has to participate in trade auctions which are arranged by various groups in USA, Europe as well as Tanzania. Through these auctions and other trade contacts the company will be able to identify more potential customers who are renowned for copper dealership.

6.2. CONCENTRATE AND COPPER MARKETING

Copper concentrates produced by mines are sold to smelters and refiners who treat the ore and refine the copper and charge for this service via treatment charges and refining charges. The TCs are charged in US\$ per tone of concentrate treated and RCs are charged in cents per pound treated denominated in US dollars, with Benchmark prices set annually by major Japanese smelters.

The customer in this case can be a smelter, who on-sells blister copper ingots to a refiner, or a smelter-refiner which is vertically integrated. The typical contract for a miner is denominated against the London Metal Exchange price, minus the TC-RCs and any applicable penalties or credits. Penalties may be assessed against copper concentrates according to the level of deleterious elements such as arsenic, bismuth, lead or physical warehouses themselves. The chemical specification for electrolytic grade copper is ASTM B115-00 (a standard that specifies the purity and maximum electrical resistivity of the product).

7. MINING POLICY IN TANZANIA

After nationalization of some of the privately owned mines in 1970 private investors both local and foreign hesitated to invest in mining industry despite vast minerals and copper Tanzania is endowed with.

In 1990, the Government introduced a series of policy measures aimed at encouraging exports and streamlining the procedures for mining, processing and marketing of copper. Under this new system the Government has introduced the following:-

- (i) For the first four (4) years of positive taxable income, the rate of taxation is 23% per annum for both local and foreign companies. For subsequent years it is 30% for residents and non-residents.
- (ii) In gemstone, capital expenditure is deductible at 40% in the year of expenditure and 10% per annum for the next six years.
- (iii) All exploration and development machinery/equipments, and vehicles procured prior to commencement of regular production will be imported free from customs duty, sales tax or other duties on imports.
- (iv) Payments of dividends, interest on loans and management fees are subject to withholding tax.

The current taxes are 10% and 20% for residents and non-residents companies respectively. The overseas dividend remittance tax of 10% on the amount remitted may be waived during the initial five years of operation.

Various incentives are provided for mining operations. Retention of earnings in foreign accounts is permissible up to 60%. This provision permits an export oriented mining sector to operate without constraints on imported production inputs and ensure investors to service their foreign debtors and obligations without difficulties.

(v) **SUMMARY**

	Import Duty	VAT
All Capital Goods	0%	0%
Spare – parts	0%	0%
Explosives and other supplies	0%	0%
Fuel and Oils	0%	0%
Corporation Tax	30%	
Capital Allowance	50% on the first year of income	

In subsequent years

Class I:	37.5% of the balance per annum
Class II:	25% of the balance per annum
Class III:	12.5% of the balance per annum

Additional 15% Capital Allowance on un-redeemed qualifying capital expenditure as set out in the Mining Act No. 5 of 1998 for those who had invested as of July, 2001.

Existing investors are allowed to defer payment of royalty or get the royalty refunded when cash flow is below zero.

Royalty 3% except coppers, which is 5%.

No tax, duty, fee or other fiscal impost on dividends.

No capital gains tax

Indefinite carry over of losses against future profits.

After the first 5 years of commercial production the company will be charged 5% Duty and VAT.

Yearly appreciation of un-recovered investment capital.

These incentives are offered to those TIC Certificate of Incentives holders.

7.1. AVAILABILITY OF THE PRODUCT

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

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

8.0. RISK ANALYSIS

Risk analysis can be viewed in terms of the organization's strengths and weaknesses as follows:-

(a) STRENGTHS

- (i) The project is local resource based and the product to be exported is obtained in abundance, hence no major problems are foreseen in fulfilling the orders.
- (ii) The company has already established marketing contacts both at company and personal level which are crucial in copper mining business.
- (iii) The Managing Director is an experienced businessman who possesses ample managerial capabilities in various business disciplines.

(b) WEAKNESS

Lack of Certificate of Incentives to some extent restrict the implementation of this programme, a situation which continues to hamper smooth start up operation.

The firm also lacks enough qualified and experienced personnel. Such people earmarked for recruitment should be identified right from now before the project takes off the ground.

9.0. ENVIRONMENTAL FACTORS

The major environmental effect of such projects is that after the mining process is over the land is left with large pits which can hardly be put to any economic use. In order to mitigate this hazard there have been some suggestions recently that in such areas miners should be forced to plant trees before they abandon the sites.

9.1. ASSUMPTION FOR OPERATING EXPENSES

The main operating costs of this project will be salaries and wages, variable costs fuel consumption for motor vehicles and to a lesser extent purchases of spares parts, general machinery and motor vehicle maintenance. Details are provided below. The projected number of personnel to be recruited during the first year will be around 15 people ranging from managerial to technical staff. The above figure is likely to increase by the fifth year when it is considered that the factory will have started full operations. The total annual wage bill will amount to USD 157,320 which includes contingency of 15% on social welfare in order to motivate staff for high labour productivity.

(a) FUEL CONSUMPTION

Consumption of fuel, oils and lubricants for motor vehicles is based on fuel price and experience. This is projected at USD 260,000 to start with and increase up to USD 12 million towards the end of the projected period.

(b) **SPARE PARTS AND MAINTENANCE**

This item of expenditure is computed at 5% of the initial cost of machinery and equipments is computed at USD 55,000 to start with and end up with USD 95,000 a year at the end of the planned period of operational.

(c) **TRANSPORT AND TRAVELING**

This item of expenditure is based on past experience from other businessmen engaged in similar mining operations. The costs are estimated at USD 30,000 annually.

(d) From the fourth year the expenses are assumed to rise up to USD 45,000 annually as the operations will start to be in full swing which will depend on the increase in production capacity.

(e) **FUEL CONSUMPTION FOR GENERATOR**

This is estimated at USD 11,602 per month

USD 11,602 X 12 months = USD 139,000 per annum

From the third year onwards the expenses are projected to increase by 15% annually. In the third year this will amount to USD 160,000.

(f) Variable cost are projected at USD 1.5 million starting the first year and thereafter increasing up to USD 4.7 million in the eight year onwards.

(g) Economic Depreciation which is a non-cash expenditure item has been worked out on all fixed assets based on straight line method. The total amount is USD 98,000.

10.0. REVENUE ESTIMATES

Revenue for this project is based on export sales of copper to Europe, America and China. Considering the size and magnitude of this project revenue has been projected based on experience and is expected to fluctuate as follows:-

- A:** 1st Year
USD 3.5 million
- B:** 2nd Year
USD 3.9 million
- C:** 3rd Year
USD 4.9 million
- D:** 4th Year
USD 6.2 million
- E:** 5th Year
USD 7.9 million
- F:** 6th Year
USD 8.5 million
- G:** 7th Year

USD 10.5 million

From the 7th year onwards income is projected at USD 10.5 million.

11.0. FINANCIAL ANALYSIS

11.1. PROJECTED PROFIT AND LOSS STATEMENT

This financial statement in (*Annex 1*) indicates that the project will make a net profit after tax of USD 896,000 in the first year and there after increasing up to USD 3.5 million in the seventh year.

Revenue reserve would have accumulated up to USD 23.0 million towards the end of the tenth year. The company should be able to declare dividends of USD 1.6 million to the shareholders by the end of the third (3rd) year. Dividends are calculated at 50% of the revenue reserve.

11.2. PROJECTED CASH FLOW STATEMENT

The projected Cash Flow Statement (*Annex 2*) shows that the project will make a net Cash Flow of USD 154,000 commencing the first year and thereafter rise up to USD 3.6 million in the seventh (7th) year of its operations. The cumulative cash/cash in hand would have accumulated up to USD 21.3 million by the end of the tenth year. This cash will enable the Company to sustain its own operations without relying upon bank overdraft or loans for working capital requirements.

11.3. PROJECTED BALANCE SHEET

The Balance Sheet (*Annex 3*) shows favourable net assets condition of the entire business throughout the operational period. The assets are well covered by all maturing obligations and that towards the end of the tenth (10th) year accrued profits would have accumulated up to USD 23.0 million.

11.4. PAYBACK PERIOD

The original investment is USD 780,000. The analysis in (Annex 4) suggests payback to be around the first year. This simply means that it will take one year for the project to recoup its initial investment of USD 780,000. This period is considered to be relatively short.

11.5. INTERNAL RATE OF RETURN

The after tax Internal Rate of Return (IRR) on total investment when discounted over a period of ten years is well above 55%. This is arrived at by inspection method.

12.0. BENEFITS AND JUSTIFICATION

- (a) From the socio-economic point of view the project will create employment opportunities to the people residing in the project vicinity, thus offering a significant stimulus to an area which will be in the periphery of copper development. During the first year alone about 15 people are expected to be recruited ranging from managerial to unskilled staff.
- (b) There is going to be an obvious case of transfer of technology from foreign technical personnel who will imported their knowledae to local staff to be employed.
- (c) The Government will earn substantial revenue in the form of corporate taxes. Commencing the seventh (7th) year of its operations the project will pay about USD 1.5 million annually to the government coffers.
- (d) The project will generate foreign exchange which will be beneficial to both the Company and country as a whole.

COPPER EXTRACTORS OF MWANZA LIMITED

PROJECTED PROFIT AND LOSS STATEMENT

Figures in USD (000's)

Item/Year	1	2	3	4	5	6	7	8	9	10
SALES REVENUE	3,500	8,900	4,950	6,200	7,060	8,500	10,540	10,540	10,540	10,540
LESS: OPERATING EXPENSES										
1. Salaries and Wages	157	157	157	157	157	185	185	185	185	185
2. Variable Costs	1,580	1,785	2,250	2,095	3,590	3,795	4,200	4,750	4,750	4,750
3. Fuel Consumption	260	300	375	465	560	675	780	935	1,200	1,200
4. Transport and Travelling	50	40	25	45	30	20	25	20	15	15
5. Maintenance and Spare Parts purchases	55	-	65	-	65	-	75	-	95	-
6. Electricity and Water	25	35	35	45	50	50	55	55	60	60
7. Telephone, Faxes and Email	10	10	15	8	7	8	5	5	8	8
8. Printing and Stationeries	5	5	7	7	10	12	10	5	7	7
9. Economic Depreciation	98	98	98	98	98	98	98	98	98	98
TOTAL EXPENDITURE	2,220	2,430	3,027	2,920	4,567	4,843	5,433	6,053	6,418	6,233
PROFIT BEFORE TAX	1,280	1,470	1,923	3,280	3,393	3,657	5,107	4,487	4,122	4,218
COMPANY TAX (30%)	384	441	577	984	1,018	1,097	1,532	1,346	1,237	1,265
PROFIT AFTER TAX	896	1,029	1,346	2,296	2,375	2,560	3,575	3,141	2,885	2,953
REVENUE RESERVE	896	1,925	3,271	5,567	7,942	10,502	14,077	17,218	20,103	23,056

COPPER EXTRACTORS OF MWANZA LIMITED

PROJECTED CASH FLOW STATEMENT

Figures in USD (000's)

Item/Year	0	1	2	3	4	5	6	7	8	9	10
A. INFLOWS											
Equity	500	-	-	-	2,296	-	-	-	-	-	-
Bank Loan/Overdraft	780	-	-	-	98	-	-	-	-	-	-
Profit After Tax	-	896	1,029	1,346	2,394	2,375	2,560	3,575	3,141	2,885	2,953
Economic Depreciation	-	98	98	98	98	98	98	98	98	98	98
TOTAL INFLOWS	1,280	994	1,107	1,444	2,394	2,473	2,658	3,673	3,239	2,983	3,051
B. OUTFLOWS											
INVESTMENT & RE-INVESTMENTS	1,280	-	-	-	-	1,500	-	-	-	-	-
CHANGE IN WORKING CAPITAL	-	60	100	150	85	45	-	-	-	-	-
LOAN REPAYMENTS	-	780	-	-	-	-	-	-	-	-	-
TOTAL OUT FLOWS	-	840	100	150	85	1,545	-	-	-	-	-
NET FLOWS	(1,280)	154	1,027	1,294	2,309	928	2,658	3,673	3,239	2,983	3,051
CUMMULATIVE CASH/CASH IN HAND	-	154	1,181	2,457	4,784	5,712	8,370	12,043	15,282	18,265	21,316

ANNEX III

COPPER EXTRACTORS OF MWANZA LIMITED

Figures in USD (000's)

PROJECTED BALANCE SHEET

Item/Year	1	2	3	4	5	6	7	8	9	10
FIXED ASSETS AT COST	720	720	720	720	920	920	920	920	920	1,200
LESS: ACCUMULATED DEPRECIATION	98	196	294	392	490	588	686	784	882	980
NET FIXED ASSETS	622	524	426	328	430	332	234	136	38	220
ADD: CURRENT ASSETS										
CASH IN HAND AND BANK	154	1,181	2,475	4,784	5,712	8,370	12,043	15,282	18,265	21,316
DEBTORS	732	486	601	-	1,361	1,440	2,350	2,179	2,173	2,022
STOCK OF FINISHED GOODS	1,097	730	901	24	2,042	2,042	1,567	1,452	1,449	1,348
LESS: CURRENT LIABILITIES										
CREDITORS	45	55	55	85	85	85	85	85	85	85
TAXATION	384	441	577	984	1,018	1,097	1,532	1,346	1,237	1,265
TOTAL ASSETS	2,176	2,425	3,771	4,067	8,442	11,002	14,577	17,718	20,603	23,556
FINANCED BY:										
EQUITY	500	500	500	500	500	500	500	500	500	500
BANK LOAN	780	-	-	-	-	-	-	-	-	-
REVENUE RESERVE	896	1,925	3,271	5,567	7,942	10,502	14,077	17,218	20,103	23,056
TOTAL CAPITAL	2,176	2,425	3,771	4,067	8,442	11,002	14,577	17,718	20,603	23,556

COPPER EXTRACTORS OF MWANZA LIMITED

PAYBACK PERIOD*Figures in USD (000's)*

YEAR	PROFIT AFTER TAX	ECONOMIC DEPRECIATION	TOTAL CASH FLOW	CUMULATIVE CASH FLOW
1.	896	98	994	994
2.	1,029	98	1,127	2,121
3.	1,346	98	1,444	3,565
4.	2,296	98	2,324	5,959
5.	3,395	98	2,473	8,432
6.	2,560	98	2,658	11,090
7.	3,576	98	3,673	14,763
8.	3,141	98	3,239	18,002
9.	2,885	98	2,983	20,985
10.	2,953	98	3,051	24,036

The original investment is USD 780,000. The analysis in the above table suggests payback period to be around the first year. This simply means that it will take one year for the project to recoup its initial investment of USD 780,000 considering the amount of the investment involved this period considered to be relatively short.

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

COPPER EXTRACTORS OF MWANZA LIMITED

Drawn by:
ABBAS HABIB NASSER
(Promoter)
P.O. Box 21393
Dar es Salaam

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

No.

.....

I HEREBY CERTIFY THAT

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

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

of.....Two thousand and

Seal

Registrar of Companies

TANZANIA 500.000.f
Stamp Duty Shs. PAID ON ORIGINAL
Receipt No. 33192 of 4/4/13

Stamp Duty Officer

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION

OF

COPPER EXTRACTORS OF MWANZA LIMITED

TANZANIA 2500.f
Stamp Duty Shs. Paid
Receipt No. 33192 of 4/4/13
Asst. Registrar of Companies

1. The name of the Company is **COPPER EXTRACTORS OF MWANZA LIMITED**
2. The registered office of the Company will be situated in Tanzania.
3. The objectives for which the Company is incorporated are:-
 1. To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease or in exchange or otherwise acquire concessions, agents easements, options, claims, properties, estates and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work excise develop and turn to account prospecting and mining right and all necessary licences and any undertaking connected therewith. To establish and operate a metal processing/refinery facility and also to establish and operate a copper processing facility, gemstone cutting and polishing facility, and gold processing facility and to deal in the export of precious and semi precious minerals—diamonds gold and gemstone, either in raw form or cut and polished.
 2. To mobilize and small scale minerals in carrying out the mining business to manufacture, buy, sell, exchange, alter, improve, manipulate, prepared for market and otherwise deal in kinds of plant, machinery, apparatus, tools, utensils, hardware and other substances, materials and things whatsoever.
 3. To carry on the business of mineral dealers, dealers, traders, agents sub-agents, whole sellers and retail sellers in all types in all types of mineral in including diamond, gold, ruby, zinc, tanzanite, aluminium, copper, lead, gypsum, and in any other capacity in Tanzania or elsewhere.
 4. To carry on the business of mine owners, mining engineers, mineral smelters, metallurgists, assayers and metal merchants to search, win, work get carline, reduce, amalgamate, dress, refine, cut and polish and prepare for market gold and any ores and minerals substances and generally, buy, sell manufacture and deal in general products, plant and machinery and other things capable of being used in connection with mining or metallurgical operations.

5. To purchase, take on lease or on option or otherwise acquire and lands, mines, mining rights, oil gas rights, water rights, timber rights of any kind in over or under any lands and any licences, concessions monopolies, exclusive rights, easements, rights or privileges therein and any real estate, here deterrments open work explore exercise, maintain and turn the same to account.
6. To carry on the business of processing of seismic data for exploration of oil gas, and water, to carry on the prospecting exploring, drilling, development and producing liquid and gaseous hydrocarbon deposits, as well as prosecuting exploiting processing and refining of mineral substances in general including but not limited to radio active substances and coal the carrying out of research and research and development also in the field of other sauces of energy.
7. To engage in the business of gold assaying, mineral processing, dealers in gemstones, jewelers, goldsmiths, buyers of all kind of minerals and dealers in the same, sellers and dealers in mining equipment, drilling machines, spares for all mining machinery and machinery and processing machines, engage in the business of mining planning, to deal in computer services for mineral scanning, and other activities using advanced technology in mineral prospecting and exploration. To offer or deal in electronic equipment need in mining prospecting. To give advice as consultants in the field of mineral prospecting, to establish office, help other companies and metals of any description.
8. To search prospect for, examine, explore, excavate, quarry and dredge gold, diamonds, ores and substances from the earth and to extract, reduce, crush, refine, treat, smelt, amalgamate, manipulate or otherwise treat gold, ores, metals minerals, emeralds and other precious and semi precious stones or other valuable substances wherefrom, or prepare, render and make them fit for market.
9. To undertake and carry on any business transaction or operation commonly undertaken or carried on by explorers, prospectors or concessionaires and miners, and to carry on any other business which may seem to the company capable of conveniently being carried on in connection with an of the company's properties or rights.
10. To carry on any business relating to the finding and working of minerals, the production and working of metals and the preparation of any other materials which may be useful or conveniently combined with the engineering or manufacturing business of the company and either for the purpose only of such contractors or as an independent business.

11. To carry on the business of cutting and polishing precious, diamonds out of rough precious and semi precious stones.
12. To establish and operate commercial farms to produce agricultural commodities for local and export.
13. To carry on the business of prospecting, mining, cutting, polishing and processing minerals of all types including diamond, gold, ruby, zinc, cobalt, iron, tanzanite, aluminum, copper, lead, gypsum for both local and export market trading purposes and to establish a gemstone cutting and polishing facility.
14. To carry on the business of general traders, stationary, office and electronic equipment, computer parts and accessories, and other related supplies.
15. To establish and operate a website to connect businesses and result in business growth, job creation and greater international awareness of opportunities, products and services in Tanzania and also to carry on the business as advisers, managers, consultants to any individual, firm, or business enterprise in the collection, investigation, analysis, and dissemination of information on any commercial, industry, management, financial, or other aspect of business.
16. To carry on the businesses of landscaping, designers, flower arrangers and decorators, maintenance and generally to undertake decorating assignments and jobs for whomsoever and any other business related hereto.
17. To carry on the business of Tourism in general and marine tourism, sports fishing, snorkeling, deep sea diving, sea game fishing, luxury boat charter, sailing/beechee holidays and any other business related thereto.
18. To act as dealers in industrial machines and equipment, agricultural machinery implements, tools and equipment, refrigerators, air-conditioning plants, domestic and industrial equipment and machinery.
19. To carry on the business of real estate agency, property developers and managers.

20. To establish and carry on the business of, builders, contractors, engineers, renovators, or any branch or subsidiary business carried on in connection there with.
21. To operate office and secretarial bureaus including provision of temporary or permanent office space, secretarial services as typing, printing, photocopying, binding, translating, design lay - out, type-setting, etc.
22. To improve, develop, manage, grant rights or privileges in respect of, or otherwise deal with all or any part of the property and rights of this Company.
23. To carry on the business of transporters, clearing and forwarding, travel, tourist agents, freight forwarding insurance, express delivery logistics, car rentals.
24. To carry on the business of auctioneers, court brokers, conveyancing and re-possession agents, surveyors and valuers of land, buildings real estate, and other assets.
25. To acquire by purchase, lease, exchange, hire or otherwise any estates, lands, buildings, tenements, here detements, or any rights or privileges therein, and to sell, let on lease or hire, dispose of or grant rights over any property of the Company in such manner as the Company may determine.
26. To erect and construct, by the Company or otherwise, houses, buildings or works of every description on any land of the Company or upon any other lands or here detements, and to pull down, rebuild, enlarge, alter and improve existing houses, buildings, or works thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens, and pleasure grounds and other conveniences, and generally to deal with and improve the property of the Company.
27. To sell, exchange, let, develop, dispose of , or otherwise deal with, the undertaking, or all or any part of the property of this Company, upon such terms and in such manner as the Company may determine.
28. To arrange for, secure and participate in the investigation, formulation and carrying out of projects for the development of commerce, industry, and other activities.




29. To establish and carry on the business of motor vehicle reconditioning workshop, fabrication of motor vehicle parts, manufacture of spare part, industrial machinery spares, mining machinery spares, aircraft spares, heavy duty equipment, reclaiming and reconditioning any type of spare parts.
30. To establish, operate and carry on the business of workshop, garages and store house and other buildings for the housing or repairs of such vehicles, the storage of fuel and other oils and substances, required for the working of the said vehicles.
31. To import and export and sell motor vehicles of all makes. And for that purpose acquire, or lease bonded warehouses. To repair and maintain all such vehicles, and to purchase or otherwise acquire, construct, sell, hire, or let saloon cars, buses, tractors engines, motors, machinery and other chattels and things used for any of the above purpose.
32. To transact, on commission or otherwise, the general business of a land agent, and to purchase and sell, for any persons, freehold or other house property, buildings or lands, or any interest, rights and privileges, or share therein.
33. To establish and provide facilities for the financing estate, tenements, buildings and other properties for the Company or for other. And engage in banking, mortgage insurance, and re-insurance.
34. To act as agents, brokers and trustees for person or Company or to undertake and perform contracts, and to act in any of the businesses of the Company through, or by means of agents, brokers, sub-contractors or others.
35. To establish or promote, or join in the establishment or promotion of any other liabilities of the Company or the promotion of which shall be calculated to advance its interests.
36. To draw, make, accept, endorse, negotiate, discount, buy, sell, and deal in bills of exchange, debentures, promissory notes, and other negotiable or transferable instruments.

37. To carry on the business of and providers of telecommunication net work installations and operators of cellular telephone services and any or all other related work.
38. To support and to subscribe to any associations, charitable or public institutions, societies, clubs, funds, trusts which may be for the benefit of the Company, its employees or ex-employees.
39. To pay all the costs and expenses incurred in the formation and incorporation of the Company and the preparation and completion of all preliminary agreements incidental to the intended formation of the Company.
40. To remunerate any person or company rendering service to the Company by payment in cash or partly in cash or partly in cash and partly in fully paid shares of the Company.
41. To distribute amongst the members in specie any property, and in particular any shares, debentures or securities of other companies belonging to the Company.
42. To do all or any of the above things in any part of the world either as principals, agents, trustees, contractors, or otherwise, and either wise, and either companies belonging to the Company.
43. To do all such other things as are incidental or conducive to the attainment of the above objects or any one of them.

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

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

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

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature
PETR EROKHIN RAKITINO VILLAGE, HOUSE 21 RUZA DISTRICT, MOSCOW REG., RUSSIA (SUBSCRIBER)	50	
ABBAS HABIB NASSER P.O. BOX 21393 DAR ES SALAAM (SUBSCRIBER)	25	
IGOR AUNAPU MOZHAISKOE SH., 39-255 121354 MOSCOW, RUSSIA (SUBSCRIBER)	25	

DATED at Dar es Salaam this 3rd day of APRIL 2013

WITNESS TO THE ABOVE SIGNATURE

Signature: 

Postal Address: P.O. Box 6851

DAR ES SALAAM

Qualification: ADVOCATE



TANZANIA
Stamp Duty Shs. 2500/-
PAID ON ORIGINAL
Receipt No. 33142 of 08/19/13
Stamp Duty Officer

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
COPPER EXTRACTORS OF MWANZA LIMITED

TANZANIA
Stamp Duty Shs. 2500/- paid
Receipt No. 33142 of 08/19/13
Asst. Registrar of Companies

INTERPRETATION

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

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

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

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

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

SHARE CAPITAL

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

PREFERENCE SHARES

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

MODIFICATION OF RIGHTS

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

ALLOTMENT OF SHARES

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

SHARES CERTIFICATE

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

LIEN

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

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

CALLS ON SHARES

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

relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

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

TRANSFER OF SHARES

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

of the Company (or person selected as aforesaid) willing to purchase the share(hereinafter called the “ purchasing member “) at the price so fixed, or at the option of the purchasing member, at the fair value to be fixed by the Auditors in accordance with sub-articles (4) hereof. A transfer notice may include several share. A transfer notice shall not revocable except with the sanction of the Board. The transfer notice shall constitute an offer for the sale of the number of shares specified therein and the said offer shall be open for acceptance in toto by the purchasing member or members and not in respect of only some of the shares stated in the transfer notice.

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

money in the Company for the purchase money shall be a good discharge to the purchasing member and after his name has been entered in the register in purported exercise aforesaid power the validity of the proceedings shall not be questioned by any person.

- c. If the Company shall not, within the space of thirty days after being served with the transfer notice, find a purchasing member and give notice in the manner aforesaid, the proposing transferor shall at the said thirty day able at liberty subject to sub- article (10) hereof, to sell and transfer the share (or where there are more shares than one of these not placed) to any person whether he is a member of the company or not.
 - d. Any share may be transferred by member to any child or other, issue, son-in law-, daughter - in - law, father, brother sister, nephew, niece, wife or husband of such member, and any share of a deceased member may be transferred by his executors or administrators to any child, or other issue, son - in - law, father, mother, brother, sister, nephew, niece, widow or widower of such deceased member (to which such deceased member may have specifically bequeathed the same) and shares standing in the name of a deceased member or his executors or administrators (if specifically bequeathed to any of the said relations) may be transferred to the trustees of his will, or may be transferred upon any charge of trustees to the trustees for the time being of such will, and the restrictions in sub- article (1) hereof shall not apply to any to transfer authorised by this sub- article.
 - e. The Directors may refuse to register any transfer of a share.
 - (a) where the Company has a lien on the share: or
 - (b) where the share intended to be transferred is not a fully paid share and the Board is of the opinion that it is undesirable in respect of such share to admit the proposed transferee to membership.
30. The Directors may also decline to re cognize any instrument of transfer unless it is accompanied by certificate of the shares to which it relates, and other evidence as the Directors may reasonably require to show the right or the transferor to make the transfer and the instrument of transfer is in respect of only one class of shares.
31. If the Directors refuse to register a transfer they shall, within ninety days after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

32. The registration of transfers may be suspended at such times and for such period (not exceeding a total of thirty days in any year) as Directors may from time to time determine.

TRANSMISSION OF SHARE

33. In case of death of a Member the survivor or survivors where the deceased was a sole holder, shall be the only person (s) recognized by the Company as having any title to his interest in the shares : but nothing herein contained shall release the estate of a deceased joint holder any liability in respect of any share had been jointly held by him with other person.
34. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors, and subject as herein before provide, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case have the right to decline or suspend registration as it would have had in the case of a transfer of the share by the Member before his death or bankruptcy, as the case may be.
35. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that Member.
36. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitle to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: provided that the Director s may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

37. If a Member fails to pay any calls or installment or a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of call or installment as is unpaid together with any interest which may have accrued.
38. The notice shall name a further date (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed the shares in respect of which the call is made will be liable to be forfeited.
39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
40. A forfeited share may be sold or otherwise disposed of on such terms as the Directors think fit, and at any time before a sale or disposition the forfeiture may be canceled on such terms as the Directors think fit.
41. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay to the company all money which, at the date of forfeiture, was payable by him to the company in respect of the shares.
42. A statutory declaration in writing that the declaration is a Director or the secretary of company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration (if any) given for the share on any sale or disposition thereof, and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
43. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of call duly made and notified.

CONVERSION OF SHARES INTO STOCK

44. The company may by ordinary Resolution convert any paid - up shares into stock, and reconvert any stock into paid up shares of any denomination.
45. The holders of any stock may transfer the same or any part thereof in the same manner and subject to the same regulations, as to conversion have been transferred, or as near there to as circumstances admit: and the Director may from time to time fix the minimum amount of stock transferable, provided that such minimum amount shall not exceed the nominal amount of the shares from which the stock arose.
46. The holder of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages regarding dividends, voting at meetings of the company and other matter as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the asset on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
47. Such of the Articles of the Company as are applicable to paid up shares shall apply to stock and the words share and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

48. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
49. The Company may by Ordinary Resolution , before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance, and either at par or at a premium, to all the existing holder of any class of shares, in proportion as nearly as may be to be the number of shares held by them respectively, or make any other provisions as the issue of the new shares; but, in default of any such determination, or so far as the same shall not extend the new shares may be dealt with as if they formed part of the shares in the nominal capital.
50. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the nominal capital, and shall be subject to the provisions herein contained with reference to payment of calls and installments, transfer and transmission, forfeiture, lien , surrender, and otherwise. Unless otherwise provided in accordance with these Articles the new shares shall be ordinary.

51. The Company may from time by ordinary Resolution:
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares or
 - (b) Sub- divide its existing shares or any them, into shares of smaller amounts than is fixed the memorandum of Association subject, nevertheless, to the provisions of section 51(1) (d) of the ordinance; or
 - (c) Sub- divide its existing shares or any them, into shares of smaller amounts than is fixed in the Memorandum of Association subject, nevertheless, to the provisions of section 65(1)(d) of the Act or
 - (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed be taken by any person.
52. The Company may Special Resolution reduce its shares capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

GENERAL MEETINGS

53. The Company shall each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more that fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that the Company holds its Annual General Meeting within eighteen months of incorporation it need not hold it in the year of its incorporation or in the following year. The Annual General shall be held at time and place as the Directors shall appoint.
54. All General Meeting other than Annual General Meetings shall be called E extraordinary General Meetings.
55. The Directors may, whenever they think fit, convene an extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provide by section 134 of the Act. If at any time there are not within Tanzania sufficient directors capable of acting to form a quorum any director company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that meetings may be convened by the directors.

NOTICES OF GENERAL MEETINGS

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

PROCEEDINGS AT GENERAL MEETINGS

57. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of Declaring a dividend the consideration of the accounts balance sheets and the reports of the Directors and Auditors, the election of Directors in place of those retiring and the appointment of and the fixing of the remuneration of the Auditors.
58. No business shall be transacted any General Meeting unless a quorum of members is present, at the meeting unless a quorum of members is present at the time when the meeting proceeds to business.
59. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened up on the requisition of a member, shall be dissolved in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time, and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
60. The Chairman (if any and present at meeting) of the Board of Directors shall preside as Chairman at every General Meeting of the company.
61. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for seven days or more, notice of the original meeting shall be given as in the case of the original member. Save as aforesaid, it shall not be necessary to give notice of an adjournment or the business to be transacted at adjourned meeting.
62. At a General a resolution put to the vote of the meeting shall be decided a show of hands unless a poll is (before or on the declaration of the show of hands) demanded.
 - (a) by the Chairman of the Meeting ; or
 - (b) by any member or member present in person or proxy. Unless a poll be so demanded a declaration by the Chairman of the Meeting that that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

63. Except as provided in a poll demanded on the election of a Chairman or a question of adjournment shall be taken in such manners as the chairman, directs, and the result of the meeting at which the poll was demanded.
64. Subject to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the members or duly authorised representatives concerned.

VOTES OF MEMBERS

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

71. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised in writing. A proxy need not be a member of the company.

73. The instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or notarially certified copy of that power authority shall be deposited at the registered office of the company (or at such other place as is specified for that purpose in the notice convening the meetings) not less than 48 hours before the time for holding.

The meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in case of a poll taken subsequently to the date of a meeting or adjourned meeting not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of its execution.

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

75. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit-
I / WE.....
of.....
being a member / members of the named company, hereby
appoint.....
of.....

or failing him.....
of.....
as my / our proxy to vote for me / us
on my / our behalf at the ordinary or
extraordinary, as the case may be
general meeting of the company, to be held on the.....day
ofand at any
adjournment thereof.
Signed thisday of

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

CORPORATION ACTING BY REPRESENTATIVES AT MEETINGS

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

DIRECTORS

- 79. (a) Unless otherwise determined by ordinary resolution the number of directors shall not be subject to any maximum but shall be not less than two:-
 - (a) The following are the first Directors:-
 1. PETER EROKHIN
 2. ABBAS HABIB NASSER
 3. IGOR AUNAPU
 - (b) The shareholding qualification for directors may be fixed by the company in the general meeting, and unless and until so fixed no qualification shall be required.

80. The remuneration of Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day. The Director and any alternate Director may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meeting of the directors or any committee of the Directors or General Meetings of the company: or in connection with the business of the company.
81. Any Director who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors of the Directors are outside the scope of the ordinary duties of a Director, may be paid such remuneration by way or salary, parentage of profit or otherwise as the Directors may determine.
82. A Director shall not require qualification but shall never the less be entitle to attend and speak at any General Meeting of the Company.
83. A Director of the company may be or become a director or other officer of, otherwise interested in any company promoted by the company or in which the company may be interested as a share holder or otherwise, and no such Director shall be accountable to the company for any remuneration or other benefits received by him as a Director of office of or from his interest in, such other company unless the company otherwise Direct.

POWER AND DUTIES OF DIRECTORS

84. The business of the company shall be managed by the Directors, who may pay all expenses incurred in promoting the registering of the Company and may exercise all such power of the company as are not by the Act or by these articles required to be exercised by the company in General meeting subject nevertheless to any of these Articles, to provisions of the ordinance, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in General Meeting; but no regulation made by the company in General Meeting shall invalidate any prior act of the Directors which would have been if that regulation had not been made.
85. The Director may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorneys or attorney of the company for such purpose and with such power, authorities and direction not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and

convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any the power, authorities and Discretion vested in him.

86. The Directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the company or any third party; provided that the amount for the time being remaining un discharged of money borrowed or secured by the Directors as aforesaid (a part from temporary loans obtained from the company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the company in general meeting, for the time being issued, but never the less no lender or other person dealing with the company shall be concerned to see or inquire whether this limit is observed.

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

87. The company may exercise the powers conferred upon the company by section 124 and 127 of the Act with regard to the keeping of a branch register and the Directors may (subject to the provisions of these sections) make and vary such regulations as they may think fit respecting the keeping of such register.
88. A Director who is in any way, whether directly or indirectly, Interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the Directors in accordance with section 209 of the Act

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

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

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

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

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

MINUTES

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

DISQUALIFICATION OF DIRECTORS

92. The office of Director shall be vacated if the Director :
- (a) ceases to be a director by virtue of section 142 of the Act.
 - (b) becomes bankrupt or make any arrangement or composition with his creditors generally; or
 - (c) becomes prohibited from being a director by reason of any order made under sections 213 or 269(4) of the Act.
 - (d) Becomes of unsound mind; or
 - (e) Is dismissed or removed from office by his appointor

- (f) Resigns his office by notice in writing to the company; or
 - (g) Shall for more than six months have been absent without permission of directors from meetings of the directors held during that period and the directors resolve that his office be vacated.
93. Subject to Articles 81 and hereof the Directors shall have power at time from to appoint any person to be Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the number of Directors shall not at any time exceed the maximum prescribed by these Articles. Any Director so appointed shall hold office until the next following Annual General Meeting, but shall then be eligible for reappointment by his appointing share holder (s).

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

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

SPECIAL DIRECTOR FOR DEBENTURE HOLDERS

95. 1. Subject as hereinafter provided the Directors may grant, for such period and upon such terms as they think fit, to holders of any debentures, debenture stock or other obligations of the company or the trustees of any trust deed securing the same, the right from time to time to appoint any person special directors but so that no more than two special directors shall be in office at any one time; to determine the period for which any person so appointed will hold office and to remove any special Director from his office.
2. Any right so granted shall lapse, and any special Director appointed pursuant hereto shall automatically vacate his office upon the debenture stock or other obligations, in respect of which the right was granted, being redeemed paid or satisfied or otherwise discharged.
3. A special Director shall in all other respects be subject to the terms and conditions existing with reference to the other director, and shall be entitled to receive notice of all meeting of the Directors, and to attend, speak and vote at such meetings.

4. Every appointment, determination or removal made pursuant to a right granted under this regulation shall be made by notice in writing signed by or on behalf of the person entitled to make the same; every such notice shall be delivered or sent to the secretary or to the registered office of the Company, and shall take effect from the time of receipt.
96. The company may by ordinary resolution, of which special notice has been given in accordance with section 144 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the company and such Director. Such removal shall be without prejudice to any claim such Director may for damages for breach of any contract of service between him and the company.

PROCEEDING OF DIRECTORS

97. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meeting, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The chairman shall not have a second or casting vote.
98. The quorum necessary for the transaction of the business of the directors may be fixed by the Directors unless so fixed shall be two.
99. The Directors may elect from among themselves a Chairman of their meetings and determine the period for which he is to hold office.
100. Meeting of Directors at which a quorum is present shall be competent to exercise all powers and descriptions for the time being exercisable by the Directors.
101. All acts done by any meeting of the Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if such person had been duly appointed and was qualified to be a Director.
102. A resolution in writing, signed by all the Directors for the time being entitled to receive notices of a meeting of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held.

MANAGING DIRECTOR

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

ALTERNATE DIRECTORS

106. Any Director may at any time appoint another Director or other person to be an alternate Director of the company in his place and may at any time remove from office alternate Director so appointed by him. An alternate Director shall not be entitled as such to receive any remuneration from the company, but he shall be entitled to perform in the place of his appointor such of the functions of his appointor as the Director of the company as his appointor shall by instrument of appointment prescribe. The same person may be appointed as an alternate Director by any number of Directors.
107. An alternate Director appointed for the purpose of attending and voting at meetings of Directors shall be entitled to receive notices of all such meeting and to attend and be counted in the quorum and vote at any such meeting at which his appointor is not present. A alternate Director shall be entitled to vote in respect of each appointor in whose place he is entitled to vote and (if himself a Director) may exercise such vote or vote in addition to his own vote at a meeting: provided always that nothing in this Article shall enable more than one vote to be cast at any meeting of the Director on behalf of the same appointor.
108. All appointments and removals of alternate Directors shall be made by notice in writing, signed by or behalf of the Director making the appointment and shall take effect from the time of receipt by the company.

SECRETARY

109. The secretary shall be appointed by the Director for such term, at such remuneration and upon such conditions as they may think fit ; and any secretary so appointed may be removed by them.
110. No person shall be appointed or hold office as secretary who is;
- (a) the sole Director of the company
 - (b) a corporation the sole Director of which is the sole Director of the company; or
 - (c) the sole Director of a corporation which is the sole Director of the company.
111. A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or the same person acting both as Director and as, or in place of, the secretary.

THE SEAL

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

DIVIDENDS AND RESERVE

113. Subject to section 180 of the Act the company in General Meeting by ordinary resolution may declare dividends but no dividend shall exceed the amount recommended by the directors.
-
114. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the company.
115. No dividend shall be paid otherwise than out of profits.
116. The Directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors be applicable for any purpose to which the profits of the company, may be properly applied and pending such application may at the like discretion, either be employed in the business of the company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profit which they think prudent to divide.

117. Subject to the rights of persons, (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any dividend is paid; but if any shares issued on terms providing that it shall rank for dividend as from a particular date such share shall rank dividend accordingly.
118. The Director may deduct from any dividend payable to any member all sums of money (if any) presently payable to the company on account of calls or otherwise in relation to the shares to the company.
119. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of special asset and particular of paid up shares, debentures or debenture stock of and other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific asset or part thereof and may determine that cash shall be made to any members upon the footing of the value so fixed in order to adjust the rights of the parties, and may vest any such specific assets in trustees as seem expedient to the Directors.
120. Any dividend, interest or warrant may be sent through the post directly to the registered address of the holder or in the case of joint holders to the registered address of joint holders or to the registered address of one of the joint holders who is first named in the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipt for any dividends, bonuses or other money payable in respect of the shares held by them as joint holders.
121. No dividend shall bear interest against the company.

ACCOUNTS

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

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

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

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

124. The Directors shall from time to time, in accordance with sections 153,155 and 159 of the Act , cause to be prepared and to be laid before the company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as referred to in those section.

125. In accordance with section 163 of the Act, the copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in General Meeting, together with a copy of the Auditor's report, shall not less than twenty one days before the date of the meeting be sent to every member of and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

CAPITALIZATION OF PROFITS

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

AUDIT

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

NOTICES

129. A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Tanzania) to the address, if any, within Tanzania supplied by him to the company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 72 hours after the letter containing.

130. A notice may be given by the company to the joint holders of a shares by giving the notice to the joint holder first named in the Register of Members in respect of the share.
131. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, supplied to the company.
132. Notice of every General Meeting shall be in any manner herein before authorised to:-
- (a) Every member except those members who (having no registered address within Tanzania) have supplied to the company an address within Tanzania for the giving of notices to them;
 - (b) Every person upon whom ownership of a share devolves by reason of his being a legal personal representative or trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
 - (c) The Auditor for the time of the company. No other person shall be entitled to receive notices of General Meetings.

WINDING - UP




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

INDEMNITY

134. Every Director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any

application under section 481 of the Act, in which relief is acquitted or in connection with any application under section 481 of the Act in which relief is granted to him by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may to or be incurred by the company in the execution of the duties of his officer or in relation thereto.

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

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature
PETR EROKHIN RAKITINO VILLAGE, HOUSE 21 RUZA DISTRICT, MOSCOW REG., RUSSIA (SUBSCRIBER)	50	
ABBAS HABIB NASSER P.O. BOX 21393 DAR ES SALAAM (SUBSCRIBER)	25	
IGOR AUNAPU MOZHAISKOE SH., 39-255 121354 MOSCOW, RUSSIA (SUBSCRIBER)	25	

DATED at Dar es Salaam this 3rd day of APRIL 2013

WITNESS TO THE ABOVE SIGNATURE

Signature: 

Postal Address: P. O. Box 6851

DAR ES SALAAM

Qualification: ADVOCATE



Ref: P-284/13

Date: 15th April, 2013

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

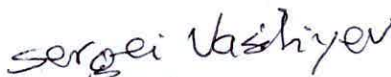
Re: COPPER EXTRACTORS OF MWANZA LIMITED
COPPER PROCESSNG FACILITY PROJECT

Please be informed that, Mr. Igor Aunapu of Mozhaiskoe Shose 39-255, Moscow 121354, Russia, is a Director/Shareholder of the above mentioned Company, registered in Tanzania and of P.O. Box 21393, Dar es Salaam, is a client of this Branch of HSBC Bank Group.

We are informed that the company intends to invest in establishing and to operate a Copper Refinery Facility with a Capital Investment Cost of about \$ 850,000.

We wish hereby to confirm that our client has the necessary volume of means to finance the implementation of the envisaged project..

Sincerely yours,



Sergei Vasiliev
Manager – Personal Banking

SUB LEASE AGREEMENT

BETWEEN

OVERSEAS EDUCATION AGENCY
(THE LESSOR)

OF

P.O. BOX 21393
DAR ES SALAAM-TANZANIA

AND

COPPER EXTRACTORS OF MWANZA LIMITED
(THE LESSEE)

OF

P.O. BOX 21393
DAR ES SALAAM TANZANIA

APRIL, 2013

SUB LEASE AGREEMENT

BETWEEN: LESSOR OVERSEAS EDUCATION AGENCY
P.O. BOX 21393
DAR ES SALAAM
Represented by: MARYAM RASHID

AND: LESSEE: COPPER EXTRACTORS OF MWANZA LIMITED
P.O. BOX 21393
DAR ES SALAAM
Represented by: ABBAS H. NASSER

WHEREAS

The Lessor is the Bonafide Tenant of the property, comprised in and known as Plot No. 35, Cocacola Road, Mlalakuwa Mikocheni, Kinondoni Municipality Dar es Salaam, being desirous to sub lease part of the demised premises to the Lessee to occupy for legal commercial purposes.

AND WHEREAS

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

IN CONSIDERATION of the Lessee paying the Lessor the Annual Rent of Tshs. 2,400,000/= (Two million four hundred thousand only) payable in advance, the Lessor hereby agrees. This Agreement will be for three (3) years starting from the 8th of April, 2013 and renewable after every twelve months.

THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS follows:-

1. The Lessee agrees to pay Tshs. 2,400,000/= (Two million four hundred thousand only) for rental up to 7th April, 2014 and future rent payments being twelve months rental in advance payable on the 8th April of every year thereafter;
2. To keep the interior of the demised premises, including windows, fittings and additions thereto minimum tenable condition throughout the term and to yield up the same in such condition at the termination of the tenancy.
3. To permit the Lessor and his agents at all reasonable times to enter upon and examine the condition of the demised premises.
4. To pay the relevant water, electricity and telephone bills throughout the tenancy period.

IN WITNESS WHEREOF THIS AGREEMENT HAS BEEN SIGNED AND EFFECTED AS FOLLOWS:-

On this 8th day of April, 2013)
Signed by **MARYAM RASHID, Director**)
For and on behalf of the Lessor)
OVERSEAS EDUCATION AGENCY)
Bonafide Tenant of the premises on)
Plot No. 35 Cocacola Road, Mlalakuwa)
Mikocheni Kinondoni Municipality,)
Dar es Salaam)

Maryam Rashid
.....
MARYAM RASHID
OVERSEAS EDUCATION AGENCY
P.O. BOX 804 ZSEB
DAR ES SALAAM

Witness

Name: *FELIX S. MBUYA*)
Signature: *[Signature]*)
Date: *8th APRIL 2013*)



Signed by **ABBAS H. NASSER** Director)
for and on behalf of the Lessee,)
COPPER EXTRACTORS OF MWANZA)
LIMITED)

Abbas H. Nasser
.....
ABBAS H. NASSER
COPPER EXTRACTORS OF MWANZA LIMITED
DAR ES SALAAM

Witness

Name: *FELIX S. MBUYA*)
Signature: *[Signature]*)
Date: *8th APRIL 2013*)



TANZANIA



Certificate of Incorporation

Section 15

No 98315

I HEREBY CERTIFY THAT


COPPER EXTRACTORS OF MWANZA LIMITED

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

Given under my hand at Dar es salaam

this **5TH** day of **APRIL**

TWO THOUSAND AND THIRTEEN


Asst. Registrar of Companies

CTIN.: 1722693

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

COPPER EXTRACTORS OF MWANZA LIMITED

.....

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

120-902-113

.....

24-05-2013

with effect from

A handwritten signature in black ink, appearing to read 'R. N. Kassera', is written over a faint circular stamp.

R. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

COPPER EXTRACTORS OF MWANZA LIMITED

BOARD RESOLUTION


The Board of Directors at their sitting on 15th March, 2013 had made the following Resolution:-

1. **Project Proposal**

1.0.1 **Tabled** That as the main objective of the company is in the Mineral Trade in Establishing and Operate a Copper Processing Facility. A Project Proposal for the establishment of a Copper Processing Facility with a Capital Investment Cost of not more than USD 850,000 be prepared for submission to Tanzania Investment Centre for registration and obtaining a Certificate of Incentives.


2.0.2 **Resolved** That a Project Proposal to establish and operate a Copper Processing Facility with a Capital Investment Cost of about USD 850,000 be prepared and submitted to Tanzania Investment Centre (TIC) for registration and obtaining a Certificate of Incentives. The Capital Investment Cost shall be financed by equity contribution and bank loans.

2.0.3 **Directed** That the management take appropriate action in relation to the Project Proposal as resolved by submitting the same to Tanzania Investment Centre and obtaining the Certificate of Incentives thereafter inform the Board accordingly.


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

Date: 15/03/2013





.....
ABBAS H. NASSER
Director

Date: 15/03/2013

THE FOREGOING IS TRUE AND CORRECT EXTRACT
OF THE BOARD RESOLUTION DATED 15TH MARCH, 2013

BY ORDER OF THE BOARD


.....
ABBAS H. NASSER
SECRETARY TO THE BOARD

TICC/PP.10/042476/3

27th June, 2013

Managing Director,
Copper Extractors of Mwanza Ltd.,
P.O. Box 21393,
Iringa.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT AND OPERATING COPPER PROCESSING FACILITY**

We wish to acknowledge receipt of your project proposal to establish and operate a copper processing facility as presented in the TIC P.A. 1 Form No. 11049 and Feasibility Study with a projected investment of USD 0.78m.

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

- Certified lease agreement as an evidence of Land ownership for the location of the project.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

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

.../2

TICC/PP.10/042476/3

27th June, 2013

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

Yours sincerely,

TANZANIA INVESTMENT CENTRE



Juliet R. Kairuki

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
Copper Extractors Of Mwanza Ltd.

Post Box	Igingilanyi Village, Mnangana	COI Number	98315	Contact	Mr. Abbas H. Nasser
Post Office	21393	COI Date	04/05/2013	Designation	Director
Region	Iringa	Application F. No	11049	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0762 602610
		Sub Sector	Copper Processing	Fax	0
		File No	042476	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Igingilanyi Village, Mnangana	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0.5</td> <td>0</td> <td>0.28</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.5	0	0.28	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0.5	0		0.28	0									
Plot	0												
District	Iringa Urban												
Region	Iringa												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Igor Aunapu	Russian	25	Plant	0.66
Abbas H. Nasser	Tanzanian	25	Vehicles	0.12
Peter Erokhin	Russian	50	Furniture & Fittings	0
			Pre-expenses	0
			Others	0
			Working Capital	0
			Total	0.78

Employment	15	Evaluated By	wf officer3
Capacity	one tonne copper per hour	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

Description

To establish and Operate a copper processing facility

Recommendations

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

Decision

27.06.13 Approved.

COPPER EXTRACTORS OF MWANZA LIMITED

Plot No.35, Cocacola Road, Mlalakuwa Mikochei, Kinondoni Municipality
P.O. Box 21393, Dar es Salaam-Tanzania
Cell: +255-787-602610 +255-713-602610 Tel/Fax: +255-22-2780921
Email: ahnasser@consultant.com

1

Ref: CE/G-01/13

Date: 15th May, 2013

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



**RE: REGISTRATION FOR A CERTIFICATE OF INCENTIVES
COPPER PROCESSING FACILITY**

Please be informed that this company has recently been incorporated and registered by the Registrar of Companies at Business Registration Licensing Agency on 5th April, 2013 and issued with a Certificate of Incorporation No. 98315 of the same date.

The main objective of the company is in the Mineral Trade. We intend to establish and a Copper Processing facility, whereby we intend to operate in Iringa Region, and later on in various Regions where Copper is available.

In this regard, we have prepared a Project Proposal to establish and operate a Copper Processing facility with an Investment Cost of US\$ 850,000, which will be obtained through equity contribution and bank credit.

We are therefore submitting the Project Proposal for registration for a Certificate of Incentives together with the required documents for your perusal and necessary action.

We hope to receive your approval at the earliest.

Sincerely yours,
For COPPER EXTRACTORS OF MWANZA LIMITED


A.H. Nasser
DIRECTOR



90319

11049

9039



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We **ABBAS H. NASSER**

(director/directors/agent of **COPPER EXTRACTORS OF MWANZA 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 **PLOT 36**

..... **COCACOLA RD MLALAKUWA MIKOCHEB B DAR ES SALAAM**

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at **PLOT 36 COCACOLA RD MIKOCHEB DSM**

4. The Principal Officers of the Company are **PETR EROKHIN**

..... **ABBAS H NASSER**

..... **IGOR AUNAPU**

5. Auditors of the Company are **MANGESHO & CO.**

..... **ACCOUNTANTS & AUDITORS DAR ES SALAAM**

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

7. The intended capital investment of the Company in terms of Section 2(2) of the Act
is Tshs./US\$ USD 780,000
8. The month and day of the financial year end is

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\$

TIC-RECEIPT NO. 005399 DTD 3/05/2013 FOR USD 100
..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, **ABBAS H NASSER** of Post Office Number **21393**

DAR ES SALAAM do solemnly and sincerely declare that I am a director/duly
authorized agent of **COPPER EXTRACTORS OF MWANZA LIMITED**

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

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

The 15 day of MAY 2013 }



Applicant
ABBAS H NASSER

Before me:

[Signature]
.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: COPPER EXTRACTORS OF MWANZA LIMITED
Certificate of Incorporation Number: 98315 **Status:** LTD LIABILITY CO.
Certificate of Incorporation Date: 5/04/2013
Post Box: 21393
Town: DAR ES SALAAM
Sector: MINING **Sub-Sector:** BACK - UP SERVICE

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
500 000		280 000	

Project Objectives: TO ESTABLISH AND OPERATE A COPPER PROCESSING FACILITY
AND TO EXPORT REFINED COPPER

Capacity: ONE TONNE COPPER PER HOUR

Employment: Foreign: 2 Local: 13 Total: 15

Implementation Period: TWO YEARS

Project Location

Site/Plot/Block No.: IGINGILANYI VILLAGE, MNANGANA
REF NO. IGY/MGN/39.
Street: - **District:** IRINGA **Region:** IRINGA
(Attach sketch map showing project location)

Shareholders	Nationality	%
PETR EROKHIN	RUSSIA	50
ABBAS H NASSER	TANZANIA	25
IGOR AUNAPU	RUSSIA	25
-	-	-
-	-	-

Investment Breakdown US\$/Tshs.M

Land/Building
Plant	660 000
Vehicles	120 000
Furniture & Fittings
Pre-expenses
Others
Working Capital
TOTAL	780 000

Contact Details:

Name: **ABBAS H NASSER**

Title: **DIRECTOR**

Telephone: **0782 602610**

Fax: **+255 22 2780921**

Email: **ahnasser consultant.com**

Payments to be made payable to:

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